

APA's Infrastructure connecting Australia's energy future.

Presentation by Mick McCormack, Managing Director & CEO
To the Macquarie Australia Conference

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energy. connected.



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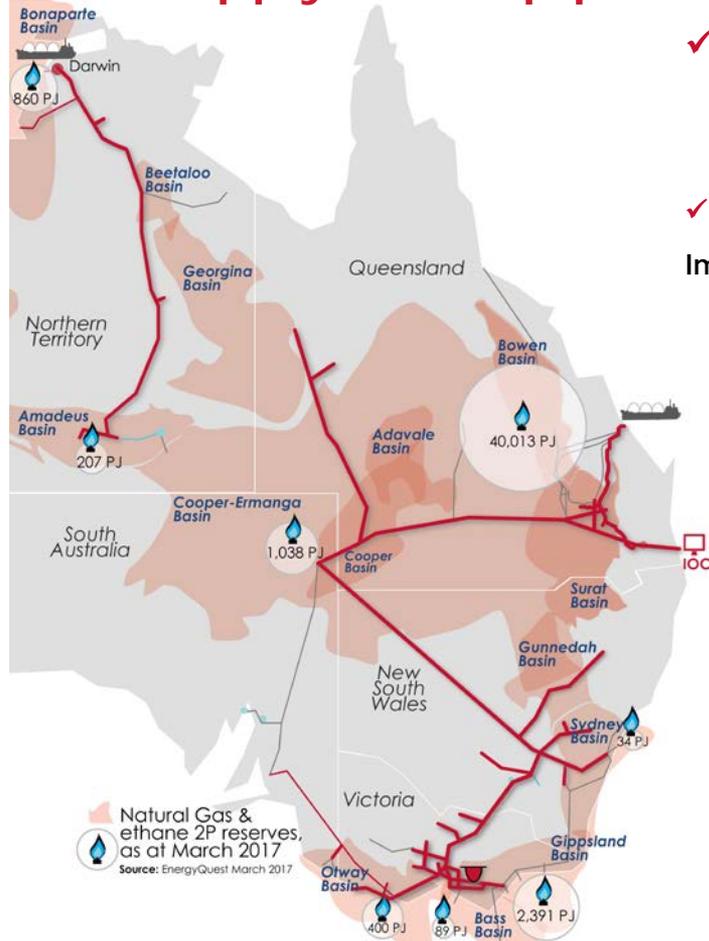
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more supply will help put downward pressure on price



✓ Sufficient gas resources to satisfy both domestic and export demand

- 2P reserves in the east/south gas basins - ~44,000PJ vs CY16 production 1,660PJ
- Over 26 years of supply available in 2P reserves

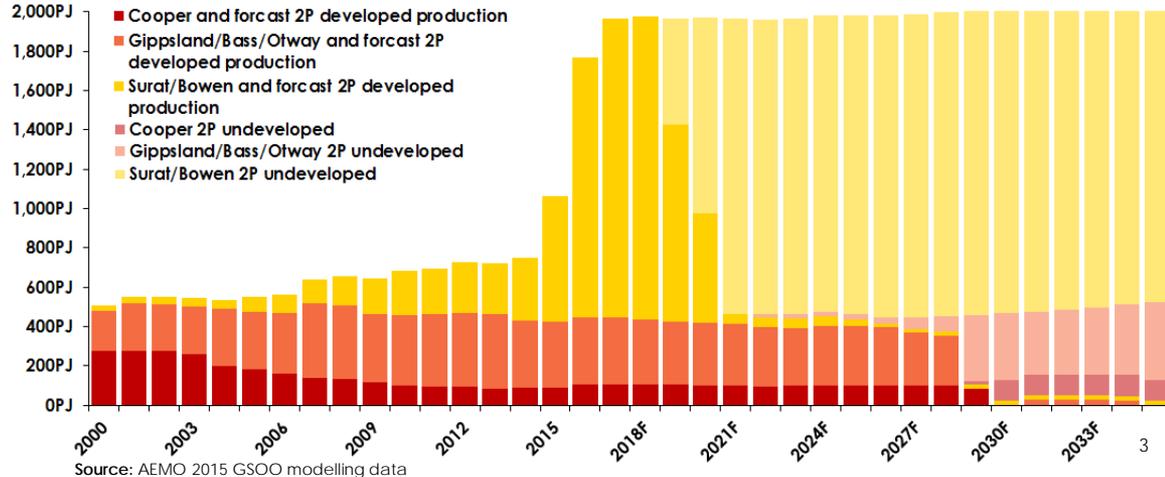
✓ Pipeline infrastructure exists to bring gas to market and get it to where it needs to go

Immediate issue is “gas price” & medium-long term issue is “access to more gas”

Reality 1: Days of cheap gas are behind us

Reality 2: Price reflective of supply constraints and higher production costs

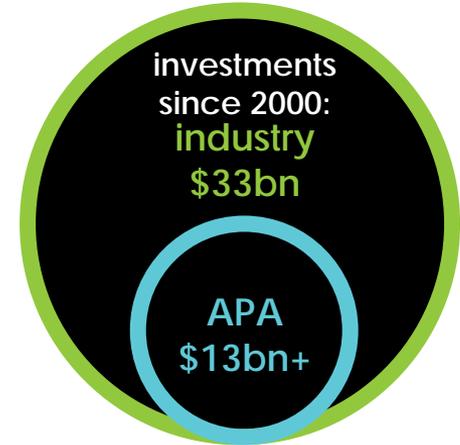
Reality 3: Pipeline tariffs have flat-lined since 2002



investment & innovation to create an energy infrastructure vision



- 2000 APA listed on the ASX
- 2006 GasNet acquisition (renamed VTS)
- 2008 CRP acquisition
- 2008 MSP expansion
- 2010 BWP acquisition
- 2010 MSP/VTS expansions
- 2011 RBP expansion
- 2012 HDF/SWQP acquisition
- 2012 Wallumbilla compression facilities
- 2013 Moomba compression facilities
- 2014 SWQP bi-directional
- 2015 QCLNGP acquisition (renamed WGP)
- 2015 MSP expansion
- 2015 VTS augmentation
- 2015 VNI expansion
- 2015 SWQP expansion
- 2015 BWP bi-directional
- 2016 IOC in Brisbane officially opened
- 2016 RBP and MSP bi-directional



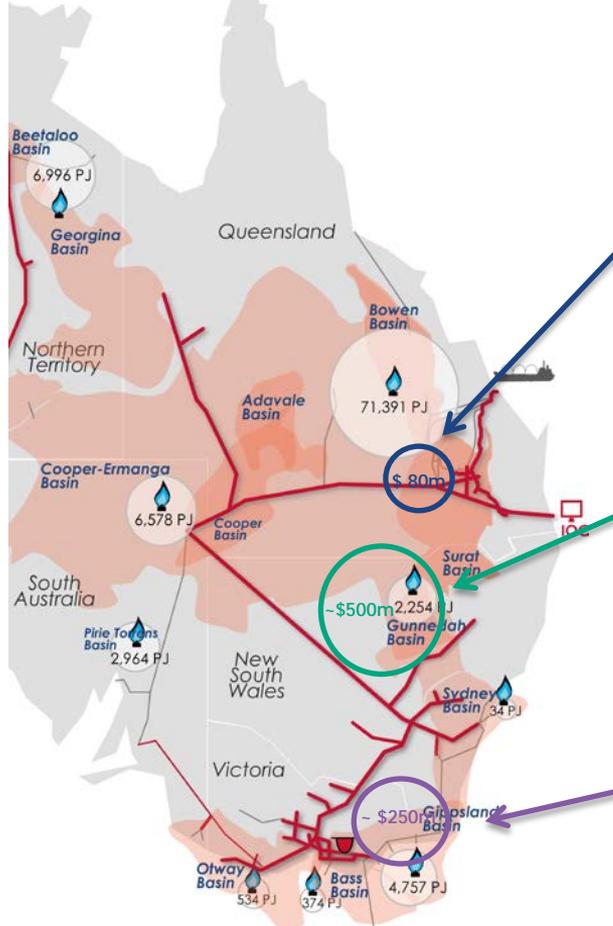
Source: Company data, Australian Bureau of Statistics

market efficiency benefits:

- **\$120m - \$150m** since 2012 from the East Coast Grid
- **\$15 - \$32m p.a.** going forward

The Brattle Group Report, 2016

partnering with producers to bring gas to market



Domestic gas implications:

Reedy Creek Walumbilla Pipeline

Project description:

- 50km, 300TJ/day bi-directional pipeline
- \$80m cost
- Commissioning expected mid 2018
- 20 year contract with Australia Pacific LNG

- APLNG able to participate flexibly and fully in Australia's dynamic gas market
- APLNG's 2P reserves: 13,852PJ*
* Source: EnergyQuest Energy Quarterly March 2017

Western Slopes Pipeline

Project description:

- 450km, 200TJ/day pipeline
- ~\$500m cost
- Preliminary Environmental Assessment process commenced

- Santos estimates the Narrabri Project could supply up to half* of the natural gas used in NSW
* Source: The Narrabri Gas Project Environmental Impact Statement, Santos

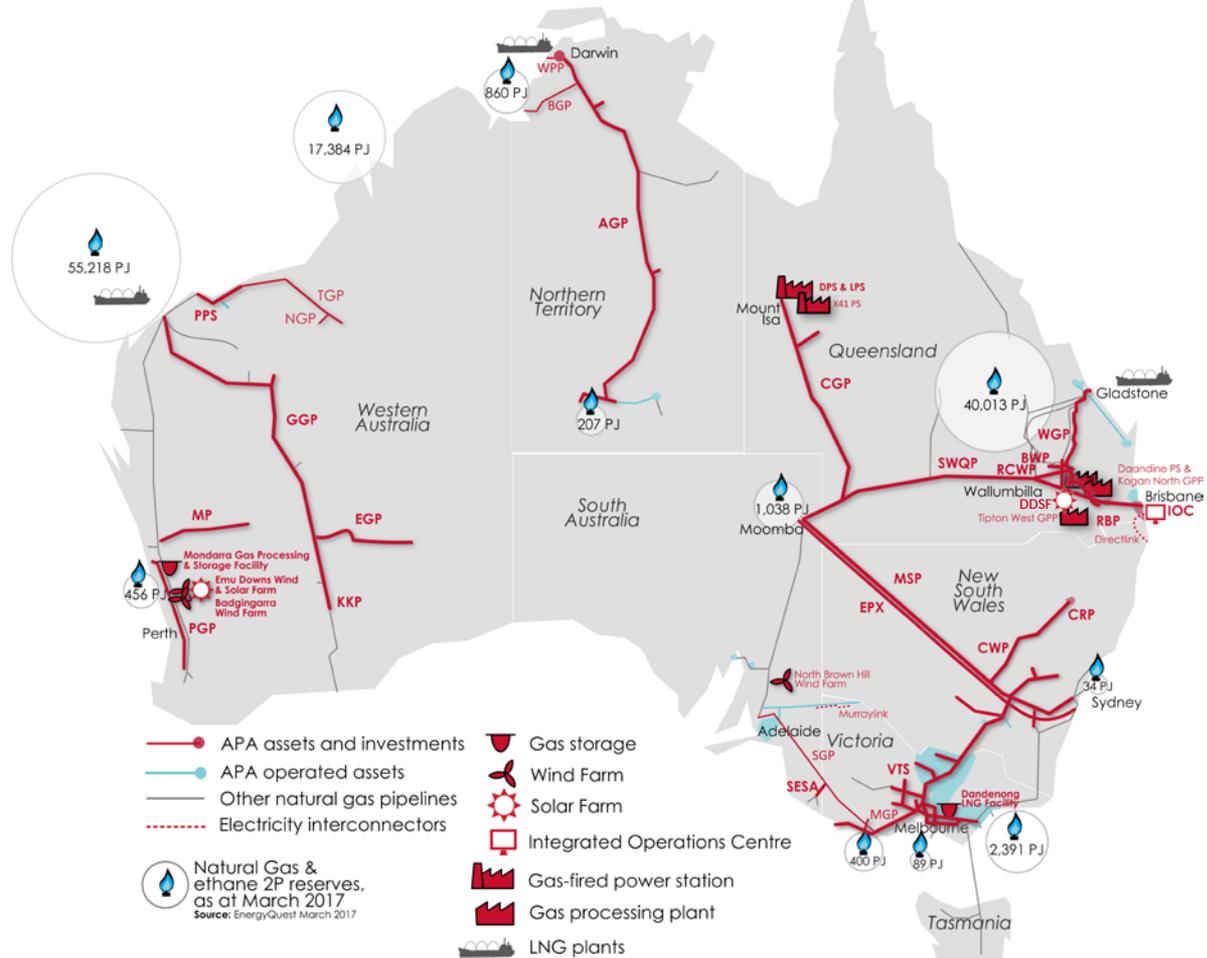
Orbost Gas Processing Plant

Project description:

- Acquire, expand and upgrade the plant (non-binding HoA)
- Circa \$250m cost
- Term contract with Cooper Energy to process gas from their Sole Gas Project

- Sole Gas Project expected to produce ~25PJ/pa, with 20PJ/pa contracted to AGL, Energy Australia, Alinta and Owens Illinois
- Cooper's 2C gas resources in the Gippsland at ~390PJ
Source: Company Data

APA's uniquely integrated energy assets



<u>Assets and Investments Glossary</u>	
AGP	Amadeus Gas Pipeline
BGP	Bonaparte Gas Pipeline
BWF	Badgingarra Wind Farm
BWP	Berwyndale Wallumbilla Pipeline
CGP	Carpentaria Gas Pipeline
CRP	Central Ranges Pipeline & network distribution
CWP	Central West Pipeline
DDSF	Darling Downs Solar Farm
DPS & LPS	Diamantina & Leichhardt Power Stations
EGP	Eastern Goldfields Pipeline
EDWSF	Emu Downs Wind and Solar Farms
EP	Ethane Pipeline
GGP	Goldfields Gas Pipeline
IOC	Integrated Operations Centre
KKP	Kalgoorlie Kambalda Pipeline
MP	Mid west Pipeline
MGP	Mortlake Gas Pipeline
MGPSF	Mondarra Gas Processing & Storage Facility
MSP	Moomba Sydney Pipeline
NGP	Nifty Gas Pipeline
PGP	Parmelia Gas Pipeline
PPS	Pilbara Pipeline System
RBP	Roma Brisbane Pipeline
RCWP	Reedy Creek Wallumbilla Pipeline
SESA	South East South Australia Pipeline
SGP	SEA Gas Pipeline
SWQP	South West Queensland Pipeline
TGP	Tipton Gas Pipeline
VTS	Victorian Transmission System
WGP	Wallumbilla Gladstone Pipeline
WPP	Wickham Point Pipeline
X41	X41 Power Station

For further information contact:

Yoko Kosugi

Head of Investor Relations

Tel: +61 2 9693 0049

E-mail: yoko.kosugi@apa.com.au

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