



ASX ANNOUNCEMENT

28 November 2014

APA Group (ASX: APA)

Distribution Reinvestment Plan Amendments

The Board of Australian Pipeline Limited (APL) has approved amendments to APA Group's Distribution Reinvestment Plan (DRP) with effect from 1 December 2014.

Following a recent change to the ASX Listing Rules, the DRP Rules now provide that the deadline by which an Eligible Holder may make an election to participate in, or to cease or vary participation in, the DRP in respect of any distribution payable on Stapled Securities will be 5.00pm (Sydney time) on the Business Day after the relevant distribution Record Date. The DRP Rules also now clarify how an Eligible Holder's disposal of all of their Stapled Securities will impact on their prior DRP elections.

The attached booklet contains the amended DRP Rules and relevant "questions and answers". All capitalised terms above are defined in the amended DRP Rules.

APL notes that the DRP remains suspended until further notice.

Mark Knapman
Company Secretary
Australian Pipeline Limited

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating in excess of \$12 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, Energy Infrastructure Investments and GDI.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

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



APA GROUP
DISTRIBUTION REINVESTMENT PLAN
FOR AUSTRALIAN AND NEW ZEALAND HOLDERS OF STAPLED SECURITIES

1 December 2014

Disclaimer

This document does not constitute an offer of securities and does not give the right to any person to invest in securities in any jurisdiction in which it would not be lawful to make such an offer or give such a right.

This document is not investment or tax advice and does not take into account the investment objectives, financial situation and particular needs of an investor. You should consult your financial or other professional adviser prior to making a decision on whether or not to participate in the Plan.



HIGHLIGHTS OF THE DISTRIBUTION REINVESTMENT PLAN

- Defined words and expressions used in this booklet are capitalised. Please see the Definitions section of the DRP's Rules on pages 9 and 10 of this booklet for their meanings.
- Australian and New Zealand Holders of Stapled Securities may elect to participate in the DRP.
- On each distribution payment date, the distribution on participating Stapled Securities is automatically reinvested in additional Stapled Securities which the Responsible Entity may in its absolute discretion, either issue or cause to be acquired on market by a broker for transfer to Participants.
- Stapled Securities will be transferred or issued under the DRP at the average of the daily volume weighted average traded price (excluding certain transactions specified in the Rules) over a period of 10 Trading Days ending on the fifth Trading Day prior to the date scheduled for payment of the relevant distribution, less such discount (if any) set by the Responsible Entity from time to time (and rounded to the nearest whole cent, with 0.5 of one cent being rounded down). If in the circumstances, the Responsible Entity considers the period of 10 Trading Days to be inappropriate, it can extend, reduce or change the timing of the period. Participation is entirely voluntary and you can choose to reinvest all, part or none of your distribution in the DRP.
- You do not have to appoint a broker and you will not pay any fees, brokerage or other transaction costs for Stapled Securities allocated under the DRP. APA Group pays the administrative costs associated with each issue.
- Stapled Securities allocated under the DRP will rank equally with existing Stapled Securities.
- A DRP statement outlining the distribution calculation and the details of your participation will be sent to you on the distribution payment date.

HOW TO JOIN THE DRP

If you wish to participate in the DRP, please complete and sign a Reinvestment Plan Application, available from the Registry or APA Group's website, and return it to the Registry. Subject to the Responsible Entity's discretion, participation in the DRP will commence with the first distribution payment after APA Group receives and accepts the duly completed and executed Reinvestment Plan Application, provided the application is received

by 5.00pm (Sydney time) on the Business Day after the Record Date for determining entitlements to that distribution.

ENQUIRIES

If you wish to enquire about the DRP, please contact the Registry at the following address:

Link Market Services

Locked Bag A14

Sydney South NSW 1235

Telephone: +61 1800 992 312

Facsimile: 02 9287 0303

Email: apagroup@linkmarketservices.com.au

Alternatively, contact your stockbroker, accountant or professional adviser.



QUESTIONS AND ANSWERS

1. HOW DO I PARTICIPATE IN THE DRP?

Participation in the DRP is voluntary. You can choose to participate by completing a Reinvestment Plan Application and giving it to the Responsible Entity in accordance with clause 9. Applications can be downloaded from www.apa.com.au or requested from the Registry on +61 1800 992 312, and must be received by the Responsible Entity prior to 5.00pm (Sydney time) on the Business Day after the relevant distribution Record Date.

2. WHO IS ELIGIBLE TO PARTICIPATE IN THE DRP?

Only Holders of Stapled Securities who have a registered address in Australia or New Zealand are eligible to participate in the DRP, unless specific approval has been given by the Responsible Entity.

3. HOW IS THE ISSUE PRICE CALCULATED?

Stapled Securities will be issued or transferred under the DRP at the Issue Price, which (subject to the operation of the Rules) is the average of the daily volume weighted average traded price of all Stapled Securities sold on the ASX (excluding certain transactions specified in the Rules) over a period of 10 Trading Days ending on the fifth Trading Day prior to the date scheduled for payment of the relevant distribution (or an alternative period considered to be appropriate by the Responsible Entity) less such discount (if any) set by the Responsible Entity from time to time (and rounded to the nearest whole cent, with 0.5 of one cent being rounded down).

4. HOW MANY STAPLED SECURITIES WILL I RECEIVE?

The number of Stapled Securities each Participant will receive is the number (rounded to the nearest whole Stapled Security, with 0.5 of a Stapled Security being rounded down) obtained by dividing the amount of the cash distribution held on behalf of the holder of Stapled Securities (net of withholding tax, if any) by the Issue Price.

5. HOW WILL I KNOW HOW MANY STAPLED SECURITIES I RECEIVE UNDER THE DRP?

On each distribution payment date, Participants will be sent a statement that includes the following information:

- the number of participating Stapled Securities you held at the distribution Record Date;



- the distribution payment calculation (including withholding tax deductions, if applicable);
- the Issue Price of the Stapled Securities issued under the DRP; and
- the number of Stapled Securities issued to you under the DRP.

If you are a Participant with respect to only some of your Stapled Securities, you will also be sent your direct credit payment advice for the distribution paid on your other Stapled Securities.

6. HOW WILL MY STAPLED SECURITIES ISSUED UNDER THE DRP BE TREATED FOR SUBSEQUENT DISTRIBUTION PAYMENTS?

Stapled Securities issued under the DRP will rank equally with existing Stapled Securities in all respects, entitling Holders to a full distribution payment in any subsequent distribution. Stapled Securities issued under the DRP will become participating Stapled Securities for the purposes of any subsequent distribution.

7. WHAT HAPPENS IF I HAVE MORE THAN ONE HOLDING OF STAPLED SECURITIES?

You will need to lodge a separate application to participate in the DRP for each separate holding of Stapled Securities (that is, holdings which are registered under different names and holdings which are held in Issuer or Broker Sponsored form under CHESS) and you must correctly identify each holding on the application.

8. CAN THE DRP BE CHANGED OR TERMINATED?

The DRP may be altered or amended by the Responsible Entity, in its sole discretion, at any time.

The Responsible Entity may, in its sole discretion and at any time, by written notice to all Participants to take effect on the date specified in the notice, suspend or terminate the Plan, or limit the number of Stapled Securities held by each holder of Stapled Securities able to participate in the Plan.

9. CAN I SELL MY STAPLED SECURITIES ISSUED UNDER THE DRP?

Stapled Securities acquired through the DRP can be sold at any time after allocation and quotation.



10. WHAT HAPPENS TO MY PARTICIPATION IN THE DRP UPON TRANSFER OF ALL OF MY STAPLED SECURITIES?

The timing at which your Stapled Securities issued under the DRP are transferred will affect your eligibility for a distribution payment and will also determine whether your distribution payment is reinvested in the DRP or given to you in cash:

- If you sell all of your Stapled Securities before the distribution Record Date, you will not receive Stapled Securities under the DRP or any other payment on the distribution payment date.
- If you sell all of your Stapled Securities between a distribution Record Date and distribution payment date, and the transfer is registered after 5.00pm (Sydney time) on the Business Day after the relevant distribution Record Date, your distribution payment in respect of participating Stapled Securities will be reinvested in the DRP.
- If you sell all of your Stapled Securities between a distribution Record Date and distribution payment date, and the transfer is registered before 5.00pm (Sydney time) on the Business Day after the relevant distribution Record Date, you will receive your distribution payment in respect of participating Stapled Securities in cash.

11. CAN I VARY OR TERMINATE MY PARTICIPATION IN THE DRP?

A Participant may at any time prior to 5.00pm (Sydney time) on the Business Day after the relevant distribution Record Date vary or terminate participation in the Plan by notice given, in accordance with clause 9, to the Responsible Entity. Forms for those purposes are available from the Registry.

As indicated in Question 10, where a Participant disposes of all Stapled Securities without giving the Responsible Entity notice of termination of participation in the Plan, the Participant will be deemed to have terminated participation in the Plan on the last date on which the Responsible Entity registered a transfer of all the Participant's Stapled Securities.

12. WHAT ARE THE RULES?

The Rules of the DRP are detailed on pages 8 to 15 and may be altered or amended by the Responsible Entity, in its sole discretion, at any time.

You should read the Rules and not rely on this summary. In the event of any inconsistency between the Rules of the DRP and this summary, the Rules will prevail.



13. WHAT IS THE TAXATION TREATMENT?

Distributions reinvested in Stapled Securities will be subject to the same taxation treatment usually accorded to cash distributions. APA Group cannot advise on the taxation implications of participating in the DRP. If you have any questions regarding taxation implications, please consult your stockbroker, accountant or professional adviser.



RULES OF THE DISTRIBUTION REINVESTMENT PLAN

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**APA GROUP COMPRISING AUSTRALIAN PIPELINE TRUST ARSN 091 678 778
AND APT INVESTMENT TRUST ARSN 115 585 441**

DISTRIBUTION REINVESTMENT PLAN

The Distribution Reinvestment Plan is available to Eligible Holders of Stapled Securities in APA Group and allows those holders to reinvest their distribution entitlement in additional Stapled Securities. Participation in the Plan is voluntary.

1. DEFINITIONS

In this Plan:

"APA Group" means APT and APTIT;

"APT" means the Australian Pipeline Trust ARSN 091 678 778 established by a trust deed dated 18 February 2000 as amended from time to time;

"APTIT" means the APT Investment Trust ARSN 115 585 441 established by a trust deed dated 30 June 2005 as amended from time to time;

"ASX" means ASX Limited;

"ASX Listing Rules" means the listing rules of ASX, as in force from time to time;

"Business Day" has the meaning given to that term in the ASX Listing Rules;

"Designated Stapled Securities" means in relation to a Holder the number of Stapled Securities designated by the Holder in an application made to participate in the Plan in accordance with clause 2(c) as varied from time to time by the Participant;

"DRP" or **"Plan"** means the Distribution Reinvestment Plan established by these Rules;

"Eligible Holder" means a Holder:

- (a) who has a registered address in Australia or New Zealand; or
- (b) any person without a registered address in Australia or New Zealand who has been determined by the Responsible Entity to be eligible to participate in the Plan;

"Holder" means a person who holds Stapled Securities;

"Issue Price" has the meaning given to that term in clause 4;

"Participant" means an Eligible Holder who participates in the Plan;



"**Record Date**" means the date books are closed to record distribution entitlements;

"**Register**" means the register of Holders maintained by APT and APTIT;

"**Registry**" means Link Market Services Limited;

"**Responsible Entity**" means Australian Pipeline Limited (ACN 091 344 704);

"**Rules**" means the rules of the Plan set out in pages 8 to 15 of this document;

"**Stapled Security**" means a fully paid unit in APT stapled to a fully paid unit in APTIT on a one for one basis; and

"**Trading Day**" has the meaning given to that term in the ASX Listing Rules.

2. PARTICIPATION IN PLAN

- (a) Each Eligible Holder may apply for participation in the Plan.
- (b) Pursuant to clause 4.7 of the constitutions of each of APT and APTIT, the Responsible Entity has exercised its discretion to determine that a Holder having a registered address in a country other than Australia and New Zealand is not eligible to participate in the Plan. The Responsible Entity may, in its sole discretion and at any time, determine otherwise. The legal requirements of a jurisdiction outside Australia or New Zealand may also prevent a Holder from participating in the Plan. The issue of Stapled Securities to Holders who at the time of issue are not resident in Australia will be subject to all necessary Australian Government approvals. It will be the responsibility of each Holder to obtain any such approvals.
- (c) Applications to participate in the Plan must be made, in accordance with clause 9, to the Responsible Entity and, upon execution of an application form by a Participant, shall be deemed to authorise the Responsible Entity to hold the cash distributions payable on all or a designated number of Stapled Securities held by the Participant.
- (d) By applying to participate in the Plan, the Holder warrants to each of APT and APTIT that they are eligible to participate in the Plan and agrees to be bound by these Rules and the constitutions of APT and APTIT in respect of all Stapled Securities issued to or acquired for the Holder under these Rules.



3. SUBSCRIPTION FOR STAPLED SECURITIES

- (a) The Responsible Entity must hold all cash distributions (net of withholding tax) on the Designated Stapled Securities on behalf of the Participant and (subject to paragraph (c) below) subscribe for further Stapled Securities to be issued in the name of that Participant. Subscriptions will be made on the date a cash distribution is paid and Stapled Securities so created rank fully for all distributions paid after the date of issue.
- (b) The number of Stapled Securities to be subscribed for on behalf of a Participant (subject to paragraph (c) below) is the number (rounded to the nearest whole Stapled Security, with 0.5 of a Stapled Security being rounded down) obtained by dividing the amount of cash then held by the Responsible Entity on behalf of that Participant by the Issue Price calculated in accordance with clause 4.
- (c) If at any time the Responsible Entity forms the view that either APT or APTIT does not require additional capital, the Responsible Entity may, in its sole discretion, apply a proportion of or all cash distributions (net of withholding tax) on the Designated Stapled Securities then held by it in the purchase of Stapled Securities on market in the name of Participants in which case the number of Stapled Securities to be transferred to each Participant is the number (rounded to the nearest whole Stapled Security, with 0.5 of a Stapled Security being rounded down) obtained by dividing the amount of cash then held by the Responsible Entity on behalf of that Participant (after any subscription for Stapled Securities has occurred under paragraph (a)) by the Issue Price calculated in accordance with clause 4.
- (d) Following each issue or acquisition of Stapled Securities, the Participant will receive a statement listing the number of Stapled Securities issued or transferred to the Participant and the Issue Price for each Stapled Security.

4. ISSUE PRICE OF STAPLED SECURITIES

- (a) The Issue Price for each Stapled Security to be issued or transferred on any date to Participants pursuant to the Plan will be the average of the daily volume weighted average traded price for a Stapled Security for all sales (excluding transactions referred to in clause 4(b)) on ASX for the period of 10 Trading Days ending on the fifth Trading Day prior to the date scheduled for payment of the relevant distribution (or an alternative period considered to be appropriate by the Responsible Entity, in its sole discretion), discounted by such amount (if any) as the Responsible Entity determines from time to time



(and rounded to the nearest whole cent, with 0.5 of one cent being rounded down).

- (b) For the purposes of clause 4(a), the following transactions are excluded:
 - (i) any transaction defined in the ASX Market Rules as a “Special Crossing”;
 - (ii) any transaction defined in the ASX Market Rules as a “Crossing” that occurs prior to the commencement of normal trading or during the closing phase or after-hours adjust phase;
 - (iii) any transaction pursuant to the exercise of options granted by the Responsible Entity over unissued units in APT and APTIT; or
 - (iv) any transaction which the Responsible Entity considers is not reflective of natural supply and demand.
- (c) If the Responsible Entity believes that the calculations in clause 4(a) do not provide a fair reflection of the market price of a Stapled Security, the Issue Price is to be the amount determined by a valuer, appointed by the Responsible Entity, to be the fair market price of the Stapled Security.

5. ASX QUOTATION

Application will be made for official quotation by ASX of Stapled Securities issued pursuant to the Plan.

6. ALTERATIONS TO PARTICIPATION

A Participant may vary the quantity of that Participant’s Designated Stapled Securities by giving notice, in accordance with clause 9, to the Responsible Entity.

7. TERMINATION BY PARTICIPANT

A Participant may terminate participation in the Plan by giving notice, in accordance with clause 9, to the Responsible Entity.

Where a Participant disposes of all Stapled Securities without giving the Responsible Entity notice of termination of participation in the Plan, the Participant will be deemed to have terminated participation in the Plan on the last date on which the Responsible Entity registered a transfer of all the Participant’s Stapled Securities.



8. TERMINATION OR SUSPENSION OF PLAN BY RESPONSIBLE ENTITY

The Responsible Entity may, in its sole discretion and at any time, by written notice to all Participants to take effect on the date specified in the notice:

- (a) suspend the Plan (whether for a period of time, in respect of one or more particular distributions, or otherwise);
- (b) terminate the Plan; or
- (c) limit the number of Stapled Securities held by each Holder able to participate in the Plan.

9. APPLICATIONS AND NOTICES

- (a) Any application, notice or other communication to the Responsible Entity relating to the Plan must be in writing or another form acceptable to the Responsible Entity and be addressed to:

The Registry
APA Group
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

- (b) To take effect, any application, notice or other communication to participate, or to vary or terminate participation, in the Plan must:
 - (i) be received by the Responsible Entity at any time prior to 5.00pm (Sydney time) on the Business Day after the relevant distribution Record Date;
 - (ii) comply with the form required in these Rules or another form acceptable to the Responsible Entity; and
 - (iii) comply with any other restrictions or directions that the Responsible Entity may, in its sole discretion, impose from time to time.
- (c) Any application, notice or other communication to participate, or to vary or terminate participation, in the Plan received by the Responsible Entity after 5.00pm (Sydney time) on the Business Day after the Record Date for a distribution will take effect and apply only in respect to subsequent distributions.



10. ALTERATIONS TO THE RULES

The Rules of the Plan may be altered, amended, deleted or added to by the Responsible Entity, in its sole discretion, at any time.

11. GENERAL

(a) Governing Law

- (i) The Plan, its operation and these Rules are governed by and must be construed according to the law applying in New South Wales.
- (ii) Each Participant, irrevocably and unconditionally, submits to the non-exclusive jurisdiction of the courts of New South Wales, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to the Plan, its operation or the Rules.

(b) Taxation

None of the Responsible Entity, APT or APTIT takes responsibility for the taxation liabilities of any Participant. Participants should obtain their own advice, if required.

(c) No advice

Each Participant acknowledges, by applying to participate in the Plan or varying or terminating their participation in the Plan, that none of the Responsible Entity, APT or APTIT has given, or is required to give, any investment, financial product, taxation or other advice concerning the Participant's decision regarding participation in the Plan.

(d) Disclaimer of liability

None of the Responsible Entity, APT or APTIT (nor any of their officers, employees or agents) is responsible to any Participant, for any loss or alleged loss or disadvantage suffered or incurred by a Participant as a result directly or indirectly, of the establishment or operation of the Plan, participation in the Plan or any advice given with respect to the participation in the Plan.



(e) Underwriting

The Responsible Entity may, in its sole discretion, arrange for the Plan to be underwritten in respect of a particular distribution on any terms the Responsible Entity determines.