



ASX ANNOUNCEMENT

7 March 2016

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA GROUP - TAKEOVER BID FOR ETHANE PIPELINE INCOME FUND

In accordance with section 633(1) item 5 of the *Corporations Act 2001* (Cth), please find attached a copy of the bidder's statement in relation to the off-market takeover bid made by Australian Pipeline Limited (ABN 99 091 344 704) as responsible entity of Australian Pipeline Trust (ARSN 091 678 778) for all of the stapled securities in Ethane Pipeline Income Fund (each stapled unit being comprised of one unit in each of Ethane Pipeline Income Trust (ARSN 118 961 167) and Ethane Pipeline Income Financing Trust (ARSN 118 961 023)) (**Bidder's Statement**).

The Bidder's Statement was lodged with the Australian Securities & Investments Commission and was given to APA Ethane Limited as responsible entity of each of Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust earlier today.

Yours faithfully

Nevenka Codevelle
Company Secretary & General Counsel
Australian Pipeline Limited

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating around \$19 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, Energy Infrastructure Investments, GDI Allgas Gas Networks and Diamantina and Leichhardt Power Stations.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, www.apa.com.au

BIDDER'S STATEMENT

ACCEPT the unconditional cash Offer

APA Group is offering to acquire all of your securities in **Ethane Pipeline Income Fund** for **A\$1.88** in cash for each EPX Security you hold.

In addition, you will be entitled to retain the distribution declared by EPX for the March 2016 quarter of 3.25 cents per EPX Security if eligible on the Distribution Record Date.

Offer by Australian Pipeline Limited (ABN 99 091 344 704) as responsible entity of Australian Pipeline Trust (ARSN 091 678 778) ("**Bidder**").

The Offer is dated [•] 2016 and will close at 7.00pm (Sydney Time) on [•] 2016, unless extended.

If you have any questions in relation to the Offer or this Bidder's Statement, please call the APA Offer Information Line on 1800 426 150 (toll free within Australia) or +61 1800 426 150 (from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday.

**THIS IS AN IMPORTANT DOCUMENT AND
REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about how to deal with this document you should consult your financial or other professional adviser.

IMPORTANT DATES

Announcement of the Offer	7 March 2016
Bidder's Statement lodged with ASIC	7 March 2016
Date of the Offer	[•] March 2016
Offer scheduled to close (unless extended in accordance with the Corporations Act)	7.00pm (Sydney Time) on [•] 2016

HOW TO ACCEPT

To accept the Offer you must follow the instructions set out in section 2 of this Bidder's Statement. Acceptances for the Offer must be received in sufficient time to be acted upon before the close of the Offer Period.

ENQUIRIES

If you have any questions in relation to the Offer or this Bidder's Statement, please call the **APA Offer Information Line** on 1800 426 150 (toll free within Australia) or +61 1800 426 150 (from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday.

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CHAIRMAN'S LETTER

7 March 2016

Dear Securityholder,

On behalf of APA Group, I am pleased to make an unconditional offer ("**Offer**") to you to acquire all of your fully paid stapled units in Ethane Pipeline Income Fund ("**EPX**") ("**EPX Securities**") for a cash price of A\$1.88 each ("**Offer Price**"). In addition, you will be entitled to retain the declared distribution for the March 2016 quarter of 3.25 cents per EPX Security if eligible on the Distribution Record Date.

The Offer is being made by Australian Pipeline Limited as responsible entity of Australian Pipeline Trust ("**Bidder**").

The Bidder is part of APA Group, which is Australia's largest natural gas infrastructure business. APA Ethane Limited is the responsible entity of both Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust, being the two stapled Australian registered managed investment schemes which comprise EPX. APT Pipelines Limited, a member of APA Group, owns 49.5% of the shares in the responsible entity, APA Ethane Limited. The remaining 50.5% is held by two independent directors of APA Ethane Limited, Nancy Fox and Rick Coles (25.25% each), on behalf of the holders of APA Group stapled securities (comprising the Australian Pipeline Trust and APT Investment Trust). As such, appropriate bid governance and protocols have been implemented for the separation of officers and managers of APA and EPX, including those possessing EPX confidential information and APA Group's acquisition team, to ensure that the interests of both EPX Securityholders and APA Group are protected.

You should accept the Offer because:

- **Recommended Offer** – The independent directors of EPX (being Nancy Fox and Rick Coles) unanimously recommend EPX Securityholders accept the Offer in the absence of a superior offer and subject to an Independent Expert opining that the Offer is fair and reasonable.
- **Compelling value and substantial premium to current trading prices** – The Offer Price plus the distribution declared by EPX for the March 2016 quarter of 3.25 cents per EPX Security, represents a premium of:
 - 30.1% to the last closing price of EPX Securities on 4 March 2016 of A\$1.47, the last unaffected trading day prior to announcement of the Offer;
 - 33.7% to the 1 week VWAP¹ to 4 March 2016 of EPX Securities of A\$1.43;
 - 37.6% to the 1 month VWAP² to 4 March 2016 of EPX Securities of A\$1.39; and
 - 31.0% to the 3 month VWAP³ to 4 March 2016 of EPX Securities of A\$1.46.

The Offer Price only, which does not include the distribution declared by EPX for the March 2016 quarter, represents a premium of 27.9% to the last closing price of EPX Securities on 4 March 2016 of A\$1.47, the last unaffected trading day prior to announcement of the Offer.

- **Offer is unconditional with accelerated payment** – The Offer is not subject to any conditions. You will be paid the Offer Price within 5 Business Days from receipt of your valid acceptance.
- **Cash consideration provides certainty compared to the uncertainty of EPX's business and future distribution profile** – There are material risks to EPX's business as a result of

¹ VWAPs are calculated on the basis of ASX trading data sourced from IRESS without the consent of IRESS to the use of data, as permitted by ASIC Class Order 07/429.

² See footnote 1.

³ See footnote 1.

having a single asset (the ethane pipeline) with a single customer (Qenos). Whilst recent changes in relation to the Production Transportation Agreement mean that there is a fixed minimum charge through to 31 December 2018, from 1 January 2019 the terms of the Product Transportation Agreement revert back to a greater reliance on the volume of ethane transported through the pipeline, rather than a fixed charge. The volume of ethane transported on the pipeline is determined by Qenos and its ethane suppliers. This presents higher risk to EPX's future revenues and distribution payment profile. The Offer provides an opportunity to dispose of all your EPX Securities for cash and to realise full and certain value.

- **The Bidder is best placed to offer full value to EPX Securityholders** – The Bidder is part of APA Group, which is Australia's largest natural gas infrastructure business. APA Group has ownership interests in and/or operates approximately A\$19 billion of energy assets, principally for transporting and storing gas. This includes owning and/or operating approximately 15,000 kilometres of natural gas transmission pipelines across mainland Australia, including the Moomba to Sydney natural gas pipeline that runs adjacent to the ethane pipeline referred to above.

Accordingly, the Bidder, as part of APA Group, is well placed to manage the risks inherent in owning the ethane pipeline as outlined above and can as a result offer full value to EPX Securityholders.

- **Price of EPX Securities may fall** – The trading price of EPX Securities may fall after the Offer closes.
- **Potential negative consequences for any remaining minority EPX Securityholders** – Should the Bidder gain a majority securityholding in EPX (but is not entitled to compulsorily acquire EPX), those EPX Securityholders who do not accept the Offer may have less influence over the future direction and control of EPX. Under these circumstances the liquidity in trading of EPX Securities may be reduced. The Bidder may also seek to have EPX removed from the official list of ASX, which if permitted by ASX, may result in any remaining EPX Securityholders either having to dispose of their EPX Securities or remaining in a potentially illiquid, unlisted vehicle.

We consider the Offer to be compelling to you as an EPX Securityholder and encourage you to accept the Offer at your earliest convenience. To accept the Offer, please follow the instructions in this Bidder's Statement and the Acceptance Form accompanying this Bidder's Statement.

Yours sincerely

Leonard Bleasel AM
Chairman
APA Group

IMPORTANT NOTICES

This Bidder's Statement is given under Part 6.5 of the Corporations Act and relates to the Offer. It is given by Australian Pipeline Limited (ABN 99 091 344 704) as responsible entity of Australian Pipeline Trust (ARSN 091 678 778) to APA Ethane Limited (ACN 132 157 290) as responsible entity of each of Ethane Pipeline Income Trust (ARSN 118 961 167) and Ethane Pipeline Income Financing Trust (ARSN 118 961 023).

The Offer will close at 7.00pm (Sydney Time) on [•] 2016 unless extended in accordance with the Corporations Act.

Bidder's Statement

YOU SHOULD READ THIS BIDDER'S STATEMENT IN ITS ENTIRETY

This Bidder's Statement is dated 7 March 2016. A copy of this Bidder's Statement was lodged with ASIC on that date. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Bidder's Statement.

The Offer contained in this Bidder's Statement is to acquire all of your EPX Securities. The full terms of the Offer are as set out in section 8 of this Bidder's Statement. The Bidder's Statement has been prepared by and is given by the Bidder.

This Bidder's Statement does not, however, take into account your individual investment objectives, financial situation or particular needs. You should seek independent financial and taxation advice in relation to this Bidder's Statement and the Offer before deciding whether or not to accept the Offer.

Foreign EPX Securityholders

It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept the Offer. You should note that the Offer is being conducted in accordance with the laws in force in Australia and the ASX Listing Rules. This Bidder's Statement complies with Australian disclosure requirements and accounting standards. These requirements and standards may be different to those in jurisdictions outside Australia. Foreign EPX Securityholders may have difficulties in enforcing their rights

and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel the Bidder to subject itself to a foreign court's judgment.

EPX Securityholders who are not Australian resident taxpayers or who are liable for tax outside of Australia should seek specific tax advice in relation to the Australian and overseas tax consequences of the transactions contemplated by this Bidder's Statement.

Neither this Bidder's Statement, nor the Offer, constitutes an offer to EPX Securityholders, or a solicitation, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or solicitation.

Forward statements

This Bidder's Statement contains various forward-looking statements. EPX Securityholders should note that forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from implied values or anticipated results, performance or achievements expressed or implied in those forward-looking statements. Neither APA Group nor any of its officers, nor any persons named in this Bidder's Statement with their consent, nor any person involved in the preparation of this Bidder's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, and you are cautioned not to place undue reliance on those statements.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement, including those in respect of the Offer Price, are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Bidder's Statement.

Information on EPX

The information concerning EPX contained in this Bidder's Statement has been obtained

from publicly available sources. Neither APA Group nor any of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of this information.

No internet site is part of this Bidder's Statement

APA Group maintains an internet site at www.apa.com.au. Any references in this Bidder's Statement to an internet site are a textual reference for information only and no information in any internet site forms part of this Bidder's Statement.

Definitions

Terms used in this Bidder's Statement have the meaning given to them in the Glossary at section 13 of this Bidder's Statement. The Glossary also includes certain rules of interpretation which apply to this Bidder's Statement.

Privacy statement

The Bidder has collected certain information about you from the EPX register of securityholders for the purposes of the Offer. The type of information collected about you includes your name, address, contact details and information on your securityholding in EPX.

Under the Corporations Act, the name and address of securityholders are required to be held in a public register. In connection with the Offer, your information may be shared on a confidential basis with members of APA Group and certain external service providers (such as advisers and providers of print services), and may be required to be disclosed to certain regulators, including ASIC. If you would like details of information about you held by APA Group or EPX, please call the APA Offer Information Line.

Questions

If you have any questions in relation to the Offer or this Bidder's Statement, please call the APA Offer Information Line on 1800 426 150 (toll free within Australia) or +61 1800 426 150 (from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday.

1 REASONS WHY YOU SHOULD ACCEPT THE OFFER

- Unanimous recommendation by the EPX Independent Directors.
- Compelling value and substantial premium to current trading prices.
- Cash consideration provides value certainty.
- If you accept, you will avoid any future risk related to an investment in EPX.
- The Bidder is best placed to offer full value to EPX Securityholders.
- Security price may fall after the Offer closes.
- You may risk becoming a minority EPX Securityholder.
- Unconditional offer with accelerated payment terms.

1.1 Unanimous recommendation by the EPX Independent Directors

The Independent Directors comprising the independent board committee (being Nancy Fox and Rick Coles) unanimously recommend EPX Securityholders accept the Offer in the absence of a superior offer and subject to an Independent Expert opining that the Offer is fair and reasonable.

Robert Wright, EPX's Chairman, is a former director of the APA Group Responsible Entity. Consequently, Robert Wright is not a member of the independent board committee which has been formed by EPX to consider the Offer.

1.2 Compelling value and substantial premium to current trading prices

The Offer Price of A\$1.88 is a compelling offer and represents a substantial premium to the trading price for EPX Securities in the period prior to the announcement of the Offer.

The Offer Price plus the distribution declared by EPX for the March 2016 quarter of 3.25 cents per EPX Security, represents a premium of:

- 30.1% to the last closing price of EPX Securities on 4 March 2016 of A\$1.47, the last unaffected trading day prior to announcement of the Offer;
- 33.7% to the 1 week VWAP⁴ to 4 March 2016 of EPX Securities of A\$1.43;
- 37.6% to the 1 month VWAP⁵ to 4 March 2016 of EPX Securities of A\$1.39; and
- 31.0% to the 3 month VWAP⁶ to 4 March 2016 of EPX Securities of A\$1.46.

The Offer Price only, which does not include the declared distribution, represents a premium of:

- 27.9% to the last closing price of EPX Securities on 4 March 2016 of A\$1.47, the last unaffected trading day prior to announcement of the Offer;
- 31.5% to the 1 week VWAP⁷ to 4 March 2016 of EPX Securities of A\$1.43;
- 35.3% to the 1 month VWAP⁸ to 4 March 2016 of EPX Securities of A\$1.39; and
- 28.8% to the 3 month VWAP⁹ to 4 March 2016 of EPX Securities of A\$1.46.

⁴ VWAPs are calculated on the basis of ASX trading date sourced from IRESS without the consent of IRESS to the use of data, as permitted by ASIC Class Order 07/429.

⁵ See footnote 4.

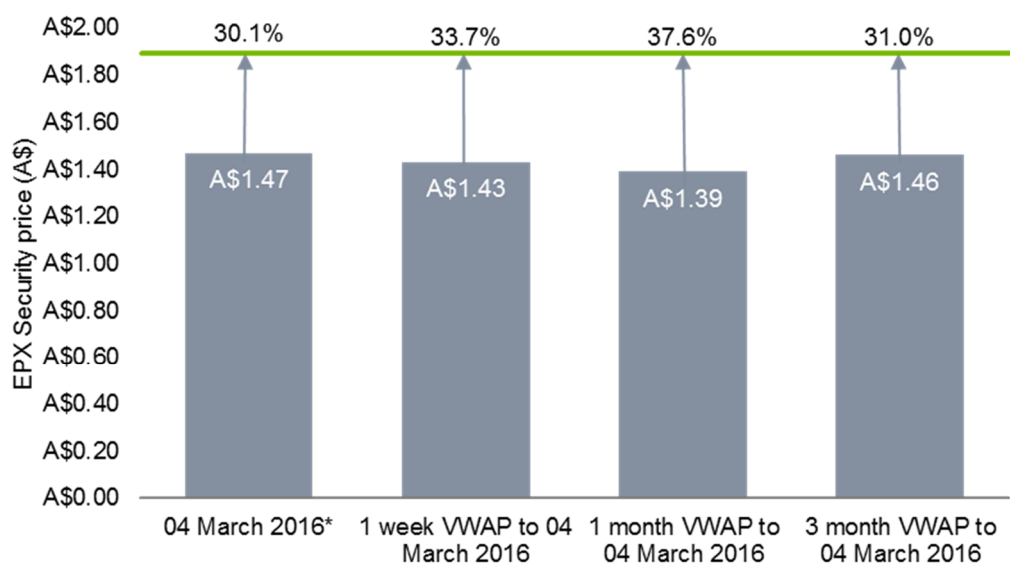
⁶ See footnote 4.

⁷ See footnote 4.

⁸ See footnote 4.

⁹ See footnote 4.

Premia – Offer Price plus declared distribution

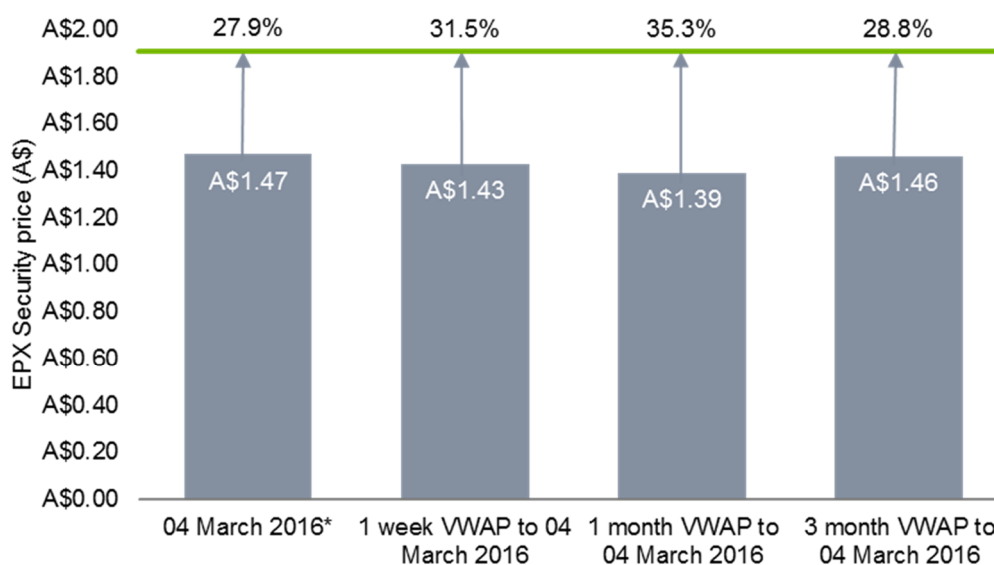


Source: IRESS¹

* Last unaffected trading day prior to announcement of the Offer

1. VWAPs are calculated on the basis of ASX trading data sourced from IRESS without the consent of IRESS to the use of data, as permitted by ASIC Class Order 07/429.

Premia – Offer Price only



Source: IRESS¹

* Last unaffected trading day prior to announcement of the Offer

1. VWAPs are calculated on the basis of ASX trading data sourced from IRESS without the consent of IRESS to the use of data, as permitted by ASIC Class Order 07/429.

1.3 Cash consideration provides value certainty

The Offer is an all cash offer.

By accepting the Offer, you will receive a cash payment of A\$1.88 for each EPX Security you hold. In addition, you will be entitled to retain the declared distribution for the March 2016 quarter of 3.25 cents per EPX Security if eligible on the Distribution Record Date.

You will not pay stamp duty on the disposal of your EPX Securities should you accept the Offer.

If your EPX Securities are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.

If your EPX Securities are registered in a CHESS Holding, or if you are a beneficial owner whose EPX Securities are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

1.4 If you accept, you will avoid any future risk related to an investment in EPX

Remaining as an EPX Securityholder will mean that you continue to be exposed to the following risks related to its business which may impact on the performance of EPX and the quantum of, and its ability to continue to pay, distributions:

- **Single asset, with a single customer and single significant revenue source** – EPX's only asset is the Ethane Pipeline and it derives its only significant source of revenue from transporting ethane through the pipeline under the PTA. The PTA has a term until June 2030 however EPX's only customer, Qenos may terminate the agreement at any time by providing at least 12 months' notice provided that termination cannot occur before 1 January 2019. If the pipeline is damaged or its ability to transport ethane is otherwise curtailed, the revenues generated by EPX will reduce.
- **Changes to the revenue basis resulting in greater ethane transportation volume risk for EPX from 1 January 2019 onwards** – From 1 October 2013, the basis of calculating revenue under the PTA changed such that the reservation component (i.e. the component not dependent on volumes of ethane transported on the pipeline) was reduced and the throughput component increased, so that a greater proportion of EPX's revenue is now dependent on the volume of ethane transported through the pipeline. With effect from 1 January 2015, further changes were agreed such that if certain annual thresholds relating to the quantity of ethane transported under the PTA and the EBITDA of Qenos' Botany plant are not reached in a calendar year between 2015 and 2018, the reservation charge for that year will be fixed at A\$20 million (adjusted annually by 50% of CPI) and there will be no transportation charge. From 1 January 2019, the tariff reverts to the reservation charge and transportation previously agreed under the PTA (adjusted annually by 50% of CPI).

EPX has stated that "The Fund will continue paying distributions from available net cash flows, which are determined after meeting all costs of the Fund" (Source: FY15 Annual Report). Should volumes fall, this will result in lower throughput revenue which will decrease the net cash flows available for distribution by EPX. Should EPX need to reduce the level of distributions, there is the potential for the security price to also fall.

- **Risks to ethane supply and demand** – The producers extracting ethane from the Cooper Basin may become unwilling or unable to sell ethane to Qenos on terms mutually acceptable to both the producers and Qenos. Risks to ethane supply include insufficient quantities of ethane and a reduction in the incentive for the Cooper Basin producers to sell ethane separately from natural gas. Risks to ethane demand include physical risks affecting the Qenos Botany plant, a significant reduction in the demand for polyethylene manufactured by the Botany plant and the use of alternative feedstocks for the production of polyethylene at the Botany plant.
- **Risks of switching to an alternate use** - In the event that the Ethane Pipeline ceases to transport ethane, which may arise on or before the expiry of the PTA, there

will be technical, operational and commercial risks associated with switching the Ethane Pipeline to an alternate use.

1.5 The Bidder is best placed to offer full value to EPX Securityholders

The Bidder is part of APA Group, which is Australia's largest natural gas infrastructure business. APA Group has ownership interests in and/or operates approximately A\$19 billion of energy assets, principally for transporting and storing gas. This includes owning and/or operating approximately 15,000 kilometres of natural gas transmission pipelines across mainland Australia, including the Moomba to Sydney natural gas pipeline that runs adjacent to the Ethane Pipeline.

Accordingly, the Bidder, as part of APA Group, is well placed to manage the risks inherent in owning the Ethane Pipeline as outlined above in section 1.4.

1.6 Security price may fall after the Offer closes

For the 3 month period prior to 4 March 2016, the last unaffected trading day prior to announcement of the Offer, EPX's Security price traded between A\$1.34 and A\$1.62, closing at A\$1.47 on 4 March 2016.

The Offer Price of A\$1.88 is above the highest price at which EPX Securities have traded in the past 12 months.

While there are many factors that might influence the trading price of EPX Securities, there is a risk that EPX's Security price may fall after the Offer closes, at least in the short term and if no other offer is made for EPX at or above the Offer Price.

The Offer provides an opportunity to dispose of all your EPX Securities, and to realise full and certain value for your entire holding in EPX.

1.7 You may risk becoming a minority EPX Securityholder

Should the Bidder gain a majority securityholding in EPX (but is not entitled to compulsorily acquire EPX), those EPX Securityholders who do not accept the Offer may have less influence over the future direction and control of EPX.

EPX Securityholders should also be aware that in circumstances where they do not accept the Offer and the EPX Securities continue to be quoted on ASX, the liquidity of their EPX Securities may decrease materially.

The Bidder may also seek to have EPX removed from the official list of ASX, which, if permitted by ASX, may result in any remaining EPX Securityholders either having to dispose of their EPX Securities or remaining in an illiquid, unlisted vehicle.

Section 5.5 provides further information of the Bidder's intentions upon gaining control of, but less than 90% of, EPX.

1.8 Unconditional offer with accelerated payment terms

The Offer is not subject to any conditions, including any minimum acceptance condition. The Bidder will pay the Offer Price within 5 Business Days from receipt of a valid acceptance.

2 HOW TO ACCEPT

Complete and sign the Acceptance Form enclosed with this Bidder's Statement and deliver it to:

By post

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

By hand

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

so that it is **received before 7.00pm (Sydney Time) on [•] 2016**, unless the Offer is extended in accordance with the Corporations Act.

A reply paid envelope has been enclosed for EPX Securityholders with Australian addresses to return their completed Acceptance Form. Foreign EPX Securityholders should return their Acceptance Form by pre-paid airmail.

Alternatively, if your EPX Securities are in a CHESS Holding you may instruct your Controlling Participant (usually your broker) to accept on your behalf (or if you are a Controlling Participant you may yourself initiate acceptance), in accordance with the ASX Settlement Operating Rules, **before 7.00pm (Sydney Time) on [•] 2016** unless the Offer is extended in accordance with the Corporations Act.

If you are a Controlling Participant, you must initiate acceptance yourself under rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period.

For further details as to how to accept the Offer, please read section 9 of this Bidder's Statement.

3 OFFER SUMMARY AND KEY INFORMATION

Question	Answer
What is the Offer?	The Bidder is offering to acquire all of your EPX Securities for A\$1.88 in cash for each EPX Security you hold, on the terms set out in section 8.
Who is the Bidder?	Australian Pipeline Limited as responsible entity of Australian Pipeline Trust
What is the Offer Price?	<p>The Bidder is offering to buy all of your EPX Securities (together with all attaching Rights), for A\$1.88 in cash each. In addition, you will be entitled to retain the declared distribution for the March 2016 quarter of 3.25 cents per EPX Security if eligible on the Distribution Record Date.</p> <p>Further details of the consideration being offered are set out in section 8.4.</p>
What choices do I have as an EPX Securityholder?	<p>As an EPX Securityholder, you have the following choices in respect of your EPX Securities:</p> <ul style="list-style-type: none"> • accept the Offer in respect of all of your EPX Securities; • sell some or all of your EPX Securities on ASX (which may be at a higher or lower price than the Offer Price); • sell some of your EPX Securities on ASX and accept the Offer in respect of all of your remaining EPX Securities; or • do nothing. <p>There are implications for each of the above choices, including that your EPX Securities may be compulsorily acquired even if you do not accept the Offer.</p>
What do the EPX Independent Directors recommend?	<p>The EPX Independent Directors unanimously recommend EPX Securityholders accept the Offer in the absence of a superior offer and subject to an Independent Expert opining that the Offer is fair and reasonable.</p> <p>See section 1.1 for further details.</p>
What conditions are attached to the Offer?	The Offer is unconditional.
When does the Offer close?	The Offer is currently scheduled to close at 7.00pm (Sydney Time) on [•] 2016, unless extended in accordance with the provisions of the Corporations Act.

Question	Answer
Can the Bidder extend the Offer Period?	Yes, the Offer can be extended at the Bidder's election or otherwise in accordance with the Corporations Act. If the Offer is extended, the Bidder will give a notice to EPX, ASX and EPX Securityholders (as required by the Corporations Act) setting out the terms of the extension.
What happens if EPX declares a distribution on or after the Announcement Date?	<p>The Bidder will be entitled to all Rights declared, paid, made or which arise or accrue on or after the Announcement Date.</p> <p>If any Rights are declared, paid, made or arise or accrue after the Announcement Date to the holders of EPX Securities, and the Bidder does not receive the benefit of those Rights, the Bidder will be entitled to deduct the amount (or value, as reasonably assessed by the Bidder) of such Rights by reducing the consideration otherwise due to you under the Offer.</p> <p>EPX Securityholders will be entitled to retain the declared distribution for the March 2016 quarter of 3.25 cents per EPX Security if eligible on the Distribution Record Date.</p>
What are the Bidder's intentions in relation to EPX?	The Bidder has set out its intentions in section 5.
What are the tax implications if I accept the Offer?	Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of some of the potential Australian tax consequences is set out in section 7. That section is a general outline only and does not provide advice on your own individual circumstances.
Can I accept the Offer for part of my holding?	No, the Offer is only in respect of ALL of your EPX Securities.
Can I sell my EPX Securities on market?	Yes, you can sell some or all of your EPX Securities on market.
Will I pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay stamp duty on the disposal of your EPX Securities should you accept the Offer.</p> <p>If your EPX Securities are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder in accordance with section 9, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your EPX Securities are registered in a CHESS Holding, or if you are a beneficial owner whose EPX Securities are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>
What happens if I accept the	You will be paid the Offer Price for each EPX Security

Question	Answer
Offer?	you hold within 5 Business Days of receipt of your valid acceptance of the Offer, subject to certain requirements (see section 10).
If I accept the Offer, when will I be paid?	You will be paid the Offer Price within 5 Business Days from receipt of your valid acceptance.
What are the consequences of accepting the Offer now?	Once you accept the Offer you will not be able to sell your EPX Securities on market, accept any other offer or otherwise deal with your EPX Securities even if a superior offer is subsequently made by a third party. You will also no longer be entitled to any Rights declared, paid, made, accrued or which may arise in the future.
Can I withdraw my acceptance?	No, as the Offer is unconditional.
What happens if I do not accept the Offer?	<p>If you do not accept the Offer by the Closing Date, and the Bidder becomes entitled to compulsorily acquire all remaining EPX Securities as a consequence of the Bidder and its Associates having a relevant interest in at least 90% of the EPX Securities, the Bidder intends to exercise its compulsory acquisition rights to acquire your EPX Securities.</p> <p>In these circumstances, you will receive the same payment that you would have received under the Offer, but you will face a delay in receiving the consideration compared with EPX Securityholders who accepted the Offer.</p> <p>If you do not accept the Offer by the Closing Date, and the Bidder is not entitled to compulsorily acquire all remaining EPX Securities on issue, you will remain an EPX Securityholder.</p>
How do I reject the Offer?	To reject the Offer, you do not need to do anything. Simply take no action in response to this Bidder's Statement.
What happens if the Bidder gains control but acquires less than 90% of the EPX Securities on issue?	<p>If the Bidder gains control of EPX but obtains a relevant interest in less than 90% of EPX Securities on issue, EPX Securityholders who do not accept the Offer may have less influence over the future direction and control of EPX.</p> <p>See section 5.5 for further information on the Bidder's intentions in this scenario.</p>
What will be the impact on EPX if the Bidder does not acquire control of EPX?	<p>If the Bidder does not acquire control of EPX, the Bidder considers it likely that EPX will remain listed on ASX and will continue to execute its current business strategy.</p> <p>See section 5.6 for further information on the Bidder's intentions in this scenario.</p>
Will I be forced to sell my EPX Securities?	You cannot be forced to sell your EPX Securities unless the Bidder and its Associates obtain a relevant

Question	Answer
	<p>interest in at least 90% of the EPX Securities. Then, the Bidder will be entitled to proceed to compulsorily acquire the EPX Securities held by EPX Securityholders who did not accept the Offer, in which case you will receive the same payment for your EPX Securities that you would have received under the Offer.</p>
<p>Where do I get an Acceptance Form?</p>	<p>A personalised Acceptance Form has been enclosed with this Bidder's Statement or you can go online at www.apa.com.au and follow the links to download and print a personalised Acceptance Form. You will need your SRN/HIN to download the Acceptance Form.</p>
<p>What if I require further information?</p>	<p>You can call the APA Offer Information Line on 1800 426 150 (toll free within Australia) or +61 1800 426 150 (from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday to obtain a replacement Acceptance Form and Bidder's Statement.</p>

4 INFORMATION ABOUT APA GROUP

4.1 Overview of APA Group

APA Group is Australia's largest natural gas infrastructure business. It has ownership interests in and/or operates approximately A\$19 billion of energy assets, principally for transporting and storing gas. This includes owning and/or operating approximately 15,000 kilometres of natural gas transmission pipelines across mainland Australia, gas storage facilities, and operatorship of two gas distribution businesses – Australian Gas Networks and Allgas¹⁰ – with over 28,000 kilometres of gas mains and 1.3 million consumer connections across eastern Australia. In addition to its core businesses of gas transmission and distribution, APA Group also holds ownership interests in, and operates, complementary energy infrastructure assets such as gas-fired electricity generation plants, wind farms, gas processing plants and electricity transmission.

APA Group's interests in these assets are held through direct ownership or through minority equity interests in a number of other energy infrastructure enterprises.

APA Group has direct management and operational control over its assets and the majority of its investments, employing around 1,600 employees and approximately 1,200 contractors across Australia. It derives stable revenue through a mix of regulated returns, negotiated revenue contracts, investments and asset management.

APA Group's objective of maximising securityholder value is achieved through expanding and enhancing its infrastructure portfolio, securing low risk, long-term revenue on its assets, providing various services to customers of the assets, operating the business safely and efficiently and generating further value through its varied service offerings.

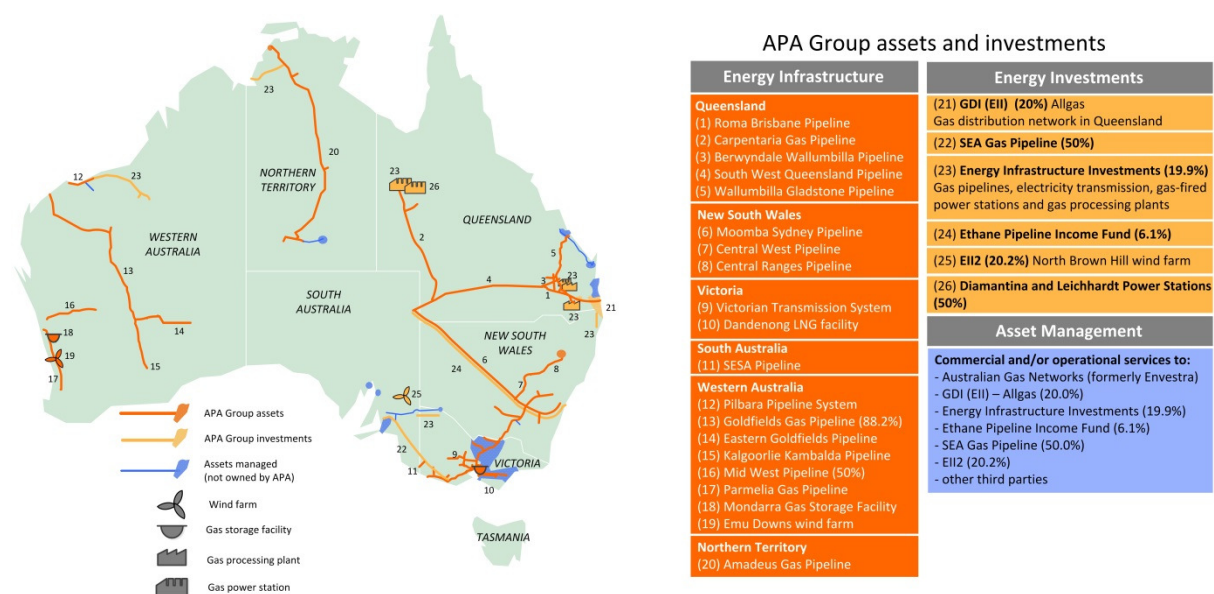
APA Group is listed on ASX and is included in the S&P ASX 50 Index. Since listing in June 2000, its market capitalisation has increased more than 19-fold to A\$9.5 billion (as at 4 March 2016), and it achieved total securityholder returns of 1,304% or annual compound growth rate of 19.2%¹¹ at the end of the 2015 financial year.

APA Group is headquartered in Sydney, and has assets, investments and offices across Australia.

¹⁰ Allgas is managed and operated by APA Group and owned by GDI (EII), in which APA Group holds a 20% interest.

¹¹ Total securityholder return is the capital appreciation of the company's security price, adjusted for capital management (such as security splits and consolidations) and assuming reinvestment of distribution at the declared distribution rate per security. Figures quoted are sourced from IRESS and measured as at 30 June 2015.

4.2 APA Group assets and investments



4.3 APA Group directors

The board of the APA Group Responsible Entity comprises eight directors, the majority of whom (including the chairman) are independent. Brief profiles of the board of the APA Group Responsible Entity are set out below.

Name	Biography
Leonard Bleasel AM FAICD FAIM Independent Chairman Appointed 28 August 2007 Appointed Chairman 30 October 2007	<p>Leonard (Len) Bleasel had a long career in the energy industry before retiring from management in 2001. He started his career in AGL in 1958 and worked in a variety of roles, culminating in the position of Managing Director and CEO from 1990 to 2001.</p> <p>Len's past appointments have included lead non-executive director of QBE Insurance Group Limited, Chairman of Foodland Associated Limited, ABN AMRO Australia Holdings Pty Limited, Solaris Power, the Australian Gas Association, Natural Gas Corporation Holdings Ltd (New Zealand), Elgas Ltd, Auscom Holdings Pty Ltd, Industrial Pipe Systems Pty Ltd, East Australian Pipeline Ltd, the Advisory Council for CIMB Securities International (Australia) Pty Limited and the Taronga Conservation Society Australia. He was also a director of St George Bank Limited, O'Connell Street Associates Pty Limited and Gas Valpo (Chile).</p> <p>Len was awarded an AM in the General Division of the Order of Australia for services to the Australian gas and energy industries and the community.</p>

Name	Biography
<p>Michael McCormack BSurv GradDipEng MBA FAICD <i>Chief Executive Officer and Managing Director</i> Appointed Managing Director 1 July 2006</p>	<p>Michael (Mick) McCormack has been Chief Executive Officer of APA Group since 1 July 2005 and Managing Director since 1 July 2006.</p> <p>Mick has over 30 years' experience in the gas infrastructure sector in Australia and his career has encompassed all aspects of the sector including commercial development, design, construction, operation and management of most of Australia's natural gas pipelines and gas distribution systems.</p> <p>Mick is a former director of Envestra Limited (now Australian Gas Networks Limited), the Australian Pipeline Industry Association and the Australian Brandenburg Orchestra.</p>
<p>Steven Crane BCom FAICD SF Fin <i>Independent Director</i> Appointed 1 January 2011</p>	<p>Steven (Steve) Crane has over 30 years' experience in the financial services industry. His background is in investment banking, having previously been Chief Executive Officer of ABN AMRO Australia and BZW Australia.</p> <p>Steve has considerable experience as a non-executive director of listed entities. He is currently Chairman of nib Holdings Limited and the Taronga Conservation Society Australia.</p> <p>He was formerly Chairman of Adelaide Managed Funds Limited and Investa Property Group Limited, a director of Bank of Queensland Limited, Transfield Services Limited, Adelaide Bank Limited, Foodland Associated Limited and APA Ethane Limited, the responsible entity of Ethane Pipeline Income Fund, and a member of the Advisory Council for CIMB Securities International (Australia) Pty Limited.</p> <p>Steve is the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee.</p>
<p>John Fletcher BSc MBA FAICD <i>Independent Director</i> Appointed 27 February 2008</p>	<p>John Fletcher has over 35 years' experience in the energy industry, having held a number of executive positions in AGL prior to his retirement in 2003, including Chief Financial Officer. John has previously been a director of Integral Energy, Natural Gas Corporation Holdings Ltd (New Zealand), Foodland Associated Limited, Sydney Water Corporation and Alinta Energy Group. He brings a wide commercial and financial practical knowledge to the board.</p> <p>John was previously an AGL appointed director of Australian Pipeline Limited from 2000 to 2005.</p> <p>John is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee.</p>
<p>Michael Fraser BCom FCPA FTI MAICD <i>Non-Independent Director</i> Appointed 1 September 2015</p>	<p>Michael has more than 30 years' experience in the Australian energy industry. He has held various executive positions at AGL Energy Limited culminating in his role as Managing Director and Chief Executive Officer for the period of seven years until February 2015.</p> <p>Michael is currently a director of Aurizon Holdings Ltd. He is a former Chairman of the Clean Energy Council, Elgas Limited, ActewAGL and the NEMMCo Participants Advisory Committee, as well as a former Director of Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.</p> <p>Michael is a member of the Remuneration Committee and the Health Safety and Environment Committee.</p>

Name	Biography
<p>Debbie Goodin BEc FCA MAICD <i>Independent Director</i> Appointed 1 September 2015</p>	<p>Debra (Debbie) has extensive executive experience in operations, finance, M&A and corporate development, including with engineering and professional services firms, and is a Fellow of Chartered Accountants Australia and New Zealand.</p> <p>She is an experienced non-executive director, including as a member and Chair of Board Audit and Risk Committees. She is currently a director of ASX-listed companies Senex Energy Limited and oOh!media Limited, and chairs the Audit and Risk Committees of each of those Boards. Debbie was formerly a director of Beyond Bank Australia Limited, Citywest Water Limited and Mt Hotham Resort Management Limited.</p> <p>Debbie is a member of the Audit and Risk Management Committee and the Health Safety and Environment Committee.</p>
<p>Russell Higgins AO BEc FAICD <i>Independent Director</i> Appointed 7 December 2004</p>	<p>Russell Higgins has extensive experience both locally and internationally in the energy sector and in economic and fiscal policy. He was Secretary and Chief Executive Officer of the Department of Industry, Science and Resources from 1997 to 2002 and Chairman of the Australian Government's Energy Task Force from 2003 to 2004.</p> <p>Russell is a director of Telstra Corporation Limited and Argo Investments Limited.</p> <p>He is a former Chairman of the Global Carbon Capture and Storage Institute, the CSIRO Energy Transformed Flagship Advisory Committee and Snowy Hydro, as well as a former director of Leighton Holdings Limited, Ricegrowers Limited (trading as SunRice), Australian Biodiesel Group Limited, EFIC and the CSIRO. He was also previously a member of the Prime Ministerial Task Group on Emissions Trading.</p> <p>Russell is Chairman of the Health Safety and Environment Committee and a member of the Audit and Risk Management Committee.</p>
<p>Patricia McKenzie LLB FAICD <i>Independent Director</i> Appointed 1 January 2011</p>	<p>Patricia McKenzie has considerable expertise and experience in energy market regulation and, as a qualified solicitor, extensive corporate legal experience. She is currently Chair of Healthdirect Australia.</p> <p>Patricia was formerly a director of Macquarie Generation, Transgrid and the Australian Energy Market Operator Limited (AEMO), the national energy market operator for electricity and gas, and formerly the Chief Executive Officer of Gas Market Company Limited, the market administrator for retail competition in the gas industry in New South Wales and the Australian Capital Territory.</p> <p>Patricia is a member of the Health Safety and Environment Committee and the Remuneration Committee.</p>

4.4 APA Group senior management

Brief profiles of the members of APA Group's senior management team are as follows:

Name	Biography
Nevenka Codevelle BCom LLM <i>Company Secretary and General Counsel</i>	<p>Nevenka Codevelle is responsible for APA Group's Secretariat and Legal division. The division comprises the company secretarial, legal and group compliance functions.</p> <p>Nevenka joined APA Group in February 2008 and has held the role of General Counsel since June 2012. In October 2015, Nevenka took on the additional role of Company Secretary thereby joining the Executive team. Prior to joining APA Group, Nevenka had over 15 years' experience as an infrastructure and regulatory lawyer working in private legal practice in Australia and overseas, as well as a policy advisor to the National Competition Council.</p>
John Ferguson MIGE Aust <i>Group Executive Networks</i>	<p>John Ferguson is responsible for the operation and management of APA Group's minority owned gas distribution assets, as well as for Australian Gas Networks assets – together covering over 28,000 kilometres of gas distribution pipelines and 1.3 million gas users in eastern Australia.</p> <p>John joined APA Group in September 2008, continuing his 38-year career in the gas infrastructure business, covering operations, network development and gas marketing.</p>
Peter Fredricson BCom CA GAICD <i>Chief Financial Officer</i>	<p>Peter Fredricson is responsible for all financial aspects of APA Group, including accounting and financial reporting, financial compliance and governance, taxation, treasury, balance sheet management, capital strategy, and insurance and risk. He is also responsible for both Investor Relations and Information Technology.</p> <p>Peter joined APA Group in June 2009. He has considerable expertise in the listed energy infrastructure sector and over 20 years' experience in senior financial roles in financial services and investment banking organisations across Australia, New Zealand and Asia.</p>
Ross Gersbach BBus MAICD <i>Chief Executive Strategy and Development</i>	<p>Ross Gersbach has responsibility for further enhancing APA Group's portfolio of assets that complement the value of its infrastructure, including APA Group's investments in gas-fired and wind power generation, and the operation and development of these assets. He is responsible for APA Group's Energy Investments, group strategy, regulatory and government affairs, environmental development, and mergers and acquisitions.</p> <p>Ross was previously an APA Group director from 2004 to 2008, joining the management team in April 2008 where he was responsible for all commercial aspects of APA Group. He has over 20 years' experience in senior positions across a range of energy related sectors, covering areas such as infrastructure investments, mergers and acquisitions and strategic developments. Additionally, Ross has extensive commercial experience and has managed a portfolio of infrastructure assets in the natural gas and electricity distribution network sector.</p> <p>Ross is a former director of Envestra Limited (now Australian Gas Networks Limited).</p>

Name	Biography
Kevin Lester BEng(Civil) MIEAust GAICD <i>Group Executive Infrastructure Development</i>	<p>Kevin Lester is responsible for engineering services, procurement and the delivery of APA Group's infrastructure expansion projects. This includes primary responsibility for asset management, project development and technical regulation of all pipeline related assets.</p> <p>Kevin joined APA Group in August 2012, continuing a career in the management of major infrastructure projects, including energy infrastructure.</p> <p>Kevin is a Director and a past President of the Australian Pipelines and Gas Association.</p>
Elise Manns BBus CAHRI <i>Group Executive Human Resources</i>	<p>Elise Manns is responsible for managing the Human Resources function, which covers strategy, Health, Safety & Environment and all activities relating to APA Group's people, their development and their employment at APA Group.</p> <p>Elise joined APA Group in May 2012 as General Manager Human Resources and in that time has been responsible for the delivery of national HR services. In October 2015, Elise joined the Executive team becoming Group Executive Human Resources. Previously Elise has filled senior Human Resources roles in Australia and has a strong background in employment relations and workplace change, organisational restructuring and business improvement. She has over 25 years' experience in heavy manufacturing, engineering, steel and utilities sectors.</p>
Rob Wheals BCom CA GAICD <i>Group Executive Transmission</i>	<p>Rob Wheals is responsible for the commercial and operational performance of APA Group's transmission and gas storage assets.</p> <p>Rob joined APA Group in September 2008. During this time he has been responsible for managing APA Group's pipeline revenue contracts and customers on a national basis. This has included the organic expansion of APA Group's gas transmission and storage portfolio in the order of A\$2 billion.</p>

4.5 Publicly available information about APA Group

Further information about APA Group is available in electronic form from www.apa.com.au.

APA Group also files annual and semi-annual reports as well as other information with the ASX. ASX filings may be accessed without charge in electronic form from www.asx.com.au.

Information on the internet sites referenced in this Bidder's Statement does not constitute part of this Bidder's Statement.

5 INTENTIONS

5.1 Introduction

This section 5 sets out the Bidder's intentions, on the basis of the facts and information concerning EPX and the general business environment which are known to the Bidder and the existing circumstances affecting the business of EPX, at the time of preparing this Bidder's Statement in relation to the following:

- (a) the continued operation of EPX;
- (b) any major changes to be made to the operation of EPX, including any redeployment of the property of EPX; and
- (c) any plans to remove the current Responsible Entity of EPIT and EPIFT, being the two stapled Australian registered managed investment schemes which comprise EPX, and appoint a new Responsible Entity.

Final decisions on these matters will, however, only be reached in light of all material facts and circumstances at the relevant time. Accordingly, those statements set out in this section 5 are statements of current intention only which may vary as new information becomes available or as circumstances require. These intentions have been formulated based solely on publicly available information about EPX and its affairs. EPX Securityholders must be fully aware that these intentions remain subject to a more complete investigation after the transaction contemplated by the Offer are implemented and are therefore subject to change.

5.2 Rationale for the Offer

The core business of APA Group, of which the Bidder is part, is owning and operating transmission pipeline assets and related energy infrastructure. The Ethane Pipeline acquisition offers APA Group the opportunity to increase its equity position in a long-term ethane pipeline asset, for which APA Group has the operating and management agreement until January 2017 and the management services agreement until June 2016. The process to extend the term of the management services agreement has commenced.

In the medium term it is expected that the Ethane Pipeline will continue to transport ethane under the existing Qenos contract, which expires in June 2030.

In the event that the pipeline ceases to transport ethane at some point in the future, APA Group believes there is potential to convert the pipeline to transport liquid hydrocarbons from the prospective Cooper Basin oil fields through to Port Botany.

The addition of the Ethane Pipeline to APA Group's portfolio of assets will extend and further diversify APA Group's investment in related energy infrastructure, as well as enable APA Group to expand its footprint into transporting alternate fuels, including potentially liquids in the longer-term, enhancing APA Group's position as an infrastructure owner in Australia's growing energy markets.

5.3 Specific intentions

Based on all information known to it, the Bidder has no intention to make changes to the existing operations or property of EPX.

The Bidder may, however, consider replacing the Responsible Entity of EPIT and EPIFT, being the two stapled Australian registered managed investment schemes which comprise EPX.

Final decisions relating to EPX will, however, only be reached in light of material facts and circumstances at the relevant time, having regard to (among other matters), opportunities available in the market, strategic relevance, performance, profitability and prospects.

5.4 Intentions upon obtaining 90% or more of EPX

If the Bidder becomes entitled to compulsorily acquire the outstanding EPX Securities under Part 6A.1 Division 1 of the Corporations Act, it intends to exercise such rights and then procure the removal of EPX from the official list of ASX and do all other things necessary to achieve those results.

If the Bidder does not become entitled to compulsorily acquire EPX Securities under Part 6A.1 Division 1 of the Corporations Act, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act. In that event, it intends to exercise those rights if they become available and then procure the removal of EPX from the official list of ASX.

5.5 Other intentions upon gaining control, but less than 90%, of EPX

This section 5.5 sets out the Bidder's intentions if the Bidder acquires control of EPX but does not obtain a relevant interest in 90% or more of EPX Securities (and is therefore not entitled to proceed to compulsorily acquire the outstanding EPX Securities):

(a) ASX listing

The Bidder will review the ongoing suitability of EPX for listing on ASX. EPX Securityholders should be aware that the Bidder presently considers that, if it was to acquire control of EPX but have a relevant interest in less than 90% of EPX Securities, EPX may not be suited to being listed following the end of the Offer. In these circumstances, APA Group may seek to have EPX removed from the official list of ASX and do all other things necessary to achieve that result as soon as practicable. Ultimately however, the continued listing of EPX will be at the discretion of ASX. ASX has stated that it is generally acceptable for an entity to be removed from the official list of ASX if, as a result of a takeover, the entity only has a small number of remaining security holders so its continued listing can no longer be justified. ASX does not prescribe a minimum securityholding or spread before it will allow delisting to occur. EPX Securityholders should be aware that, if the removal of EPX is permitted by ASX, this would result in any remaining EPX Securityholders either having to dispose of their EPX Securities or remaining in a potentially illiquid, unlisted vehicle. Additionally, EPX Securityholders should also be aware that in circumstances where they do not accept the Offer and the EPX Securities continue to be quoted on ASX, the liquidity of their EPX Securities may decrease materially.

(b) Further acquisition of EPX Securities

APA Group may acquire additional EPX Securities under the "creep" provisions of the Corporations Act. In summary, those provisions would relevantly permit the Bidder and its Associates to acquire up to 3% of EPX Securities every six months. APA Group has not yet decided whether it will acquire EPX Securities under the "creep" provisions, as that will depend on (among other things) the extent of voting power of the Bidder and its Associates in EPX and market conditions at the time.

(c) Review of distributions

The Bidder will review EPX's current distribution policy and form a final view in respect of the appropriateness of the current distribution payout ratio.

(d) Replacement of Responsible Entity

The Bidder may also consider replacing the Responsible Entity of EPX.

5.6 Other intentions if control of EPX is not obtained

If the Bidder does not acquire control of EPX, the Bidder considers it likely that EPX will remain listed on ASX and will continue to execute its current business strategy.

6 CAPITAL STRUCTURE OF EPX

6.1 Capital structure

According to documents lodged by EPX with ASX and ASIC, the total number of EPX Securities on issue as at the date of this Bidder's Statement is 69,302,275. EPX is comprised of two Australian registered managed investment schemes, EPIT and EPIFT, the units in which have been stapled. Each EPX Security comprises a unit in both schemes. The effect of the stapling is that the units in the two Australian registered managed investment schemes may not be traded separately.

6.2 Details of relevant interests of Bidder and its Associates in EPX Securities

At the date of this Bidder's Statement, the Bidder and its Associates had a relevant interest in 6.08% of EPX Securities.

At [•] 2016, being within 3 trading days before the first Offer was sent to EPX Securityholders, the Bidder and its Associates had a relevant interest in [•]% of EPX Securities. Following this date the Bidder may purchase additional EPX Securities on market (in accordance with the Corporations Act), increasing its relevant interest in EPX Securities.¹²

6.3 Details of voting power in EPX

The Bidder and its Associates' voting power (as that term is defined in the Corporations Act) in EPX as at the date of this Bidder's Statement was 6.08% of the total votes that may be cast at a meeting of EPX Securityholders.

As at [•] 2016, the last practicable date before the first Offer was sent to EPX Securityholders, the Bidder and its Associates' voting power (as that term is defined in the Corporations Act) in EPX was [•]% of the total votes that may be cast at a meeting of EPX Securityholders.¹³

6.4 Details of relevant interests of board of the APA Group Responsible Entity in EPX Securities

At the date of this Bidder's Statement, the following directors of the APA Group Responsible Entity (and their Associates) had the following relevant interests in EPX Securities:

- (a) Steven Crane and his Associates – 300,000 EPX Securities;
- (b) John Fletcher and his Associates – 8,000 EPX Securities; and
- (c) Russell Higgins and his Associates – 28,400 EPX Securities.

6.5 Dealings in EPX Securities

Neither the Bidder nor any Associate of the Bidder, provided, or agreed to provide, consideration for an EPX Security under a purchase or agreement during the period of four months ending on the date of this Bidder's Statement.

The Bidder may acquire EPX Securities on market from the date of this Bidder's Statement until the end of the Offer Period. The Bidder has obtained ASIC relief from section 621(3) of the Corporations Act such that the Offer Price may be below the highest price paid for EPX Securities since the March 2016 distribution was announced, by the amount of the distribution. Specifically, the ASIC relief permits APA Group to acquire EPX Securities on market at a price of up to A\$1.9125 (equal to the Offer Price plus the declared distribution for the March 2016 quarter of 3.25 cents per EPX Security) until EPX Securities begin trading

¹² The Bidder will provide details to ASX during the bid period of any movement of at least 1% in its holding of EPX Securities in accordance with the Corporations Act.

¹³ The Bidder will provide details to ASX during the bid period of any movement of at least 1% in its holding of EPX Securities in accordance with the Corporations Act.

“ex” distribution. From the “ex” date EPX Securities may be acquired on market at a price up to the Offer Price.

The Bidder may also seek to acquire EPX Securities on market after the last practicable date before the first Offer was sent to EPX Securityholders. Details of any such acquisitions which result in a movement of at least 1% in the Bidder’s holding of EPX Securities will be provided to ASX in accordance with the requirements of the Corporations Act.

The Bidder and its Associates have not disposed of any EPX Securities during the period of four months ending on the day immediately before the date of the Offer.

6.6 Inducing benefits given during previous four months

Other than as set out in section 6.5, neither the Bidder nor any Associate of the Bidder has, during the period of four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered or agreed to give a benefit to another person which was likely to induce the other person, or an Associate, to:

- (a) accept an Offer; or
- (b) dispose of EPX Securities,

and which benefit was not offered to all holders of EPX Securities under the Offer.

6.7 No escalation agreements

Neither the Bidder nor any Associate of the Bidder has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

7 TAXATION CONSIDERATIONS

7.1 Introduction

The following is a general outline of the Australian income tax, GST and stamp duty consequences to EPX Securityholders of the acceptance of the Offer. The comments set out below are relevant only to those EPX Securityholders who hold their EPX Securities as capital assets (i.e. the comments below do not apply to EPX Securityholders who hold their EPX Securities on revenue account or as trading stock).

EPX Securityholders who are not Australian residents for tax purposes should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer.

The following outline is based upon Australian taxation law, established legislative interpretation and administrative practice in effect at the date of this Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every EPX Securityholder. EPX Securityholders should seek independent professional advice in relation to their own particular circumstances.

7.2 Australian resident EPX Securityholders

Capital Gains Tax ("CGT")

Acceptance of the Offer will involve the disposal by EPX Securityholders of their EPX Securities for Australian CGT purposes.

Each EPX Security is a stapled security comprising two units which cannot be traded separately, being a unit in EPIT and a unit in EPIFT. However, each unit in EPIT and each unit in EPIFT should remain separate assets for Australian CGT purposes. The transfer of an EPX Security should therefore give rise to a separate CGT event in respect of the units held in EPIT and EPIFT.

Time of CGT event

The time of the CGT event in respect of the transfer of EPX Securities should be the time when the contract for sale is entered into (being upon acceptance of the Offer).

Capital gains and losses

Australian resident EPX Securityholders may make a capital gain or a capital loss on the transfer of each EPIT and EPIFT unit. A capital gain should arise where the "capital proceeds" from the disposal of each EPIT and EPIFT unit are more than the "cost base" of the EPIT and EPIFT unit, respectively. A capital loss should arise where the "capital proceeds" for each EPIT and EPIFT unit are less than the "reduced cost base" of each EPIT and EPIFT unit, respectively.

EPX Securityholders may offset any current year or prior year capital losses which are available against capital gains derived from the sale of their EPX Securities, before applying the CGT discount, if available (refer below).

Net capital gains after reduction for any available capital losses and the CGT discount should be included in assessable income and are subject to income tax. A net capital loss arising from the sale of your EPX Securities may not be deducted against other ordinary income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfying certain carry forward loss tests for companies).

Capital Proceeds

The capital proceeds should be determined based upon the Offer Price. Under the terms of the Offer, EPX Securityholders will receive a combined amount for their EPX Securities.

For CGT purposes, the consideration received on disposal of each EPX Security will need to be apportioned between the unit in EPIT and the unit in EPIFT.

Under Australian taxation law, the apportionment of the Offer Price between the units in EPIT and EPIFT should be done on a reasonable basis. A reasonable method of apportionment may be the relative weighting of the net assets held by EPIT and EPIFT. Based upon guidance published by EPX, as at 31 December 2015 the net asset weighting was 62% to EPIT and 38% to EPIFT. Securityholders will ultimately need to make their own independent decision as to what is a reasonable basis for apportioning the proceeds from the sale of their EPX Securities between the units in EPIT and EPIFT.

Cost base

The cost base of each EPX Security generally includes the cost of acquiring the EPX Security plus any incidental costs incurred upon acquisition and/or disposal that are not deductible to the EPX Securityholder. EPX Securityholders should apportion the cost base of the EPX Securities as between each EPIT unit and EPIFT unit. The apportionment of the cost base should be done on a reasonable basis. A reasonable method of apportionment may be the net asset weighting between EPIT and EPIFT for the period(s) that the EPX Securityholder acquired their EPX Securities. EPX Securityholders will ultimately need to make their own independent decision as to what is a reasonable basis for apportioning the cost base of their EPX Securities between the EPIT and EPIFT units.

In the case of the EPIFT units, the cost base may have been previously reduced by returns of capital and tax deferred distributions made to the EPX Securityholders.

CGT discount

Australian tax resident individuals, complying superannuation entities or trustees that have held EPX Securities for at least 12 months may be entitled to discount the amount of any capital gain (after application of capital losses) from the disposal by 50% in the case of individuals and trusts, or by 33.3% for complying superannuation funds.

No CGT rollover relief

EPX Securityholders who accept the Offer will be disposing of their EPX Securities for a cash amount and therefore CGT rollover relief should not be available to EPX Securityholders. Accordingly, there should not be a deferral of any capital gains made by EPX Securityholders upon disposal of their EPX Securities.

7.3 Non-resident EPX Securityholders

EPX Securityholders who are not Australian residents for income tax purposes are generally not subject to Australian capital gains tax on the disposal of EPX Securities provided they and their "Associates" do not hold 10% or more of the EPX Securities on issue at the time of disposal, and have not (together with "Associates") held 10% or more of the EPX Securities on issue throughout a 12 month period in the 24 months prior to the disposal of their EPX Securities.

In the event that a non-resident EPX Securityholder derives a taxable capital gain on sale of its EPX Securities the CGT discount is not available.

7.4 Australian GST

EPX Securityholders should not be liable to GST in respect of a disposal of those EPX Securities.

7.5 Stamp Duty

There should be no stamp duty payable by EPX Securityholders on disposal of their EPX Securities.

8 FORMAL TERMS OF THE OFFER

8.1 Identity of the Bidder

The Bidder is APL as responsible entity of APT.

8.2 Date of the Offer

The Offer is dated [•] 2016.

8.3 Offer

The Bidder offers to acquire all of your EPX Securities together with all Rights attaching to them on the terms set out in this section 8 and sections 9, 10 and 11 of this Bidder's Statement.

You may accept the Offer only in respect of all of your EPX Securities and not some only.

An Offer in this form is being made to:

- (a) each EPX Securityholder registered in the EPX Securityholder register as at the Register Date; and
- (b) any person who becomes registered or entitled to be registered as the holder of EPX Securities during the period from the Register Date to the end of the Offer Period as a result of the conversion or exercise of rights attached to other securities in EPX held by that person provided that such other securities in EPX were issued to the person prior to the Announcement Date.

If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the EPX Securities to which the Offer relates:

- (a) a corresponding offer on the same terms as the Offer will be deemed to have been made to that other person in respect of those EPX Securities;
- (b) a corresponding offer on the same terms as the Offer will be deemed to have been made to you in respect of any remaining EPX Securities held by you; and
- (c) this Offer will be deemed to have been withdrawn immediately at that time.

8.4 Consideration

The consideration under the Offer is A\$1.88 per EPX Security. In addition, EPX Securityholders will be entitled to retain the declared distribution for the March 2016 quarter of 3.25 cents per EPX Security if eligible on the Distribution Record Date.

The Bidder will be entitled to all Rights declared, paid, made or which arise or accrue on or after the Announcement Date. If any Rights are declared, paid, made or arise or accrue after the Announcement Date to the holders of EPX Securities who accept the Offer, and the Bidder does not receive the benefit of those Rights, the Bidder will be entitled to deduct the amount (or value, as reasonably assessed by the Bidder) of such Rights by reducing the consideration otherwise due to you under the Offer.

8.5 Offer Period

The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer, being [•] 2016, and ending at 7.00pm (Sydney Time) on:

- (a) [•] 2016; or

- (b) any date to which the period of the Offer is extended in accordance with the Corporations Act,

whichever is the later.

The Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

If, within the last seven days of the Offer Period:

- (c) the Offer is varied to improve the consideration offered; or
- (d) the Bidder's voting power in EPX increases to more than 50%,

the Offer Period will be automatically extended so that it ends 14 days after the event referred to in paragraph (a) or (b) above.

8.6 Conditions of this Offer

This Offer and the contract that results from acceptance of this Offer are unconditional.

9 ACCEPTING THE OFFER

9.1 Who may accept

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your EPX Securities may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical with the Offer has been made to them;
- (b) any person who holds one or more parcels of EPX Securities as trustee or nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right;
- (c) a person is taken to hold EPX Securities if the person is, or is entitled to be, registered as the holder of those EPX Securities;
- (d) a person is taken to hold EPX Securities on trust for, as nominee for, or on account of, another person if they:
 - (i) are, or are entitled to be, registered as the holder of particular EPX Securities; and
 - (ii) hold their interest in the EPX Securities on trust for, as nominee for, or on account of, that other person;
- (e) in the case of a person who may accept under section 9.1(b) of this Bidder's Statement as if a separate offer, on the same terms and conditions as the Offer, has been made to that person for a parcel of EPX Securities within a holding, an acceptance of that offer is ineffective unless:
 - (i) the person gives the holder a notice stating that the EPX Securities consist of a separate parcel; and
 - (ii) the acceptance specifies the number of EPX Securities in the parcel;
- (f) a notice under paragraph 9.1(e)(i) of this Bidder's Statement must be made:
 - (i) if it relates to EPX Securities in a CHESS Holding - in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; or
 - (ii) otherwise - in writing; and
- (g) a person may, at the one time, accept for two or more parcels of EPX Securities as if there had been a single offer for a separate parcel consisting of those parcels.

9.2 All of your EPX Securities

The Offer is for all of your EPX Securities. You may accept the Offer at any time during the Offer Period. If you accept the Offer, you will be taken to have also accepted the Offer for any EPX Securities which are issued to you during the Offer Period.

9.3 Acceptance procedure for EPX Securityholders

How you accept this Offer depends on whether your EPX Securities are held in a CHESS Holding or an Issuer Sponsored Holding (the Acceptance Form outlines which type of holding you have):

- (a) **If you hold your EPX Securities in an Issuer Sponsored Holding (your SRN starts with an “I”)**, to validly accept the Offer:
- (i) complete and sign the accompanying Acceptance Form in accordance with the instructions on the form; and
 - (ii) return it (together with all other documents required by those instructions) so that they are received by Link Market Services Limited at one of the addresses indicated in section 9.4 below before the end of the Offer Period.

- (b) **If you hold your EPX Securities in a CHESS Holding (your HIN starts with an “X”)**, you must comply with the ASX Settlement Operating Rules.

To accept this Offer in accordance with the ASX Settlement Operating Rules, you have one of the following three choices:

- (i) instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period; or
 - (ii) complete and sign your Acceptance Form and return it (together with any other required documents described on the form) directly to your Controlling Participant (usually your broker) in sufficient time for this Offer to be accepted before the end of the Offer Period, with instructions to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
 - (iii) complete and sign your Acceptance Form and return it to the Bidder at an address indicated in section 9.4 so that your Acceptance Form is received before 7.00pm (Sydney Time) on the second last Business Day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant (usually your broker) to initiate acceptance of this Offer on your behalf. Neither the Bidder, nor Link Market Services Limited, will be responsible for any delays incurred by this process.
- (c) **If you are a broker or another Participant:** to accept this Offer, you must initiate acceptance of the Offer in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.
- (d) **If your EPX Securities are held in separate holdings:** if your EPX Securities are in separate holdings, you will need to take action under sections 9.3(a) and/or 9.3(b) in relation to each holding if you wish to accept the Offer for all of your EPX Securities across those holdings.

9.4 Mailing and hand delivery

The mailing and hand delivery addresses for completed Acceptance Forms are as follows:

By post

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

By hand

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

A reply paid envelope has been enclosed for EPX Securityholders with Australian addresses to return their completed Acceptance Form. Foreign EPX Securityholders should return their Acceptance Form by pre-paid airmail.

The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting EPX Securityholder.

If you have any questions in relation to the Offer or this Bidder's Statement, please call the APA Offer Information Line on 1800 426 150 (toll free within Australia) or +61 1800 426 150 (from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday.

9.5 Acceptance Form and instructions on it

The Acceptance Form which accompanies the Offer forms part of the Offer. Subject to section 9.7, the requirements on the Acceptance Form must be observed in accepting the Offer in respect of your EPX Securities.

9.6 Power of attorney, deceased estate

When accepting the Offer, you must also provide for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased EPX Securityholder, a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

9.7 When acceptance is complete

Acceptance of the Offer shall not be complete until the requirements of this section 9 have been met, including (where required) your completed Acceptance Form (together with all other documents required by the instructions on it) has been received at one of the addresses set out in section 9.4 above, provided that:

- (a) the Bidder may in its sole discretion waive any or all of those requirements at any time (including, but not limited to, requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under section 9.3(b)(iii));
- (b) where such requirements have been complied with in respect of some but not all of your EPX Securities, the Bidder may, in its sole discretion, deem your acceptance of the Offer complete in respect of those EPX Securities for which the requirements have been complied with but not in respect of the remainder (unless the Bidder waives those requirements in accordance with section 9.7(a));

- (c) the Bidder is not required to communicate with you prior to making its determination as to the above matters and the determination of the Bidder will be final and binding on all of the parties; and
- (d) in relation to a CHES Holding, acceptance has been carried out in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

Where the Bidder elects to waive any requirements of section 9, your acceptance of the Offer will be complete regardless of any failure by you to comply with the waived requirements.

9.8 The effect of acceptance

By signing and returning the Acceptance Form in accordance with this section 9:

- (a) you authorise the Bidder and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (i) make it an effective acceptance of the Offer in relation to your EPX Securities which are not in a CHES Holding; and
 - (ii) enable the transfer of your EPX Securities to the Bidder; and
- (b) if any of your EPX Securities are in a CHES Holding, you authorise the Bidder and each of its officers and agents to:
 - (i) instruct your Controlling Participant to initiate and give effect to your acceptance of the Offer for those EPX Securities under Rule 14.14 of the ASX Settlement Operating Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those EPX Securities which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer.

9.9 Your agreement

By signing and returning the Acceptance Form or otherwise accepting the Offer in accordance with this section 9:

- (a) you irrevocably accept the Offer (and any variation of it) and agree to transfer to the Bidder all your EPX Securities;
- (b) you represent and warrant to the Bidder as a fundamental condition of the contract resulting from your acceptance that all of your EPX Securities will at the time of your acceptance of the Offer and of transfer to the Bidder be fully paid up and that the Bidder will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you represent and warrant to the Bidder that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in your EPX Securities (including any Rights) to the Bidder;
- (d) the Bidder will be entitled to all Rights declared, paid, made or which arise or accrue on or after the Announcement Date (this does not include any rights in respect of the declared distribution for the quarter ending 31 March 2016 of 3.25 cents per EPX Security);
- (e) you irrevocably authorise the Bidder and each director of, and any nominee of, the Bidder to alter the Acceptance Form on your behalf by inserting correct details relating to your EPX Securities, filling in blanks remaining on the form and rectifying

any errors or omissions as may be considered necessary by the Bidder to make it an effective acceptance of the Offer or to enable registration of your EPX Securities in the name of the Bidder;

- (f) you irrevocably authorise the Bidder to notify EPX on your behalf that your address for the purpose of serving notices upon you in respect of your EPX Securities is the address specified by the Bidder in the notification;
- (g) you acknowledge and agree that if you are a Foreign EPX Securityholder or the Bidder believes you are a Foreign EPX Securityholder, section 10.6 applies to you;
- (h) you transfer, or consent to the transfer in accordance with the ASX Settlement Operating Rules, all of your EPX Securities to the Bidder subject to the conditions of the constitution of EPX on which they were held immediately before your acceptance of the Offer (and the Bidder agrees to take those EPX Securities subject to those conditions);
- (i) you irrevocably appoint the Bidder and each director of, and any nominee of, the Bidder as your attorney to (even though the Bidder has not yet provided the consideration due to you):
 - (i) exercise all your powers and rights in relation to your EPX Securities, including (without limitation) powers and rights to requisition, convene, attend and vote in respect of your EPX Securities at all general and class meetings of EPX (or either of EPIT or EPIFT) or appoint a proxy or proxies to attend and vote in the manner directed by the Bidder on your behalf in respect of your EPX Securities at any such meeting and to request EPX to register, in the name of the Bidder or its nominee, your EPX Securities, as appropriate, with full power of substitution;
 - (ii) execute all forms, notices, documents (including a document appointing a director or other representative of the Bidder as a proxy for any of your EPX Securities) and resolutions relating to your EPX Securities and generally to exercise all powers and rights which you have as the registered holder of your EPX Securities;
 - (iii) receive from EPX or any other party, and retain, any security certificates which were held by EPX, or any other party; and
 - (iv) direct EPX to pay to the Bidder or to account to the Bidder for all Rights attaching to your EPX Securities, subject however to any such Rights received by the Bidder being accounted for by the Bidder to you, in the event that the Offer is withdrawn or avoided;
- (j) you agree that in exercising the powers conferred by the power of attorney in sub-paragraph (i), the Bidder and each of its directors and its nominees is entitled to act in the interest of the Bidder;
- (k) you agree to do all such acts, matters and things that the Bidder may require to give effect to the matters the subject of sub-paragraph (i) (including the execution of a written form of proxy to the same effect as this section 9.9 which complies in all respects with the requirements of the constitution of EPX) if requested by the Bidder;
- (l) you represent and warrant to the Bidder that unless you have notified it in accordance with section 9.1(e) your EPX Securities do not consist of separate parcels of EPX Securities;
- (m) you agree not to attend or vote in person at any general or class meeting of EPX (or either of EPIT or EPIFT) or to exercise or to purport to exercise, in person, by proxy or otherwise, any of the powers conferred on Bidder and the directors of the Bidder by

sub-section 9.9(i) (even though the Bidder has not yet provided the consideration due to you);

- (n) you authorise the Bidder to transmit a message to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to enter those of your EPX Securities which are in CHESS Holding into the Takeover Transferee Holding (even though the Bidder has not yet provided the consideration due to you);
- (o) you agree to indemnify the Bidder and its agents (and each of them) in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your EPX Securities being registered by EPX without production of your Holder Identification Number or your Securityholder Reference Number;
- (p) you irrevocably accept this Offer in respect of all your EPX Securities despite any difference between that number and the number of EPX Securities shown in your Acceptance Form; and
- (q) where, at that time, you have a right to be registered as a holder of the EPX Securities the subject of your acceptance as the result of an on market purchase (but are not an EPX Securityholder) you:
 - (i) agree to use reasonable endeavours to procure the delivery of the EPX Securities the subject of your acceptance to the Bidder in accordance with your acceptance (including giving the Bidder all documents necessary to vest those EPX Securities in the Bidder or otherwise to give the Bidder the benefit or value of those EPX Securities);
 - (ii) agree not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the EPX Securities the subject of your acceptance to the Bidder;
 - (iii) irrevocably assign to the Bidder all contractual rights and recourse against the vendor in respect of your on market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
 - (iv) agree to assign to the Bidder (without any further action being required) all rights in respect of your on market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to the Bidder the right to (at the Bidder's ultimate discretion) complete that trade on your behalf, and agree that the Bidder may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Offer and the delivery of the EPX Securities the subject of that acceptance) any amount paid by the Bidder in order to settle that on market purchase on your behalf. If the Bidder does not, or cannot, make such a deduction, you must pay such amount to the Bidder; and
 - (v) agree that if you are unable to assign to the Bidder any of the rights and recourse specified under sections 9.9(q)(iii) and 9.9(q)(iv), you will assign such rights and recourse as soon as you are legally able to.

By accepting this Offer you will be deemed to have agreed to the matters set out in this section 9.9, notwithstanding where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

The undertakings and authorities referred to in this section 9.9 will remain in force after you receive the consideration for your EPX Securities and after the Bidder becomes registered as the holder of your EPX Securities.

9.10 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 9.9(i).

9.11 Validation of otherwise ineffective acceptances

Except in relation to EPX Securities in a CHESS Holding, the Bidder may treat the receipt by it of a signed Acceptance Form as a valid acceptance of the Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If the Bidder does treat such an Acceptance Form as valid, the Bidder will not be obliged to give the consideration to you until the Bidder receives all those documents and until all of the requirements for acceptance referred to in this section 9 and in the Acceptance Form have been met.

10 CONSIDERATION

10.1 When consideration is paid

Subject to this section 10 and the Corporations Act, if you accept the Offer, the Bidder will provide the consideration for your EPX Securities to which you are entitled within 5 Business Days of receipt of your valid acceptance of the Offer.

10.2 Manner of payment

The consideration payable by the Bidder to you in respect of your EPX Securities will be paid to you by cheque in Australian currency. Cheques will be posted to you at your risk by pre-paid ordinary post to the address set out in your Acceptance Form or, if you have an overseas address, by pre-paid airmail post.

10.3 Where additional documents are required

Where the Acceptance Form requires additional documents to be given to the Bidder with your acceptance of the Offer to enable the Bidder to become the registered holder of your EPX Securities (such as a power of attorney):

- (a) if the documents are given with your acceptance, the Bidder will provide the consideration in accordance with section 10.1 of this Bidder's Statement;
- (b) if the documents are given after acceptance, the Bidder will provide the consideration within 5 Business Days after the documents are given. If you do not provide the Bidder with the required additional documents within one month after the end of the Offer Period, the Bidder may, in its sole discretion, rescind the Offer Contract.

10.4 Return of documents

If any contract arising from the Offer is rescinded by the Bidder, the Bidder will, at its election, return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you or destroy those documents.

10.5 Where the Bidder is entitled to any Rights

If the Bidder becomes entitled to any Rights on acceptance of the Offer, you must give the Bidder all documents that the Bidder needs to give the Bidder title to those Rights. If you do not give those documents to the Bidder, or if you have received or are entitled to receive the benefit of those Rights, before the Bidder provides the consideration to you, the Bidder will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by the Bidder) of those Rights (see also section 8.4).

10.6 Restrictions on provision of consideration

It is your sole responsibility to satisfy yourself that you are permitted by any applicable Foreign Law to accept the Offer.

If, at the time of acceptance of the Offer, you are resident in or a resident of a place to which, or you are a person to whom, the following regulations apply:

- (a) the Autonomous Sanctions Regulations 2011 (Cth);
- (b) the Banking (Foreign Exchange) Regulations 1959 (Cth);
- (c) Part 4 of the Charter of the United Nations Act 1945 (Cth);
- (d) the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
- (e) the Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008 (Cth);

- (f) the Charter of the United Nations (Sanctions – Iraq) Regulations 2008 (Cth); or
- (g) any other law of Australia or regulation under the Charter of the United Nations Act 1945 (Cth) that requires that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any government authority be obtained before you receive any consideration for your EPX Securities,

which would make it unlawful for the Bidder to provide consideration for your EPX Securities, you will not be entitled to receive any consideration for your EPX Securities until all requisite authorities or clearances have been received by the Bidder.

10.7 Funding

The consideration for the acquisition of EPX Securities under the Offer is to be satisfied by payment of cash.

The maximum amount of the cash consideration which would be payable under the Offer for EPX Securities (other than those EPX Securities already owned by entities associated with the Bidder) is approximately A\$122.4 million.

The Bidder intends to fund this consideration using available cash and drawing on existing bank debt facilities. To meet this funding obligation, the Bidder has available to it:

- (a) debt facilities, being existing syndicated and bilateral bank facilities, with an undrawn committed amount of A\$905 million as at 7 March 2016 which is for general corporate purposes and is immediately available for draw down to fund this consideration. Each facility contains standard events of default, undertakings, representations and warranties and other standard provisions. The Bidder has no reason to believe that any of the events of default will occur such that a drawdown will not be able to be made and the terms of the facilities do not have any material pre-conditions to the making available of the funds outside the control of the Bidder; and
- (b) cash reserves of immediately available cash on hand of at least A\$250 million as at 7 March 2016 (principally denominated in Australian Dollars), consisting of deposits with major commercial banks.

11 GENERAL

11.1 Variation or withdrawal of the offer

The Bidder may vary the Offer in accordance with the Corporations Act.

The Bidder may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

11.2 Notices

Any notice, nomination, or other communication to be given by the Bidder to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of the Bidder by any of its directors or its company secretary and is delivered to or sent by pre-paid ordinary post to your address as recorded on the register of EPX Securityholders or, if you have an overseas address, by pre-paid airmail post.

Other than in respect of the delivery of Acceptance Forms by EPX Securityholders (which must be delivered in accordance with section 2), any notice or other communication given by you to the Bidder in connection with the Offer will be deemed to be duly given if it is in writing and is delivered to any of the following mailing, hand delivery or email addresses:

By post

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

By hand

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

By email

capitalmarkets@linkmarketservices.com.au

If:

- (a) the Offer is withdrawn after your Acceptance Form has been sent to the Bidder, but before it has been received, or
- (b) for any other reason the Bidder does not acquire the EPX Securities to which your Acceptance Form relates,

the Bidder will despatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance Form or such other address as you may notify in writing to the Bidder by, where such address is inside Australia, pre-paid ordinary post, or where such address is outside Australia, pre-paid airmail.

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable in respect of a transfer of your EPX Securities in respect of which the Offer is accepted, will be paid by the Bidder.

11.3 Brokerage and stamp duty

You will not pay stamp duty on the disposal of your EPX Securities should you accept the Offer.

If your EPX Securities are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.

If your EPX Securities are registered in a CHESS Holding, or if you are a beneficial owner whose EPX Securities are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.

11.4 Governing law

The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in New South Wales.

12 ADDITIONAL INFORMATION

12.1 Governance arrangements

APTPL owns 49.5% of the shares in EPX RE. The remaining 50.5% is held by two independent directors of EPX RE, Nancy Fox and Rick Coles (25.25% each), on behalf of APA securityholders. As such, appropriate bid governance and protocols have been implemented for the separation of officers and managers of APA and EPX, including those possessing EPX confidential information and APA Group's acquisition team, to ensure that the interests of both EPX Securityholders and APA Group are protected.

12.2 ASIC Relief

ASIC has published various "Class Order" instruments providing for modifications and exemptions that generally apply to all persons, including APA Group, in relation to the operation of Chapter 6 of the Corporations Act.

Amongst others, APA Group has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 5(d) of ASIC Class order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. Pursuant to Class Order 13/521, the consent of the relevant person is not required for the inclusion of such statements in this Bidder's Statement. As required, APA Group will make available a copy of these documents (or relevant extracts of these documents), free of charge, to you and other EPX Securityholders who request it during the Offer Period. To obtain this information please call the APA Offer Information Line on 1800 426 150 (toll free within Australia) or +61 1800 426 150 (from outside Australia) between 8.30am and 5.30pm (Sydney Time), Monday to Friday.

ASIC has granted relief from sections 621 and 651A of the Corporations Act to the Bidder. The relief permits the Bidder to purchase securities on market for an amount up to the Offer Price plus the amount of the distribution declared by EPX for the March 2016 quarter of 3.25 cents per EPX Security, until EPX Securities begin trading "ex" distribution, without having to increase the Offer Price by the amount of that distribution. In addition, ASIC granted relief from section 636(1)(k)(ii) to permit the Bidder to disclose its relevant interest in EPX Securities within 3 trading days before the first Offer was sent to EPX Securityholders. This relief permits the Bidder to disclose its relevant interest in EPX Securities in this Bidder's Statement at a date other than immediately before the first Offer was sent (see section 6.2).

12.3 Information about EPX

EPX is comprised of two stapled Australian registered managed investment schemes, EPIT and EPIFT, the units in which are stapled together and traded as EPX Securities on ASX. Accordingly, EPX is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. For information concerning the financial position and affairs of EPX, you should refer to the full range of information that has been disclosed by EPX pursuant to these requirements.

In addition, the Corporations Act requires EPX RE, which is the Responsible Entity of EPIT and EPIFT, to provide a target's statement to holders of EPX Securities in response to this Bidder's Statement, setting out certain material information concerning EPX.

12.4 Date for determining holders of EPX Securities

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for the Offer is the Register Date.

12.5 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by an EPX Securityholder whether or not to accept the Offer; and
- (b) known to the Bidder,

and has not previously been disclosed to EPX Securityholders.

12.6 Consents

The following persons have given and, before the date of this Bidder's Statement, have not withdrawn their consent to being named in this Bidder's Statement in the form and context in which they are named:

- (a) Rothschild to being named as financial adviser to the Bidder in relation to the Offer;
- (b) Ernst & Young to being named as tax adviser to the Bidder in relation to the Offer; and
- (c) Link Market Services Limited to being named as the securities registry of the Bidder in relation to the Offer.

None of the above persons or entities has caused or authorised the issue of the Bidder's Statement, makes or purports to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than the reference to its name.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains trading data sourced from the IRESS Market Technology service prepared and provided by IRESS Limited (ACN 060 313 359) without its consent.

13 GLOSSARY

13.1 Definitions

In this Bidder's Statement, the following terms have the following meanings, unless the context otherwise requires:

"Acceptance Form" means the form of acceptance and transfer enclosed with this Bidder's Statement or a replacement of that form.

"Allgas" means Allgas Energy Pty Limited (ABN 52 009 656 446).

"Announcement Date" means 7 March 2016.

"APA" means the stapled entity comprising APT and APTIT.

"APA Group" means APT, APTIT, APL and each of the entities controlled by the APA Group Responsible Entity.

"APA Group Responsible Entity" means APL in its capacity as responsible entity of APT and APTIT.

"APL" means Australian Pipeline Limited (ABN 99 091 344 704).

"APT" means Australian Pipeline Trust (ARSN 091 678 778), a registered managed investment scheme regulated by the Corporations Act.

"APTIT" means APT Investment Trust (ARSN 115 585 441), a registered managed investment scheme regulated by the Corporations Act.

"APTPL" means APT Pipelines Limited (ABN 89 009 666 700).

"ASIC" means the Australian Securities and Investments Commission.

"Associate" has the meaning given to that term in the Corporations Act.

"ASX" means the ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

"ASX Listing Rules" means the official listing rules of ASX as amended, varied or waived from time to time.

"ASX Settlement Operating Rules" means the operating rules of the settlement facility provided by ASX Settlement Pty Limited (ACN 008 504 532).

"Australian Gas Networks" means Australian Gas Networks Limited (ACN 078 551 685).

"Bidder" means APL in its capacity as responsible entity of APT.

"Bidder's Statement" means this document being the statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer.

"Business Day" means a day on which banks are open for general banking business in Sydney, Australia (not being a Saturday, Sunday or public holiday in that place).

"CGT" means capital gains tax.

"CHESS" means the Clearing House Electronic Subregister System, which provides for electronic transfer of listed securities in Australia.

"CHESS Holding" means a holding of EPX Securities on the CHESS Subregister of EPX.

"CHESS Subregister" has the meaning given by the ASX Settlement Operating Rules.

"Closing Date" means [•] unless extended in accordance with the Corporations Act.

"Controlling Participant" has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).

"Corporations Act" means the Corporations Act 2001 (Cth).

"CPI" means Consumer Price Index, a measure of a country's retail prices inflation.

"Distribution Record Date" means 16 March 2016 or any other date as announced by EPX as the record date for the March 2016 distribution of 3.25 cents.

"EII2" means EII 2 Pty Ltd (ACN 139 673 215).

"Encumbrance" means any of the following:

- (a) a mortgage, charge, pledge, lien, hypothecation or title retention arrangement;
- (b) a notice under section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260A in Schedule 1 of the Taxation Administration Act 1953 (Cth) or any similar legislation;
- (c) a security interest within the meaning of section 12(1) of the Personal Property Securities Act 2009 (Cth);
- (d) any other interest or right over property (including a right to set off or withhold payment of a deposit or other money);
- (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of any interest in dealing with property; and
- (f) an agreement to create anything referred to above or to allow any of them to exist.

"EPIT" means Ethane Pipeline Income Trust (ARSN 118 961 167).

"EPIFT" means Ethane Pipeline Income Financing Trust (ARSN 118 961 023).

"EPX" means the Ethane Pipeline Income Fund which is comprised of two stapled Australian registered managed investment schemes, EPIT and EPIFT.

"EPX RE" means APA Ethane Limited (ABN 85 132 157 290) as responsible entity of EPIT and EPIFT, being the two stapled Australian registered managed investment schemes which comprise EPX.

"EPX Securities" means the fully paid stapled units in EPX and all Rights and entitlements attaching to them, each stapled unit being comprised of one unit in EPIT and one unit in EPIFT.

"EPX Securityholder" means a registered holder of an EPX Security.

"Ethane Pipeline" means the Moomba to Sydney Ethane Pipeline that supplies ethane from the Cooper Basin production facility at Moomba, South Australia to the ethylene plant at Botany owned by Qenos.

"Foreign Law" means a law, however arising, or requirement of a regulatory body of a jurisdiction other than an Australian jurisdiction.

"Foreign EPX Securityholder" means an EPX Securityholder whose address is shown in EPX's register of securityholders as a place outside Australia.

"GST" has the meaning given to it in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

"Holder Identification Number or HIN" means the number used to identify an EPX Securityholder on the CHESS Subregister of EPX.

"Independent Directors" means Nancy Fox and Rick Coles.

"Independent Expert" means an independent expert appointed by EPX.

"Issuer Sponsored Holding" has the meaning given in the ASX Settlement Operating Rules.

"Issuer Sponsored Subregister" has the meaning given in the ASX Settlement Operating Rules.

"LNG" means liquefied natural gas.

"Offer" means the offer by the Bidder under Chapter 6 of the Corporations Act contained in this document (or, if the context so requires, this document itself) and "Offers" means the offers dispatched or to be dispatched to EPX Securityholders.

"Offer Contract" means a contract that results from the acceptance of the Offer.

"Offer Period" means the period commencing on [•] 2016 and ending at 7.00pm (Sydney Time) on [•] 2016, or such later date to which the Offer has been extended during which the Offers will remain open for acceptance.

"Offer Price" means the A\$1.88 per EPX Security offered by the Bidder at the date of the Bidder's Statement.

"Product Transportation Agreement" or "PTA" means the Product Transportation Agreement between EPX and Qenos in relation to the Ethane Pipeline (as amended and varied from time to time).

"Qenos" means Qenos Pty Ltd (ABN 62 054 196 771).

"Register Date" means the date set by the Bidder under section 633(2) of the Corporations Act, being 7.00pm (Sydney Time) on 11 March 2016.

"Responsible Entity" means a person who acts as a responsible entity under Chapter 5C of the Corporations Act.

"Rights" means all accretions, rights or benefits of whatever kind attaching, arising or accruing from EPX Securities directly or indirectly after the Announcement Date including, without limitation, all distributions and/or dividends and all rights to receive them, or to receive or subscribe for units, notes, options or other securities or entitlements declared, paid or issued by EPX or any subsidiary of EPX (excluding the declared distribution for the quarter ending 31 March 2016 of 3.25 cents per EPX Security).

"Sydney Time" means the local time in Sydney, Australia.

"Securityholder Reference Number or SRN" means the number allocated by EPX to identify an EPX Securityholder on the Issuer Sponsored Subregister of EPX.

"Takeover Transferee Holding" has the meaning given in the ASX Settlement Operating Rules, being the CHESS Holding to which EPX Securities are to be transferred pursuant to acceptances of the Offer.

"VWAP" means volume weighted average price, calculated by dividing the value of trades by the volume of trades over a given period.

"your EPX Securities" means:

- (a) the EPX Securities in respect of which you are registered or entitled to be registered as a holder in the register of securityholders of EPX as at the Register Date, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer; and
- (b) any other EPX Securities to which you are able to give good title at the time you accept the Offer.

13.2 Interpretation

In this Bidder's Statement, the following principles of interpretation apply unless the context otherwise requires:

- (a) words and phrases not specifically defined in this Bidder's Statement have the same meaning that is given to them in the Corporations Act (if any) and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- (b) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or any legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (c) the singular includes the plural and vice versa;
- (d) a reference to a person includes a body corporate, an unincorporated body, partnership, joint venture, association, authority, trust, state or government, or other entity, and vice versa;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (f) a reference to any gender includes all genders;
- (g) a reference to a section or paragraph is to a section or paragraph of this Bidder's Statement;
- (h) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (i) a reference to "dollars", "A\$", "\$" or "cents" is to lawful Australian currency unless otherwise stated;
- (j) a reference to a time is a reference to Sydney Time;
- (k) a reference to a period of time (including without limitation a year, a quarter, a month or a day) is to a calendar period;
- (l) a statement made in this Bidder's Statement is made as at the date of this Bidder's Statement;
- (m) headings are for ease of reference only and do not affect its interpretation;

- (n) a term referred to in the Offer that relates to CHESSE and is not specifically defined in the Offer, has the meaning given to it in the Corporations Act or the ASX Settlement Operating Rules (if any) as the context requires; and
- (o) a reference to you is to a person to whom the Offer is made under this Bidder's Statement;
- (p) a reference to any instrument or document includes any variation or replacement of it; and
- (q) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually.

14 APPROVAL OF BIDDER'S STATEMENT

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of the Bidder.

Signed by Michael McCormack for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to read 'M. McCormack', followed by a period.

Michael McCormack

Director

Date: 7 March 2016



Need help?

Contact APA Offer Information Line

Phone 1800 426 150 (toll free within Australia)

Phone +61 1800 426 150 (from outside Australia)
between 8:30am and 5:30pm (Sydney Time),
Monday to Friday.

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: 112345678910

EPX Securities held as at
Register Date 99,999,999

By accepting the Offer, you are accepting the Offer for ALL the EPX Securities as recorded by the Bidder as being held by you at the date your acceptance is processed (even if different to the number stated above).

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised Acceptance Form for the sole use of the holder and holding recorded above.

This Acceptance Form relates to the Offer by Australian Pipeline Limited as responsible entity of Australian Pipeline Trust (**Bidder**) to acquire all of your fully paid stapled units in Ethane Pipeline Income Fund (**EPX**) pursuant to the Bidder's Statement dated 7 March 2016 and any replacements or supplements (**Bidder's Statement**).

B You must give your instructions to accept the Offer

If you correctly sign and return this Acceptance Form you will be deemed to have accepted the Offer in respect of **ALL** of your EPX Securities and to have provided the acknowledgements and agreements set out in the Bidder's Statement.

You warrant to the Bidder (and authorise the Bidder to warrant on your behalf) that you have full legal and beneficial ownership of the EPX Securities to which this Acceptance Form relates and that the Bidder will acquire those EPX Securities free from all encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. Your validly completed Acceptance Form must be received by Link Market Services Limited by post or hand delivery (details overleaf) by no later than 7:00pm (Sydney Time) on the last day of the Offer Period.

Offer Consideration: The Offer consideration applicable is set out in the terms of the Bidder's Statement and summarised below:
– A\$1.88 in cash for each EPX Security you hold.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our EPX Securities and hereby agree to transfer to the Bidder all my/our EPX Securities for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Securityholder 1 (Individual)

Sole Director & Sole Company Secretary

Securityholder 2 (Individual)

Secretary/Director (delete one)

Securityholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

EPXT TKO001



Further Important Instructions

Your EPX Securities are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated 7 March 2016 which accompanies this Acceptance Form. Terms defined in the Bidder's Statement have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by EPX's Registry.
- **Please note** your consideration will be paid in the names as they appear on the EPX register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Securityholders:** If your EPX Securities are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney Time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

- A reply paid envelope is enclosed for EPX Securityholders with Australian addresses to return their completed Acceptance Form.
- Foreign EPX Securityholders should return their Acceptance Form by pre-paid airmail.

**Your acceptance must be received before the end of the Offer Period, which is
7:00pm (Sydney Time) on the last day of the Offer Period.**

**If you have any questions in relation to the Offer or how to accept, please call the
APA Offer Information Line on the following numbers:**

**toll free within Australia: 1800 426 150
from outside Australia: +61 1800 426 150**



Need help?

Contact APA Offer Information Line

Phone 1800 426 150 (toll free within Australia)

Phone +61 1800 426 150 (from outside Australia)
between 8:30am and 5:30pm (Sydney Time),
Monday to Friday.

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910

EPX Securities held as at

Register Date 99,999,999

By accepting the Offer, you are accepting the Offer for ALL the EPX Securities as recorded by the Bidder as being held by you at the date your acceptance is processed (even if different to the number stated above).

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Controlling Participant

Broker Name:	Contact Number:
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Transfer and Acceptance Form – CHESS Subregister

This is a personalised Acceptance Form for the sole use of the holder and holding recorded above.

This Acceptance Form relates to the Offer by Australian Pipeline Limited as responsible entity of Australian Pipeline Trust (**Bidder**) to acquire all of your fully paid stapled units in Ethane Pipeline Income Fund (**EPX**) pursuant to the Bidder's Statement dated 7 March 2016 and any replacements or supplements (**Bidder's Statement**).

B You must give your instructions to your controlling participant to accept the Offer

Offer Consideration: The Offer consideration applicable is set out in the terms of the Bidder's Statement and summarised below:
– A\$1.88 in cash for each EPX Security you hold.

By accepting the Offer, you will be deemed to have accepted the Offer in respect of ALL of your EPX Securities and to have provided the acknowledgements and agreements set out in the Bidder's Statement.

You warrant to the Bidder (and authorise the Bidder to warrant on your behalf) that you have full legal and beneficial ownership of the EPX Securities to which the acceptance relates and that the Bidder will acquire those EPX Securities free from all encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Your valid acceptance must be received by no later than 7:00pm (Sydney Time) on the last day of the Offer Period. To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
- complete and sign this Acceptance Form and return it (together with any other required documents described on the form) directly to your Controlling Participant in sufficient time for this Offer to be accepted before the end of the Offer Period, with instructions to initiate acceptance of this Offer on your behalf before the end of the Offer Period; or
- complete and sign your Acceptance Form and return it to an address shown overleaf so that your Acceptance Form is received by the Bidder before 7:00pm (Sydney Time) on the second last Business Day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf.

If your Controlling Participant acts on your instruction CHESS will send you a confirmation notice.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our EPX Securities and hereby agree to transfer to the Bidder all my/our EPX Securities for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Securityholder 1 (Individual)

Sole Director & Sole Company Secretary

Securityholder 2 (Individual)

Secretary/Director (delete one)

Securityholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

EPXT TKO002



Further Important Instructions

Your EPX Securities are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither APA Group, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated 7 March 2016 which accompanies this Acceptance Form. Terms defined in the Bidder's Statement have the same meaning in this Acceptance Form.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
 - **Please note** your consideration will be paid in the names as they appear on the EPX register.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Securityholders:** If your EPX Securities are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney Time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address	or	Hand Delivery
Ethane Pipeline Income Fund Takeover		Ethane Pipeline Income Fund Takeover
C/- Link Market Services Limited		C/- Link Market Services Limited
Locked Bag A14		1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235		RHODES NSW 2138
- A reply paid envelope is enclosed for EPX Securityholders with Australian addresses to return their completed Acceptance Form.
- Foreign EPX Securityholders should return their Acceptance Form by pre-paid airmail.

Your acceptance must be received before the end of the Offer Period, which is 7:00pm (Sydney Time) on the last day of the Offer Period.

If you have any questions in relation to the Offer or how to accept, please call the APA Offer Information Line on the following numbers:

toll free within Australia: 1800 426 150
from outside Australia: +61 1800 426 150