

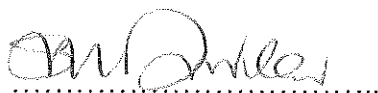
## Statement of Compliance

**Statement of Compliance for East Australian Pipeline Limited ACN 064 629 009  
("East Australian Pipeline") for the financial year 2004/05**

East Australian Pipeline Limited - Moomba Sydney Pipeline

1. Attached is the annual Ring Fencing Compliance Report for the year ending 30 June 2005. East Australian Pipeline 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. East Australian Pipeline 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. East Australian Pipeline 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 East Australian Pipeline 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. The Board of Directors of East Australian Pipeline Limited has approved this report at its meeting on 26 July 2005.

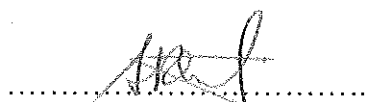
Signed by:



NAME: SANDRA DUREAU

DIRECTOR

DATE: 26 July 2005



NAME: STEPHEN OHL

DIRECTOR

DATE: 26 July 2005

# Ring Fencing Compliance Report

**Ring Fencing Compliance Report for East Australian Pipeline Limited ACN 064 629 009 (“EAPL”) for the financial year 2004/05**

## 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

EAPL 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.

EAPL 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.*

East Australian Pipeline Limited, A.C.N. 064 629 009 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).*

EAPL’s sole business is the ownership and operation of the Moomba-Sydney Pipeline (“MSP”). EAPL 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.

EAPL 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.*

Since partial revocation of coverage in April 2004, only the Marsden-Wilton section of the MSP Mainline and the MSP Regional Laterals are covered and subject to the Access Arrangement. No Services under the Access Arrangement have been requested or provided through the covered pipeline.

EAPL has established a separate set of accounts for the covered pipeline. These accounts are based on an allocation based on an ORC (Optimised Replacement Cost) valuation of the different segments of the pipeline.

A consolidated set of accounts is maintained for the entire business of EAPL, 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.*

Direct costs of owning, managing, operating and marketing the MSP are charged directly to EAPL. These include but are not limited to:

- labour costs for marketing personnel;
- contracts for asset management of the pipeline;
- contracts for operation and maintenance of the pipeline;
- costs such as legal, regulatory, license fees, insurance etc; and
- marketing costs.

These costs are then allocated using the ORC based methodology outlined in section 3 above.

Other costs, which are shared by EAPL and other entities in the APT Group, are allocated to EAPL as follows:

- for corporate overheads, including shared labour and labour overheads, costs are allocated on the basis of EAPL's contribution to total APT Group revenues.

These costs are then allocated using the ORC based methodology outlined in section 3 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.*

- EAPL is part of the Australian Pipeline Trust ("APT"). Employees of APT who are involved with the MSP 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 Service Provider (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'.*

EAPL 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

APT assigns staff directly to EAPL 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 EAPL's servants, consultants, contractors or agents are Marketing Staff of NT Gas, NT Gas Distribution or APT Parmelia.

**Attachment 1:**

The table below indicates EAPL'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)
<b>Corporate</b>		
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 Ltd 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	
<b>Moomba to Sydney Pipeline</b>		
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	Owns and operates gas pipeline.	Moomba – Sydney Pipeline (MSP).
<b>Central West Pipeline</b>		
APT Pipelines (NSW) Pty Limited ACN 080 842 360	Owns and operates gas pipeline.	Central West Pipeline.

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
<b>Roma to Brisbane Pipeline</b>		
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)
<b>Carpentaria Gas Pipeline and Cannington lateral</b>		
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)
<b>Amadeus Basin to Darwin Pipeline</b> (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.
<b>Other NT Pipelines</b>		
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)
<b>Goldfields Gas Pipeline</b>		
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	
Western Australian Gas Transmission *	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).
<b>Parmelia Pipeline</b>		
Western Australian Gas Transmission *	As above under Goldfields Gas Pipeline	
APT Parmelia Gas Pty Limited ACN 098 386 317	No activities	
APT Parmelia Holdings*	Holds 100% of APT Parmelia *	
APT Parmelia*	Owns gas pipeline, retails gas to customers.	Owns 100% of Parmelia pipeline (not covered)
<b>Other WA Pipelines</b>		
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 do not have an ACN or similar as they were incorporated in the Cayman Islands as at 30 June 2005. Incorporation is being transferred to Australia in July 2005.