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ASX ANNOUNCEMENT 15 December 2014

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA successfully completes the institutional component of its 1 for 3 pro rata accelerated renounceable entitlement offer

APA Group (ASX: APA) is pleased to announce the completion of the institutional component (**Institutional Entitlement Offer**) of its fully underwritten 1 for 3 accelerated renounceable entitlement offer of new APA stapled securities (**New Securities**) to raise approximately A$1,839 million (**Entitlement Offer**).

Summary of the Institutional Entitlement Offer and institutional shortfall bookbuild

- Institutional Entitlement Offer and institutional shortfall bookbuild completed raising gross proceeds of approximately A$860 million through the issue of approximately 130 million New Securities;
- The Institutional Entitlement Offer attracted strong demand with approximately 93% take-up by eligible institutional securityholders; and
- Entitlements not taken up by eligible institutional securityholders and entitlements of ineligible institutional securityholders were sold and cleared in the institutional shortfall bookbuild at A$7.65 per entitlement. The clearing price equates to a $1.05 per security premium to the offer price of A$6.60 and a 2.1% premium to TERP[1] of A$7.50 per security.

APA Chief Financial Officer, Peter Fredricson said, "We are very pleased with the support shown by our institutional investors in relation to the Entitlement Offer. Funds raised through the Entitlement Offer will be applied to partially fund the consideration paid for the acquisition of the QCLNG pipeline."

"We now look forward to completing the retail component of the entitlement offer, and finalising the QCLNG pipeline acquisition during the second quarter of 2015."

The close of the Institutional Entitlement Offer represents the completion of the first stage of APA's A$1,839 million equity raising announced on 10 December 2014.

After a strong take-up by eligible institutional securityholders, the institutional shortfall bookbuild was completed on 12 December 2014 and was well supported by eligible institutional securityholders. The bookbuild clearing price was $7.65 per security. Eligible institutional securityholders who elected not to take up their entitlements, and ineligible

[1] TERP is the theoretical price at which APA stapled securities should trade immediately after the ex-date for the Entitlement Offer. The TERP is calculated having regards to the Offer ratio and placement securities and by reference to APA's closing price on 9 December 2014, excluding the FY15 estimated interim distribution of 17.5 cents per security announced on 10 December 2014.

institutional securityholders, will receive $1.05 for each entitlement sold for their benefit in the institutional shortfall bookbuild.

The New Securities to be issued as part of the Institutional Entitlement Offer will be allotted on 23 December 2014 and trading is expected to commence on that day. At allotment the New Securities issued under the Institutional Entitlement Offer and Retail Entitlement Offer (defined below) will rank equally with existing APA stapled securities. Existing APA stapled securities will commence trading on an ex-distribution basis on 22 December 2014 and as such the New Securities will not be entitled to the recently announced distribution for the six months ended 31 December 2014.

Retail Entitlement Offer and retail shortfall bookbuild

The retail component of the Offer (**Retail Entitlement Offer**) will open on 16 December 2014 and is expected to raise approximately $979 million. The Retail Entitlement Offer will close at 5.00pm (Sydney time) on Thursday, 15 January 2015. Eligible retail securityholders will have the opportunity to participate at the same price and offer ratio as the Institutional Entitlement Offer based on the number of APA stapled securities (**Entitlement**) held on the record date of 7.00pm (Sydney time) Monday, 15 December 2014.

Retail Entitlements that are not taken up by eligible retail securityholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail securityholders will be sold through the retail shortfall bookbuild on Tuesday, 20 January 2015 (**Retail Shortfall Bookbuild**).

Any proceeds of sale in excess of the offer price will be remitted proportionally to renouncing and ineligible securityholders (net of any applicable withholding tax). There is no guarantee that there will be any proceeds. The ability to sell entitlements under the bookbuild process and the ability to obtain any premium will be dependent upon various factors, including market conditions at the time of the bookbuild.

Eligible retail securityholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and the accompanying personalised Entitlement and Acceptance Form, which are expected to be despatched to eligible retail securityholders on Wednesday, 17 December 2014.

Recommencement of trading

APA securities are expected to resume trading on ASX from market open today.

Entitlement Offer Indicative Timetable

Event	Date
Announcement of Entitlement Offer and trading halt	Wednesday, 10 December 2014
Institutional Entitlement Offer	Wednesday, 10 December 2014 – Thursday, 11 December 2014
Institutional Entitlement Offer Shortfall Bookbuild	Friday, 12 December 2014
Trading halt lifted	Monday, 15 December 2014
Record date for the Entitlement Offer	7.00pm, Monday, 15 December 2014
Retail Entitlement Offer opens	9.00am, Tuesday, 16 December 2014
Retail Offer Booklet despatched	Wednesday, 17 December 2014
Early Retail Acceptance Date for eligible retail securityholders	5.00pm, Friday, 19 December 2014
Settlement of the Institutional Entitlement Offer and Retail Entitlement Offer for applications which have been received by the Early Retail Acceptance Date (**Initial Settlement Date**)	Monday, 22 December 2014
Dividend ex-date for FY 2015 interim distribution	Monday, 22 December 2014
Initial New Securities issued under the Institutional Entitlement Offer and Retail Entitlement Offer for applications which have been received by the Early Retail Acceptance Date commence trading on ASX (**Initial Allotment**)	Tuesday, 23 December 2014
Despatch to securityholders of confirmation of issue for Initial Allotment	Tuesday, 23 December 2014
Retail Entitlement Offer closes (**Final Retail Closing Date**)	5.00pm, Thursday, 15 January 2015
Retail Bookbuild (expected to be after market close)	Tuesday, 20 January 2015
Settlement of remaining New Securities under Retail Entitlement Offer (**Final Settlement Date**)	Tuesday, 27 January 2015
Allotment of remaining New Securities under the Retail Entitlement Offer (**Final Allotment**)	Wednesday, 28 January 2015
Remaining New Securities issued under the Final Allotment commence trading on ASX on a normal settlement basis	Thursday, 29 January 2015
Despatch to securityholders of confirmation of issue under the Final Allotment and Retail Premium (if any)	Thursday, 29 January 2015

The above timetable is indicative only and subject to change. All dates and times are Sydney time. APA reserves the right to vary these dates or to withdraw the Entitlement Offer at any time. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, APA, in consultation with the Underwriters, reserves the right to amend this timetable at any time, including extending the closing date of the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice. Any extension of the closing date will have a consequential effect on the issue date of the New Securities. The commencement of quotation of New Securities is subject to confirmation from ASX.

Mark Knapman
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Australian Pipeline Limited

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating in excess of $12 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, Energy Infrastructure Investments and GDI.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

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

Important Information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

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