

JOINT MEDIA RELEASE

ARENA FUNDING BOOST FOR THE PARMELIA GREEN HYDROGEN PROJECT

21 November 2023

APA Group (APA) and Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) have successfully secured \$1.33 million in funding from the Australian Renewable Energy Agency (ARENA) to progress the Parmelia Green Hydrogen Project (the Project) in Western Australia.

The funding, provided through ARENA's Advancing Renewables Program, will support a feasibility study exploring the potential to produce and transport cost-effective green hydrogen to WesCEF's production facilities at the Kwinana Industrial Area south of Perth, via APA's existing Parmelia Gas Pipeline (PGP).

Today's announcement follows the signing of an MoU between APA and WesCEF to continue progressing the Project from the pre-feasibility study into a full feasibility study.

The Project is being delivered in conjunction with APA's PGP conversion project, which is the first of its kind in Australia and is assessing the ability to convert a 43-kilometre section of the PGP to transport pure hydrogen.

The PGP conversion project has already delivered positive results with testing showing that it is technically feasible, safe and efficient to operate the southern section of the PGP at current operating pressure using 100 per cent hydrogen. This highlights the potential for transitioning existing gas infrastructure assets to support the energy transition.

APA CEO and Managing Director Adam Watson said the funding contribution from ARENA reinforces the significance of the project and its potential to support the energy transition.

"As a nation we need to continue exploring options for utilising our existing energy infrastructure to support an efficient and cost-effective transition to a low carbon future," Mr Watson said.

"Around 90 per cent of natural gas consumed in Australia is used to power our most critical industries, many of which are hard to abate. We see a significant opportunity to work with these industries to support their decarbonisation efforts.

"Australia's gas sector is well placed to accelerate the rollout of new, low emissions technologies thanks to decades of knowledge, capability, and existing critical infrastructure. And that is exactly what we, together with WesCEF, are seeking to do as part of our landmark Parmelia Green Hydrogen Project.

"This funding contribution from ARENA will support the next stage of this exciting project, which will play an important role in supporting the decarbonisation ambitions of industry."

WesCEF Managing Director Ian Hansen said ARENA's support for this innovative project enables the next step to be taken in bringing industry closer to accessing green hydrogen.

"Our businesses produce and distribute essential products for critical industries like agriculture, mining, construction and manufacturing, along with supplying energy for households.

“WesCEF recognises the importance of low-carbon hydrogen in our own transition to net zero as well as the broader role hydrogen can play in decarbonising existing industry and creating new growth opportunities.

“We are pleased to continue to our collaboration with APA in this exciting project to explore the application of existing infrastructure to support the journey to Net Zero.”

ARENA CEO Darren Miller said the feasibility study is a step forward for renewable hydrogen in Western Australia.

“The decarbonisation of the industrial sector is critical to progressing Australia’s 2030 and 2050 net zero targets. Renewable hydrogen will be vital to cutting emissions in heavy industries like ammonia production and will be hugely important in industrial centres like Kwinana,” Mr Miller said.

“This feasibility study will tell us more about what it takes to develop a renewable hydrogen industry in Western Australia and ARENA will play an active role in sharing those lessons with the market.

APA is already leading in this space with their work on pipeline conversion and ARENA is confident in backing them and WesCEF in this investigation.”

APA and WesCEF have selected KPMG as commercial and financial advisor and Genesis Energies to support the Feasibility Study.

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$25 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation’s gas usage and connect Victoria with South Australia, New South Wales with Queensland, and Tasmania with Victoria through our investments in electricity transmission assets. We also own and operate renewable power generation assets in Australia, with wind and solar projects across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group.

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

About WesCEF

Wesfarmers Chemicals, Energy & Fertilisers (WesCEF) is a division of ASX-listed Wesfarmers Limited and is one of Australia’s largest private sector employers. WesCEF owns and operates businesses that produce ammonia, ammonium nitrate, fertilisers, sodium cyanide, natural gas, LPG, LNG and lithium.