



APA Group

APA's integrated gas infrastructure business

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About APA Group

APA is Australia's largest gas infrastructure business

Gas transmission pipelines and storage

- Owning and operating two thirds of Australia's onshore pipelines
- Interconnected pipeline networks
- Transporting approximately half the gas used domestically

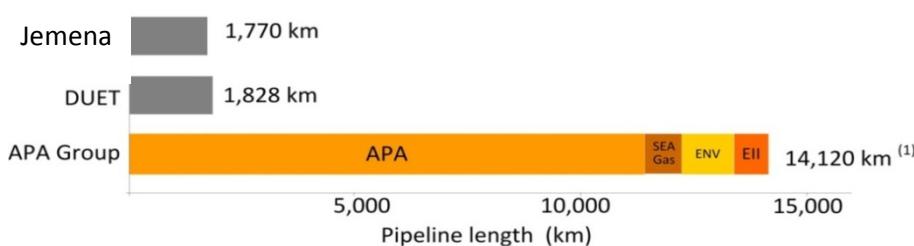
Gas distribution networks

- Owning and operating approximately a third of the nation's gas distribution networks

Other related energy infrastructure

- APA has developed and acquired complementary energy infrastructure, including gas and wind electricity generation, gas processing and electricity transmission

Australian gas transmission pipeline ownership



(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 2013

APA (6 May 2014)

Market capitalisation	A\$5.6 billion S&P/ASX 50 MSCI All World Index; FTSE All World Index 836 million securities on issue
Assets owned/operated	Over \$12 billion Gas transmission 14,120 km transmission pipelines Underground and LNG gas storage Gas distribution 25,000 km gas network pipelines 1.2 million gas consumers Other energy infrastructure 430 MW power generation ⁽¹⁾ 239 km HV electricity transmission Gas processing plants
Employees	More than 1,600
Operator	Operator of APA's assets and investments

(1) Includes the Diamantina and Leichhardt power station developments

APA's long term strategy

Strategy is focused on our core business of gas pipelines – transmission and distribution infrastructure

Enhancing APA's portfolio of gas infrastructure assets in Australia's growing energy market

Facilitating development of gas related projects that enhance APA's infrastructure portfolio

Capturing revenue and operational synergies from APA's significant asset base

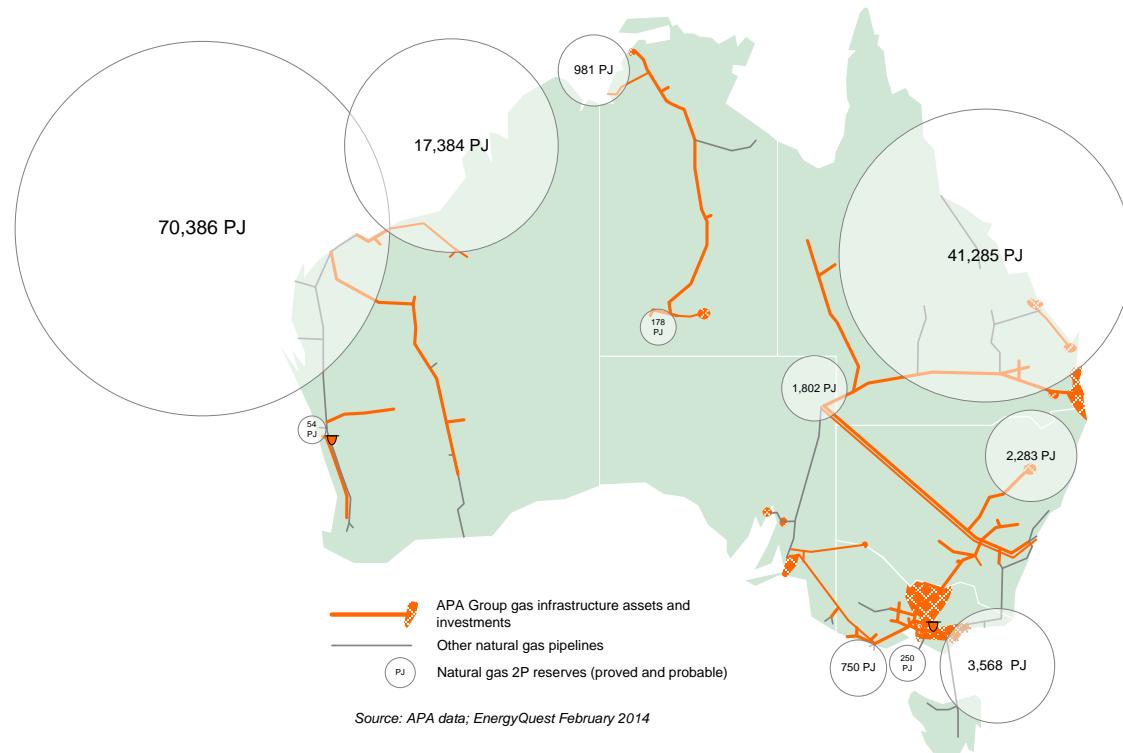
Pursuing opportunities that leverage APA's knowledge and skills base

Strengthening financial capability

- Contribution of recent pipeline acquisitions exceeding expectations
 - Existing and new growth opportunities
 - Operational efficiency
- Benefiting from a flexible and resilient interconnected infrastructure portfolio
 - East coast grid potential – seamless services; optimising asset operation
- Enhancing the gas delivery chain
 - ... across transmission and distribution
 - ... across states and territories
- Maintaining market leading position
 - National portfolio with unique growth opportunities
 - Industry-leading management, operating and engineering capability
 - Funding strength

APA's unrivalled asset portfolio across Australia and internal expertise, together with strong industry fundamentals, drive growth opportunities

Gas supply and demand fundamentals remain strong

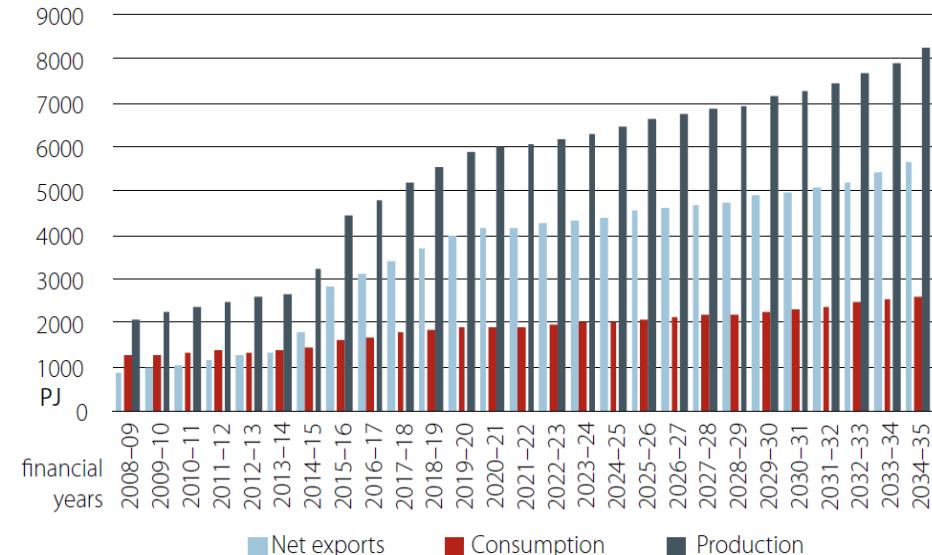


- Proven and probable gas reserves total 139,000 PJ ⁽¹⁾
 - Domestic gas use for 2013 was 1,110 PJ and 1,090 PJ for LNG export ⁽¹⁾
 - More than 50 years of gas available at current usage levels
- Identified gas resources exceed 430,000 PJ ⁽²⁾
 - Almost 200 years of gas available at current usage levels

(1) 2012 gas production, LNG production and gas reserves: Energy Quest, February 2013

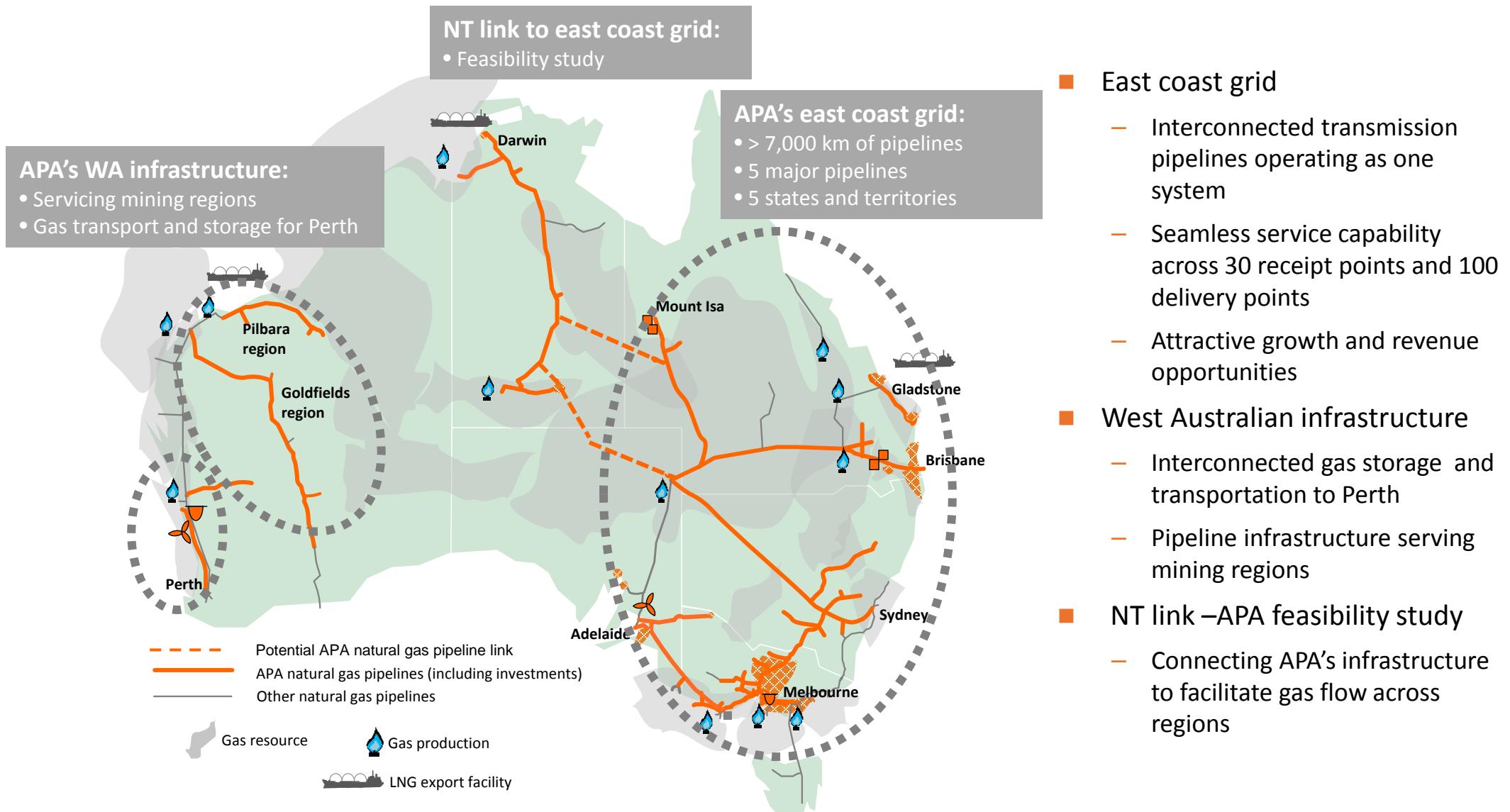
(2) BREE Gas Market Report, July 2012,

Australian gas consumption and LNG export projections ⁽²⁾



- Australia's gas production, consumption and exports are all projected to grow over the period to 2034–35
 - Domestic use forecast to increase by 33%, or 1.3%/a⁽²⁾
- On-shore gas supply for east coast LNG
 - Surat-Bowen basin supply for east coast LNG projects to be supplemented by other on-shore gas sources
- Longer term growth underpinned by gas-fired electricity generation

Strategic development of pipeline grid

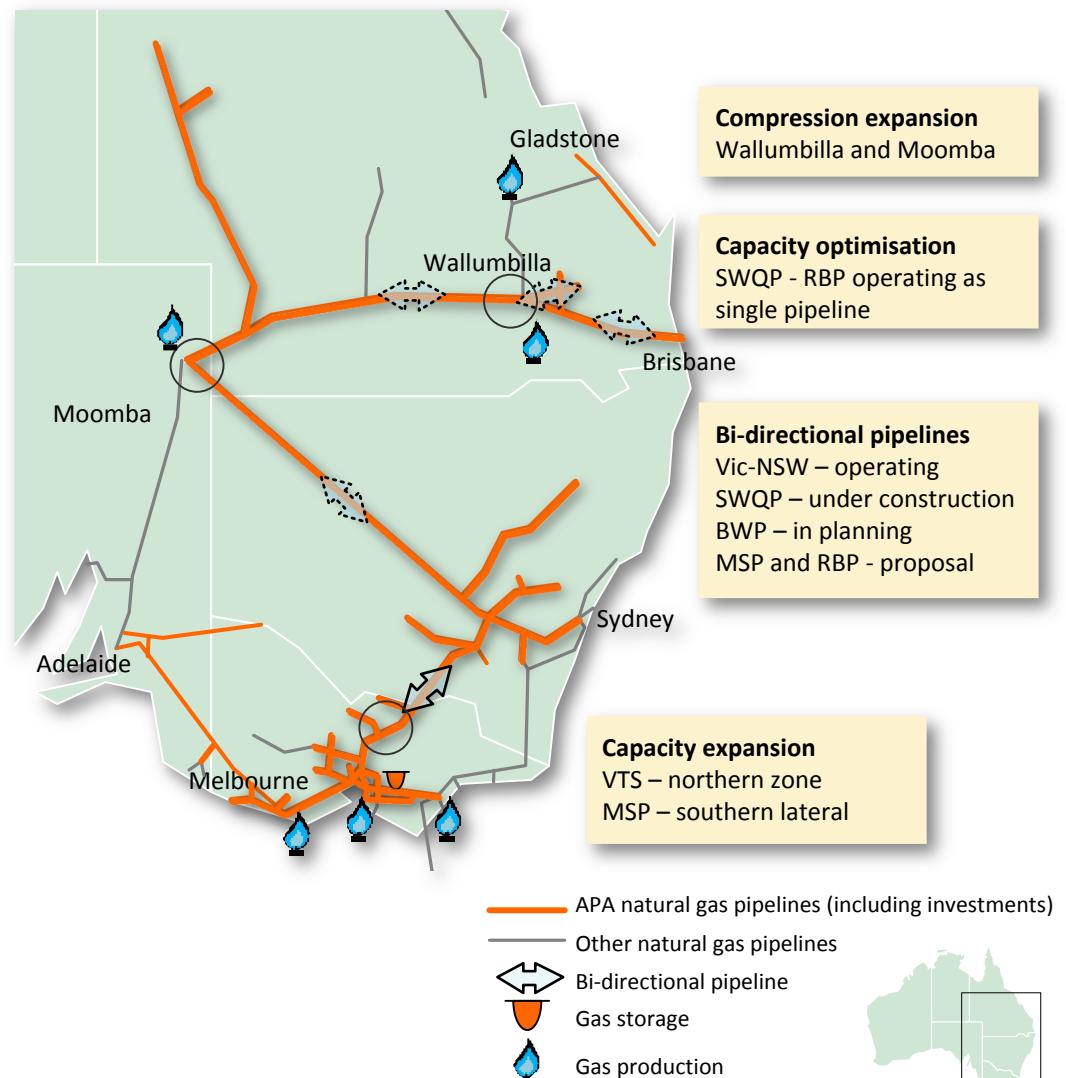


Transformational change in gas delivery and storage services

East coast grid adapting to market changes

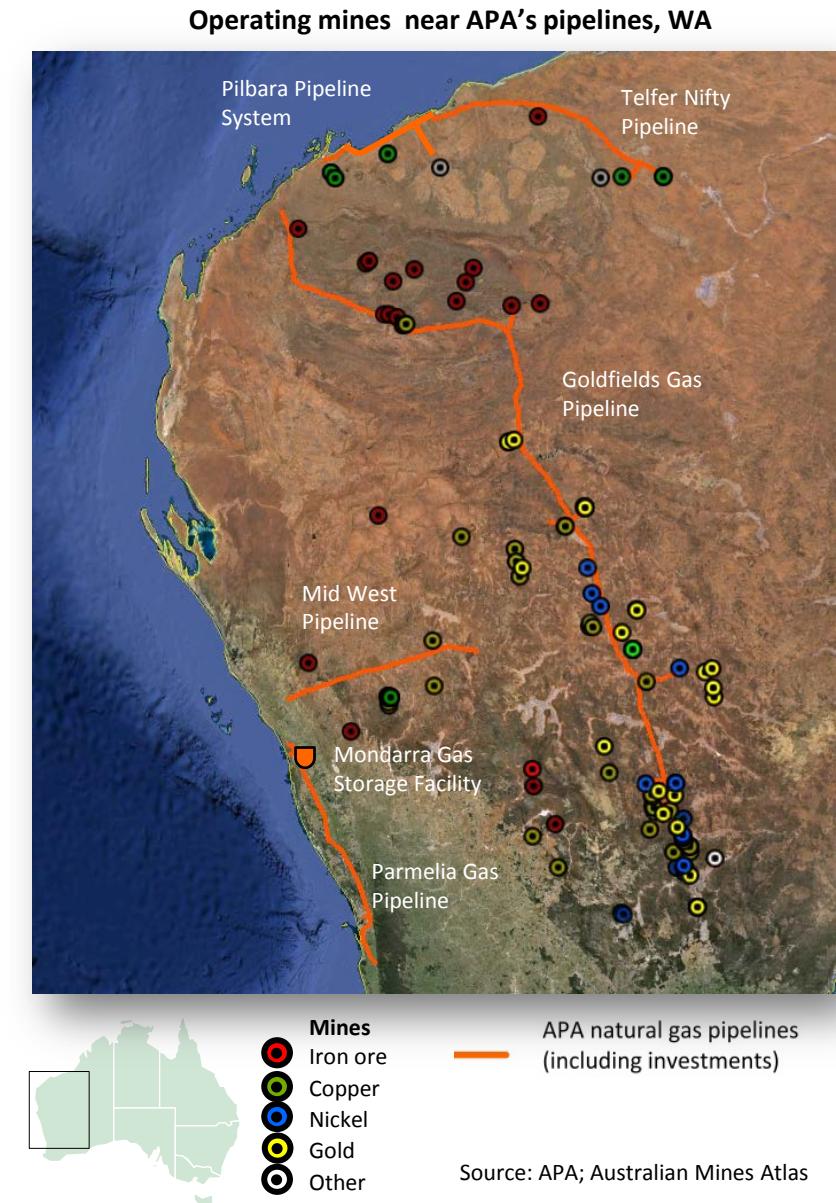
- New gas transportation agreements across the east coast grid
 - Multi-pipeline gas transportation agreements
 - New short term South West Queensland Pipeline agreements due to capacity available from connected grid
 - New Berwyndale Wallumbilla Pipeline agreement
 - Three revised Moomba Sydney Pipeline agreements with retailers increasing gas volumes transported through the Victorian Transmission System into New South Wales

- Enhancing physical operation of the grid
 - South West Queensland Pipeline and Roma Brisbane Pipeline configured to operate as single pipeline
 - Compression expansions at Wallumbilla hub and at Moomba
 - Installing or planning bi-directional capability on four pipelines
 - Capacity expansion on the Victorian Transmission System northern zone

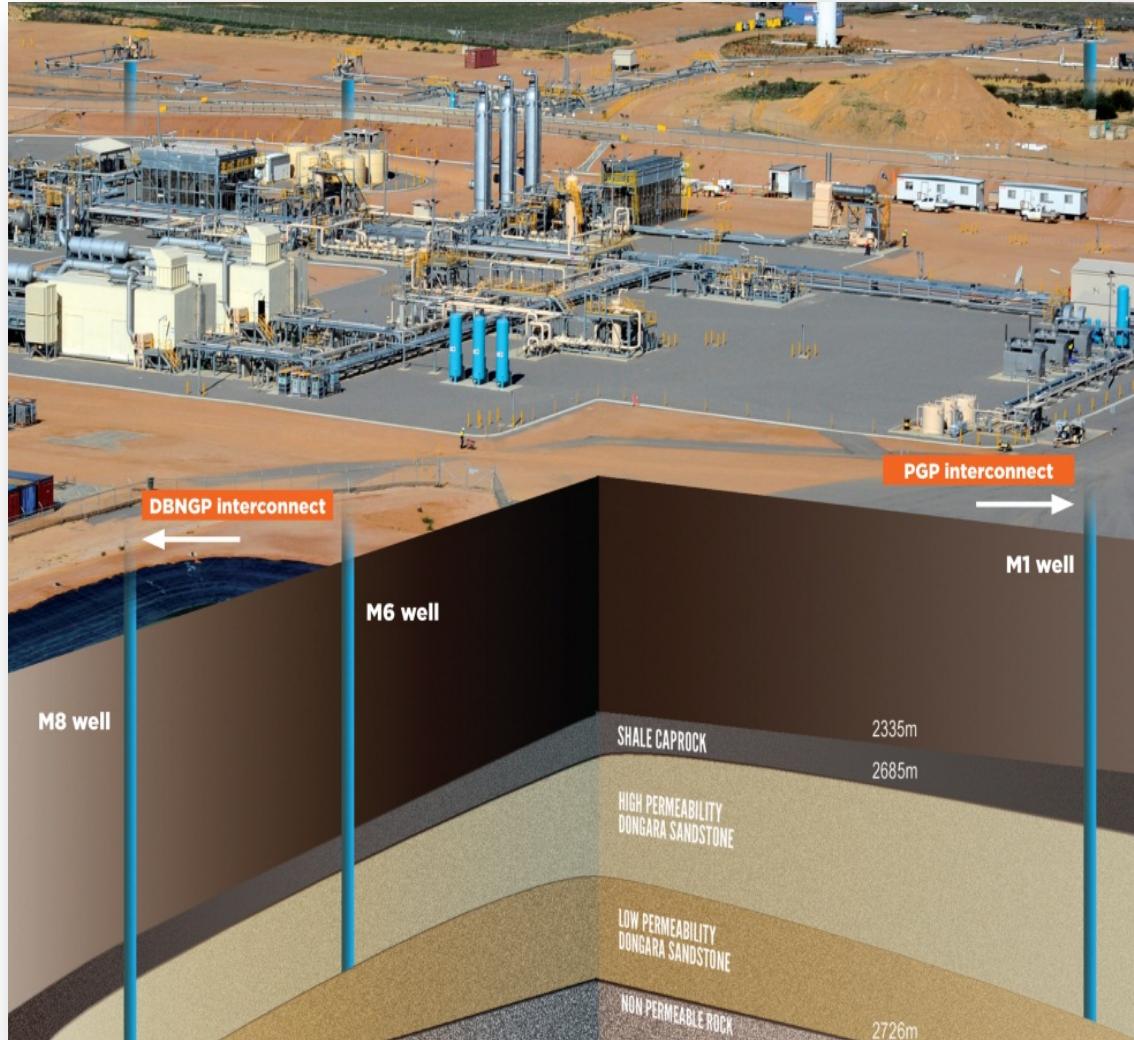


WA portfolio serving mining and Perth regions

- Major gas pipeline infrastructure serving the mining regions – Pilbara and Goldfields
 - Completion of expansion projects on the Goldfields Gas Pipeline – capacity increase of 28%, underwritten by 20 year and 15 year contracts
 - Growth driven by new mine developments, existing mine expansions and fuel conversion from diesel to gas for power generation
- Providing gas supply security for the Perth and coastal region
 - Mondarra Gas Storage Facility expansion completed July 2013 – underpinned by 20 year contract with Verve Energy
- Infrastructure close to new and potential gas sources – Carnarvon, Gorgon and Canning basins



Mondarra Gas Storage Facility – key strategic asset

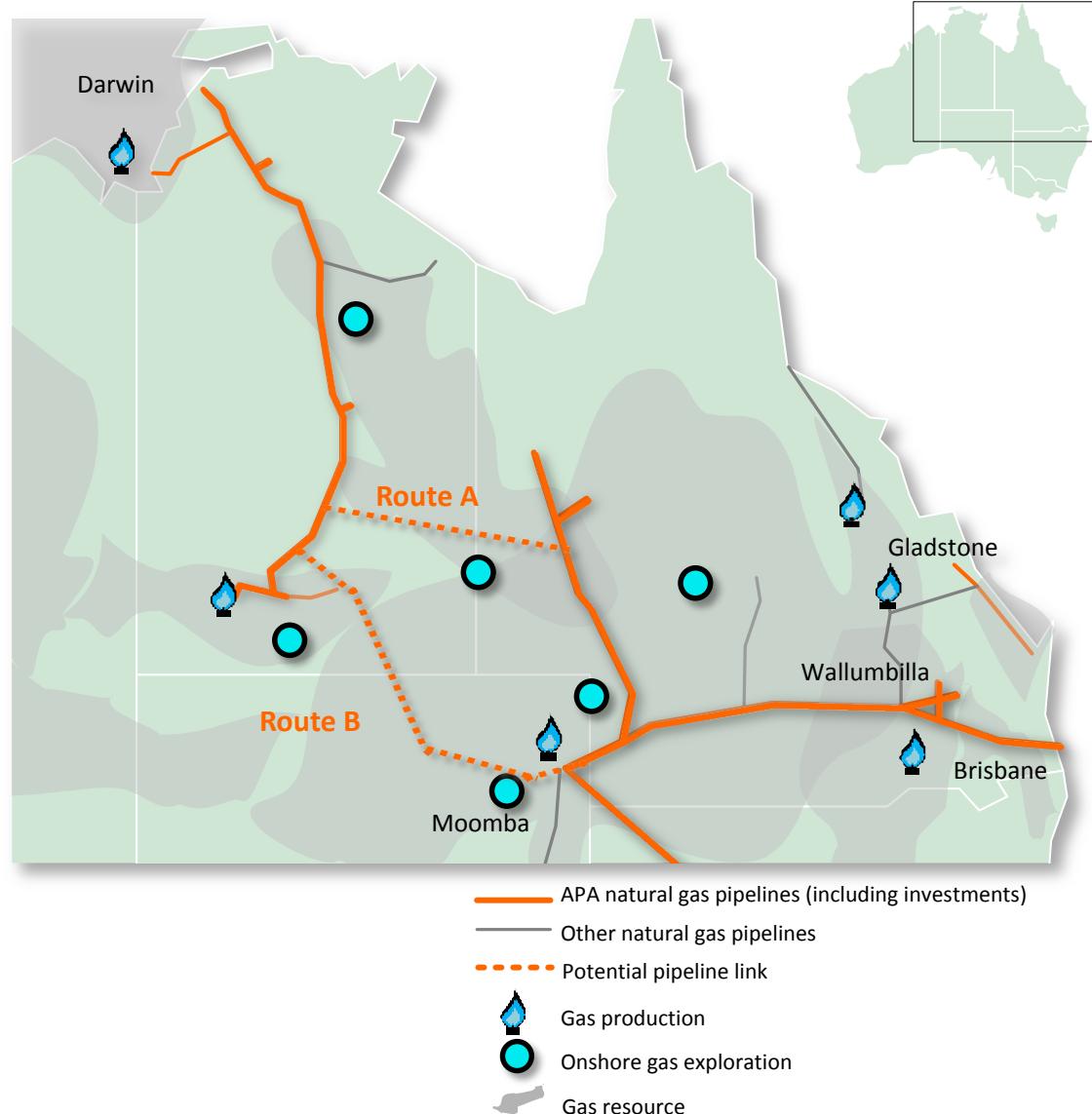


- Expansion completed mid 2013
 - 15 PJ storage capacity
 - 70 TJ/d injection capability
 - 140 TJ/d withdrawal capability
- Connected to major pipelines
 - Dampier to Bunbury Pipeline
 - Parmelia Gas Pipeline (APA)
- Majority of capacity contracted
 - 20 year contract with Verve Energy
 - Strong interest from other customers for remaining capacity
- Flexible services and tariff structures to meet the market

Providing security and managing supply volatility

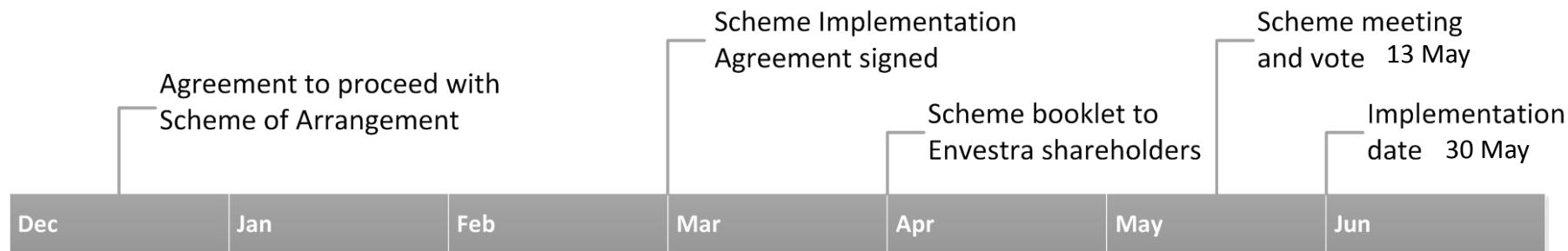
Connecting eastern and northern regions

- Strategic initiative to connect the Northern Territory and the east coast
 - Pipeline linking APA's east coast grid and Northern Territory pipelines
- Benefits and rationale
 - Linking existing APA pipeline infrastructure
 - Connecting regions to new and existing alternative gas sources
 - Seamless, cost effective end-to-end gas transportation service
 - Flexibility and service options across multiple injection and withdrawal points
- Feasibility study to commence in FY14
 - Route selection
 - Engineering
 - Commercial viability



Envestra Scheme – update

- Scheme proceeding based on the offer accepted by the Envestra Independent Board Committee
 - Offer consideration of scrip and cash, with implied value of \$1.30⁽¹⁾ per Envestra
 - Attractive premium to Envestra's trading price prior to APA's merger proposal and Envestra's closing price on 6 May 2014
- Scheme Booklet issued to Envestra shareholders in early April
 - The Envestra Recommending Directors (majority of non-APA affiliated directors) recommend the Scheme in the absence of a superior proposal ⁽²⁾
 - Independent Expert concludes the Scheme is fair and reasonable and in the best interest of Participating Envestra Shareholders in the absence of a superior proposal
- The Australian Taxation Office confirmed the availability of partial scrip for scrip rollover relief
- Timeline



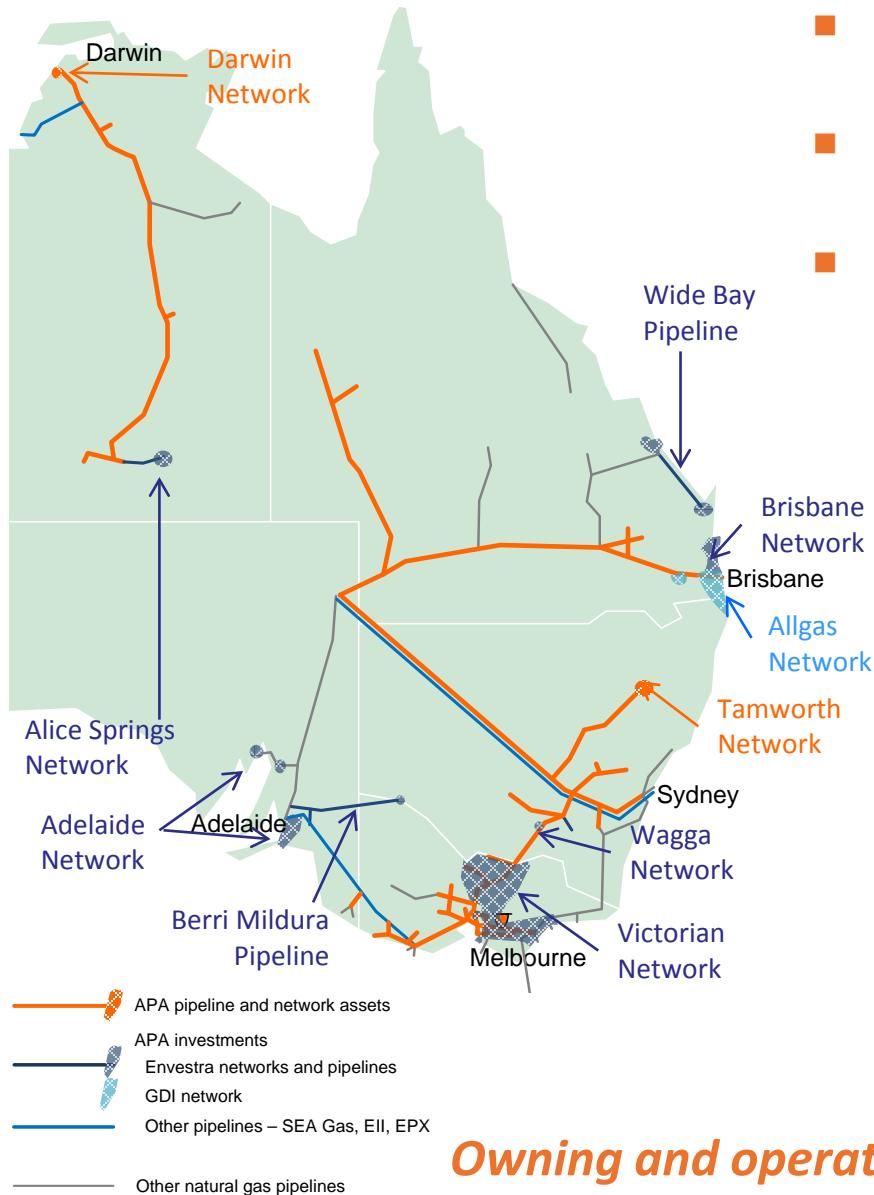
(1) Implied value of 'all scrip' consideration based on APA's closing price on 6 May 2014

(2) Recommendation is subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of Participating Envestra Shareholders

Rationale

- Core business – gas distribution
- Largest shareholder and service provider
- Revenue certainty and appropriate commercial returns
- Significant capex growth
- Delivery chain from source to customer

Significant gas distribution expertise



- Owning and operating approximately a third of Australia's gas distribution networks
- Interlinked assets, with networks connected to APA's transmission pipeline assets and/or investments
- Experienced workforce and extensive internal capability
 - National workforce of 550 APA employees and 940 contractors
 - Long term operators and managers providing full range of network services:
 - Commercial and billing;
 - Operations and maintenance;
 - Engineering, planning and construction;
 - Gas marketing ;
 - Regulatory and financial services

FY 2013 Network statistics

Total gas consumers	1,254,643
New consumers added	25,885
Meters installed (new)	28,583
Meters replaced	59,196
Pipeline length	25,000 km
Pipeline laid (new)	221 km
Pipeline replaced	435 km
Gas transported	121 PJ

APA Networks businesses

Network investments	%
Envestra	33.05
GDI - Allgas	20
Tamworth, Darwin	100

Owning and operating almost a third of the nation's distribution networks

Gas distribution – growth and renewal

- Working with state government groups to develop regional gas opportunities
 - Regional Victorian and NSW projects
- Input into key government policy impacting gas usage
- Extending gas distribution into new urban development
- Programs to increase gas connections and gas usage
 - ‘Natural gas’ promotion through advertising, gas appliance rebate schemes, and B2B relationships (e.g. home builders, developers, plumbers, etc..)
 - Working with developers of new gas-fueled technology
- Increasing capacity and reducing costs through the mains renewal program
 - Converting low pressure cast iron pipelines to higher pressure steel or polyethylene pipelines



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COST COMPARISON

IS GAS IN MY STREET?

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LOCATE A PLUMBER

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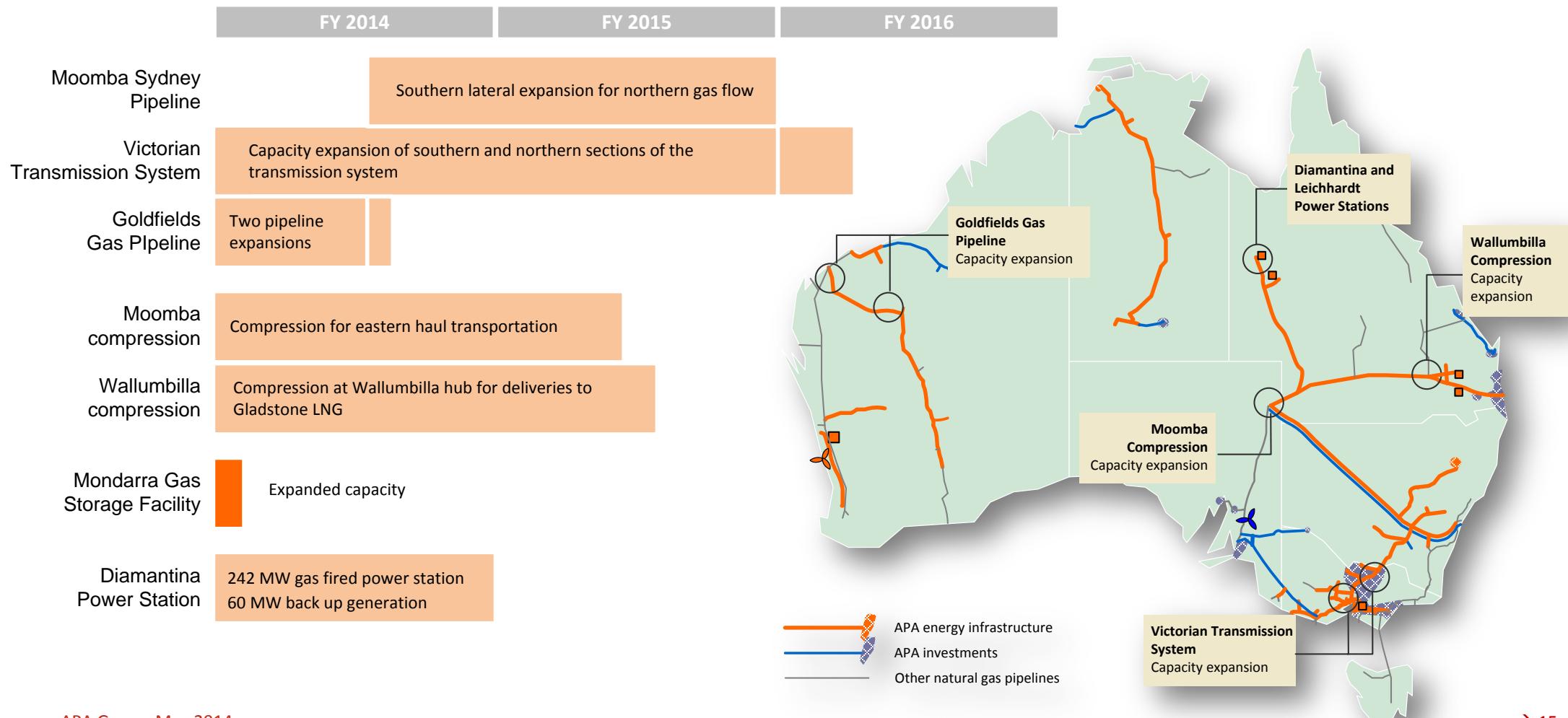
Diamantina and Leichhardt power stations

- Commissioning phase underway
 - First power delivered to North West Power System in early October 2013
 - All open-cycle gas units commissioned
 - Commissioning of steam turbines for combined-cycle operation underway
 - Currently providing up to 80 MW generating capacity for MIM operations
- Project construction
 - KBR (owner's engineer) appointed EPCM contract following Forge receivership and termination of Forge EPC contract
 - Activity on site to complete the project maintained, with key Forge personnel and service providers retained
- Leichhardt Power Station
 - Fixed price EPC contract with Leighton Contractors
 - Open-cycle gas unit in commissioning phase

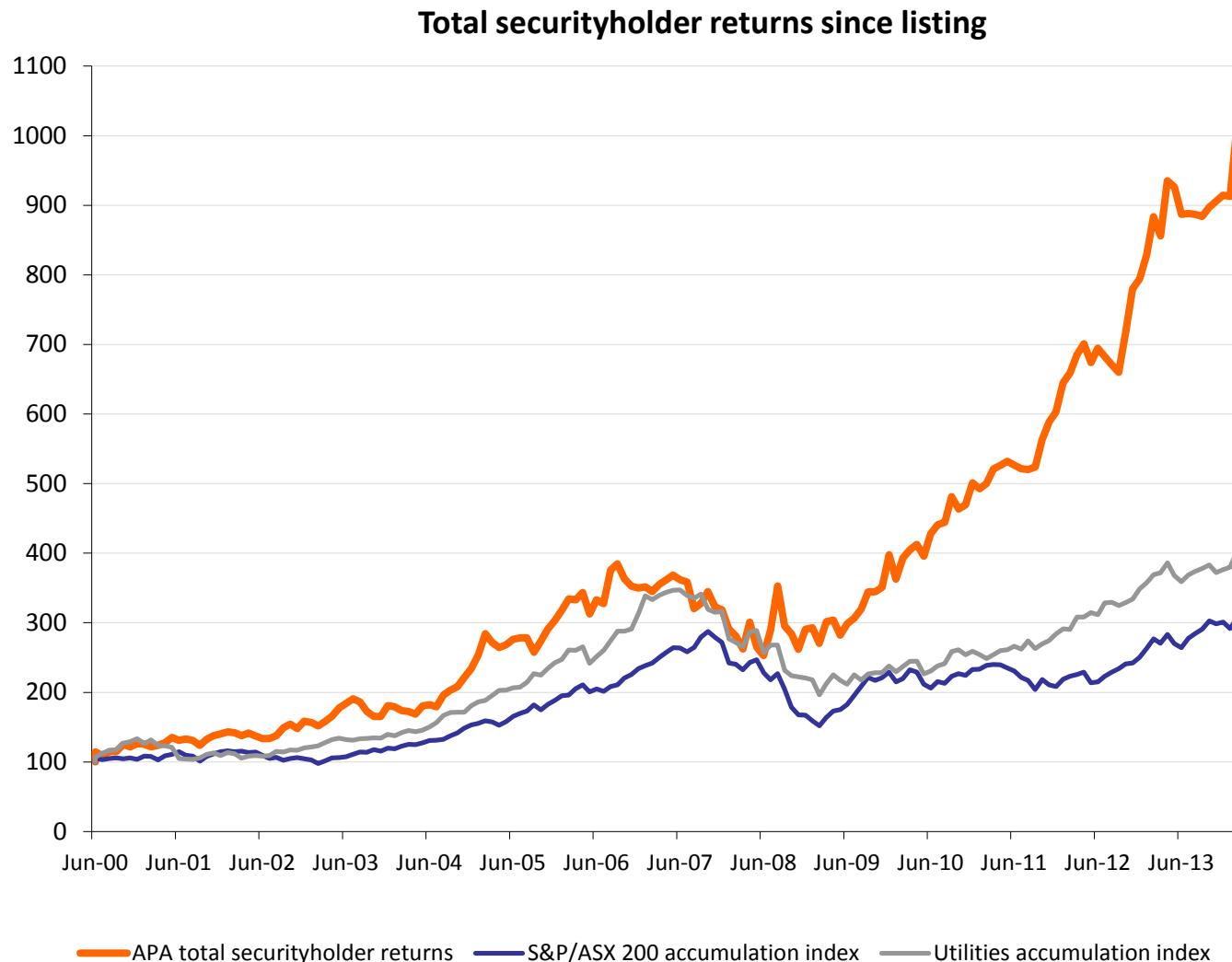


Developing growth capital projects across Australia

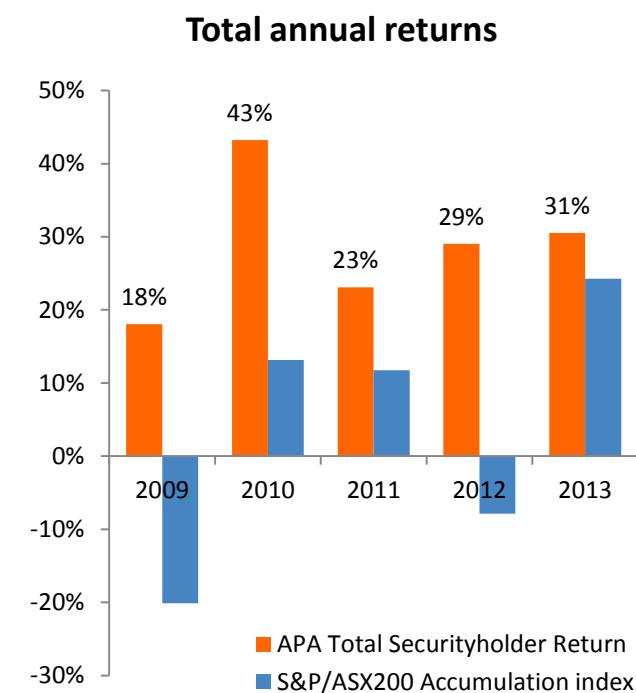
- Continued expansion and enhancement of APA's gas infrastructure portfolio
- Committed projects underwritten by long term revenue contracts and/or regulatory arrangements



Continued value creation for securityholders



Indexed to 100 from listing date, 13 June 2000 to 11 April 2014
Source: APA based on IRESS data





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