



25 May 2022

ASX ANNOUNCEMENT

**APA Group (ASX: APA)**

## **APA COMMENCES STAGE TWO OF EAST COAST GAS GRID EXPANSION**

Leading Australian energy infrastructure business, APA Group (ASX: APA), today announced it will commence the second stage of its 25% expansion of the East Coast Gas Grid, which will add around 13% of capacity for southern states ahead of peak winter demand in 2024.

This second stage is part of APA's East Coast Grid pipeline network expansion announced in May 2021, which will add a total of 25% capacity at a total capital investment of around \$270 million.

Stage 2 is expected to help address potential peak winter shortfalls identified in the 2022 AEMO Gas Statement of Opportunities by increasing winter peak capacity of the East Coast Grid by 13% through additional compression and associated works on both the South West Queensland Pipeline (SWQP) and Moomba Sydney Pipeline (MSP) – while stage 1, which will add 12% capacity, is already under construction and targeted for completion ahead of forecast southern state supply risks in winter 2023.

APA's decision to commence the stage 2 expansion is driven by strong confidence in stage 1 contracting and due to anticipated continuing customer demand for transportation capacity. The second stage of the expansion works is currently targeted for commissioning ahead of the forecast potential winter 2024 shortfalls.

APA Group CEO and Managing Director, Rob Wheals, said the commencement of the second stage recognised the critical importance of natural gas to southern markets.

"The vast majority of residential gas customers in Victoria use gas to cook with and to heat their homes in winter. AEMO's 2022 GSOO flagged potential gas shortfalls in Victoria from as early as winter 2023 and suggested that in extreme conditions, this could result in demand curtailment, including asking households to 'voluntarily reduce their use of gas during forecast extreme peak day events'," Mr Wheals said.

"APA is playing a critical role in delivering additional energy security for southern gas markets ahead of forecast supply risks through these staged investments in the East Coast Grid. Pipeline gas is also lower emissions than gas proposed to be supplied by east coast LNG import terminals, and more cost effective given the strong global demand for LNG.

"Today's announcement underscores the competitiveness of APA's East Coast Grid and the critical role it plays in delivering value for our customers and for the economy through cost effective, safe and reliable transportation of Australian domestic gas from northern gas producers to southern markets."

The SWQP and the MSP are the key pathways for delivery of gas from Queensland and the Northern Territory to southern markets.

### **About APA Group (APA)**

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$22 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country.

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APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group.

For more information visit APA's website, [apa.com.au](http://apa.com.au).

**Authorised for release by Amanda Cheney**

Company Secretary

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