



Company Announcement

24 March 2004

APA – Impact of Xstrata Mine Shutdown on Mid West Pipeline

The Australian Pipeline Trust (APA) advised the Australian Stock Exchange on 12 February 2003 that the Xstrata vanadium mine at Windamurra in WA would be temporarily placed in care and maintenance pending a further review. A further update was provided at the presentation of the APA results for the full year ending 30 June 2003. No revenue was brought to account from this contract during the current financial year.

APA now understands that Xstrata intends to permanently cease production from the mine in 2004. Greenstone Gas Joint Venture, with whom APA has the contract to haul natural gas to the vanadium mine, has formally advised of Xstrata's intentions. At this stage, no announcement has been made on whether the vanadium mine will be put up for sale to a third party.

In the light of these developments, APA has decided to make a provision of \$20 million against the major proportion of the asset carrying value of the Mid West Pipeline while the future of the pipeline is being clarified. This will have the effect of reducing net profit before tax for YEJ 2004 by the same amount.

APA will maintain distribution levels for year ending June 2004 as the provision is a non-cash adjustment, despite the potential impact on profit. A decision to write-down the carrying value of the pipeline will be made upon further clarification of the future of the mine site.

Mid West Pipeline's other customer (Hill 60 Gold Mine at Mt. Magnet) continues to use the pipeline and the proportional carrying value in relation to this customer has been maintained.

APA believes further opportunities exist in the Meekathara Mineral Province for gas-fired power generation.

J. K. McDonald
Managing Director

About Australian Pipeline Trust (APA)

The Australian Pipeline Trust is the major ASX listed natural gas Pipeline Company in Australia with interests in over 7,500km of pipeline infrastructure. APA has a varied, quality customer base including Cooper Eromanga Basin Producers, MIM, Normandy, CS Energy, BHP Minerals, Zinifex, Incitec, AGL and WMC.

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