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APA Group

Australian Pipeline Ltd
ACN 091 344 704

Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX ANNOUNCEMENT

26 March 2015

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA Group Presentation

The APA Group Australian Domestic Gas Outlook Conference presentation is attached for release.

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating in excess of $12 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 minority interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, Energy Infrastructure Investments and GDI.

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

For more information visit APA's website, www.apa.com.au

APA Group

Connecting opportunities
Linking Australia's gas markets for improved energy security

Rob Wheals, Group Executive Transmission

Australian Domestic Gas Outlook Conference, Sydney
26 March 2015

About APA Group

APA is Australia's largest gas infrastructure business

Core business areas:

- **Gas transmission pipelines and storage**
  - Owning and operating two thirds of Australia's onshore pipelines
  - Interconnected pipeline networks
  - Transporting approximately half the gas used domestically
- **Gas distribution networks**
  - Operating approximately a third of the nation's gas distribution networks
- **Other related energy infrastructure**
  - APA has developed and acquired complementary energy infrastructure, including gas and wind electricity generation, gas processing and electricity transmission

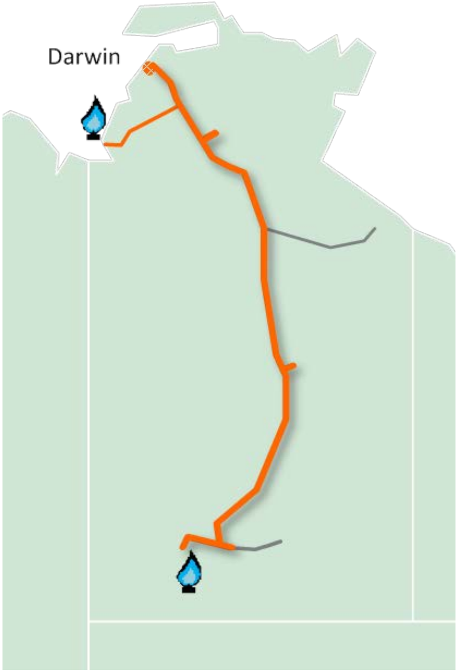
APA is an **integrated operating business** with **direct management and operational control** over its assets and investments

APA overview	
Market capitalisation(1)	A$10.2 billion S&P/ASX 50 – top 30 MSCI All World Index; FTSE All World Index
Assets owned/ operated	Over $12 billion(2)
	Gas transmission 14,200 km(2) transmission pipelines Underground and LNG gas storage **Gas distribution** 27,100 km gas network pipelines 1.3 million gas consumers **Other energy infrastructure** 585 MW power generation 244 km HV electricity transmission Gas processing plants
Employees	More than 1,600

(1) As at 27 Feb 2015 (2) Excludes 543 km QCLNG Pipeline acquisition - financial close is expected Q2 CY2015

APA – Australia's largest gas infrastructure business

APA in the Northern Territory and east coast

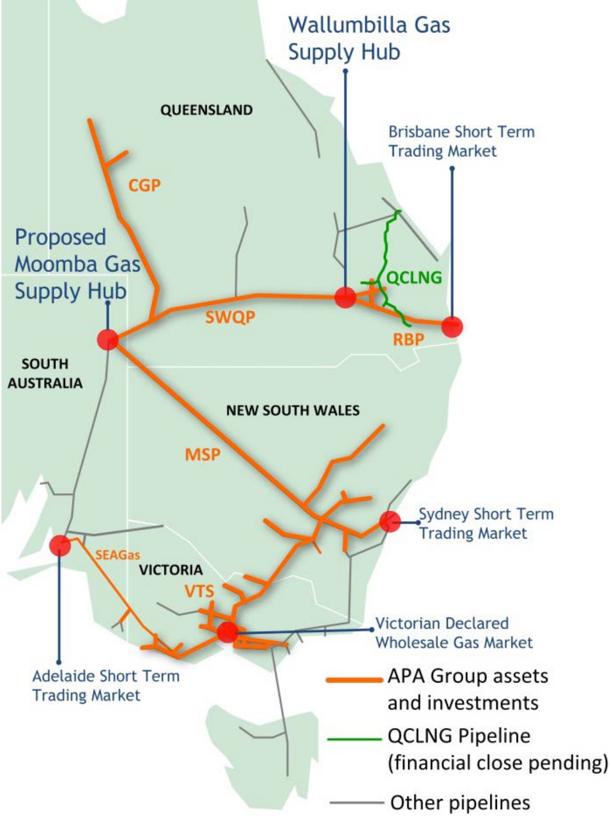


East coast grid

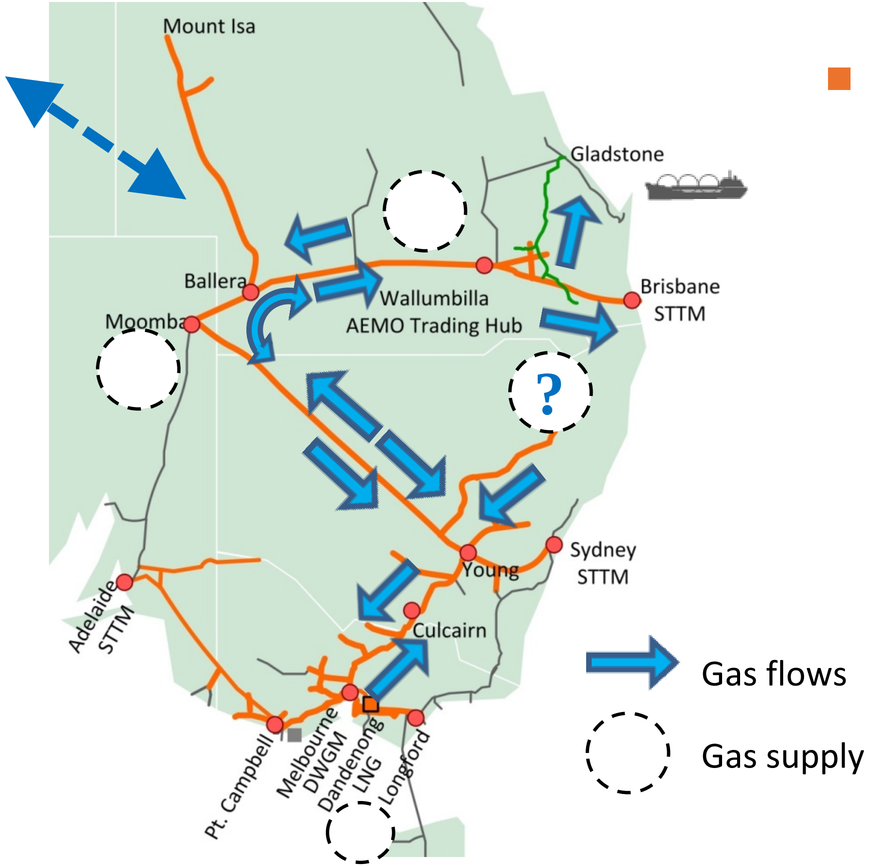
- > 7,000 km across 5 states/territories
- Configuring pipelines to operate as a single network system
- Multiple receipt and delivery points

Northern Territory

- 2,000 km gas pipelines
- Long term presence in the Northern Territory – since 1980's with NT Gas until 2011



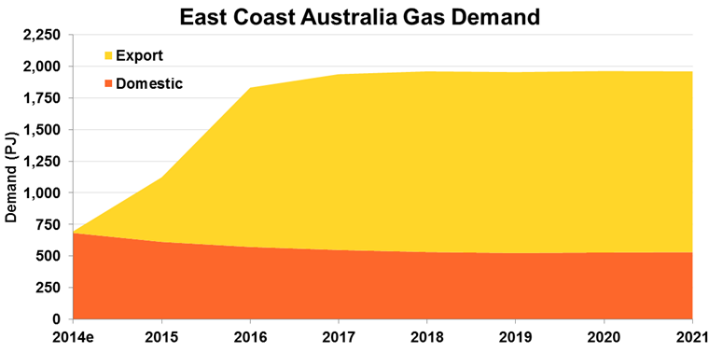
East coast gas market - changing dynamics



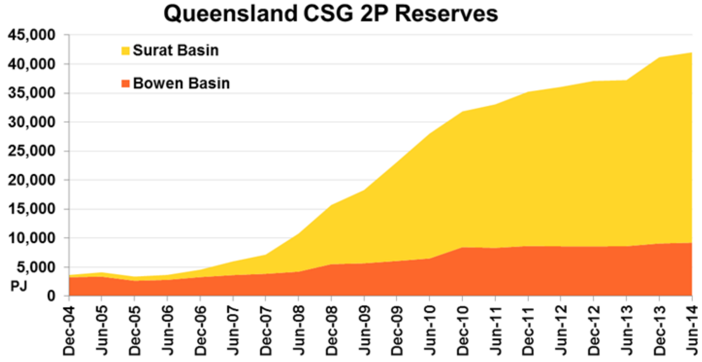
- Significant changes happening in the market right now
  - Increased LNG demand
  - World commodity prices
  - Changing/variable sources of gas
  - Access to multiple receipt and delivery points
  - Shorter gas sales agreements
  - Market trade and arbitrage opportunities
  - Government policy - NSW election

    - NT Government

East coast gas market – supply challenges

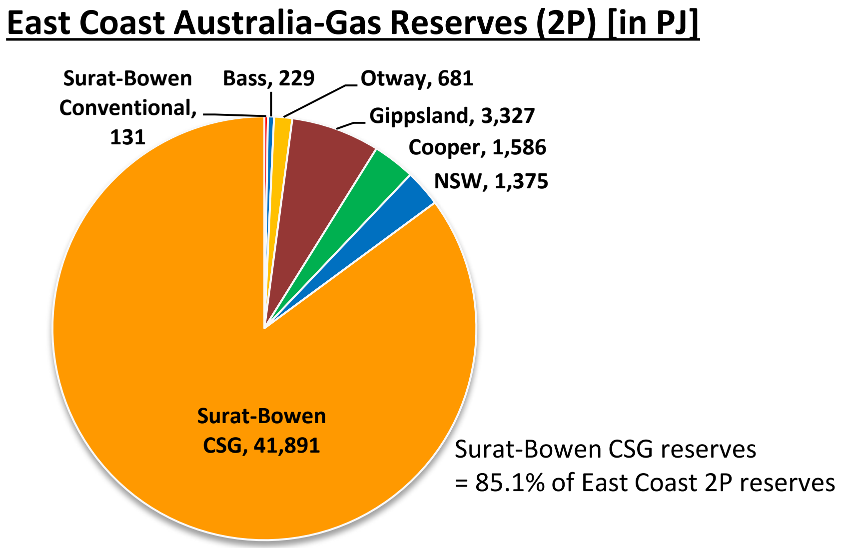


Source: AEMO Natural Gas Forecasting Report 19 December 2014 ('Medium' Case)

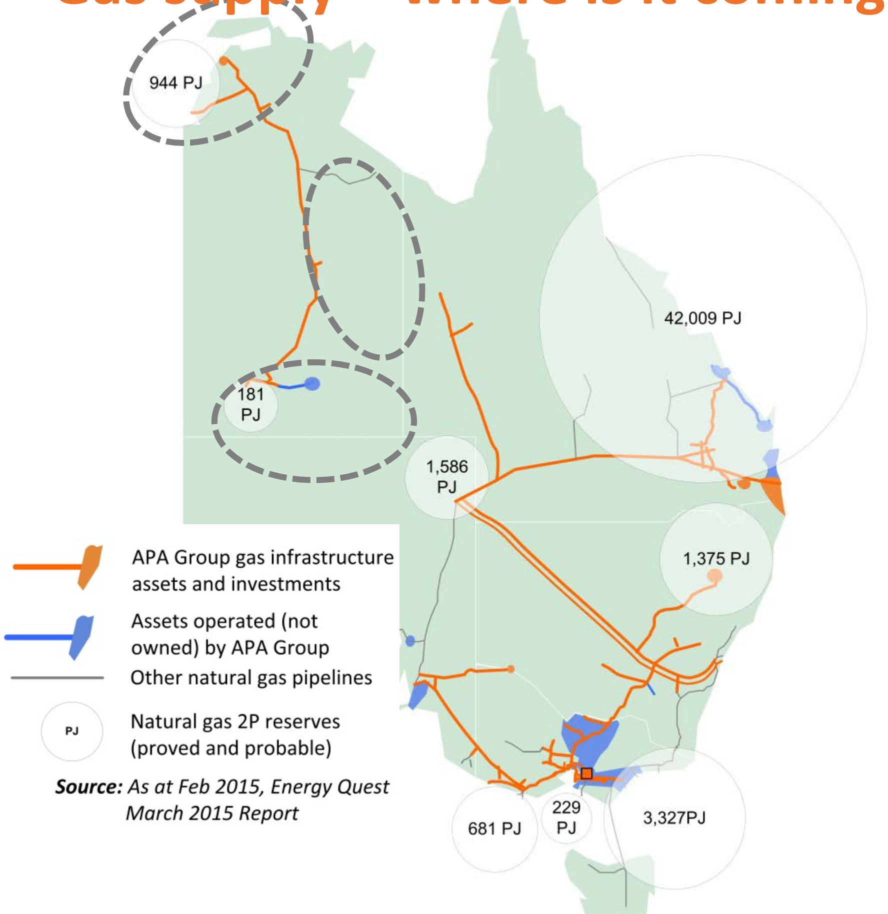


Source: Queensland Department of Natural Resources and Mines, Coal Seam Gas Reserves to 30 June 2014

- More than tripling of east coast demand due to LNG exports
- Supply sufficient for east coast demand for ~ 20 years
- BUT does not allow for any increase in demand, or any decline in reserves, or any demand beyond 20 years



Gas supply - where is it coming from?



Source: *As at Feb 2015, Energy Quest March 2015 Report*

NT

>200 TCF(1) of gas resources (1TCF $\cong$1,000 PJ)

Producing assets and unconventional gas

QLD

Surat-Bowen - CSG (41,891 PJ)

- conventional (118 PJ)

SA

Cooper - conventional (1,463 PJ)

- unconventional (5 PJ)
- other (118 PJ)

VIC

Conventional - Gippsland (3,327 PJ)

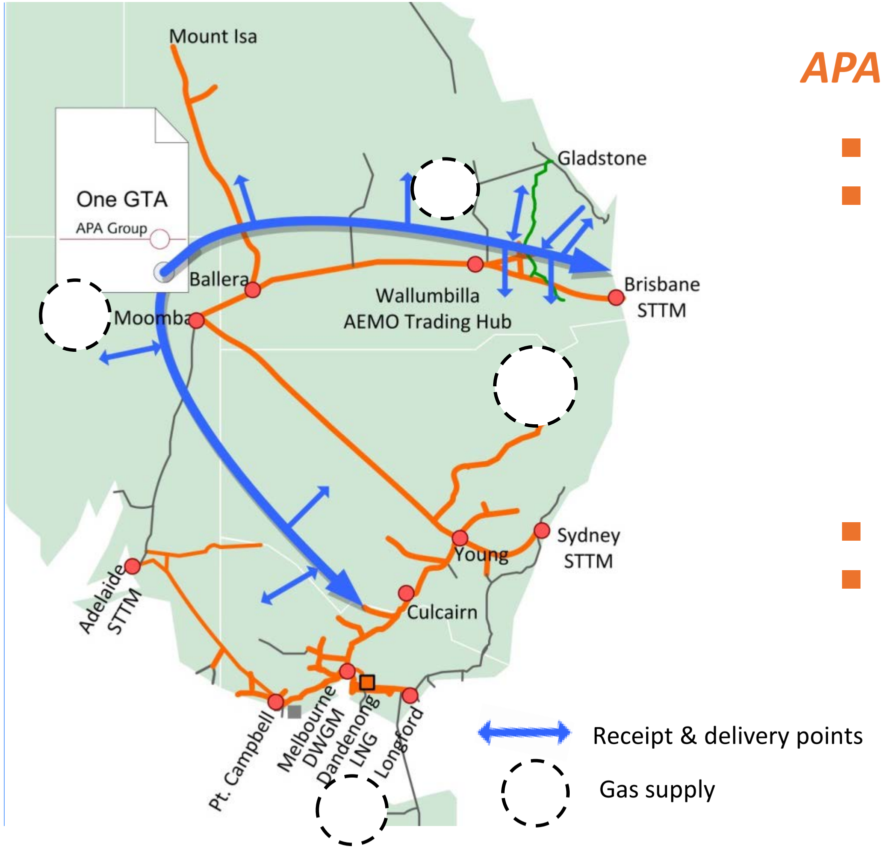
- Bass (229 PJ)
- Otway (681 PJ)

NSW

Clarence-Moreton and Gunnedah - CSG (1,375 PJ)

(1) NT Government media release 19 February 2014.
Potential reserves of approximately 240 TCF across 6 basins .

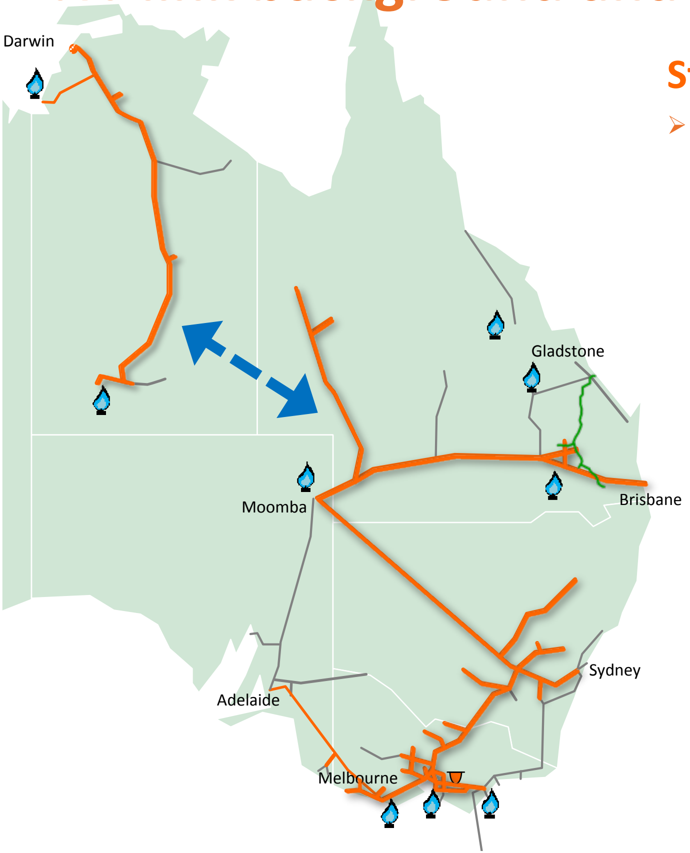
Gas market - what has APA been doing?



APA responds to what the market wants

- One GTA - seamless service and flexibility
- Improved and new services are being offered
  - Hub services
  - Capacity-trading
  - In-Pipe trades
  - Bi-directional flow
  - Increased compression / capacity
  - Storage
- Greater transparency
- Infrastructure opportunities
  - NSW gas
  - NT Link
  - Further Victoria to NSW expansion

NT link background and government process



Strategic initiative to connect NT to APA's east coast gas grid

- Flexible energy supply across the system, regardless of input/exit points

Timetable

- **Feb 2014** - APA announced feasibility study for NT Link project and $2m commitment
- **Oct 2014** - NT government receives COAG support for the connection
- **Nov 2014** - NT government calls for EOI
- **Dec 2014** - APA included in NT government's shortlist of 11 bidders
- **Mar 2015** - 9 Requests for Initial Proposals were received with preferred proponents to be announced by end March
- **Sep 2015** - Final Request for Proposal to close

APA Feasibility study update

Infrastructure

- Preliminary assessment of several possible pipeline routes
  - evaluating environmental considerations
  - determining whole of project construction cost estimates
  - route flyovers commenced (August 2014)
- Detailed engineering
  - 3 pipeline routes modelled
  - infrastructure requirements in process of being defined

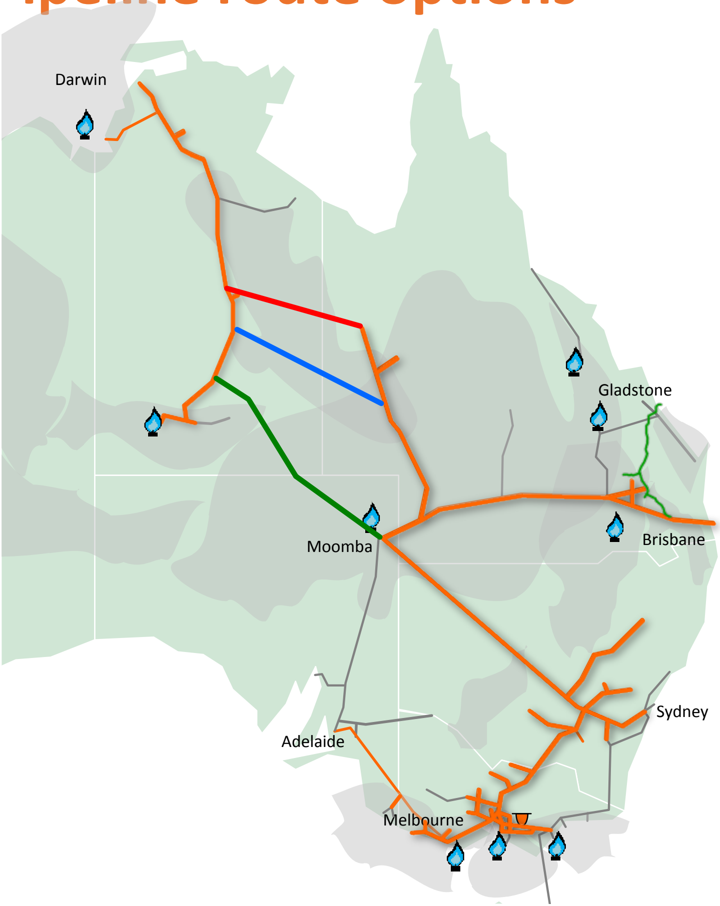
Commercial

- Discussions with large downstream users on east coast
- Discussions with major upstream producers & juniors/explorers

Government

- Ongoing dialogue with government (Fed, State and Territory) and other stakeholders

Pipeline route options



	Option A	Option B	Option C
Location to:	Mount Isa	Moomba	CGP
Length:	600 km	1,175 km	700 km
Water crossings:	6	11	9
Flood: (1)	25,000	352,000	117,000
Rock/ outcrops:	35-45km	25-35km	50-60km

(1) Susceptibility to flooding – km^2 catchment upstream

NT Link challenges

Commercial

- Competitive delivered gas price
- Bankable gas reserves
- Time frame
- "Critical mass" market volume
- Gas specification
- Current low oil price


Water crossings and floodplains

Physical

- Water crossings and floodplains
- Rock / outcrops
- Environmental and cultural considerations
- Logistics of remoteness
  - People, communications, transport of materials
- Landholder engagement


Rock / outcrops

Conclusion – Connecting Opportunities

- Dynamic east coast gas market
- Interconnected grid gives APA ability to respond to market needs
- APA has a long history of successful infrastructure development

APA's unique offering

- APA can deliver a whole of system approach, leveraging the network capability from interconnected infrastructure
- APA has appropriate capability, expertise and resources to fully develop new connections and services

Questions

Disclaimer

This presentation has been prepared by Australian Pipeline Limited (ACN 091 344 704) the responsible entity of the Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441) (**APA Group**).

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