

19 February 2026

ASX ANNOUNCEMENT

APA Group (ASX:APA)

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

APA to deliver pipeline capacity needed to solve projected east coast gas shortfalls

APA Group (ASX:APA) today announces progression of Stage 3 of its East Coast Gas Grid (ECGG) Expansion Plan, which is expected to add approximately 30% additional transport capacity and address projected southern market gas shortfalls from 2028.

When Stage 3 is completed,¹ APA will have added more than 50% capacity to the East Coast Gas Grid over the past 5 years, having already increased capacity by approximately 25% via Stages 1 and 2.

The Stage 3 expansion includes:

- Final investment decision (FID) on Stage 3A (ECGG 3A), with investment of \$260 million to increase north to south capacity, supplying essential Australian gas to southern markets for winter 2028; and
- \$220 million investment for Stage 3B (ECGG 3B) to enable continued early works and procurement of long lead items for the Bulloo Interlink, including purchase of 342km of line pipe and further pre-FID works to deliver additional capacity beyond winter 2028. FID will be subject to certain considerations, including policy settings, progress with the Federal Government's Gas Market Review and final Board approval.

The staged ECGG expansion plan is designed to minimise costs for customers by anticipating demand with a fit for purpose and responsive solution. The success of this approach is evidenced by strong contracting for earlier pipeline expansions already delivered.

Modelling undertaken by APA provides confidence that domestic gas delivered from northern supply markets can be delivered into southern markets at a cost, inclusive of transport, materially below the cost of imported LNG.²

CEO comments

APA CEO and Managing Director Adam Watson said:

"These capacity expansion investments by APA, along with future planned expansions, make it crystal clear that pipeline capacity will not be a constraint to solving projected east coast gas supply shortfalls.³ It's now critical that the Federal Government implements a well-designed gas reservation policy that supports upstream investment and ensures adequate volumes are supplied into the east coast.

¹ Stage 3A has reached FID, Stage 3B remains subject to final board approval.

² Argus Northeast Asian spot price and shipping cost as at 31/07/2025 and APA estimates for tolling charges, costs and long-term firm transport.

³ Stage 3A has reached FID, Stage 3B remains subject to final board approval. AEMO 2025 Gas Statement of Opportunities, page 87, includes both APA and other pipeline expansions.

"There is no question that between Queensland and the Northern Territory there is enough gas in the ground to support both the domestic market and Asian LNG customers for decades to come.⁴

"The notion that Australia, as one of the three largest LNG exporters in the world, would need to resort to importing LNG when lower cost, lower emissions domestic gas is readily available, simply doesn't make sense and would represent a massive failure of government policy. The current Federal Government Gas Market Review provides the opportunity to avoid that failure for the long-term.

"Incremental investment in existing pipeline infrastructure is a logical, proven and timely solution to meet domestic gas needs. AEMO's 2025 Gas Statement of Opportunities clearly states that expansion of existing pipelines, along with unlocking northern supply, would meet forecast gas needs well out into the 2030s without an LNG import terminal.⁵

"When you look at the data, when compared to LNG imports, it's clear APA's expansion projects are the most reliable, cost-efficient and lower emissions solution to get Australian gas to where it's needed.⁶

"The gas demand and supply theatics playing out in the market give APA confidence to progress our East Coast Gas Grid expansion which, in turn, should give Australian consumers, business and industry the confidence that energy prices won't be at the mercy of global energy markets.

"APA is addressing southern gas market transport bottlenecks and there's plenty of domestic gas in the ground. The last piece is the introduction of the domestic gas reservation so Australia's domestic gas market can get back to what it does best – powering Australian homes and driving Australian industry."

Gas market context

For Australia's east coast, supply available in the Surat and Bowen basins is expected to offset declining southern supply and, over the long-term, new basins in the Beetaloo and Taroom Trough are expected to further strengthen supply and lower prices for domestic consumers, while ensuring Australia can capture ongoing economic benefits from LNG exports.

Strong ongoing demand for gas is expected to be underpinned by industrial demand and electrification, with gas powered generation supporting the ongoing introduction of renewables into our energy system as coal is retired. We also know there will be significant additional gas demand from AI and data centres.

APA's ECGG Stage 3 investments are expected to deliver financial returns above APA's return hurdles.⁷ The investments will be funded from APA's existing balance sheet capacity and form part of APA's ~\$3 billion organic growth pipeline.

-ENDS-

Authorised for release by the Disclosure Committee

⁴ AEMO, *Gas Statement of Opportunities (GSOO) 2025*. AEMO's step change scenario is noted as its 'most likely' scenario and hence has been used in APA analysis. There are over 68,000 petajoules of 2P reserves and 2C resources in Eastern Australia, to serve an east coast market that consumes around 500 petajoules of gas each year.

⁵ AEMO 2025 *Gas Statement of Opportunities*, page 87, includes both APA and other pipeline expansions.

⁶ Argus Northeast Asian spot price and shipping cost as at 31/07/2025 and APA estimates for tolling charges, costs and long-term firm transport.

⁷ Project returns are developed based on a number of factors, including the relative risk profile of the project.

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. As Australia's energy infrastructure partner, we own and operate a portfolio of more than \$20 billion of assets. This includes gas transmission, processing, compression and storage assets. Through our gas powered and renewable assets we generate electricity that powers our communities. We also own and operate battery storage and electricity transmission infrastructure. Consistent with our purpose of securing Australia's energy future, APA delivers around half of the nation's domestic gas through more than 15,000 kilometres of gas pipelines that we own, operate and maintain. 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.

Appendix 1 – ECGG Expansion Plan summary

Stage	Projects	Year complete	Investment	Capacity increase
Stages 1 and 2 (complete)	SWQP + MSP compression	Stage 1 – 2023 Stage 2 – 2024	~\$300 million	25% increase across ECGG north to south
Incremental expansion announced February 2025	MSEP conversion MSP off-peak capacity expansion	MSEP conversion – 2025 Off-peak capacity expansion – target 2026	~\$40 million	<ul style="list-style-type: none"> ~20 TJ/day from Moomba to Victoria or ~25 TJ/day to Sydney ~80-120 TJ/day summer capacity
ECGG 3A (target completion winter 2028)	Three new compressors delivering <ul style="list-style-type: none"> SWQP expansion MSP expansion Young-Culcairn lateral expansion 	Winter 2028 (target)	\$260 million	<ul style="list-style-type: none"> ~58 TJ/day (11% increase north to south capacity) ~10 TJ/day (2% increase north to south) ~39 TJ/day (20% increase in northern gas to Vic).
ECGG 3B (line pipe order commitment)	Bulloo Interlink Pipeline	2028 (target)	\$220 million (<i>total cost estimate – ~\$800 million</i>)	800 TJ/day maximum capacity north to south
Future stages ⁸	Additional compression Riverina Storage Pipeline Other Storage Pipelines	Target 2029+	TBD as projects progress	Increasing maximum capacity for northern gas to Victoria, targeting ~450 TJ/day + storage capacity of 500 TJs.

When combined, Stages 3A and 3B are expected to add approximately 30% of additional capacity for gas flowing north to south along the ECGG. ECGG 3A expands capacity for winter 2028 on the north to south gas transmission corridor through the installation of three new gas compressor stations and debottlenecking works.

Together this will expand South West Queensland Pipeline (SWQP) capacity by ~58 terajoules (TJs) per day, Moomba to Sydney Pipeline (MSP) mainline capacity by ~10 TJs per day and the Young-Culcairn lateral capacity by ~39 TJs per day.

The enhanced scope of ECGG 3A, with new SWQP compression expected to be delivered by winter 2028, aligns with identified market needs. It also supports the delivery of increased gas power generation essential for energy transition.

Investment in long lead items for ECGG 3B will help maintain a 2028 delivery timeframe for the Bulloo Interlink. The investment decision for ECGG 3B follows the Australian Energy Regulator's confirmation that the proposed pipeline will be subject to a lighter form of regulation upon commissioning, exempt from becoming a heavy regulation pipeline for at least 10 years.⁹

The announcement today builds on APA's earlier investment in Stages 1 and 2 of ECGG expansion and on the investment over the last year to progress the Moomba to Sydney Ethane Pipeline (MSEP) conversion and the Moomba to Sydney Pipeline (MSP) off-peak capacity expansion project. With completion of our Stage 3 projects, APA will have delivered over 50% additional transport capacity in our East Coast Gas Grid over a 5-year period.

With projected ongoing strong demand for gas to the 2050s and beyond,¹⁰ APA is already progressing further investment to address projected shortfalls in the mid to late-2030s.

⁸ Future stages are indicative only and subject to board approval.

⁹ The AER has not determined whether the asset would be subject to regulation after 10 years.

¹⁰ Australian Government, Department of Industry, Science and Resources, *Future Gas Strategy*, May 2024.

Appendix 2 – ECGG Expansion Plan map

