



Benefits of APA's networked portfolio

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Benefits of APA's networked portfolio

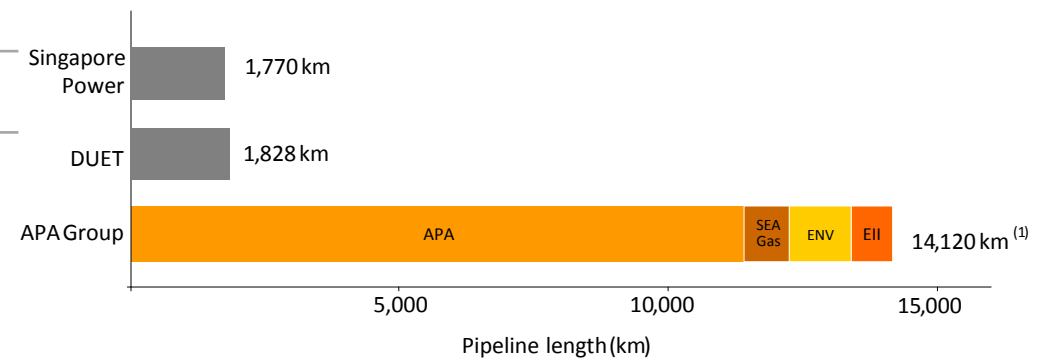
- Introduction to APA – well positioned portfolio
- Acquisition of Epic pipelines (HDF) – strategic development of APA's portfolio
- Benefits of APA's pipeline grid
- Adaptability of APA's pipeline grid
- Long term focus of APA's pipeline grid
- Conclusion

APA Group overview

■ Australia's largest gas infrastructure business

Market cap	\$5.4 billion ⁽¹⁾ S&P/ASX 100 MSCI and FTSE world indices
Assets owned/operated	\$12 billion 14,120 km gas transmission 2 gas storage facilities 25,000 km gas distribution 450 MW power generation ⁽²⁾ 239 km HV electricity transmission Transporting 50% of natural gas consumed in Australia, 70% in east Australia
Employees	More than 1,500

Australia's largest natural gas pipeline owners



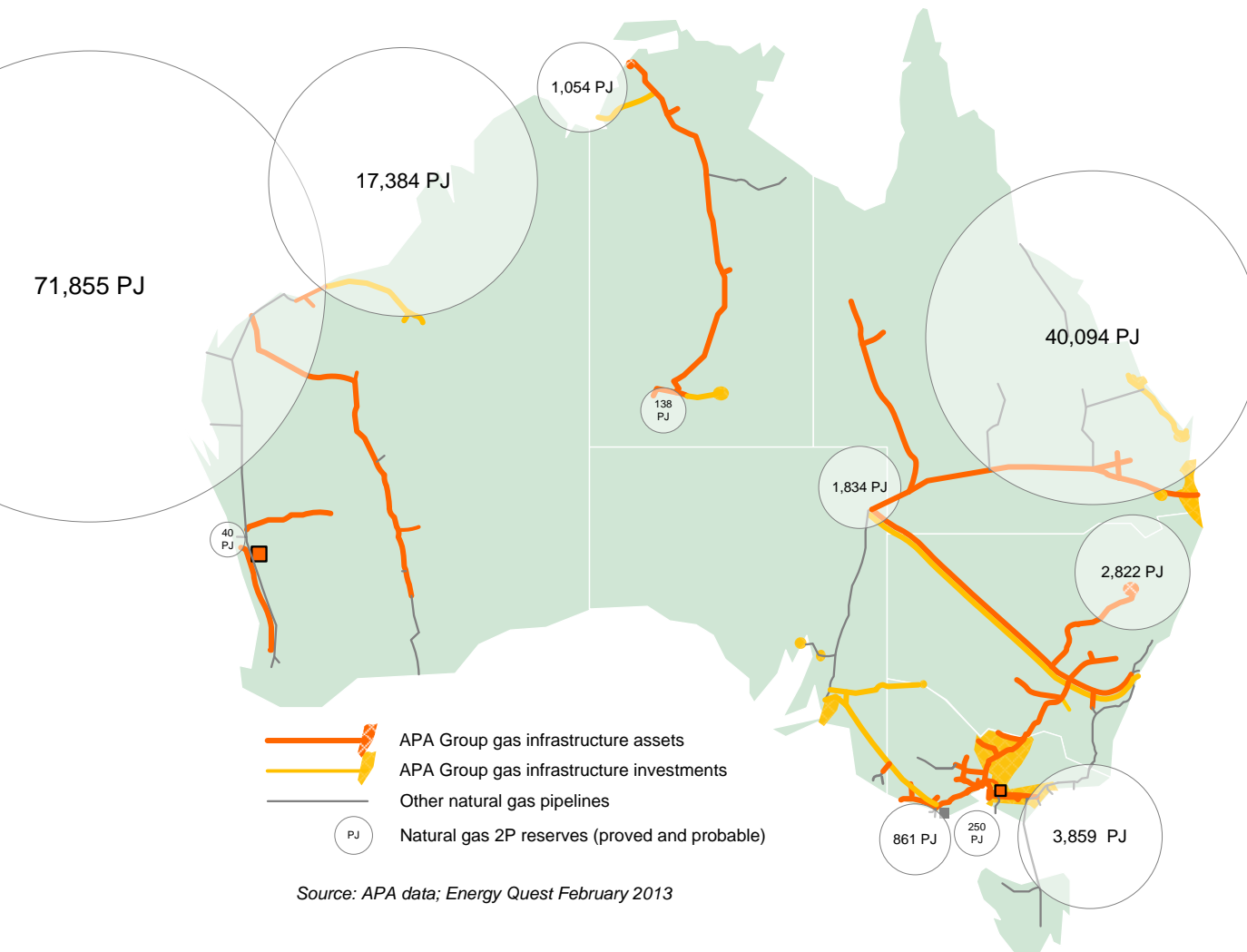
(1) Includes 100% of the pipelines operated by APA Group which form part of its energy investments SEA Gas, Envestra and Energy Infrastructure Investments

Source: APA & AER State of the Energy Market 2012

(1) As at 30 April 2013

(2) Includes the Diamantina and Leichhardt power stations under development

APA's well positioned gas infrastructure portfolio

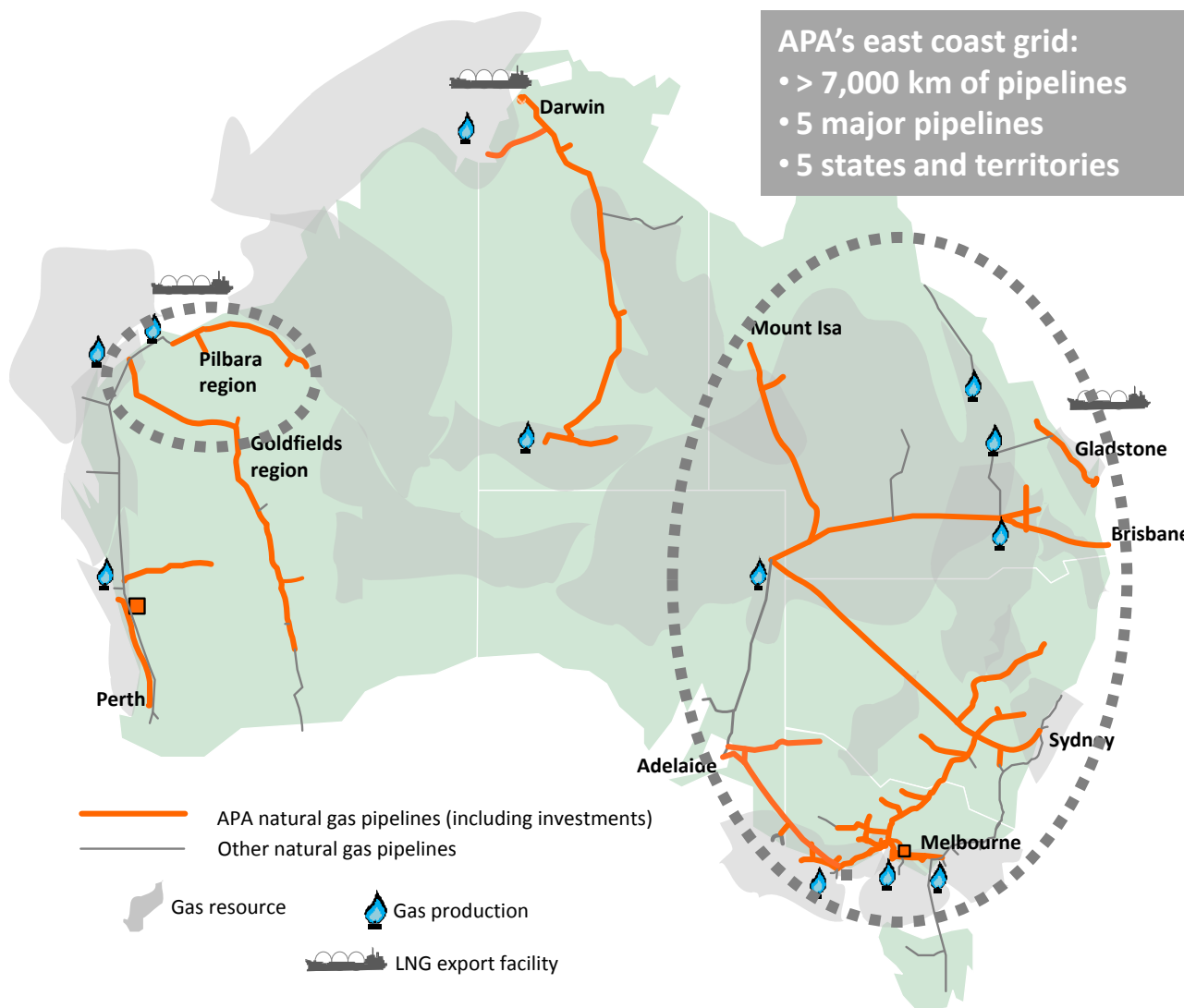


Source: APA data; Energy Quest February 2013

- **Unrivalled gas asset portfolio**
 - Largest transporter of natural gas across Australia ⁽¹⁾
- **Interconnected pipeline grid on the east coast**
 - Delivering seamless service and network economics
 - Increasing industry efficiency
- **Long term business**
 - Long life assets
 - Secure cash flow from contracts and regulatory arrangements
- **Diversity by asset and geography**
 - Across all mainland states and territories

(1) APA's 14,120 km of pipelines represents approximately 65% of Australia's gas transmission pipelines

Strategic development of APA's pipeline portfolio



- HDF acquisition consistent with APA's strategy of enhancing and expanding pipeline portfolio
- Fulfils APA's vision of creating an east coast pipeline grid
- Additional benefit ... beginnings of a north west pipeline grid
- Since completing the acquisition ...
 - Sale of MAPS completed
 - Integration nearing completion
 - Developing new services and operations across the grid

Over 13 years, APA has developed an interconnected pipeline portfolio

Benefits of APA's pipeline grid

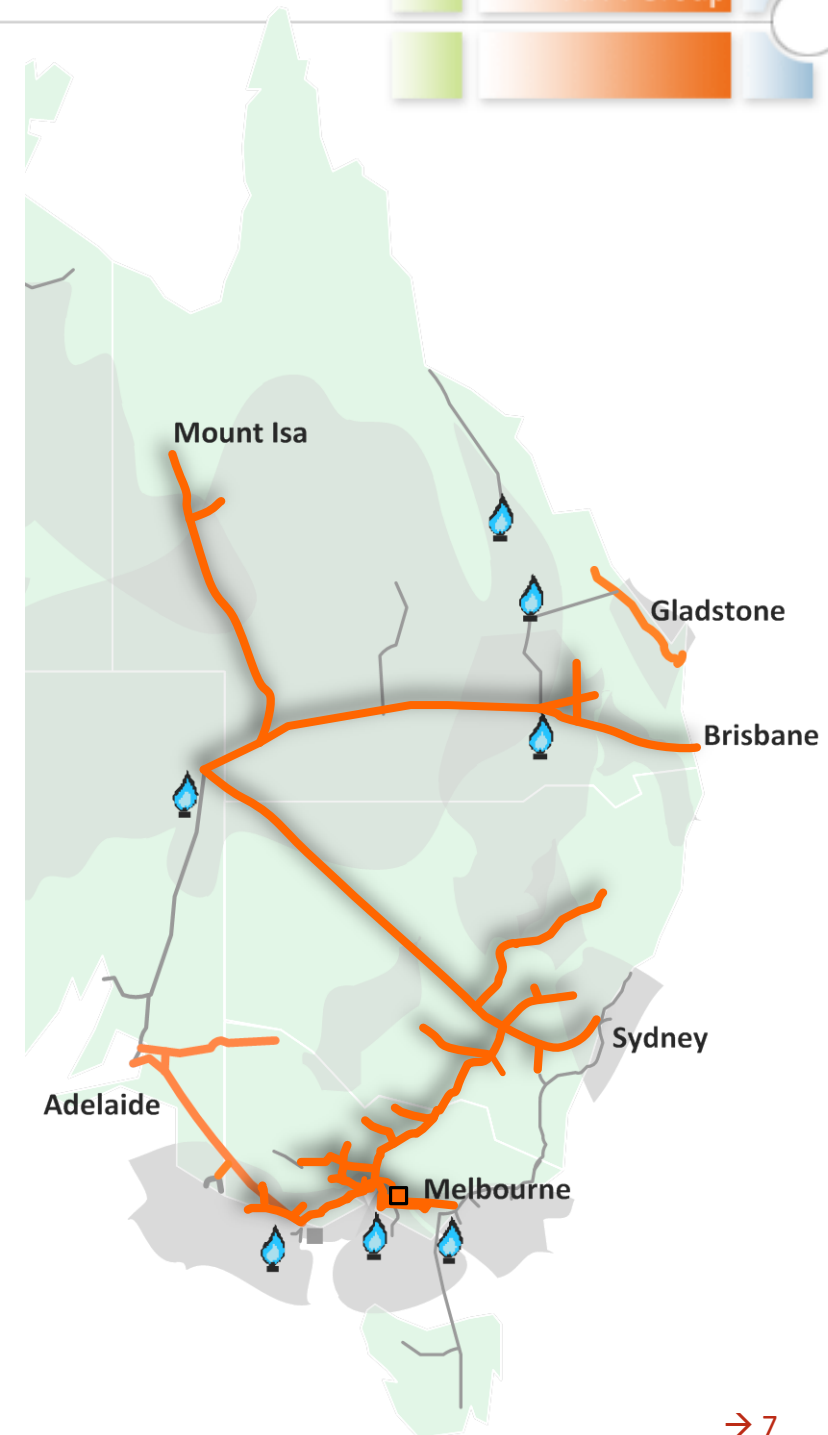
Shippers better able to manage their upstream gas portfolio with service offerings

- Simplifying the movement of gas across assets and jurisdictions – “seamless service”
- Greater flexibility in managing the movement of gas across the grid – multi-directional flows
- Improved service platform to meet individual customer needs – one stop shop for integrated flexible services

Operational benefits

- Enhanced operational efficiencies
- Optimisation of grid capacity and capability
- More efficient capital expenditure for increased capacity and/or new services

The grid optimises the use of APA's infrastructure and generates new revenue opportunities



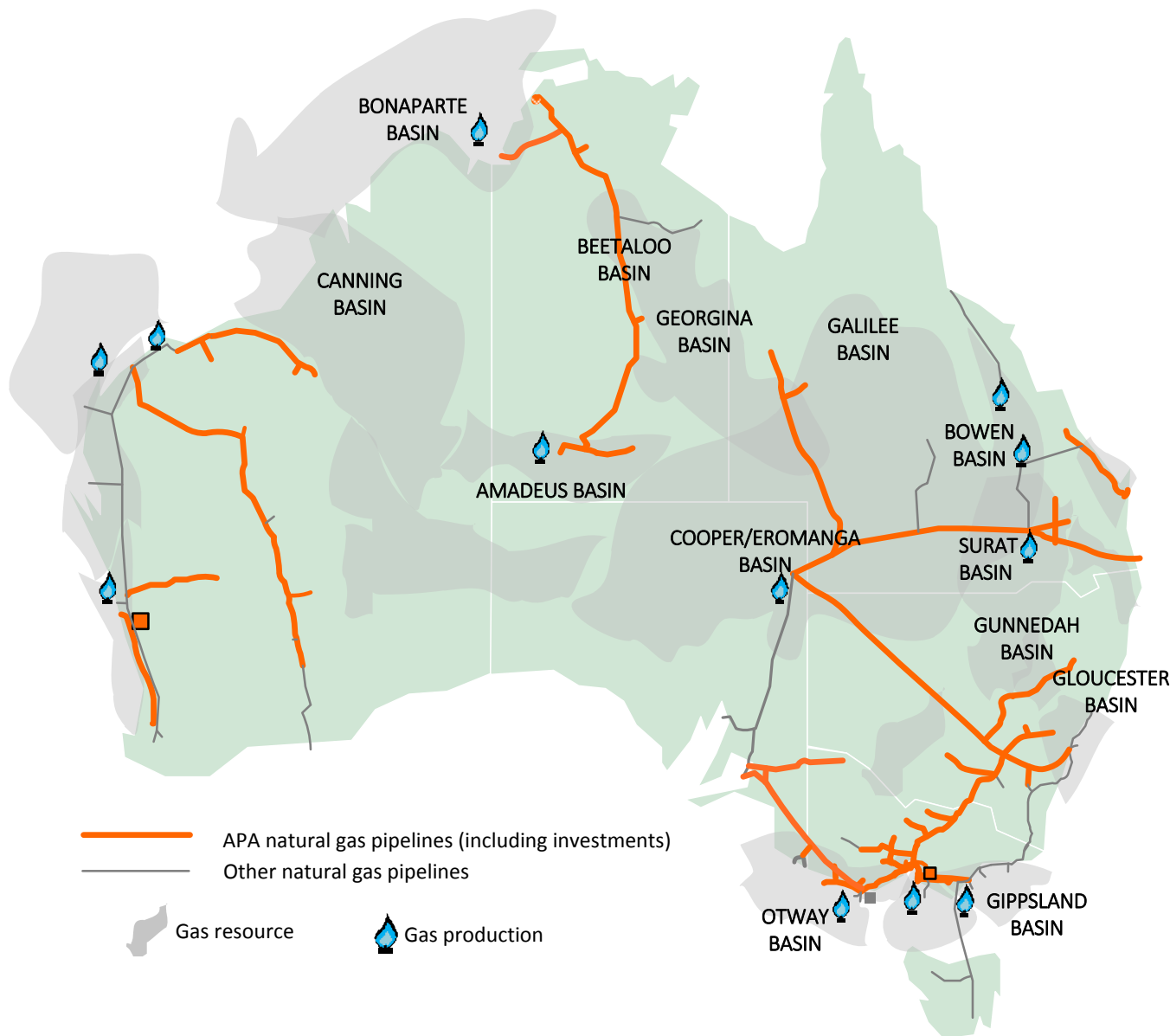
Adaptability of APA's pipeline grid

- Pipelines can adapt to changes in market circumstances
 - Incremental capacity expansions and gas flow direction changes
- Pipeline grid system has greater adaptability, able to respond to short and long term market changes
 - New and changing gas supply sources
 - Changes in shape and size of demand
- Adapting to current gas market issues
 - Perceived gas shortage in New South Wales
 - Gas pricing and gas demand
 - Re-contracting foundational supply and transportation agreements

APA's infrastructure integral to the transportation of gas across the east coast

Long term nature of APA's pipeline grid

- Long life assets
- Incremental and brownfield expansion opportunities
 - to bring new gas to markets
 - to satisfy growth in gas demand
- Expansions underwritten by long term revenue arrangements



Conclusion

- APA is well positioned in a growing and dynamic market
 - Continuing to expand and enhance our energy infrastructure portfolio across Australia in line with increasing demand for gas and energy services
- Pipeline grid provides benefits to APA, its customers (shippers) and to the broader market
 - Developing opportunities that leverage APA's infrastructure, expertise and relationships
 - Maintaining consistent, strategic investment approach and risk profile
- Pipeline grid is adaptable to periods of change and uncertainty
 - APA's position remains secure
- Long term focus on growth and value creation
 - Preserving and increasing the value of APA's energy infrastructure portfolio
 - Developing responsive energy infrastructure and service solutions to meet the requirements of our customers in a dynamic energy market



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