

Ethane Pipeline Income Fund

Ethane Pipeline Income Trust
ARSN 118 961 167

Ethane Pipeline Income Financing Trust
ARSN 118 961 023

APA Ethane Limited
ACN 132 157 290

Level 19, HSBC Building
580 George Street
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www.ethanepipeline.com.au

ASX RELEASE

20 August 2015

The Manager

ASX Market Announcements
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

Dear Sir or Madam

Company Announcement

I attach the following announcement for release to the market:

- Ethane Pipeline Income Fund results announcement

Yours sincerely



Mark Knapman
Company Secretary
APA Ethane Limited

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

This announcement refers to the consolidated results of the Ethane Pipeline Income Trust and the Ethane Pipeline Income Financing Trust ("Ethane Pipeline Income Fund") as detailed in the Annual Financial Reports provided to the ASX for the financial year 1 July 2014 to 30 June 2015.

ETHANE PIPELINE INCOME FUND ANNOUNCES RESULTS FOR FY2015

The directors of APA Ethane Limited, the responsible entity of the Ethane Pipeline Income Fund (ASX: EPX) today reported a net profit after tax of \$4.3 million for the 2015 financial year, a decrease of 16.8% from the prior year (FY2014: \$5.1 million).

The decrease in net profit after tax is primarily due to a \$0.9 million reduction in revenue from the prior year. Total revenue for the year was \$21.3 million (FY2014: \$22.2 million). The decrease in revenue is driven by the following factors:

- Revenue for the first half of FY2015 was \$0.5 million lower than the prior corresponding period due to the change in the basis of charging for services under the Product Transportation Agreement ("PTA"), agreed in 2000, with Qenos Pty Limited ("Qenos") applying from 1 October 2013. Prior to 1 October 2013, the reservation component of tariffs was higher, and the transportation component lower, such that a lesser proportion of the revenue was dependant on the volume of ethane transported through the pipeline.
- Revenue for the second half of FY2015 was \$0.4 million lower than the prior corresponding period due to the impact of the amendments to the PTA, agreed in November 2014, with effect from 1 January 2015. The amendments varied the termination notification period and the tariff structure such that during the four year period to 31 December 2018 the tariff is in the form of a fixed charge of \$20 million per annum (adjusted annually by 50% of CPI) that is not dependent on the volume of ethane transported through the pipeline. Further details with respect to these changes are set out in the Fund's announcement of 13 November 2014.

Following the amendments to the PTA, agreed in November 2014, the Fund has achieved increased revenue certainty by removing the risk to revenue associated with the volume of ethane transported through the pipeline, and the risk of Qenos terminating the PTA, prior to 1 January 2019. During the year, the Fund has increased distributions by 2.3% to 12.95 cps, with the PTA amendments providing stability in the outlook for distributions over the amendment period.

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The actual volume of ethane transported during the financial year was 227,714 tonnes (FY2014: 202,345 tonnes). The volume of ethane transported through the pipeline is determined by Qenos and its ethane suppliers. Actual volume transported may vary from period to period for a number of reasons including, for example, changes in the availability of ethane from Qenos' suppliers or Qenos' requirements for ethane.

Operating and maintenance costs remained consistent with the prior period. The Fund continues the practice of quarantining funds for major operating and capital expenditure projects scheduled to occur within the next five years, with \$4.3 million quarantined at 30 June 2015.

Distributions for the year totalled 12.95 cents per stapled security, a yield of 7.62% on the closing price at 30 June 2015 (\$1.70).

Today the Fund declared a cash distribution of 3.25 cents per stapled security plus franking credits, for a total of 4.32 cents per stapled security for the quarter ending 30 September 2015.

FY2016 will be the first full financial year of revised revenues under the PTA amendment period.

Taking into account the agreed variations to the PTA, and barring unforeseen circumstances, the Fund expects:

- the quarterly cash distributions for each of the three remaining quarters for FY2016 to be between 3.0 to 3.25 cents per security plus franking credits of approximately 1 cent per security;
- earnings before interest, tax, depreciation and amortisation (EBITDA) for the financial year ending 30 June 2016 to be between \$11.0 million and \$11.5 million; and
- quarterly distributions for the period following the end of FY2016 to December 2018 to be in line with the distribution range indicated above.

The Fund will continue paying distributions from available net cash flows.

For further information please contact

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About the Ethane Pipeline Income Fund

The Fund's core asset is the 1,375km Moomba to Sydney Ethane Pipeline that supplies ethane from the Cooper Basin production facility at Moomba, South Australia to Qenos' Botany ethylene plant.