APA Group

Financial Results
Half year ended 31 December 2014

25 February 2015

Results overview and strategic highlights

Mick McCormack
Managing Director and CEO

Sound financial performance

$ million	1H 15	1H 14	Change	
Statutory results				
EBITDA	849.6	398.9	up	113%
Net profit after tax	467.3	120.7	up	287%
Operating cash flow (1)	280.4	208.3	up	35%
Operating cash flow per security (cents)	31.9	24.1	up	32%
Normalised results (2)				
EBITDA from continuing operations	401.3	369.2	up	9%
Net profit after tax	111.2	120.7	down	8% (4)
Operating cash flow (1)	263.2	216.6	up	22%
Operating cash flow per security (cents)	30.0	25.0	up	20%
Distributions				
Distribution per security (cents)	17.5	17.5		
Distribution payout ratio (3)	55.6%	67.5%		

(1) Operating cash flow = net cash from operations after interest and tax payments.
(2) Normalised results exclude one-off significant items, reflecting APA's core earnings from operations .
(3) Distribution payout ratio = total distribution payments as a percentage of normalised operating cash flow.
(4) Primarily as a result of exclusion of earnings and tax on distributions from Envestra.

Connected infrastructure creating value and opportunity

- Strengthening our capabilities in a dynamic market
  - Expanding, extending and enhancing our infrastructure portfolio
  - Additional, smart capabilities in our pipeline grid, including storage, interconnection and bi-directional flow
  - Inter-connecting multiple markets with multiple resources
  - Maintaining a strong balance sheet
- Continuing to be innovative and flexible
  - Assisting clients with managing dynamic gas market conditions, particularly through the current LNG ramp up phase
  - Increasing asset utilisation
- Industry leading expertise
  - Comprehensive in-house infrastructure expertise and skills – infrastructure development, engineering, operations, commercial – across all of the assets we own and operate

HY15 highlights

- **SWQP and GGP expansions** driving enhanced returns
- **$300-400 million p.a. organic growth projects**
- Strong track record and reputation, evidenced by **contract retention and extension**
- Successful bid for the **QCLNG Pipeline** – providing a more direct access to LNG component of the east coast market
- Successful **completion of $1.8bn equity raising and $4bn 2-yr bridge debt facility**, demonstrating strong stakeholder confidence in APA's strategy and balance sheet strength

QCLNG – long term contract gives access to new volumes

- Acquisition complements APA's existing East Coast grid
  - Long term contracts with two highly credit-worthy counterparties
  - Immediate access to new volumes and full revenue upon commissioning
  - Possibility of additional interconnection points with APA's east coast grid
  - Potential for APA to further enhance efficiency with operatorship

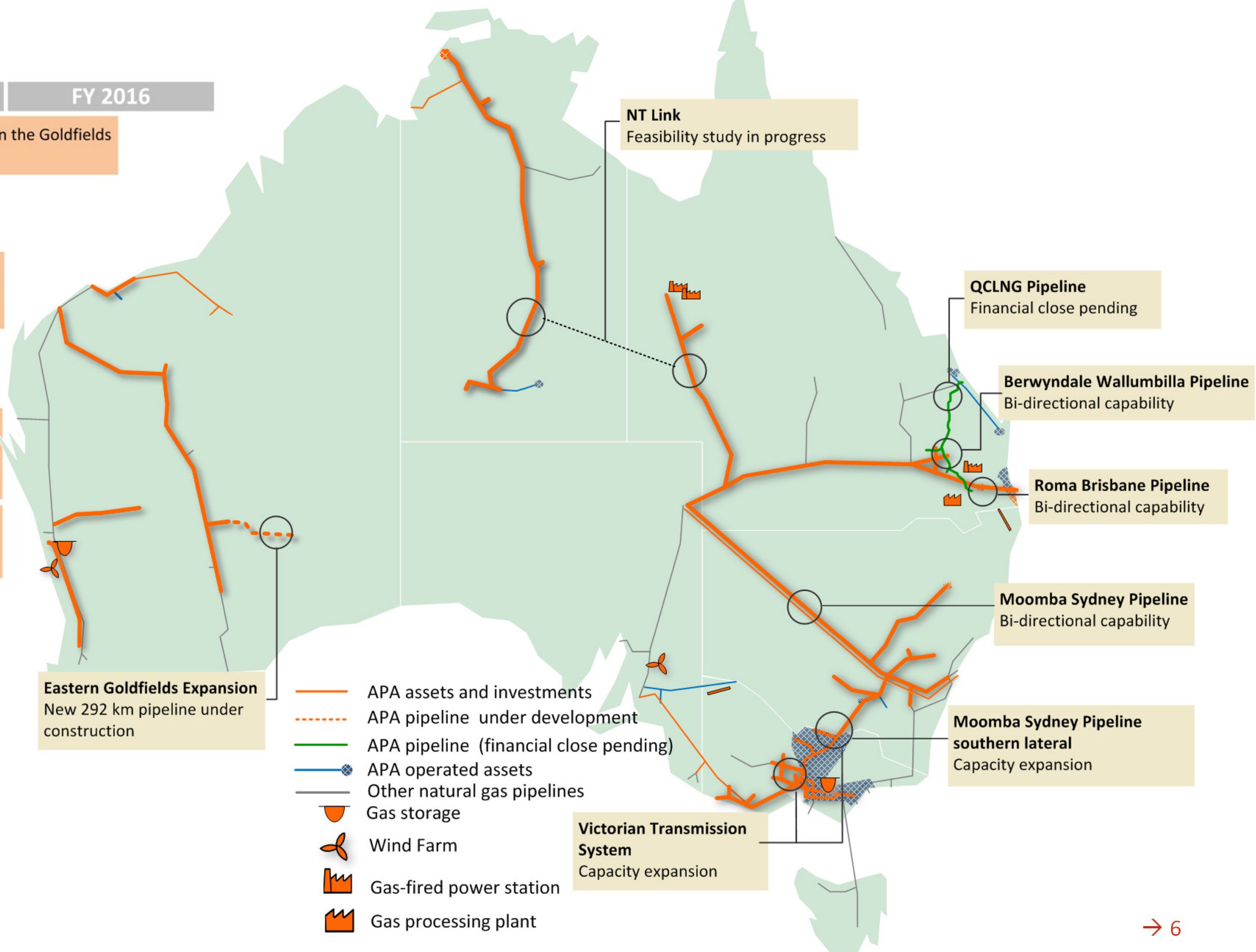
- Acquisition financing running to plan
  - $1.8bn equity raising successfully completed in January 2015
  - US$4bn 2-year bridge debt facility in place at the time of announcement, gives ample time to term out competitively in the global debt capital markets

Delivery station for BG Group's Curtis Island LNG Facility

Developing growth capital projects across Australia

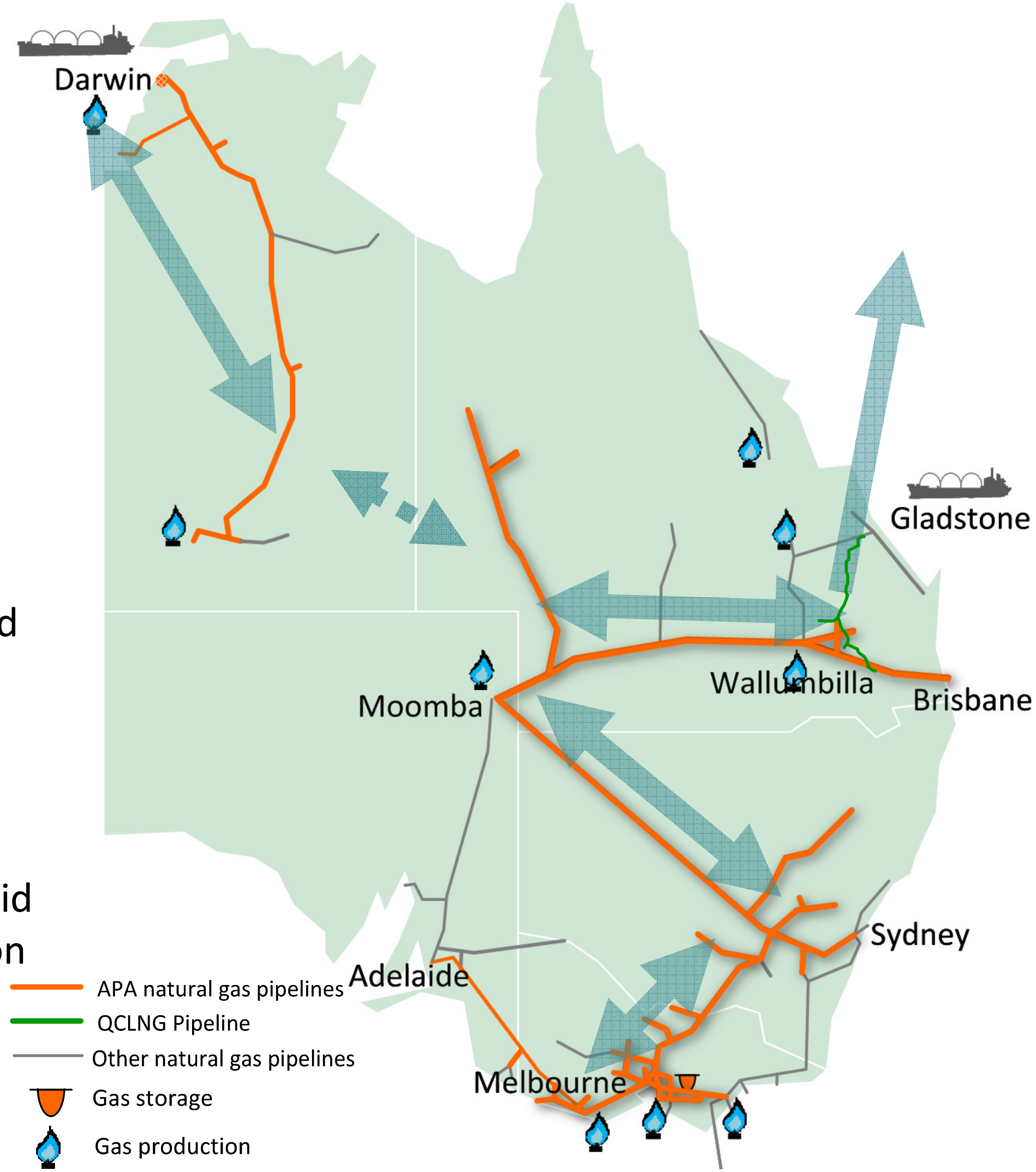
- Continued expansion and enhancement of APA's gas infrastructure portfolio, with many growth opportunities unique to APA
- Committed projects underwritten by long term revenue contracts and/or regulatory arrangements

	FY 2014	FY 2015	FY 2016
Eastern Goldfields Pipeline		New 292 km gas pipeline in the Goldfields region, WA	
Goldfields Gas Pipeline	Pipeline expansions	Completed 1H 15	
Moomba Sydney Pipeline	Southern lateral expansion for northern gas flow; Bi-directional capability		
Moomba compression	Compression for eastern haul transportation	Completed 1H 15	
Victorian Transmission System	Southern and northern section capacity expansion; Other capital expenditure as approved under the current access arrangement		
Roma Brisbane Pipeline	Bi-directional capability		
South West Queensland Pipeline	Eastern Haul (including Berwyndale Wallumbilla Pipeline bi-directional flow) and additional compression capacity for deliveries to Gladstone LNG	Completed 1H 15	
Diamantina Power Station	242 MW gas fired power station 60 MW back up generation	Completed 1H 15	



East coast grid – connecting multiple markets with multiple resources

- Provision of flexibility during dynamic market conditions for gas
  - SWQP expansion already delivering
  - NSW – VIC connection expansion under way
  - Flexible services to move gas where it is needed on the east coast
  - Feasibility study continues on NT Link
  - Bi-directional capability being implemented
- QCLNG Pipeline acquisition enhances footprint and provides access to new volumes to Gladstone
  - Connection points with the existing APA grid will provide further flexibility for foundation shippers and future opportunities for APA



APA Group

Financial performance

Peter Fredricson
Chief Financial Officer

Reconciliation – statutory and normalised results

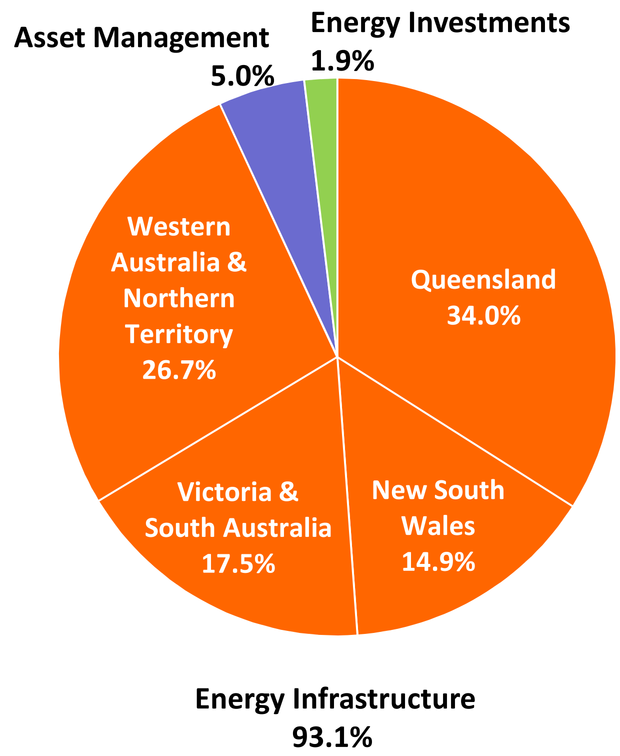
$ million	1H 15			1H 14			Change
	Normalised	Significant items	Statutory	Normalised	Significant items	Statutory	Normalised
Revenue excluding pass-through[1]	522.7	-	522.7	509.6	-	509.6	3 %
EBITDA – continuing businesses[2]	401.3	17.2	418.5	369.2	-	369.2	9 %
EBITDA – divested business[3]	1.0	430.0	431.0	29.7	-	29.7	n/m
EBITDA	402.3	447.2	849.6	398.9	-	398.9	1 %
Depreciation and amortisation	(88.5)	-	(88.5)	(74.7)	-	(74.7)	19 %
EBIT	313.8	447.2	761.1	324.2	-	324.2	(4) %
Net interest expense	(151.3)	-	(151.3)	(164.0)	-	(164.0)	(8) %
Pre-tax profit	162.6	447.2	609.8	160.2	-	160.2	2 %
Tax	(51.3)	(91.2)	(142.5)	(39.5)	-	(39.5)	30 %
Non-controlling interests	(0.0)	-	(0.0)	(0.0)	-	(0.0)	0 %
Net profit after tax	111.2	356.0	467.3	120.7	-	120.7	(8) %[4]
Operating cash flow	263.2	17.2	280.4	216.6	(8.3)	208.3	22 %

(1) Pass-through revenue is revenue on which no margin is earned.
(2) Based on continuing business excluding Envestra equity accounted earnings for 1H 14.
(3) EBITDA – divested business includes the net profit on the sale of Envestra ($430 million).
(4) Primarily as a result of exclusion of earnings and tax on distributions from Envestra.

EBITDA by business segment

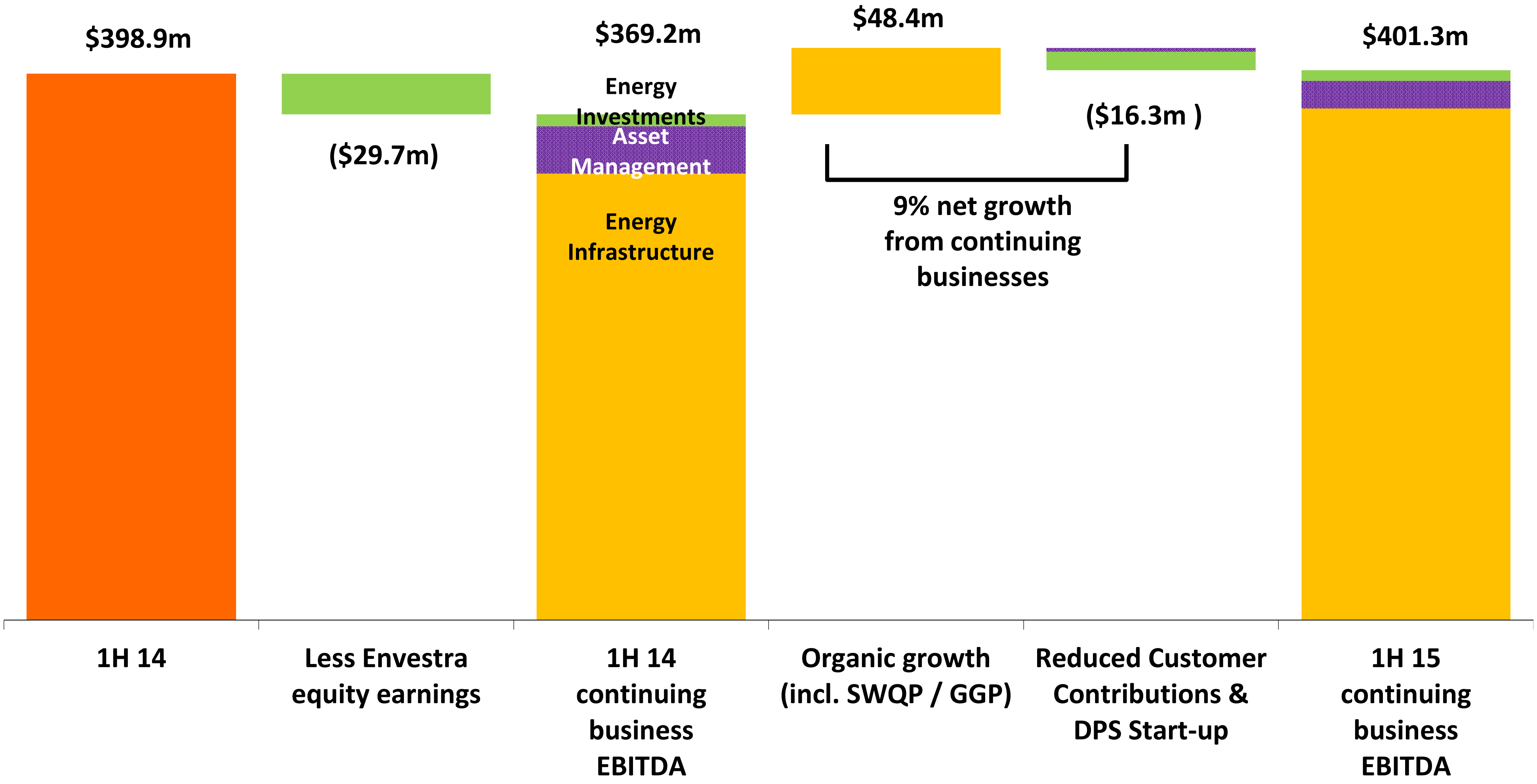
$ million	1H 15[1]	1H 14[1]	Change
Energy Infrastructure			
Queensland	*136.4*	108.8	25%
New South Wales	*59.6*	62.2	(4)%
Victoria & South Australia	*70.3*	62.4	13%
Western Australia & Northern Territory	*107.3*	92.6	16%
Energy Infrastructure total	*373.6*	326.0	15%
Asset Management	*20.1*	34.5	(42)%
Energy Investments	*7.6*	8.7	(12)%
Continuing business EBITDA	***401.3***	**369.2**	**9%**
Divested business [3]	*1.0*	29.7	n/m
Total EBITDA	***402.3***	**398.9**	**1%**

1H 15 EBITDA by business segment[2]



(1) Normalised results.
(2) Continuing business EBITDA only.
(3) Investment in Envestra sold in August 2014.

1H 15 EBITDA Bridge



Energy Infrastructure

Queensland

South West Queensland Pipeline

- Expanded capacity

Moomba compression

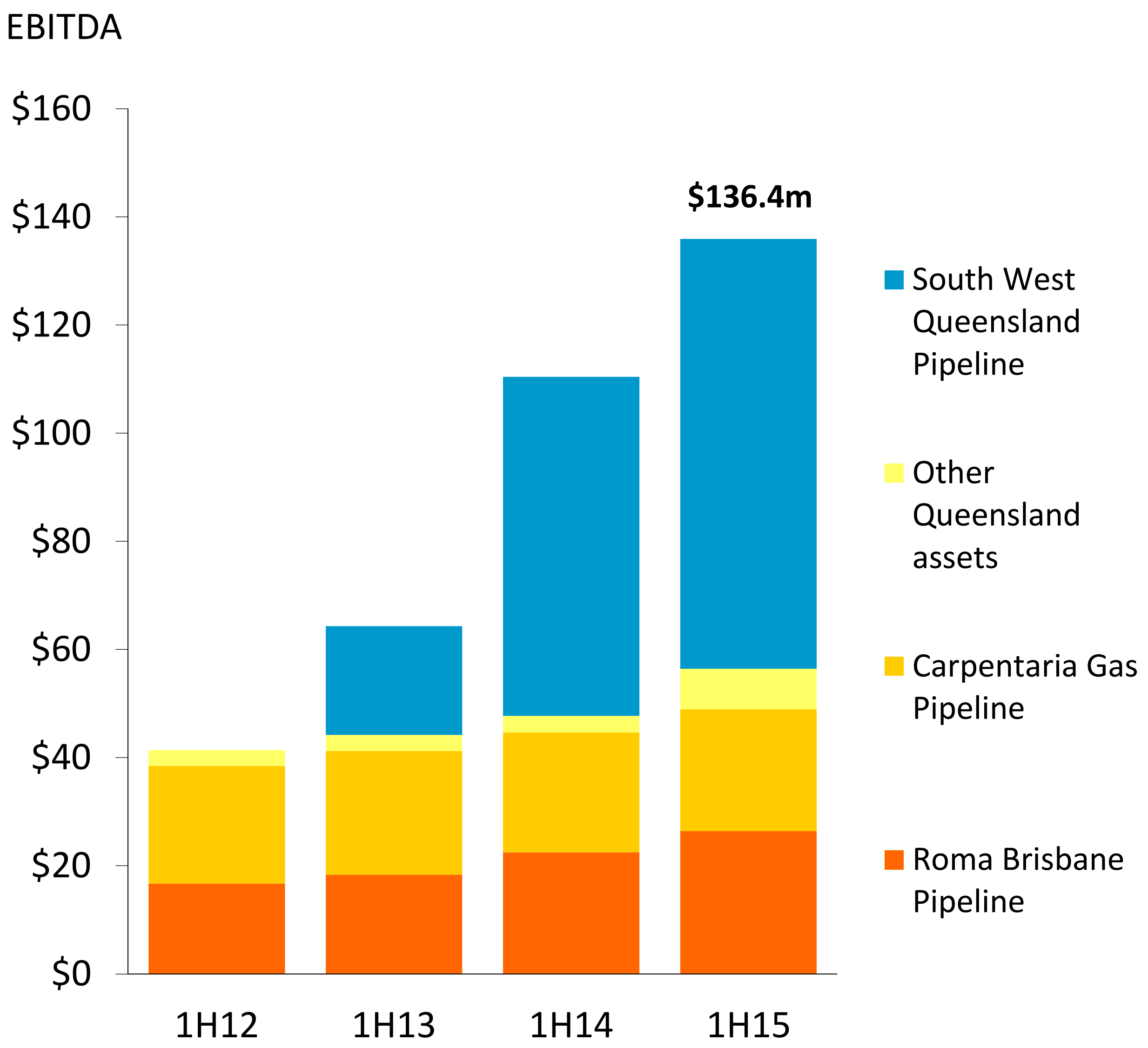
- Complete Sep 2014 and operational

Wallumbilla compression

- Long-term agreement for compression services
- Construction completed in Dec 2014
- Eastern Haul completed Dec 2014

Berwyndale Wallumbilla Pipeline

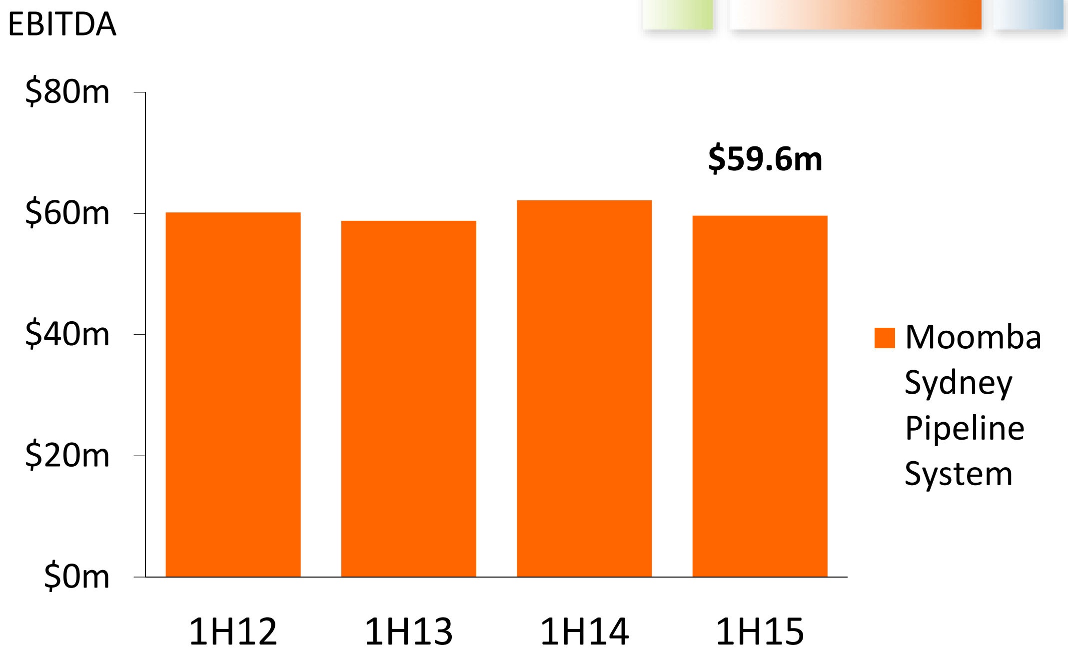
- Bi-directional capability completed



Energy Infrastructure

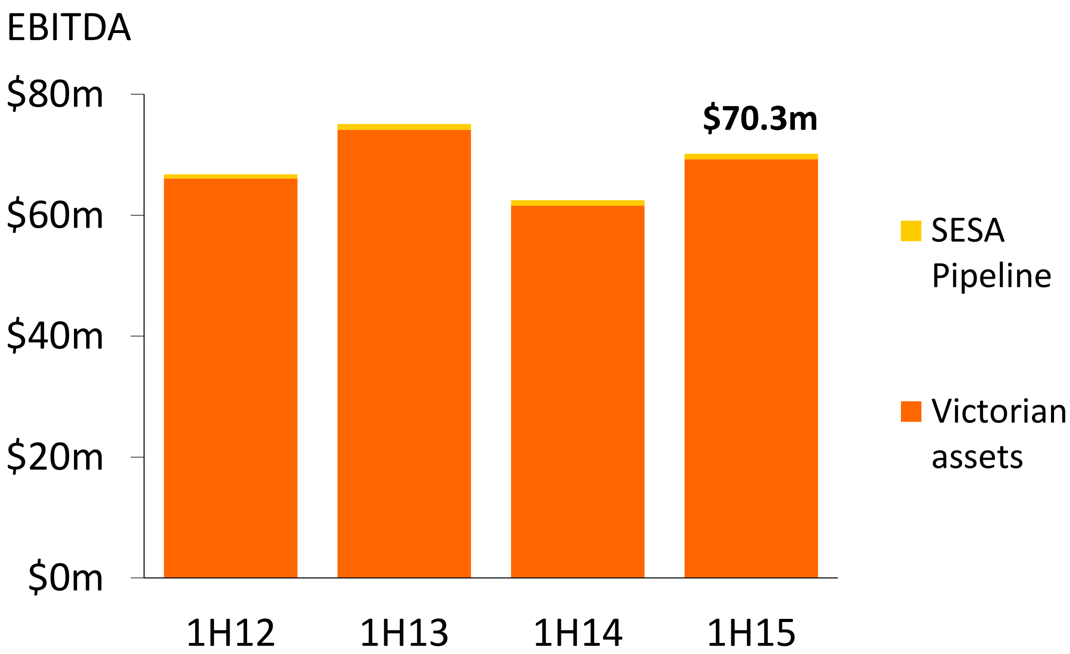
New South Wales

- Three agreements to transport increased gas volumes north from Victoria, two commencing in Jan 2015 and one in May 2015
- New 7-year grid services agreement from Sep 2015, mainly utilising Moomba Sydney Pipeline capacity
- Capacity expansion on southern lateral



Victoria & South Australia

- Capacity expansion of northern interconnect commenced, underpinned by regulated and contracted revenue
- Expansion of the South West Pipeline into Melbourne, completed and commenced operation in Jan 2015



Energy Infrastructure

Western Australia & Northern Territory

Goldfields Gas Pipeline

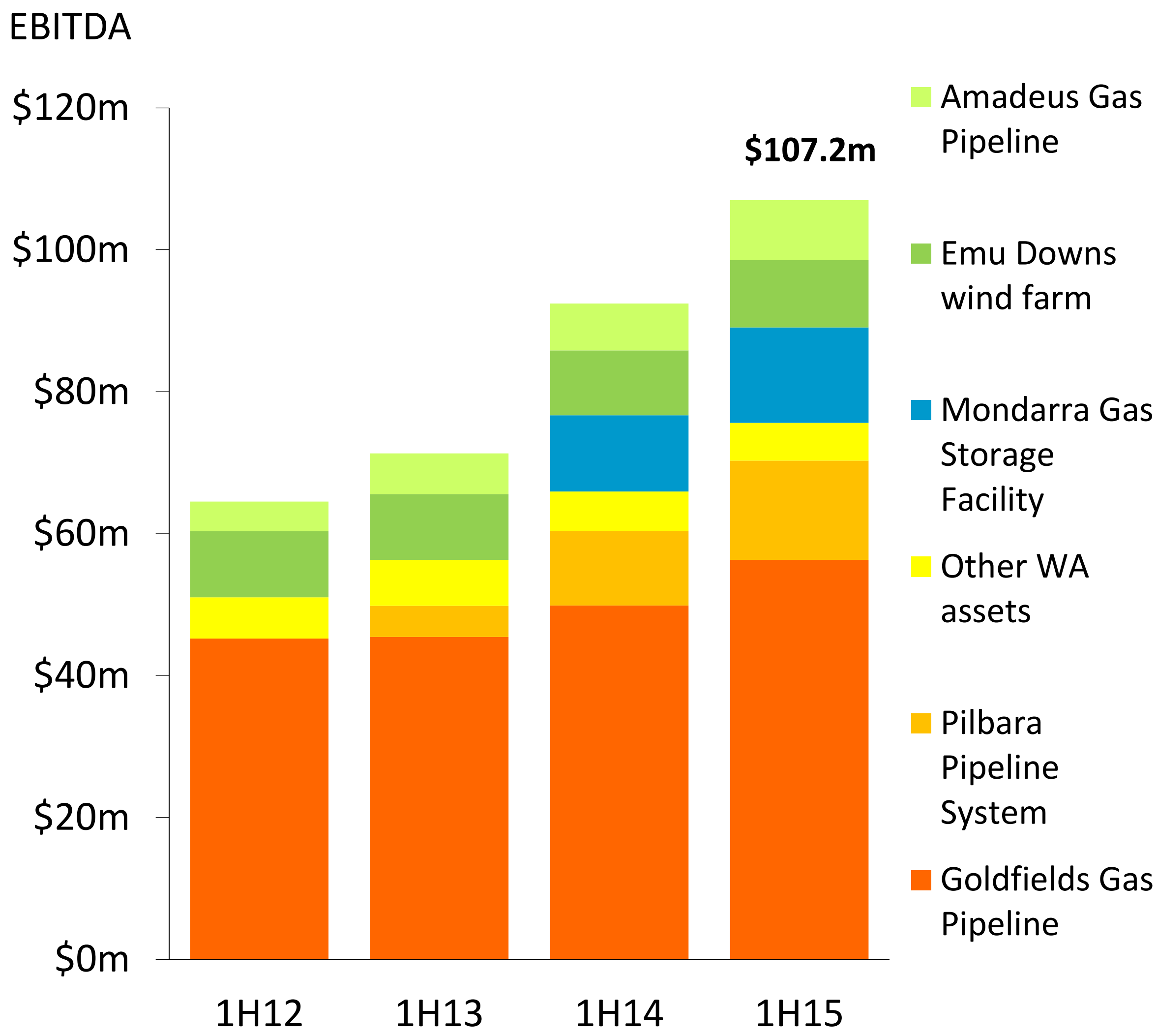
- Expansion project completed

Pilbara Pipeline System

- Full HY contribution of a new contract
- Additional revenue agreement
- Cost benefits of in-house operations

Eastern Goldfields Pipeline

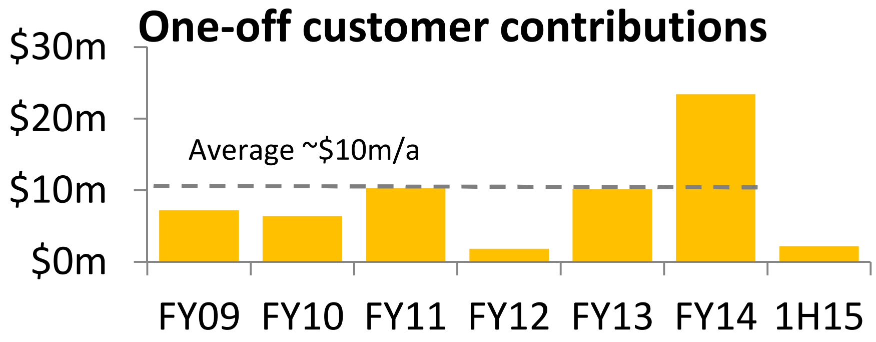
- Long term gas transportation agreements to mines in the Goldfields region - seamless service across 3 pipelines
- Construction begins on a new 292 km pipeline
- On track to meet completion during mid FY2016

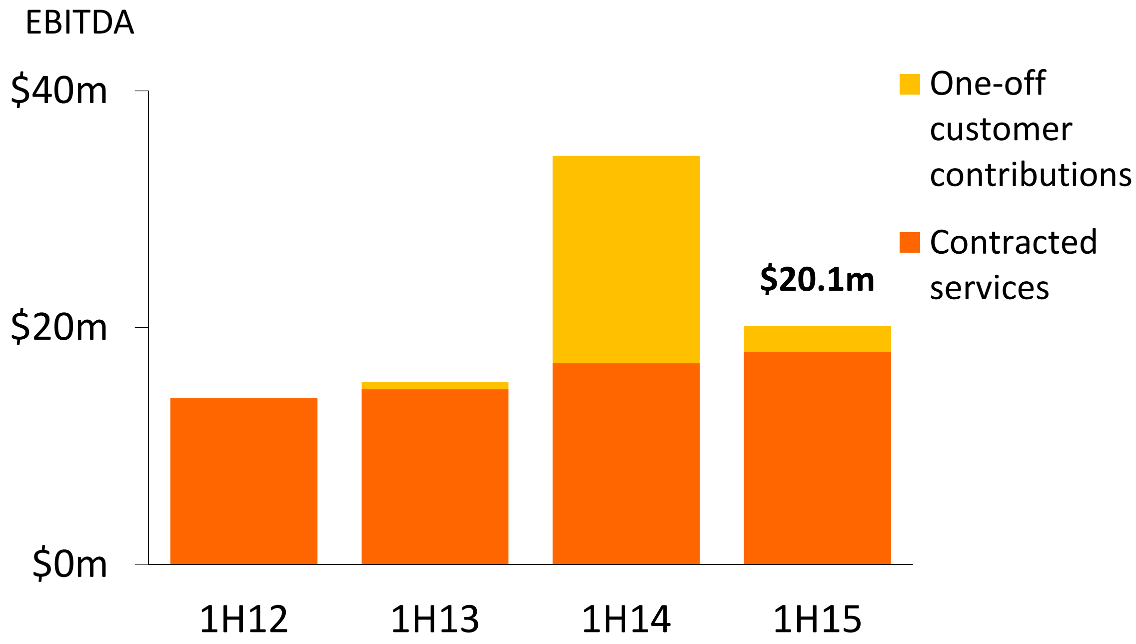


Asset Management and Energy Investments

Asset Management

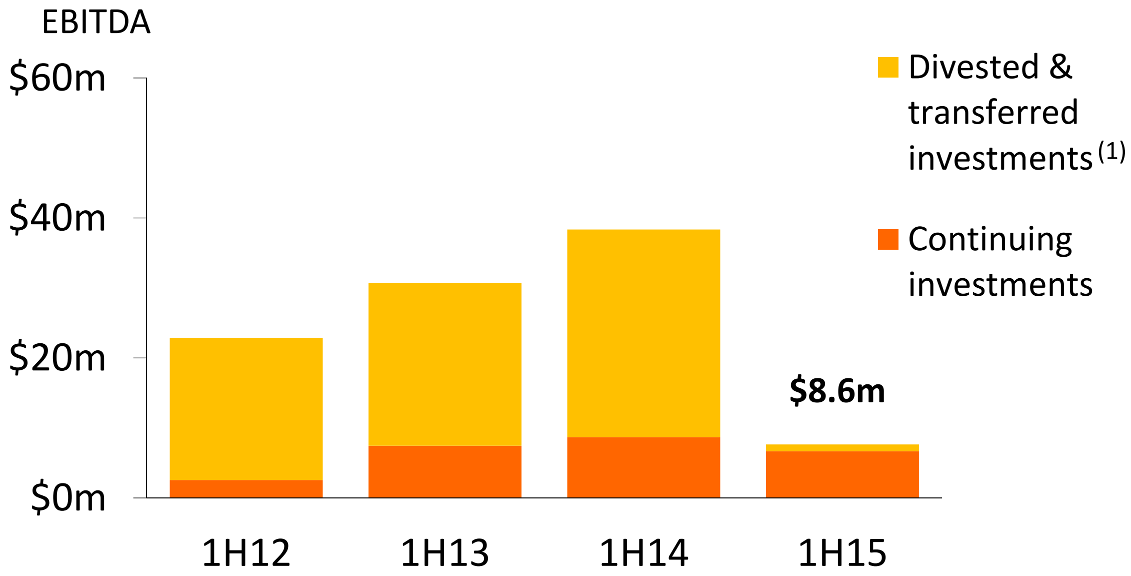
- Reduction in one-off customer contributions for relocating APA infrastructure





Energy Investments

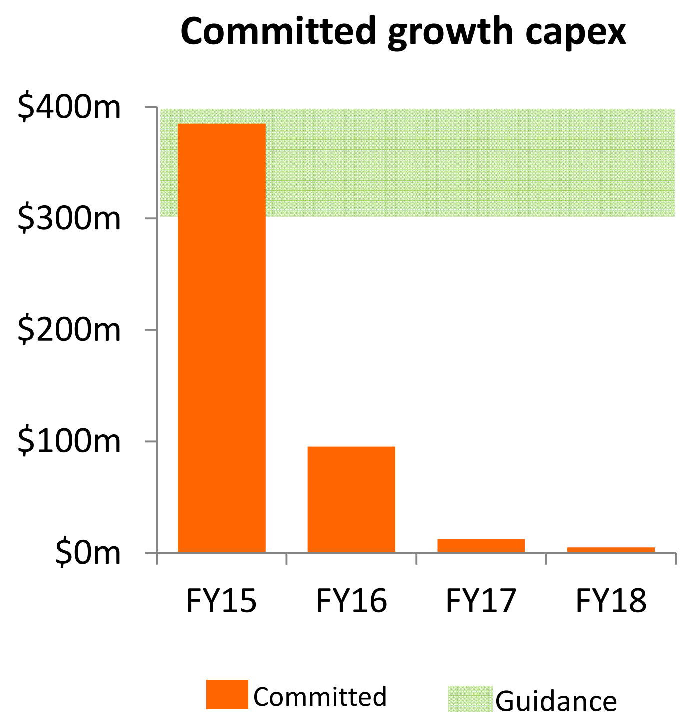
- Sale of shares in Envestra
- Diamantina Power Station commissioning and start up costs



(1) Includes HDF income (1H 12) now reported under Energy Infrastructure, and Envestra equity earnings (1H15: $1.0m, 1H14: $29.7m)

Capital expenditure

$ million	1H15[1]	1H14[1]
Growth capex		
Regulated - Victoria	55.5	14.9
Major Projects		
Queensland	78.5	93.6
New South Wales	0.6	4.8
Western Australia	14.1	39.1
Other	13.3	11.4
Total growth capex	**162.0**	**163.8**
Stay in business capex	28.1	20.6
Customer contributions	1.6	16.4
Total capex	**191.7**	**200.7**
Investments and acquisitions	20.9	
Total capital & investment expenditure	**212.6**	**200.7**



(1) Capital expenditure represents cash payments as disclosed in the cash flow statement for 1H15 and 1H14.

Capital management

- Cash and committed undrawn facilities of around $2,400 million as at 31 December 2014
-

Metrics	31 Dec 2014	30 Jun 2014
Gearing [1,2,3]	44.5%	64.2%
Interest cover ratio	2.48 times	2.31 times
Average interest rate applying to drawn debt [2]	7.07%	7.12%
Interest rate exposure fixed or hedged	84.6%	72.8%
Average maturity of senior facilities	5.3 years	5.4 years

- Credit ratings

  In December 2014, post announcement of the QCLNG Pipeline acquisition, both S&P and Moody's confirmed APA's long-term corporate credit ratings of BBB and Baa2 respectively, each with Stable outlook

- Gearing

  Expected to settle at approximately 65% post completion of the QCLNG Pipeline acquisition

(1) Ratio of net debt to net debt plus book equity.

(2) Includes $515 million of Subordinated Notes.

(3) After receipt of $958 million proceeds from Institutional and Early Retail Entitlement Offer.

Funding – Illustrative @31 Jan 2015

- Post completion of funding of QCLNG Pipeline acquisition, APA expects:
  - Gearing of around 65%
  - Maintain headroom of cash and available facilities of A$1bn+

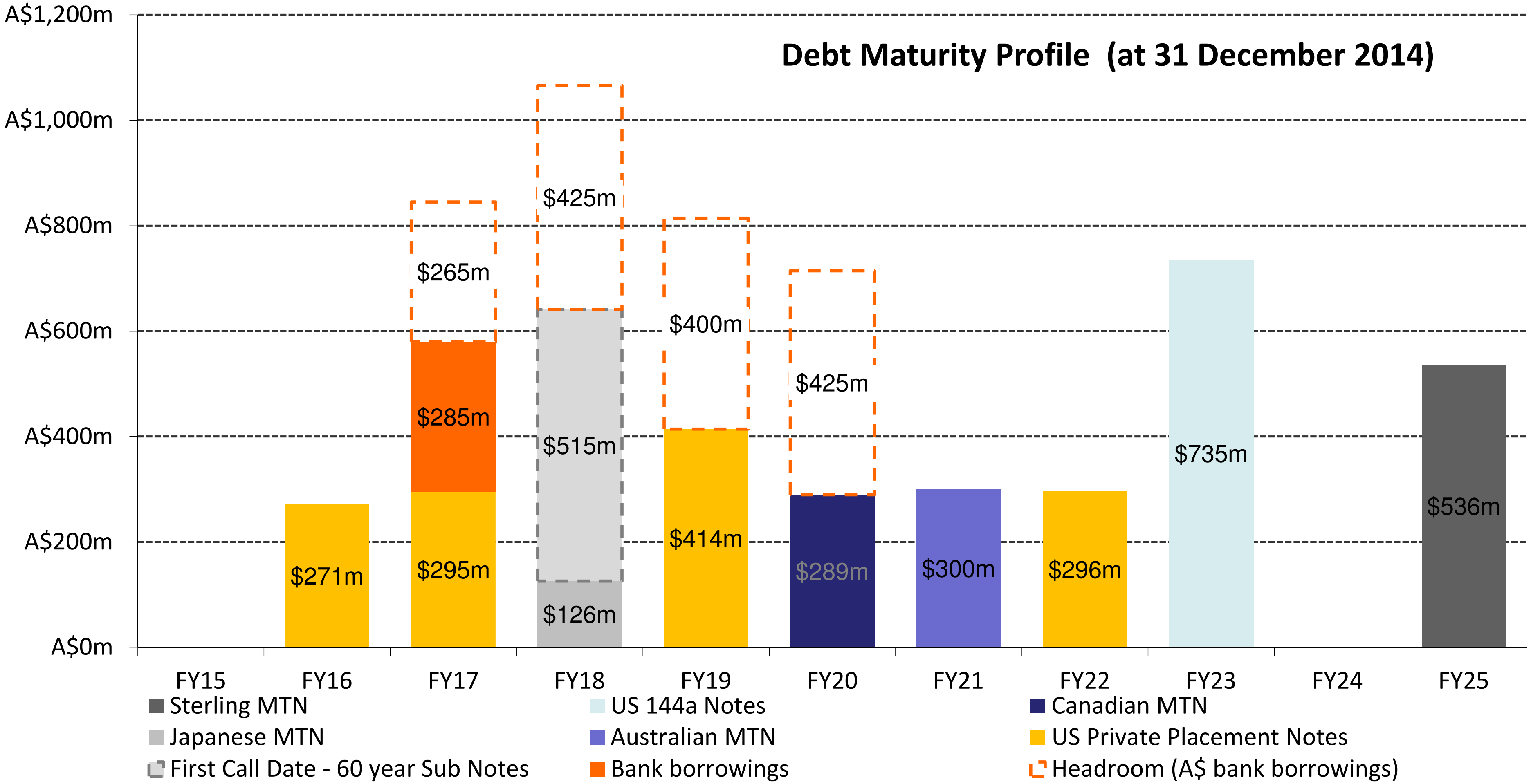
Net debt profile	A$ million	Gearing
Net debt @31 Jan 2015	$2,300	33%
Less AUD cash to support QCLNG Pipeline acquisition	$1,500	
Less USD debt drawn to complete QCLNG Pipeline acquisition	$4,800	
Estimated Net debt post QCLNG Pipeline acquisition	$8,600	65%

Headroom profile	A$ million
Cash @31 Jan 2015	$1,600
Add debt drawn to fund acquisition	$4,800
Less consideration for QCLNG Pipeline acquisition	($6,300)
Add Available headroom @31 Jan 2015	$1,600
Less Cancellation of facilities	($500)
Available headroom post QCLNG Pipeline acquisition	$1,200

For illustrative purposes, the numbers are rounded to the nearest A$100 million. US$ denominated numbers have been converted at AUD/USD exchange rate of 0.8 and rounded to the nearest A$100 million.

Capital management

- Maintain strong BBB/Baa2 investment grade ratings (re-affirmed in December 2014)
- Maintain funding flexibility – internal cash flows plus additional equity and/or debt



(1) Does not include the US$4 billion syndicated bridge facility executed in November 2014 which is, as yet, undrawn

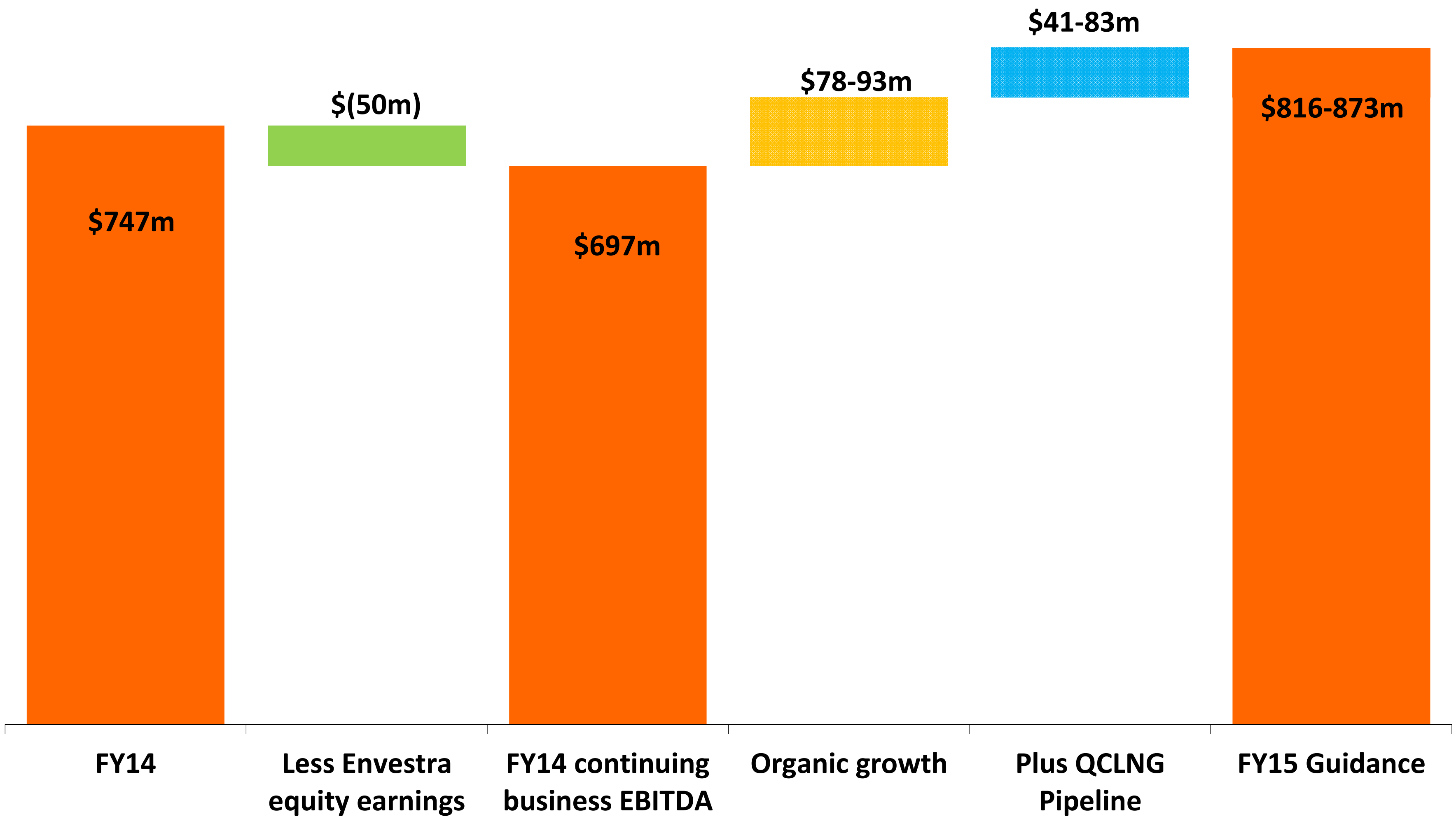
FY 2015 Guidance

- APA standalone (pre-acquisition) guidance for EBITDA and net interest cost for FY 2015 is revised as follows:
  - Statutory EBITDA is expected within a range of $1,222 million to $1,237 million(1)
  - Normalised continuing business EBITDA within a range of $775 million to $790 million(2) up from previous guidance of $740 million to $760 million
  - Net interest cost expected within a range of $320 million to $355 million
- In addition for FY 2015, the acquisition of the QCLNG Pipeline is expected to generate additional EBITDA within a range of A$41 million to $83 million(3)

FY 2015 Guidance	Statutory EBITDA(1)	Normalised EBITDA(2)
FY 2015 (APA standalone)	$1,222 – $1,237	$775 – $790
QCLNG Pipeline acquisition(3)	$41 – $83	$41 – $83
APA Group Total	$1,263 – $1,320	$816 – $873

(1) Statutory EBITDA includes significant items recorded in 1H 2015.
(2) Excludes one-off significant items (being the pre-tax profit of A$430m from the sale of APA's stake in Envestra and $17m recovered by HDF from Hastings Funds Management Limited), reflecting APA's core earnings from operations.
(3) QCLNG Pipeline acquisition metrics are in addition to APA standalone.
Note: All conversions are based on AUD/USD exchange rate of 0.7804 as at 12.00pm 24 February 2015.

FY15 Guidance bridge - normalised



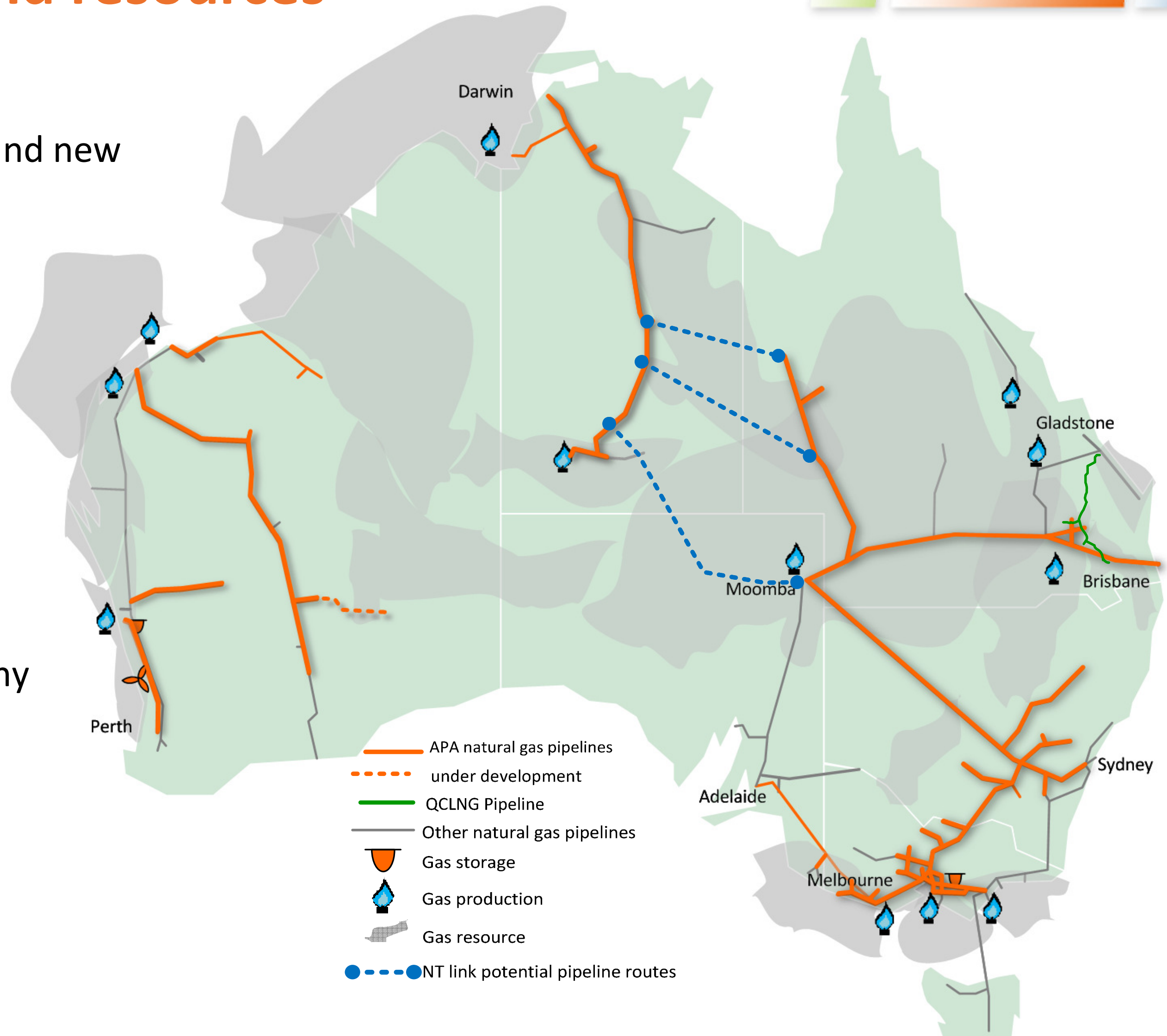
Note: All conversions are based on AUD/USD exchange rate of 0.7804 as at 12.00pm 24 February 2015.

Outlook

Mick McCormack
Managing Director and CEO

Connecting gas markets and resources

- Organic growth
  - Capacity expansions, enhancements and new services, provide flexibility and new opportunities for customers
  - New services and more flexible contracts supplement traditional take-or-pay
- East coast LNG
  - QCLNG Pipeline acquisition enhances the east coast grid and is underwritten by 20-year take-or-pay contracts with two highly credit-worthy counterparties
- Greenfield developments
  - Eastern Goldfields Pipeline
  - NT – east coast grid pipeline link (feasibility study continues)



Interconnected and flexible portfolio allows APA to assist customers to prevail in dynamic gas market environment
Maintaining financial flexibility and strength is integral to delivering APA's strategy

Outlook for FY 2015

Outlook

- Continued construction and development to increase flexibility and capacity of our infrastructure footprint on both east and west coasts
- Transaction completion and integration of QCLNG Pipeline
- Continued Northern Territory – east coast interconnection feasibility study

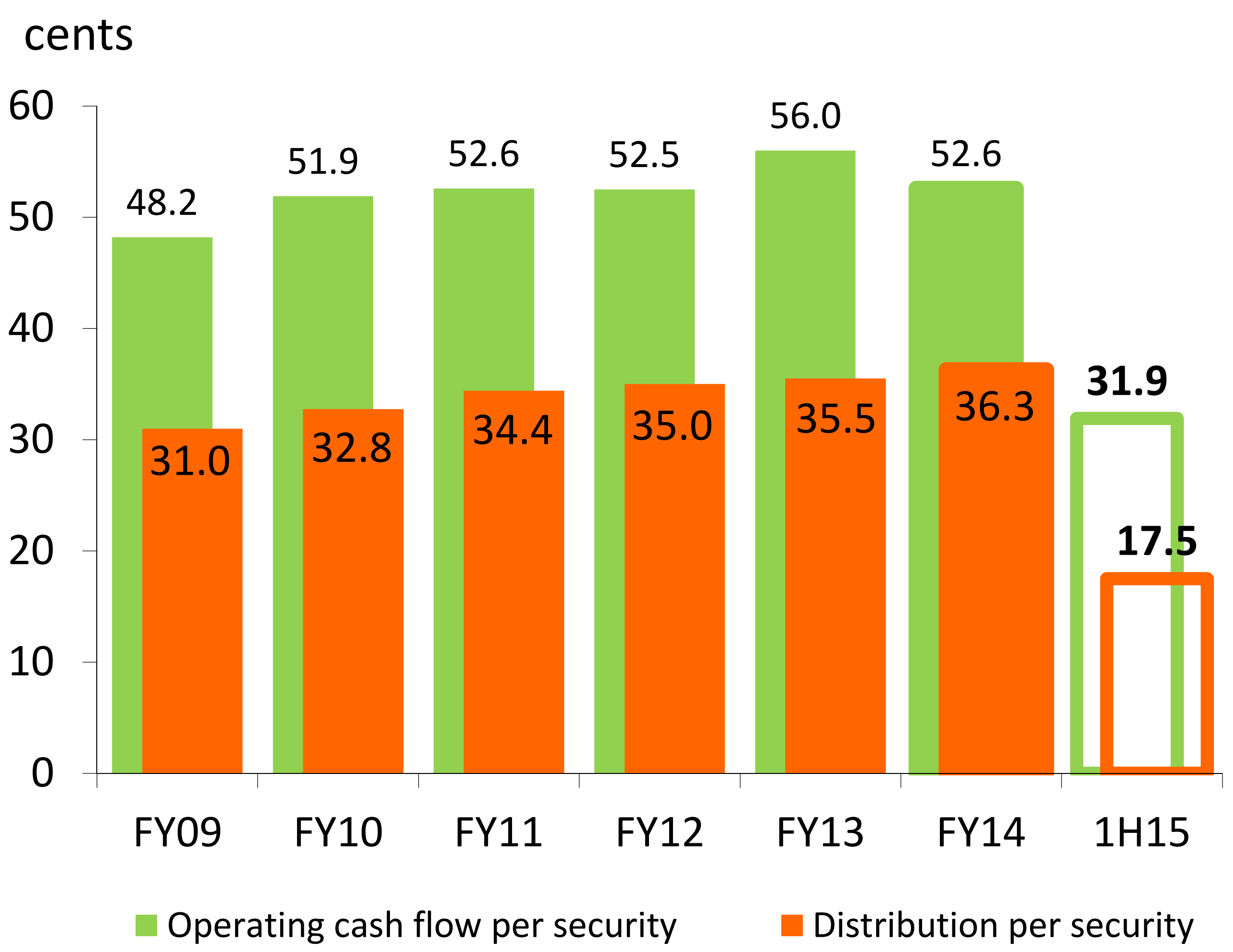
Stage 2 looping of VNI Expansion project is underway, VIC

APA's Control Room at Wallumbilla, QLD

Pipe laydown site for the Eastern Goldfields Pipeline, WA

Fully covered distributions

On target to deliver distribution guidance for FY 2015



- 1H 15 distribution payout ratio[1,2] of 55.6%
- Distribution components:

17.5 cents	profit distribution
nil	capital distribution
17.5 cents	

- FY15 distribution guidance remains "at least 36.25 cents"

(1) Distribution payout ratio: distribution payments as a percentage of operating cash flow.
(2) Based on normalised operating cash flow.

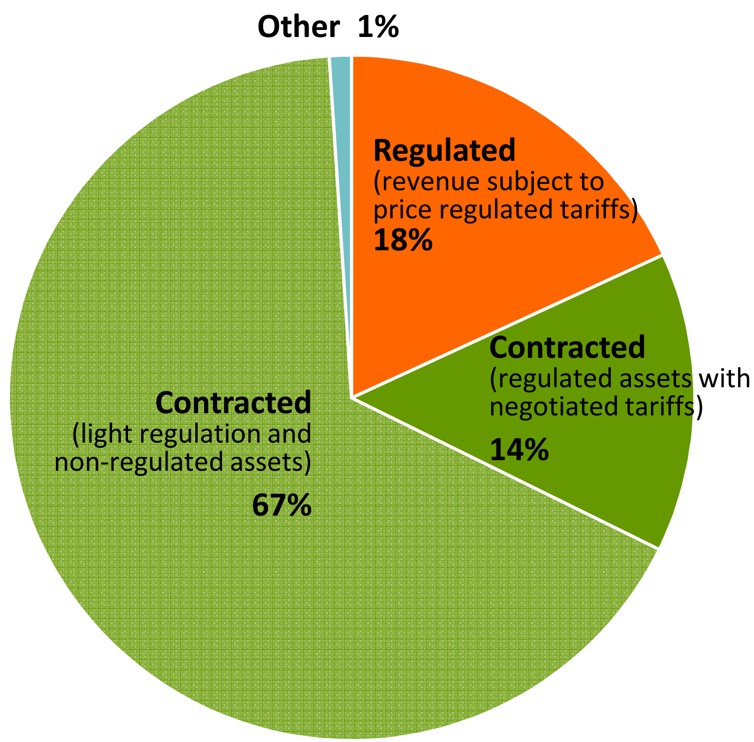
Questions

Supplementary information

Revenue by business segment

$ million	1H 15	1H 14	Change
Energy Infrastructure			
Queensland	*161.4*	*132.3*	*22%*
New South Wales	*71.9*	*74.1*	*(3%)*
Victoria & South Australia	*94.7*	*81.0*	*17%*
Western Australia & Northern Territory	*143.8*	*127.1*	*13%*
Energy Infrastructure total	471.8	414.5	14%
Asset Management	38.4	56.1	(31%)
Energy Investments	7.7	8.7	(11%)
Total segment revenue	517.9	479.3	8%
Pass-through revenue	217.4	201.7	8%
Unallocated revenue	3.8	0.7	n/m
Divested business	1.0	29.7	n/m
Total revenue	740.1	711.4	4%

1Y 15 Revenue split



(1) Equity accounted earnings from APA's 33.05% stake in Envestra.

Balance sheet

$ million	31 Dec 2014	30 Jun 2014	Change
Current assets	1,114[1]	203	449 %
Property, plant and equipment	5,677	5,574	2 %
Other non-current assets	1,959	2,195	(11) %
Total Assets	**8,750**	**7,972**	**10 %**
Current debt	149	-	-
Other current liabilities	364	374	(3) %
Total current liabilities	513	374	(37) %
Long term debt	4,125	4,708	12 %
Other long term liabilities	389	394	(1) %
Total long term liabilities	4,514	5,102	12 %
Total Liabilities	**5,026**	**5,476**	**(8) %**
Net Assets	**3,724**	**2,496**	**49 %**

(1) Includes cash of $913.8m.

Debt facilities

Total committed debt facilities at 31 December 2014

$million[1]	Facility amount[4]	Drawn amount	Tenor
2011 Bilateral borrowing	150	0	5 years maturing October 2016
2011 Bilateral borrowings [2]	400	0	5 years maturing December 2018
2014 Syndicated facilities [3]	1,250	285	2.25, 3.25 and 5.25 year trances maturing September 2016, 2017 and 2019
2003 US Private placement	281	281	12 and 15 year tranches maturing September 2015 and 2018
2007 US Private placement	811	811	10, 12 and 15 year tranches maturing May 2017, 2019 and 2022
2009 US Private placement	185	185	7 and 10 year tranches maturing July 2016 and 2019
2010 AUD Medium Term Notes	300	300	10 year tranche maturing July 2020
2012 JPY Medium Term Notes	126	126	6.5 year tranche maturing in June 2018
2012 CAD Medium Term Notes	289	289	7.1 year tranche maturing in July 2019
2012 US144a/Reg S Notes	735	735	10 year tranche maturing October 2022
2012 GBP Medium Term Notes	536	536	12 year tranche maturing in November 2024
2012 Subordinated Notes	515	515	60 year term, first call date March 2018
Total	**5,578**	**4,063**	

(1) Australian dollars. Any foreign notes issued have been hedged into fixed-rate Australian dollar obligations.

(2) Comprises four facilities of $100 million each.

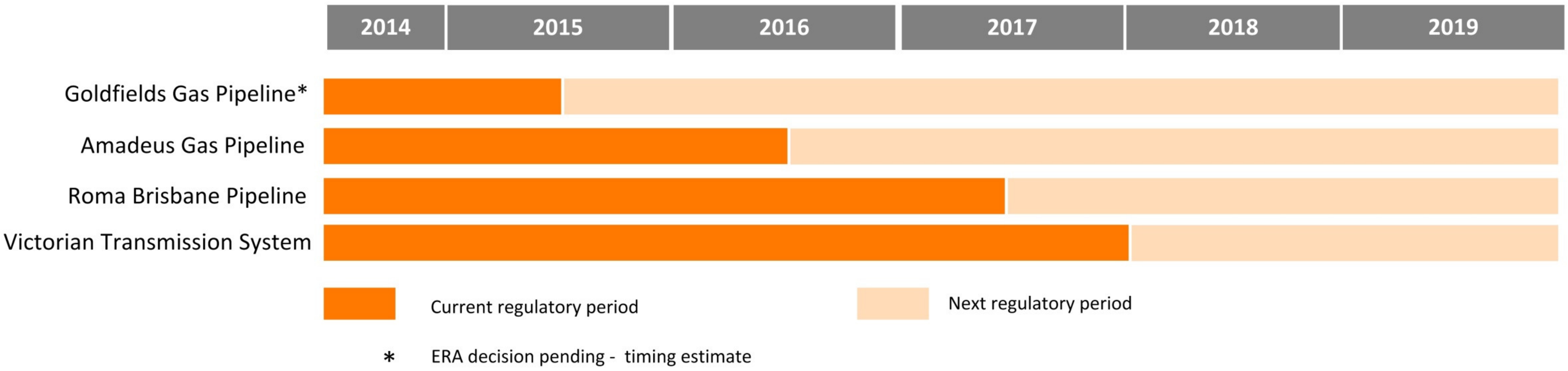
(3) Comprises three facilities, one of $400 million and two of $425 million.

(4) Does not include the US$4 billion syndicated bridge facility executed in November 2014 which is, as yet, undrawn

Regulatory update

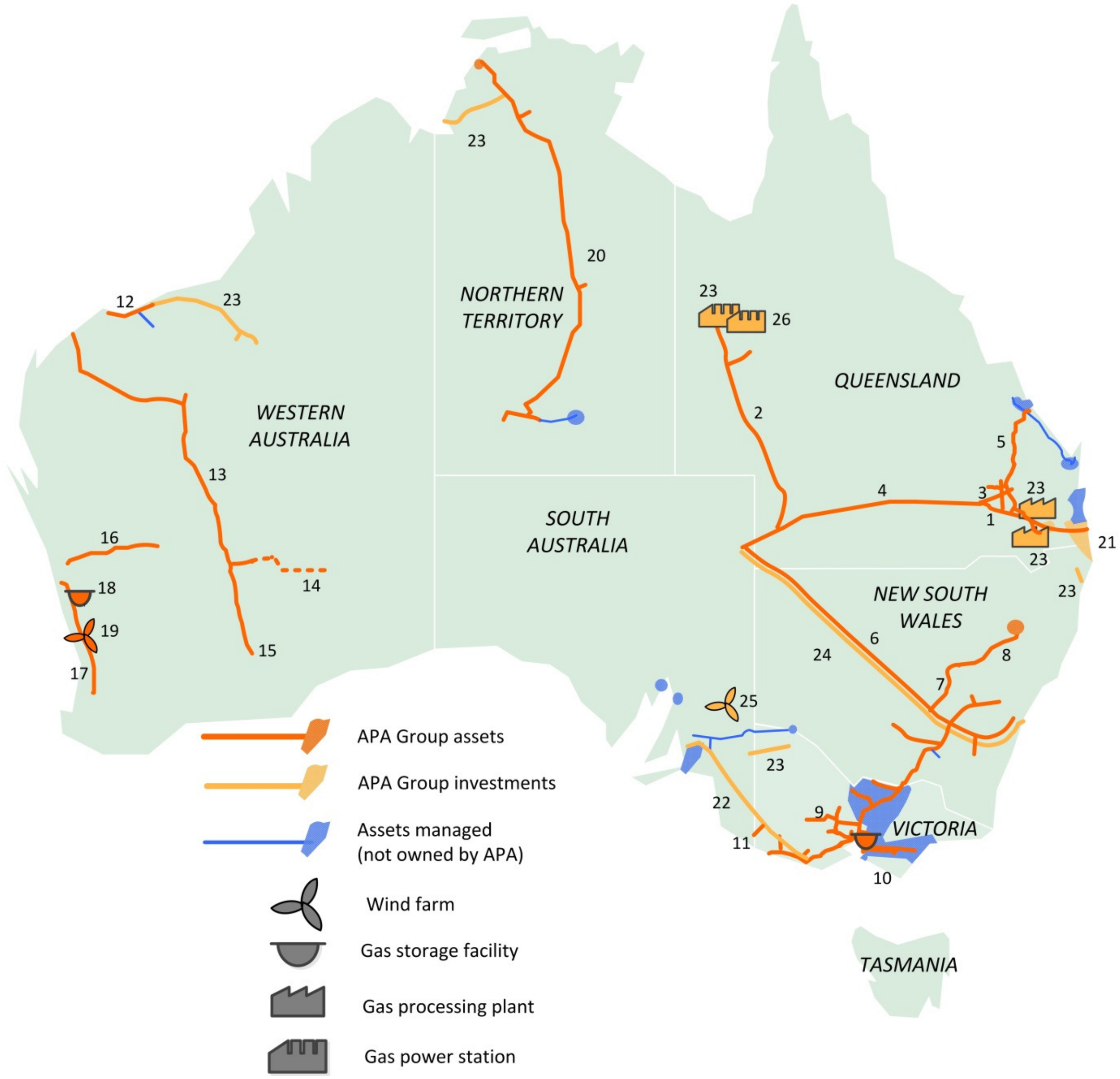
APA's major price regulated assets

- Regulatory resets over the next five years



- Goldfields Gas Pipeline Access Arrangement Review
  - Application lodged 15 August 2014
  - Western Australian Economic Regulation Authority ("ERA") has commenced its review, with a draft decision expected Q1 2015 and the final decision is expected by end FY2015
  - Existing arrangements remain in place until final determination of the new Access Arrangement

APA asset and investment portfolio



APA Group assets and investments

Energy Infrastructure

Queensland
(1) Roma Brisbane Pipeline
(2) Carpentaria Gas Pipeline
(3) Berwyndale Wallumbilla Pipeline
(4) South West Queensland Pipeline
(5) QCLNG Pipeline (pending financial close)

New South Wales
(6) Moomba Sydney Pipeline
(7) Central West Pipeline
(8) Central Ranges Pipeline

Victoria
(9) Victorian Transmission System
(10) Dandenong LNG facility

South Australia
(11) SESA Pipeline

Western Australia
(12) Pilbara Pipeline System
(13) Goldfields Gas Pipeline (88.2%)
(14) Eastern Goldfields Pipeline (under construction)
(15) Kalgoorlie Kambalda Pipeline
(16) Mid West Pipeline (50%)
(17) Parmelia Gas Pipeline
(18) Mondarra Gas Storage Facility
(19) Emu Downs wind farm

Northern Territory
(20) Amadeus Gas Pipeline

Energy Investments

(21) **GDI (EII) (20%)** Allgas
Gas distribution network in Queensland

(22) **SEA Gas Pipeline (50%)**

(23) **Energy Infrastructure Investments (19.9%)**
Gas pipelines, electricity transmission, gas-fired power stations and gas processing plants

(24) **Ethane Pipeline Income Fund (6.1%)**

(25) **EII2 (20.2%)** North Brown Hill wind farm

(26) **Diamantina and Leichhardt Power Stations (50%)**

Asset Management

Commercial and/or operational services to:
- Australian Gas Networks (formerly Envestra)
- GDI (EII) – Allgas (20.0%)
- Energy Infrastructure Investments (19.9%)
- Ethane Pipeline Income Fund (6.1%)
- SEA Gas Pipeline (50.0%)
- EII2 (20.2%)
- other third parties

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