

APA's Infrastructure sustainably delivering Australia's energy.



Presentation by Mick McCormack, Managing Director & CEO
To the ANZ Research Conference

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energy. connected.



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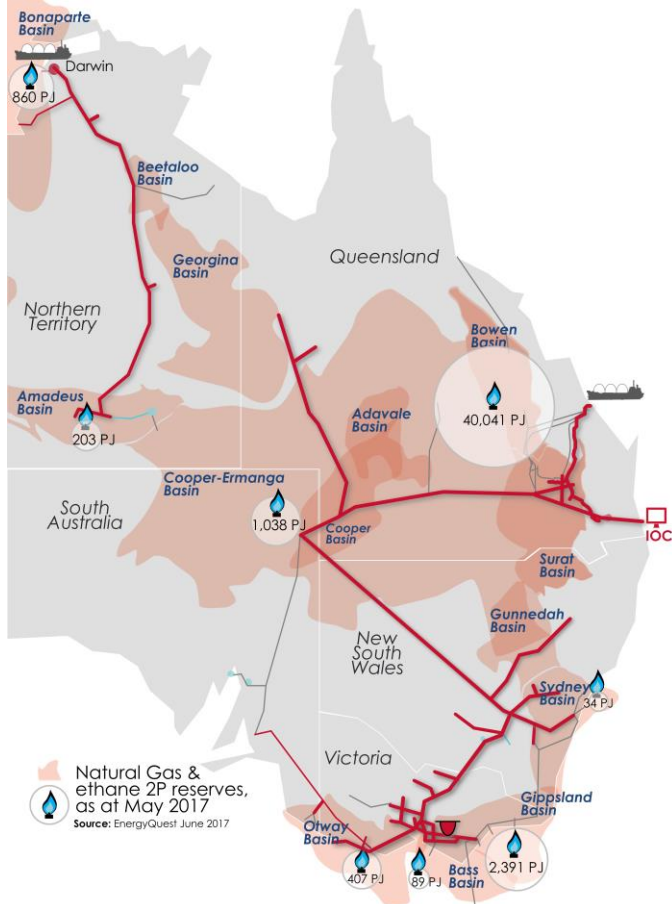
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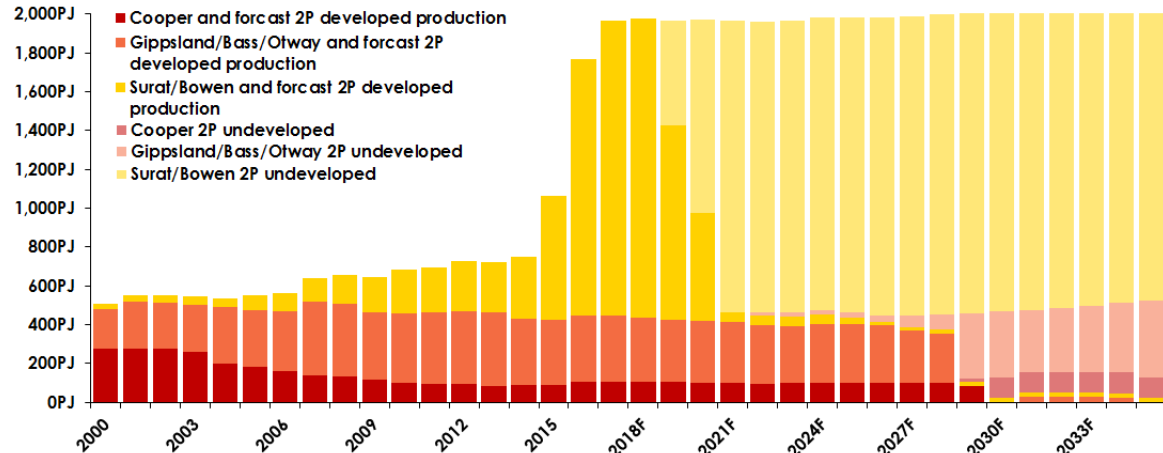
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gas has a role to play in Australia's sustainable energy mix

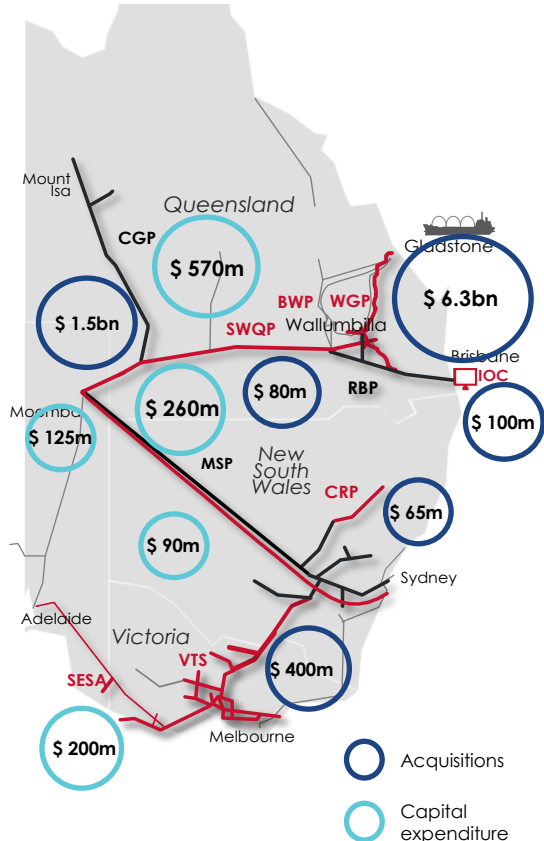


- Finkel report confirmed gas has a critical role to play in Australia's energy future
- Australia has sufficient gas resources to satisfy both domestic and export demand
 - 2P reserves in the east/south gas basins - ~44,000PJ vs CY16 production 1,660PJ
 - Over 26 years of supply available in 2P reserves
- Pipeline infrastructure critical to bring gas to market and get it to where it needs to go

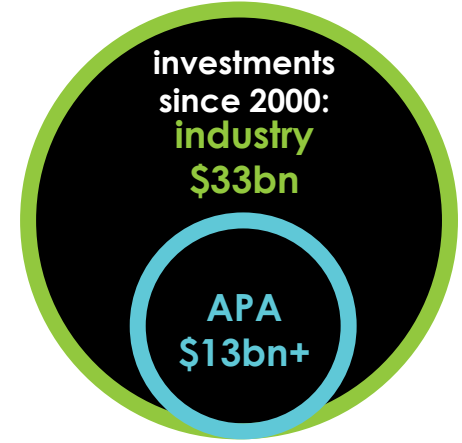


Source: AEMO 2015 GSOO modelling data

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



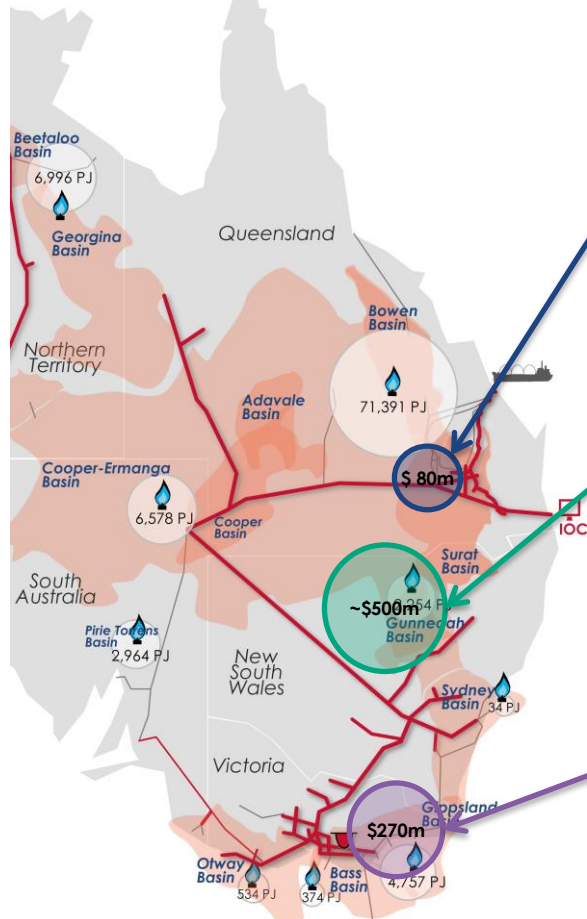
Source: Company data, Australian Bureau of Statistics

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



Reedy Creek Wallumbilla Pipeline

Project description:

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

Domestic gas implications:

- APLNG able to participate flexibly and fully in Australia's dynamic gas market
- APLNG's 2P reserves: 13,529PJ*

* Source: EnergyQuest Energy Quarterly June 2017

Western Slopes Pipeline

Project description:

- 450km, 200TJ/day pipeline
- ~\$500m cost
- Secretary's Environmental Assessment Requirements (SEARs) received, landowner & stakeholder engagement underway, and EIS process commenced

Domestic gas implications:

- 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

Orbst Gas Processing Plant

Project description:

- Acquire, expand and upgrade the gas processing plant
- \$270m acquisition and development cost
- Term contract with Cooper Energy to process gas from their Sole Gas Project

Domestic gas implications:

- 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*

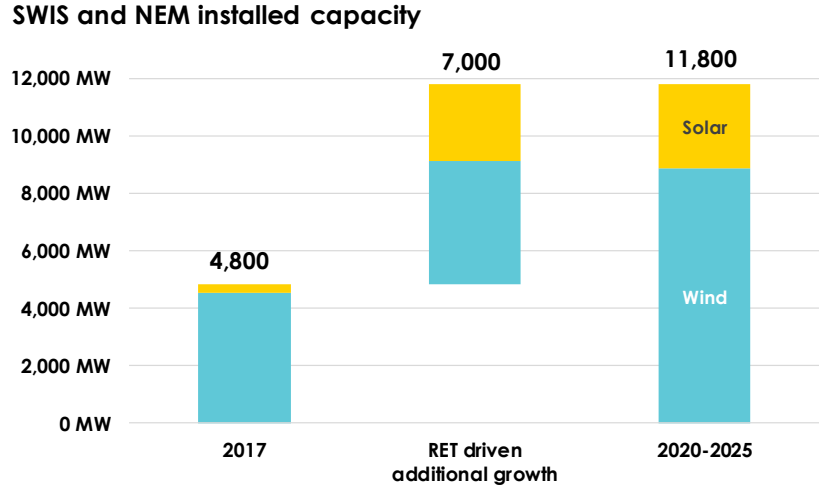
*Source: Company Data

demand for cleaner electricity generation remains robust



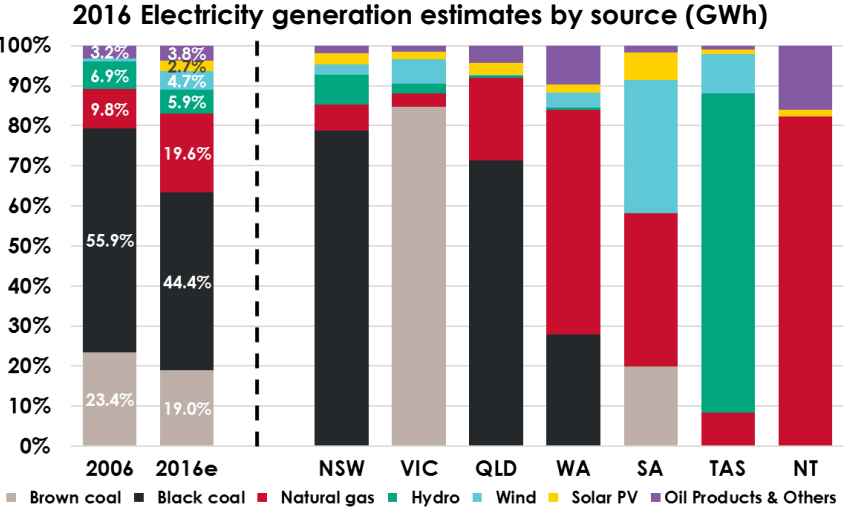
- Government policy remains key
 - Withdrawal of generation capacity from coal-fired power plants within the NEM
 - RET target, coupled with continued decline of cost of new renewable energy solutions, means installation of renewables capacity to continue
- Remote mining operations assessing safe and reliable gas generation

RET Target of 33,000 GWh requires additional ~7,000MW renewables



Source: AEMO, Public Office of Utilities WA
 Note: Additional capacity estimate based on 35% capacity factor for wind and 25% for solar and assumptions on wind/solar mix driven by expected LCOE curve.

Renewable energy accounts for only 13.3% of total electricity generation in Australia

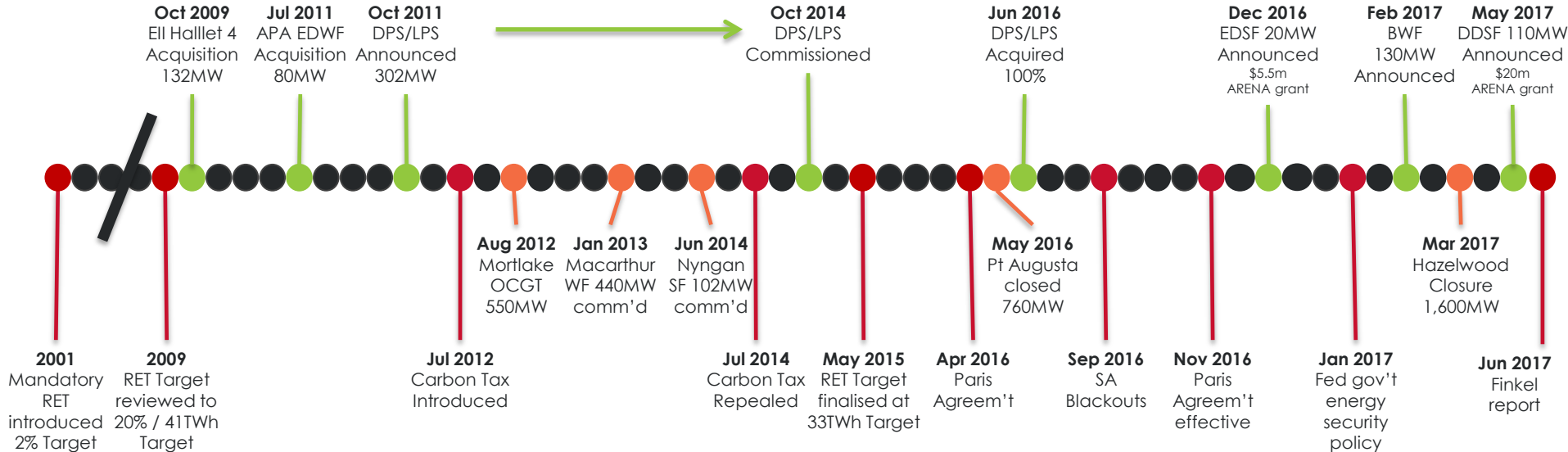


Source: Office of the Chief Economist, Australian Energy Statistics

APA's power capabilities – adapting to sector changes



- Consistent with APA's investment criteria, as owner & operator of energy infrastructure assets underwritten by long term contracts with highly creditworthy customers
- Extensive in-house power-generation expertise – both strategic planning and operational



APA's unique power offering



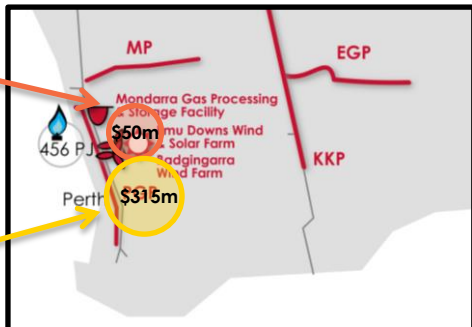
Emu Downs Solar Farm

Project description:

- 20MW wind farm
- \$50m cost, incl \$5.5m funding via ARENA grant
- Commissioning expected Jan 2018
- 13 year offtake contract with Synergy

APA's unique offering:

- Adjacent to Emu Downs Wind Farm
- Shared infrastructure



Badgingarra Wind Farm

Project description:

- 130MW solar farm
- \$315m construction cost
- Commissioning expected Jan 2019
- 12 year offtake contract with Alinta Energy

APA's unique offering:

- Adjacent to Emu Downs Wind and Solar Farms
- Leverage existing operational and on-the-ground resources

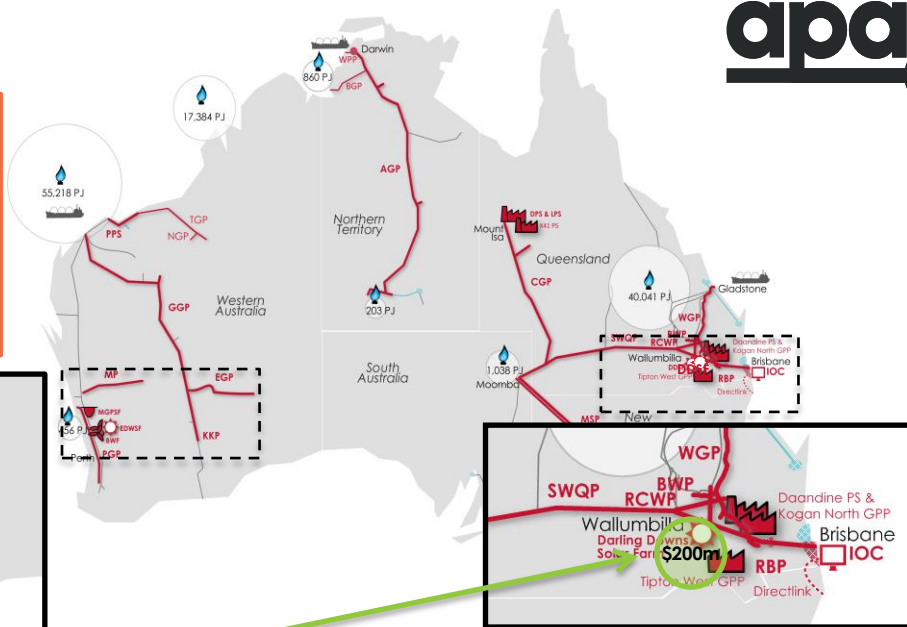
Darling Downs Solar Farm

Project Description:

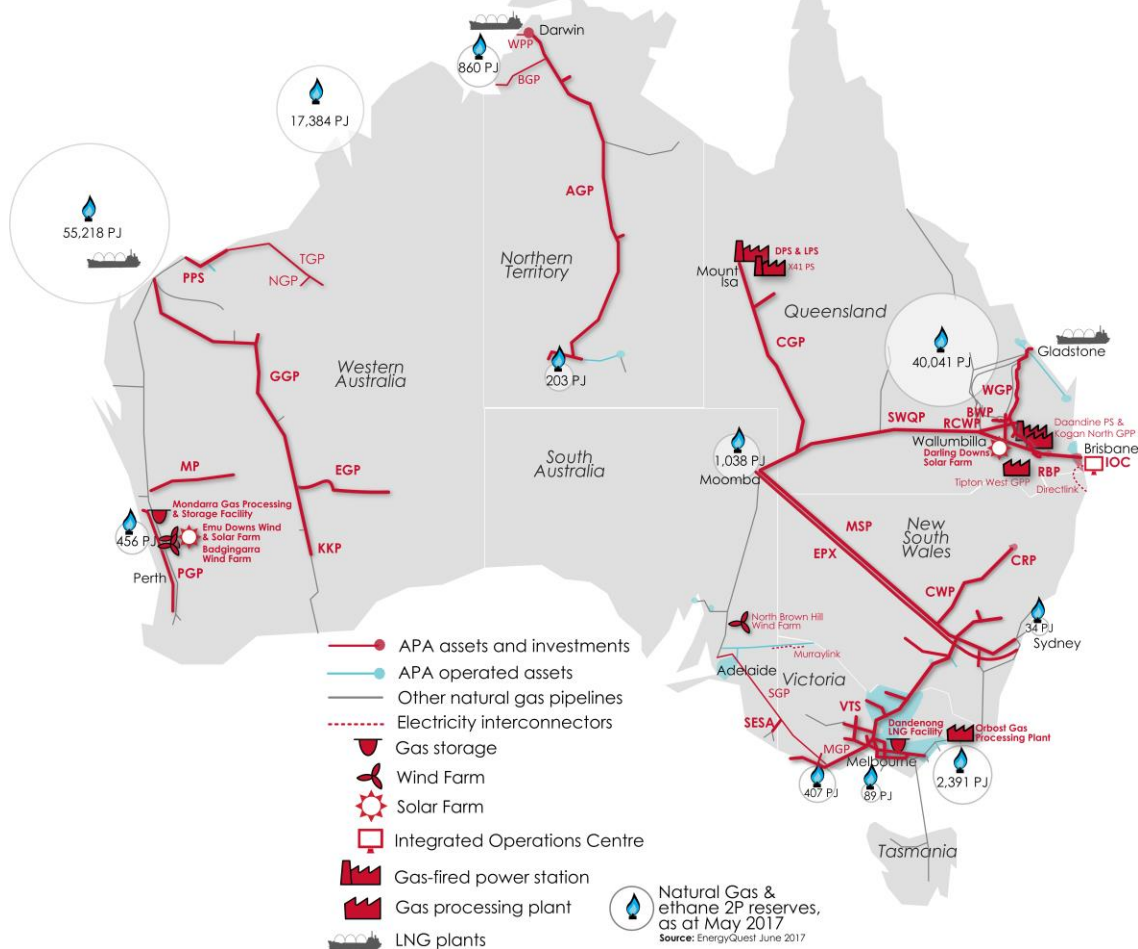
- 110MW solar farm
- \$200m acquisition & construction cost, incl \$20m funding via ARENA grant
- Commissioning expected late 2018
- 12 year offtake contract with Origin Energy

APA's unique offering:

- Ability to manage ARENA relationship and process
- Leverage existing operational resources



APA's uniquely integrated energy assets



Assets and Investments Glossary

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
OGPP	Orbost Gas Processing Plant
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

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