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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

29 October 2008

The Manager

Company Announcements Office  
Australian Securities Exchange  
4<sup>th</sup> 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 chooses equity partners for the unlisted investment vehicle

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Knapman'.

**Mark Knapman**  
Company Secretary



## ASX RELEASE

### **APA CHOOSES EQUITY PARTNERS FOR THE UNLISTED INVESTMENT VEHICLE**

APA Group (APA) is pleased to announce that it has entered into exclusive arrangements with a consortium led by Marubeni Corporation of Japan (Marubeni) to invest in APA's unlisted energy investment vehicle (the Investment Vehicle). This is a major step towards finalising the debt and equity agreements required to complete the transaction. Under these arrangements, the consortium will hold an 80.1% interest in the Investment Vehicle while APA will retain a 19.9% interest.

Since APA announced this strategy in May this year, it has been working with the financiers and equity providers to finalise due diligence and other conditions required as part of the transaction.

The Investment Vehicle will hold a number of APA's low-risk, annuity style infrastructure assets, including:

- the Murraylink and Directlink electricity transmission cables,
- APA's gas fired power generation and gas processing facilities in Queensland, and
- the Bonaparte Gas Pipeline and Wickham Point Pipeline in the Northern Territory, and the Telfer Gas Pipeline in Western Australia.

After establishing the Investment Vehicle, APA will have an ongoing exposure to these quality assets through its minority interest, in addition to commercial and operating responsibility for these assets under a long term operating agreement.

APA's Managing Director, Mick McCormack said "The selection of the Marubeni-led consortium is an important step in the transaction and will enable APA to move to finalising the finance facilities, which are well progressed, and other conditions precedent to completion of this transaction."

APA is targeting net proceeds of around \$600 million from the transaction. The proceeds will be directed towards reducing APA's gearing below 70%.

Marubeni Corporation is one of Japan's largest listed companies with extensive international investments in the energy sector, including Australia.

Mick McCormack added "Marubeni is well suited to being a long term investor in the vehicle, and we are looking forward to working with Marubeni in completing the transaction."

Subject to market conditions, and as previously stated, APA expects to complete the transaction within the current calendar year.



## ASX RELEASE

### Investment Vehicle assets

The assets to be owned or leased by the Investment Vehicle are briefly described as follows:

<b>Murraylink Interconnector</b>	The 176 km electricity transmission cable and associated assets linking the South Australian and Victorian power regions of the NEM at Berri in South Australia and Red Cliffs in Victoria.
<b>Directlink Interconnector</b>	The 63 km electricity transmission cable and associated assets linking the New South Wales and Queensland power regions of the NEM at Mullumbimby and Bungalora in New South Wales.
<b>Daandine Power Station</b>	A gas-fired power station located in Kogan, Queensland with a generation capacity of 27 MW.
<b>X41 Power Station</b>	A gas-fired power station located adjacent to Xstrata operations in Mt Isa, Queensland with a generation capacity of 32MW.
<b>Kogan North Gas Facility</b>	A coal seam gas processing facility with a capacity of 12TJ/day (320,000 m <sup>3</sup> /day) operating on a fully contracted basis over a 15 year contract.
<b>Tipton West Gas Facility</b>	A coal seam gas processing facility with a capacity of 29TJ/day (773,000 m <sup>3</sup> /day) operating on a fully contracted basis over a 15 year period.
<b>Telfer Gas Pipeline</b>	The 442 km pipeline between Port Hedland and the Telfer Goldmine in Western Australia, including the 46 km lateral to Nifty copper mine.
<b>Bonaparte Gas Pipeline</b>	The 286 km pipeline currently under construction between Wadeye in the Northern Territory and the existing Amadeus Gas Pipeline.
<b>Wickham Point Pipeline</b>	The 13 km pipeline currently under construction from the LNG Plant at Wickham Point to the Darwin City Gate on the Amadeus Gas Pipeline.



## ASX RELEASE

### About APA Group (APA)

APA Group, comprised of Australian Pipeline Trust and APT Investment Trust, is the major ASX-listed energy transmission company in Australia with interests in almost 12,000 km of natural gas pipeline infrastructure, over 2,300 km of gas distribution networks in south east Queensland, Coal Seam Gas processing plants, gas fired power stations, gas storage facilities and two high voltage direct current interconnector systems.

APA manages and operates all its assets and also provides management and operation services to gas distribution and transmission company Envestra (which owns 19,100 km of natural gas distribution networks and 1,029 km of natural gas transmission pipelines). It also holds an 18 percent stake in Envestra and a one-third interest in the SEAGas pipeline. APA Group has a varied and quality customer base including AGL Energy, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, RioTinto, Newcrest, Nickel West, Synergy and Verve Energy.

### About Marubeni Corporation

Marubeni Corporation is a Japanese company listed on the Tokyo/Osaka/Nagoya exchanges. Marubeni manages businesses across a wide range of industrial sectors throughout the world.

Marubeni has extensive expertise and knowledge in the energy sector, with an interest in approximately 6,300 MW of generation capacity around the world, including 1,000 MW in Australia, through an interest in the Milmerran Power Station, in Queensland, and the Smithfield Cogeneration Plant in New South Wales.

### For further information please contact:

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