



22 May 2024

ASX ANNOUNCEMENT

APA Group (ASX:APA)

Also for release to APA Infrastructure Limited (ASX: AP2)

APA Presentation – Pilbara Energy System investor site visit

APA Group (ASX:APA) provides the attached presentation to be delivered by APA at the Company's Pilbara Energy System investor site visit today.

A copy of the presentation will also be available on APA's website at <https://www.apa.com.au/investors/reports-and-presentations/>

END

Authorised for release by Amanda Cheney

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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, \$27 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, Tasmania with Victoria and New South Wales with Queensland through our investments in electricity transmission assets. We also own and operate renewable power generation assets in Australia, with wind and solar projects across the country. 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.



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Pilbara Energy System

Investor site visit

May 2024

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Welcome



01



Acknowledgement of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia.

We acknowledge their connections to land, sea and community.

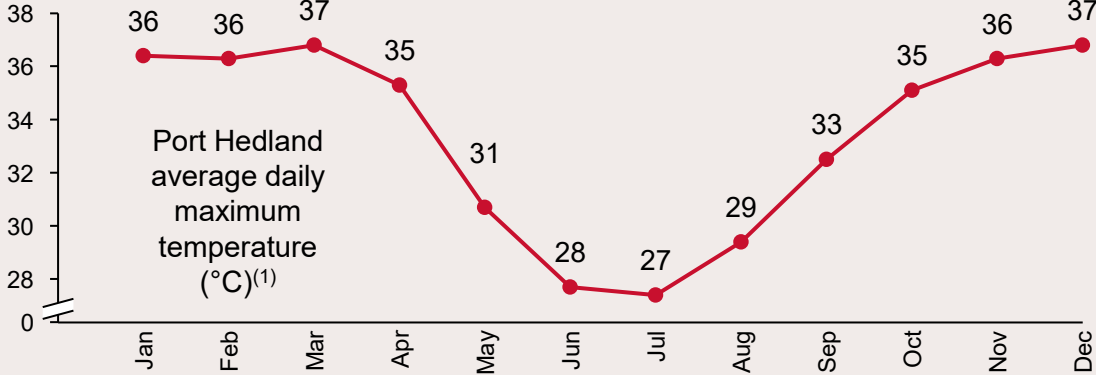
We pay our respects to their Elders past and present, and commit to ensuring APA operates in a fair and ethical manner that respects First Nations peoples' rights and interests.

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Safety share: Dehydration in hot climates



Extreme daytime temperatures



Focus on



Education



Access to water



Shade provision

Agenda

- 1 Today's key messages
- 2 Attractive market dynamics
- 3 APA's competitive advantages in the Pilbara
- 4 APA's West Coast Grid

Today's speakers



GARRICK ROLLASON
Chief Financial Officer



DARREN ROGERS
Group Executive
Energy Solutions



GARY BRYANT
GM Power Development
Pilbara Energy System

Today's key messages



The opportunities in the Pilbara are significant

- A premier global mining region
- Miners committed to decarbonisation
- Will require close to 40x⁽¹⁾ the current level of renewable energy by 2050
- Investment opportunity >\$15bn⁽²⁾ over the coming 25 years



APA is well positioned with strong competitive advantage

- Strategic sites and approvals secured for key growth projects
- Strong existing relationships with Traditional Owners and landholders
- Trusted operator with established customers
- Existing development and delivery capability in the Pilbara region



Strong returns from existing assets and growth pipeline

- Financial performance of Pilbara Energy System in-line with acquisition forecasts
- Highly contracted, inflation linked cash flows
- Significant development pipeline with proven track record of operation and development



Attractive market dynamics

Newman Power Station

02



The Pilbara is the world's premium iron ore export region and a growing region for gold and critical minerals development

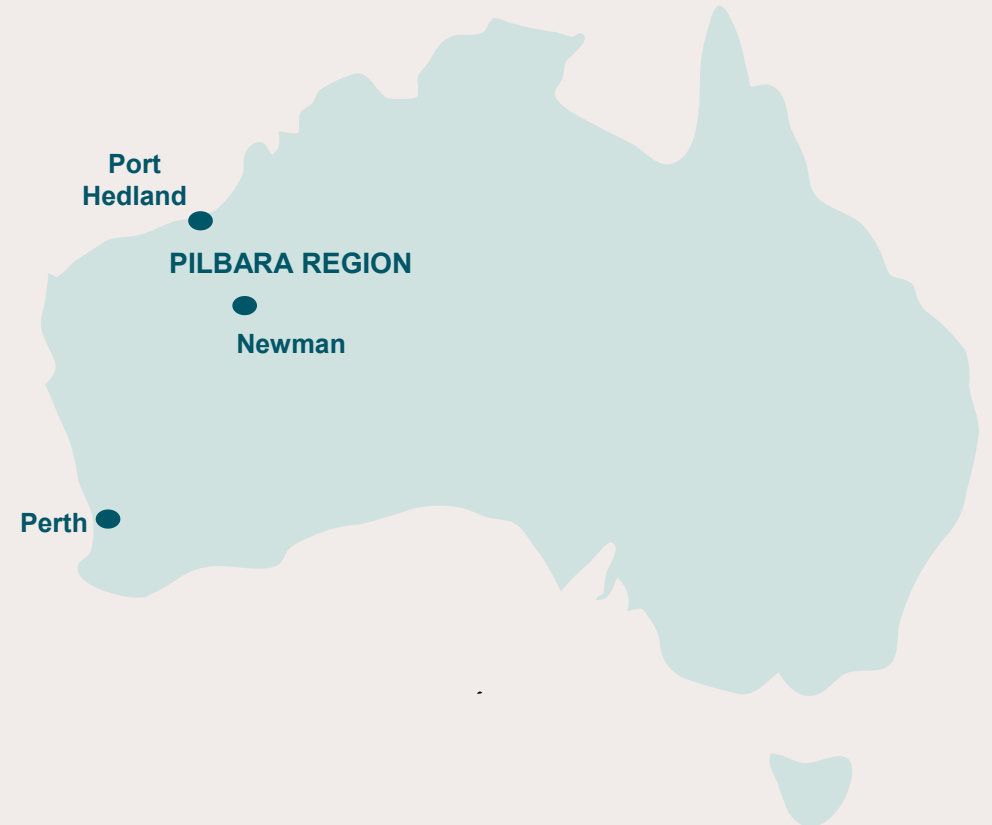
1,200km north of Perth

Total land area of >500,000km²

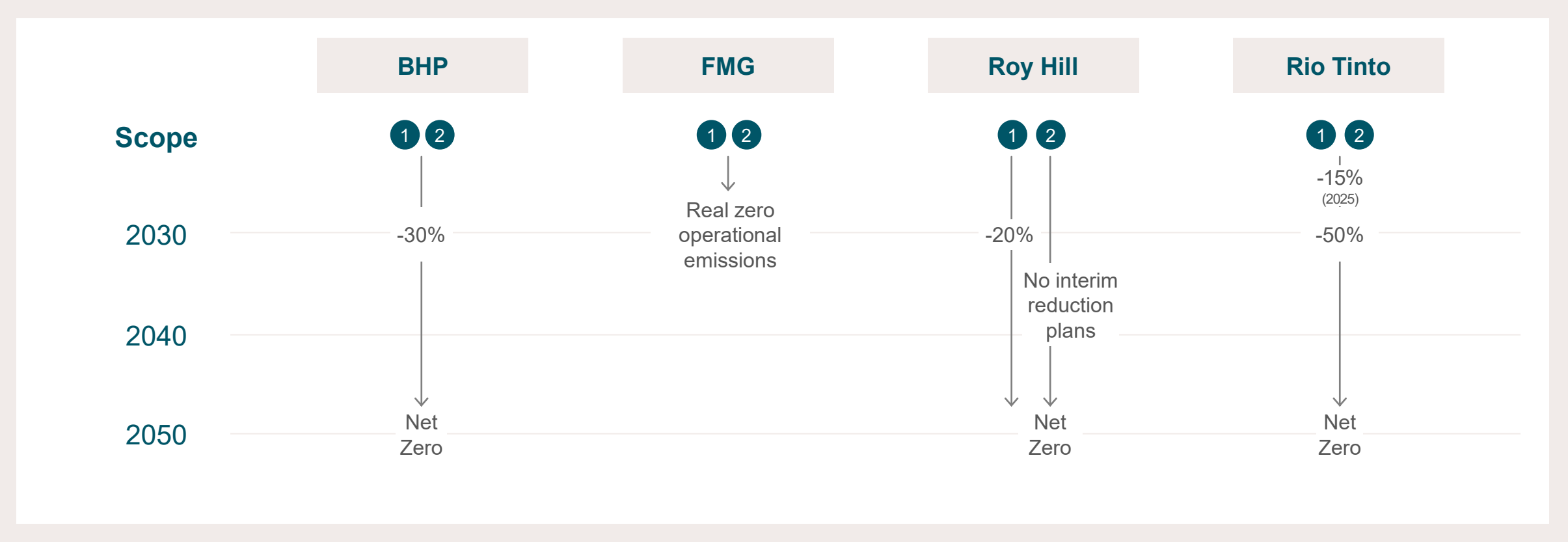
#1 location globally for producing iron ore due to low cost

Growing demand from gold and critical minerals

Generates \$74bn¹ of Gross State Product

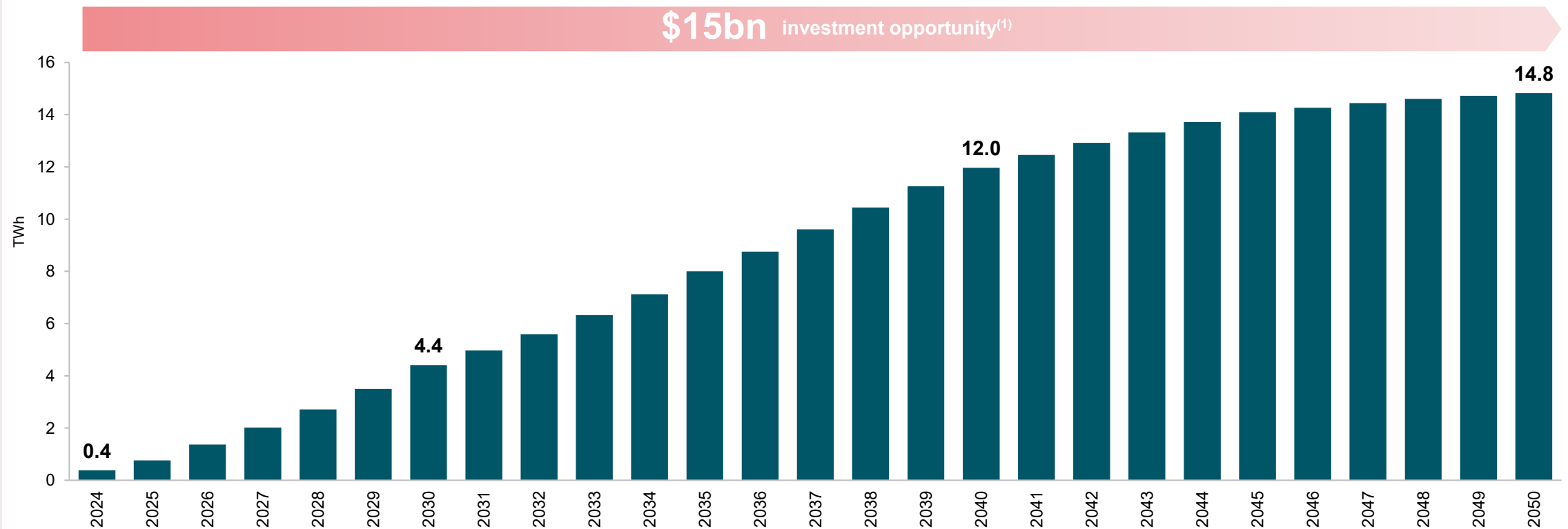


Miners are committed to decarbonisation, focused on reducing reliance on diesel and progressing the electrification of the mining value chain⁽¹⁾



Decarbonisation will require significant growth in renewables, with electricity demand expected to increase by ~40x from 2024 to 2050 equating to a \$15bn⁽¹⁾ opportunity

Renewable energy generation expected to be required (TWh)⁽²⁾



Existing Pilbara generation and electricity transmission assets are largely owned and operated independently by miners; APA is the largest commercial operator

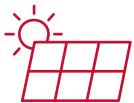
Power generation, transmission and gas pipeline infrastructure in the Pilbara⁽¹⁾



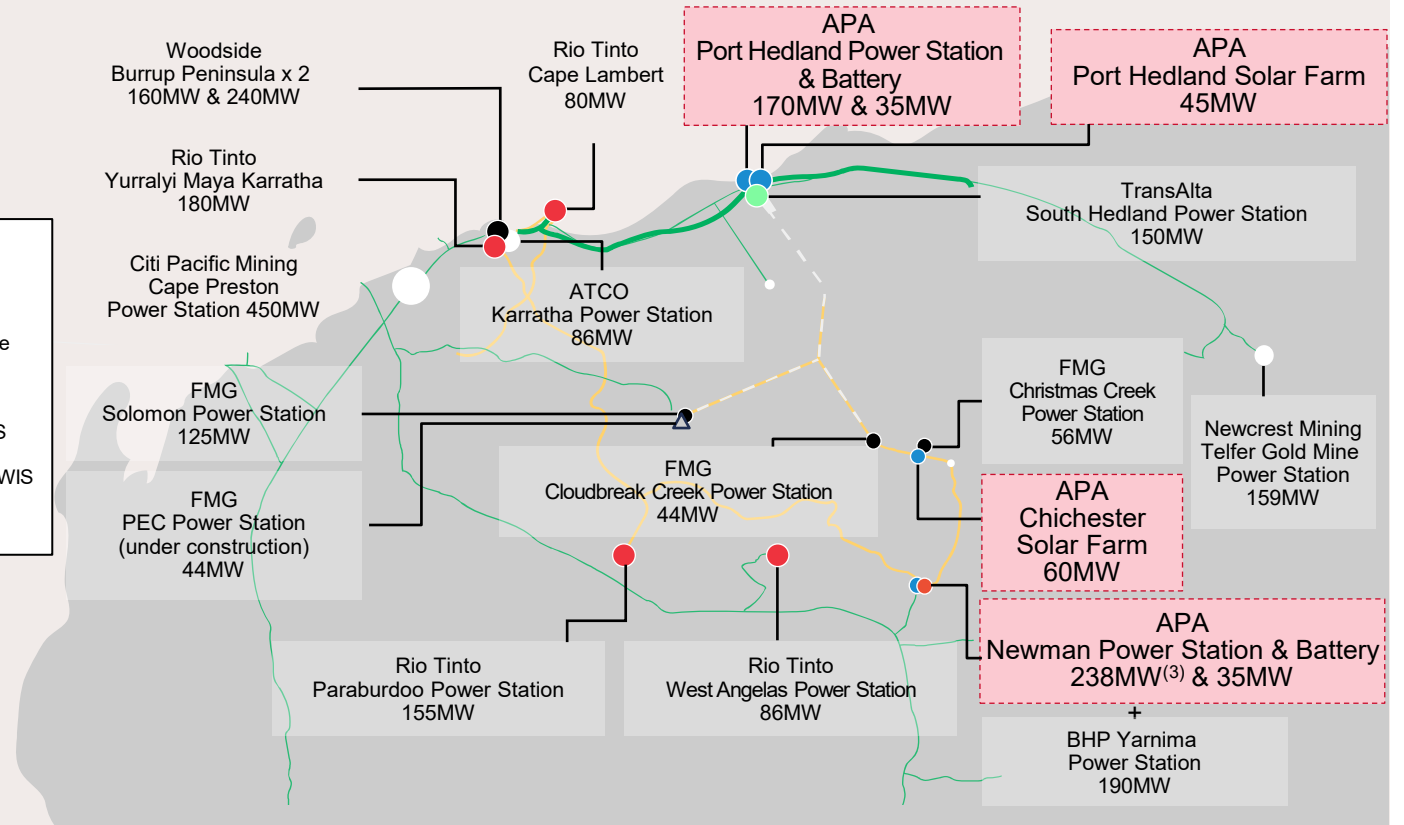
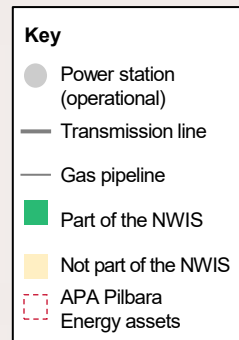
24 power stations with total capacity **~2.8GW**
~71% owned by resource companies⁽²⁾



Commercial operators⁽²⁾
#1 APA ~21%
#2 TransAlta ~5%
#3 ATCO ~3%



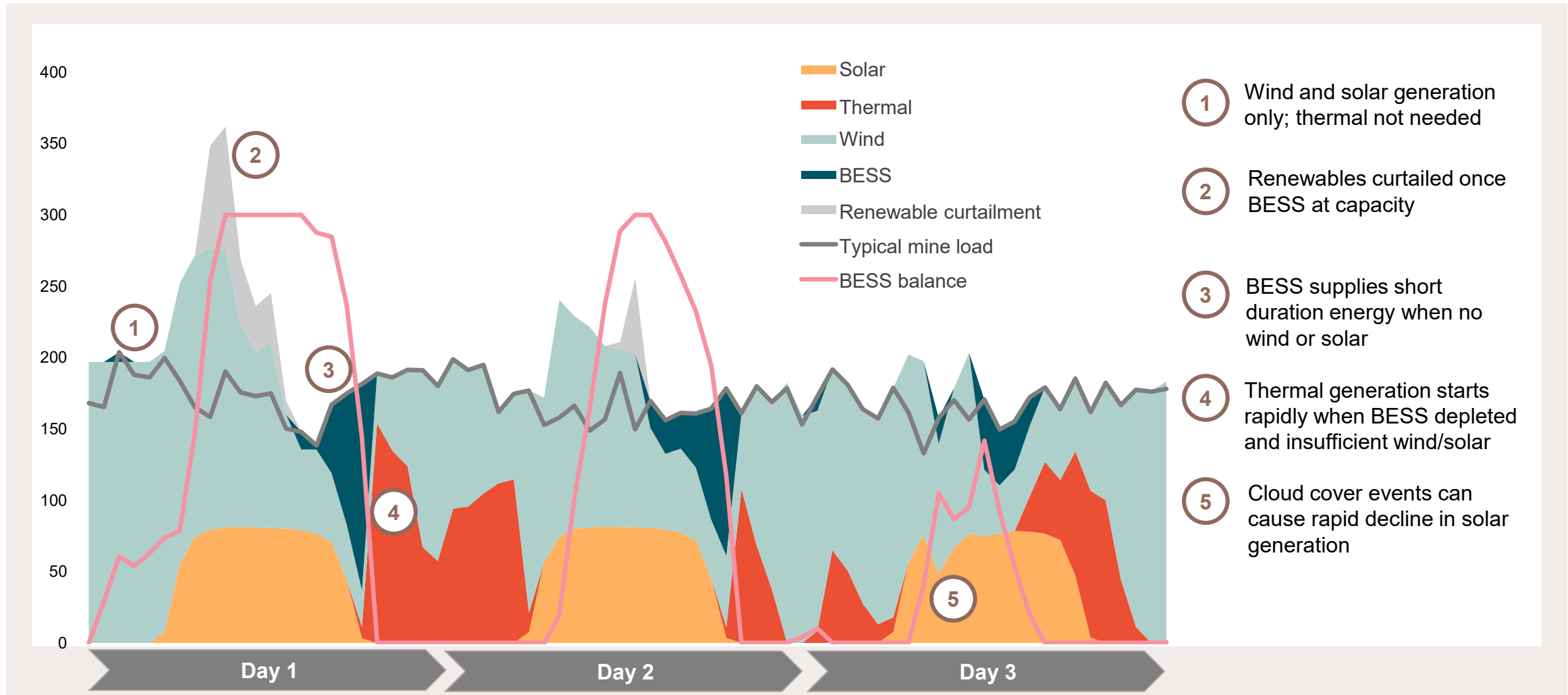
Vast majority of electricity generated is currently gas and diesel fuelled



Source: WA Government, DMIRS MINEDEX database, Geoscience Australia, Pilbara Development Commission.

1. BCG research and analysis
 2. Share of total generation by MW in the Pilbara and includes Woodside. Includes all known power stations operating and under construction.
 3. Includes 6MW of emergency use diesel generators installed at Roy Hill mine

Transitioning from gas and diesel baseload to firming renewables is complex and requires expertise to manage intermittency



Pilbara renewable “droughts” of 8+ hours occurred on average ~101 times per year over the last 11 years⁽¹⁾

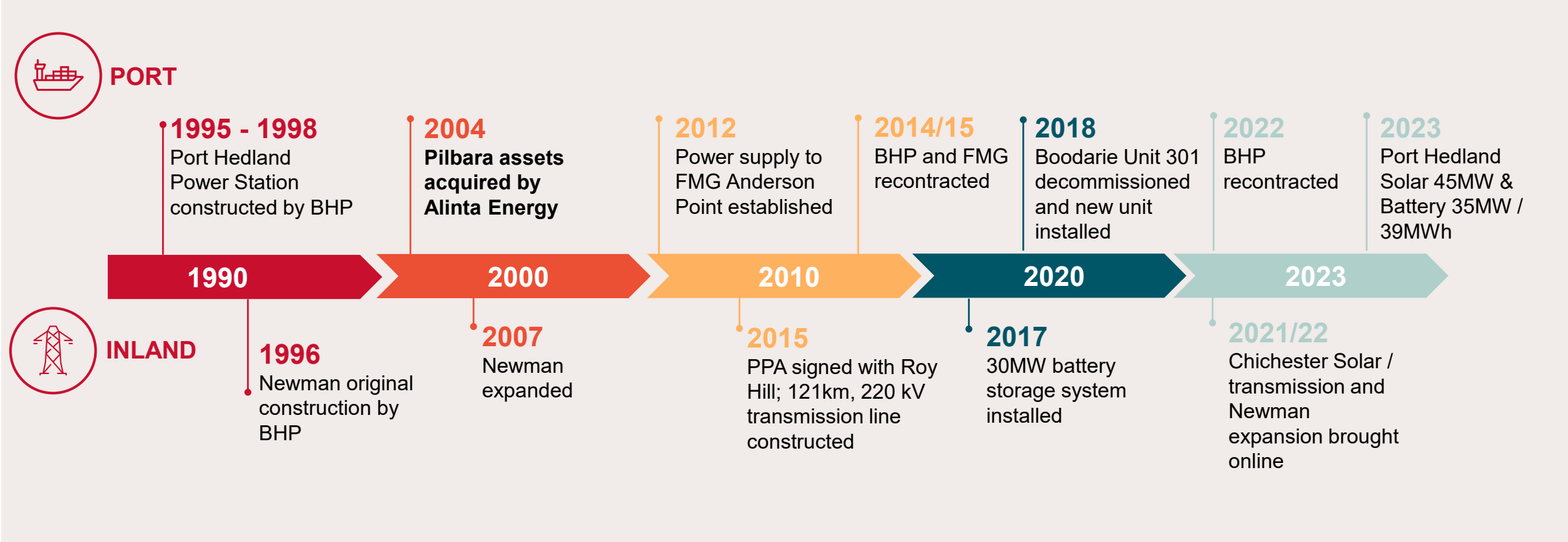


APA's competitive advantages in the Pilbara

Newman Power Station



The vision for the Pilbara Energy System began more than a decade ago



Our ability to deliver growth in the region driven by our competitive advantages, which have been established over a 10-year period



Land

Secured strategic renewable sites

- High-capacity factors for wind and solar
- Proximity to customers
- Proximity to existing transmission
- Sized to support requirements of multiple customers providing economies of scale



Traditional Owners

Relationship developed over a long period of time

- Agreements in place covering substantially all of Pilbara Energy System's existing, under construction and development assets
- APA's Reconciliation Action Plan will support local partnering initiatives



Customer relationships

Proven energy infrastructure operator and developer

- Long term existing relationships
- Ability to leverage spare capacity in APA's existing infrastructure
- Bundled solutions



Development capability

Substantial track record in the Pilbara

- Experienced state based team in place that has successfully developed ~250 MW over the last 13 years
- Largest renewables developer in the region
- Australian company so no FIRB complications












Operational capability

Deep experience and operating discipline

- Experienced on-site operational team
- Strong track record of reliable and safe supply
- Ability to integrate and operate multiple asset classes
- Existing FIFO workforce

We have developed an enviable portfolio of operating power generation and transmission assets

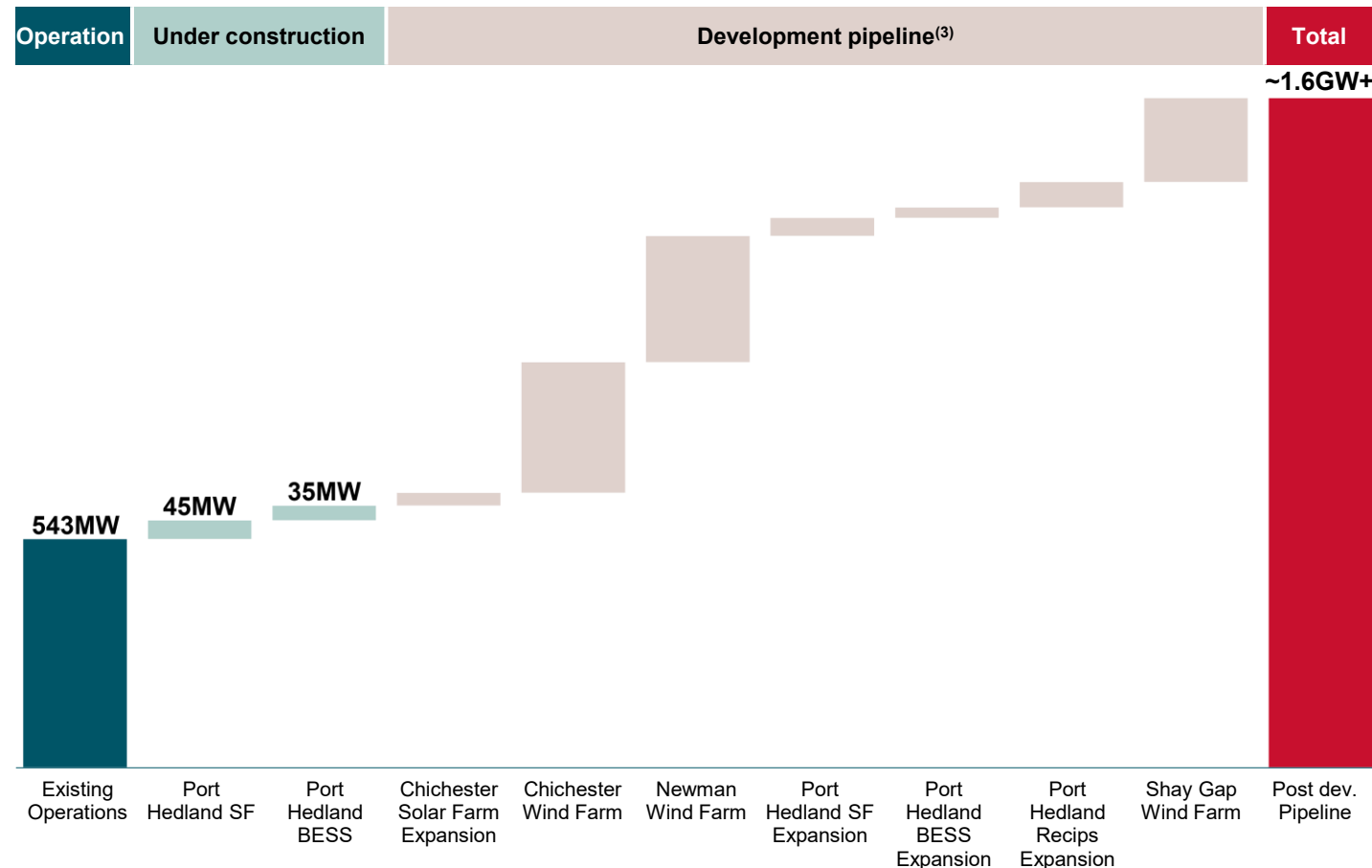
Operating and under construction portfolio

	Asset	Type	Capacity	Customers
Operating	Port Hedland Power Station		210MW	BHP, FMG
	Port Hedland Transmission Line		25km – 66kV line	BHP, FMG
	Chichester Solar Farm		60MW	FMG
	Newman Power Station		232MW	Roy Hill, FMG
	Newman Battery		35MW	Roy Hill, FMG
	HV Transmission Lines – Newman to Roy Hill and Chichester ⁽¹⁾		186km – 220kV line	Roy Hill, FMG
	Goldfields Gas Pipeline (GGP)		1,378km	Numerous
Under construction	Port Hedland Solar		45MW	BHP
	Port Hedland Battery		35MW	BHP

Pilbara Energy System zones



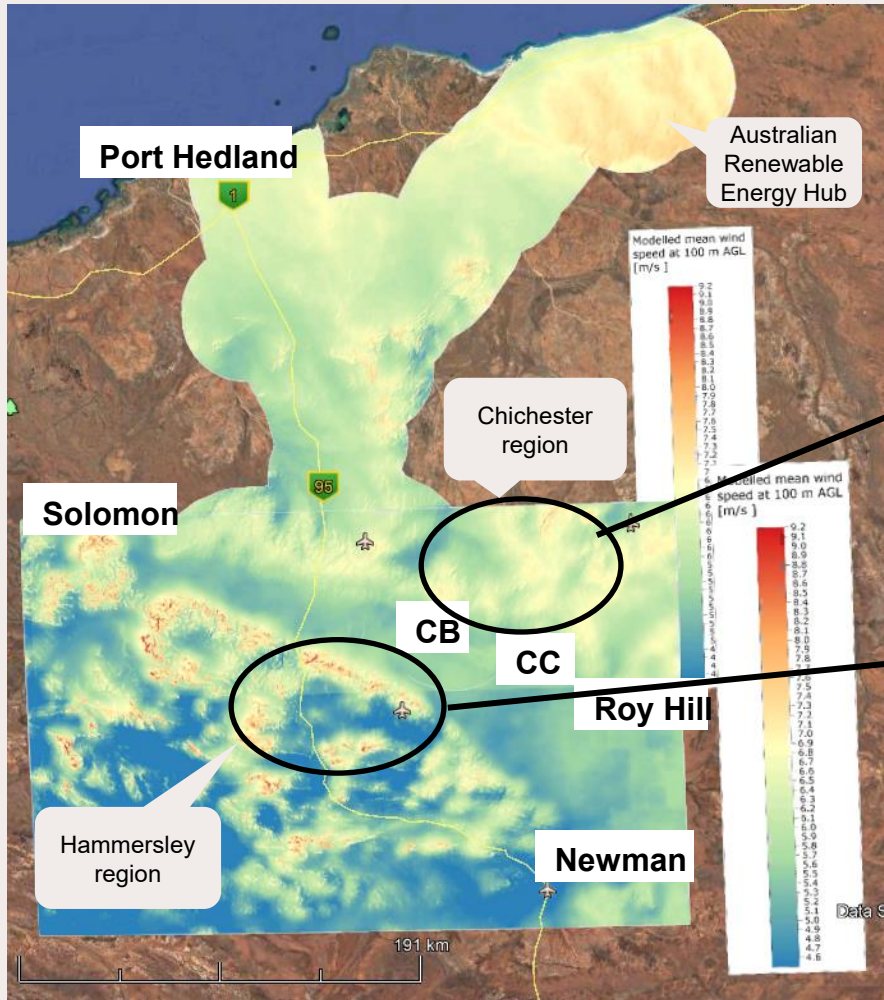
An attractive >\$3 billion⁽¹⁾ development pipeline expected to deliver approximately ~1GW of new capacity⁽²⁾⁽³⁾



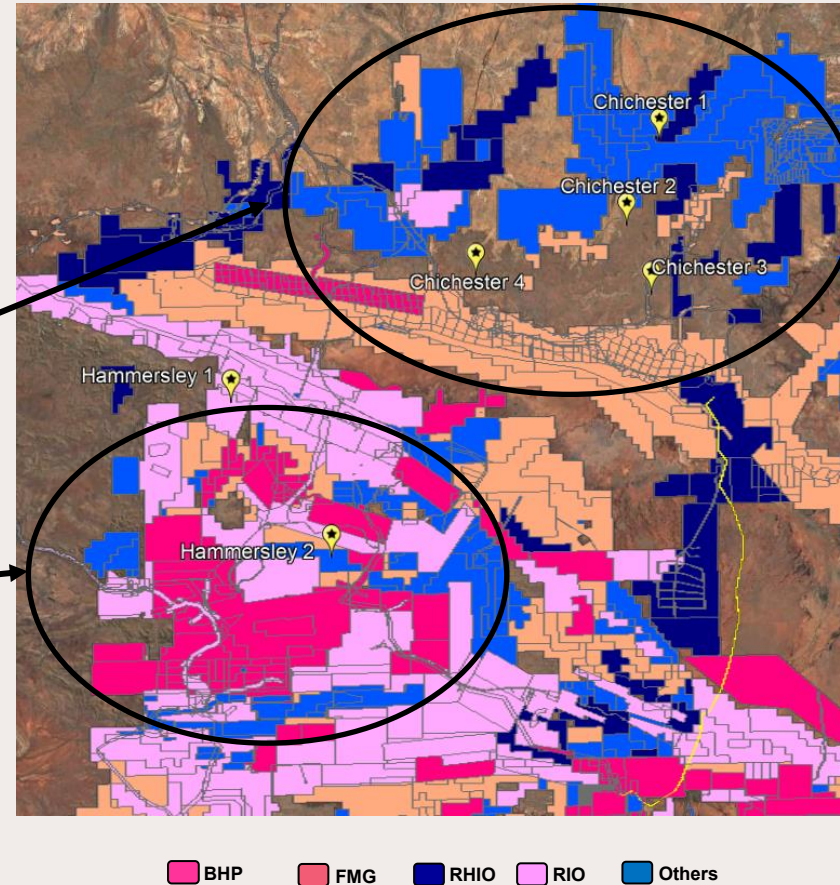
- 1  Significant construction and development pipeline of ~1GW+
- 2  Demand supported by the electrification and decarbonisation efforts of miners in the Pilbara region
- 3  FY24-25 committed capex of ~\$150m⁽⁴⁾ on projects currently under construction
- 4  Strategic sites and approvals secured for key growth projects
- 5  Projects to leverage existing, long-term contractual relationships with leading Pilbara miners

1. Based on forecast capex requirements of development pipeline projects (listed above) provided by Alinta Energy management, in real 2023 dollars as of time of Pilbara Energy System acquisition.
 2. See slide 65 in the Pilbara Energy System acquisition presentation published on the ASX on the 23 Aug 2023 for additional information on Pilbara Energy System development pipeline.
 3. Illustrative capacities are based on current project design and are subject to change up until final investment decision, including for potential expansion options.
 4. Based on forecast FY24-25 capital expenditure at Port Hedland Solar Farm and Port Hedland BESS, in line with relevant contractual arrangements. As presented in the Pilbara Energy System acquisition presentation released to the ASX on the 23 Aug 2023

Growth pipeline driven by strategic sites with the best renewable resources / capacity factors, located close to existing infrastructure and our customers



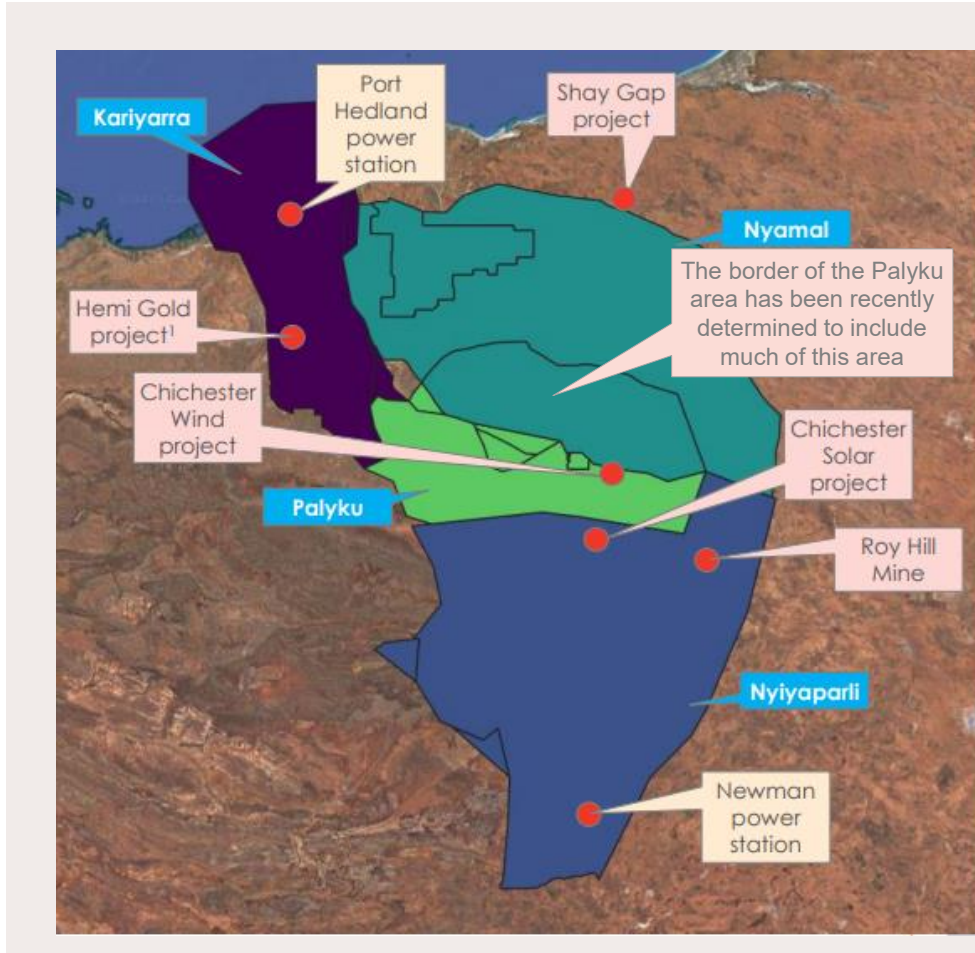
Inland tenure is dominated by mine sites



APA's Chichester and Newman sites are excellent for wind

- ✓ Good wind resource
- ✓ Simpler tenure with fewer operating mines
- ✓ Minimal culturally significant sites
- ✓ Close to APA electricity transmission
- ✓ No cyclonic winds

APA is committed to Indigenous engagement and participation



Native Title agreements with the following Traditional Owner groups in the Pilbara:

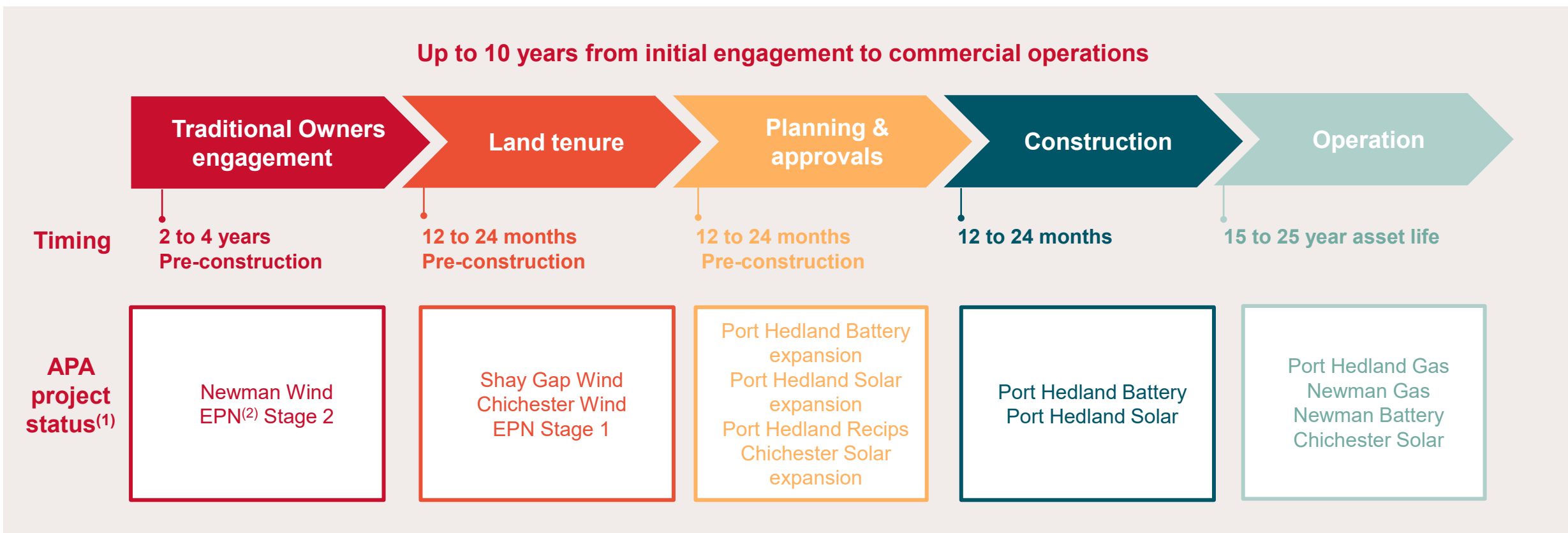
- Kariyarra People
- Nyiyaparli People

Strong relationships with both groups through:

- Following cultural protocols
- Engaging Traditional Owner monitors for ground disturbing work and other on-ground work
- Regular meetings to discuss and plan upcoming heritage surveys and other engagement requirements
- Ongoing consultation to inform the project planning and development including proposed project footprints and routes and avoidance areas

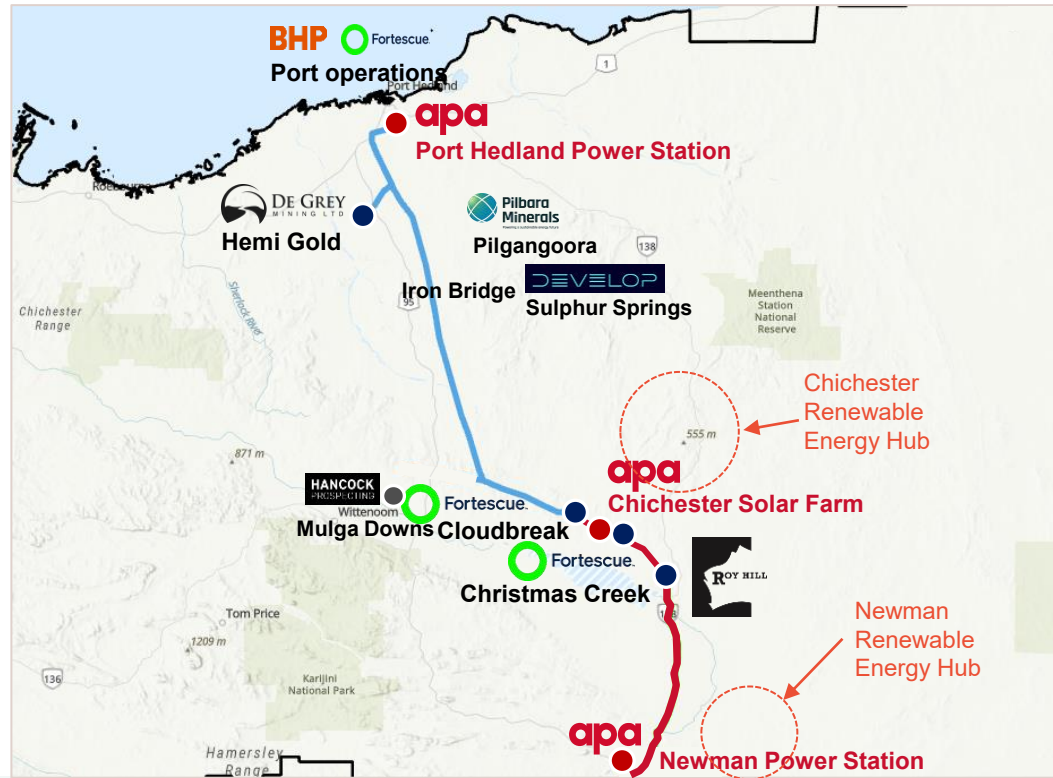
We are well placed to support our customer requirements for a timely transition

- Lead times for Pilbara renewables are long, with initial engagement generally starting at least 6 years before a customer requires commercial operations
- Pilbara customers seek commercial operations within 2 to 3 years of requests for proposals
- APA's development pipeline has multiple projects at various stages of development to meet customer requirements
- As such, APA is ideally placed to pursue the significant demand growth and renewable opportunities that lie ahead in the region



APA's longer term vision is to deliver interconnected electricity transmission for the Pilbara

Proposed East Pilbara Network map⁽¹⁾



Legend: — APA electricity transmission — East Pilbara Network ● APA power station ● Mine site

Why East Pilbara Network (EPN)?



Aligns with Government objectives



Supports and accelerates decarbonisation of the Pilbara



APA has strong Traditional Owner (TO) relationships

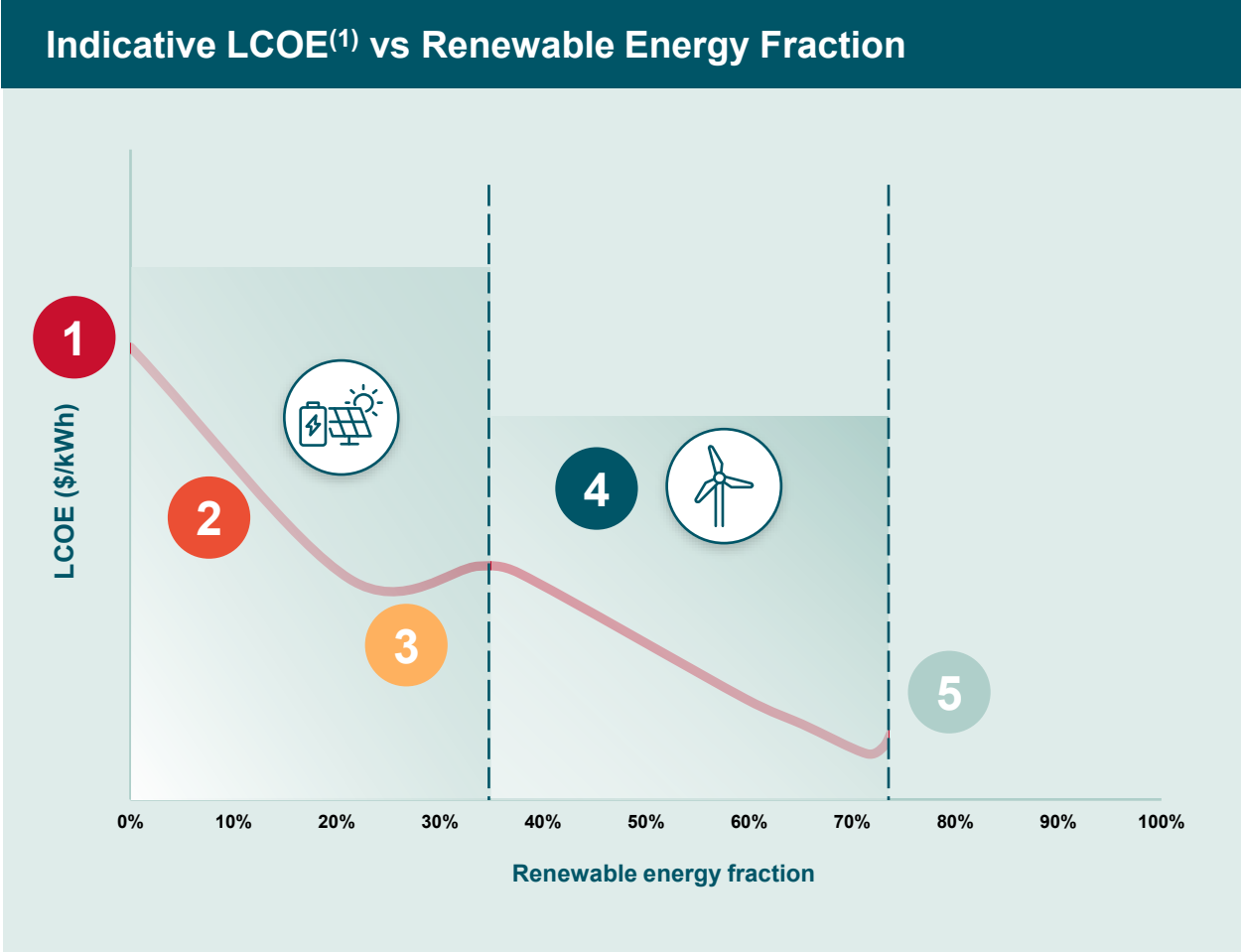


APA understands the region, resources sector and customers

Our expertise in remote grids enables us to bundle solutions that deliver low cost, reliable, low emissions power generation for our customers

Illustrative pathway

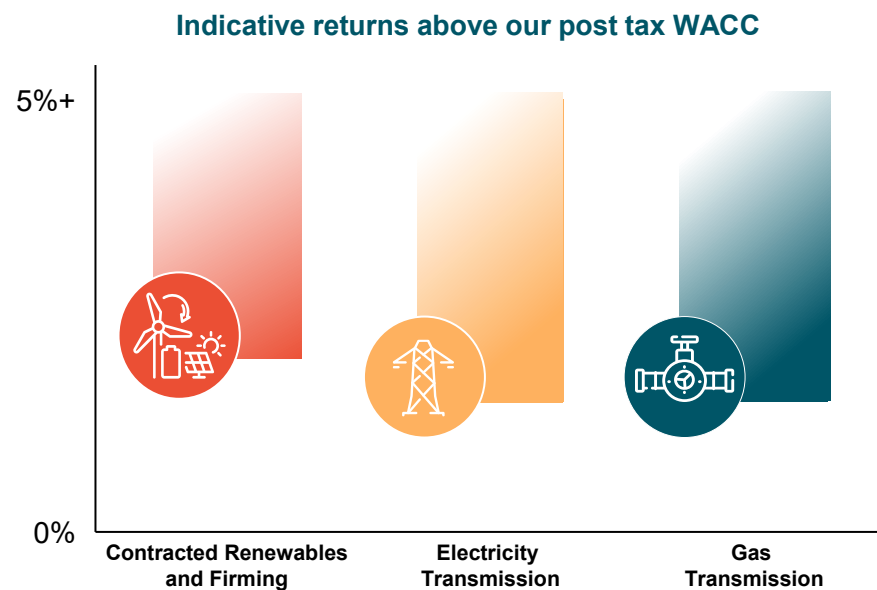
- 1 Gas or diesel**
 - Remote facilities typically start with 100% gas(or diesel) powered generation (GPG)
- 2 Introduce solar and batteries**
 - Introducing solar and batteries reduces LCOE⁽¹⁾ as gas use reduces
- 3 Solar and battery optimised**
 - More than ~30% solar results in energy curtailment
 - Further battery storage is uneconomical
- 4 Introduce wind**
 - Adding wind allows deeper renewable penetration
 - Further reduces cost of energy and CO₂ emissions
- 5 Balance with GPG**
 - LCOE⁽¹⁾ is optimised
 - Balance of power via gas firming when low levels of solar or wind generation



apa 1. LCOE refers to Levelised Cost of Energy

Attractive returns for securityholders reflect the complexity of project development and operations

Targeting returns in excess of our post tax WACC⁽¹⁾



Returns indicative based on risk profile of each particular project

- ✓ Disciplined IRR hurdle rates, which dynamically capture the specific risk profiles of each asset class, investment type and customer profile
- ✓ Our WACC and hurdle rates assume escalating interest rate curves and subsequent impact on funding costs (i.e. "through the cycle" view of rates)



APA's West Coast Grid

Mondarra gas storage

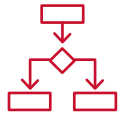


100% ownership of Goldfields Gas Pipeline combined with the Northern Goldfields Interconnect enables new product offerings and increased supply reliability



Reliability

- Alternate transportation routes
- Ability to manage both gas supply and pipeline infrastructure maintenance periods



Supply optionality

- Access to emerging Perth Basin gas supplies
- Multiple supply routes for Carnarvon Basin supply

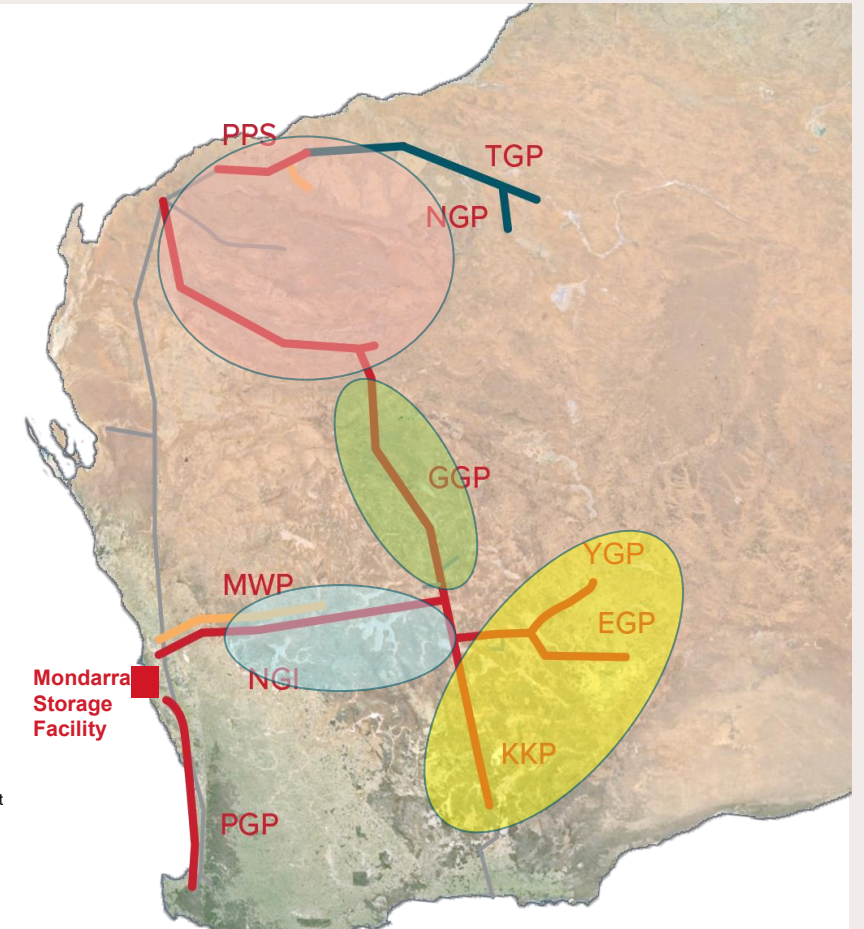


Access to Mondarra Gas Storage

- Security of supply
- Portfolio management
- Firming products

- Iron Ore, Gold
- Magnetite Iron Ore
- Nickel
- Gold

Red assets owned by APA
TGP = Telfer Gas Pipeline
NGP = Nifty Gas Pipeline
PGP = Parmelia Gas Pipeline
KKP = Kalgoorlie Kambalda Pipeline
GGP = Goldfields Gas Pipeline
NGI = Northern Goldfields Interconnect
EGP = Eastern Goldfields Pipeline
YGP = Yamama Gas Pipeline
MWP = Mid-West Pipeline



Confident in longer term demand for the Northern Goldfields Interconnect with ramp up ~5 years akin to Goldfields Gas Pipeline



Underlying Market

- Operators all along the GGP need to replace diesel with gas and complement with renewables
- Demand for gas will therefore also grow along with renewables



The Asset

- GGP is at capacity
- NGI is a cost-effective way to release capacity both at the top and bottom of the GGP



Contracting

- Timing of ramp up driven by customers coming off existing fuel sources
- New mines obtaining approvals
- Currently following similar profile to GGP initial ramp-up



Ambania Compressor Station on the Northern Goldfields Interconnect

apa

Q & A

Port Hedland Power Station





Appendix



Pilbara Energy System: Port Hedland Power Station overview

Asset overview



The Port Hedland Power Station is located in the Shire of Port Hedland, 1,640km north of Perth and 6km south of South Hedland.



The facility comprises two separate sites, the Port Hedland main site and the Boodarie satellite site, which are interconnected via approximately 10km of dedicated 66kV overhead transmission line and dispatched as a single facility.

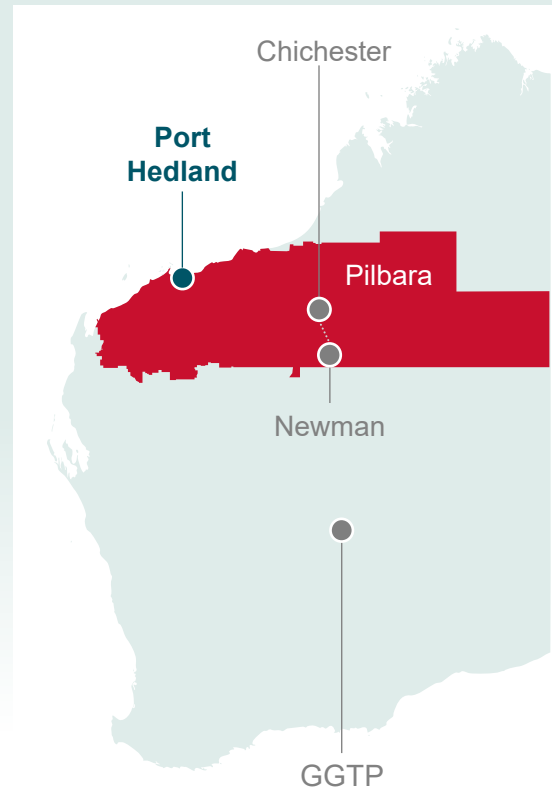


Port Hedland supplies electricity to the port facilities of BHP and FMG under long-term PPAs.



Port Hedland is a load-following station, meaning it meets instantaneous customer demand – the LM6000 is dispatched in priority and the Frame units dispatched to make the best use of hours allocated within each maintenance period.

Site location



Key figures

Commissioned	1995 Main site 1998 Boodarie 2018 LM6000
Capacity	210 MW
Fuel	Gas/diesel Gas only (Boodarie)
Contracted	BHP/FMG

Pilbara Energy System: Newman Power Station and BESS overview

Asset overview



Newman is located in the Pilbara region, 450km southeast of Port Hedland.



The Newman Power Station was originally constructed in 1996 by BHP to supply power to its iron ore mining operations. Through a series of acquisitions, the assets are now owned and operated by Pilbara Energy System.



Today, Newman supplies electricity to Roy Hill and FMG under long-term PPAs.



The site has two 600kl diesel fuel tanks to supply backup distillate fuel in the event of natural gas supply disruptions.



A 35MW battery storage system provides a flexible power supply helping to minimise the amount of gas and costs associated with maintaining thermal spinning reserve whilst improving supply reliability.



60MW of new high efficiency reciprocating engines were added in 2022.

Site location



Key figures

Commissioned	1996 (Frame), 2009 (Trent), 2018 (BESS), 2022 (Recips)
Capacity	232 MW
Storage	35 MW / 11.4 MWh Battery
Fuel	Gas/diesel (Frame) Gas only (Trent and Recips)
Contracted	FMG / Roy Hill

Pilbara Energy System: Chichester Solar Farm overview

Asset overview



The Chichester Solar Farm is located adjacent to the Christmas Creek mine in the East Pilbara region of Western Australia (~135 km north of Newman and ~390km south-east of Port Hedland).



The facility comprises of approximately 167,000 solar PV panels over an area of ~150 ha.



Recipient of government funding with A\$107m⁽¹⁾ debt from Northern Australia Infrastructure Facility (NAIF) and from Australian Renewable Energy Agency (ARENA).



The Chichester Solar Farm provides up to 100% of FMG daytime energy to FMG's Chichester Hub mining operations and firming energy is provided by the Newman Power Station.



Commercial operations since December 2021.

Site location



Key figures

Commissioned	2021
Capacity	60 MW
Size	150 ha
Contracted	FMG

Pilbara Energy System: Goldfields Gas Pipeline overview

Asset overview



Goldfields Gas Pipeline (GGP) is an essential gas transmission pipeline servicing the major iron ore, gold and nickel mining regions of WA.

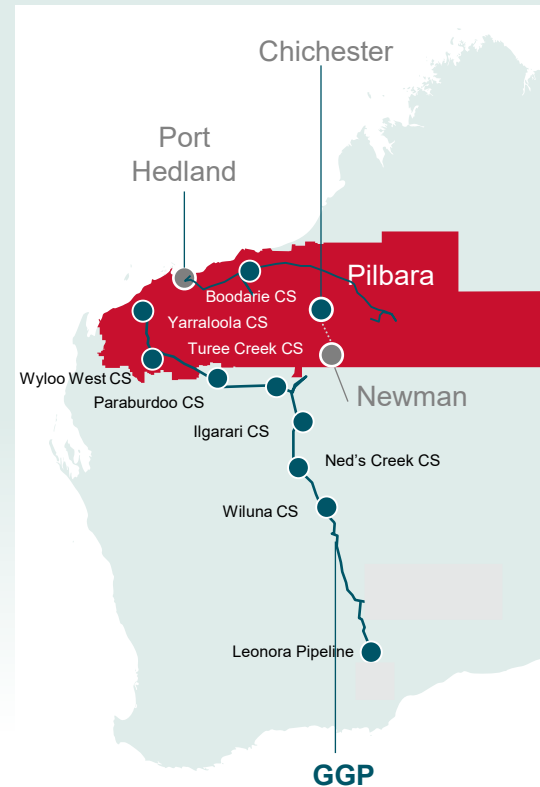


The transmission line runs for 1,378 km, from Yarraloola to Kalgoorlie, and is contracted to a number of leading resources and energy customers on long-term contracts.



Transports Carnarvon Basin gas to mining and minerals processing operations in the Pilbara region.

Site location



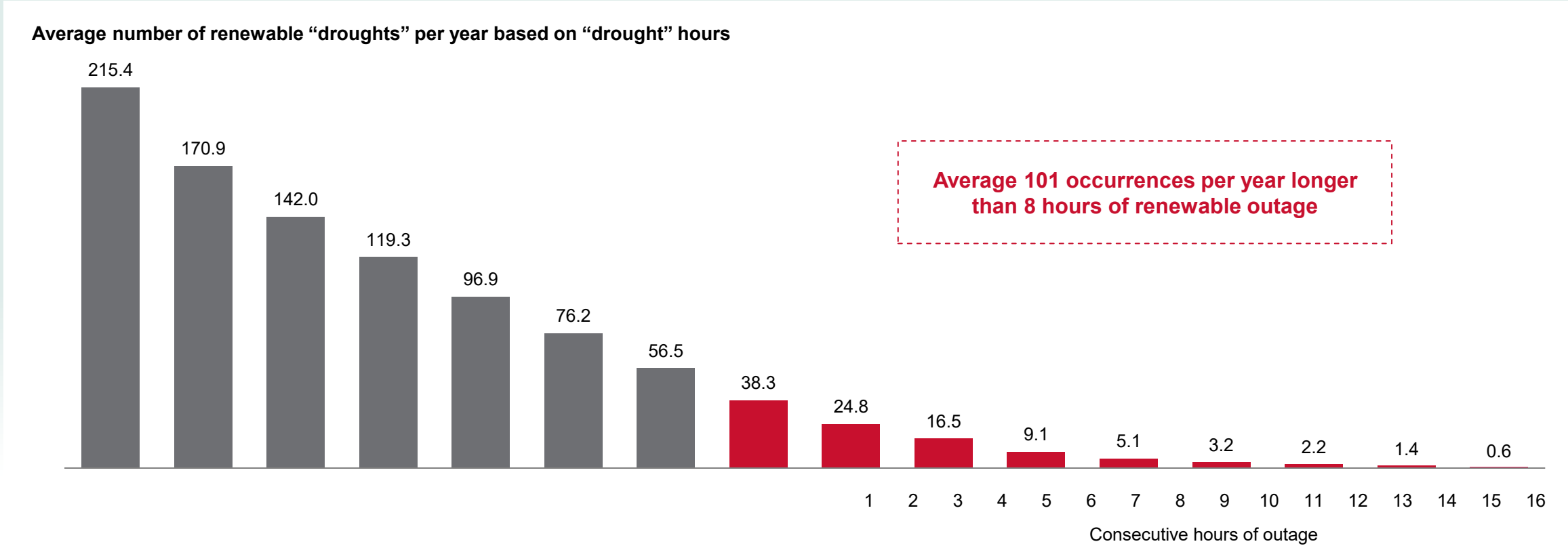
Key figures

Commissioned	1996
Capacity	203 TJ/Day
Transmission line length	1,378 km
Contracted	Various including BHP, FMG, Glencore, Rio Tinto and Roy Hill

Gas serves a critical firming and reserve capacity role in the Pilbara region

Forecast increase in electricity demand and renewables capacity to 17TWh and ~5.1GW respectively by 2050, with supply expected to transition to become ~89% renewables and ~11% gas by 2050

Pilbara renewable “droughts” of 8+ hours occurred on average ~101 times per year over the last 11 years⁽¹⁾



1. BCG analysis for APA. Based on 2012 to 2022 inclusive of weather data at single point in Pilbara where capacity factors of both wind and solar PV are less than 10%.

For further information

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