Australian Pipeline Ltd ACN 091 344 704 | Australian Pipeline Trust ARSN 091 678 778 | APT Investment Trust ARSN 115 585 441
Level 25, 580 George Street Sydney NSW 2000 | PO Box R41 Royal Exchange NSW 1225
Phone +61 2 9693 0000 | Fax +61 2 9693 0093
APA Group | apa.com.au

23 February 2018

ASX ANNOUNCEMENT

APA Group (ASX: APA)

ENTITLEMENT OFFER – LETTER TO RETAIL SECURITYHOLDERS

Attached is a copy of a letter being sent to retail securityholders in relation to the pro-rata accelerated institutional tradeable retail renounceable entitlement offer announced by APA Group (ASX: APA) on 21 February 2018.

Nevenka Codevelle
Company Secretary
Australian Pipeline Limited

For further information please contact:

Investor enquiries:
Jennifer Blake
Telephone: +61 2 9693 0097
Mob: +61 455 071 006
Email: jennifer.blake@apa.com.au

Media enquiries:
Louise Watson
Telephone: +61 2 8011 0591
Mob: +61 419 185 674
Email: lwatson@symbolstrategic.com.au

About APA

APA is Australia's leading energy infrastructure business, owning and/or operating in excess of A$20 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 ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

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

For more information visit APA's website, 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.

Australian Pipeline Limited ACN 091 344 704
Level 25, 580 George Street, Sydney NSW 2000
PO Box R41, Royal Exchange NSW 1225
P: +61 2 9693 0000 | F: +61 2 9693 0093
APA Group | apa.com.au

22 February 2018

Dear Securityholder

APA Group (ASX: APA) – $500 million underwritten pro-rata accelerated institutional tradeable retail renounceable entitlement offer

On 21 February 2018, APA Group (ASX:APA) announced an underwritten pro-rata accelerated institutional tradeable retail renounceable entitlement offer of 65,547,493 new APA stapled securities (**New Securities**) to raise approximately A$500 million (the **Entitlement Offer**).

The Entitlement Offer

The Entitlement Offer comprises an offer to eligible institutional securityholders, and an offer to Eligible Retail Securityholders, as described below, (**Retail Entitlement Offer**) to participate at the same offer price and offer ratio. The offer price under the Entitlement Offer is A$7.70 per New Security (**Offer Price**). Eligible Retail Securityholders will be able to subscribe for 1 New Security for every 17 existing APA stapled securities held (**Entitlement**) as at 7.00pm (Sydney time) on 26 February 2018 (**Record Date**). Further details of the Entitlement Offer are set out in the ASX announcement dated 21 February 2018.

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Entitlement Offer, including the opportunity to participate in early acceptance of the Retail Entitlement Offer.

Definition of Eligible Retail Securityholder

Eligible Retail Securityholders are those persons who are registered as holders of existing APA stapled securities as at the Record Date **and** satisfy each of the following requirements: (a) have a registered address on APA's security register in Australia or New Zealand, (b) are not in the United States and are not holding APA stapled securities for the account or benefit of a person in the United States (to the extent you hold APA stapled securities for the account or benefit of such person in the United States), (c) have not received an offer to participate (other than as a nominee), or were ineligible to participate, in the institutional component of the Entitlement Offer and (d) are eligible under all applicable securities laws to receive a Retail Entitlement Offer.

Retail Offer Booklet and personalised Entitlement and Acceptance Form

Full details of the Retail Entitlement Offer will be set out in an information booklet (**Retail Offer Booklet**), which will be sent to Eligible Retail Securityholders (either by mail or electronically in accordance with their nominated communication preference) on or around 2 March 2018. The Retail Offer Booklet will be accompanied by a personalised Entitlement and Acceptance Form, which will set out an Eligible Retail Securityholder's Entitlements and payment details.

Eligible Retail Securityholders may also access the Retail Offer Booklet and their Entitlement allocation and personalised payment details at **www.apa.com.au** from 2 March 2018. To access this website, Eligible Retail Securityholders will need their SRN or HIN.

Eligible Retail Securityholders should read the Retail Offer Booklet carefully before deciding whether to participate in the Retail Entitlement Offer.

energy. connected.

Action required by Eligible Retail Securityholders

Eligible Retail Securityholders have 4 options for dealing with their Entitlements:

1 take up all or some of their Entitlements early, by 5.00pm (Sydney time) on 5 March 2018 (**Early Retail Application Closing Date**). Eligible Retail Securityholders who choose this option will have their New Securities allotted to them on the same date as the Eligible Institutional Securityholders. To choose this option, Eligible Retail Securityholders must apply and pay their application monies via the BPAY[1] facility online at **www.apa.com.au** by the Early Retail Application Closing Date. Eligible Retail Securityholders who have purchased Entitlements on ASX, or otherwise by off-market transfer, in the period from 26 February 2018 to 5 March 2018, cannot make an application before the Early Retail Application Closing Date in respect of those Entitlements; or

2 take up all or some of their Entitlements by 5.00pm (Sydney time) on 14 March 2018 (**Retail Closing Date**), by paying their application monies via the online BPAY facility or by cheque, bank draft or money order; or

3 sell or transfer all or some of their Entitlements on ASX (or off-market); or

4 do nothing (ie neither take up, sell nor transfer their Entitlements) – and participate in the Retail Shortfall Bookbuild, under which they will receive the proceeds (if any) in excess of the Offer Price in respect of their Entitlements sold in the bookbuild.

The value realised for your Entitlements (if any) will be different depending on which option you take. As this letter provides a summary only of your relevant options under the Entitlement Offer, you should carefully read the Retail Offer Booklet (including the 'Key Risks' section) before making a decision in relation to your Entitlements.

Further information

For further information on the Entitlement Offer, please call the APA Group Investor Information Line on 1800 992 312 (toll free within Australia) or +61 1800 992 312 (from outside Australia) from 7.30am to 7.30pm (Sydney time) Monday to Friday (excluding public holidays). If you wish to accept the Retail Entitlement Offer by the Early Retail Application Closing Date, you will need to apply and pay via the BPAY facility online at **www.apa.com.au** by **5.00pm (Sydney time) on Monday, 5 March 2018.**

If you have any further questions, you should seek professional advice from an advisor licensed by ASIC to give that advice.

Yours sincerely

Michael Fraser
Chairman, APA Group

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is not a product disclosure statement or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in APA Group in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of APA Group ordinary securities.

[1] ® registered to BPAY Pty Limited ABN 69 079 137 518.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Securities in any jurisdiction outside Australia. In particular, neither the Entitlements nor the New Securities have been, or will be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, or taken up or exercised by, and the New Securities may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Neither the Entitlements nor the New Securities may be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold APA stapled securities and are acting for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Securities to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S.

In addition, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade Entitlements on ASX or otherwise, or take up or exercise Entitlements purchased on ASX or otherwise, or transferred from another person.

Certain statements made in this letter are forward-looking statements. These forward-looking statements are not historical facts but rather are based on APA Group's current expectations, estimates and projections about the industry in which APA Group operates, and beliefs and assumptions. Word such as "anticipates," "expects," "intends," "plans," "believes," "estimates," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of APA Group, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. APA Group cautions securityholders and prospective securityholders not to place undue reliance on these forward-looking statements, which reflect the view of APA Group only as of the date of this letter. The forward-looking statements made in this letter relate only to events as of the date on which the statements are made. APA Group will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this letter except as required by law or by any appropriate regulatory authority.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs.