APA Group

APA gas transmission assets equipped to adapt and grow

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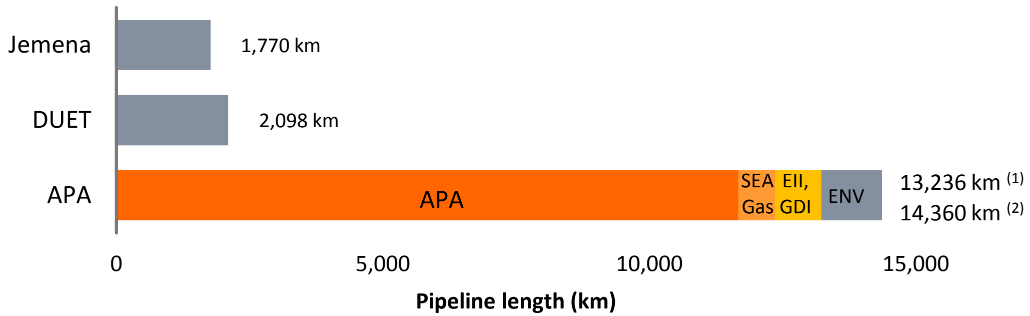
About APA Group

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
  - Operating approximately a third of the nation's gas distribution networks
- Other related energy infrastructure
  - Developed and acquired complementary energy infrastructure

Australian gas transmission pipeline ownership



(1) APA pipelines and 100% of the pipelines which form part of its Energy Investments
(2) Pipelines operated by APA, including Envestra

Source: APA & AER State of the Energy Market 2013

APA (September 2014)	
Market capitalisation	A$6.6 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 14,360 km transmission pipelines Underground and LNG gas storage **Gas distribution** 27,160 km gas network pipelines 1.3 million gas consumers **Other energy infrastructure** 430 MW power generation 239 km HV electricity transmission Gas processing plants
Employees	More than 1,600
Operator	Operator of APA's assets and investments

APA's long term strategy

Strategy is focused on our core business of gas pipeline 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

Maintaining strong financial capability

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

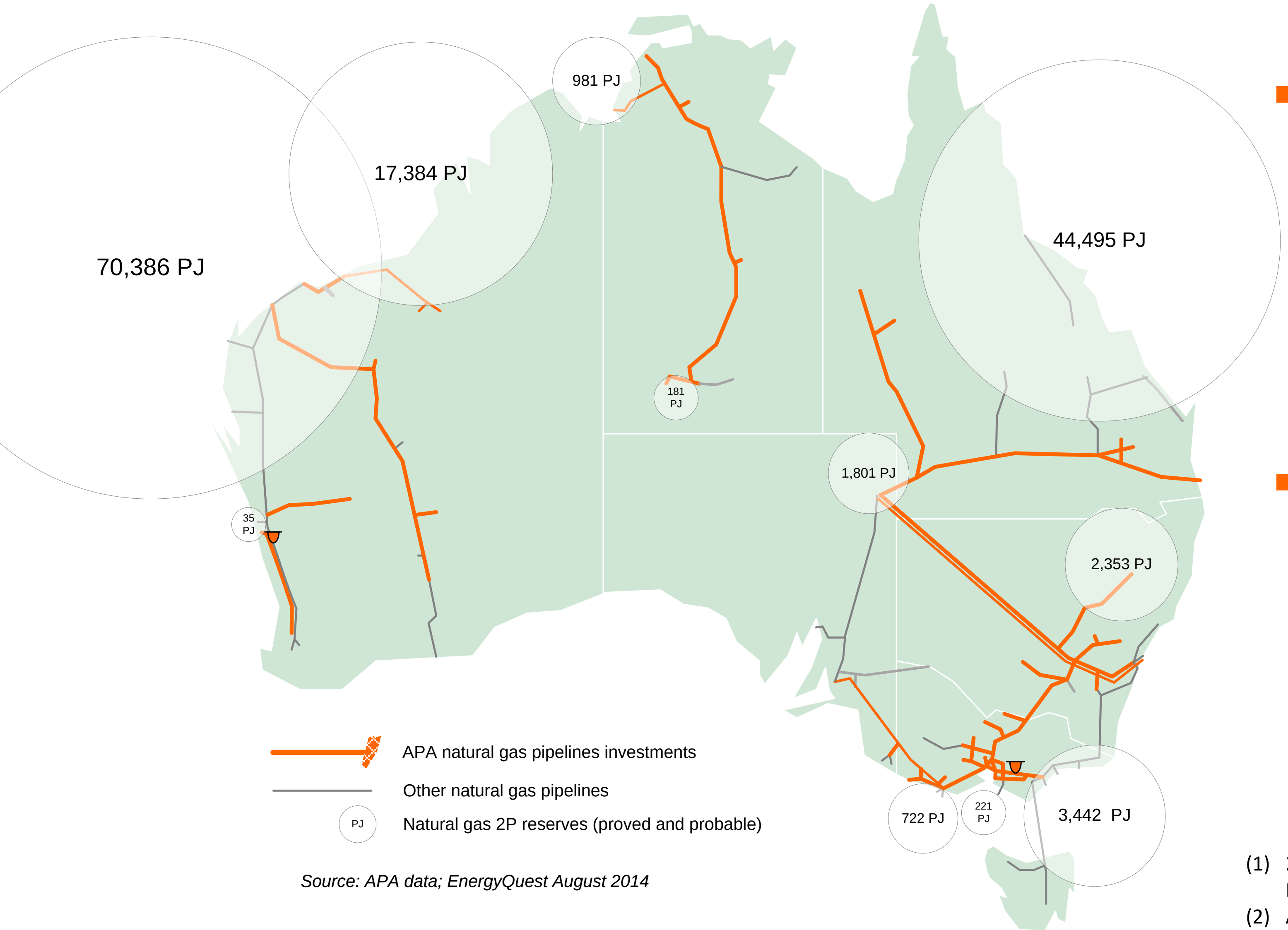
Value creation and innovation

- Developing opportunities in a dynamic industry
- Industry leading expertise

FY14 highlights

- → $1 billion of organic projects completed or in progress
- → New multi-pipeline revenue agreements
- → Installing bi-directional capability
- → Enhancing and improving operations and maintenance

Australian gas industry – abundant supply



Source: APA data; EnergyQuest August 2014

Supply fundamentals remain strong

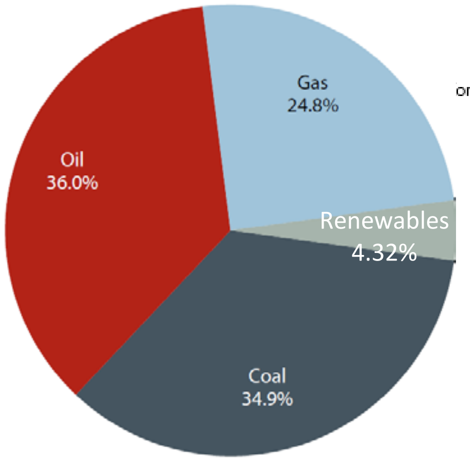
- Proven and probable gas reserves total 142,000 PJ (1)
  - Domestic gas use for 2013 was 1,110 PJ(1)
  - A further 1,090 PJ(1) of gas was used for LNG export
  - → More than 50 years of gas available at current levels of domestic use and export
- Identified gas resources exceed 430,000 PJ (2)
  - → Almost 200 years of gas available at current levels

(1) 2012 gas production, LNG production and gas reserves: EnergyQuest, August 2014
(2) As at January 2011: BREE Gas Market Report, July 2012,

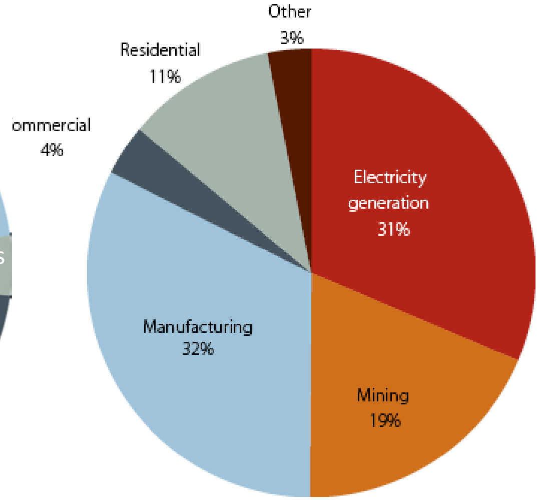
Australian gas industry – domestic and export demand

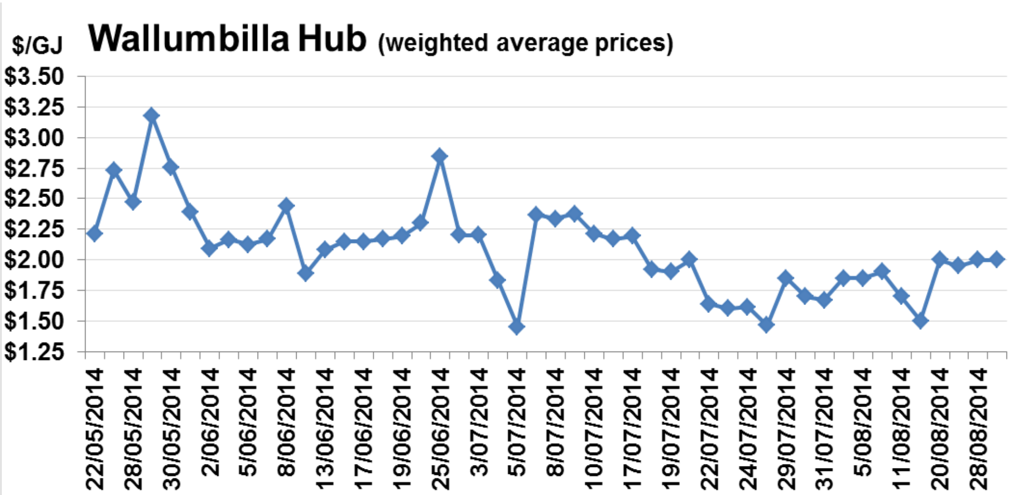
- Australia's gas production, consumption and exports are all projected to grow over the period to 2034–35
- Differing views on the rates of growth given short term market challenges
  - Access to long term gas supply
  - Sharp gas price shifts, up and down
  - Rate of development of new gas sources
- On-shore gas supply for east coast LNG
  - Surat-Bowen basin supply for east coast LNG projects to be supplemented by gas sourced from other inland basins (e.g. Cooper)

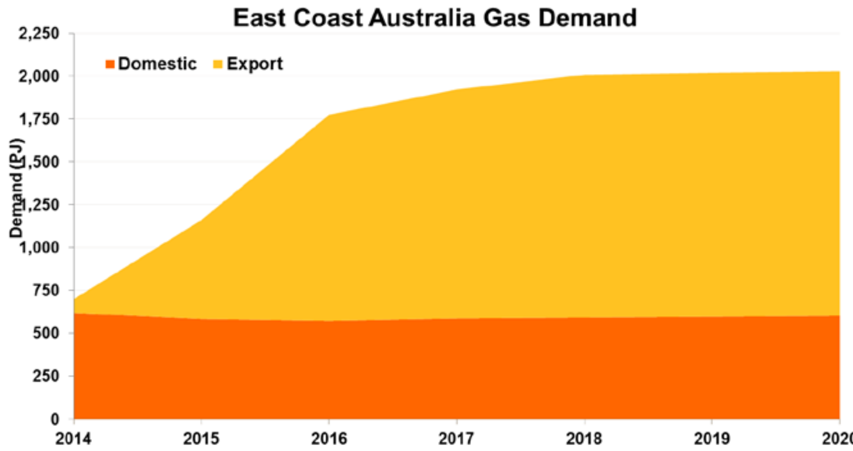
Primary energy consumption in Australia (2010-2011)



Australian primary gas use by sector (2011-12)

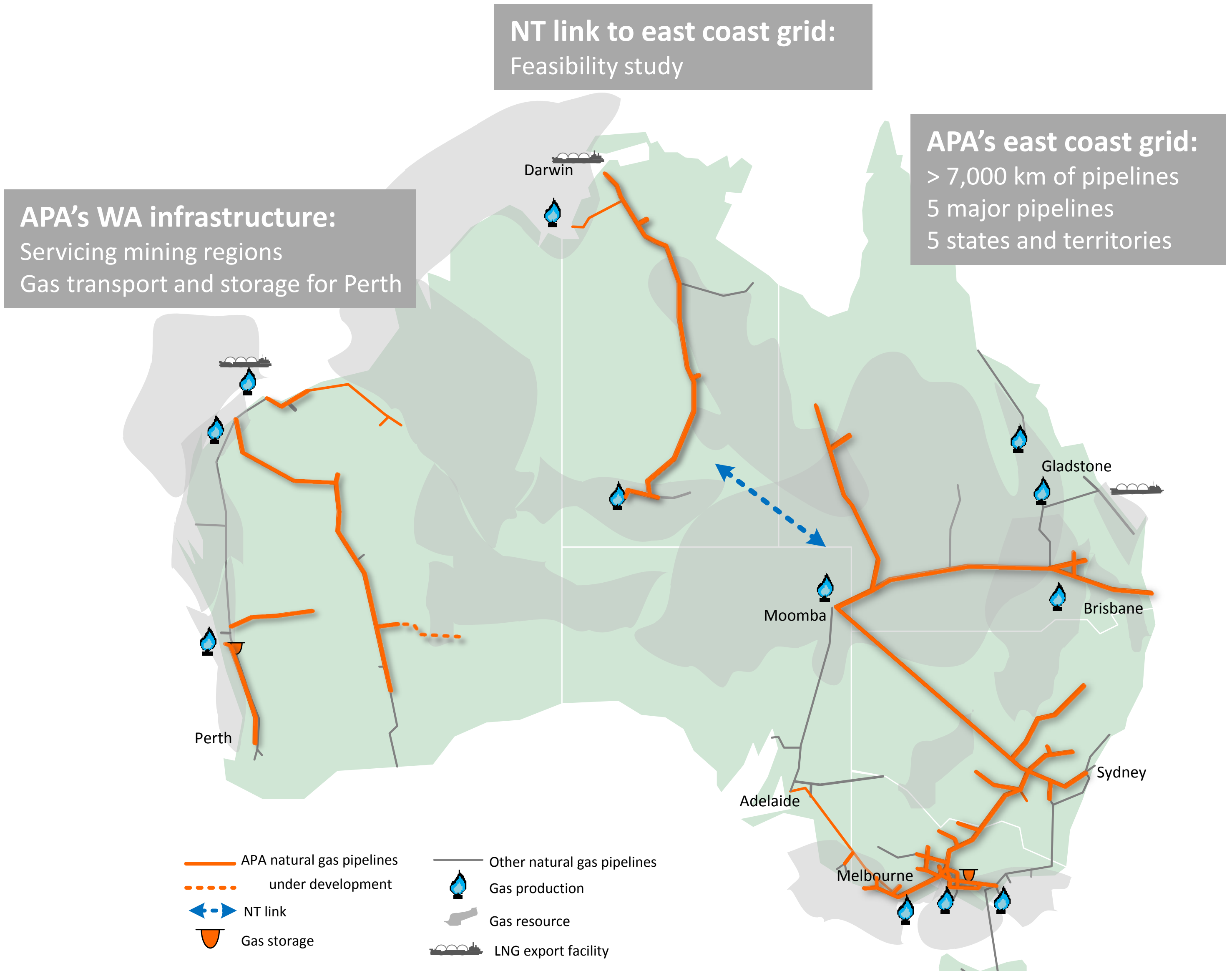






Source: BREE Gas Market Report, July 2012 and October, 2013; "Gas Statement of Opportunities", May 2014, AEMO

Strategic development of pipeline grids

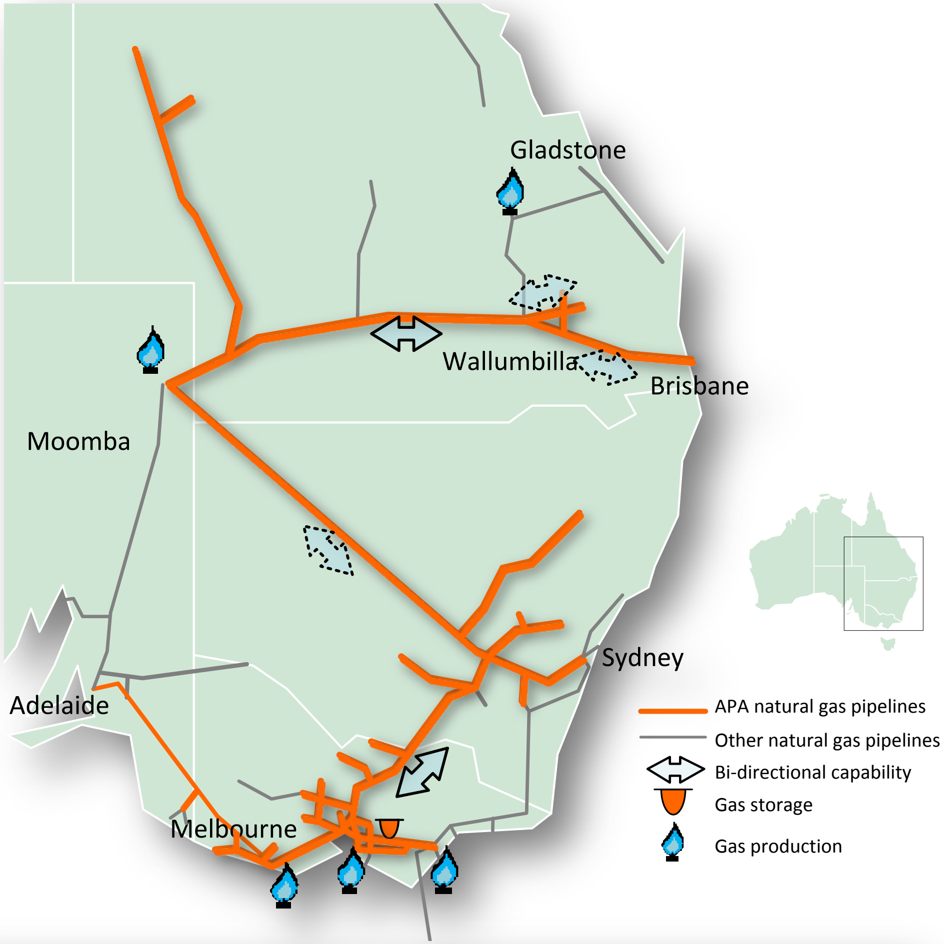


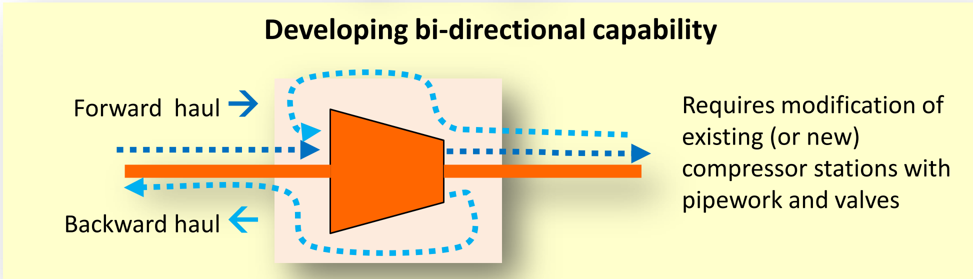
- East coast grid
  - Interconnected transmission pipelines operating as one system
  - Seamless service capability across 30 receipt points and 100 delivery points
  - Attractive growth and revenue opportunities
- West Australian infrastructure
  - Interconnected gas storage and transportation to Perth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

Transformational change in gas delivery and storage services

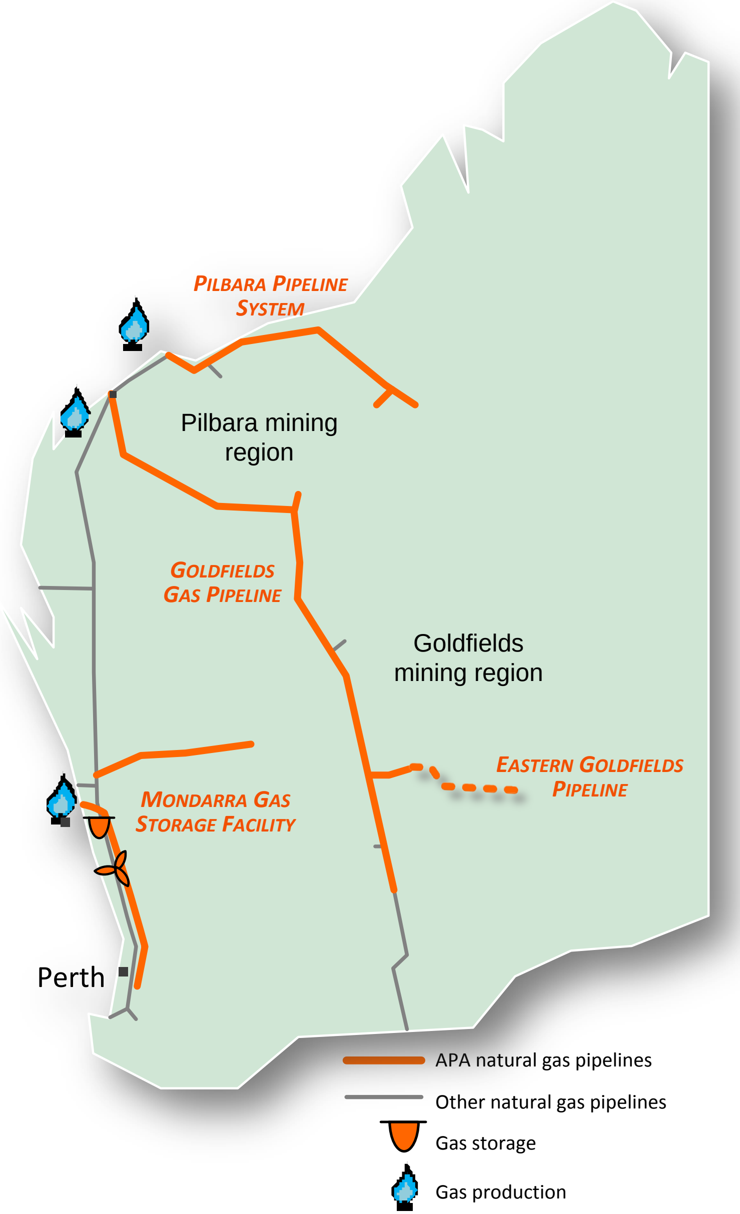
East coast grid services creating value

- Customer take-up of grid services
  - New short and longer term gas transportation agreements across multiple pipelines
  - Storage services available throughout the grid, close to source or end use
  - Flexibility services to manage shifts in gas supply and demand portfolios
  - Capacity trading services added
- Expanding and optimising grid infrastructure and operation
  - Increasing capacity to move gas between Victoria and NSW
  - Increasing compression capacity at Wallumbilla hub and Moomba
  - Progressively configuring pipelines to operate as a single network system
  - Progressively installing bi-directional capability on pipelines across the grid





Developing an integrated Western Australian portfolio



- Gas supply security and flexibility
  - Mondarra Gas Storage Facility expansion commenced commercial operation July 2013
  - Underpinned by 20 year contract with Synergy (electricity generator/retailer)
  - Additional customers utilising storage capacity under shorter term agreements
- Serving mining operations in the Pilbara and Goldfields
  - Goldfields Gas Pipeline increased capacity available for Rio Tinto and Mt Newman JV
  - Murrin Murrin Operations 15-year contract renewal
  - Pilbara Pipeline System lateral expansion for onshore LNG (Sub161)
- Development of the Eastern Goldfields Pipeline
  - New 292km pipeline supplying mining operations in the Goldfields region
  - Capital cost of $140 million underpinned by new long term gas transportation agreements with AngloGold Ashanti

NT link – feasibility study update

Infrastructure

- Preliminary assessment of several possible pipeline routes
- Detailed engineering

Commercial

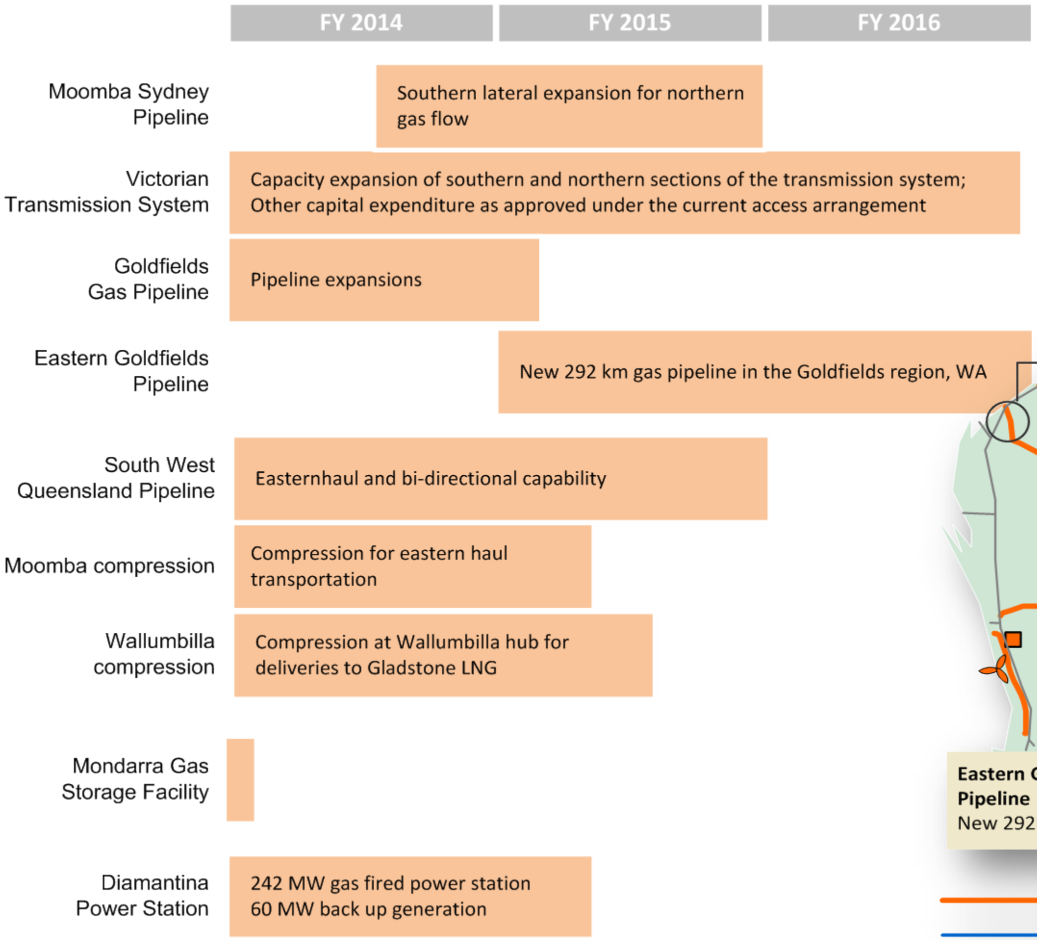
- Early stage discussions with large downstream users on East Coast
- Exploratory discussions with major upstream producers and juniors/explorers

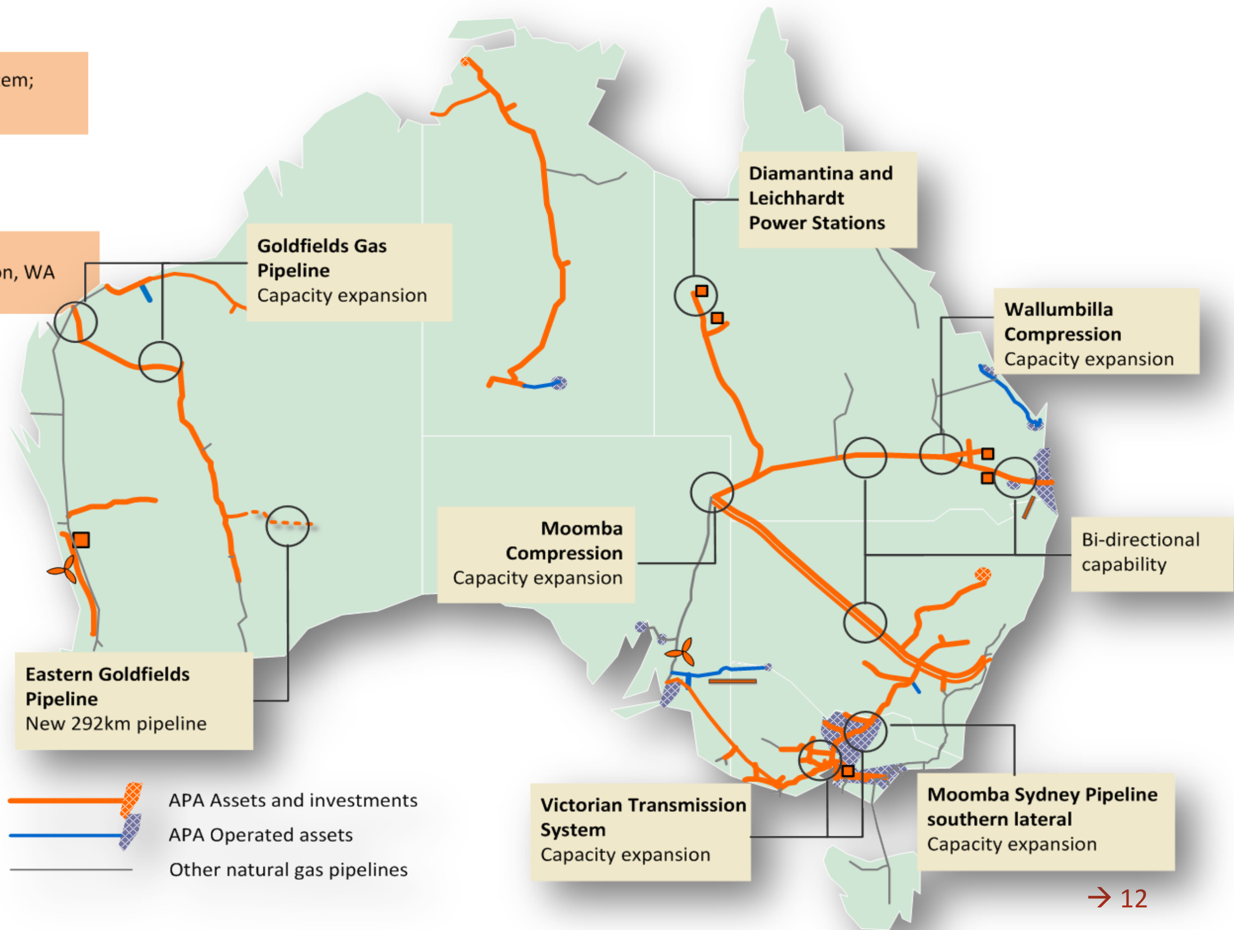
Government

- Ongoing dialogue with government (Federal, State and Territory) and other stakeholders

Developing growth capital projects across Australia

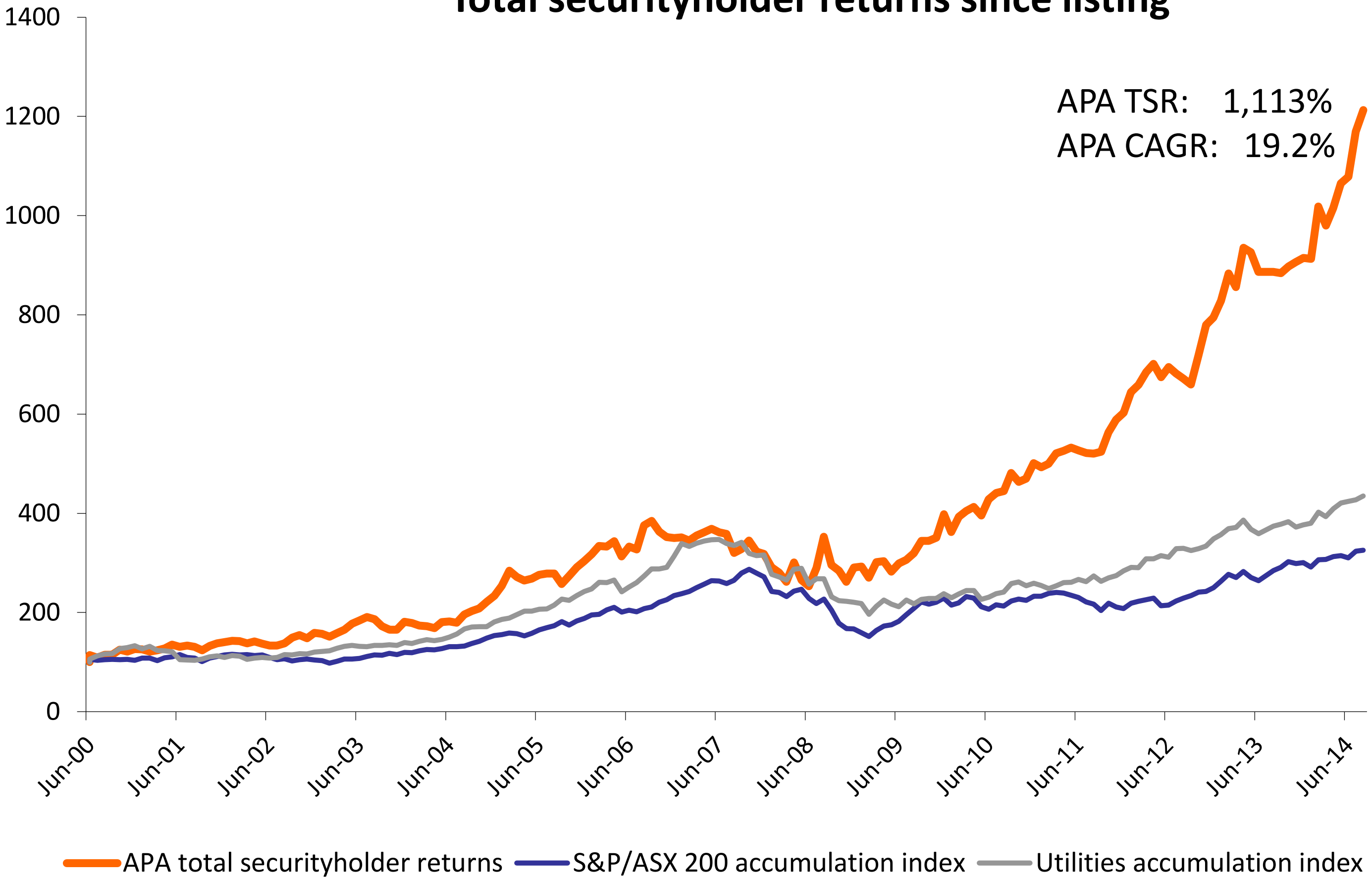
- Continued expansion and enhancement of APA's gas infrastructure portfolio, with many growth opportunities unique to APA – $1 billion capital projects completed or in progress in FY14
- Committed projects underwritten by long term revenue contracts and/or regulatory arrangements





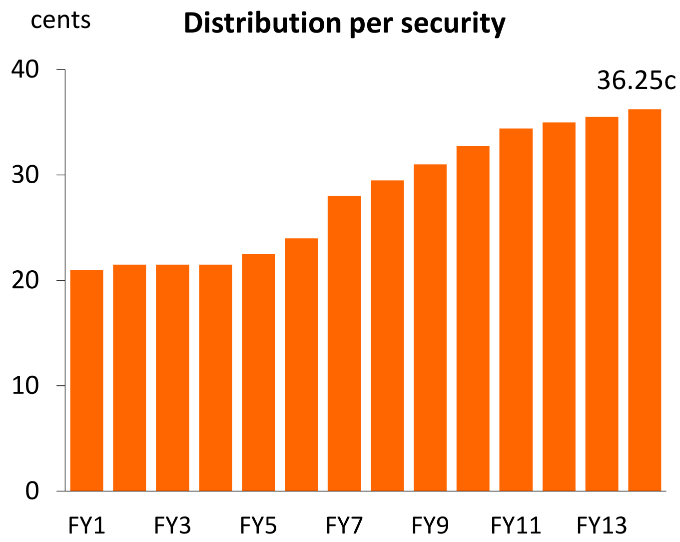
Maximising value for securityholders

Total securityholder returns since listing

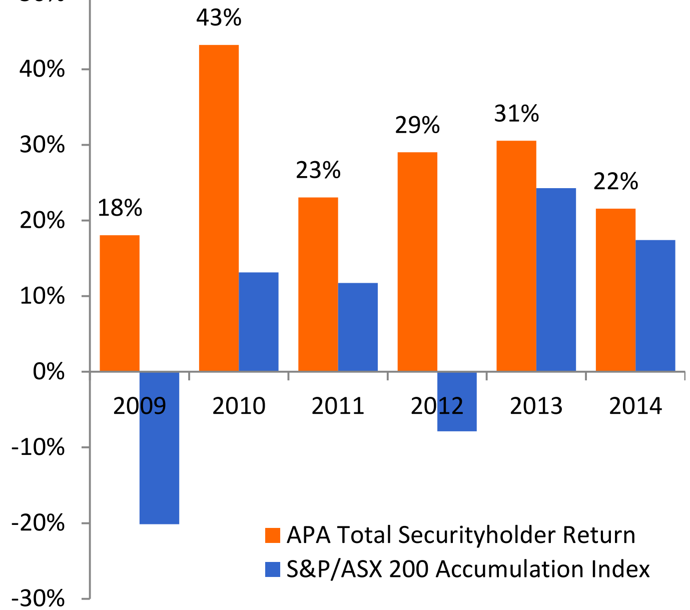


Indexed to 100 from listing date, 13 June 2000 to 29 August 2014
Source: APA based on IRESS data

Distribution per security



Total annual returns



Well positioned and equipped to adapt and grow

- Organic growth
  - Capacity expansions in line with customer requirements
  - Grid enhancement and service developments
- Brownfield and greenfield developments
  - Eastern Goldfields Pipeline
  - NT – east coast grid pipeline link
- East coast LNG
  - East coast grid transportation and storage services
  - Potential pipeline ownership and operation

Diverse and interconnected portfolio

National infrastructure development and operational capability

Balance sheet strength

APA Group

Delivering Australia's energy

For further information contact

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or visit APA's website www.apa.com.au