



**Australian Pipeline Trust**

**5th Annual UBS  
Australasian Utilities Conference**

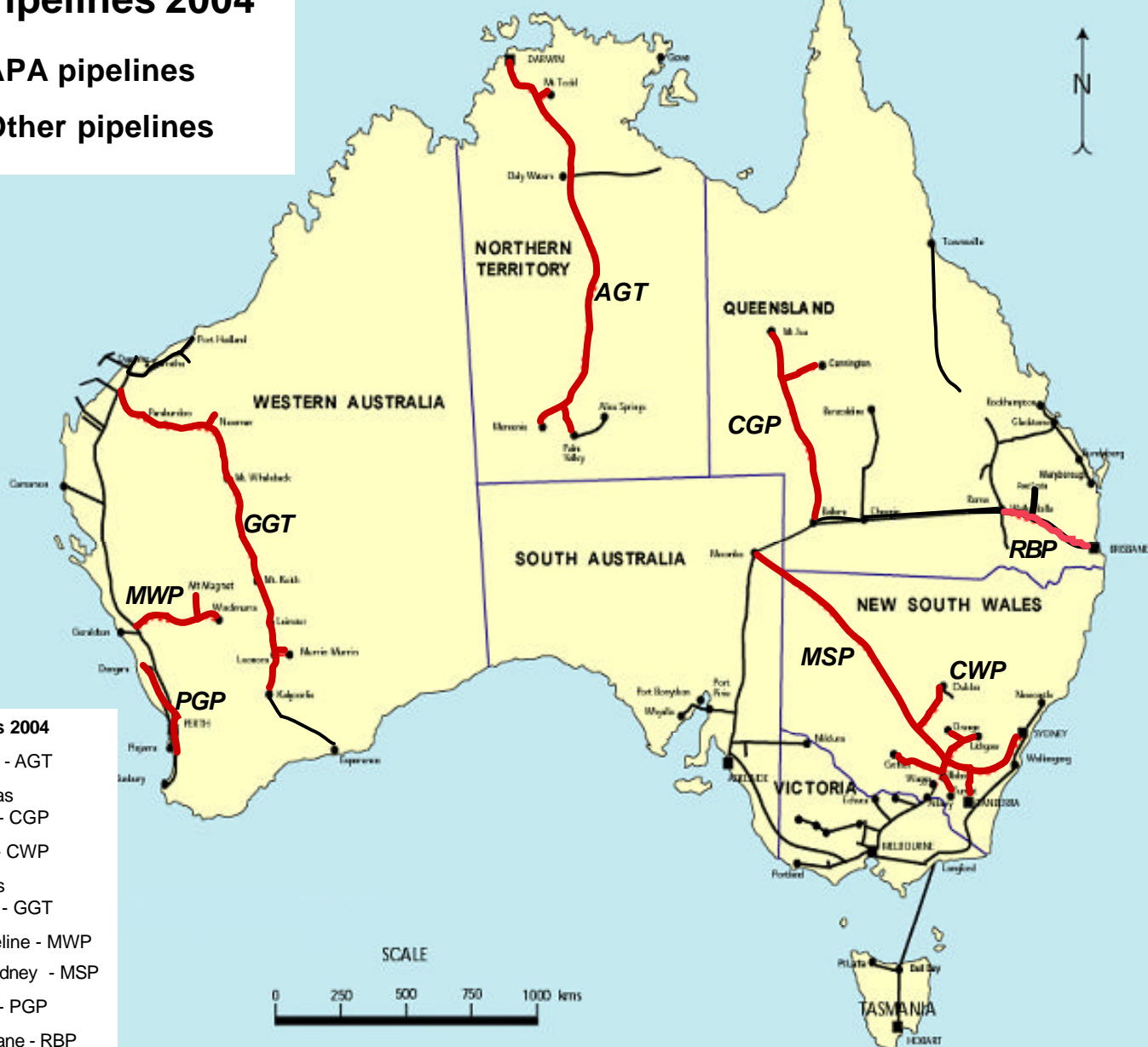
**Michael McCormack  
Chief Operating Officer  
Sydney, 29 November, 2004**

# Agenda

- Overview of YEJ2004 Results
- Frequently asked questions
  - Consolidation
  - Regulation
  - Gas supply to South-east Australia
  - Stress Corrosion Cracking on MSP
  - Opportunities
  - Diversity
  - APA vs Infrastructure Investment Vehicles

# Gas Pipelines 2004

- APA pipelines
- Other pipelines



## APA Pipelines 2004

- Amadeus Gas - AGT
- Carpentaria Gas Transmission - CGP
- Central West - CWP
- Goldfields Gas Transmission - GGT
- Mid West Pipeline - MWP
- Moomba to Sydney - MSP
- Parmelia Gas - PGP
- Roma to Brisbane - RBP

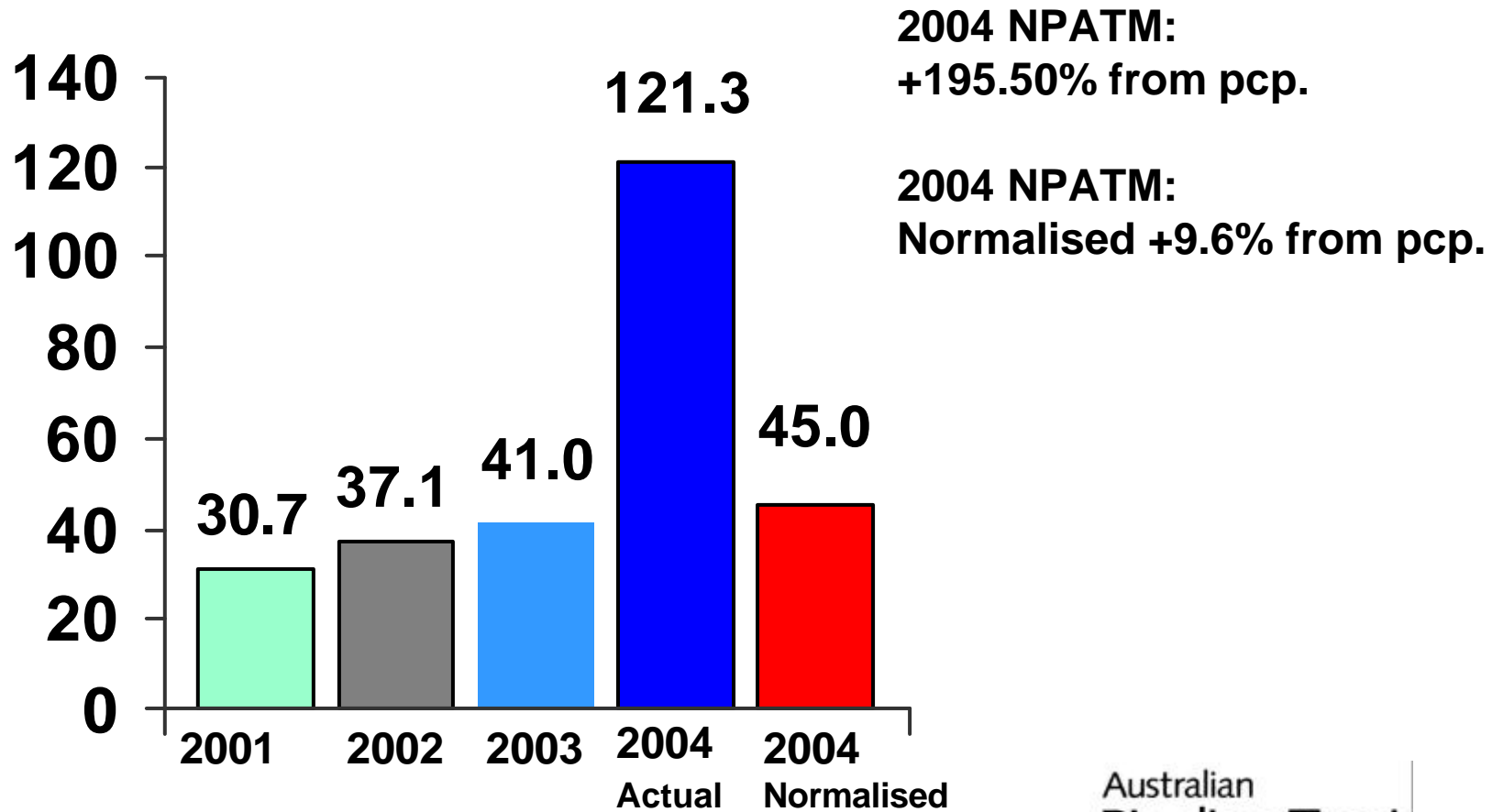
# Highlights for YEJ 2004

- Fourth successive increase in net profit
- Active management of capital resources
- Achieved positive regulatory outcomes
- Involved in industry rationalisation
- Acquired Southern Cross Pipeline Group Assets

# Full Year Results in Summary

## Net Profit after Tax and Minorities (NPATM)

\$M



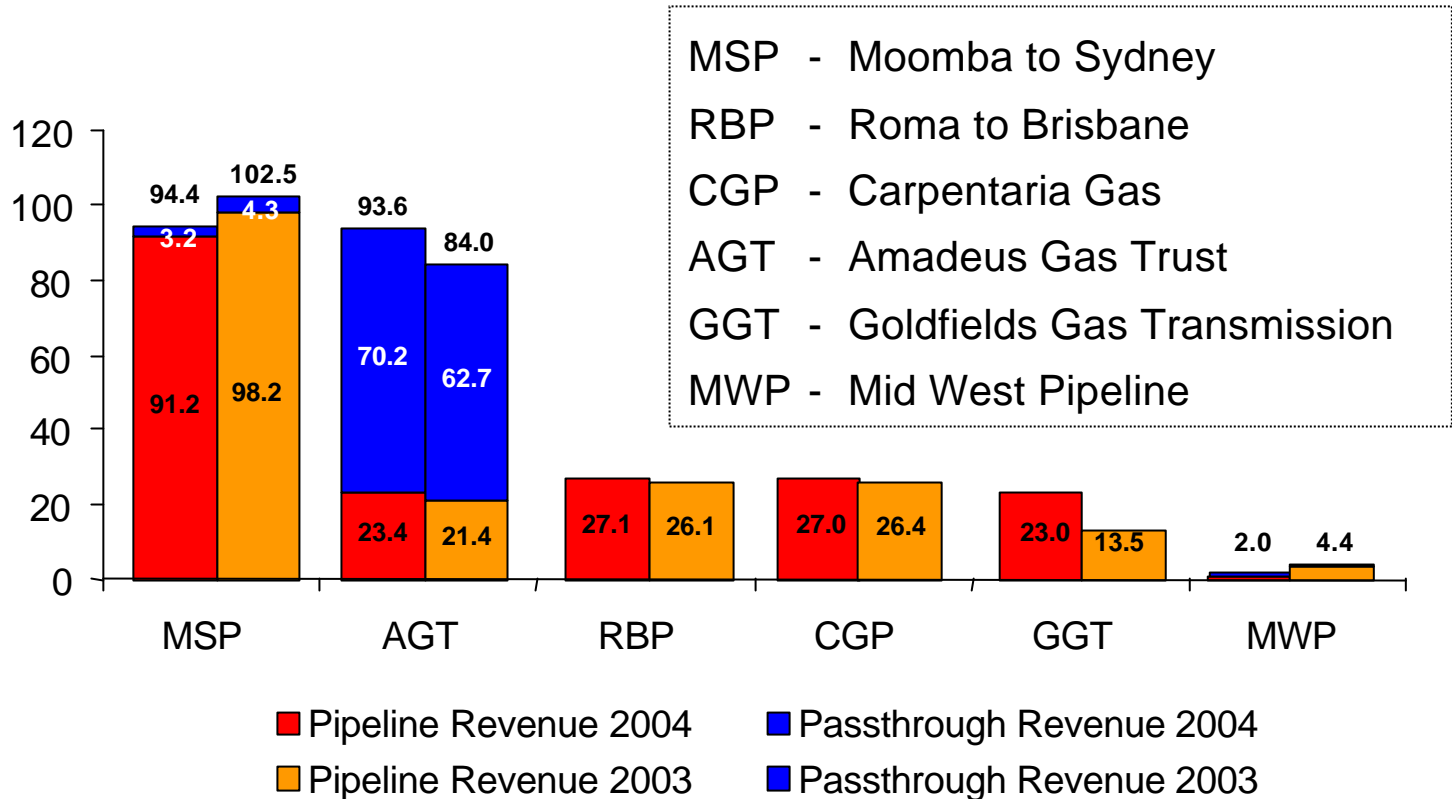
# Financials

## Non-recurring Items 2004

	\$M
Due diligence cost write-off	(5.8)
Mid West Pipeline write-off	(19.9)
Tax consolidation benefit - SCP	<u>7.0</u>
Non-recurring items before income tax	(18.7)
Tax effect of non-recurring items	2.1
Tax consolidation benefit - APA	<u>92.9</u>
Non-recurring items after income tax	<u><u>76.3</u></u>

# Financial Summary

## Revenue for Full Year by Pipeline



- a) GGT - is equity accounted contribution (not share of revenue). Includes non-recurring benefit of tax consolidation of \$7.0 million.  
 - actual GGT revenue: 3.5% to \$88.9 million to June 2004.
- b) MWP includes pass through revenue of \$1.2 m and pcp \$1.0 m.

# Highlights

## Active Management of Capital Resources

- Raised A\$493.2 million (net) in US Private Placement market;
- Activated Distribution Reinvestment Plan;
- Entered into tax consolidation;
- Raised equity of \$61.2 million (net)

# Highlights

## Positive regulatory outcomes

- Moomba to Sydney
  - Decision to partially revoke coverage
  - Australian Competition Tribunal rejects valuation methodology on access arrangements for MSP

# Highlights

## Industry Rationalisation

- Industry rationalisation is now nearly complete
- Bid costs of \$5.8 million were necessary to ensure APA did not over bid
- APA was successful in acquiring Southern Cross Pipeline Group assets at a good price

# Highlights

## Acquisition of Southern Cross Pipeline Assets

- Goldfields Gas Transmission Pipeline
  - 1,380km pipeline
  - Transports competing gas streams from Harriet and East Spar, NW Shelf to North Eastern and Eastern Goldfields regions in WA
  - Capacity 105 TJ/d increasing to 164 TJ/d under full compression
  
- Parmelia gas business
  - 416km gas pipeline (capacity - 70TJ/d)
  - Mondarra storage (capacity 6-9PJ)
  - Dongara gas processing plant
  - Small Gas Retail business



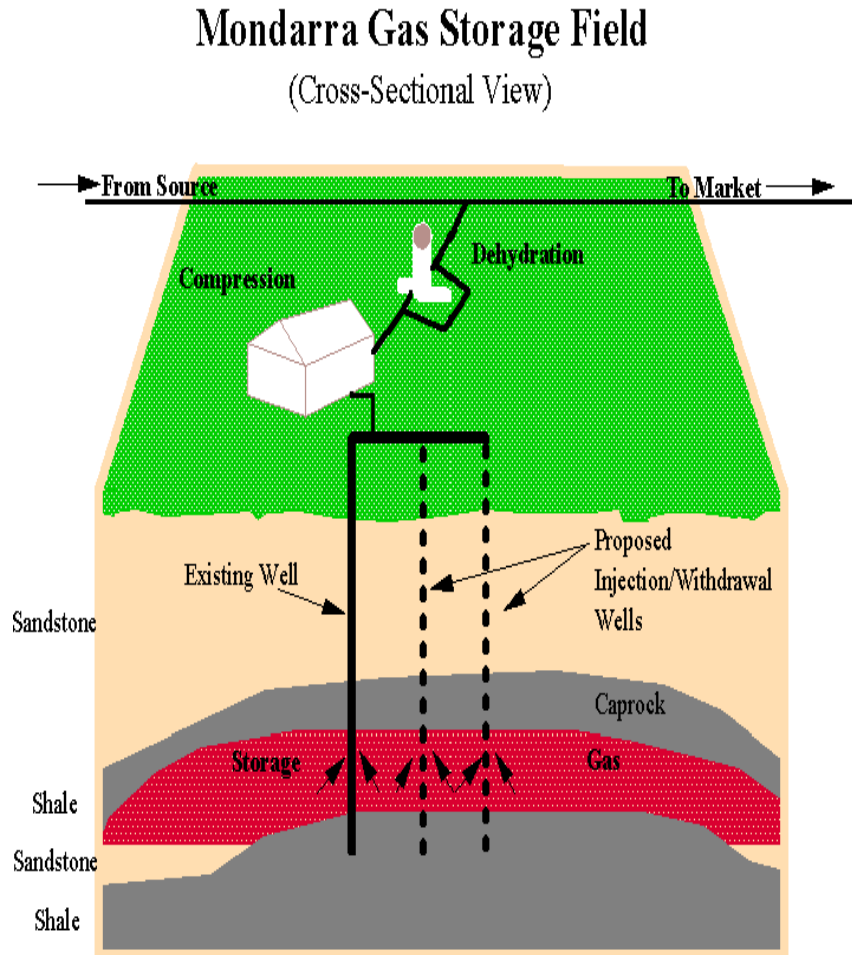
# Western Australia



# Mondarra Gas Storage Facility

## Current Development

### *Features*

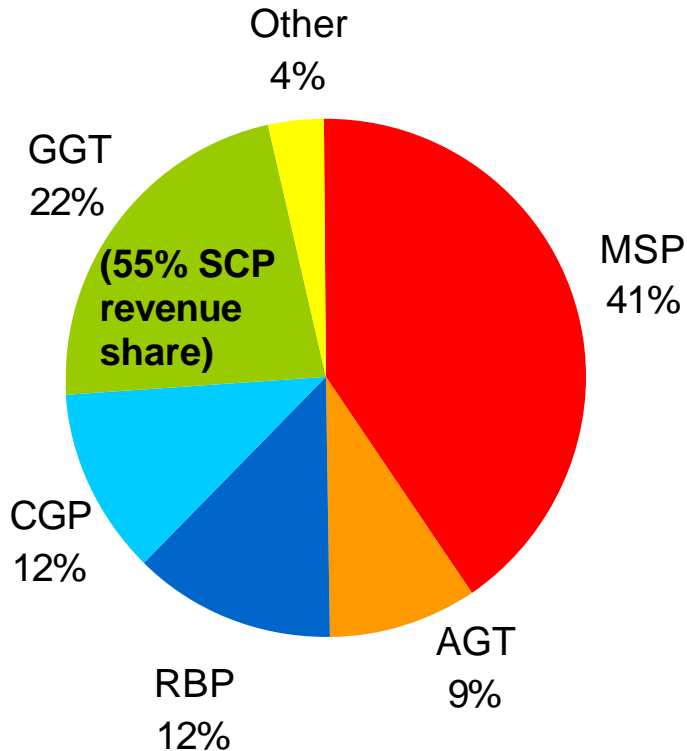


- Tailored to suit customer requirements
- Deliverability: currently up to 10 TJ/d
- Injectivity: currently up to 10 TJ/d
- Further development potential to 150 TJ/d
- Mondarra Junction: by 2005, capacity to increase to 100TJ/d

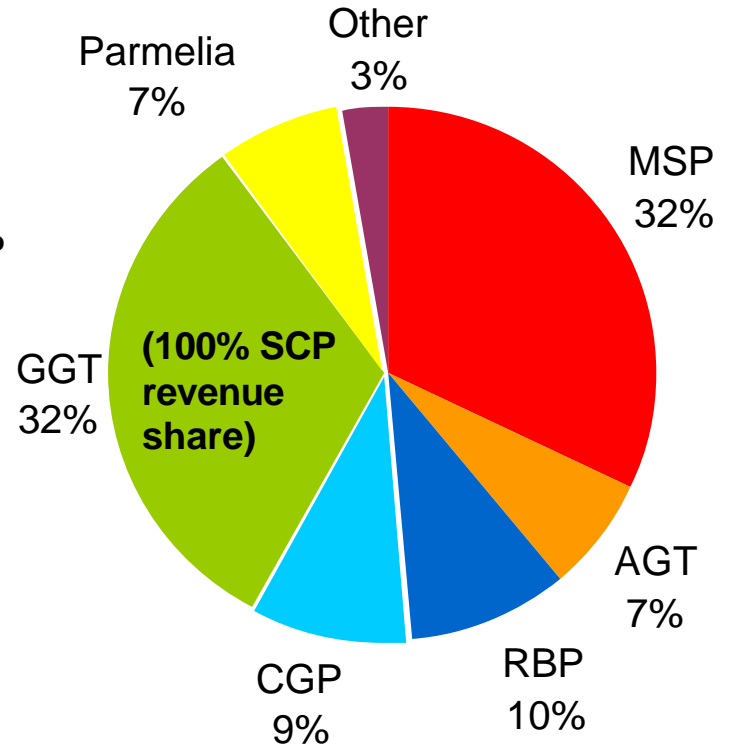
# Portfolio Diversification

## MSP Reliance Reduced

APA 2004 Revenues  
Pro forma pre-acquisition



APA 2004 Revenues  
Pro forma post acquisition



Note: GGT revenues shown on an equity share consolidated basis pre & post acquisition for accurate comparison

Revenues exclude pass-through revenue

# FAQs

## ■ Consolidation

- Industry
- Infrastructure ownership

## ■ Regulation

- Moomba Sydney Pipeline appeal
- Goldfields Gas Transmission Pipeline
- Derogations in QLD
- Productivity Commission review

## ■ Gas supply to South-east Australia

- Impact of CBM
- PNG - difficult to aggregate 150 PJ/annum
- Trans-National Pipeline
- Timor Sea

# FAQs (cont'd)

- Stress corrosion cracking on MSP
  - Remote area in SA
  - Pressure management plan implemented
  - Repair & rehabilitation program being prepared if required
  
- Opportunities
  - Incremental
  - Minorities
  - Complementary/diversification
  - Greenfields
    - PNG Pipeline
    - Trans-Territory Pipeline



# FAQs (cont'd)

## ■ Diversity

- Re-balance portfolio
- Non-core opportunities

## ■ APA vs Infrastructure Investment Vehicles

- APA is an active manager
- Risk/rewards of business performance accrues to APA

# Summary

- Strong performance
- Acquired Southern Cross Pipeline Group assets
- Positive regulatory outcomes
- Will be involved in consolidation & diversification
- Strong balance sheet



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