CONNECTING OPPORTUNITIES

APA GROUP ANNUAL REVIEW AND SUSTAINABILITY REPORT 2013

MORE THAN THE SUM OF OUR PARTS

APA Group

TRANSFORMATIONAL

Through consistent execution of a sustainable growth strategy, APA has enhanced and expanded its energy infrastructure portfolio. The recent acquisitions and developments – acquired pipelines, gas storage expansion, pipeline expansions, power station development – create a transformational step-change – an interconnected portfolio able to adapt and respond to the opportunities in Australia's very dynamic energy market.

APA is now at a point where the totality and integrity of what we offer is greater than the individual assets and puts us in the position to offer beneficial, potentially game-changing solutions to our customers, while continuing to build on a secure base.

More than the sum of our parts – GROWTH SECURITY VALUE

OUR VISION

Maintain our ranking as Australia's number one energy infrastructure business

OUR STRATEGY

1. Enhancing APA's portfolio of gas infrastructure assets in Australia's growing energy market
2. Capturing revenue and operational synergies from APA's significant asset base
3. Facilitating the development of gas related projects that enhance APA's infrastructure portfolio
4. Pursuing opportunities that leverage APA's knowledge and skills base
5. Strengthening our financial capability

DISCLAIMER: APA Group comprises two registered investment schemes, Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441), the securities of which are stapled together. Australian Pipeline Limited (ACN 091 344 704) is the responsible entity of Australian Pipeline Trust and APT Investment Trust. Please note that Australian Pipeline Limited is not licensed to provide financial product advice in relation to securities in APA Group. This publication does not constitute financial product advice and has been prepared without taking into account your objectives, financial situation or particular needs. Before relying on any statements contained in this publication, including forecasts and projections, you should consider the appropriateness of the information, having –a to your own objectives, financial situations and needs and consult an investment adviser if necessary. Whilst due care and attention have been used in preparing this publication, certain forward looking statements are made in this publication which are not based on historical fact and necessarily involve assumptions as to future events and analysis, which may or may not be correct. These forward looking statements should not be relied upon as an indication or guarantee of future performance.

FRONT COVER: The recently expanded Mondarra Gas Storage Facility in Western Australia is now operating at five times its previous capacity, mitigating short term supply risks for the west. **THIS PAGE:** APA's newly acquired Wallumbilla compressor station is undergoing additional compression capacity works to meet contracted demand by GLNG.

GROWTH

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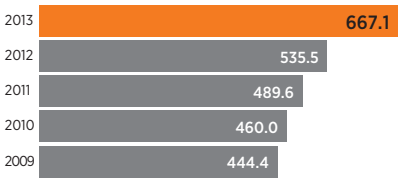
Information contained in this document is current as at 21 August 2013 unless otherwise stated.

BIG PICTURE
HIGHLIGHTS

In a year of significant achievements, these stood out.

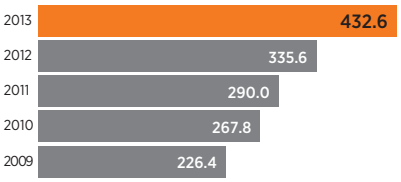
BUSINESS PERFORMANCE (NORMALISED[1])

EBITDA ($M)



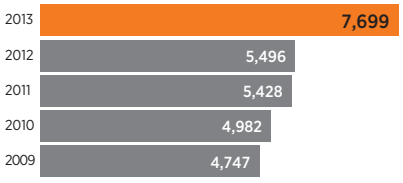
EBITDA increased by 24.6%, with 9 months' contribution from acquired pipelines and growth in APA's assets and investments, in line with guidance.

OPERATING CASH FLOW ($M)



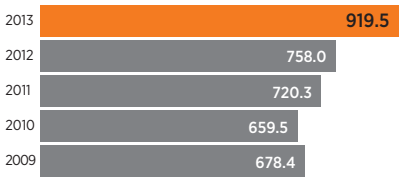
Operating cash flow increased by 28.9%, with 9 months' contribution from acquired pipelines, growth in APA's assets and increased distributions from investments.

TOTAL ASSETS ($M)



Total assets increased by $2.2 billion with the addition of the acquired pipelines, expansions on APA pipelines and expansion of the Mondarra Gas Storage Facility.

REVENUE EXCLUDING PASS-THROUGH[2] ($M)



Revenue excluding pass-through increased by 21.3% due to 9 months' contribution from acquired pipelines and business growth, partially offset by the removal of contributions from the Allgas business.

OPERATING CASH FLOW PER SECURITY (CENTS)

Operating cash flow per security increased by 6.8% to 56.0 cents per security.

DISTRIBUTIONS PER SECURITY (CENTS)

Distributions increased by 1.4% to 35.5 cents, in line with guidance, and paid in full out of operating cash flow.

FINANCIAL ACHIEVEMENTS

	2013 Normalised[1] $ million	2012 Normalised $ million	Change % Normalised	**2013 Statutory $ million**	2012 Statutory $ million	Change % Statutory
FINANCIAL RESULTS						
Revenue	**1,272.3**	1,060.7	19.9	**1,272.3**	1,060.7	19.9
Revenue excluding pass-through[2]	**919.5**	758.0	21.3	**919.5**	758.0	21.3
EBITDA	**667.1**	535.5	24.6	**768.8**	525.8	46.2
Profit after tax and minorities	**178.8**	140.3	27.4	**298.8**	130.7	128.7
Operating cash flow	**432.6**	335.6	28.9	**374.4**	335.6	11.6
FINANCIAL POSITION						
Total assets				**7,699.0**	5,496.0	43.7
Debt				**4,412.0**	3,224.0	36.8
Securityholders' equity				**2,512.0**	1,614.0	55.6
FINANCIAL RATIOS						
Operating cash flow per security (cents)	**56.0**	52.5	6.8	**48.5**	52.5	(7.6)
Earnings per security (cents)	**23.1**	21.9	5.6	**38.7**	20.4	89.4
Distribution per security (cents)				**35.5**	35.0	1.4
Distribution payout ratio	**68.2%**	67.0%	1.8	**78.9%**	67.0%	17.8
Gearing (net debt to net debt plus equity)				**62.8%**	65.0%	
Interest cover ratio				**2.3**	2.5	

1 Normalised financial results exclude significant items.

2 Pass-through revenue is revenue on which no margin is earned.

CAPITAL EXPANSION ACHIEVEMENTS

MONDARRA GAS STORAGE FACILITY
Capacity expansion

20 year contract

READ MORE P11

PILBARA PIPELINE SYSTEM
Acquisition and integration

GOLDFIELDS GAS PIPELINE
2 capacity expansion projects – compressor stations and compressor upgrades

20 and 15 year contracts

READ MORE P10

DIAMANTINA POWER STATION
Joint development (APA/AGL) 242 MW gas-fired generation plus 60 MW back-up generation

17 year contract

READ MORE P11

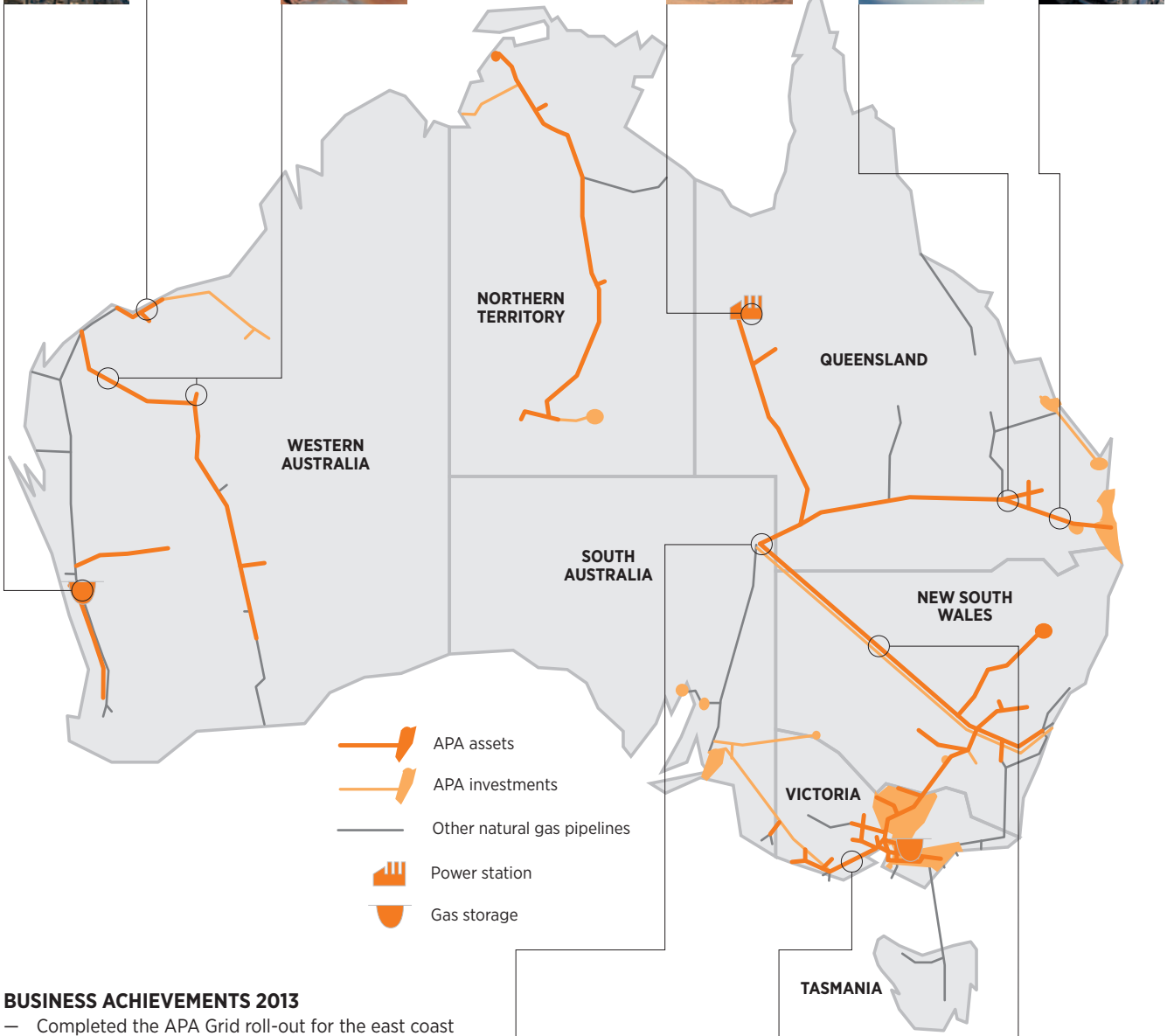
WALLUMBILLA COMPRESSION
Expanded compression capacity and associated services

15 year contract with a further 5 to 10 year option

READ MORE P9

ROMA BRISBANE PIPELINE
Capacity expansion completed including Dalby compression station

2 contracts up to 15 years



BUSINESS ACHIEVEMENTS 2013

- Completed the APA Grid roll-out for the east coast – APA's online customer facility providing seamless service for transmission customers and improving operational excellence
- Secured gas network infrastructure commitments in new residential developments resulting in 130,000 new connections over the next 30 years
- 435 kilometres of network mains replaced throughout Queensland, South Australia and Victoria **READ MORE P12**
- Completed the reporting and structure reorganisation commenced in FY2012, improving APA's ability to respond to customer needs and strategic opportunities

SOUTH WEST QUEENSLAND PIPELINE
Acquisition and integration

READ MORE P8

MOOMBA COMPRESSOR STATION
Capacity expansion

15 year contract

VICTORIAN TRANSMISSION SYSTEM
Upgrade of the Euroa compression station and Longford meter station plus Sunbury looping completed

Regulated revenue

READ MORE P10

MOOMBA SYDNEY PIPELINE
Final year of 5 year capacity expansion program

CHAIRMAN'S REPORT

"APA's continued success year on year is due to a sound and well executed business strategy. We have pursued secure and sustainable growth, acquiring and developing energy infrastructure assets and businesses where we're able to earn a fair, commercial return."

I am pleased to report that APA has delivered another solid result for the 2013 financial year, successfully completing the acquisition of Hastings Diversified Utilities Fund ("HDF") and further increasing the capacity of our infrastructure portfolio.

The increase in APA's 2013 financial performance reflects the contribution of the HDF assets as well as APA's existing assets and investments. Net profit after tax of $299 million includes a net positive contribution of $120 million from significant items, most of which relate to the HDF acquisition.

Excluding significant items, net profit after tax increased by 27.4 per cent to $179 million, earnings before interest tax, depreciation and amortisation ("EBITDA") increased by 24.6 per cent to $667 million, in line with our expectations and guidance, and operating cash flow increased by 28.9 per cent to $433 million.

The Board declared a final distribution of 18.5 cents per security bringing total distribution for the 2013 financial year to 35.5 cents per security, 1.4 per cent higher than last year and consistent with APA's guidance. Distribution payments are well covered by operating cash flow, with operating cash flow per security of 56.0 cents.

APA has maintained its track record of sustainable distribution growth and increasing returns to its investors, with a total securityholder return for the year of 30.5[1] per cent. In June 2013, APA entered the S&P/ASX 50 Index – an outcome of APA's growth strategy.

PROVEN GROWTH STRATEGY

APA's continued success year on year is due to a sound and well executed business strategy. We have pursued secure and sustainable growth, acquiring and developing energy infrastructure assets and businesses where we're able to earn a fair, commercial return.

In December 2012 we completed the acquisition of the HDF pipelines. We sold the Moomba Adelaide Pipeline System in May this year, satisfying the competition regulator's requirements, and completed the integration of both the South West Queensland Pipeline and Pilbara Pipeline System into our portfolio.

These two pipelines stand on their own merit as key pipeline assets in their respective regions. However, connected with APA's existing gas infrastructure, they form part of APA's pipeline grid, creating a step-change in the flexibility and services we can offer our customers, and an ability to respond to the changes in gas supply and demand options. Economies of scale from maximising infrastructure network utilisation will also help deliver attractive long-term returns for our investors.

In response to the demand for gas transportation and storage services on our assets, we have continued to expand the capacity of our pipelines and compression facilities, as well as our underground storage facility in Western Australia. The joint development of the Diamantina and Leichhardt gas-fired power stations in Mount Isa, which the Board recently visited, is also well advanced and due to commence operations, in the first half of next year.

We apply a prudent approach to our investments and acquisitions, with each satisfying our investment criteria, and underwritten by long-term contracts with creditworthy counterparties or relevant regulatory approvals.

Our proposal to merge with Envestra announced in July 2013 uses this same prudent approach. As both the operator of its gas distribution assets, and its largest shareholder, APA is uniquely positioned to deliver the benefits of full ownership to APA Securityholders and Envestra shareholders. At the time of writing, we have had no meaningful engagement with Envestra however, as Envestra's largest shareholders, we remain interested in progressing this proposal.

ASTUTE CAPITAL MANAGEMENT

During the year, a total of $2.75 billion in funds was raised through the issue of new equity and debt in order to fund APA's growth projects and investments and to support the HDF acquisition. This included the repayment of all of HDF's outstanding debt, totalling $1.3 billion.

The APA subordinated notes which were listed on the ASX in September 2012, contributed $515 million. This is APA's first issuance of debt in the Australian retail market and I was pleased that over 1,000 APA Securityholders also took up this investment opportunity. A further $1,271 million of bonds issued in the overseas debt capital markets, shows the support for APA from a broad range of debt capital markets.

1 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 the reinvestment of distribution at the declared distribution rate per security. Figure quoted is sourced from IRESS.

As part of the consideration for HDF, APA issued 176 million new APA securities in exchange for all the HDF securities APA did not own. I welcome our new Securityholders who have joined us as part of the HDF transaction.

We have retained a strong balance sheet, with the right balance of debt and equity for our capital intensive business, as well as both our investment grade credit ratings. The Board is confident that we have the funding strength to support APA's growth.

BOARD FOCUS

During this busy year, the Board remained focused on the development and execution of APA's strategy and maintaining the highest levels of corporate governance. The Board and senior management reaffirmed APA's strategy and operating model as part of our annual review.

In addition to Board and Committee meetings, the Directors visited a number of APA's operations, including the newly commissioned Dalby compressor station in Queensland, which is part of the Roma Brisbane Pipeline capacity expansion project and the Diamantina and Leichhardt gas-fired power stations currently under construction at Mount Isa.

Muri Muhammad, a foundation member of the APA Board, retired in October 2012. Muri's experience within the gas industry and his commitment to the Board has been most valuable and I thank him for his contribution.

OUTLOOK

The Board remains confident that APA is well placed to deliver steady growth and earnings stability. Given our extensive portfolio of assets and industry skills, we will continue to grow profitably and securely through both organic growth opportunities and our investments across the country.

This growth is reflected in our guidance for the 2014 financial year, with EBITDA expected to be in the range of $715 million to $730 million, and total distributions to be at least equal to those paid in the 2013 financial year – that is, at least 35.5 cents per security.

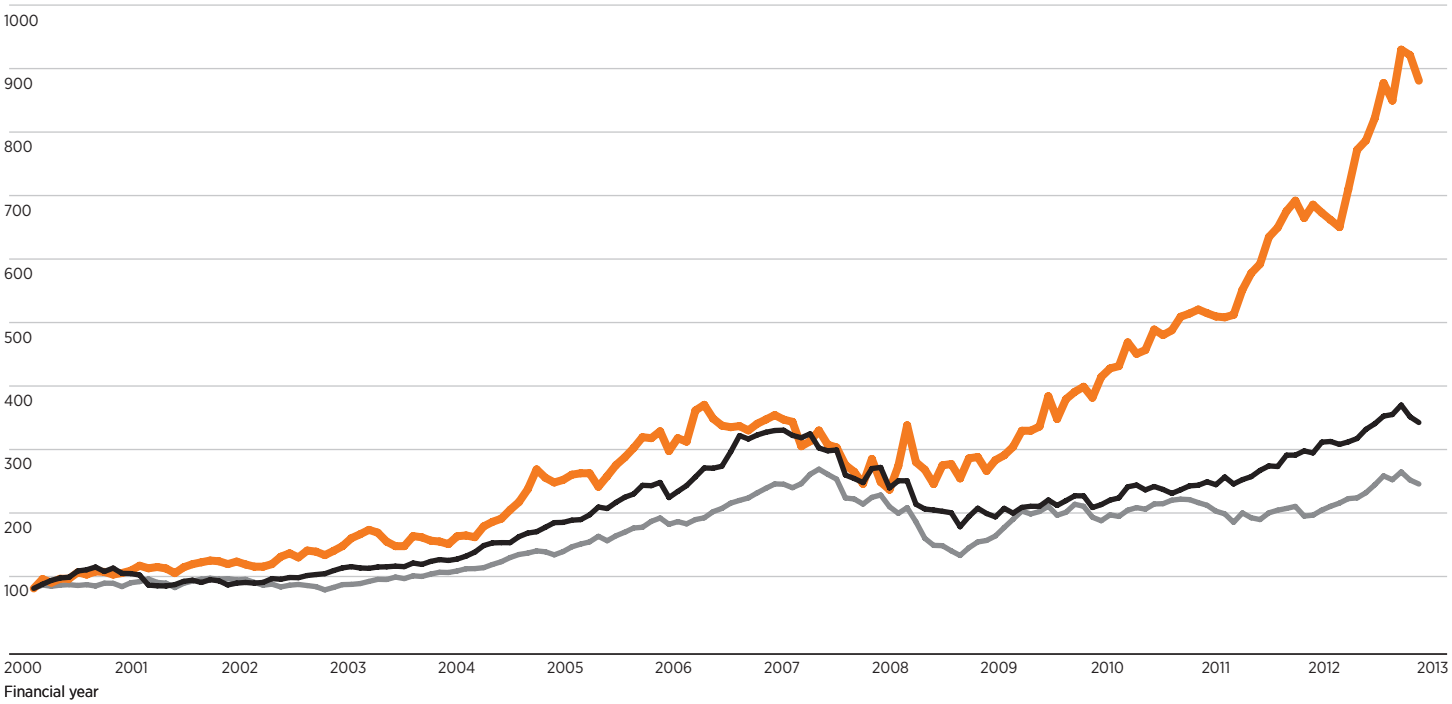
APA's continued solid performance and strong growth is testament to a strong business managed and operated by excellent people. On behalf of the Board, I thank our Managing Director Mick McCormack, his leadership team and APA's people for their contributions this year.

Finally, I'd like to acknowledge all our Securityholders, existing and new, for your ongoing support.

Len Bleasel AM
Chairman

Total securityholder return since listing

(Total return indexed to 100 from date of APA listing, 13 June 2000 to 30 June 2013)



MANAGING DIRECTOR'S REPORT

"APA's east coast pipeline grid has transformed the gas industry at a time when complex dynamics are in play around gas supply and demand. It increases the receipt and delivery options available to our customers, and it adds further value to our portfolio, opening up more synergy, growth and revenue opportunities."

APA has built its business on consistency and reliability. Since listing in June 2000, APA's strategy has never varied. We're focused on building and enhancing our core business of gas transmission and distribution assets, utilising our industry and commercial skills, to deliver growing and sustainable returns to our investors. This year we have again executed our strategy, expanding our existing assets, developing new energy generation assets, and in particular adding two pipelines through the acquisition of Hastings Diversified Utilities Fund ("HDF").

Today we own and operate an unrivalled gas infrastructure footprint across Australia, significant in size and extent, and significant in the interconnection of our assets. This is generating additional value and benefits for APA and our customers, and ushers in a new era of delivering energy solutions throughout Australia. I am proud to be leading APA, a company which is more than the sum of its parts.

A YEAR OF TRANSFORMATIONAL GROWTH

The single biggest achievement in the 2013 financial year was the acquisition of HDF – a $2.6 billion acquisition, completed in December 2012. We acquired high quality pipelines with secure long-term revenue contracts, synergy value with our existing assets, and future growth potential. Within six months of taking ownership, we completed the integration of these assets, sold the Moomba Adelaide Pipeline System, satisfying the competition regulator's requirements and repaid all the HDF debt facilities.

We have been moving towards an integrated gas transportation grid for some time, progressively adding pipelines to our portfolio. The HDF assets were the last pieces we needed to make this a reality. With the addition of the South West Queensland Pipeline, we have created a 7,000 kilometre gas pipeline grid on the east coast of Australia. We can now offer our customers a new level of service and flexibility that was not previously available, moving gas between over a hundred receipt and delivery points across four states and providing ready access to multiple gas sources.

APA's east coast pipeline grid has transformed the gas industry at a time when complex dynamics are in play around gas supply and demand. It increases the receipt and delivery options available to our customers, and it adds further value to our portfolio, opening up more synergy, growth and revenue opportunities.

Furthermore, with the addition of the Pilbara Pipeline System on the west coast, we now own and operate all the pipeline infrastructure serving the north west mining region.

During the year we were also busy working on $1.5 billion of organic growth projects across the country. We completed expansion projects on three of our east coast pipelines, and commenced work on two pipeline compression facilities. In the west, we continued work on the Goldfields Gas Pipeline expansion, and completed the Mondarra Gas Storage Facility expansion. In Mount Isa, Queensland, development of the Diamantina and Leichhardt Power Stations is well advanced, achieving important construction and financing milestones.

Consistent with the low-risk nature of our business, this significant growth capital expenditure is underpinned by long-term contracts with strong creditworthy counterparties, or secured by the relevant regulatory arrangements.

DIVERSE PORTFOLIO

The benefits of our continuing diversification of APA's business away from any one state, asset or asset class are reflected in our ongoing stable results. The gas transmission and storage assets and the Emu Downs Wind Farm, which make up the Energy Infrastructure business, derive their revenue from either regulatory arrangements or capacity-based contracts. The Energy Infrastructure business contributed $550 million in EBITDA, a 24.5 per cent increase on last year, mainly due to the addition of earnings from the new pipeline assets acquired, the sale of new capacity on the Roma Brisbane Pipeline, and increased margin on the Amadeus Gas Pipeline in the Northern Territory. At the same time, under the new access arrangement for the Victorian Transmission System, reduced tariffs have impacted our revenues in the second half of FY2013.

Asset Management reflects the operator fees APA receives for operating and managing our minority investments and other income from working on our assets for customers. This segment contributed $46 million in EBITDA to the group, benefiting from around $10 million in customer contributions. The Energy Investment sector has performed well, contributing $51 million, with the first full year of investment income from our 20 per cent ownership of GDI, the Allgas joint venture, and our share of improved financial performance in our other investments.

Portfolio diversity

Continuing business – 2013 EBITDA

	Energy Infrastructure	85.1%
	QLD	25.3%
	NSW	17.4%
	VIC & SA	19.5%
	WA & NT	22.9%
	Asset Management	7.0%
	Energy Investments	7.9%

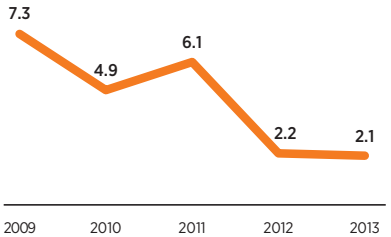
SAFETY AND RELIABILITY

We remain, as always, focused on delivering safe and reliable services, and are equipped with the industry know-how and resources to optimise the maintenance and operation of our $12 billion of assets and investments. Our emergency response programs are a key part of this.

During the summer floods in Queensland, this response was again tested as APA's Networks and engineering teams repaired a damaged pipeline over 22 days under extreme conditions while maintaining critical gas supply to essential services in the Wide Bay region. I'm proud of the skills, ingenuity and dedication of our people in dealing with this and other difficult and complex situations.

During the year we welcomed around 100 new employees to APA's team, mainly though the HDF acquisition, adding further technical and operational expertise to the business. We now have a diversely skilled team of over 1,500 employees located across Australia requiring even more emphasis on our safety priority. While APA's Lost Time Injury Frequency Rate (LTIFR) of 2.1 was an improvement on last year, we maintain our long term safety goal of a "zero harm" workplace. I am personally committed to reinforcing a strong safety culture throughout APA and ensuring our processes and behaviours create a safer workplace.

Lost time injury frequency rate



Lost time injury frequency rate (LTIFR) is measured as the number of lost time injuries per million hours worked (excluding contractors).

OUTLOOK

Our strategy remains unchanged as we look to the year ahead, and there are a range of attractive opportunities in front of us. On the east coast we will concentrate on delivering the benefits offered by our gas grid – operationally and commercially – and enhancing the contractual position of the pipeline network as a whole.

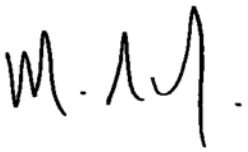
We will continue the growth projects that are underway on our pipelines, and on our compression facilities at Wallumbilla and Moomba, as well as the Diamantina Power Station development. We also expect that demand on the east coast for gas transportation services to supply the export LNG industry will require further pipeline expansion.

Another area of growth is the development of new pipelines, either to supply major new sources of industrial demand for gas or to connect new sources of gas supply. The extent of our portfolio, our industry expertise and balance sheet strength, mean that we are well placed to develop any pipeline opportunities that may be under consideration.

Finally, we will continue to look for investments and acquisition opportunities which fit our strategic and commercial objectives.

Everything we've done over the last 13 years has contributed to the strong platform that APA now has. The smarts and dedication of APA's people will continue to be pivotal in our growth and success, and I thank them for their dedication and commitment during this transformational year for APA.

Mick McCormack
Managing Director and Chief Executive Officer



DELIVERING SEAMLESS ENERGY SOLUTIONS

TRANSMISSION

Every major gas supply source in Australia is within reach of APA's infrastructure, enabling gas to be transported to where it's required.

Over the last 13 years, APA has more than doubled the size and reach of its gas infrastructure portfolio. Today it owns and operates 14,100 kilometres of gas transmission pipelines across mainland Australia. Every major gas supply source in Australia is within reach of APA's infrastructure, enabling gas to be transported to where it's required.

Our gas customers rely on APA to provide services that are consistent, flexible and seamless to meet their changing needs. APA's assets and people deliver those services reliably, cost-effectively, and above all, safely.

With our gas transmission pipelines positioned across mainland Australia, APA is able to make new connections with customers, markets and supply sources, by expanding or extending its infrastructure. Furthermore, APA is able to provide seamless and innovative energy transportation and storage services through its network across Australia. This creates additional value for APA and customers alike. APA's value as a whole gas-related infrastructure portfolio is more than the sum of each asset's stand-alone value.

APA's east coast grid

INTERCONNECTED PIPELINE NETWORKS

APA has progressively increased its gas infrastructure portfolio through acquisitions and developments. The recent addition of the two HDF assets – South West Queensland Pipeline and the Pilbara Pipeline System – has seen the emergence of APA transmission networks in the east and west of the country.

In Western Australia, APA's pipelines encircle the mineral rich Pilbara and Goldfield regions. In the Northern Territory, APA's pipelines continue to be the key infrastructure supplying power generation and industry, and close to potential new sources of gas supply.

In the eastern states, the South West Queensland Pipeline has formed the link between four existing APA pipelines. APA now owns and operates an east coast grid of over 7,000 kilometres of gas pipelines connected to all major gas production and demand centres across four states and the Australian Capital Territory.

Already APA and our customers are experiencing the benefits of this gird. We can now transport gas seamlessly from multiple gas production facilities to gas users across five borders. The grid also presents APA with the opportunity to develop new and innovative service offerings, as well as facilitating gas competition and the development of the gas market in eastern Australia.

The innovative and flexible gas transportation and storage services we are developing will assist our customers in managing the variability and complexity of their supply and demand requirements. For the first time, APA's customers will be able to move gas easily around the east coast, under a single gas transportation contract, with simplified daily administration of gas movements, and with only one invoice to pay.

A few months following the formation of the grid, APA implemented a service for a customer that allows the seamless transportation of gas across three pipelines, from Moomba, South Australia to Brisbane, Queensland. Previously, this service was not easily accessed by the customer due to the complexity of negotiating and managing three contracts across the three pipelines.

OUR TRANSMISSION FOCUS

APA's customers rely on consistent, flexible and seamless services to meet their changing needs. APA is focused on delivering these services reliably and cost-effectively and above all, safely.

The key areas of focus in APA's Transmission team are:

1. Capturing future growth for transportation and storage services.

This is all about getting the most out of our assets, every hour of every day, and optimising availability of capacity and services. At the same time, we are developing opportunities to transport additional gas and deliver new services for existing and new customers by improving and expanding our assets.

2. Offering high quality, seamless and flexible services for our customers to meet their changing needs.

We are focused on satisfying our customers gas transportation and storage needs. We work with our customers, gaining an understanding of their current and future needs, in order to deliver tailored, efficient and timely services.

3. Ensuring the highest level of service reliability and safety, while doing this cost-effectively.

We provide reliable and safe services. To achieve this, we maintain our assets well and operate according to best practice systems and processes. Our consistent and whole-of-operations approach, puts safety at the centre of everything we do, while still managing our costs.

APA has also developed services to transport gas from Victoria into New South Wales and further north under an expanded multi-asset service.

Work is also underway to configure APA's customer management system ("APA Grid") to provide a comprehensive 'grid service'. APA's customers will be able to manage the

RoCD2 pig being loaded into the Moomba to Sydney Pipeline.

transportation of their gas across all the receipt and delivery points on APA's grid, in accordance with a single negotiated service.

This means real flexibility, as customers ultimately will have the potential to transport gas between almost 30 receipt points and 100 delivery points on the east coast. This is a significant step-change in the gas transportation and storage service available to APA's customers.

In addition to these services, the grid also enhances security of gas supply and assists in the development of a competitive gas market in eastern Australia.

The supply sources of the Cooper, Gippsland, Otway and Surat gas basins, as well as gas storage facilities such as APA's Dandenong LNG plant in Victoria and Energy Australia's Iona Gas plant, are now connected through APA's east coast grid with the major demand centres in Brisbane, Sydney, Melbourne, Mount Isa and Wallumbilla – which will be connected to the Queensland export LNG plants.

To further support customers with managing their gas procurement and transporting strategies, APA is also actively developing new services and investing in new systems. Recently, APA successfully trialled and now offers a new service, enabling customers to trade gas between each other once their gas has entered APA's east coast grid.

This new service allows greater flexibility in sourcing gas on both a short and long-term basis. Importantly, trades can be facilitated through the proposed 'gas trading hub' at Wallumbilla (an initiative of the Standard Council on Energy Resources, due to commence in March 2014) or any other mechanism agreed between the customers trading gas.

There are additional benefits for APA in operating the grid. Following the acquisition of the South West Queensland Pipeline, APA physically interfaced this pipeline with the Roma Brisbane Pipeline, developing a revised operating mode where the two pipelines operate as one system. This has enabled more gas to be transported and stored without the need for additional capital works. The sale of this increased capacity will generate additional revenue for APA.

The Wallumbilla compression expansion project is an example of APA's ability to quickly respond to market opportunities. APA was able to proceed with the capital investment of up to $200 million immediately on acquiring HDF. The project is underpinned by a long term agreement, with services commencing in the middle FY2015.

Implementing APA's customer management system was a key milestone for APA this year, and allowed for the seamless integration of the new pipeline assets. It provides APA and our customers with a dynamic tool that can readily adapt to APA's requirements, customers' needs, and market changes, making it easier to do business.

OPERATIONAL SKILLS AND KNOW-HOW

Maintaining our assets well is key to ensuring our gas transportation and storage services are delivered safely, reliably and cost-efficiently for the long-term. We have a national maintenance program for all our assets and investments that we maintain and operate to meet technical requirements and ensure good industry practice.

Inline pipeline inspection or 'intelligent pigging' is one of the asset integrity management processes that we use to inspect and confirm the condition of a pipeline. The 'intelligent pigs' sent through a pipeline can detect metal loss corrosion, stress corrosion cracking and other pipeline defects on both the inside and outside of a pipeline. The process is designed to minimise impact on the flow of gas in a pipeline and is normally conducted at periodic intervals of a few years.

APA uses the world's best technology including high resolution electromagnetic and ultrasonic pigs that travel in the gas stream. The sensors in these intelligent pigs measure the size and exact location of even minute changes in a pipeline's condition. Intelligent pigging provides a health check for a pipeline to ensure its ongoing fitness for service as well as meeting legislative and licensing requirements. By keeping detailed diagnostic records and undertaking timely repairs or preventative maintenance, we can effectively extend the safe useable life of our pipelines.

CONNECTING NEW GAS SUPPLIES

Currently, there is significant gas exploration work across Australia. This creates potential future growth opportunities for further investment in transmission assets to assist in commercialising new gas supplies.

In New South Wales, the potential supply of gas from the Gunnedah Basin in the second half of

1. Additional compression capacity installed at Yarraloola on the Goldfields Gas Pipeline.
2. The newly expanded Mondarra Gas Storage Facility.
3. Construction of the Diamantina Power Station is progressing.

this decade presents APA with the opportunity to deliver new volumes into our Moomba Sydney Pipeline via the Central Ranges and Central West Pipelines. The demand for gas by the Queensland LNG projects may create the opportunity for additional gas volumes from the Gippsland and Otway Basins in Victoria to be transported into the New South Wales market, and potentially beyond into Queensland.

In Victoria this year, we completed an upgrade of the Longford meter station, a key delivery point into the Victorian Transmission System. APA also commissioned a new compressor station at Euroa in the north east of the state as part of the next stage of the northern expansion program. APA will continue to expand its pipeline systems to facilitate a competitive service between Victoria and New South Wales. APA is currently undertaking Front End Engineering Design (FEED) work for the next stage of expansion of the northern zone of the Victorian Transmission System to facilitate additional gas flows between the two states.

Development of the Galilee Basin in central Queensland and other basins, including McArthur, South Nicholson and Isa Super basin, could potentially supply the domestic market in the future by connecting to APA's Carpentaria Gas Pipeline at Mount Isa. Recently, APA signed a non-binding Heads of Agreement with Armour Energy who is exploring these gas supplies in northern Queensland and the Northern Territory.

There is also the opportunity to link the east coast gas grid with APA's Amadeus Gas Pipeline in the Northern Territory, thereby improving security of gas supply for both regions. This would be a significant link given the proposed supply of gas to Gove and the development of a pipeline connecting Gove to the Amadeus Gas Pipeline at Katherine.

EXPANDING ASSETS AND SERVICES IN THE WEST

In Western Australia, APA progressed the two expansion projects on the Goldfields Gas Pipeline. These expansions, underwritten by long term agreements, increase the capacity of the pipeline by 28 per cent, and will support the further development of Rio Tinto's mining operations and those of the Mount Newman Joint Venture.

Further major pipeline development opportunities centre on the connection to new or expanded iron ore projects in the Pilbara

region. With our network of pipelines in the region, APA is uniquely positioned to provide timely and cost-effective energy solutions.

The completion of the Mondarra Gas Storage Facility was another major achievement in FY2013. The storage and operating capacity of this underground gas storage facility has been increased by more than five times. This facility highlights APA's strategic objectives through leveraging our existing infrastructure in that region, the Parmelia Gas Pipeline and Emu Downs Wind Farm, and enhancing our portfolio of gas infrastructure by delivering gas-related services to meet customer demand. Our investment is underpinned by a long term contract with the major provider of electrical generation capacity in Western Australia, Verve Energy.

This investment forms another step in the development by APA of the "Mondarra Gas Hub", which conveniently straddles the only two gas pipelines servicing the south west of Western Australia. The Mondarra Gas Hub effectively offers interconnected pipeline gas transportation, load management, storage, compression and processing services.

ENERGY SOLUTIONS IN NORTH WEST QUEENSLAND

APA's other major development project, the Diamantina Power Station (DPS), has significantly progressed during the year. APA is building the 302 megawatt gas-fired power generation facility in conjunction with AGL Energy, which consists of 242 megawatts of combined cycle power and an additional 60 megawatts of open cycle power. Natural gas will be supplied by AGL Energy and transported via APA's Carpentaria Gas Pipeline, thereby harnessing each company's expertise to deliver a total energy solution. The power station is expected to be fully commissioned towards the end of FY2014 with 80 megawatts of open cycle power available several months earlier.

DPS is a high efficiency low emissions solution to meet the current and growing energy needs of Mount Isa and the resource rich north west Queensland region. DPS will provide a reliable electricity supply solution and is able to be expanded to meet growing energy requirements of mining operations in the region. Long-term contracts have been signed with Xstrata Mount Isa Mines and Ergon Energy, underpinning the $570 million investment by APA and AGL Energy. Limited-recourse project financing was completed in December 2012.

Increased utilisation of APA's infrastructure through connected transmission networks and adjacent gas-fired generation ultimately adds to our earnings and increases the value of APA's business. As a result, both APA Securityholders and our customers enjoy the benefits of these synergies – a true win-win outcome.

APA's underlying strategy becomes even more potent with the new opportunities that have arisen as a result of APA's expansive footprint and continued commitment to investing in Australia's energy sector.

COPPER FOR COMMUNITY CASH

An innovative recycling initiative at the Mondarra Gas Storage Facility raised almost $76,000 for community groups in nearby Dongara, Western Australia.

As is typical of large construction projects, one of the significant waste products on the Mondarra project was scrap copper. Some of it was leftover tails from cabling used to run all the electric circuitry for the plant, and a large amount came from underground wiring which was reclaimed when the temporary accommodation was demobilised at the end of the construction phase.

With copper recognised as a valuable commodity, the APA crew saw the opportunity to turn the scrap into something that could benefit the local Dongara community. Dedicated skips were assigned to collect the scrap over the last months of the project, and a plan to sell the scrap and donate the funds to the Dongara community was communicated to everyone across the site. APA established a relationship with not-for-profit group, Men in Sheds, who agreed to strip the insulation wire from the copper to prepare it for sale to a scrap merchant. Volunteers from Dongara Lions and RSL clubs assisted with the task.

APA employees and the community volunteers collected and stripped nearly 11 tonnes of scrap copper, which was sold for a total value of almost $76,000. APA contacted the local council for a list of not-for-profit organisations and selected a number they felt could benefit from some extra financial support. Beneficiaries of the funds raised included Men in Sheds, Dongara RSL and Lions Clubs, St Johns Ambulance, Surf Life Saving, Sea Rescue, Royal Flying Doctor Service and the Dongara Yacht and Softball clubs.

This is a great example of how APA has recycled waste to make a real difference in a local community, and APA aims to apply this model on other future construction projects.

MAKING CONNECTIONS
NETWORKS

APA's point of difference is that we do this in ways that achieve the best outcomes for all stakeholders – our customers, energy regulators, the end consumer and APA.

APA's Networks business manages 25,000 kilometres of gas mains in South Australia, Victoria, Queensland, New South Wales and the Northern Territory on behalf of the network owners, Envestra Limited and GDI (EII) Pty Ltd, in which APA also has an investment stake. APA also owns a small distribution network in rural New South Wales.

APA's Network operations are twofold: firstly, we are responsible for the safe and efficient transport of gas from transmission pipelines through to the end consumer, whether they're residential, industrial or commercial. Secondly, we maintain the integrity of the networks system to ensure reliable gas supply on behalf of our customers. Under the long-term service agreements with our customers, APA's responsibility extends beyond operation and maintenance functions, encompassing planning, designing and construction of network expansions, as well as marketing the use of gas to consumers and encouraging more connections.

SKILLED PEOPLE

We have an extensive Networks team across eastern Australia, with over 550 employees and 650 contractors applying their diverse skills to operate, maintain and manage our customers' networks. We have been operating and developing these networks for many years – the GDI network in Queensland since 2006 and the Envestra network from 2007, using our know-how to improve efficiencies, minimise costs, find operational synergies and expand and increase the use of the networks for their owners.

We operate within a highly regulated environment. The networks are predominantly located in built-up urban environments, and service around 1.2 million gas consumers. We therefore must meet extensive statutory and market obligations. APA's point of difference is that we do this in ways that achieve the best outcomes for all stakeholders – our customers, energy regulators, the end consumer and APA. We have thorough, rigorous and repeatable processes that ensure delivery of high quality services.

NEW GROWTH

In pursuit of sourcing new growth opportunities, APA works closely with developers and governments to ensure that gas infrastructure is installed in major urban subdivisions. This year, we achieved great success with gas infrastructure confirmed in four new major developments including Buckland Park in South Australia, Ripley Valley and Yarrabilba in Queensland and Merrifield in Victoria. Altogether, these projects will provide 130,000 new gas connections over the next 30 years and the increased possibility of additional developments in adjacent areas. This new growth will also require approximately 40 kilometres of new supply mains to be installed as well as a new gate station for Merrifield, and comes on top of annual organic growth which this year was over 25,000 new connections. The cumulative five year forecast figures are strong with expectations of 136,000 new customers connected, 163,000 new meters installed and 1,300 kilometres of new mains laid. The majority of these developments are in areas where Envestra has its gas distribution networks.

APA also developed the new Natural Gas website owned by Envestra (www.maketheconnection.com.au) that was launched in December, helping to simplify the connection process which varies across each state, as well as promoting the benefits of natural gas.

REDUCING COSTS

'System Use Gas' (also referred to as 'Unaccounted for Gas'), is the gas lost or consumed in running networks, and is keenly monitored by both APA and the network owners. In FY2012, APA commenced an accelerated five year Mains Renewal Program of proactive block mains across Queensland, South Australia and Victoria on behalf of Envestra. The main cause of gas leakage in the networks is the deterioration of the old cast iron pipes (on average 70 years old) and old un-protected steel pipes (on average 55 years old). The program involves replacing 2,100 kilometres of old mains with polyethylene pipe at a total capital expenditure of $530 million over five years. In the two years since the program commenced, almost 800 kilometres of mains have been replaced, with over 430 kilometres completed this year. As the program continues to gain momentum and benefit from process efficiencies, 480 kilometres has been targeted for FY2014.

The Mains Renewal Program is challenging given the large number of people required to undertake the work, the use of contractors for much of the installation work, as well as the extensive community relations activities that are required because the majority of mains are located in residential streets. Safety is our highest priority and APA's safety requirements must be adhered to by all contractors involved in the program. This year, the number of significant contractor injuries has decreased from the previous year.

Almost 90 per cent of the mains renewal is achieved by inserting polyethylene pipe into the old mains. Polyethylene pipes are commonly used material worldwide for gas distribution. They have an expected life in excess of 80 years, with the additional advantages of being light and easy to handle and join, making connections to consumers easier. These gas pipes also operate at a higher pressure than cast iron and so deliver the added advantage of increased capacity for growth.

In FY2013, Envestra reported a reduction in their Unaccounted for Gas due to the success of APA's Mains Renewal Program and we expect this trend to continue as the program progresses.

2013 NETWORKS STATISTICS

APA investment in network operators	
Envestra Limited	33%
GDI (EII) Pty Ltd	20%

Network assets managed and operated by APA	
Consumers connected (new)	25,885
Consumers managed	1,254,643
Meters installed (new)	28,583
Meter replaced	59,196
Networks managed	25,000 kilometres
Mains laid	221 kilometres
Mains replaced	435 kilometres
Gas transported	121 petajoules

1. Welding a flange at the APA Networks Brisbane depot.
2. Mains renewal of cast iron pipe with polyethylene pipe.
3. Checking the pressure regulator on a domestic gas meter.

RELIABLE SUPPLY

Maintaining a safe and reliable supply for customers is one of our key operational objectives. In January this year, severe flooding in Queensland caused irreparable damage to a 600 metre section of Envestra's Wide Bay Gas Pipeline that runs beneath the Burnett River. This affected more than 1,000 residential properties and businesses in the Bundaberg, Maryborough and Hervey Bay communities. More than 100 APA people were mobilised from across the Networks and Transmission businesses to repair the pipeline. Over the 22 days it took to effect the repairs, APA put in place a temporary solution to provide an interim gas supply to critical services such as hospitals and nursing homes.

The APA team developed this innovative temporary solution, which maintained sufficient pressure in the network, minimising supply interruption and reducing the system re-commissioning time once the pipeline repairs were completed. The solution involved transporting almost 30 tonnes of LNG from APA's storage facility in Dandenong, Victoria and injecting it into the pipeline through a temporary LNG facility that had been installed. APA's efforts were noted in the Queensland parliament with the State MP and Local Member for Hervey Bay paying tribute to APA for its tireless effort and keeping the affected communities informed.

A STRONG FINANCIAL FRAMEWORK

CAPITAL MANAGEMENT

We have a solid track record in managing our capital actively and responsibly.

We have a strong track record in managing capital responsibly. We have continued to grow our asset base to record levels while delivering stakeholders competitive returns over a sustained timeframe.

From a capital management perspective, 2013 was a financial year of significant activity and achievement for APA. A total of $2,754 million in funds were raised through the various equity and debt capital markets that APA has access to, in order to fund the ongoing operations of the business and to support the acquisition of HDF, including the repayment of all of HDF's outstanding debt.

In particular, APA raised:

- $A515 million of hybrid securities by issuing ASX listed subordinated notes in the Australian retail investment market;
- $A83 million from the issue of new securities under the APA distribution reinvestment plan in September 2012 and March 2013;
- $A885 million of equity by issuing around 175.7 million new securities to the owners of HDF in return for all of the securities in HDF that were subject to APA's off-market takeover offer for HDF that closed on 24 December 2012;
- $A735 million of 10 year senior unsecured bonds issued in the USD 144A market; and
- $A536 million of 12 year senior unsecured bonds issued in the Sterling market.

The end result was that APA was able to fund the acquisition of HDF, the repayment of HDF's $1.35 billion in short-term debt and APA's ongoing investment in organic growth of the business with longer term, well-priced debt and equity that ensured that APA maintained strong BBB/Baa2 investment grade credit rating metrics going forward. Furthermore, with debt/(debt + equity) metrics of around 63 per cent as at 30 June 2013, APA remains well placed to fund further organic growth into FY2014 from available cash resources and committed, undrawn debt facilities.

APA's capital management remains the basis of everything that APA does today in the context of managing its balance sheet and ensuring ongoing Securityholder value.

APA will continue to target strong BBB/Baa2 investment grade credit ratings through maintaining sufficient flexibility to fund organic growth and investment from internally generated and retained cash flows and, where appropriate, additional debt and equity funding.

In that context, APA has over the last four years obtained both a Standard & Poor's investment grade rating (BBB/Stable) and a Moody's Investors Service investment grade credit rating (Baa2/Stable). APA has also put in place an Australian Medium Term Note ("AMTN") program, a European Medium Term Note ("EMTN") program and a US Dollar 144A ("US144A") program, to ensure optimal funding flexibility and optionality going forward.

Each of these programs has given APA access to a much broader and more liquid set of debt capital markets allowing the business to significantly change the look and feel of its debt portfolio over the past four years.

APA now borrows some:

- $A525 million from local, shorter term (2-5 years) bank funding markets ($A1,750 million as at June 2009);
- $A300 million from the Australian Dollar bond market (10 year bonds, due July 2020);
- $A126 million from the Japanese Yen market (6.5 year bonds, due June 2018);
- $A289 million from the Canadian Maple bond market (7 year bonds, due July 2019);
- $A735 million from the US144A market (10 year bonds, due October 2022); and
- $A536 million from the Sterling market (12 year bonds, due November 2024).

Along with outstanding borrowings in the US private placement market of $A1,390 million, APA has some 88 per cent of all of its senior debt issued in longer term (5-12 years) markets compared with just 43 per cent issued outside of the Australian loan markets in June 2009.

APA has used each of the medium term note programs and the US144A program alongside prudent issuance of equity and the September 2012 listing of APA's Subordinated Notes to effectively fund in excess of $A6.7 billion of growth and refinancing over the past four years.

We will continue to finance all APA's ongoing activities with appropriate levels of operating cash flows retained in the business, equity and debt to ensure that the BBB/Baa2 credit ratings are maintained, thus giving APA ongoing access to the broadest possible range of debt capital markets with which to effectively manage its capital requirements.

Capital expansion works recently completed at the Mondarra Gas Storage Facility have increased the storage capacity fivefold to 15PJ.

MAKING IT HAPPEN

OUR PEOPLE

APA's most valuable asset is its team of talented and committed employees.

At APA we recognise the strong connection between people skills and a successful business and therefore foster a high-performance work environment where talented people are encouraged to extend themselves within a stimulating, respectful, attractive and safety-conscious environment.

Given the very competitive job market that we operate in, we realise the importance of attracting and retaining the very best people and our 1,500-strong team are testament to the value we place on workforce planning as we continue to grow the business. During this financial year, we completed the company-wide reorganisation commenced in February 2012, which included the creation of new business divisions and the realignment of reporting lines. This new business model has prepared APA for the next phase of our growth by making us more adaptable and responsive and facilitated the seamless integration of HDF assets and people into our business.

REALISING POTENTIAL

Our key organisational strengths are in effective operational integrity and safety, efficient project execution, capital management smarts, and responding to our customer's needs. These diverse areas of capabilities drive the need for a variety of in-demand skills by APA. We have a comprehensive learning and development program to encourage our employees to stretch their capabilities and reach their full potential, and to develop the future leaders of the company.

During the year, 368 employees participated in APA Leadership Development Programs with a further 1,518 employees undertaking a range of APA Skill-Based Development Programs and over 500 attended Equal Employment Opportunities Training. The programs focus on increasing self-awareness, leading people and building technical capability. For people managing large teams or a sizable part of our business, APA runs a Business Acumen Skills Program to simulate running the business in a commercial environment. This year, 100 employees attended the course which gave them exposure to high level decision making from a whole of company perspective beyond the daily business unit perspective of their everyday role.

KEEPING EVERYONE SAFE AND HEALTHY

We continue to aim to be a zero harm workplace for our employees, contractors and the broader communities in which we operate so that everyone goes home at the end of the day in the same condition they came to work in. In FY2013 we completed the development and deployment of the Safeguard integrated Health Safety and Environment (HSE) system which sets the minimum standard required to effectively manage safety and the environment in APA. In May we also launched a three year Strategy and Improvement Plan which is intended to take APA's HSE performance to a world class level. The strategy contains 17 key initiatives including an HSE Culture and Climate Survey which was completed during the year. The FY2013 employee Lost Time Injury Frequency Rate (LTIFR) was 2.1 which pleasingly was a slight decrease on last year's result of 2.2.

APA encourages healthy living and for the fourth year, sponsored employees to participate in the Global Corporate Challenge. 224 enthusiastic APA people participated in the 16 week challenge walking over 184,000 collective kilometres and burning over 11.5 million calories. Other health initiatives also include an annual flu vaccination program and the confidential employee assistance program which provides services to employees and their immediate family.

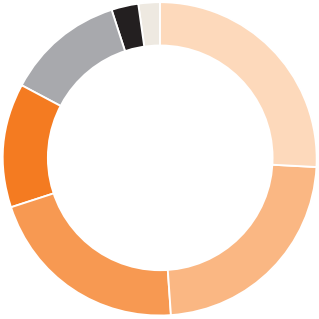
DIVERSITY ADDS VALUE

The diversity of our asset portfolio adds value and security to APA's business. Similarly, our diverse workforce, adds value to APA's business. We embrace individual diversity (gender, age, culture, skills, experience, interests), encouraging diversity of thought, which is conducive to better decision making and opportunity for innovation. This year, a Diversity and Inclusion Committee was established to identify, review and develop ways of improving diversity and inclusion at APA.

APA workforce gender profile (2013)

Women represent 27 per cent of our total work force.	**27%**
Women hold 17 per cent of the total number of Directorships on the APA Group Board.	**17%**
Women hold approximately 15 per cent of leadership roles within APA (top three levels of management).	**15%**
Women hold 3 per cent of the technical roles within APA.	**3%**

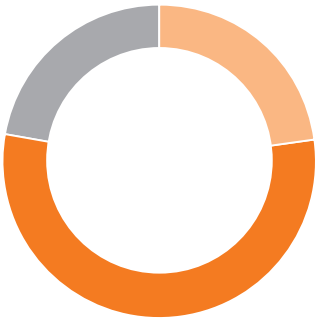
APA employees by state



State

VIC	26%
SA	23%
QLD	21%
NSW	13%
WA	12%
NT	3%
ACT	2%

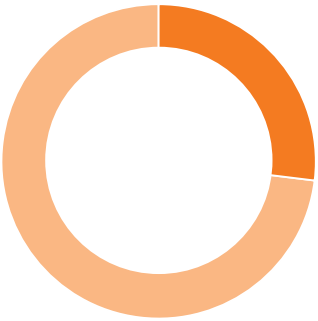
APA employees by age



Age

Less than 35	23%
35–54	55%
Over 55	22%

APA employees by gender



Gender

Female	27%
Male	73%

ACHIEVING THE RIGHT BALANCE

SUSTAINABILITY REPORT

OUR VISION **To maintain our ranking as Australia's number one energy infrastructure business. Our success will be founded upon the strengthening of our asset footprint. We are committed to working closely with our stakeholders – customers, employees, the environment, community and investors – to deliver continuous improvement and sustainable growth.**

Happy graduates of Exodus Foundation's literacy program.

OPERATING SUSTAINABLY UNDERPINS EVERYTHING WE DO

Stakeholder strategic objectives	2013 performance	Actions for 2014
Customers We will deliver value to our customers and create responsive solutions to meet their needs by: — Providing our customers a **market-leading service**, including responding to critical events when our customers are negatively impacted. — Delivering value to customers by **utilising the capacity of APA's assets**. — Working with customers to provide optimal investment and **energy market solutions** to maintain a pipeline of growth projects.	Commercial agreements signed with Santos and GLNG Operations for the development of new compression and associated facilities at the Moomba and Wallumbilla gas hubs in Queensland. These developments will enable APA to provide bi-directional gas transportation services between Moomba and Wallumbilla and additional services for customers in south east Queensland. In May 2013 APA delivered its first multi-asset transportation service on the east coast gas grid. In Western Australia APA developed a suite of flexible gas storage services for the Mondarra Gas Storage Facility and undertook a number of expansion programs in the region on the Goldfields Gas Pipeline and the Pilbara Pipeline System. In June 2013, APA announced a non-binding Heads of Agreement with Armour Energy to investigate transportation of new gas supplies to the eastern Australian and Northern Territory gas markets.	Continue to expand its pipeline system to provide transportation services from Victoria to New South Wales via the Victorian Transmission System, including expansion of the South West Pipeline. Respond to customer needs and continue to develop optimal energy solutions with customers. Cost efficiency to meet customer growth requirements – maximising use of existing assets and profitably expanding APA's asset portfolio. Continue to develop flexible transportation and storage services.

Stakeholder strategic objectives	2013 performance	Actions for 2014
Employees We will provide a safe, stimulating and rewarding workplace where our employees can learn and grow by: — Committing to a long-term LTIFR[1] target of **Zero Harm** by continually improving safety in the workplace. — Providing employees with a stimulating and rewarding environment such that they would recommend APA as a **great place to work**. — Providing learning and development programs to **attract, retain and develop** employees. — Promoting **diversity** as a core policy supported by initiatives which foster inclusion.	LTIFR (excluding contractors) improved slightly from 2.2 to 2.1. This was above our 2013 LTIFR target of 1.3. Review of the implementation of the safety management system (Safeguard) resulted in streamlining the system to make it more user-friendly. A company-wide Health Safety and Environment Strategy and Improvement Plan was also implemented. Continued sponsorship of health focused activities for employees including the Global Corporate Challenge. 368 employees participated in APA Leadership Development Programs. A further 1,518 employees undertook a range of APA Skill-Based Development Programs and over 500 employees attended EEO Training. Business Acumen Skills program developed and rolled out with 100 employees attending. Diversity and Inclusion Committee established to develop work place initiatives to ensure that APA maintains a skilled and engaged workforce. A Career Transition to Retirement Workshop was developed and offered to employees to assist with their preparation for retirement.	Target an LTIFR of less than 1.5 (including contractors). Implementation of a new Strategy and Improvement Plan for HSE which comprises a total of 17 initiatives. In 2014 initiatives to be implemented will include; HSE Leadership Program; New Leading Indicators; and Risk Based Validation Auditing. Expanded technical, learning and development program to all employees. Continue development of APA's diversity policy and initiatives.

1 Lost Time Injury Frequency Rate (LTIFR) is measured as the number of lost time claims per million hours worked.

Stakeholder strategic objectives	2013 performance	Actions for 2014
Environment We will continue to deliver an environmentally responsible, safe and essential service by: — Contributing to policy and responding to **climate change initiatives** to promote the use of gas as essential to a cleaner energy mix. — Including the environment in all investment and procurement decision-making, complying with our emissions reporting obligations, and **conserving and rehabilitating** the natural state of the land we disturb. — Evaluating complementary **clean energy** projects.	Contributed to the federal government's Clean Energy Act 2011 regulation design and consultation process. Complied with the Clean Energy Act 2011 by procuring and surrendering permits for APA's FY2013 carbon liability. Successful cost recovery mechanisms in place for APA's carbon permit liability either contractually or through the access arrangement tariff review process. Participated for the third time in the Carbon Disclosure Project, a voluntary disclosure to investors on carbon emissions, liability, reduction activities, strategies and management. APA's overall score of 72D ranked highest amongst its direct peers. Engaged with government to promote the role of gas in the carbon-constrained economy, directly and via industry associations. This included a developing a Natural Gas Policy paper with industry body Australian Pipeline Industry Association (APIA). Continued to develop the renewable energy projects at Emu Downs Wind Farm, subject to customer demand.	Participate in policy discussions and promote the role of gas as an important contribution to reducing Australia's emissions. Maintain carbon market expertise and knowledge with a long-term view on energy markets shifting to clean fuels such as wind, solar and gas. Continue to incorporate carbon costs and the mitigation of extreme weather into all investment decisions. Evaluate energy project opportunities arising from the shift to renewable energy, particularly projects that enhance APA's current assets.

Stakeholder strategic objectives	2013 performance	Actions for 2014
Community We will positively engage the communities within which we operate by: — Building long-term strategic community relationships to maintain **support and goodwill** for APA's activities. — **Increasing employee connections with local communities** through sponsorships, employee volunteering and giving programs targeting our vulnerable communities.	Continued APA's 'Building Brighter Futures' community investment program including support for NAPCAN, Exodus Foundation, Clontarf Foundation and Beyond Empathy. Employees across APA participated in three community events for causes including Cancer Council and Movember with their fundraising efforts matched by APA, up to a $4,000 limit per event. Total community investment for the 2013 financial year was $475,000.	Continue to support our community investment program, Building Brighter Futures, and expand its reach. Continue to invest in causes that enhance our relationships with key community stakeholders and strengthen our brand. Expand our financial support for local volunteer and community services.

Stakeholder strategic objectives	2013 performance	Actions for 2014
Investors We will continue to be a reliable and attractive investment which delivers superior returns for securityholders by: — **Achieving reliable and sustainable earnings growth** by focusing on long-term revenue and reduced costs. — Maintaining a strong and **robust balance sheet**. — Identifying and evaluating additional attractive **infrastructure-style investments** in related energy businesses.	Total securityholder return of 30.5 per cent for 2013. Maintained investment grade credit ratings (BBB/Baa2). Successful debt raising of $1,271 million senior unsecured bonds across USD and Sterling markets to repay HDF debt and to fund growth and $515 million of ASX listed subordinated notes. New APA securities totalling $968 million, issued under the APA DRP and issued to securityholders of HDF as part of APA's takeover offer. $373 million of organic growth capital expenditure. Acquisition of HDF and increased interest in Envestra.	Maintain credit rating levels. Continue to evaluate additional revenue streams in related energy businesses.

We work hard to make a difference in communities and for the environment

APA is proud to contribute to the Australian communities where we live and work. We recognise the role that our community support plays in strengthening our brand, enhancing our relationships with key stakeholders and engendering goodwill in local communities. And we're proud to invest in social causes and initiatives that will help build brighter futures for vulnerable people, especially young indigenous Australians.

BUILDING BRIGHTER FUTURES

We've continued to grow 'Building Brighter Futures', our community investment program to support initiatives which improve the future work and life prospects of vulnerable Australians.

Our long-term corporate partnerships are focused on the core social issue of disadvantaged, young indigenous Australians. We have continued our three year commitment to support:

- NAPCAN Aboriginal Girls Circle: a residential camp program to build resilience, self-esteem, social connections and confidence for Aboriginal girls in regional and remote areas;
- Clontarf Foundation: an organisation which exists to improve the education, discipline, self-esteem, life skills and employment prospects of young Aboriginal men and by doing so, equips them to participate more meaningfully in society; and
- Exodus Foundation Literacy Program: a literacy program to teach functional literacy to disadvantaged children with severely compromised reading ability, including indigenous children in Darwin.

We also again supported Beyond Empathy, a community arts and cultural development organisation that creates art projects with people living on the margins of their communities, to tell their stories and engage with positive futures.

This year APA donated almost $160,000 to these causes.

APA PEOPLE COMING TOGETHER TO MAKE A DIFFERENCE

Building Brighter Futures also supports a number of causes close to the hearts of APA people through our annual community event calendar. Our people drank tea, baked and ate pink food and grew moustaches to show their support, and raise much needed funds, for Cancer Council's Pink Ribbon Day, Australia's Biggest Morning Tea, and the Movember Foundation. This year employees also voted to add a new event to the 2013 calendar, and will support the cause of mental illness and the Black Dog Institute in August.

Collectively, employees donated almost $26,000 to these causes, which APA was pleased to match to $18,000 under our capped donation matching program.

Clontarf Foundation participants from Coodanup, Western Australia.

Taronga Zoo's short beaked echidna

APA's total community investment and sponsorship for the 2013 financial year was $475,000.

SUPPORTING ARTS, NATURE, SPORT

This year we continued to support great Australian music with our sponsorship of the Darwin Symphony and Australian Brandenburg orchestras. We also supported Taronga Zoo's short beaked echidna, continuing an association we were pleased to establish with this iconic Australian monotreme in 2011.

As a business that's flourished from humble beginnings, we recognise the critical value of early support. That's why this year we commenced our partnership with the Australian Ice Hockey League, a semi-professional but fast growing national competition for ice hockey players.

SUPPORTING LOCAL COMMUNITIES

As part of our support for local communities, in Queensland, we were pleased to make a donation to Bundaberg SES, acknowledging their important work during the severe summer floods. In Mount Isa, as part of our Diamantina Power Station joint project with AGL Energy, we've been pleased to support a number of local initiatives, including the New Year's Eve fireworks and the Swingin' Utes music festival. Also in Queensland, HDF (Epic Energy), the former owner of the South West Queensland Pipeline, made a number of financial contributions to local schools, services and community groups, including a $20,000 donation towards the protection of the Aboriginal Kullilli Burial Ground. In Dongara Western Australia, an innovative recycling effort by APA raised almost $76,000, all of which was donated to local community groups.

NATIONAL GREENHOUSE AND ENERGY REPORTING

APA has a relatively small carbon footprint in the overall energy chain. APA's emissions are mainly the result of the combustion of natural gas in compressor stations and from fugitive emissions within our networks.

APA regularly monitors its carbon exposure and complies with National Greenhouse and Energy Reporting (NGERS) obligations for reporting emissions data. In financial year 2012 APA reported emissions of 327,239 tonnes under NGERS, and on 31 October APA expects to report an emissions number broadly in line with last year once an adjustment is made for the recently acquired HDF pipeline assets.

CARBON DISCLOSURE PROJECT

APA participated for the third time in the Carbon Disclosure Project, a voluntary disclosure to investors on carbon emissions, liability, reduction activities, strategies and management.

APA's score of 72 is ranked in the highest band for disclosure (>70), which states that "Senior management understand the business issues related to climate change and are building climate related risks and opportunities into core business". APA's performance score of D ranked in the top 40 per cent in the Utilities sector. APA could improve its performance score by setting and achieving carbon emission reduction targets. However, because APA's reduction activities rely on a strong carbon price, management will wait for further certainty on carbon legislation before committing resources to these activities. APA's overall score of 72D ranked highest amongst its direct peers.

CLEAN ENERGY ACT 2011 – A PRICE ON CARBON

On 1 July 2012 the Clean Energy Act 2011 imposed a price on carbon emissions. APA has consulted and determined with regulators the mechanism to recover carbon permit costs relating to its regulated assets under the access arrangement review process. For non-regulated assets, APA has passed-through carbon permit costs for its liable facilities through contractual terms and conditions.

CLEAN ENERGY POLICY

APA supports reducing carbon emissions as a responsible risk mitigation response to climate change. APA has long supported the introduction of a price on carbon and certainty on carbon policy. However, to date the Clean Energy Act 2011 has not provided the required certainty to shift large-scale coal generation to more carbon efficient gas-fired generation. These uncertainties include the lack of international binding carbon reduction agreements and the price of carbon permits after the fixed price period.

In the longer term, as international and domestic carbon markets mature, APA's assets will play an important role in meeting Australia's long-term emission reduction targets as energy consumption shifts from carbon intensive fuels such as coal to more carbon efficient fuels such as natural gas.

In APA's view, gas-fired generation and renewable energy, predominately wind-powered generation and increasingly solar generation, are technologies that can meet significant emission reduction targets for Australia.

SECURING AUSTRALIA'S GAS FUTURE

APA supports the recommended policy initiatives from the Australian Pipeline Industry Association's ("APIA") recent review of Australia's current energy policies.

Key findings of the APIA policy paper included:

- The low emissions intensity of electricity generated from natural gas and the highly efficient heating capacity of natural gas in direct applications can contribute to reducing Australia's greenhouse gas emissions at a low cost if the appropriate policy environment exists;
- Australia is fortunate to have large reserves of natural gas, a relatively stable regulatory environment, efficient gas infrastructure, and well-developed downstream gas markets;
- It is important to establish an investment environment that maximises the nation's ability to exploit natural gas for economic and environmental benefits;
- Any clean energy policy should be technology neutral, where projects compete for investment and/or government funding programs/schemes on the basis of emissions reduction and economic efficiency; and
- If the conditions were set appropriately to encourage projects that provide energy with a low emissions intensity, then natural gas projects would compete on the same footing and contribute significantly to meeting long-term emissions reduction targets
- One policy option is for the Renewable Energy Target (RET) to be widened to include all low emission forms of generation, allowing new energy projects to compete for market demand on the basis of their economic efficiency and capacity to reduce emissions. Under such a policy, gas would be able to compete on a dollar per tonne abatement basis with renewables as opposed to being excluded completely from the RET. This policy option would ensure that Australia meets its emissions reduction targets at the lowest cost
- Another policy option aimed at increasing low-emission energy and domestic energy security is to establish a technology neutral, government-run scheme for all forms of energy (including renewables and low emission technologies) to compete for funding. If gas met the economic and environment efficiency criteria, such a scheme could be designed in a way that could accelerate the development of new gas fields by underwriting the new infrastructure required to unlock the gas.

APA continues to discuss gas and clean energy policy options with state and federal governments.

EXPANDING OUR LOW EMISSION GENERATION PORTFOLIO

APA has interests in wind energy and low emission state-of-the-art gas-fired generation. These investments provide solid returns and help lower carbon emissions in the Australian economy.

APA is jointly constructing, with AGL Energy, the 242 megawatt Diamantina combined cycle gas power station which is a low emission and efficient gas generating asset. Its carbon intensity is approximately 0.4 tonnes per megawatt hour, which is less than half the carbon intensity of the National Electricity Market.

Subject to customer demand, APA will progress the development of the 130 megawatt Badgingarra Wind Development Project adjacent to APA's Emu Downs Wind Farm, as well as the Emu Downs Solar Project, a small expansion to the wind farm. Both projects are contingent on entering into a long-term off-take agreement and meeting APA investment hurdles.

CLEAR DIRECTION
LEADERSHIP

A key attribute of APA is its transparent structure with Directors, management and employees being part of the self-managed business.

The Board is accountable to Securityholders for the performance of APA. It endorses the strategic direction of the business, approves new projects within that strategy and monitors the management and performance of the business and the executive team. The Board operates in accordance with the APA Group Board Charter.

APA is an internally managed and operated business overseen by an executive leadership team with extensive know-how and industry experience across all areas of operations. Whether it's delivering energy solutions for our customers or delivering returns to our Securityholders, our leadership team holds the business to account to ensure high standards are achieved.

View full biographies – Our People
annualreport2013.apa.com.au

APA Group Board

Leonard Bleasel AM
Chairman

Leonard (Len) was appointed Chairman in 2007. He has had a long career in the energy industry commencing his career with AGL in 1958 working in a variety of roles, culminating in the position of Managing Director and CEO from 1990 until his retirement from management in 2001.

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.

Michael McCormack
Chief Executive Officer and Managing Director

Michael (Mick) has been Chief Executive Officer of APA since 1 July 2005 and Managing Director since 1 July 2006.

Mick has over 25 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.

Senior management

Ross Gersbach
Chief Executive Strategy and Development

Responsible for complementary businesses that enhance APA's infrastructure portfolio, including power generation and APA's Energy Investments as well as group strategy, regulatory and government affairs, environmental development and mergers and acquisitions.

Rob Wheals
Group Executive Transmission

Responsible for the commercial and operational performance of APA's gas transmission and gas storage assets.

Steven Crane

Steven joined the Board in 2011. Steven's background is in investment banking and he has over 30 years' experience in the financial services industry having previously been Chief Executive Officer of ABN AMRO Australia and BZW Australia. Steven also has considerable experience as a non-executive Director of listed entities.

Steven is a member of the Audit and Risk Management Committee and the Remuneration Committee.

John Fletcher

John joined the Board in 2008 and 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. He brings a wide commercial and financial practical knowledge to the Board. John was previously an AGL appointed Director of Australian Pipeline Limited from 2000 to 2005.

John is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee.

Russell Higgins AO

Russell joined the Board in 2004. Russell 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.

Russell is Chairman of the Health Safety and Environment Committee and a member of the Audit and Risk Management Committee.

Patricia McKenzie

Patricia joined the Board in 2011. Patricia has considerable expertise and experience in energy market regulation having been Chief Executive Officer of Gas Market Company Limited and a former Director of Australian Energy Market Operator Limited. Patricia also has extensive corporate legal experience and is a qualified solicitor.

Patricia is a member of the Health Safety and Environment Committee and the Remuneration Committee.

Robert Wright

Robert joined the Board in 2000. He has over 30 years' financial management experience, having held a number of Chief Financial Officer positions, including Finance Director of David Jones Limited. He is currently Chairman of APA Ethane Limited, the responsible entity of Ethane Pipeline Income Fund.

Robert is the Chairman of the Audit and Risk Management Committee and a member of the Health Safety and Environment Committee.

John Ferguson
Group Executive Networks

Responsible for the management and operation of APA's minority owned gas distribution assets.

Kevin Lester
Group Executive Infrastructure Development

Responsible for engineering services and the delivery of APA's infrastructure expansion projects, including asset management, project development and technical regulation of all pipeline and related assets.

Peter Fredricson
Chief Financial Officer

Responsible for all financial functions, including accounting and financial reporting, financial compliance and governance, taxation, treasury, balance sheet management and capital strategy, and insurance and risk. He is also responsible for investor relations and information technology.

Peter Wallace
Group Executive Human Resources

Responsible for managing the human resources function, which covers strategy and activities relating to APA's employees, including providing a safe work environment for all employees.

Mark Knapman
Company Secretary

Responsible for the secretariat function, corporate governance, legal, internal audit and financial services compliance functions.

VISIBLE GROWTH

FIVE YEAR FINANCIAL SUMMARY

		2013	2012	2011	2010	2009
FINANCIAL PERFORMANCE						
Revenue	$m	**1,272.3**	1,060.7	1,102.0	989.5	949.8
Revenue excluding pass-through[1]	$m	**919.5**	758.0	720.3	659.5	678.4
EBITDA	$m	**768.8**	525.8	492.1	460.0	432.1
Depreciation and amortisation expense	$m	**(130.5)**	(110.4)	(100.4)	(91.4)	(95.6)
EBIT	$m	**638.3**	415.4	391.8	368.5	336.5
Interest expense	$m	**(290.9)**	(234.3)	(247.1)	(229.4)	(221.7)
Tax expense	$m	**(51.4)**	(50.4)	(35.9)	(38.7)	(35.9)
Minority interests	$m	**2.8**	-	(0.3)	(0.2)	(0.1)
Profit after tax and minorities, including significant items	$m	**298.8**	130.7	108.5	100.4	78.8
Significant items – after income tax	$m	**120.0**	(9.7)	(0.4)	0.0	(21.0)
Profit after tax and minorities, excluding significant items	$m	**178.7**	140.3	108.9	100.4	99.7
FINANCIAL POSITION						
Total assets	$m	**7,699**	5,496	5,428	4,982	4,747
Debt	$m	**4,412**	3,224	3,240	3,157	3,057
Securityholders' equity	$m	**2,512**	1,614	1,668	1,395	1,278
CASH FLOW AND CAPITAL EXPENDITURE						
Operating cash flow	$m	**374.4**	335.6	290.0	267.8	226.4
Capital expenditure	$m	**397.4**	249.1	173.4	135.4	301.7
Investments and acquisitions	$m	**330.8**	46.4	342.7	220.5	118.7
KEY FINANCIAL RATIOS						
Earnings per security	cents	**38.7**	20.4	19.7	19.4	22.7
Operating cash flow per security	cents	**48.5**	52.5	52.6	51.9	48.2
Distribution per security	cents	**35.5**	35.0	34.4	32.8	31.0
Gearing (net debt to net debt plus equity)	%	**62.8**	65.0	66.2	69.8	70.3
Interest cover ratio	times	**2.3**	2.5	2.0	2.1	2.1
Weighted average number of securities	m	**772.3**	639.7	551.2	516.2	485.1
EBITDA BY SEGMENT (EXCLUDING SIGNIFICANT ITEMS)						
Energy Infrastructure						
Queensland[2]	$m	**163.7**	79.6	71.7	70.7	62.8
New South Wales	$m	**112.7**	113.1	101.3	96.8	83.4
Victoria and South Australia	$m	**125.7**	123.1	115.9	105.7	105.1
Western Australia[3] and Northern Territory	$m	**147.7**	125.9	99.8	102.7	110.6
Asset Management	$m	**45.4**	31.9	38.8	32.3	22.6
Energy Investments	$m	**51.2**	41.8	27.1	19.1	11.6
Divested businesses[4]	$m	**20.6**	20.2	35.1	32.6	48.2

1 Pass-through revenue is revenue on which no margin is earned.

2 Includes the South West Queensland Pipeline – revenue and EBITDA contributions from 9 October 2012 and excludes the Allgas business contribution in 2012.

3 Includes the Pilbara Pipeline System – revenue and EBITDA contributions from 9 October 2012.

4 APA Gas Network Queensland (Allgas) was sold into GDI (EII) Pty Ltd in December 2011, with APA retaining a 20% interest in GDI (EII) Pty Ltd and operates the assets under a long term asset management agreement. The Moomba Adelaide Pipeline System revenue and EBITDA contributions from consolidation on 9 October 2012 to sale of the business on 30 April 2013.

INVESTOR INFORMATION

CALENDAR OF EVENTS

Final distribution FY2013 record date	28 June 2013
Final distribution FY2013 payment date	11 September 2013
Annual meeting	24 October 2013
Interim result announcement	19 February 2014*
Interim distribution FY2014 record date	31 December 2013*
Interim distribution FY2014 payment date	12 March 2014*

*Subject to change

ANNUAL MEETING DETAILS

Date: Thursday 24 October 2013

Venue: City Recital Hall
2 Angel Place, Sydney NSW

Time: 10.30am
Registration commences at 10.00am

ASX LISTING

An APA Group security comprises a unit in Australian Pipeline Trust and a unit in APT Investment Trust. These units are stapled together to form a stapled security which is listed on the ASX (ASX Code: APA). Australian Pipeline Limited is the Responsible Entity of those trusts.

APA GROUP RESPONSIBLE ENTITY AND REGISTERED OFFICE

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ACN 091 344 704
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PO Box R41
Royal Exchange NSW 1225
Telephone: +61 2 9693 0000
Facsimile: +61 2 9693 0093
Website: www.apa.com.au

APA GROUP REGISTRY

Link Market Services Limited
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Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Telephone: +61 1800 992 312
Facsimile: +61 2 9287 0303
Email: apagroup@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

SECURITYHOLDER DETAILS

It is important that Securityholders notify the APA Group registry immediately if there is a change to their address or banking arrangements. Securityholders with enquiries should also contact the APA Group registry.

DISTRIBUTION PAYMENTS

Distributions will be paid semi-annually in March and September. Securityholders will receive annual tax statements with the final distribution in September.

Direct payment can be made to an Australian or New Zealand bank account. If you would like to arrange direct payment, please contact the APA Group registry.

ONLINE INTERACTIVE REPORTS

APA Group's 2013 Annual Report, Annual Review and Sustainability Report are available in an easy to view interactive format at www.apa.com.au.

ONLINE INFORMATION

Further information on APA is available at www.apa.com.au, including:

- Results, market releases and news
- Asset and business information
- Corporate responsibility and sustainability reporting
- Securityholder information such as the current APA security price, distribution and tax information.

ELECTRONIC COMMUNICATION

Securityholders can elect to receive communication from APA electronically by registering their email address with the APA Group registry.

Electing to receive annual reports electronically will reduce the adverse impact we have on the environment.

WHAT WE DO
ABOUT APA

APA Group is Australia's largest energy infrastructure business, with more than 1,500 highly skilled and experienced people and $12 billion of energy infrastructure assets.

APA's primary activities relate to the ownership, management and operation of natural gas transmission and distribution assets across Australia. Operations are reported in three principal business segments:

ENERGY INFRASTRUCTURE

APA's Energy Infrastructure business has an extensive gas transmission portfolio that transports more than half the natural gas used in Australia. Our pipelines are interconnected with gas storage and power generation facilities:

- *Transmission pipelines*: 14 high pressure gas transmission pipelines totalling over 14,000 kilometres
- *Storage*: Mondarra Gas Storage Facility in Western Australia and the Dandenong LNG Storage Facility in Victoria
- *Power generation*: 80 MW Emu Downs Wind Farm in Western Australia

ENERGY INVESTMENTS

APA has minority interests in a number of energy infrastructure companies:

- Envestra Limited – 33.0%
- SEA Gas Pipeline – 50.0%
- Energy Infrastructure Investments – 19.9%
- Ethane Pipeline Income Fund (EPX) – 6.1%
- EII2 – 20.2%
- GDI (EII) Pty Ltd – 20.0%

ASSET MANAGEMENT

APA provides asset management, operating and maintenance services to the majority of its Energy Investments. APA also provides corporate services to EPX, EII2 and GDI (EII) Pty Ltd.

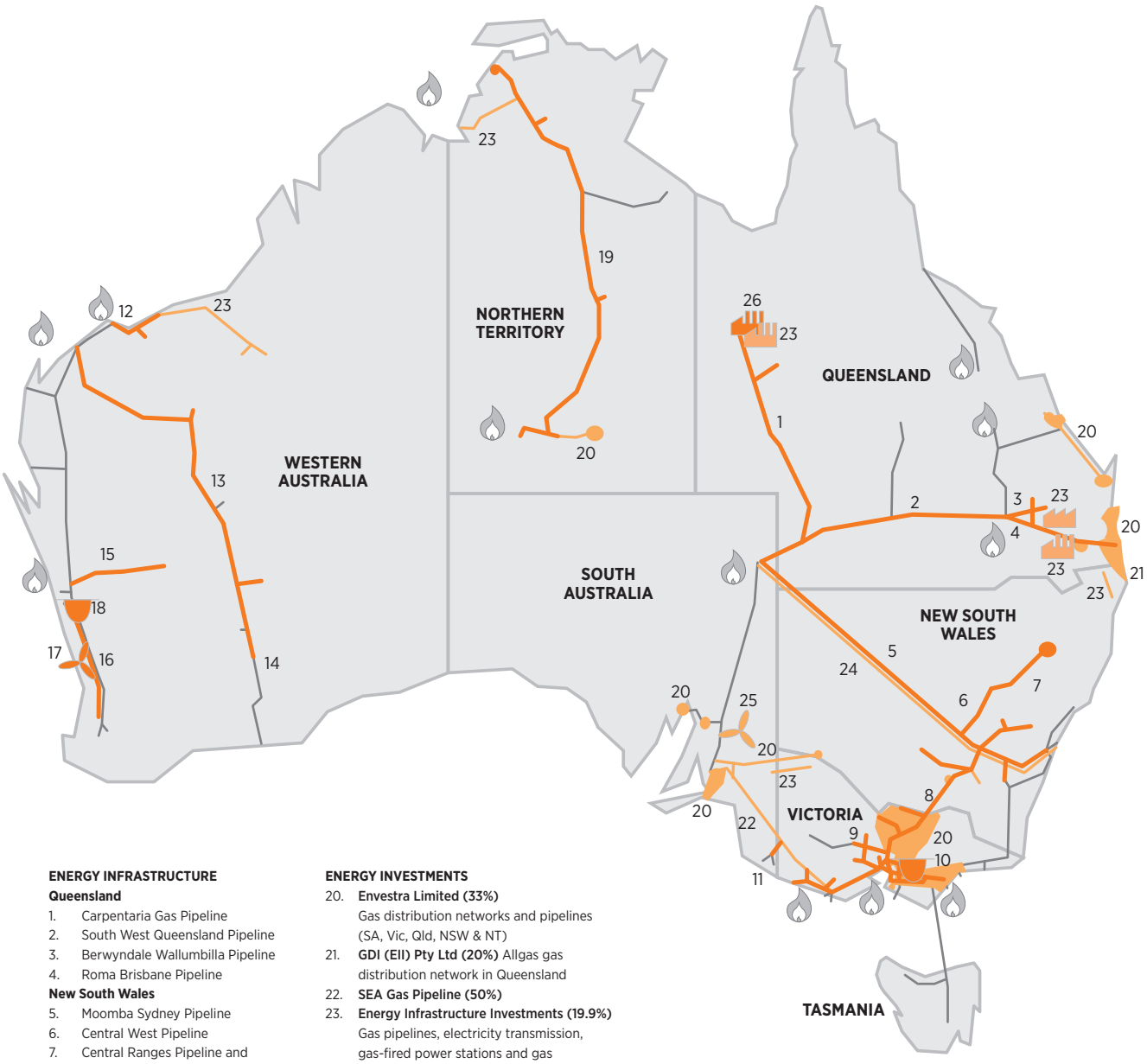
APA's energy infrastructure assets

	Length/Capacity	Regulation[1]	Basin	State	Reserves[2]
EAST COAST GAS GRID					
Carpentaria Gas Pipeline	944 km Ballera to Mount Isa	Light regulation	Surat-Bowen	QLD	41,281 PJ
South West Queensland Pipeline	936 km Wallumbilla to Moomba	Not Regulated			
Berwyndale Wallumbilla Pipeline	112 km Berwyndale to Wallumbilla	Not Regulated			
Roma Brisbane Pipeline	582 km Wallumbilla to Brisbane, including the Peat Lateral	Full regulation			
Moomba Sydney Pipeline	2,028 km Moomba to Sydney, Laterals and NSW–VIC Interconnect	Not regulated to Marsden Light regulation downstream of Marsden	NSW Coal seam gas	NSW	2,822 PJ
Central West Pipeline	255 km Marsden to Dubbo	Light Regulation			
Central Ranges Pipeline and distribution network	294 km Dubbo to Tamworth	Full Regulation			
Victorian Transmission System	1,842 km across Victoria	Full Regulation	Gippsland Otway	VIC VIC	3,684 PJ 821 PJ
Dandenong LNG Storage Facility	12,000 tonnes	Not Regulated	Bass	VIC	250 PJ
SESA Pipeline	45 km	Not Regulated	Cooper	SA	1,992 PJ
					50,850PJ
WESTERN AUSTRALIA AND NORTHERN TERRITORY					
Pilbara Pipeline System	328 km Karratha to Port Hedland including laterals	Not Regulated	Carnarvon Browse Perth	WA WA WA	71,855 PJ 17,384 PJ 41PJ
Goldfields Gas Pipeline (88.2%)	1,590 km Yarraloola to Kalgoorlie mainline laterals and Kalgoorlie Kambalda Pipeline	Light regulation for Kalgoorlie Kambalda Pipeline			89,280PJ
Mid West Pipeline (50%)	363 km Geraldton to Windimurra	Not Regulated			
Parmelia Gas Pipeline	446 km Dongara to Pinjarra	Not Regulated			
Mondarra Gas Storage Facility	15 PJ	Not Regulated			
Emu Downs Wind Farm	80 MW	Not Regulated			
Amadeus Gas Pipeline	1,671 km Amadeus Basin to Darwin including laterals	Full regulation	Bonaparte Amadeus	NT NT	1,054 PJ 138 PJ
					1,192PJ

1 Light regulation: contractual terms (including price) are negotiated between the service provider and the customer.
Full regulation: provides for the regulator to determine price and other terms of access for standard ("reference") services as part of an Access Arrangement process.

2 Natural gas and ethane 2P reserves by field and basin, comprising both conventional gas and CSG. Source: EnergyQuest August 2013

OUR ASSETS AND INVESTMENTS



ENERGY INFRASTRUCTURE

Queensland

1. Carpentaria Gas Pipeline
2. South West Queensland Pipeline
3. Berwyndale Wallumbilla Pipeline
4. Roma Brisbane Pipeline

New South Wales

5. Moomba Sydney Pipeline
6. Central West Pipeline
7. Central Ranges Pipeline and distribution network
8. NSW – VIC Interconnect

Victoria

9. Victorian Transmission System
10. Dandenong LNG Storage Facility

South Australia

11. SESA Pipeline

Western Australia

12. Pilbara Pipeline System
13. Goldfields Gas Pipeline (88.2%)
14. Kalgoorlie Kambalda Pipeline
15. Mid West Pipeline (50%)
16. Parmelia Gas Pipeline
17. Emu Downs Wind Farm
18. Mondarra Gas Storage Facility

Northern Territory

19. Amadeus Gas Pipeline

ENERGY INVESTMENTS

20. **Envestra Limited (33%)**
    Gas distribution networks and pipelines (SA, Vic, Qld, NSW & NT)
21. **GDI (EII) Pty Ltd (20%)** Allgas gas distribution network in Queensland
22. **SEA Gas Pipeline (50%)**
23. **Energy Infrastructure Investments (19.9%)**
    Gas pipelines, electricity transmission, gas-fired power stations and gas processing plants
24. **Ethane Pipeline Income Fund (6.1%)**
25. **E112 (20.2%)**
    North Brown Hill Wind Farm

UNDER DEVELOPMENT

26. **Diamantina Power Station (50%)**

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