

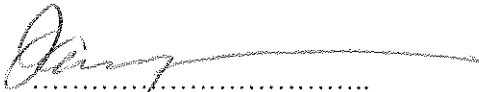
Statement of Compliance

Statement of Compliance for APT Petroleum Pipelines Limited ACN 009 737 393 ("APTPPL") for the financial year 2003/04

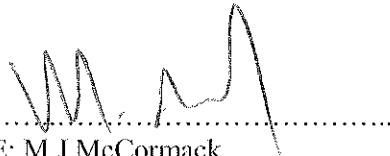
APTPPL – Roma to Brisbane Pipeline

1. Attached is the annual Ring Fencing Compliance Report for that period of the year ending 30 June 2004 during which the relevant provisions of the *National Third Party Access Code for Natural Gas Pipeline Systems* applied to the Roma to Brisbane Pipeline ("RBP"). APTPPL 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. Attachment 1 shows all companies in the APT Group, rather than only those companies which are "associates" as defined in the Code.
2. APTPPL 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. APTPPL 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 APTPPL 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; and
 - (e) the compliance program is reviewed regularly and as necessary.
4. The Board of Directors of APTPPL has approved this report at its meeting on 2 September 2004.

Signed by:



NAME: J K McDonald
CHAIRMAN
DATE: 2/9/04



NAME: M J McCormack
DIRECTOR
DATE: 2/9/04

Ring Fencing Compliance Report

Ring Fencing Compliance Report for APT Petroleum Pipelines Limited ACN 009 737 393 ("APTPPL") for the financial year 2003/04

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

APTPPL 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.

APTPPL 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 Petroleum Pipelines Limited ACN 009 737 393 ("APTPPL") 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).

APTPPL's sole business is the ownership and operation of the Roma to Brisbane Pipeline ("RBP") and associated pipeline infrastructure. APTPPL 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.

Attachment 1 lists the companies in the APT Group. During the reporting period, APTPPL and these entities were all wholly owned subsidiaries of APT Pipelines Limited, other than NT Gas Pty Limited, NT Gas Distribution Pty Limited, SCP Investments (No.1) Pty Limited, SCP Investments (No.2) Pty Limited, SCP Investments (No.3) Pty Limited, Southern Cross Pipelines Australia Pty Limited, Southern Cross Pipelines (NPL) Australia Pty Limited, and Goldfields Gas Transmission Pty Limited.

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.

APTPPL maintains statutory accounts, and as APTPPL undertakes no business other than the provision of Services through the RBP, these accounts are specific to the Services provided by means of the RBP.

A consolidated set of accounts is maintained for the entire business of APTPPL, 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 RBP are charged directly to APTPPL. These include but are not limited to:

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

Other costs, which are shared by APTPPL and other entities in the APT Group, are allocated on a fair and reasonable basis. The method for allocating shared costs is summarised as follows:

- for shared labour and labour overheads, costs are allocated on the basis of estimates of the proportion of each employee's activities in relation to APTPPL and the RBP; and
- for corporate overheads, costs are allocated on the basis of APTPPL's contribution to total APT Group revenues.

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.

- APTPPL is part of the Australian Pipeline Trust ("APT"). Employees of APT who are involved with the RBP 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 ("Agility") which provides a range of operations and regulatory 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; and
- APT's computer network has security arrangements which provide access only to approved personnel.
- 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'.

APTPPL does not have any Associates which take part in a Related Business other than:

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

Marketing of Services on the RBP is performed on behalf of APTPPL by staff of Agility.

APTPPL requires that its servants, consultants, contractors or agents do not act as Marketing Staff for an Associate of APTPPL that carries on a Related Business.

ATTACHMENT 1: ENTITIES IN APT GROUP

Name of Each Associate	Business Carried On	Assets Owned (Name)
<i>Corporate</i>		
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.	
W.A. Pipelines (Investments) Pty Limited ACN 108 473 070	Holds shares in W.A. Pipelines Pty Limited.	
W.A. Pipelines Pty Limited ACN 107 983 335	Company formed for pipeline acquisitions.	Nil.
<i>Moomba to Sydney Pipeline</i>		
Trans Australia Pipeline Pty Limited ACN 006 699 378 (formerly ACN 006 699 378 Pty Limited)	Holds shares in Gasinvest Australia Pty Limited (for MSP).	
Gasinvest Australia Pty Limited ACN 065 055 478	Holds shares in East Australian Pipeline Limited (for MSP).	
Agex Pty Limited ACN 008 458 580	Holds shares in APT Pipelines Investments (NSW) Pty Limited and 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 (for MSP).	
East Australian Pipeline Limited ACN 064 629 009	Owns and operates pipeline.	Moomba – Sydney Pipeline (MSP).
<i>Central West Pipeline</i>		
APT Pipelines (NSW) Pty Limited ACN 080 842 360	Owns and operates gas pipeline.	Central West Pipeline.
<i>Roma to Brisbane Pipeline</i>		
Sopic Pty Limited ACN 010 851 288	Holds shares in NT Gas Pty Limited and is a unitholder in the Amadeus Gas Trust; holds shares in APT Petroleum Pipelines Holding Pty Limited.	
APT Petroleum Pipelines Holdings Pty Limited ACN 009 738 489	Holds shares in APT Petroleum Pipelines Limited (for RBP).	
APT Petroleum Pipelines Limited ACN 009 737 393	Owns and operates gas pipelines.	Roma – Brisbane Pipeline (RBP).

Name of Each Associate	Business Carried On	Assets Owned (Name)
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Carpentaria Gas Pipeline

Roverton Pty Limited ACN 011 071 917	Owns and operates gas pipelines.	70% interest in Carpentaria Gas Pipeline; 100% ownership of MIM Lateral and Mica Creek Meter Station.
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Cannington Lateral

APT Pipelines (QLD) Pty Limited ACN 080 382 387	Owns and operates gas pipeline	Cannington Lateral.
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Amadeus Basin to Darwin Pipeline

Agex Pty Limited	As above, under the Moomba to Sydney Pipeline.	
Sopic Pty Limited	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.
APT Pipelines (NT) Pty Limited ACN 075 733 336	Owns gas pipelines.	MT. Todd and Mataranka Laterals.
NT Gas Easements Pty Limited ACN 051 412 643	Holds pipeline easements in NT.	Various easements for Amadeus Basin – Darwin Pipeline.

Goldfields Gas Pipeline

APT Pipelines Investments (WA) Pty Limited ACN 081 638 244	Holds 55% interest in SCP Investments (No.1) Pty Limited (for GGT).	
SCP Investments (No.1) Pty Limited ACN 084 521 817	Holds shares in SCP Investments (No.2) and (No.3) Pty Limited and Goldfields Gas Transmission Pty Limited (for GGT).	
SCP Investments (No.2) Pty Limited ACN 084 521 951	Holds shares in Southern Cross Pipelines Australia Pty Limited (for GGT).	
SCP Investments (No.3) Pty Limited ACN 085 991 984	Holds shares in Southern Cross Pipelines (NPL) Australia Pty Limited (for 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.	63% 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% interest in Goldfields Gas Pipeline (GGT).

Name of Each Associate	Business Carried On	Assets Owned (Name)
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Other WA Pipelines

APT Pipelines (WA) Pty Limited ACN 066 343 584	Owns interests in gas pipeline/laterals in WA and provides managements services for pipeline assets.	Owns Westlime Lateral, Wiluna Lateral and 50% of Mid West Pipeline.
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