

HSBC Building
Level 19
580 George Street
Sydney NSW 2000
PO Box R41
Royal Exchange NSW 1225

Phone 61 2 9693 0000
Fax 61 2 9693 0093
www.apa.com.au

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

24 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 Group Subordinated Notes information to Securityholders

Yours sincerely

Mark Knapman
Company Secretary

APA GROUP SECURITYHOLDER OFFER

APA GROUP SUBORDINATED NOTES

YOUR SRN/HIN



APA Group is offering Eligible Securityholders the chance to apply for APA Group Subordinated Notes to be issued by APT Pipelines Limited (ABN 89 009 666 700), a member of APA Group.

APA Group

APA Group is offering Eligible Securityholders the opportunity to apply for APA Group Subordinated Notes.



Len Bleasel AM
Chairman, APA Group

Dear Securityholder,

On behalf of the directors of APA Group, I am pleased to offer you the opportunity to invest in APA Group Subordinated Notes ("Notes").

The key features of the Notes to be issued by APT Pipelines Limited ("APTPL"), a member of APA Group, are:

- Issue price of \$100 per Note, and applications must be for a minimum of 50 Notes (\$5,000);
- Long-dated, unsecured and subordinated;
- Cumulative floating rate quarterly interest payments payable in arrears, at a rate equal to the sum of the 90 day Bank Bill Swap Rate plus the Margin (subject to deferral at the Issuer's discretion).

The Margin has been set at 4.50%, equating to an initial interest rate of approximately 8.14% p.a. (assuming a 90 day Bank Bill Rate of 3.64% p.a.).

The following are expected to be the key dates for the Notes:

- First Call Date is 31 March 2018;
- Step-Up Date is 31 March 2038; and
- Maturity Date is 30 September 2072, unless redeemed earlier.

Payments made to Holders under the Notes are guaranteed, on a subordinated basis, by the responsible entity of the head entities of APA Group.

APTPL has applied for the Notes to be listed on ASX.

APA Group has raised \$475 million through the Bookbuild. The proceeds of the Offer will be used to support APA Group's ongoing investment in the growth of its infrastructure assets, including the acquisition of Hastings Diversified Utilities Fund if it proceeds, as well as for general corporate purposes.

APA Securityholder Applicants will be given a priority allocation over General Applicants. APA Group will endeavour to satisfy all APA Securityholder Applications.

This document is not an offer of Notes. Offers of Notes will only be made in the Prospectus lodged with ASIC on 17 August 2012. The Prospectus contains information about APA Group and the Offer. You should read the Prospectus in full before deciding whether to invest in Notes. In particular, you should consider the risk factors set out in Section 5 before deciding whether to apply for Notes.

The Offer is open from 17 August 2012 and will remain open for a limited time. Further details on the timing of the Offer are set out in the Prospectus.

On behalf of the directors, I invite you to consider this investment opportunity.

Yours faithfully,

1. OBTAIN A PROSPECTUS

- Download an electronic copy of the Prospectus from the APA Notes Offer website at www.apanotesoffer.com.au; or
- Request a paper copy of the Prospectus by calling 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). You must quote your SRN/HIN, provided on the front of this document, to receive a personalised Application Form.

2. APPLY

If you have read the Prospectus carefully and wish to apply, either:

- Complete an application via the APA Notes Offer website at www.apanotesoffer.com.au (you will require your SRN/HIN); or
- If you have received a paper copy of the Prospectus, complete and lodge the personalised paper Application Form which was in, or accompanying, the Prospectus.

Your application must be received by the Registry by 5.00pm (Sydney time) on 10 September 2012. Applications must be for a minimum of 50 Notes at \$100 per Note (\$5,000).

3. PAYMENT

You may pay your application monies using the following:

- BPAY® (online applications);
- cheque (paper applications); or
- money order (paper applications).

Payments must be made in Australian dollars.

APA GROUP SUBORDINATED NOTES

IMPORTANT NOTICES

On 9 August 2012, APT Pipelines Limited (“**APTPL**”) lodged a prospectus with the Australian Securities and Investments Commission (“**ASIC**”) in relation to the offer of Notes for issue by APTPL (“**Original Prospectus**”). The Original Prospectus was replaced on 17 August 2012 by the Prospectus. The Prospectus differs from the Original Prospectus including in the areas summarised on page 2 of the Prospectus. This document is not an offer of, or invitation to apply for, Notes. The offer of Notes will be made in, or accompanied by, a copy of the Prospectus. Anyone considering investing in the

APA Securityholder Offer should read the Prospectus carefully and in its entirety before deciding whether to apply for Notes. Anyone wishing to apply for Notes will need to complete the Application Form in, or accompanying, the Prospectus or, alternatively, can apply online at www.apanotesoffer.com.au.

The provision of this document is not, and should not be considered as, a securities recommendation or financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.

Australian Pipeline Limited (ABN 99 091 344 704), in its capacity as responsible entity of Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441) will guarantee,

on a subordinated basis, payment to each Holder of all amounts at any time due for payment by APTPL in respect of Notes on and subject to the terms of the guarantee. No other member of APA Group guarantees the value or performance of Notes, the repayment of your investment or any particular rate of return.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Notes have not been and will not be registered under the US Securities Act 1933, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any US Person (as defined in Regulation 5 of the US Securities Act 1933) except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws.



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For further information please contact:

Investor enquiries:

Chris Kotsaris
Telephone: (02) 9693 0049
Mob: 0402 060 508
Email: chris.kotsaris@apa.com.au

Media enquiries:

David Symons
Telephone: (02) 9212 4666
Mob: 0410 559 184
Email: david@catocounsel.com.au

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