



ASX RELEASE

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APA expanding capacity in its Victorian and New South Wales gas pipeline systems

APA Group (ASX:APA), Australia's largest natural gas infrastructure business, has commenced a \$90 million capacity expansion of its Victorian and New South Wales pipeline systems to meet pipeline service requirements under regulatory and contractual arrangements.

The expansion projects, which are scheduled to be completed by winter 2010, will provide increased gas transportation and storage capacity within and between the two states.

The southern section of the Moomba Sydney Pipeline system will be expanded to provide additional storage services and more flexible gas transportation services, including across the Victorian-New South Wales border.

The additional capacity, which is fully underwritten by long-term transportation and storage agreements, will be achieved by partial looping of the Young to Culcairn pipeline with 450 mm diameter pipe.

APA Managing Director Mick McCormack said increasing demand for natural gas in both New South Wales and Victoria highlighted the importance of APA's pipeline infrastructure in transporting and storing this fuel.

"The Moomba Sydney Pipeline is a critical piece of Australia's natural gas infrastructure and will continue to be so, as natural gas is used increasingly for electricity generation," he said.

Across the border, the northern section of the Victorian Transmission System will be expanded to provide improved deliverability of gas for customers in this part of the state and into New South Wales.

This expansion will involve:

- Installation of two new compressors at the Wollert Compressor Station;
- Pipeline operating pressure up-rating of the Wollert to Euroa pipeline; and
- Installation of flow reversal capability at the Springhurst Compressor Station.

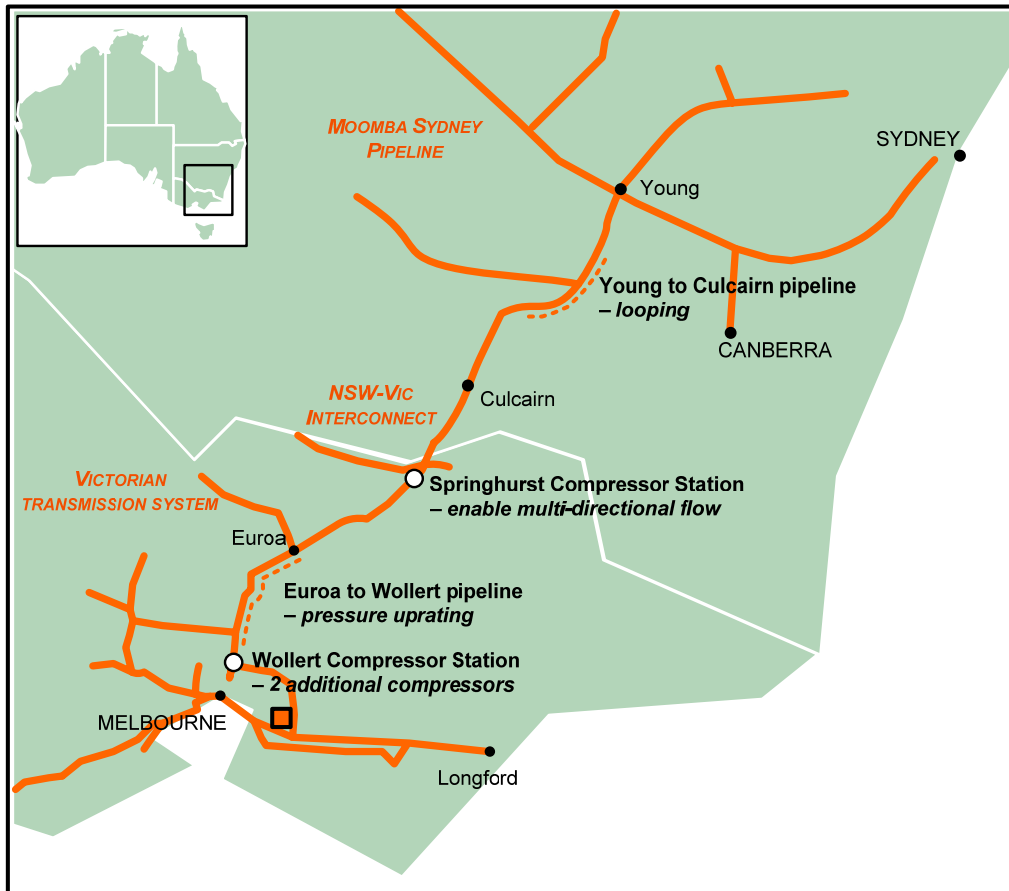
Mr McCormack said: "APA, as owner of both pipeline systems, is able to respond to the markets' requirements for additional natural gas pipeline and storage capacity with the best solution for all participants.

"The expansions lay the basis for significantly increasing the movement of gas between states, and providing the market with increased flexibility to source and use natural gas."

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APA Victorian – New South Wales pipeline systems capacity expansion



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About APA Group (APA)

APA Group (ASX: 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 span every state and territory in mainland Australia, delivering more than 50% of the nation's gas usage. Unique among its peers, APA has direct management and operational control over its assets and investments. APA also holds minority interests in energy infrastructure enterprises including Envestra, SEA Gas Pipeline and Energy Infrastructure Investments (EII). For more information visit APA's website www.apa.com.au.