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APA Group

Australian Pipeline Ltd
ACN 091 344 704

Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX RELEASE

26 October 2011

The Manager

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

Dear Sir or Madam

Company Announcement

I attach the following announcement for release to the market:

- Enhancing portfolio value presentation by Ross Gersbach, Group Manager Commercial to the Citi Australian and New Zealand conference

Yours sincerely

Mark Knapman
Company Secretary

APA Group

Enhancing portfolio value

Ross Gersbach, Group Manager Commercial

Citi Australian and New Zealand Conference
26 October 2011

Disclaimer

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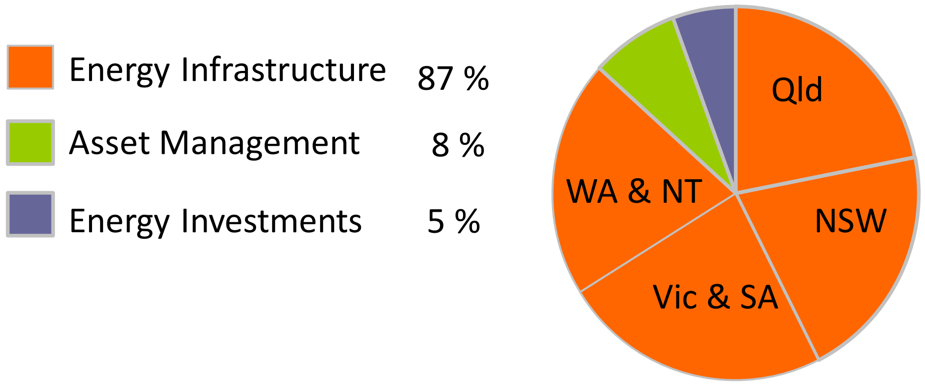
Agenda

- About APA
- Enhancing portfolio value
  - Diamantina Power Station – Mount Isa
  - Mondarra Gas Storage Facility – Western Australia
  - Emu Downs wind farm – Western Australia
- Conclusion

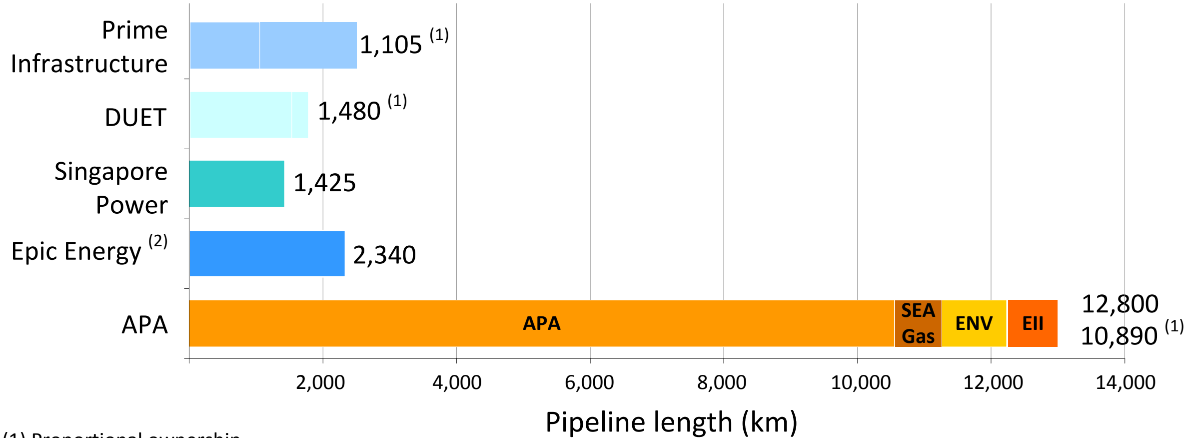
About APA Group

- **Energy Infrastructure:**
  - Own and operate gas pipelines, interconnected gas storage facilities and gas distribution networks across Australia
  - Own and operate a wind farm
- **Asset Management:**
  - Provision of asset management, operating and maintenance services to the majority of APA's energy investments
- **Energy Investments:**
  - Minority interests in energy infrastructure investments

EBITDA split by segment



Australian gas transmission pipelines owners by length (km)

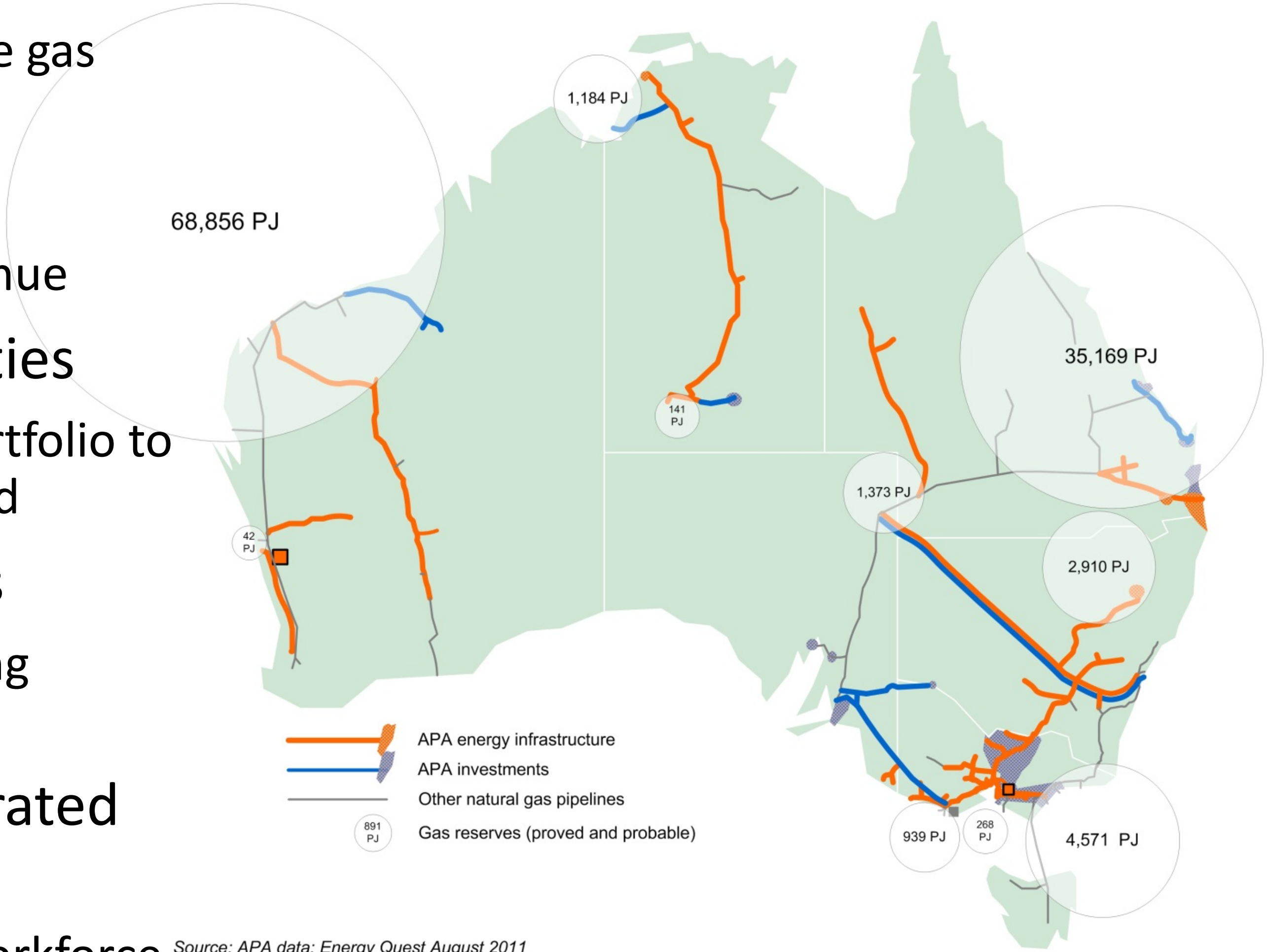


(1) Proportional ownership
(2) APA has a 19.4% interest in HDF, owner of Epic Energy

APA's is Australia's largest gas infrastructure business

APA is well positioned in a growing industry

- Unrivalled gas asset footprint
  - Transporting more than half the gas used in Australia
- Stable and secure cash flow
  - Regulated and contracted revenue
- Attractive growth opportunities
  - Enhancing capacity in APA's portfolio to meet increasing energy demand
- Integrated portfolio of assets
  - Providing revenue and operating synergies
- Internally managed and operated business
  - Highly skilled & experienced workforce

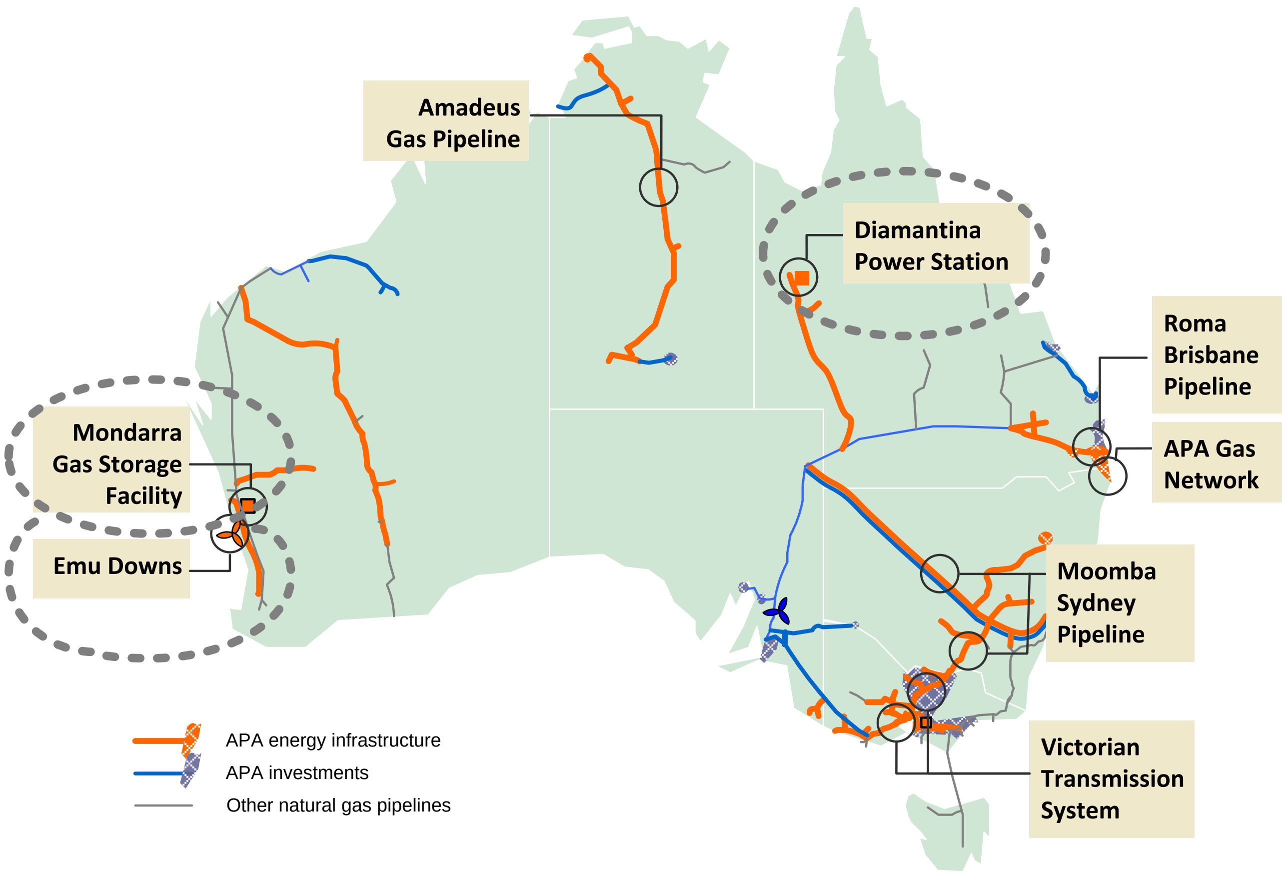


Source: APA data; Energy Quest August 2011

APA's national portfolio connects major gas sources to major markets

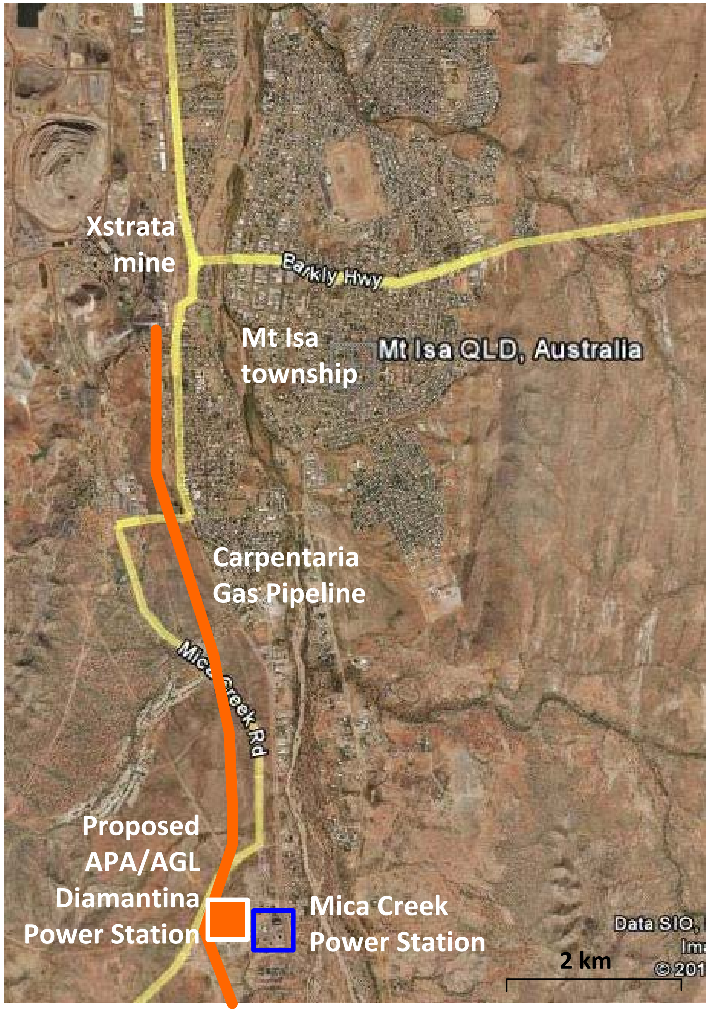
Strategy for growth, value and security

- Enhancing APA's portfolio of gas infrastructure assets in a growing energy market
- Facilitating the development of gas related projects that enhance APA's infrastructure portfolio
- Capturing revenue and operational synergies from APA's significant asset base
- Pursuing opportunities that leverage APA's knowledge and skills base
- Strengthening financial capability



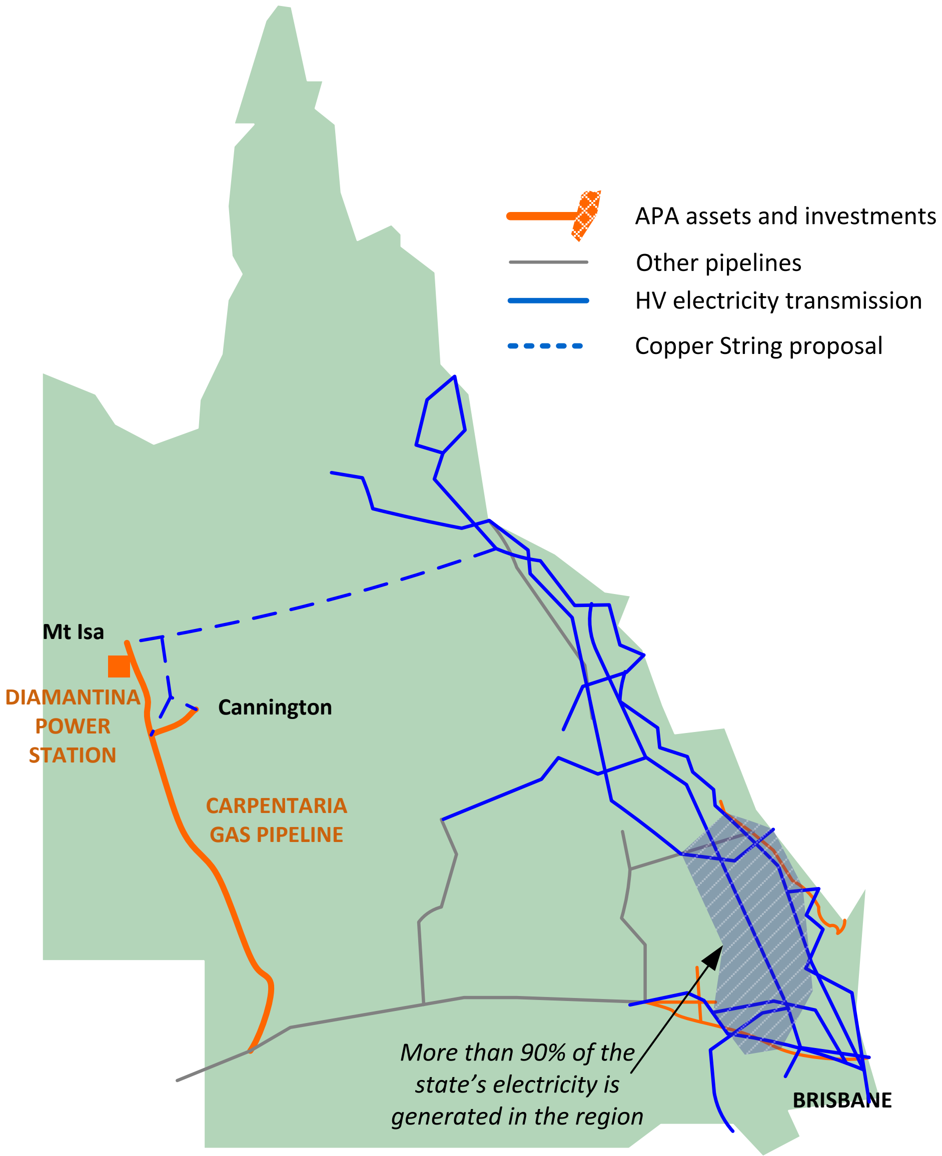
A cost effective energy solution for Mount Isa

APA and AGL developing the Diamantina Power Station, supplying energy users in Mt Isa and surrounding regions



- **Energy efficient**
  - 242 MW combined cycle plant, with high energy efficiency of 55% (compared with 35% for coal fired)
  - Local generation, with no transmission losses
- **Cost efficient**
  - Use existing gas and electricity transmission infrastructure
  - Ideally suited to expand in line with regional growth
  - Significantly lower cost than state grid alternative
  - Significantly lower carbon impact than state grid electricity
- **User pays**
  - No government subsidies or cross subsidies

Win-win solution with local gas fired generation

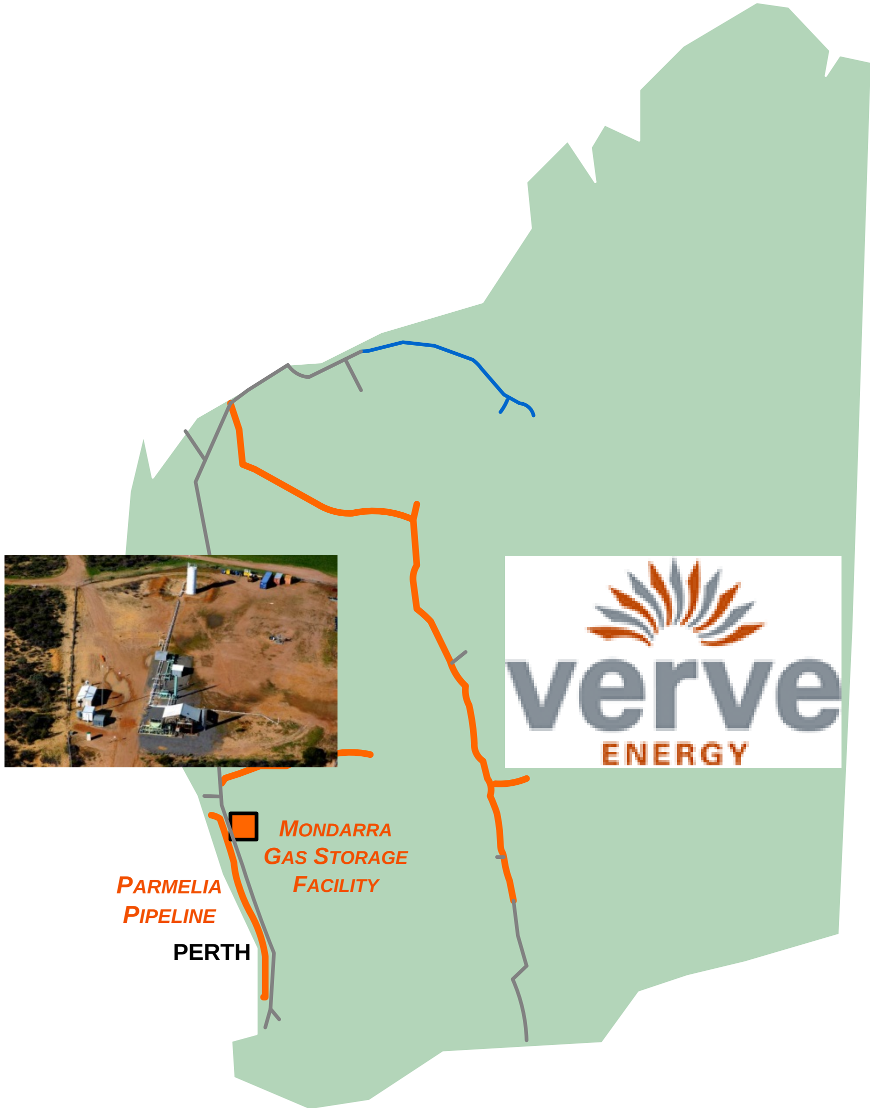


- High supply reliability
  - Infrastructure unaffected by weather
  - Fewer links exposed to interruption
  - Fast start and efficient generation
- Infrastructure flexibility
  - Capacity can grow in line with the energy needs of the region
- Local investment
  - Ongoing local employment for pipeline and power station operations
- Enhancing APA's portfolio
  - Secures future value for Carpentaria Gas Pipeline
  - Attractive returns from Diamantina Power Station

Mondarra Gas Storage Facility expansion

Drivers for expansion

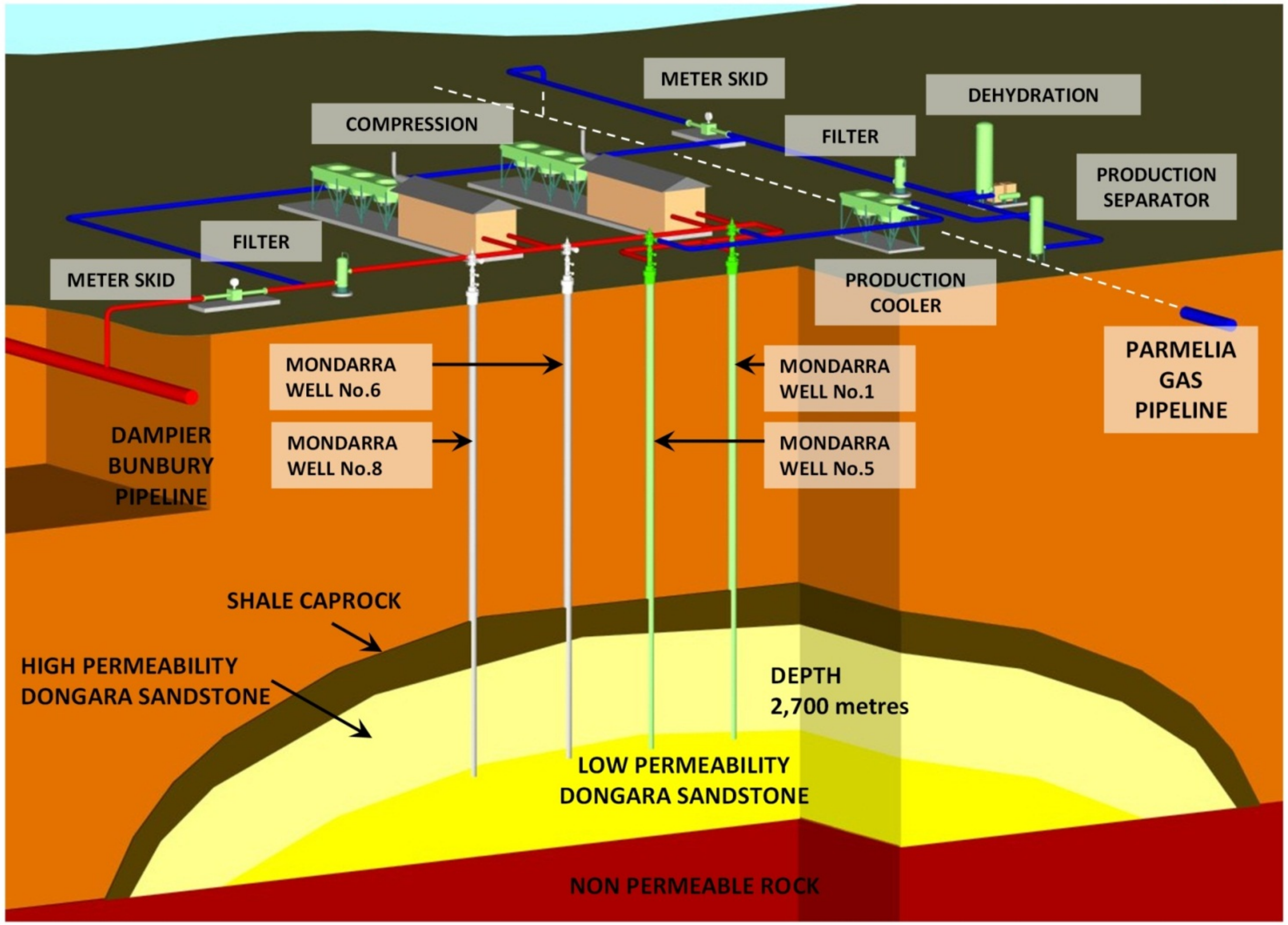
- Increasing demand for gas storage services for downstream Western Australian market
  - Power generation and peak gas supply
- Recent gas supply interruptions highlighted vulnerability of supply
  - Gas storage capacity will mitigate potential future interruptions
- Anticipated demand from gas users for temporary storage services
  - Market arbitrage / users operations changes / gas portfolio management



Mondarra Gas Storage Facility expansion

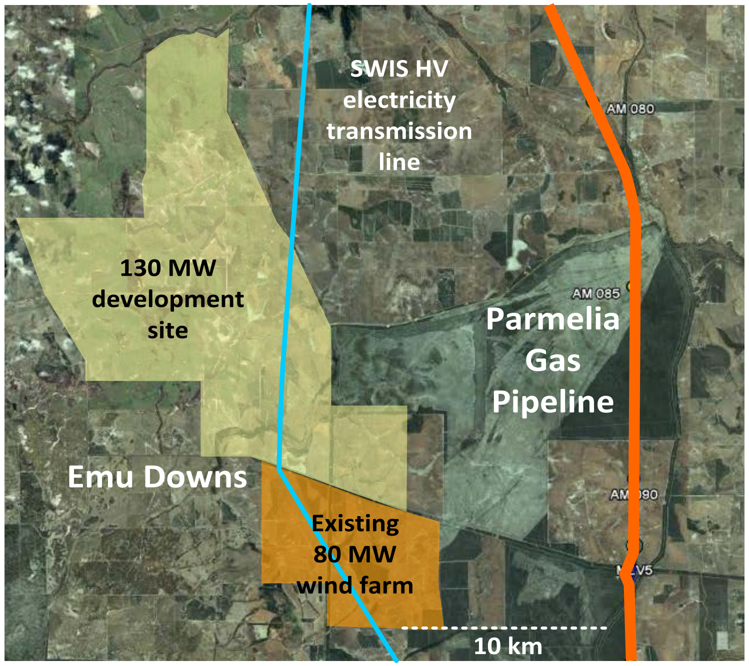
- Operating gas storage facility (depleted gas reservoir)
- Additional services developed
  - Increased production service – injection and withdrawal rates
  - Increased storage service
  - Full interconnection with two pipelines – Parmelia Gas Pipeline and Dampier Bunbury Pipeline

Mondarra Gas Storage Facility schematic



Emu Downs wind farm

- Acquired at attractive multiples
  - FY12 EBITDA multiple of approx. 8.5 times
  - $2.2 million per installed MW
  - Includes 130 MW wind farm development rights on an adjacent site
- Earnings secure
  - Long term revenue contracts for black and green products from the existing wind farm
  - No commodity price risk
  - Well understood and predictable wind resource – 5 year operating dataset and 10 year wind dataset
  - Long term O&M agreement with capacity availability warranty above 97%



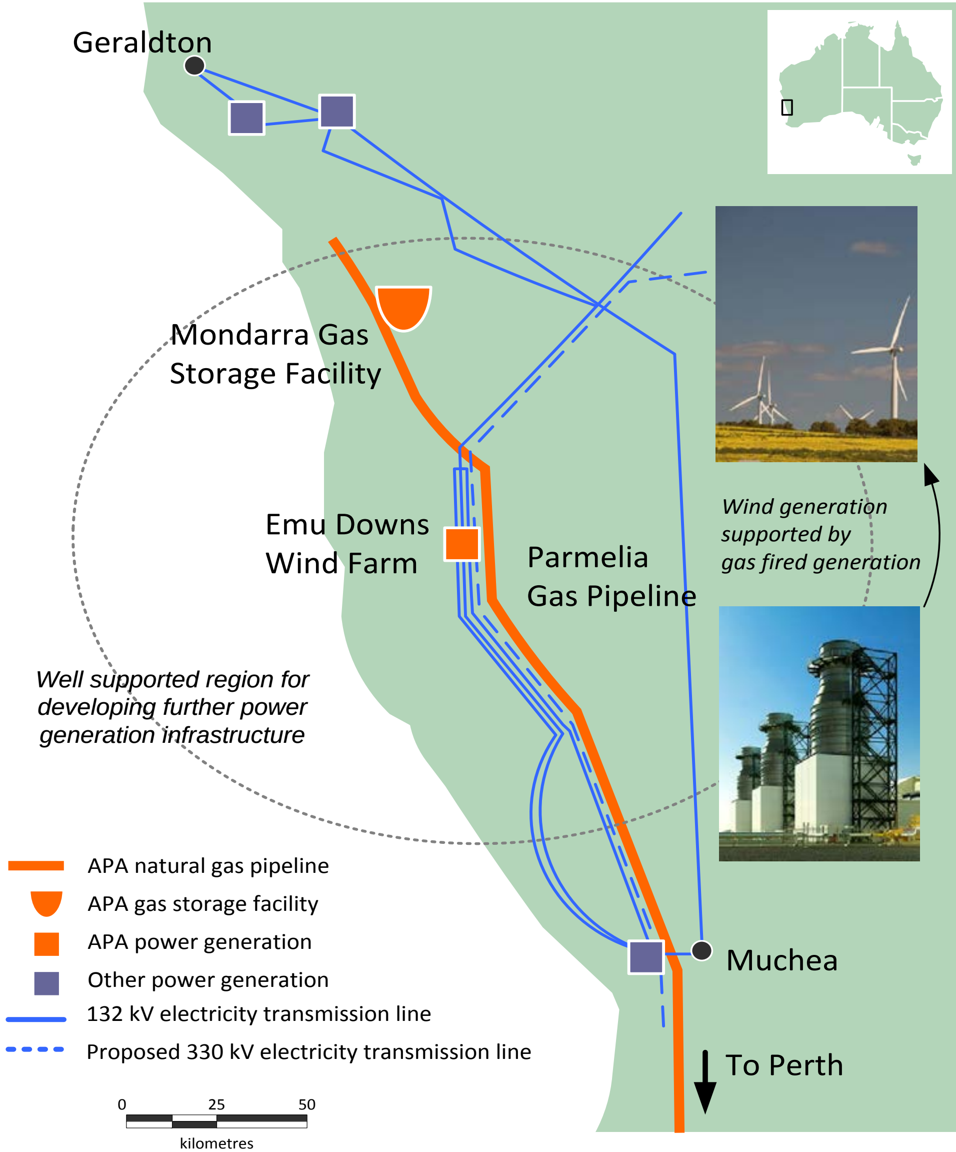
Emu Downs existing wind farm

Location	200 km north of Perth, Western Australia
Capacity	79.2 MW – 48 Vestas turbines x 1.65 MW
Capacity factor (1)	37% - average based on almost 5 years operating data
Operation	Operating since October 2006

(1) Capacity factor is the ratio of actual yield to the maximum output of the wind farm. Capacity factor includes the warranted availability of at least 97%

APA assets provide total energy solution

- Wind generation and gas fired generation linkage
  - Variability in wind generation production supplemented with gas peaking generation
  - Essential in WA market
  - Provides an opportunity for gas-fired peaking generation to be developed
- Located adjacent to APA assets
  - Wind farm and potential new gas-fired generation near APA's gas pipeline and gas storage facility (Parmelia Gas Pipeline and Mondarra Gas Storage Facility)
  - Access to existing electricity infrastructure
  - Proposed expansion of transmission line capacity accommodates new generation



Source: APA, Western Power (Mid West Energy Project)

Conclusion

- Enhancing APA's position in a growing market
  - Expanding our energy infrastructure portfolio across Australia in line with increasing demand for gas and energy
- Creating value for the long term
  - Preserving or increasing the value of APA's energy infrastructure portfolio through strategic development and acquisition of related projects
  - Developing responsive energy infrastructure and service solutions to meet the requirements of our customers in a dynamic energy market

APA Group

Delivering Australia's energy

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