

Statement of Compliance

Statement of Compliance for APT Pipelines (Qld) Pty Limited ACN 080 382 387
("APT Pipelines (Qld)") for the financial year 2004/05

APT Pipelines (Qld) Pty Limited – Carpentaria Gas Pipeline

1. Attached is the annual Ring Fencing Compliance Report for the year ending 30 June 2005. APT Pipelines (Qld) Pty Limited has not varied the Ring Fencing Compliance Report or Statement of Compliance from the original forms sent by the ACCC, other than to provide the information required.
2. APT Pipelines (Qld) Pty Limited is not aware of any breach of any of the obligations listed in section 4.1 of the Code other than as detailed in this report.
3. Except as disclosed in this report, APT Pipelines (Qld) Pty Limited has maintained a compliance program during the relevant period that ensures that:
 - (a) appropriate internal procedures have been established and maintained to ensure compliance with the obligations in section 4.1 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code);
 - (b) an accurate assessment of these procedures has been made;
 - (c) the Chief Executive Officer of APT Pipelines (Qld) Pty Limited is made aware of any breaches of the ring fencing obligations;
 - (d) remedial action is taken as soon as possible to rectify breaches of the minimum ring fencing obligations and that completion of this action is reported to the Board of Directors;
 - (e) the compliance program is reviewed regularly and as necessary.
4. This Statement is a revised version of the Statement of Compliance approved by the Board of APT Pipelines (Qld) Pty Limited on 3 August 2005. The Directors of the company have been apprised of the matters in this revised report.

Signed by:



Sandra Dureau
General Counsel

21 September 2005

Ring Fencing Compliance Report

Ring Fencing Compliance Report for APT Pipelines (Qld) Pty Limited ACN 080 382 387 ("APT Pipelines (Qld)") for the financial year 2004/05.

APT Pipelines (Qld) acquired the 30% of the CGPJV in February 2005. This pipeline is covered by the Code and consequently is subject to the ring fencing provisions of the Code. Prior to this acquisition APT Pipelines (Qld) only owned the Cannington lateral. This lateral is not covered by the Code.

Definitions

Unless otherwise defined, all capitalised terms used in this document have the meaning given to them in section 10.8 of the Code.

Compliance with minimum ring fencing obligations

APT Pipelines (Qld) Pty Limited submits this report under section 4.13 of the Code. The report describes the measures taken to ensure compliance with its obligations under section 4 and provides an accurate assessment of the effect of those measures.

APT Pipelines (Qld) Pty Limited will, pursuant to section 4.14 of the Code, notify the Commission immediately on becoming aware of a breach (or potential breach) of its obligations under section 4 of the Code. Notification should be directed to the General Manager, Regulatory Affairs – Gas, ACCC.

1. Service Provider is a legal entity

Section 4.1(a) of the Code requires a Service Provider to be a legal entity.

APT Pipelines (Qld) Pty Limited ACN 080 382 387 ("APT Pipelines (Qld)") is a legal entity incorporated under the *Corporations Act 2001*.

2. Not carry on a Related Business

Section 4.1(b) of the Code requires that a Service Provider not carry on a Related Business (essentially a business of producing, purchasing or selling natural gas).

APT Pipelines (Qld) sole business is the ownership and operation of gas transmission pipelines including the Carpentaria Gas Pipeline ("CGP"). APT Pipelines (Qld) does not produce natural gas, and does not purchase or sell natural gas other than for operational purposes. The sale and purchase of natural gas for operational purposes is not a Related Business as defined in section 10.8 of the Code.

APT Pipelines (Qld) is wholly owned by APT Pipelines Limited. Attachment 1 lists the companies in the APT Group.

3. Establish and maintain separate and consolidated sets of accounts

Section 4.1(c) of the Code requires Service Providers to establish and maintain separate accounts for the activity that is the subject of each Access Arrangement.

Section 4.1(d) of the Code requires Service Providers to establish and maintain a consolidated set of accounts for all the activities undertaken by the Service Provider.

APT Pipelines (Qld) is a participant (30%) in the Carpentaria Gas Pipeline Joint Venture ("CGPJV"), an unincorporated joint venture which owns and operates the CGP. Joint venture accounts which are specific to the Services provided by the CGP are maintained.

APT Pipelines (Qld) acquired the 30% of the CGPJV in February 2005. This pipeline is covered by the Code. Prior to this acquisition APT Pipelines (Qld) only owned the Cannington lateral. This lateral is not covered by the Code.

APT Pipelines (Qld) has established separate accounts for its activities as service provider under the Access Arrangement. These accounts are based on an allocation between the covered assets and the uncovered assets. The allocation of revenues is based on revenues directly attributable to the Carpentaria Gas Pipeline and Cannington lateral. The allocation of costs is discussed in section 4 below.

Separate accounts for the company's activities as service provider under the CGP Access Arrangement were prepared during July and finalised on 2 August 2005 following the end of the relevant financial year. To the extent that the Code requires the preparation of separate accounts within an intra-year period as well as preparation of accounts once results for the financial year are known (which the company does not concede), APT Pipelines (Qld) did not fully comply with section 4.1(c) of the Code.

A consolidated set of accounts is maintained for the entire business of APT Pipelines (Qld), as required under the *Corporations Act 2001*.

4. Allocation of shared costs

Section 4.1(e) of the Code requires Service Providers to allocate costs in a fair and reasonable manner that is consistent with the principles in section 8.1 of the Code.

Costs of owning, managing, operating and marketing the Cannington lateral and the APT Pipelines (Qld) share of the CGP are charged to APT Pipelines (Qld).

Costs shared by APT Pipelines (Qld) and other entities in the APT Group, such as corporate overheads (including shared labour and labour overheads) are allocated to APT Pipelines (Qld) on the basis of APT Pipelines (Qld)'s contribution to total APT Group revenues.

Costs are then allocated between the covered assets and uncovered assets on the basis that:

- Operations and maintenance costs attributable to the covered asset or uncovered asset are allocated to the respective asset
- Other charges, such as marketing, legal, regulatory etc are allocated in the same proportion as the operations and maintenance charges above

5. Treatment of Confidential Information

Under sections 4.1(f) and (g) of the Code, Service Providers must ensure that:

- *Confidential Information provided by a user or prospective user is used only for the purposes for which it was provided and is not disclosed without the user or prospective user's consent; and*
- *Confidential Information obtained by a Service Provider which might reasonably be expected to materially affect the commercial interests of a user or prospective user is not disclosed to any other person without the permission of the user or prospective user to whom the information pertains.*

Note that where functions of the Service Provider have been outsourced to a third party, the Service Provider is responsible for ensuring that any Confidential Information provided to the third party is handled in accordance with sections 4.1(f) and (g) of the Code.

- APT Pipelines (Qld) is part of the Australian Pipeline Trust ("APT"). Employees of APT who are involved with the CGP have been informed of their obligations with respect to Confidential Information. Employees are required to sign confidentiality agreements upon commencement;
- APT has also required contractors having access to Confidential Information to observe the requirements of the Code in relation to such Confidential Information. In particular, Agility Management Pty Limited which provides a range of services to APT has advised APT that it is aware of, and complies with, its obligations to maintain the confidentiality of all information/data that may come into its possession while providing such services to APT;
- APT offices are secured;
- APT's computer network has security arrangements which provide access only to approved personnel; and
- APT reviews its procedures and policies annually.

6. Marketing Staff

Service Providers must ensure that:

- *their Marketing Staff (essentially those directly involved in sales, sale provision or advertising for the Service Provider) are not also working for an Associate that takes part in a Related Business (section 4.1(h) of the Code); and*
- *the Marketing Staff of an Associate involved in a Related Business are not also working for the ` (section 4.1(i) of the Code).*

Note that in answering the questions below, the broadest possible meaning is to be given to 'servants, consultants, independent contractors or agents'.

APT Pipelines (Qld) does not have any Associates which take part in a Related Business other than:

- NT Gas Distribution Pty Limited;
- NT Gas Pty Limited; and
- APT Parmelia Pty Limited.

APT assigns staff directly to APT Pipelines (Qld) to perform the marketing function for the MSP, and these persons do not provide services to either NT Gas Pty Limited, NT Gas Distribution Pty Limited or APT Parmelia. None of APT Pipelines (Qld)'s servants, consultants, contractors or agents are Marketing Staff of NT Gas, NT Gas Distribution or APT Parmelia.

Attachment 1:

The table below indicates APT Pipelines (Qld)'s Associates under the Code. These entities were all wholly owned subsidiaries of APT Pipeline Limited on 30 June 2005, with the exception that NT Gas Pty Limited and NT Gas Distribution Pty Limited are not wholly owned.

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Corporate		
Australian Pipeline Limited ACN 091 344 704	Responsible entity for the Australian Pipeline Trust.	
APT Pipelines Limited ACN 009 666 700	Parent investment company.	
APT Management Services Pty Limited ACN 091 668 110	Provision of staff and administration to subsidiaries.	
APT Pipelines (Operations) Pty Limited ACN 114 302 091	No activities	
APT Pipelines (TTP Investments) Pty Limited ACN 108 473 070	Holds shares in APT Pipelines (TTP) Pty Limited	
APT Pipelines (TTP) Pty Limited ACN 107 983 335	No activities	
Moomba to Sydney Pipeline		
Trans Australia Pipeline Pty Limited ACN 006 699 378 (formerly ACN 006 699 378 Pty Limited)	Holds shares in Gasinvest Australia Pty Limited (MSP).	
Gasinvest Australia Pty Limited ACN 065 055 478	Holds shares in East Australian Pipeline Limited (MSP).	
Agex Pty Limited ACN 008 458 580	Holds shares in APT Pipelines Investments (NSW) Pty Limited Holds shares in NT Gas Pty Limited. Unitholder in Amadeus Gas Trust.	
APT Pipelines Investments (NSW) Pty Limited ACN 065 070 966	Holds shares in East Australian Pipeline Limited (MSP).	
East Australian Pipeline Limited ACN 064 629 009	Owens and operates gas pipeline.	Moomba – Sydney Pipeline (MSP).
Central West Pipeline		
APT Pipelines (NSW) Pty Limited ACN 080 842 360	Owens and operates gas pipeline.	Central West Pipeline.

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Roma to Brisbane Pipeline		
Sopic Pty Limited ACN 010 851 288	Holds shares in APT Petroleum Pipelines Holdings Pty Limited. Holds shares in NT Gas Pty Limited. Unitholder in the Amadeus Gas Trust	
APT Petroleum Pipelines Holdings Pty Limited ACN 009 738 489	Holds shares in APT Petroleum Pipelines Limited (RBP).	
APT Petroleum Pipelines Limited ACN 009 737 393	Owns and operates gas pipeline.	Roma – Brisbane Pipeline (RBP). Also 100% ownership of Peat Scotia lateral (not covered)
Carpentaria Gas Pipeline and Cannington lateral		
Roverton Pty Limited ACN 011 071 917	Owns and operates gas pipeline.	70% interest in Carpentaria Gas Pipeline Also 100% ownership of MIM Lateral and Mica Creek Meter Station (not covered)
APT Pipelines (QLD) Pty Limited ACN 080 382 387	Owns and operates gas pipeline.	30% interest in Carpentaria Gas Pipeline Also 100% interest in Cannington Lateral (not covered)
Amadeus Basin to Darwin Pipeline (Note NT Gas Pty Limited and NT Gas Distribution Pty Limited are not wholly owned subsidiaries of APT Pipeline Limited)		
Agex Pty Limited ACN 008 458 580	As above, under the Moomba to Sydney Pipeline.	
Sopic Pty Limited ACN 010 851 288	As above, under the Roma to Brisbane Pipeline.	
NT Gas Pty Limited ACN 050 221 415	Trustee for Amadeus Gas Trust; owns and operates gas pipelines.	Amadeus Basin – Darwin Pipeline.
Other NT Pipelines		
NT Gas Distribution Pty Limited ACN 071 741 618	Owns gas distribution system; retails gas to customers.	Darwin City Gate – Berrimah Pipeline and Darwin Distribution Network (not covered). Katherine sleeper factory lateral (not covered). Tenant Creek sleeper factory lateral (not covered).
APT Pipelines (NT) Pty Limited ACN 075 733 336	Owns gas pipelines.	MT. Todd and Mataranka Laterals (not covered).
NT Gas Easements Pty Limited ACN 051 412 643	Holds pipeline easements in NT.	Various easements for Amadeus Basin – Darwin Pipeline.

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Goldfields Gas Pipeline		
APT Pipelines Investments (WA) Pty Limited ACN 081 638 244	Holds 55% interest in SCP Investments (No.1) Pty Limited (GGT). Holds 100% interest in Western Australian Gas Transmission 1	
Western Australian Gas Transmission 1 Pty Limited ACN 081 780 387 (formerly known as Western Australian Gas Transmission 1)*	Holds 100% of APT Goldfields Pty Limited Holds 100% of APT Parmelia Gas Pty Limited Holds 100% of APT Parmelia Holdings *	
APT Goldfields Pty Limited ACN 084 545 344	Holds 45% interest in SCP Investments (No.1) Pty Limited (GGT).	
SCP Investments (No.1) Pty Limited ACN 084 521 817	Holds shares in SCP Investments (No.2) Pty Limited and SCP Investments (No.3) Pty Limited and Goldfields Gas Transmission Pty Limited (GGT).	
SCP Investments (No.2) Pty Limited ACN 084 521 951	Holds shares in Southern Cross Pipelines Australia Pty Limited (GGT).	
SCP Investments (No.3) Pty Limited ACN 085 991 984	Holds shares in Southern Cross Pipelines (NPL) Australia Pty Limited (GGT).	
Goldfields Gas Transmission Pty Limited ACN 004 273 241	Operates gas pipelines (for GGT).	
Southern Cross Pipelines Australia Pty Limited ACN 084 521 997	Holds an interest in Goldfields Gas Pipeline.	62.7% interest in Goldfields Gas Pipeline (GGT).
Southern Cross Pipelines (NPL) Australia Pty Limited ACN 085 991 948	Holds an interest in Goldfields Gas Pipeline.	25.5% interest in Goldfields Gas Pipeline (GGT).
Parmelia Pipeline		
Western Australian Gas Transmission 1 Pty Limited ACN 081 780 387 (formerly known as Western Australian Gas Transmission 1)*	As above under Goldfields Gas Pipeline	
APT Parmelia Gas Pty Limited ACN 098 386 317	No activities	
APT Parmelia Holdings Pty Limited ACN 115 930 768 (formerly known as APT Parmelia Holdings)*	Holds 100% of APT Parmelia *	
APT Parmelia Pty Limited ACN 078 902 397 (formerly known as APT Parmelia)*	Owns gas pipeline, retails gas to customers.	Owns 100% of Parmelia pipeline (not covered)

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Other WA Pipelines		
APT Pipelines (WA) Pty Limited ACN 066 343 584	Owns interests in gas pipeline/laterals in WA and provides management services for pipeline assets.	Owns Westlime Lateral, Wiluna Lateral and 50% of Mid West Pipeline. (not covered)

* These companies were incorporated in the Cayman Islands as at 30 June 2005 but incorporation has since been transferred to Australia.