



**Natural Gas
Transmission Pipelines
- delivering Australia's premier fuel**

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25 July 2001**

Australian
Pipeline Trust



The Trust

▶ What is it?

- Infrastructure investment vehicle
- ASX public listing
- Ownership, 30% AGL, 10% Petronas, 60% Public

▶ What does it do?

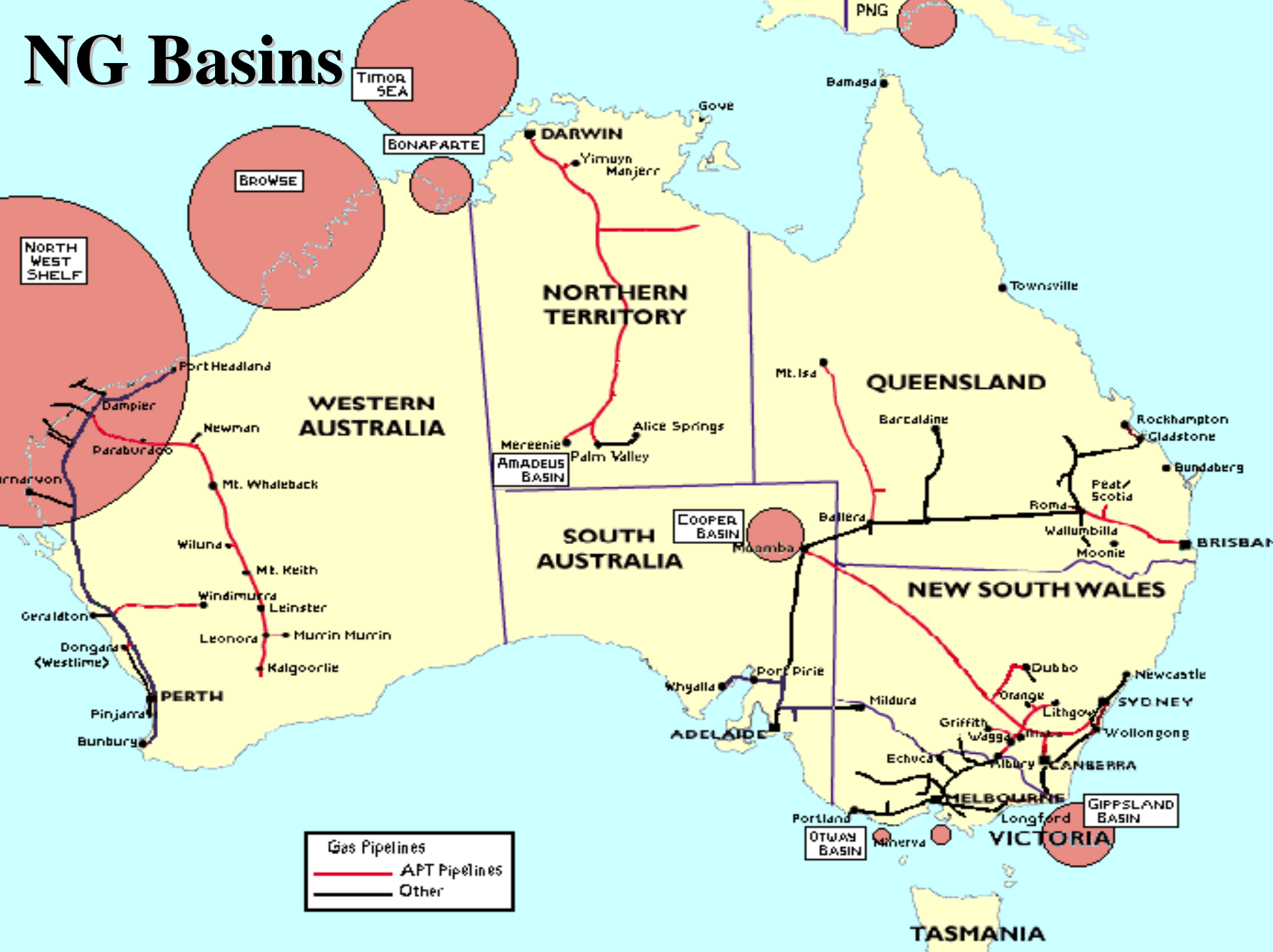
- Invests in gas transmission infrastructure using unit holder funds
- Returns dividends
- Pursues projects to advance gas transmission eg. Micro-generation



APA's Footprint



NG Basins



Opportunities

▶ Supply issues

- Upcoming contract renegotiations
- Depletion of current supplies

▶ Demand Drivers

- Increasing demand in eastern states
- Power generation opportunities
- Innovative uses of natural gas, ie. NGV, Air conditioning, Micro-generation



Three Stage Review

- ▶ National Energy Policy
- ▶ Distinguish Transmission from Distribution
- ▶ Further distinguish under Transmission between mature pipelines and greenfields projects



Industry Regulation – the way forward

- ▶ A stable, predictable regulatory, legal and fiscal environment
- ▶ Existing contracts protected
- ▶ Tariffs via commercial negotiation

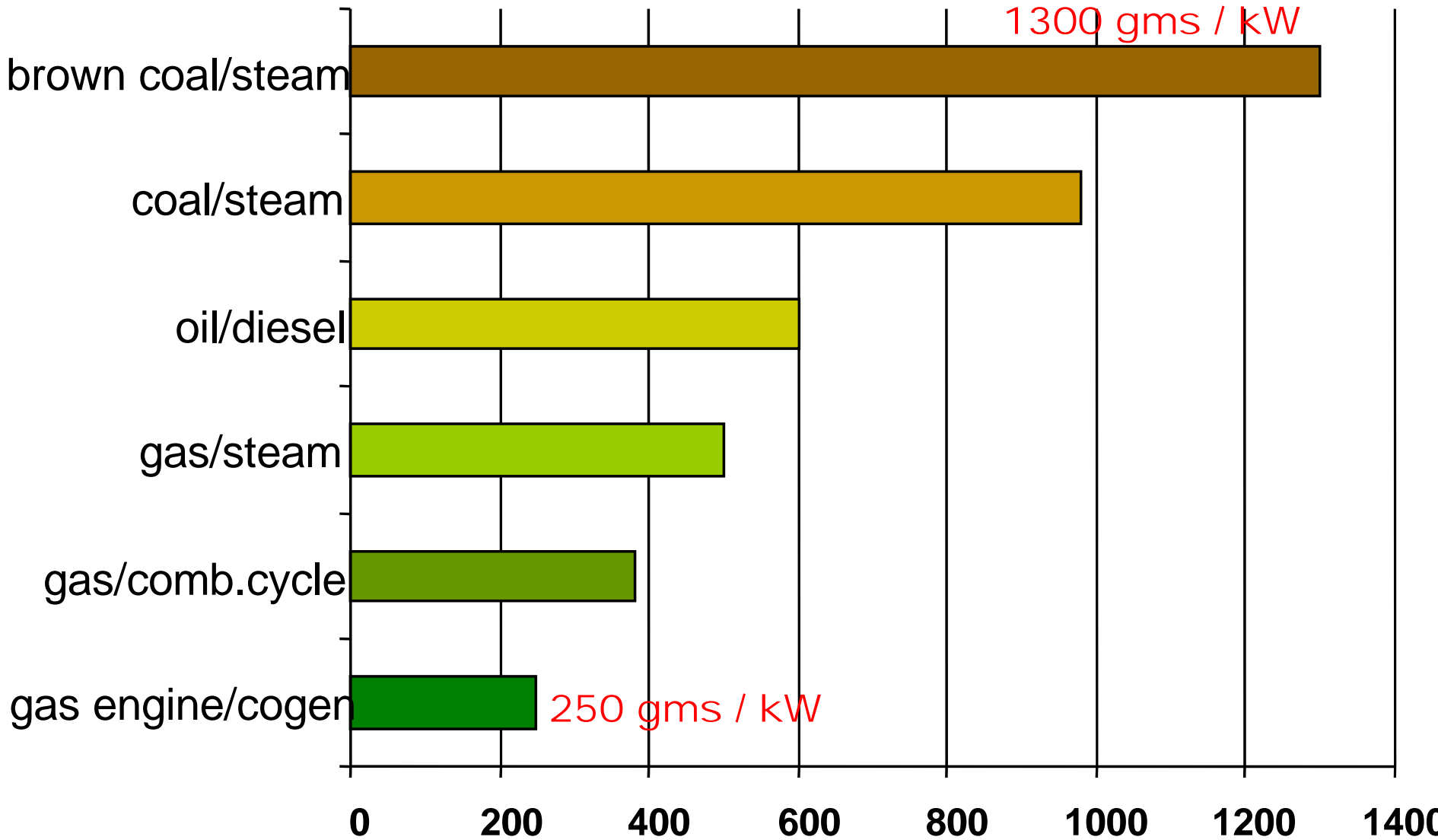


Industry Regulation – the way forward

- ▶ Give competition a chance
- ▶ Government as facilitator
- ▶ Innovative uses for gas
- ▶ Natural Gas Fired Power Generation



CO2 Emission by Electricity Production



Source: Powerline GES

specific CO2 emissions (g/kWh)

Balanced Intervention

- ▶ ACCC: Regulator and community advocate - a conflict of interest
- ▶ Government makes policy and the Regulator monitors compliance



Co-operation: the new paradigm

- ▶ Private ownership
- ▶ Unbundling
- ▶ Number of companies pursuing limited market opportunities
- ▶ Alternative fuels

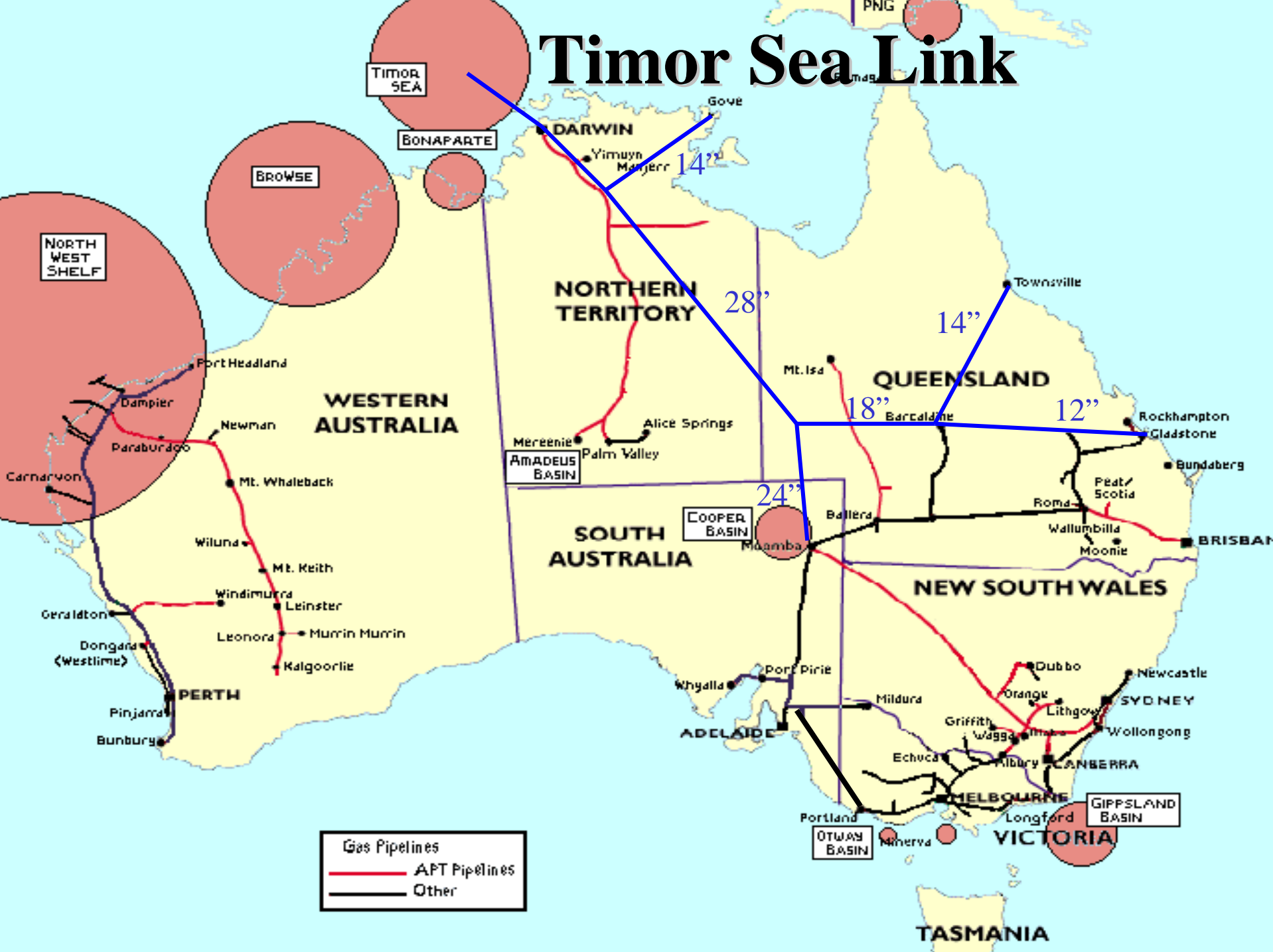


National Gas Supply Solution

- ▶ Linking Darwin, Mt Isa, Townsville, Gladstone and connecting with existing systems to supply south eastern states
- ▶ 3500km, est. \$2.4B
- ▶ Staged implementation
- ▶ Can access Timor Sea or PNG

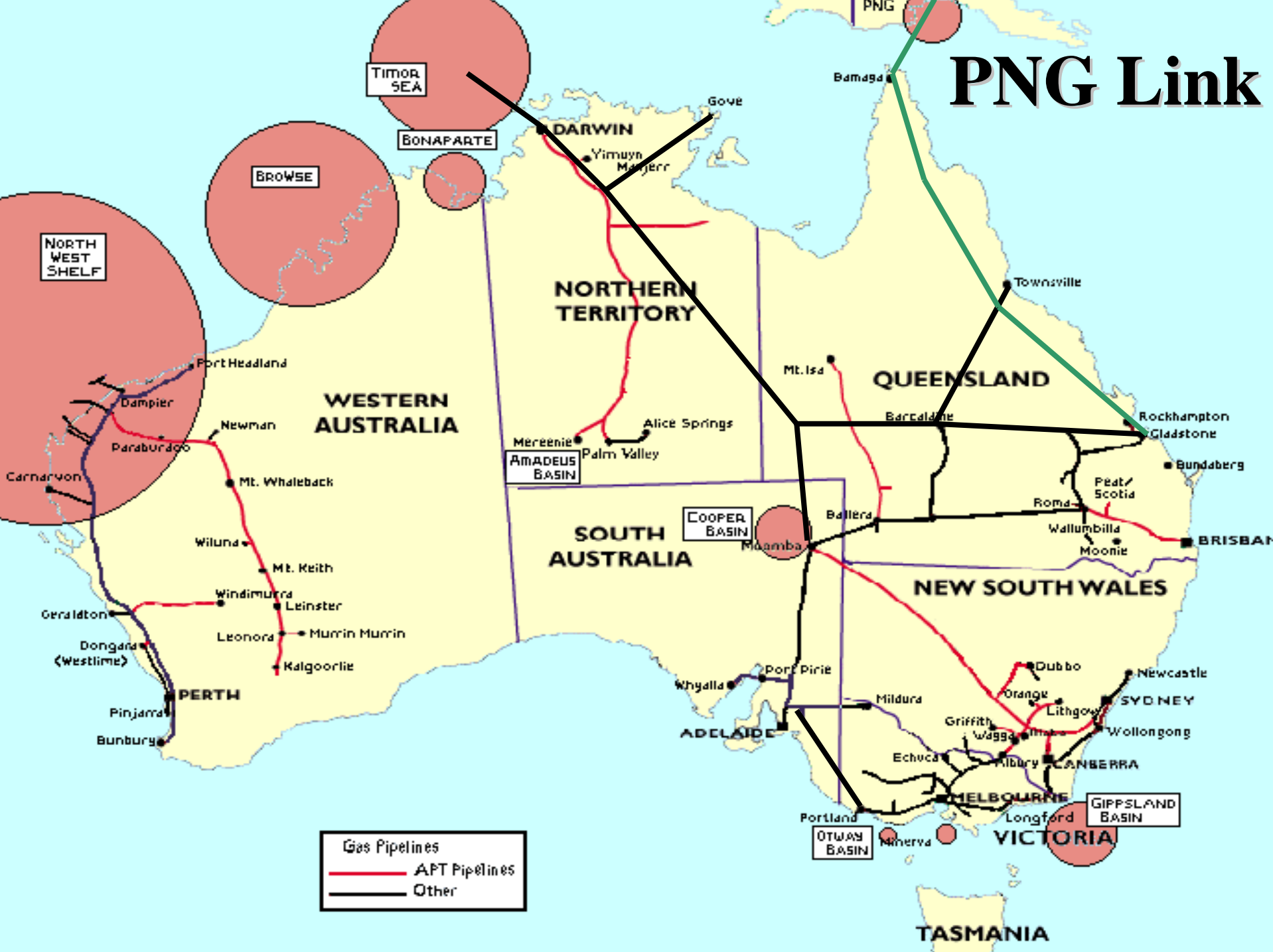


Timor Sea Link



Gas Pipelines
— APT Pipelines
— Other

PNG Link



Gas Pipelines
— APT Pipelines
— Other

APA's Future

- ▶ Premier gas transmission pipeline company
- ▶ Maintaining and expanding our national presence
- ▶ Dividends paid to unit holders reflecting risk and the outcomes of commercial negotiations
- ▶ A strong, Australian company



A point in history...

- ▶ The national grid realised
- ▶ The markets linked
- ▶ Market “hubs” appearing
- ▶ New sellers/ suppliers
- ▶ New gas applications
- ▶ Foundation contracts
- ▶ Spot markets emerging



www.pipelinetrust.com.au

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