



APA Group – consistent strategy in a dynamic market

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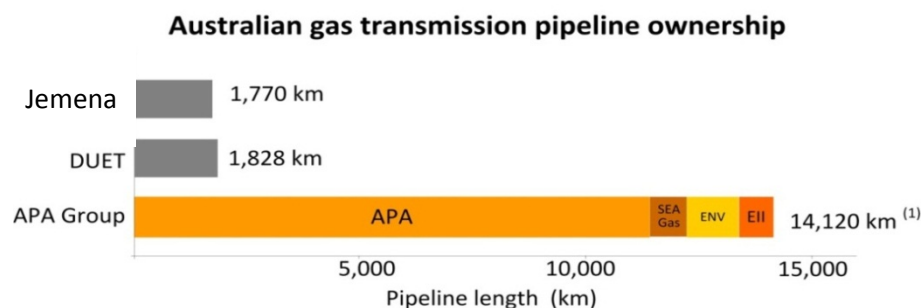
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About APA Group

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



(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	
Market capitalisation	A\$5.8 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

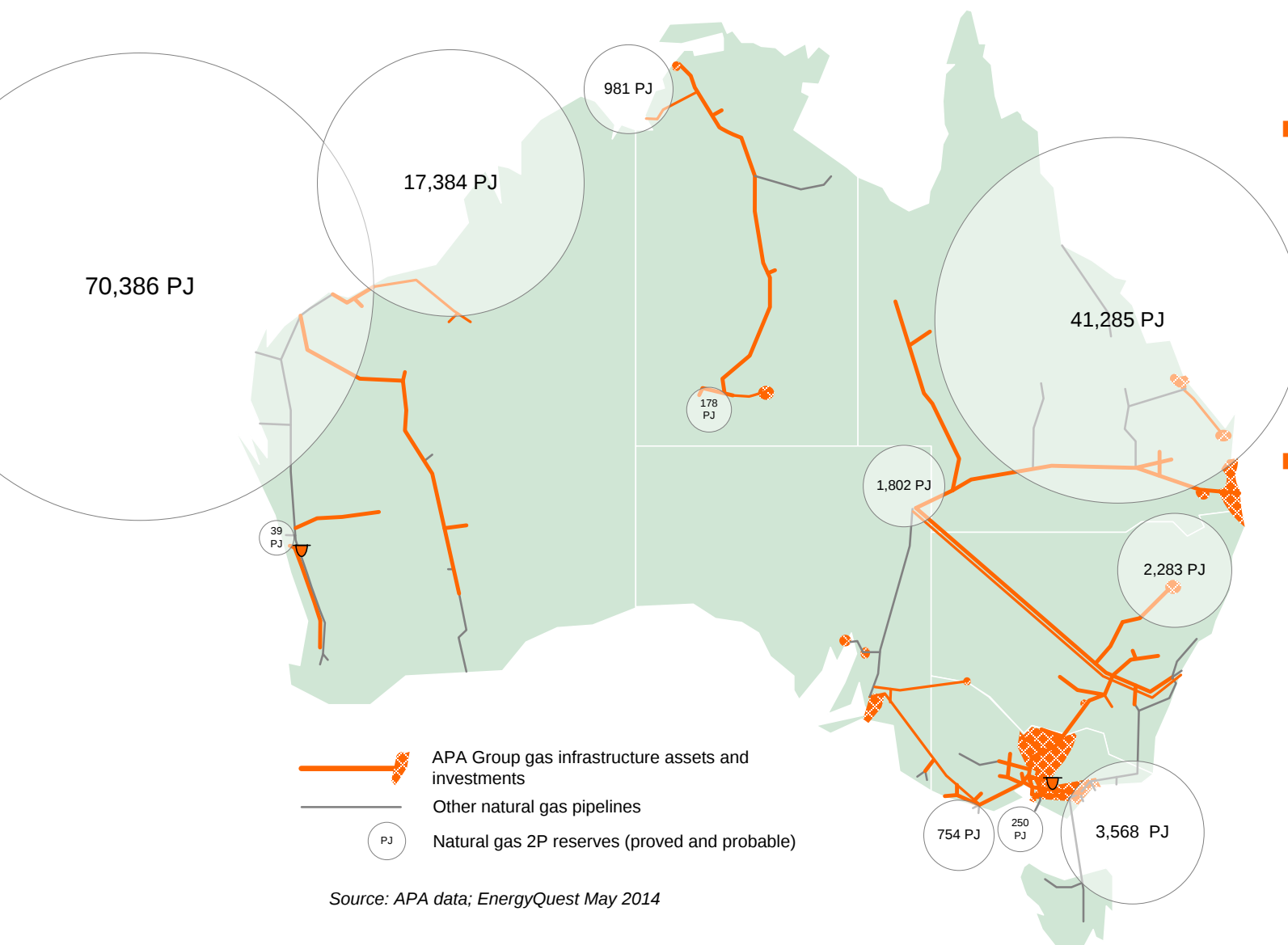
Strengthening financial capability

1H14 highlights

- Contribution of recent pipeline acquisitions exceeding expectations
- Value creation from a flexible and resilient interconnected infrastructure portfolio
- Maintaining market leading position

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

Abundant gas supply for domestic and export markets



Source: APA data; EnergyQuest May 2014

- 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

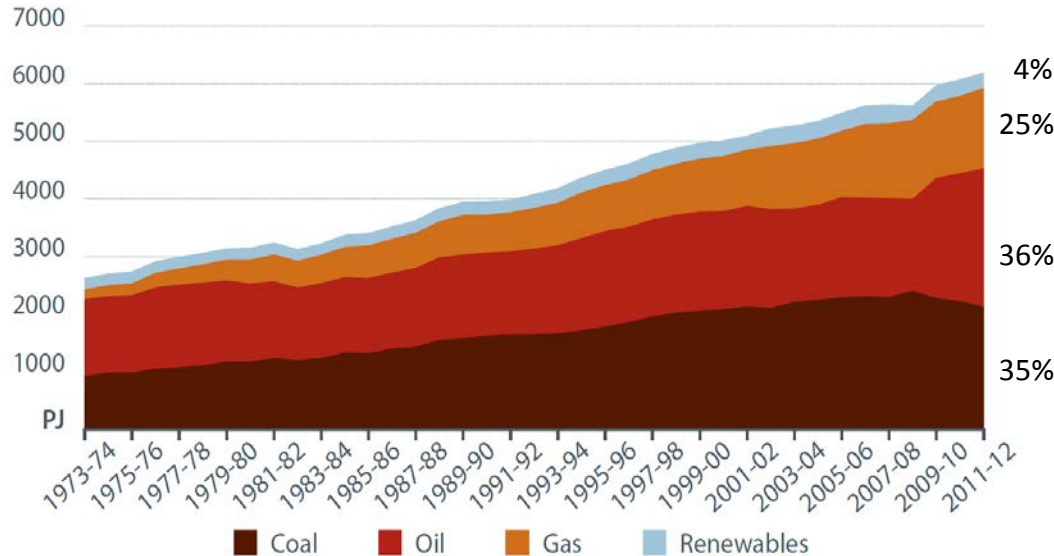
(1) 2012 gas production, LNG production and gas reserves: Energy Quest, May 2014

(2) BREE Gas Market Report, July 2012,

Long term growth in gas demand

- Australia's total primary energy consumption is expected to increase by 10% over the next 20 years⁽¹⁾
 - Natural gas represents 25% of primary energy ... and this share is expected to increase over the long term
- LNG exports supplied by on-shore gas fields expected to ramp up in the next few years
 - Surat-Bowen basin supply for east coast LNG projects to be supplemented by gas sourced from other inland basins – existing producing gas fields and new gas field developments

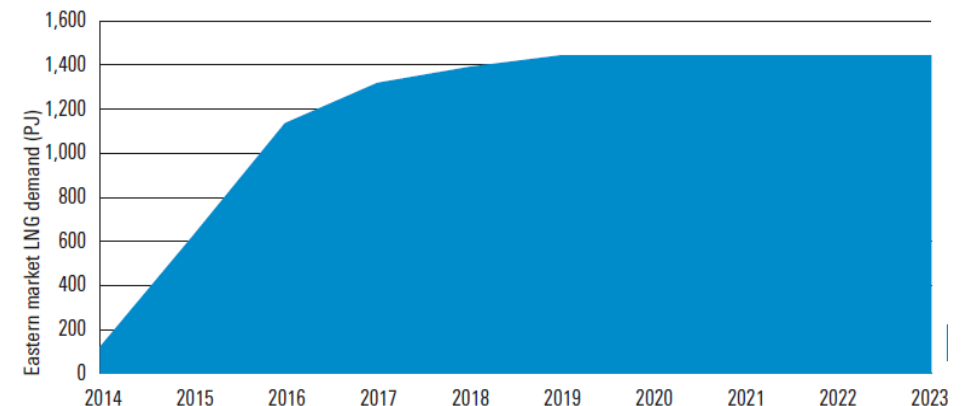
Figure 1: Australian energy consumption, by fuel type



Source: 2013 Australia Energy update, BREE, July 2013

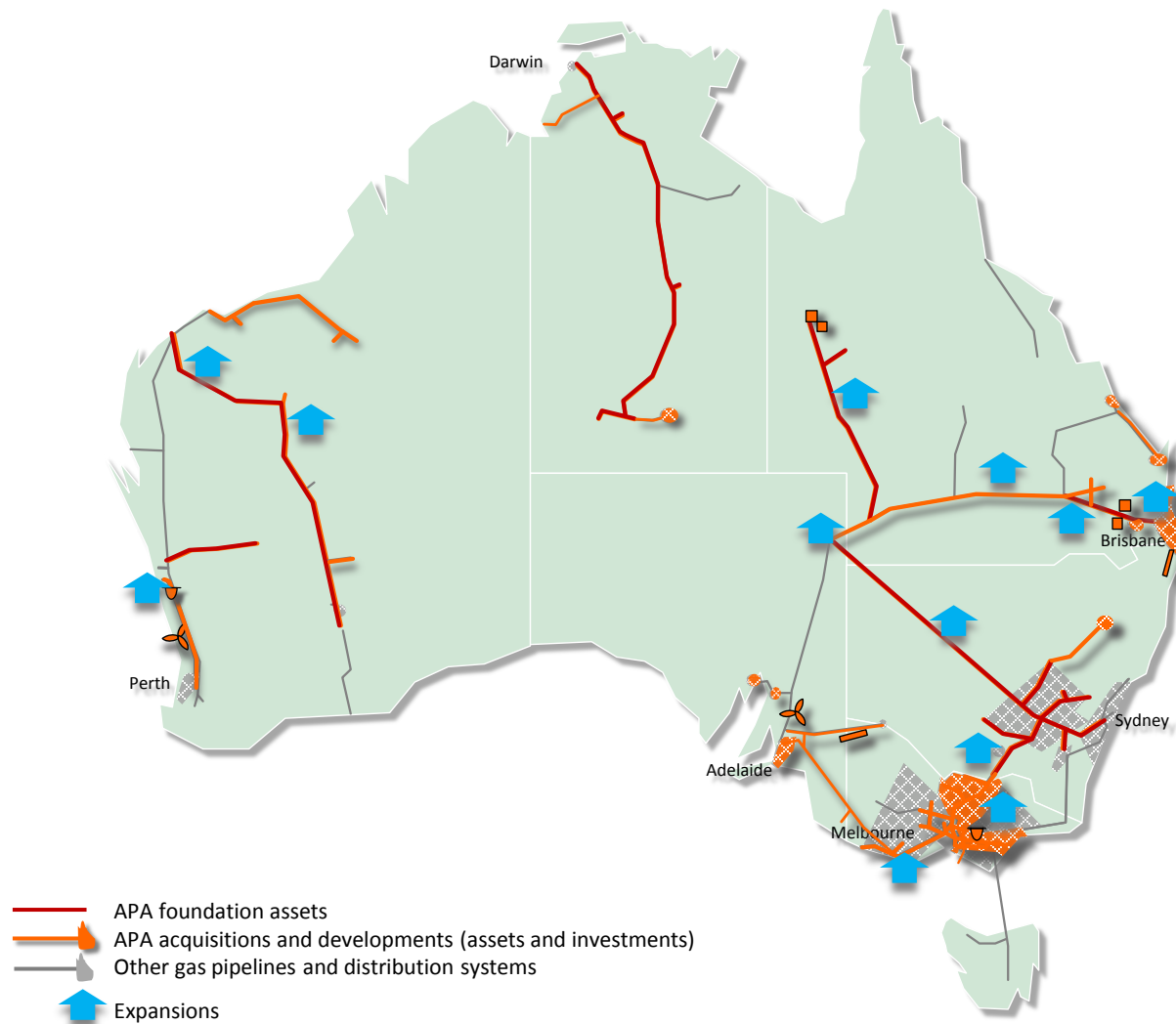
(1) Australian Energy projections to 2050, BREE, December 2012,

Australian Eastern Market LNG demand



Source: "Gas Statement of Opportunities", November 2013, AEMO

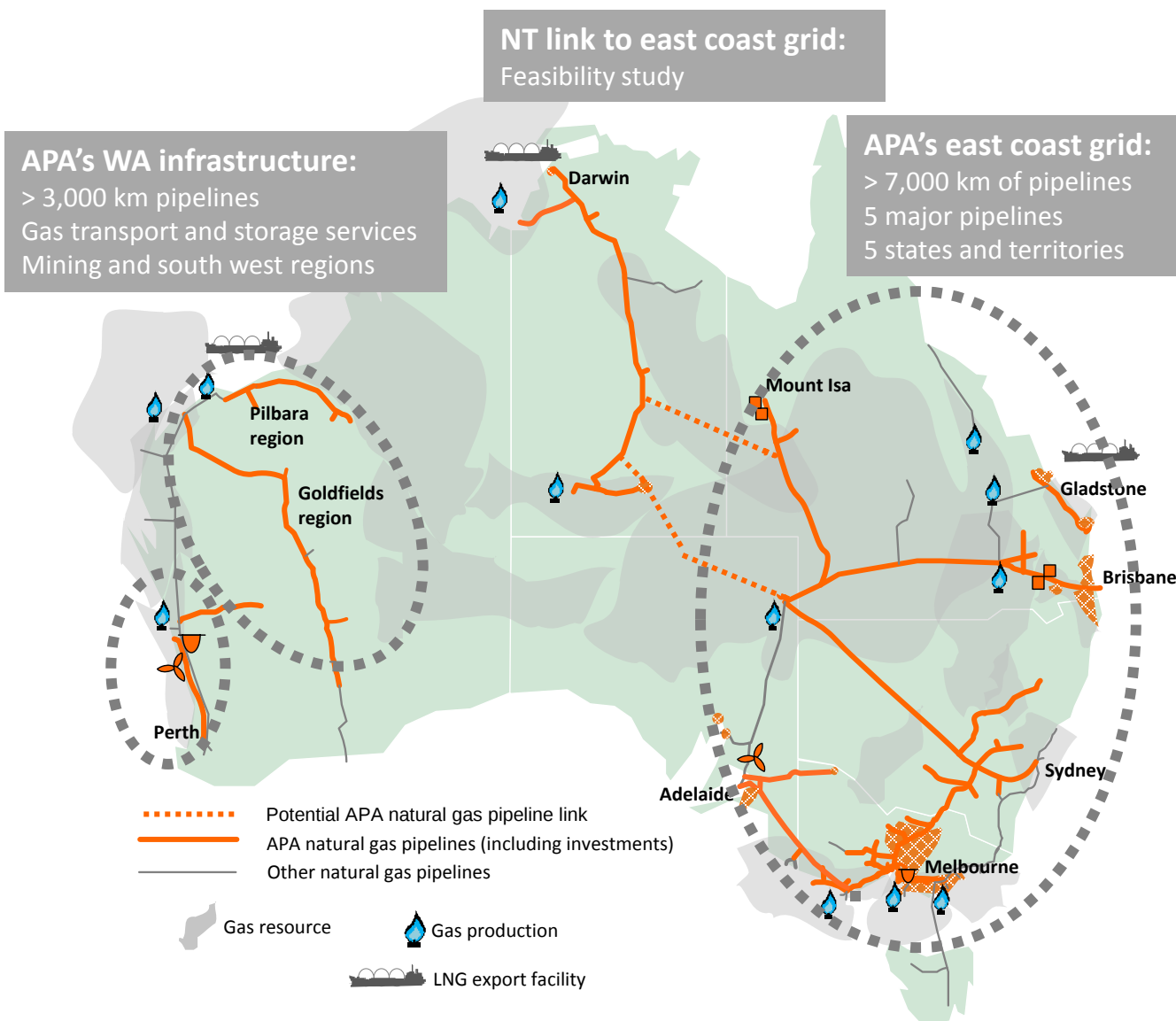
Developing a national integrated portfolio, ...



- Strategy of expanding and enhancing APA's gas infrastructure portfolio
 - Foundation assets - \$1.3 billion
 - + acquisitions
 - + greenfield developments
 - + organic expansions
 - partial divestments
 - APA assets today - \$7.8 billion ⁽¹⁾
- Developing complementary assets that enhance APA's portfolio
 - Energy assets adjacent to APA's infrastructure
- Leveraging knowledge and skill base
 - Operating \$12.2 billion of assets
- Strengthening balance sheet
 - Maintaining investment grade credit rating

(1) As at 31 December 2013

... well positioned in a dynamic energy market



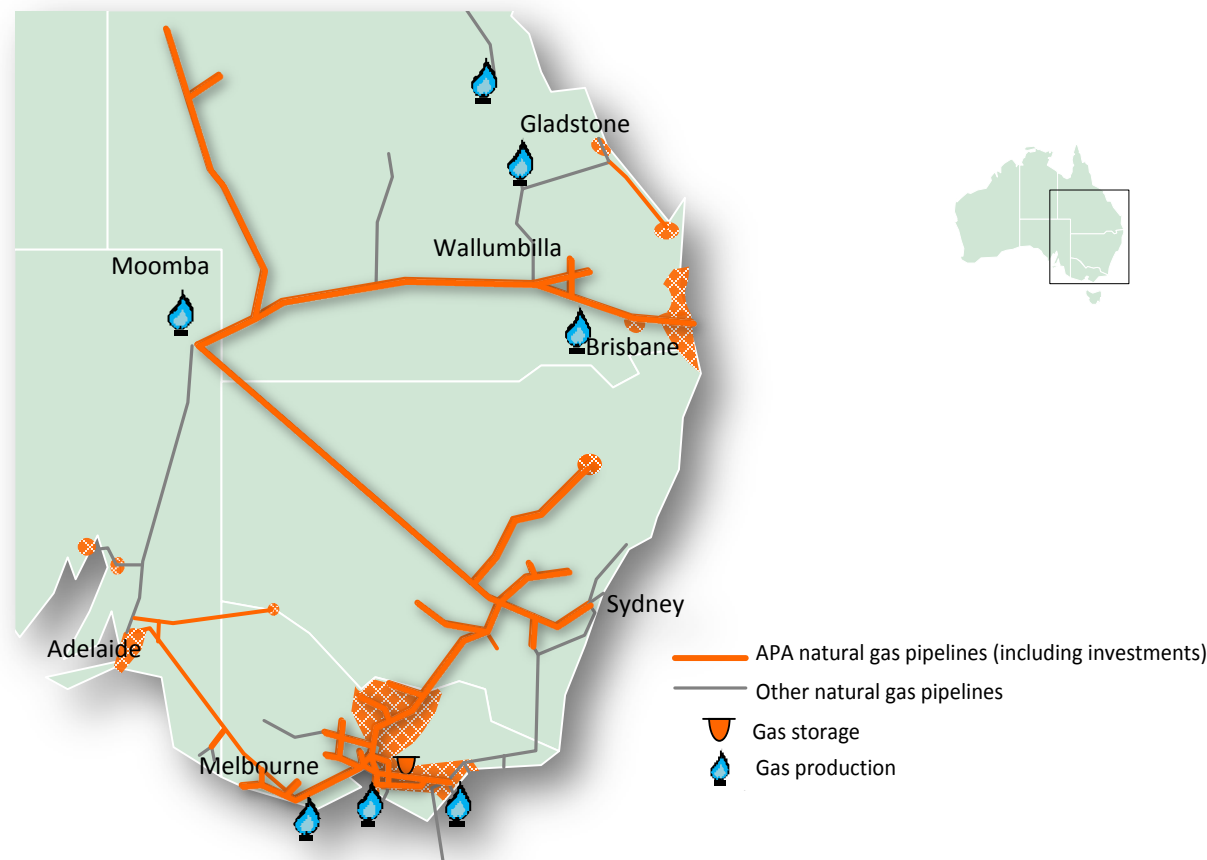
- East coast grid
 - Interconnected transmission pipelines operating as one system
 - Seamless service capability across 30 receipt points and 100 delivery points
 - Attractive growth and revenue opportunities
- West Australian infrastructure
 - Pipelines serving mining regions
 - Interconnected gas storage and transportation to Perth
- NT pipeline link
 - APA feasibility study: Connecting APA's pipelines to facilitate gas flow across regions

Seamless gas delivery and storage services

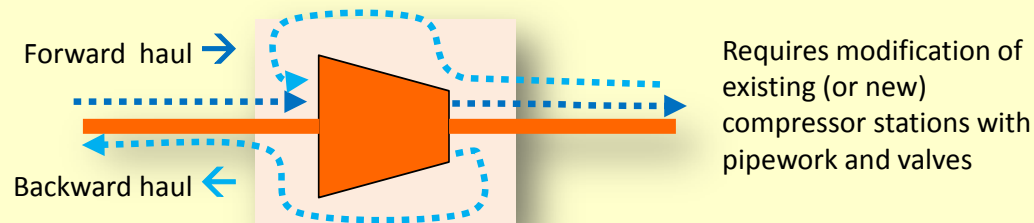
East coast grid adapting to and driving market changes

- Seamless services across the grid
 - Multi-pipeline gas transportation agreements
 - Storage services
 - Flexibility to manage gas supply and demand portfolios
 - Capacity trading

- Optimising grid infrastructure and operation
 - Expanding capacity - Victoria
 - Configuring multiple pipelines to operate as a single pipeline - Queensland
 - Compression expansions – Wallumbilla hub and Moomba
 - Developing bi-directional capability



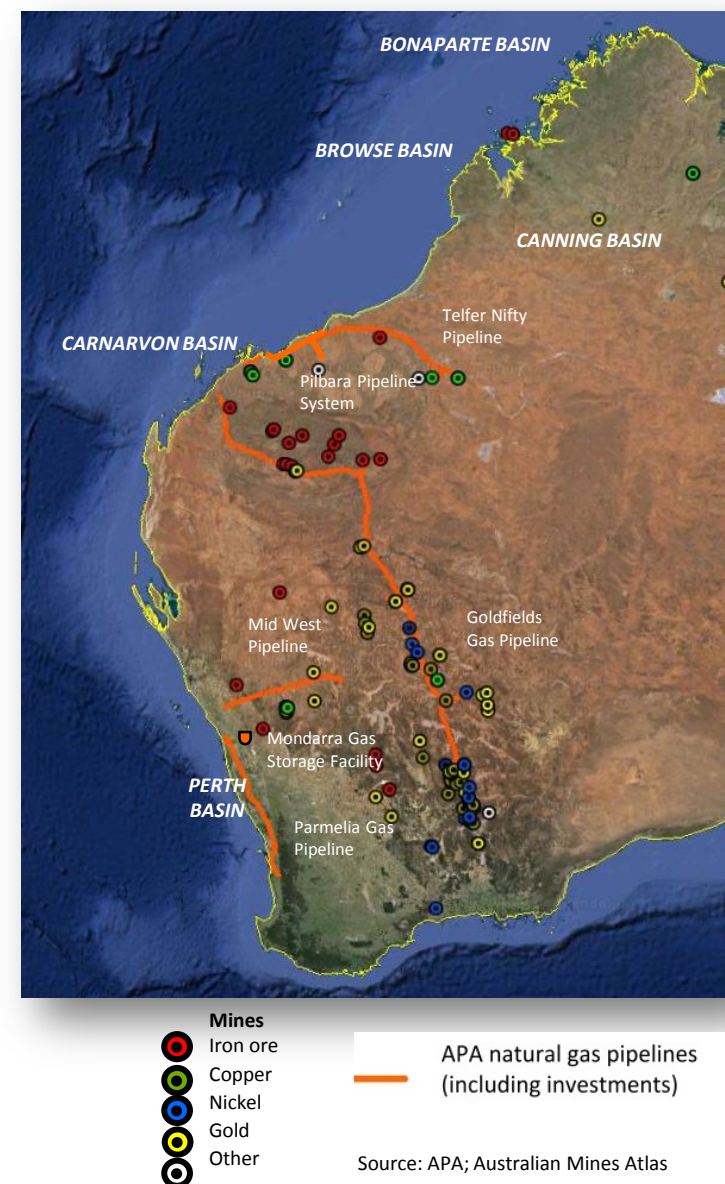
Developing bi-directional capability



WA portfolio serving mining and Perth regions

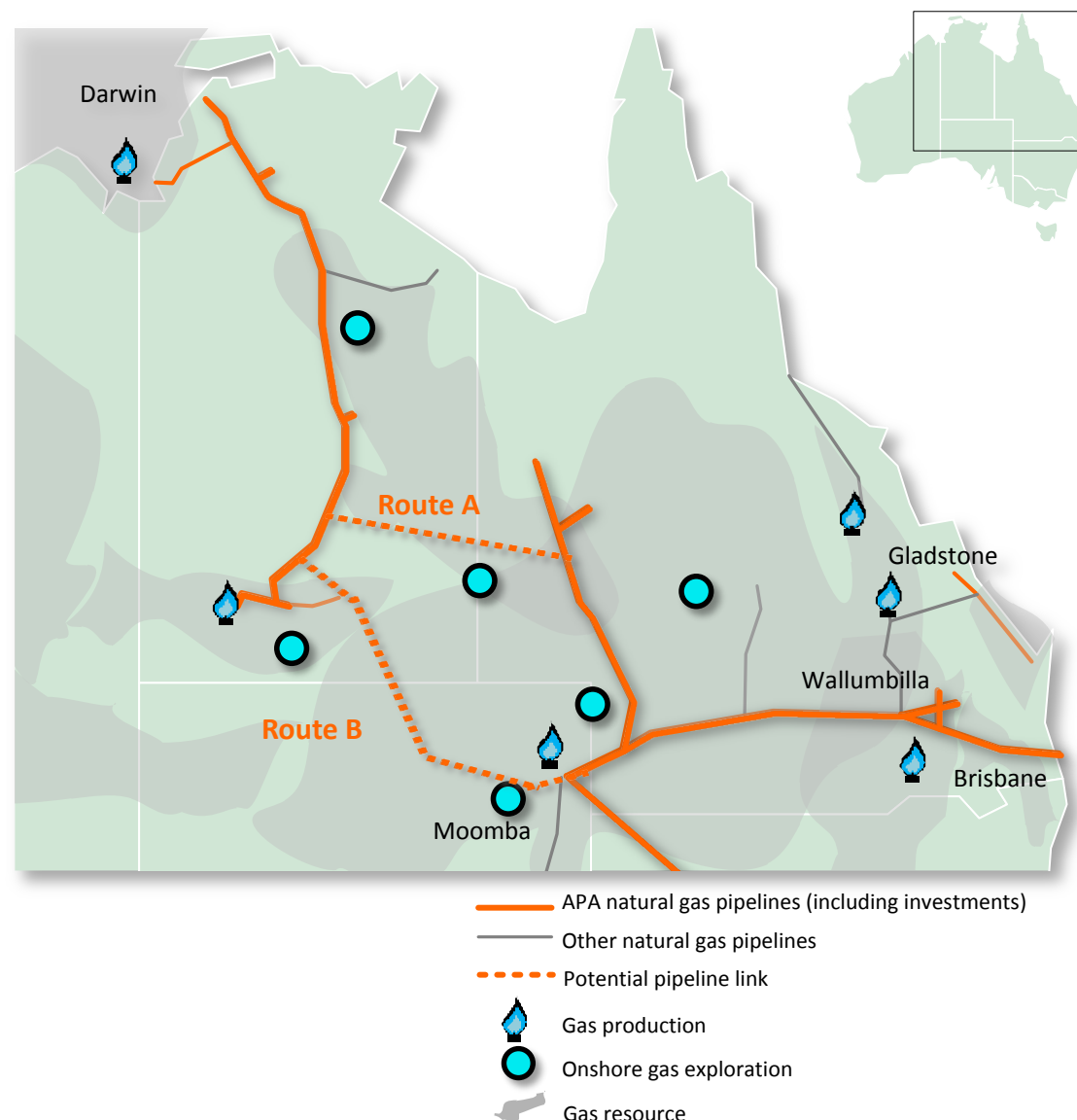
- Major gas pipeline infrastructure serving the mining regions – Pilbara and Goldfields
 - Goldfields Gas Pipeline capacity increase - underwritten by 20 year and 15 year contracts with Rio Tinto and Mt Newman JV
 - Contract renewals – Murrin Murrin Operations (GlencoreXstrata) 15-year gas transportation contract
 - Growth driven by new mine developments, existing mine expansions and fuel conversion from diesel to gas for power generation
- Gas supply security for the Perth and coastal region
 - Mondarra Gas Storage Facility expansion completed July 2013 – underpinned by 20 year contract (Synergy)
- Infrastructure close to new and potential gas sources
 - Carnarvon, Gorgon and Canning basins

Gas basins and operating mines near APA's pipelines, WA



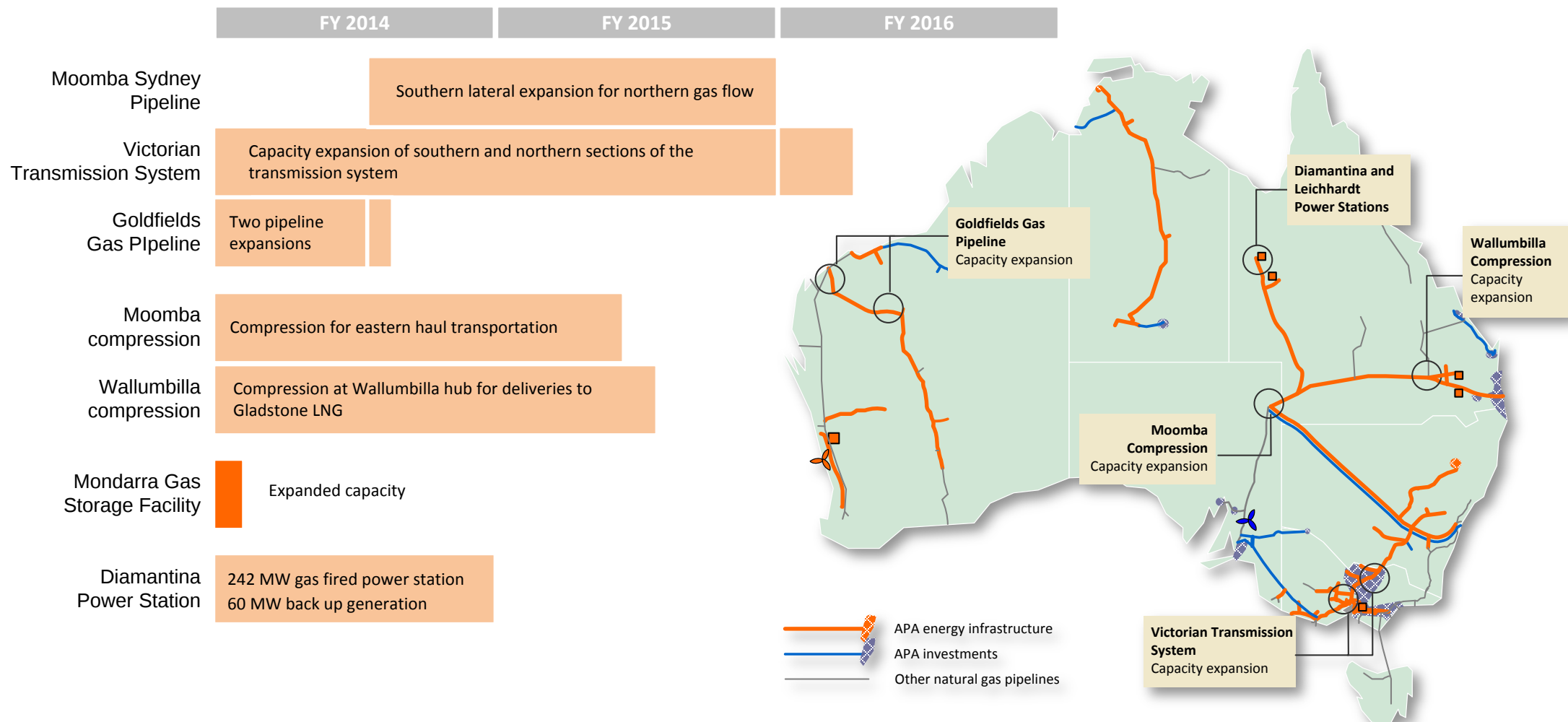
Connecting eastern and northern regions

- 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 commenced
 - Route selection
 - Engineering
 - Commercial viability



Developing growth capital projects across Australia

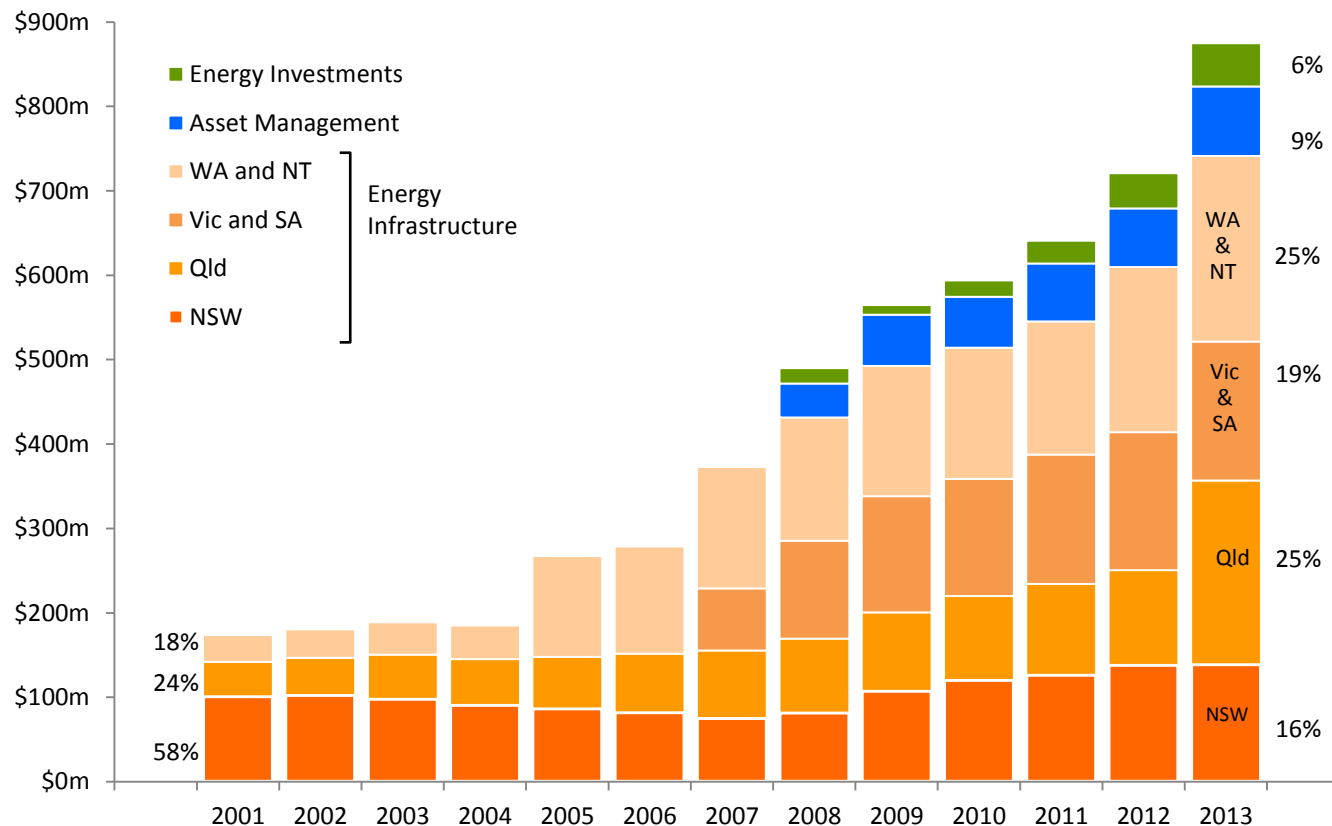
- Continued expansion and enhancement of APA's gas infrastructure portfolio
 - Growth opportunities unique to APA
- Committed projects underwritten by long term revenue contracts and/or regulatory arrangements



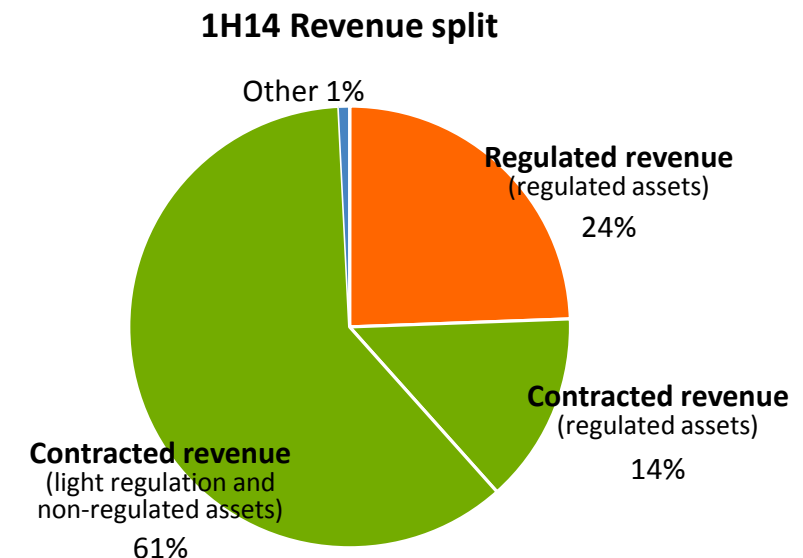
Revenue security and diversity

- Diversified revenue base – single assets supply no more than 20% of revenue
- Revenue secured by long term take-or-pay contracts or regulatory arrangements

Revenue by business segment ⁽¹⁾



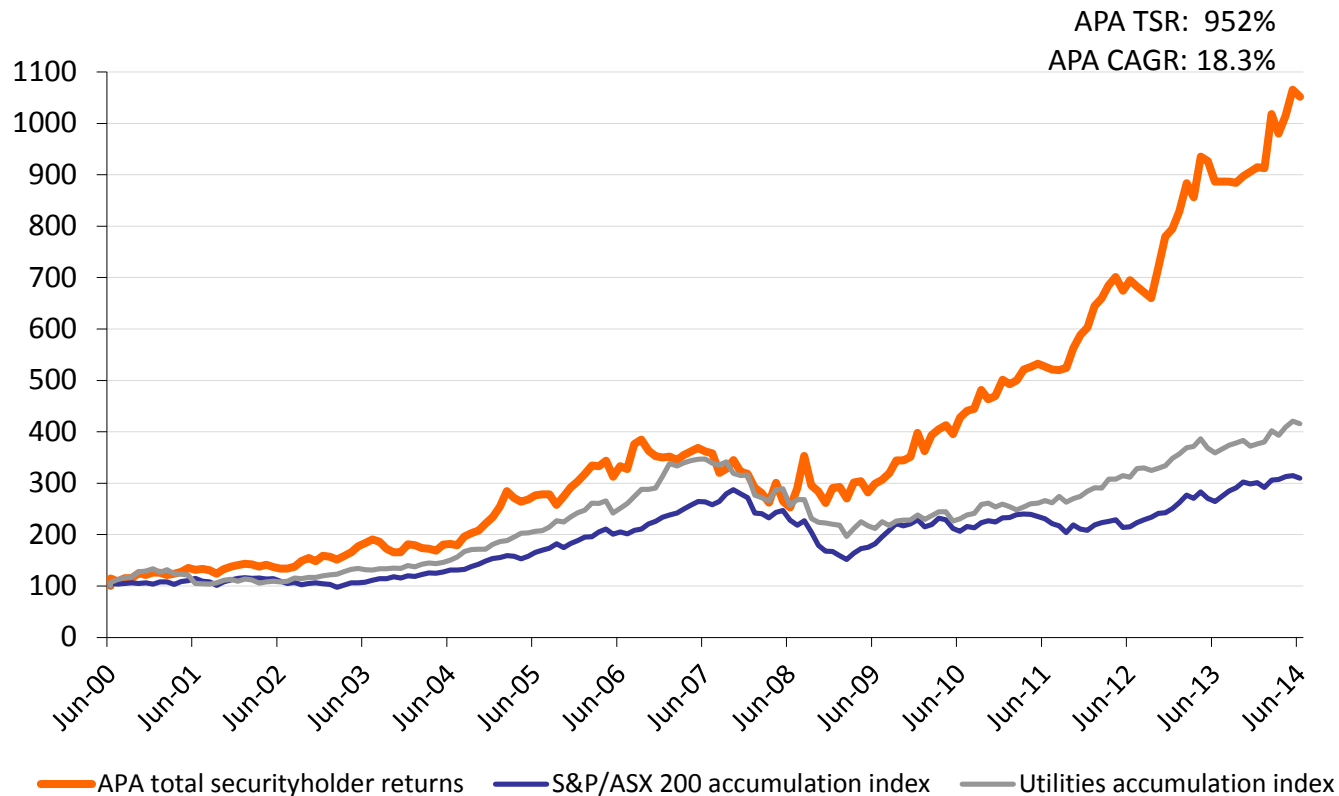
(1) Excludes pass-through revenue and divested businesses



Growth, value and security for securityholders

- Stable and growing distributions
- Outperforming market returns

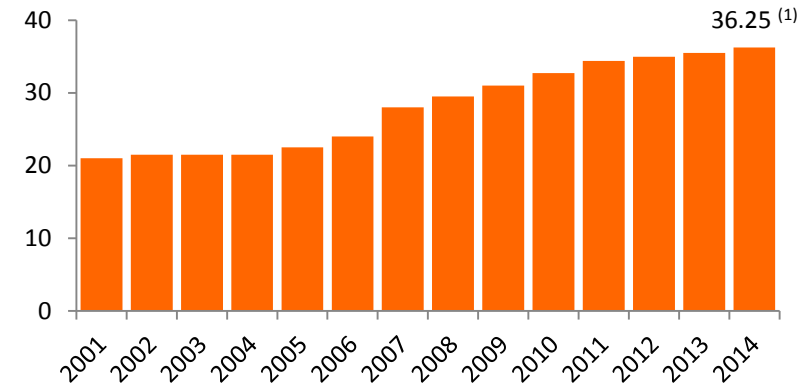
Total securityholder returns since listing



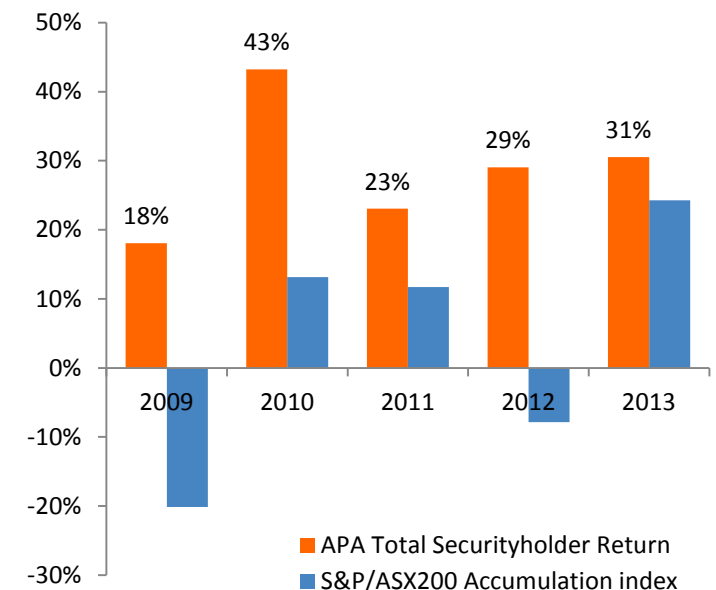
Indexed to 100 from listing date, 13 June 2000 to 13 June 2014
Source: APA based on IRESS data

(1) Based on interim distribution of 17.5 cents per security and estimated final distribution of 18.75 cents per security

Distributions
(cents per security)



Total annual returns





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