



13 June 2018

ASX ANNOUNCEMENT

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA GRANTS DUE DILIGENCE IN RESPONSE TO RECEIPT OF AN INDICATIVE NON-BINDING PROPOSAL FROM CKI

APA (ASX: APA) has received an unsolicited proposal from a consortium led by CK Infrastructure Holdings Limited (**CKI**), comprising CKI, CK Asset Holdings Limited (**CKA**) and Power Assets Holdings Limited (together, the **Consortium**) to acquire all of the stapled securities in APA through trust schemes. The proposal is stated to be indicative and non-binding.

The price is A\$11.00 cash per stapled security. The proposal also permits a distribution not exceeding 24.0 cents per stapled security payable in respect of the six months to 30 June 2018.

The APA Board makes **no recommendation** in response to the proposal at this time. **Securityholders are advised to take no action at this stage.** There is no certainty that the proposal will result in a transaction.

The proposal is subject to a number of conditions, including:

- due diligence;
- the entry into a scheme implementation deed including typical deal protection and exclusivity arrangements and subject to customary conditions precedent including but not limited to, no material adverse change, no prescribed occurrences and all necessary regulatory approvals including the Foreign Investment Review Board (FIRB) and the Australian Competition and Consumer Commission (ACCC);
- CKA majority shareholders' approval; and
- APA Directors indicating that they will support and vote in favour of the schemes (in the absence of a superior proposal).

The Consortium has informed APA that it has had discussions with and provided information to both FIRB and the ACCC. In respect of the ACCC, the Consortium has proposed a divestment package which would include APA's interests in the Goldfields Gas Pipeline, Parmelia Gas Pipeline, Mondarra Gas Storage Facility and a standalone management team. The proposal is not conditional on these proposed divestments occurring before completion of the transaction.

Based on the indicative price of A\$11.00 cash per stapled security, the APA Board considers that it is in the best interests of APA's Securityholders to engage further with the Consortium.

Accordingly, APA has entered into a confidentiality agreement with CKI to allow it the opportunity to undertake due diligence on a non-exclusive basis.

As noted by APA Group Chairman, Mr Michael Fraser, 'The APA Board will continue to evaluate the proposal and will update APA's Securityholders and the market as appropriate. The Board believes APA has a very attractive business and is well positioned to continue delivering strong results and ongoing growth irrespective of whether the proposal proceeds to an offer.'

A handwritten signature in black ink, appearing to read 'N Codevelle', written in a cursive style.

Nevenka Codevelle
Company Secretary
Australian Pipeline Limited

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About APA Group (APA)

APA is a leading Australian energy infrastructure business, owning and/or operating in excess of \$20 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, apa.com.au