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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

16 August 2012

The Manager

ASX Market Announcements
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:

- APA allocates $475 million APA subordinated Notes at a margin of 4.50%

Yours sincerely

Mark Knapman
Company Secretary

ASX RELEASE 16 August 2012

APA allocates $475 million APA subordinated Notes at a margin of 4.50%

APA Group (ASX:APA) today announced the successful completion of the bookbuild for its offer of APA Subordinated Notes (the "Offer" or "Notes"), which was announced to the market on 9 August 2012. Following strong support for the Offer from brokers and institutional investors, APA brought forward the bookbuild, which was initially scheduled for Thursday, 16 August. APA has allocated $475 million in firm commitments to brokers and institutional investors, and the Margin has been set at 4.50% per annum.

Based on an illustrative 90 day Bank Bill Rate of 3.64% per annum, and the Margin of 4.50% per annum, the Notes would offer an initial interest rate of 8.14%[1] per annum.

APA's Chief Financial Officer, Peter Fredricson, said: "We are very pleased with both the strong demand we received through the bookbuild and the strong support since announcing the Offer. The Offer allows APA to broaden its options for funding the considerable growth and investment opportunities that exist in our business and forms an integral part of APA's ongoing capital management strategy. APA has increased the size of the Offer due to the strong demand."

The Notes will have a first call date of 31 March 2018 and a final maturity date of 30 September 2072. The Notes entitle investors to quarterly interest payments (subject to the issuer's deferral rights). The interest rate for the first interest period will be set on the issue date of the Notes, which is expected to be on or around 18 September 2012. The interest rate will fluctuate during the term of the Notes in line with movements in the 90 day Bank Bill Rate. The Notes are intended to be quoted on the Australian Securities Exchange (ASX) under the code "AQHHA".

The final size of the Offer will depend on the volume of applications received under the APA Securityholder Offer and General Offer which are due to open on Friday, 17 August 2012 (subject to any scale back that APA may apply). The APA Securityholder Offer will be open to registered holders of APA securities with a registered address in Australia or New Zealand at 7:00pm (Sydney time) on 8 August 2012 ("Eligible Securityholders"). APA Securityholder Applicants will be given a priority allocation over General Applicants and APA will endeavour to satisfy all APA Securityholder Applications.

A Replacement Prospectus under which the offer is to be made is scheduled to be lodged with the Australian Securities and Investment Commission (ASIC) by the issuer of the Notes, APT Pipelines Limited, tomorrow, subject to the expiry of the exposure period with ASIC, and will include the Margin and the revised indicative amount to be raised by APA Group pursuant to the Offer.

A copy of the Replacement Prospectus, including a personalised Application Form for APA Securityholder Applicants, can be obtained by contacting the APA Notes Offer Information Line on 1800 992 312 (within Australia) or +61 2 8280 7132 (outside Australia) (Monday to Friday – 8:30am to 5:30pm, Sydney time), or online through the offer website at

1 This rate is for illustrative purposes only and does not indicate, guarantee or forecast the actual interest payable on Notes for any interest period. The actual interest rate may be lower or higher than this example.

www.apanotesoffer.com.au. Potential investors should consider the Replacement Prospectus before making an application for Notes using the general or personalised Application Form which will accompany the Replacement Prospectus.

Macquarie Capital has acted as Arranger and Joint Lead Manager for the Offer. Credit Suisse, Evans and Partners, Morgan Stanley, RBS and RBS Morgans also acted as Joint Lead Managers.

Key dates for the Offer:

Announcement of the Margin	16 August 2012
Lodgement of Replacement Prospectus with ASIC	17 August 2012
Closing Date for the APA Securityholder Offer and General Offer	5:00pm (Sydney time) 10 September 2012
Closing Date for the Broker Firm Offer	10:00am (Sydney time) 17 September 2012
Issue Date	18 September 2012
Notes begin trading on ASX (on a deferred settlement basis)	19 September 2012
Holding Statements despatched by	21 September 2012
Notes begin trading on ASX (on a normal settlement basis)	24 September 2012

The key dates for the Offer are indicative only and may change without notice.

Capitalised terms in this release have the meaning given to them in the Prospectus.

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(Monday to Friday – 8:30am to 5:30pm, Sydney time)

Website
www.apanotesoffer.com.au

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating more than $8 billion of gas transmission and distribution assets. Its pipelines and assets span every state and territory on mainland Australia, delivering 50% of the nation's gas usage. Unique amongst its peers, APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in energy infrastructure enterprises including Envestra, SEA Gas Pipeline, Hastings Diversified Utilities Fund and Energy Infrastructure Investments.

For more information visit APA's website, www.apa.com.au