

APA Group  
UBS Australasia Conference 2019.



presented by: Rob Wheals, CEO and Managing Director

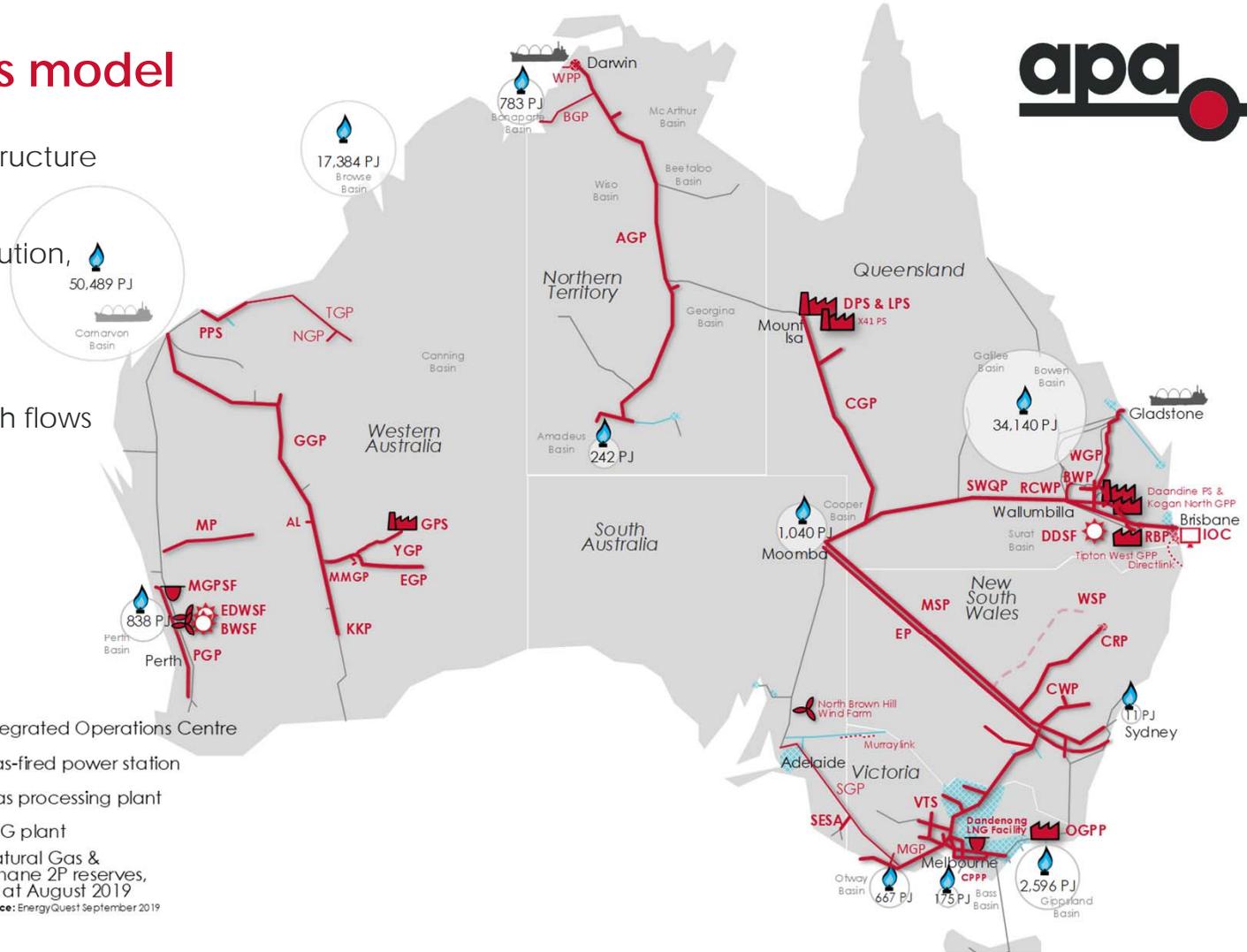
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# low risk business model



- integrated energy infrastructure portfolio
- gas transmission & distribution, processing & storage, power generation – gas & renewables
- stable & predictable cash flows
- long term take or pay contracts
- ongoing organic growth



APA assets and investments	Integrated Operations Centre
APA operated assets	Gas-fired power station
Other natural gas pipelines	Gas processing plant
Electricity interconnectors	LNG plant
Gas storage	Natural Gas & ethane 2P reserves, as at August 2019
Wind Farm	<small>Source: EnergyQuest September 2019</small>
Solar Farm	

# regulatory impact statement (RIS)

4 main areas of review



## Information disclosure

- Greater information transparency
- APA is supportive, subject to:
  - customer confidentiality
  - ability to do bespoke deals
  - cost benefit

Review required  
post Part 23 implementation

## Negotiation & dispute resolution

- Streamlining of arbitration processes across forms of regulation
- Smaller shippers may choose AER/ERA as arbitrator
- APA effectively manages risk of arbitration, >200 contracts negotiated since Aug 2017, with no formal request for access or arbitration

For APA, it's all about the  
Customer

- Delivering services customers value
- APA's Customer Promise
- Energy Charter
- Effective stakeholder engagement

## Coverage

- AEMC East Coast Gas Review & ACCC Inquiry 2015/16
- Change current test to a hybrid market power + National Gas Objective test
- APA supports measures to get more gas to market including open access for **all** pipelines

## Forms of Regulation

- AEMC Scope of Economic Regulation Review 2017/18
- Replacement of light regulation with Part 23 information disclosure and arbitration regime with ring fencing and non-discrimination protections
- APA agrees that Part 23 has made light regulation largely redundant

Continuation of past reviews

## customer focus & The Energy Charter

putting customers at the centre of our decision-making



### APA's Customer Promise

- Customer Promise developed and launched
- Multi-year improvement program to:
  - Drive the right culture
  - Deliver improvement initiatives



### Together, deliver energy for a better Australia



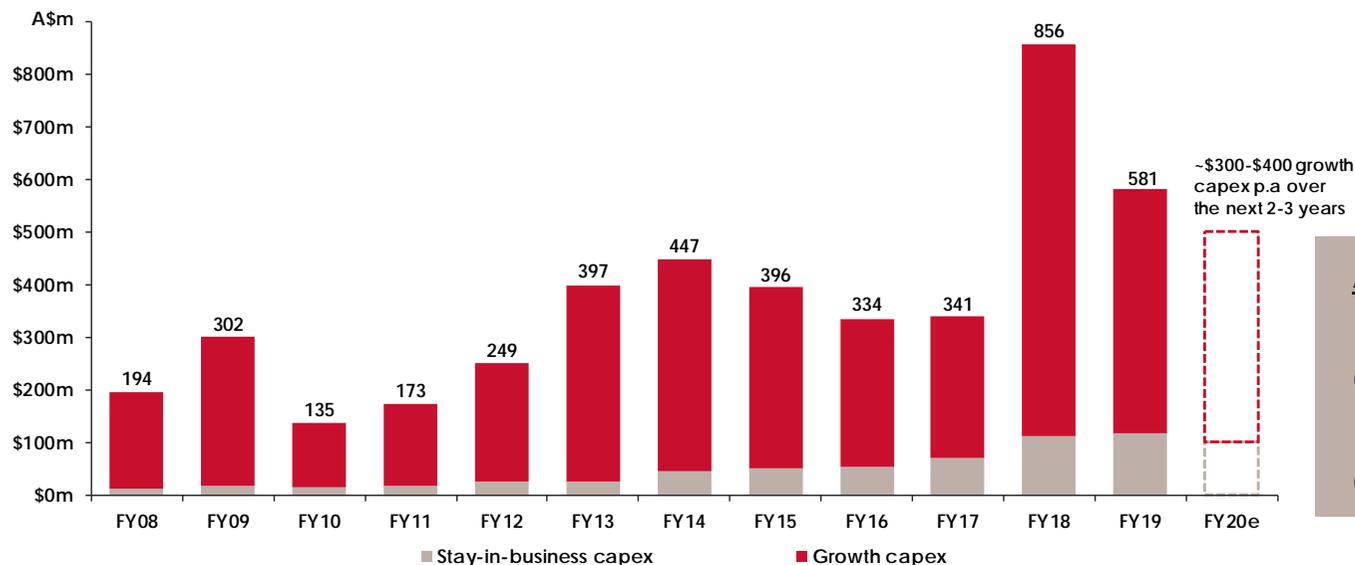
The Energy Charter

#### APA is committed to the 5 principles of the Energy Charter

- 19 signatories from across the energy supply chain
- Disclosure report against principles were published 30 Sept 2019
- Independent Accountability Panel will publish finding & recommendations by 30 Nov 2019



## Australian growth story remains attractive



APA growth capex:  
>\$400 m pa average over the last 5 years  
>\$300 m pa average over the last 10 years

- Opportunities across pipelines, mid stream & power generation
- Timing subject to market demand & market dynamics
- APA continue working closely with customers

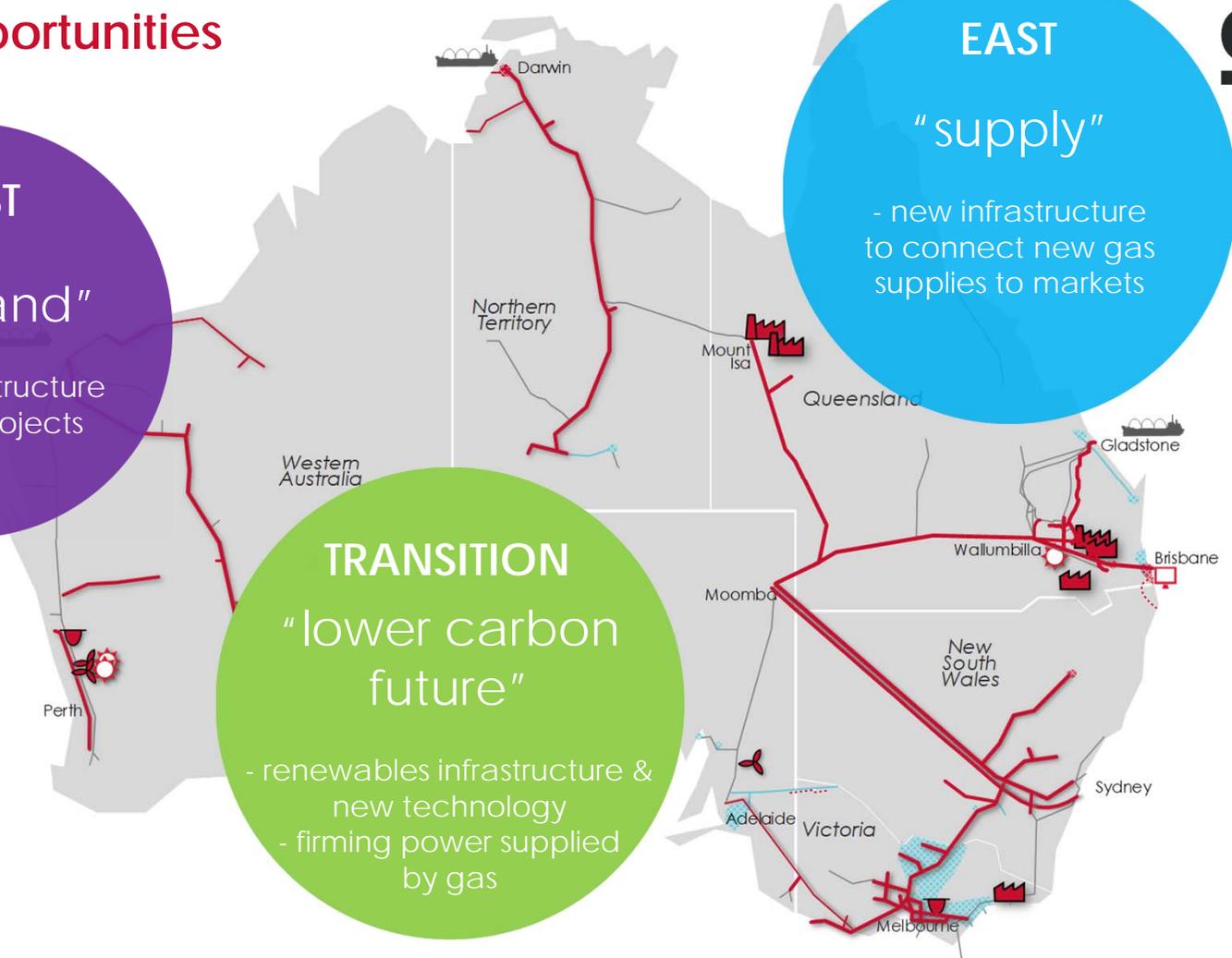
# growth opportunities



**WEST**  
"demand"  
- new infrastructure for new projects

**EAST**  
"supply"  
- new infrastructure to connect new gas supplies to markets

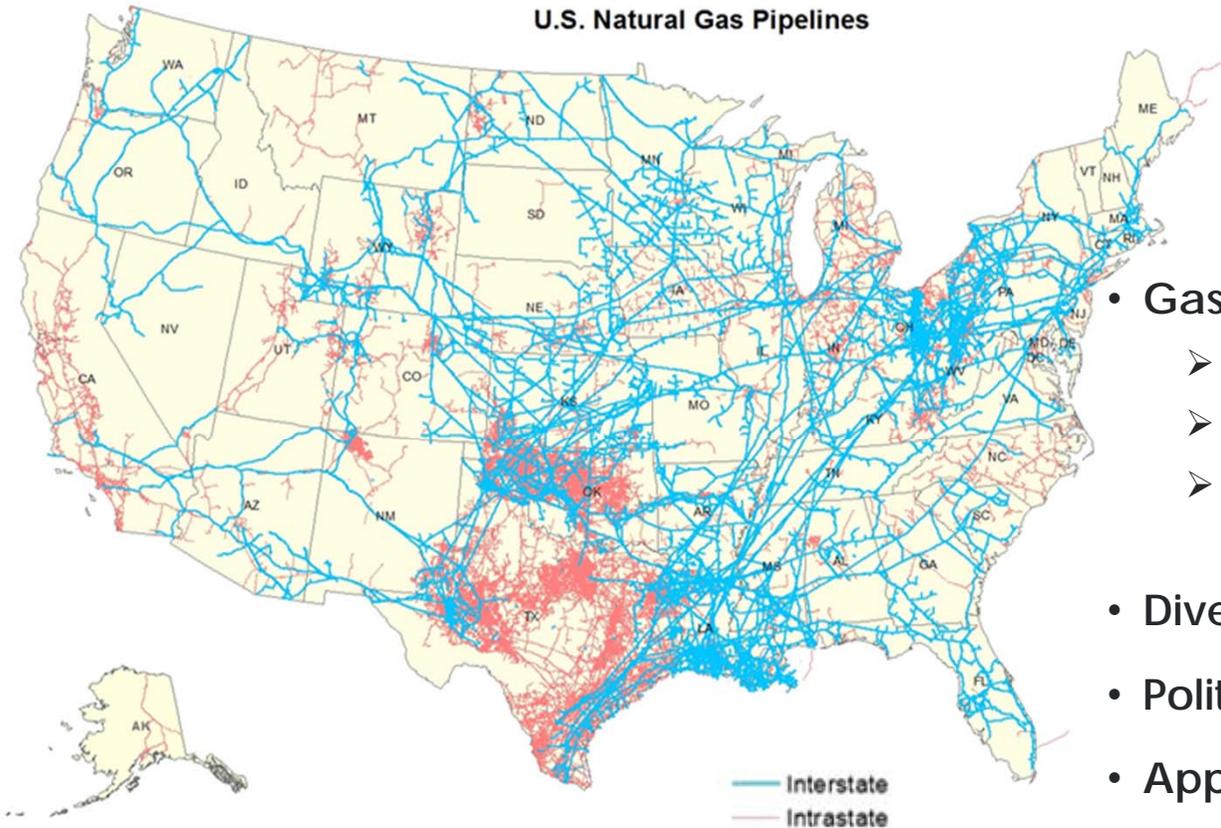
**TRANSITION**  
"lower carbon future"  
- renewables infrastructure & new technology  
- firming power supplied by gas



# North America



U.S. Natural Gas Pipelines



Source: American Energy Mapping (AEM) 2013

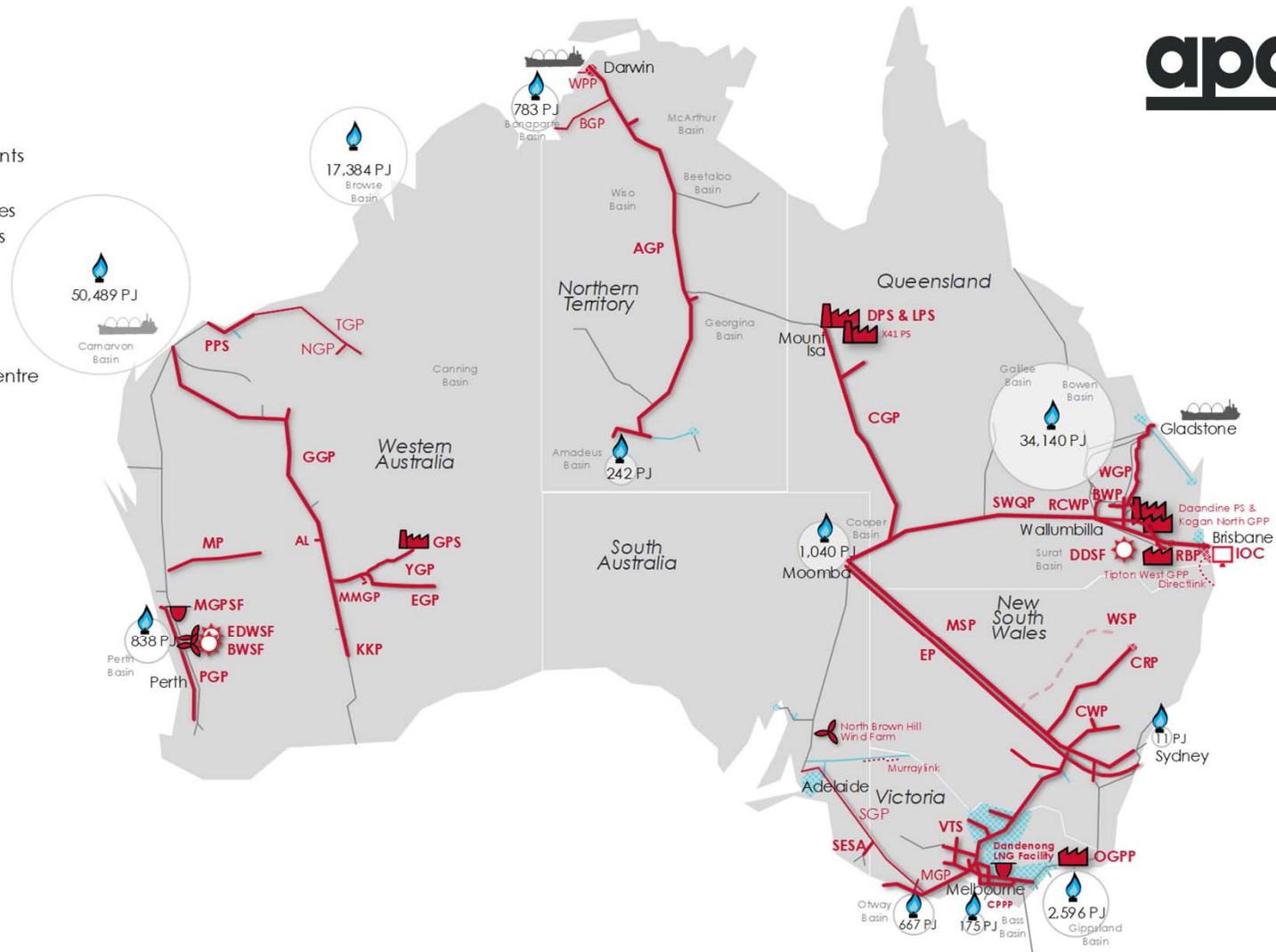
- **Gas industry dynamics**
  - Significant reserves, >30 years
  - Conservative pricing
  - Increasing domestic & export demand
- **Diversity of opportunities**
- **Political stability**
- **Appropriate risk/return environment**
- **Supportive regulatory environment**

# questions



- APA assets and investments
- APA operated assets
- Other natural gas pipelines
- - - Electricity interconnectors
- Gas storage
- Wind Farm
- Solar Farm
- Integrated Operations Centre
- Gas-fired power station
- Gas processing plant
- LNG plant
- Natural Gas & ethane 2P reserves, as at August 2019

Source: EnergyQuest 1 September 2019



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