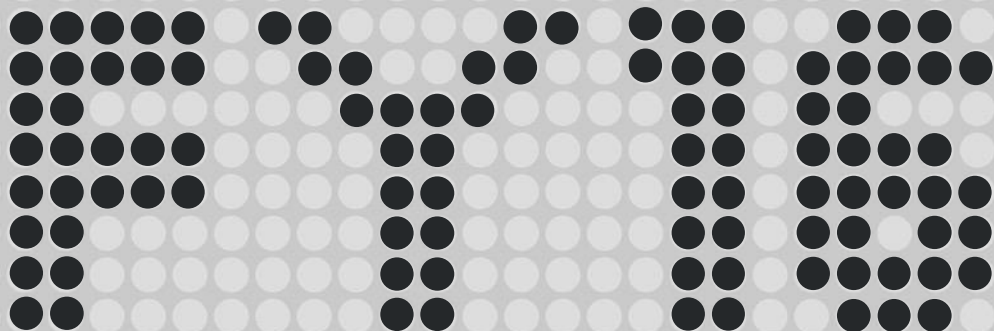


financial results year ended 30 June 2016.



24 August 2016

energy. connected.



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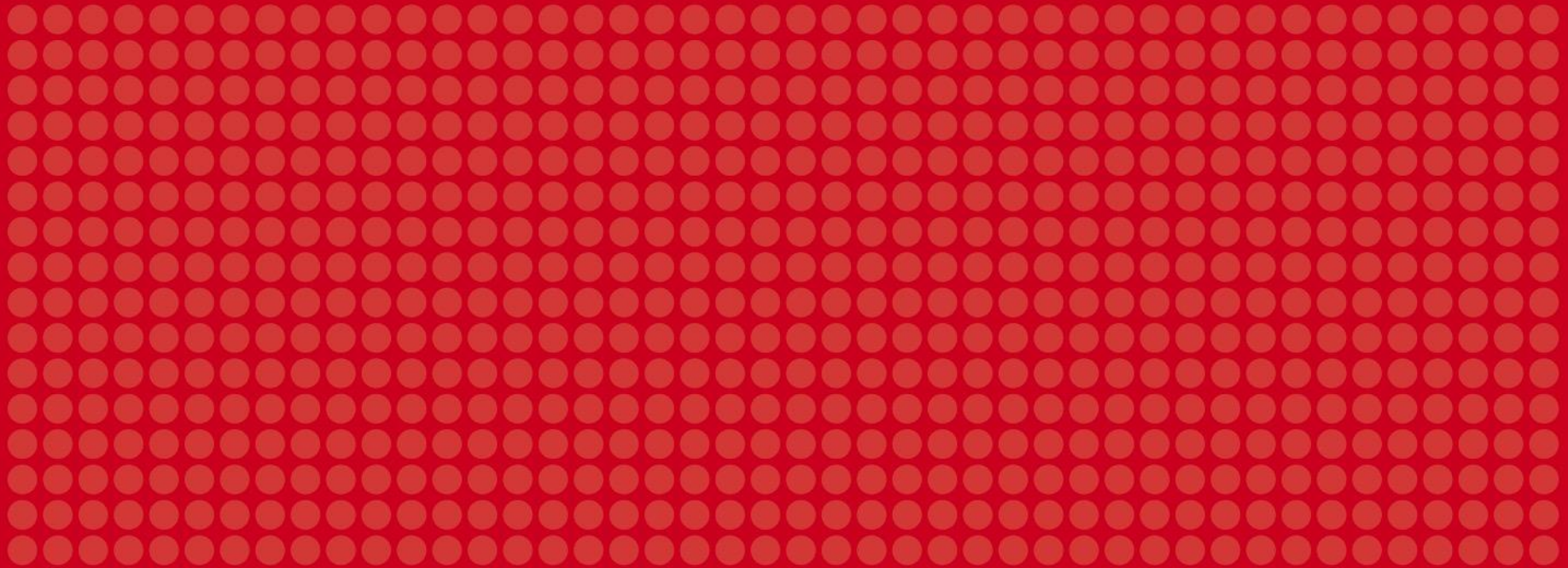
Non-IFRS financial measures: APA Group results are reported under International Financial Reporting Standards (IFRS). However, investors should be aware that this presentation includes certain financial measures that are non-IFRS financial measures for the purposes of providing a more comprehensive understanding of the performance of the APA Group. These non-IFRS financial measures include EBIT, EBITDA and other "normalised" measures. Such non-IFRS information is unaudited, however the numbers have been extracted from the audited financial statements.

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results overview and strategic highlights

Mick McCormack
Managing Director and CEO.



\$ million	2016	2015	change	
Statutory results				
EBITDA	1,330.5	1,269.5	Up	4.8%
Net profit after tax	179.5	559.9	Down	67.9%
Operating cash flow ⁽¹⁾	862.4	562.2	Up	53.4%
Operating cash flow per security (cents)	77.4	56.5	Up	37.0%
Normalised results⁽²⁾				
EBITDA from continuing businesses ⁽³⁾	1,330.5	821.3	Up	61.8%
Net profit after tax	179.5	203.9	Down	12.0%
Operating cash flow ⁽¹⁾	862.4	545.0	Up	58.2%
Operating cash flow per security (cents)	77.4	54.8	Up	41.2%
Distributions				
Distributions per security (cents)	41.5	38.0	Up	9.2%
Distribution payout ratio ⁽⁴⁾	53.6%	68.8%	Down	15.2

Notes:

(1) Operating cash flow = net cash from operations after interest and tax payments

(2) Normalised results exclude one-off significant items, reflecting APA's core earnings from operations. There were no significant items for the period, therefore normalised and statutory results are the same for FY16. FY15 \$356.0 million of significant items (post tax).

(3) EBITDA from continuing businesses excludes divested business for FY15 (EBITDA during FY15 from AGN (formerly Envestra)).

(4) Distribution payout ratio = total distribution payments as a percentage of normalised operating cash flow.

- To meet our customers' evolving needs in a dynamic energy market
- Investments
 - to enhance our infrastructure
 - to increase our service offering
 - to maintain comprehensive in-house infrastructure expertise
- Innovation
 - flexible multi-asset contracts
 - in-pipe and capacity trading
 - hub services
 - Integrated Operations Centre
 - systems and processes

East Coast Grid

- **WGP** – full year contribution
- **Multi-asset and flexible services**
- Major **bi-directional** pipeline projects completed
- **SWQP** and **VNI** contracts contributing

Western Australia

- **EGP** commissioned and contracts commenced
- Additional EGP contract
- New contract at **Mondarra**

IOC enabling dynamic asset and service management

Growth investments

- \$281.0 million growth capex
- \$339.9 million acquisitions

delivering for customers and the energy industry



Since listing in 2000,
APA has invested in...

- **2,000km+** pipelines added
- **\$2.5bn+** organic growth capex
- **~\$10bn** acquisition of complementary assets
- **\$150m+** in IT & asset management systems

Efficiency benefits of the East Coast Grid to the market of \$120-\$150m since 2012 and \$15-32m p.a. going forward*



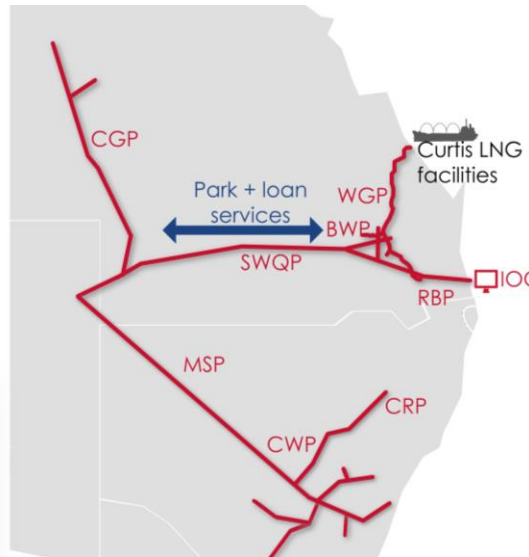
* Notes: Study by The Brattle Group, 2016

10/08/2016

LNG case study

Customer request:

- Borrow sizeable amount of gas
- Repay that gas and park additional quantities of gas over the following week



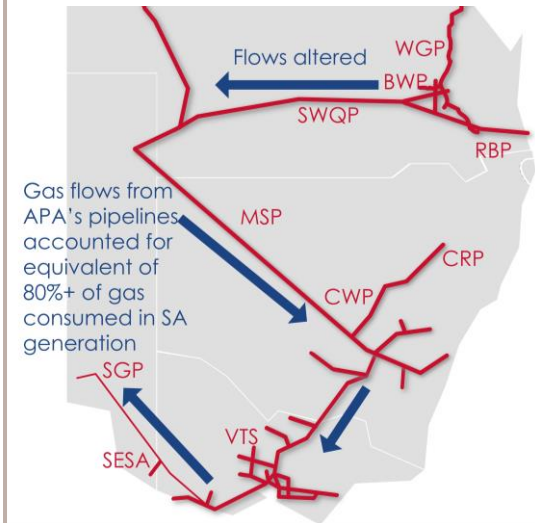
Benefits to customers:

- Avoided well turndowns
- Avoided unnecessary flaring
- Assisted with meeting production targets

Southern markets case study

Market need:

- Move gas from Queensland to South Australia for peaking gas fired generation, to alleviate electricity shortages in South Australia



Benefits to customers:

- Continuous supply of electricity to South Australian consumers
- No interruption of gas supply to NSW and Victorian consumers

a disciplined and prudent approach to growth



Acquisitions

Diamantina acquisition

- Enterprise value \$700m
- Financial close on 31 March 2016
- Long term contracts with Glencore's Mount Isa Mines and the Queensland government owned Ergon Energy
- Aligns with APA's strategy of building out energy infrastructure assets



EPX acquisition

- Enterprise value \$130m
- Acquisition completed on 16 June 2016
- Long term contract with Qenos to 2030
- Aligns with APA's core business of owning and operating transmission pipeline assets

Organic growth



Eastern Goldfields Pipeline

- \$140m capex spend
- 293km greenfield pipeline, connecting to APA's Goldfields Gas Pipeline, delivering gas across 1,800km
- Foundation shipper AngloGold Ashanti's mines at Tropicana and Sunrise Dam
- New customer already taking gas – Gold Fields' Granny Smith

Victoria – Northern Interconnect

- \$240m+ total capex spend
- 3 customers (EA, Origin, Lumo) entered into Phase 1 expansion taking delivery
- Work continues for other customers

industry best practice in safety and operations



Health and safety

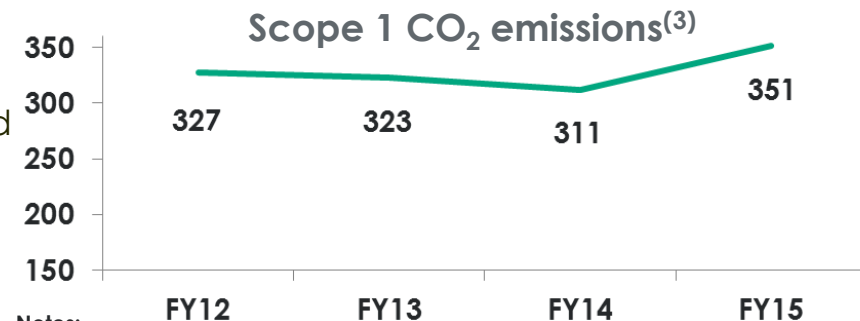
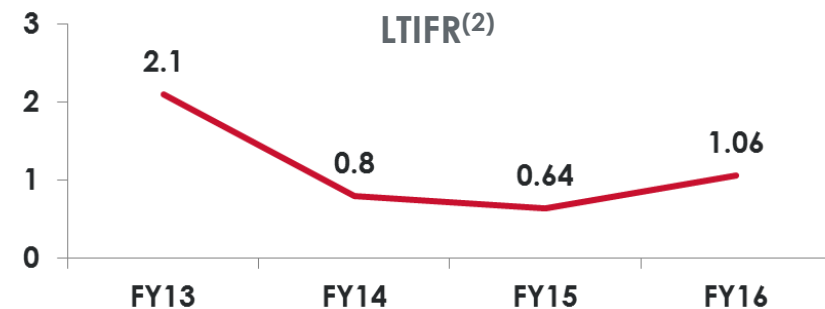
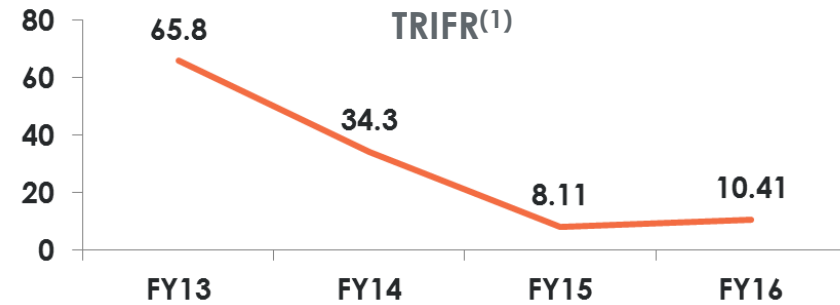
- Zero Harm workplace
- Safeguard+: new incident reporting platform
- Health & Safety audit – 95% compliance rating
- Conclusion of initial 3-year HSE Strategic Improvement Plan, a new 3-year plan commenced from FY17

Environment

- Full compliance with relevant standards and regulations
- Increase in emissions and energy consumption relate to increase in compressor use (growing business)

Operational excellence - Enterprise Asset Management

- Integrated asset management system
- Standardised processes and systems for managing and maintaining all of our assets
- Ongoing initiatives on delivering improved crew utilisation and asset reliability
- Continue to build on solid foundation of in-house asset management expertise



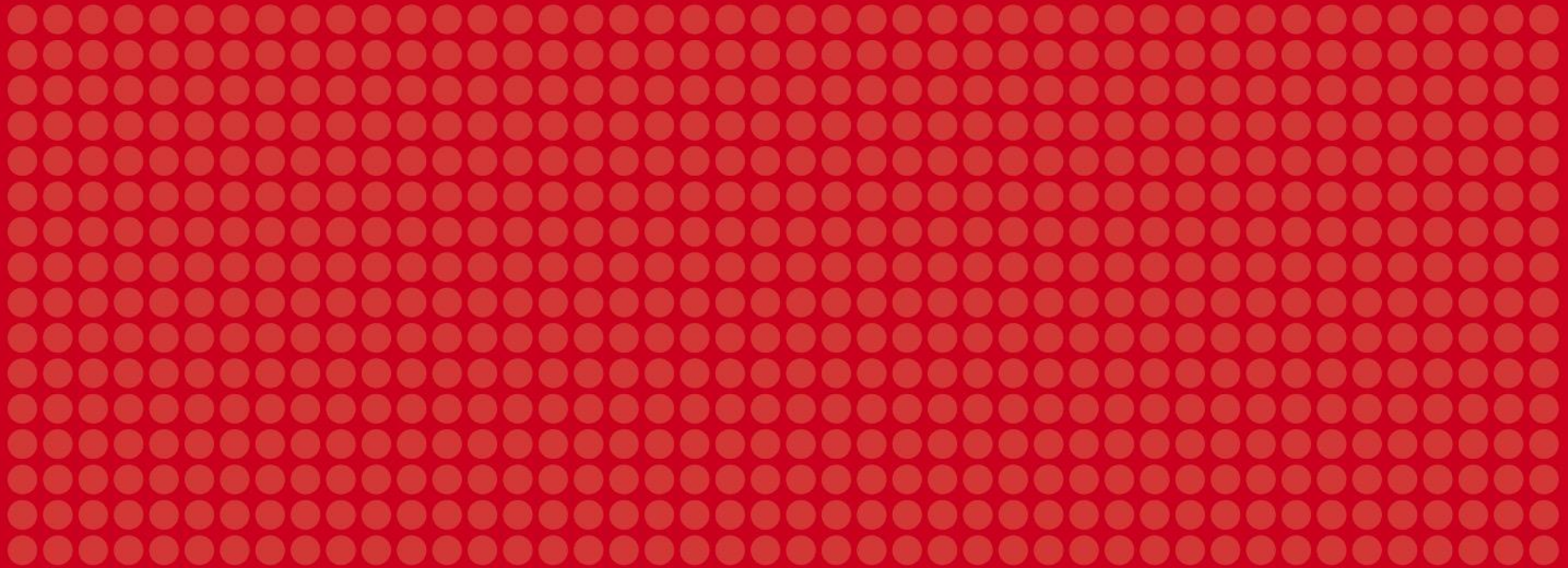
Notes:

- (1) Total reportable injury frequency rate (TRIFR) is measured as the number of lost time and medically treated injuries sustained per million hours worked. All data includes both employees and contractors.
- (2) Lost time injury frequency rate (LTIFR) is measured as the number of lost time injuries per million hours worked. Data from FY14 includes both employees and contractors. Prior to that, employee data only.
- (3) In accordance with National Greenhouse and Energy Reporting obligations. Submitted in October 2015. FY16 numbers to be finalised in October 2016. Units = '000 tonnes

financial performance

Peter Fredricson

Chief Financial Officer



reconciliation – statutory and normalised results



\$ million	FY2016			FY2015			Change
	Statutory	Significant items	Normalised	Statutory	Significant items	Normalised	Normalised
Revenue excluding pass-through ⁽¹⁾	1,656.0	-	1,656.0	1,119.2	-	1,119.2	48.0%
EBITDA – continuing businesses ⁽²⁾	1,330.5	-	1,330.5	838.5	17.2	821.3	62.0%
EBITDA – divested business ⁽³⁾	-	-	-	431.0	430.0	1.0	nm
EBITDA	1,330.5	-	1,330.5	1,269.5	447.2	822.3	61.8%
Depreciation and amortisation	(520.9)	-	(520.9)	(208.2)	-	(208.2)	(150.2%)
EBIT	809.7	-	809.7	1,061.3	447.2	614.1	31.9%
Net interest expense	(507.7)	-	(507.7)	(324.2)	-	(324.2)	(56.6%)
Pre-tax profit	302.0	-	302.0	737.1	447.2	289.9	4.2%
Tax	(122.5)	-	(122.5)	(177.2)	(91.2)	(86.0)	(42.5%)
Net profit after tax	179.5	-	179.5	559.9	356.0	203.9	(12.0%)
Operating cash flow	862.4	-	862.4	562.2	17.2	545.0	58.2%

Notes: Numbers in the table may not add due to rounding.

(1) Pass-through revenue is revenue on which no margin is earned.

(2) Based on continuing businesses.

(3) EBITDA – divested business includes the net profit on the sale of AGN (formerly Envestra) of \$430 million.

FY16 result: EBITDA by business segment



\$ million	2016	2015	Change	% of EBITDA ⁽⁴⁾
Energy Infrastructure				
Queensland	855.8	340.1	151.6%	60.4%
New South Wales	121.7	120.8	0.7%	8.6%
Victoria & South Australia	123.1	132.1	(6.8%)	8.7%
Northern Territory	17.5	18.0	(2.8%)	1.2%
Western Australia	217.6	212.6	2.3%	15.4%
Energy Infra total	1,335.6	823.6	62.2%	94.2%
Asset Management	53.9	49.4	8.9%	3.8%
Energy Investments	27.8	21.8	27.6%	2.0%
Corporate costs	(86.7)	(73.6)	17.8%	(6.1%)
Continuing business EBITDA⁽¹⁾	1,330.5	821.3	62.0%	
CC/EBITDA ⁽²⁾	6.1%	8.2%	(2.1%)	
Divested business ⁽³⁾	0.0	1.0	n/m	
Significant items	0.0	447.2	n/m	
Total EBITDA	1,330.5	1,269.5	5.1%	

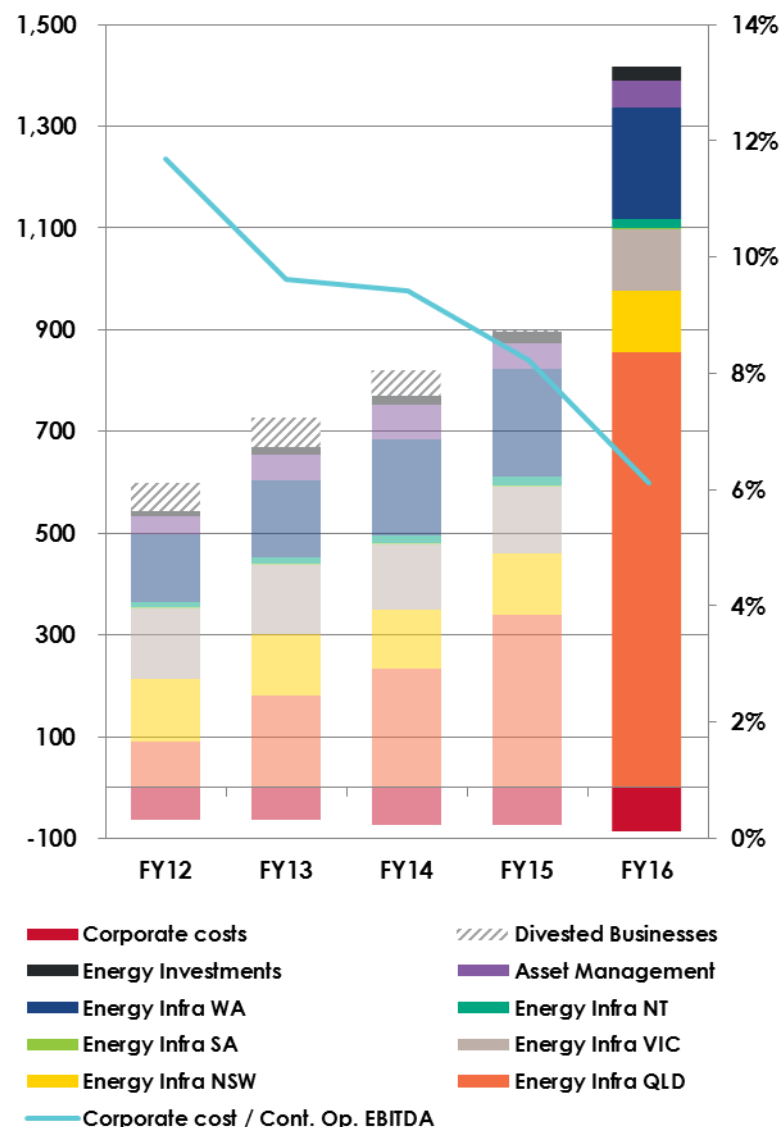
Notes: Numbers in the table may not add due to rounding.

(1) Continuing business EBITDA.

(2) As a % of Continuing business EBITDA before Corporate costs.

(3) Investment in AGN (formerly Envestra) sold in August 2014.

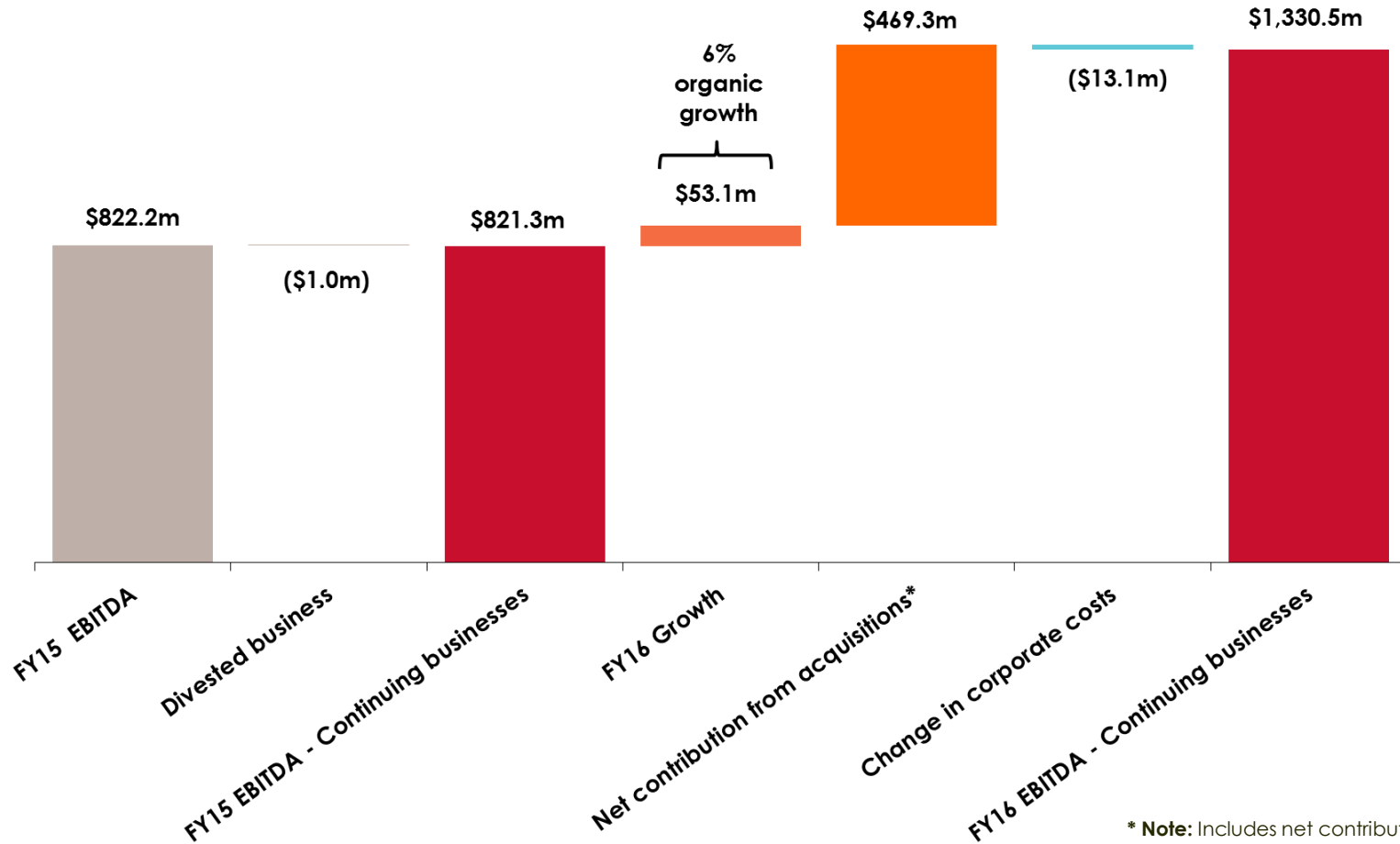
(4) Continuing business operating EBITDA (i.e. Before Corporate costs)



FY16 EBITDA bridge



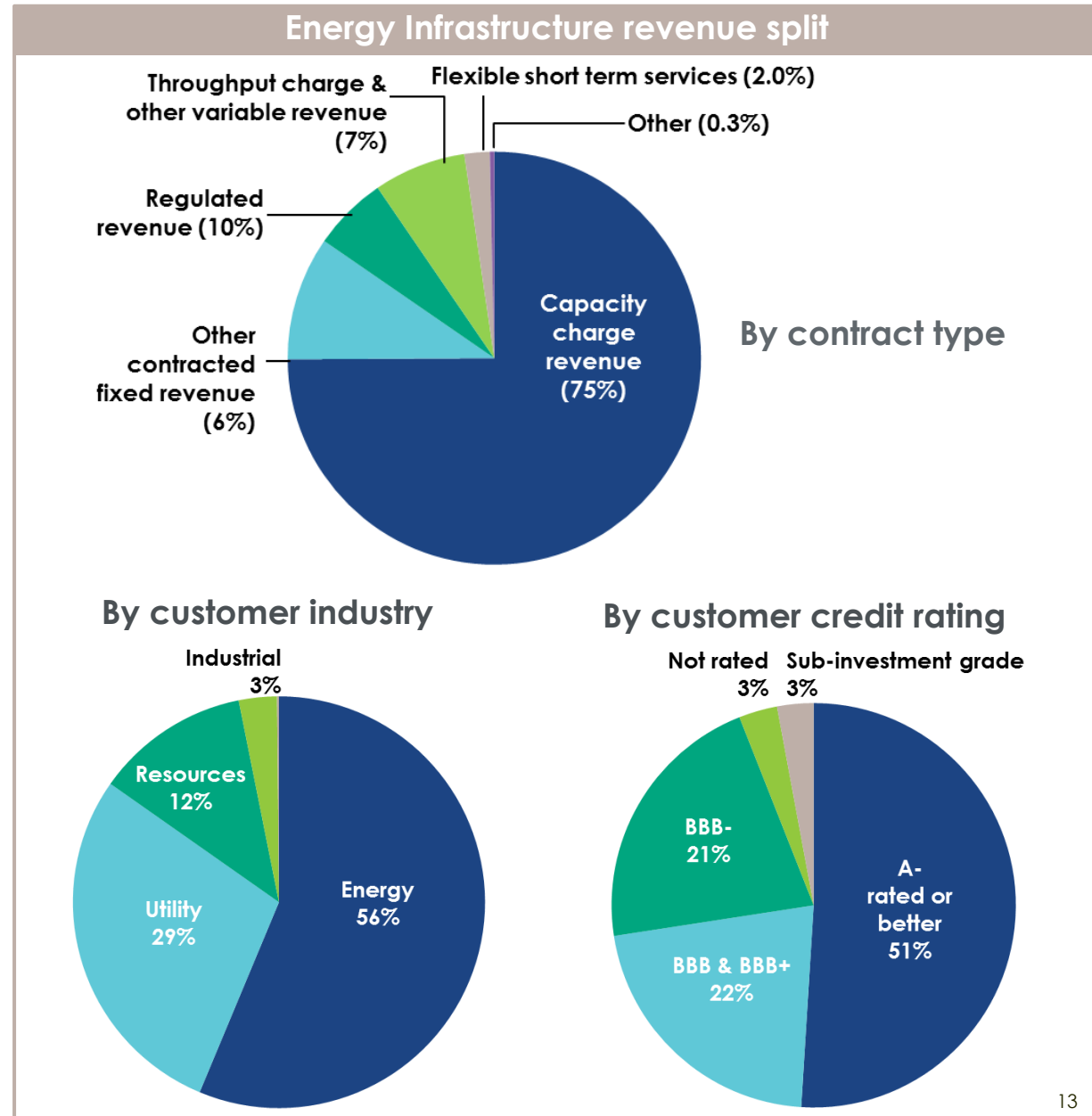
- 6% organic growth achieved
- \$469.3 million contribution from WGP, DPS and EPX



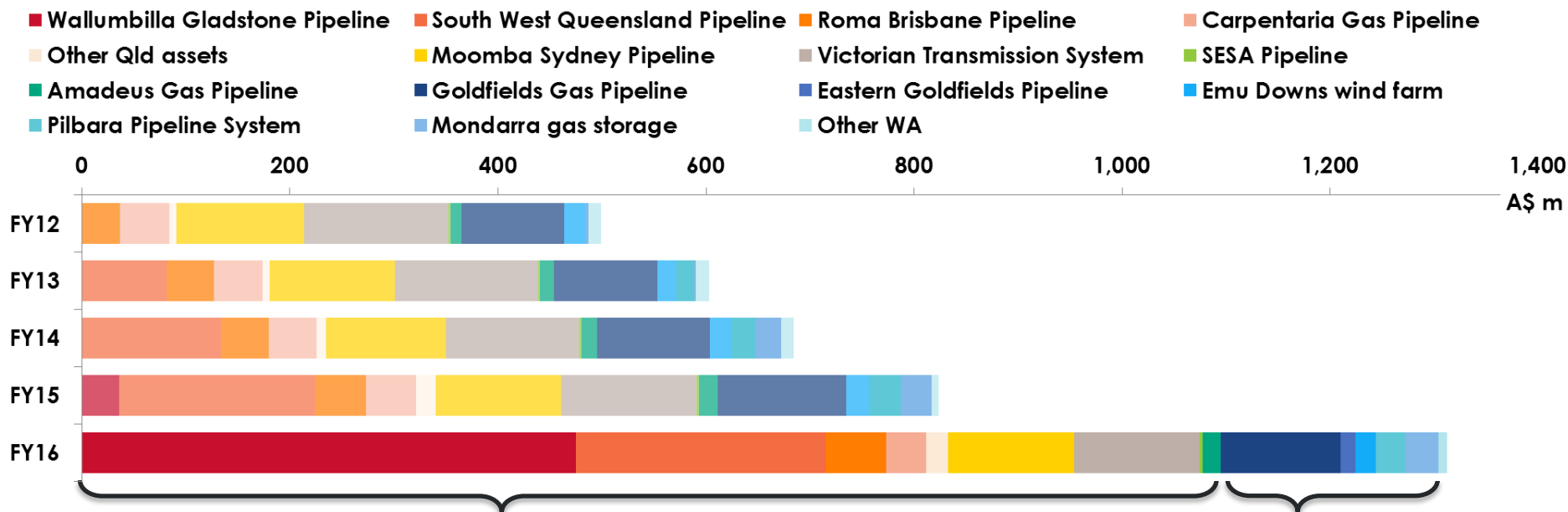
* **Note:** Includes net contribution from the 100% ownership of Wallumbilla Gladstone Pipeline, Ethane Pipeline Income Fund and the Diamantina & Leichhardt Power Stations.

low risk business model

- APA has solid risk management processes in place
- Continue to manage counterparty risks by:
 - Diversification of customers & industry exposures
 - Assessment of counterparty creditworthiness
 - Entering into term contracts to support major capital spend



FY16 operational summary – Energy Infrastructure



East Coast Grid + Northern Territory

- EBITDA from APA's ECG increased by 82%
- WGP contributed \$475 million for the full year
- Queensland assets performed strongly, increasing 17% (ex WGP), from expansions completed previously
- VNI expansion benefits reflected in NSW and Victoria, partially offset by weaker volumes and one-off item recorded in Victoria in FY15
- Bi-directional capabilities across major ECG pipelines
- Continued to asset and service enhancements to meet customer demand
- Ongoing demand from customers to move gas around to manage market volatility

Western Australia

- EBITDA from WA assets increased by 2%
- EGP contributed 7 months' earnings from AngloGold contract and 3 months from Granny Smith contract
- Mondarra benefited from new contract from well enhancement project commissioned during the year
- Partially offset by GGP regulatory decision

FY16 operational summary – Asset Management, Energy Investments and Corporate costs

Asset Management

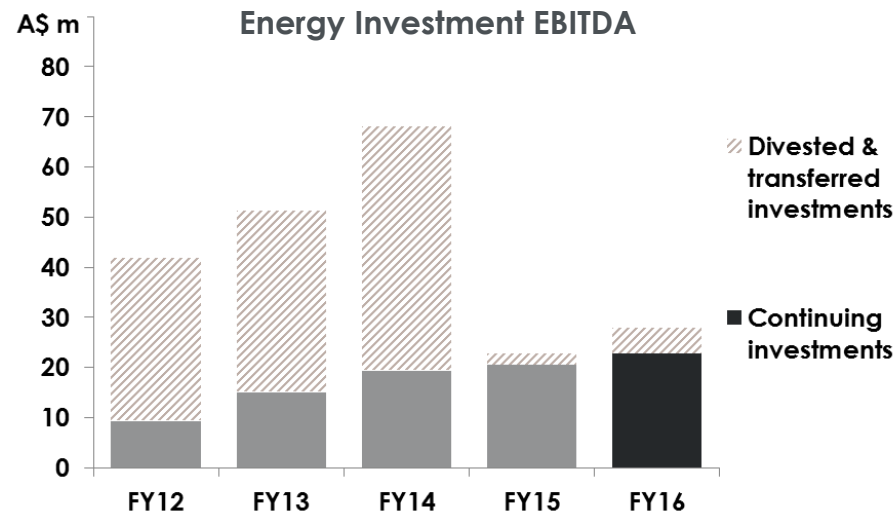
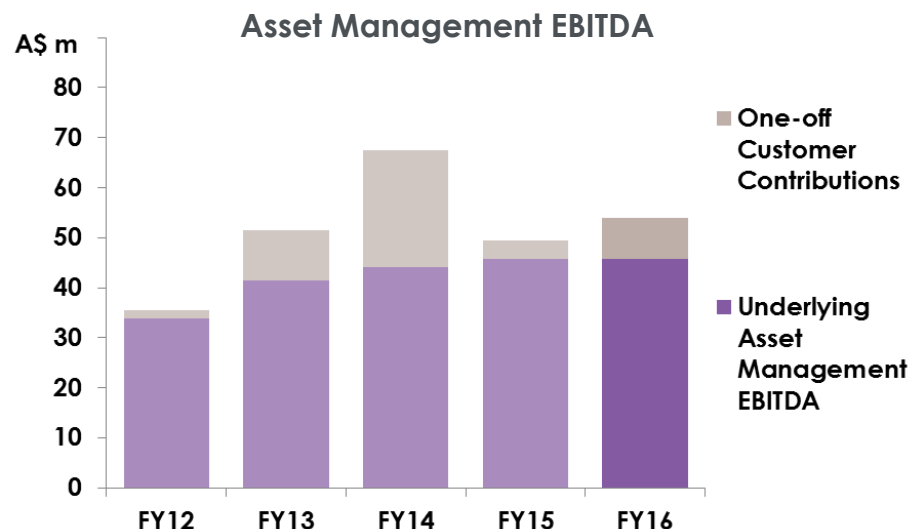
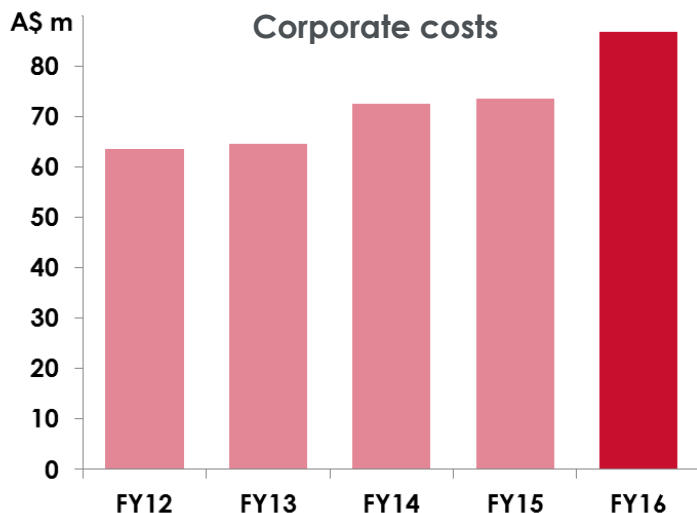
- Organic growth from more connections
- Natural gas = fuel of choice for more residential homes
- Customer contribution average remains ~\$10m p.a.

Energy Investments

- EPX and DPS transferred out of the segment, into Energy Infrastructure as 100% owned assets
- Investments generally performed well

Corporate costs

- Corporate cost increased due to one-off items



Note: Historical earnings from EPX and DPS in this graph is classified as Divested & transferred investments.

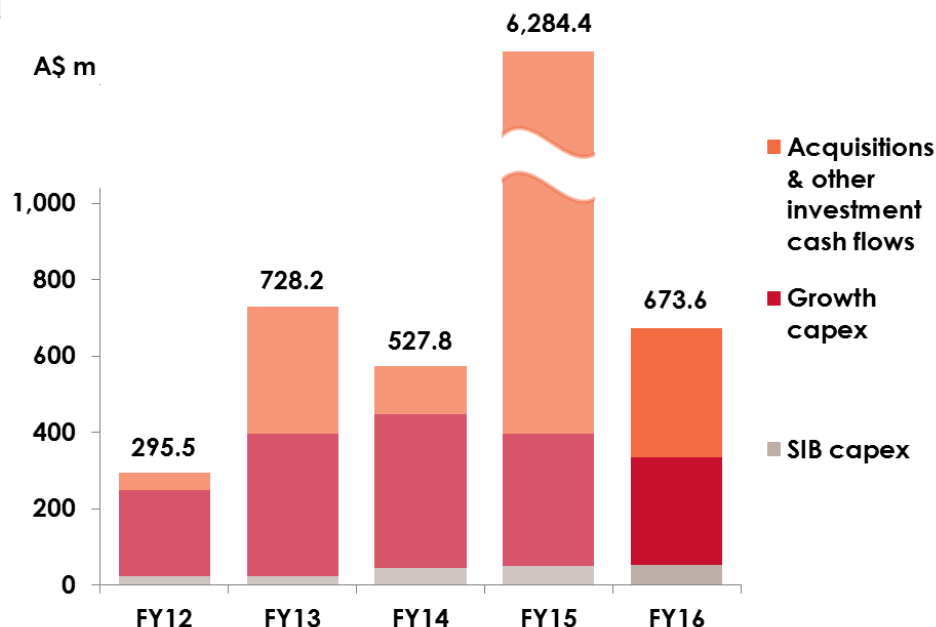
capital expenditure and investment cash flows



\$ million	2016	2015
Growth capex		
Regulated – Victoria	130.9	136.1
Non-regulated		
Queensland	14.0	104.4
New South Wales	4.8	12.1
Western Australia	97.6	64.2
Customer contributions	5.3	2.7
Other	28.4	26.3
Total growth capex	281.0	345.8
Stay-in business capex	52.7	50.6
Total capex	333.7	396.3
Investments & acquisitions	339.9	5,888.0
Total capital & investment expenditure	673.6	6,284.3

Notes:

(1) Capital expenditure ("capex") represents cash payments as disclosed in the cash flow statement



Notes:

(1) Value of acquisitions represents value of acquisitions as prescribed in the notes to the financial statements

Growth capex projects included:

- EGP construction, including Granny Smith connection (completed)
- MSP and RBP bi-directional projects (completed)
- VNI expansion (ongoing)
- Mondarra Gas Storage Facility enhancement (completed)

Acquisitions and investments included:

- Diamantina and Leichhardt Power Stations (50% → 100% interest)
- Ethane Pipeline (6% → 100% interest)

- Cash and committed undrawn facilities of around \$755.4 million as at 30 June 2016 to meet the continued capital growth needs of the business
- Credit ratings – S&P: BBB (outlook Stable), Moody's Baa2 (outlook Stable)
- Key capital ratios are as follows:

Metrics ⁽¹⁾	Jun 2016	Dec 2015	Jun 2015
Gearing ^(1, 2)	66.4%	63.7%	63.4%
Interest cover ratio	2.60 times	2.52 times	2.59 times
Average interest rate applying to drawn debt ^(1, 3)	5.64%	5.69%	6.76%
Interest rate exposure fixed or hedged	86.5%	93.9%	94.0%
Average maturity of senior facilities	7.4 years	8.2 years	8.5 years

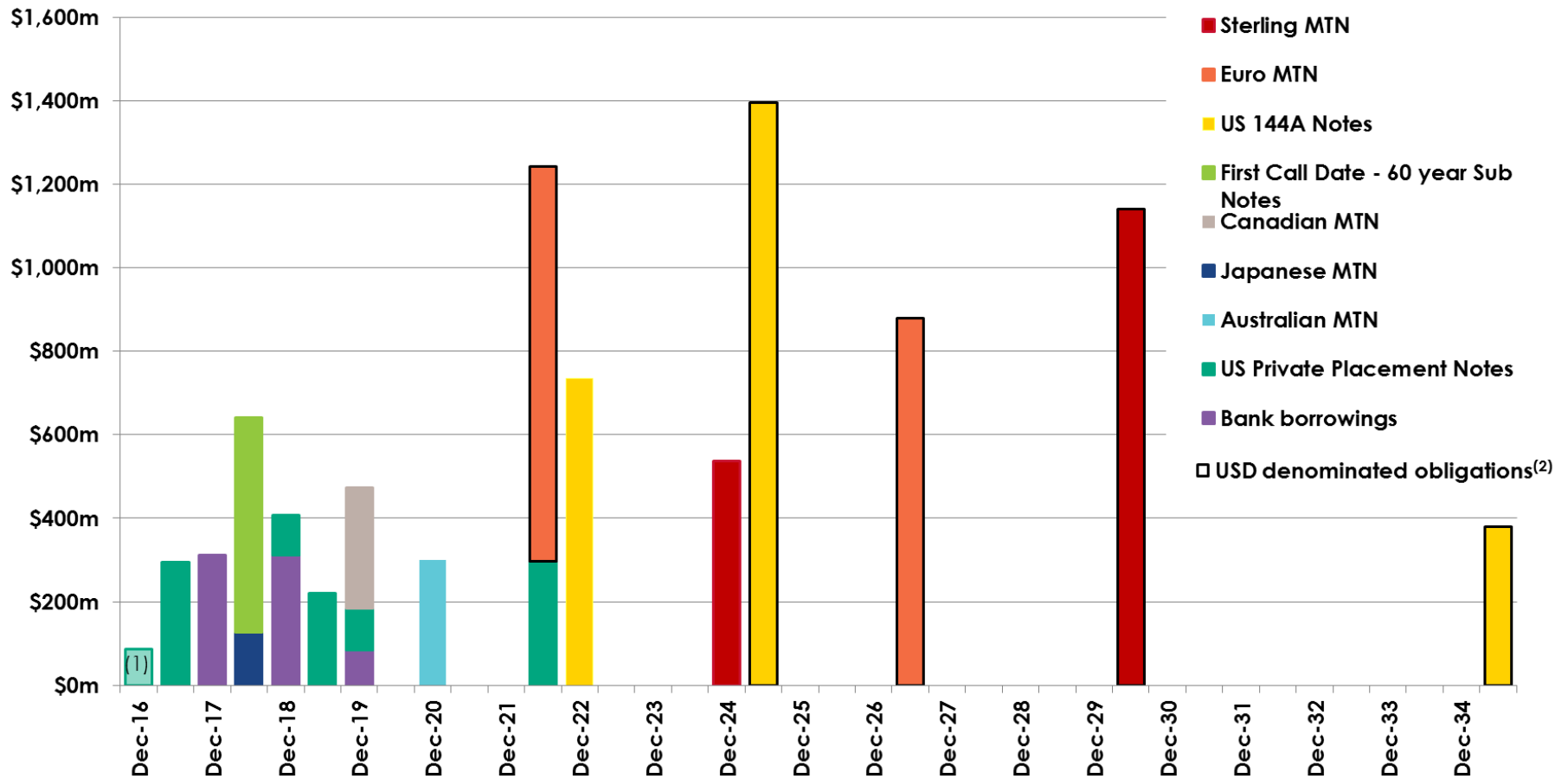
Notes:

- (1) For the purpose of the calculation, drawn debt that has been kept in USD (rather than AUD) has been nominally exchanged at AUD/USD exchange rate at the respective inception date of 0.7772 for Euro and GBP MTN issuances and 0.7879 for the US144A notes.
- (2) Ratio of net debt to net debt plus book equity.
- (3) Includes \$515 million of Subordinated Notes.

debt maturity profile



- APA maintains diversity of funding sources and spread of maturities



Note:

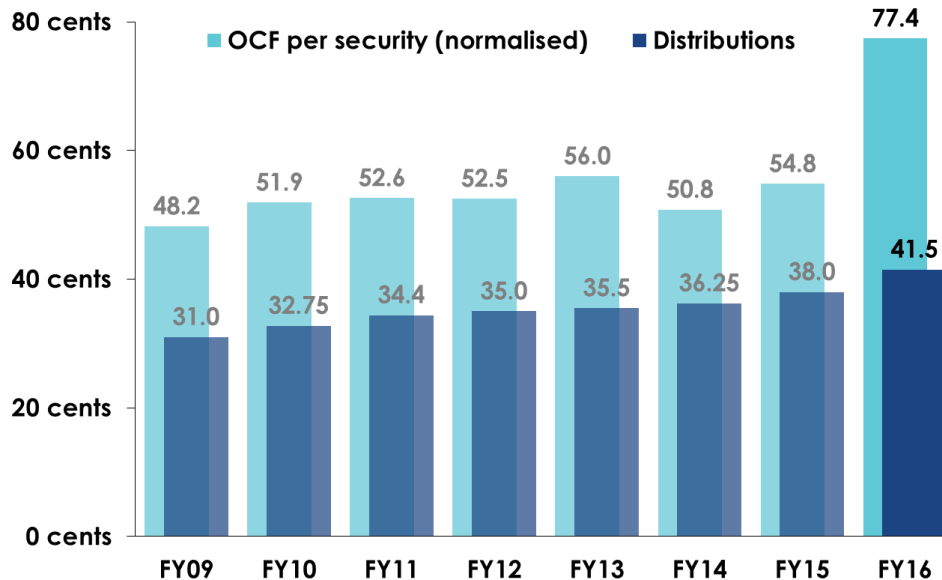
(1) USPP notes of \$86m matured in July 2016 and were repaid

(2) USD denominated obligations translated to AUD at the prevailing rate at inception (USD144A - AUD/USD=0.7879, EMTN & Sterling - AUD/USD=0.7772)

fully covered distributions



- FY2016 distribution payout ratio^(1, 2) of 53.6%
- Distribution components:
 31.46 cents APT profit distribution
 1.78 cents APT capital distribution
 7.63 cents APTIT profit distribution
0.63 cents APTIT capital distribution
 41.50 cents



Notes:

- (1) Distribution payout ratio: distribution payments as a percentage of operating cash flow.
 (2) Based on normalised operating cash flow.

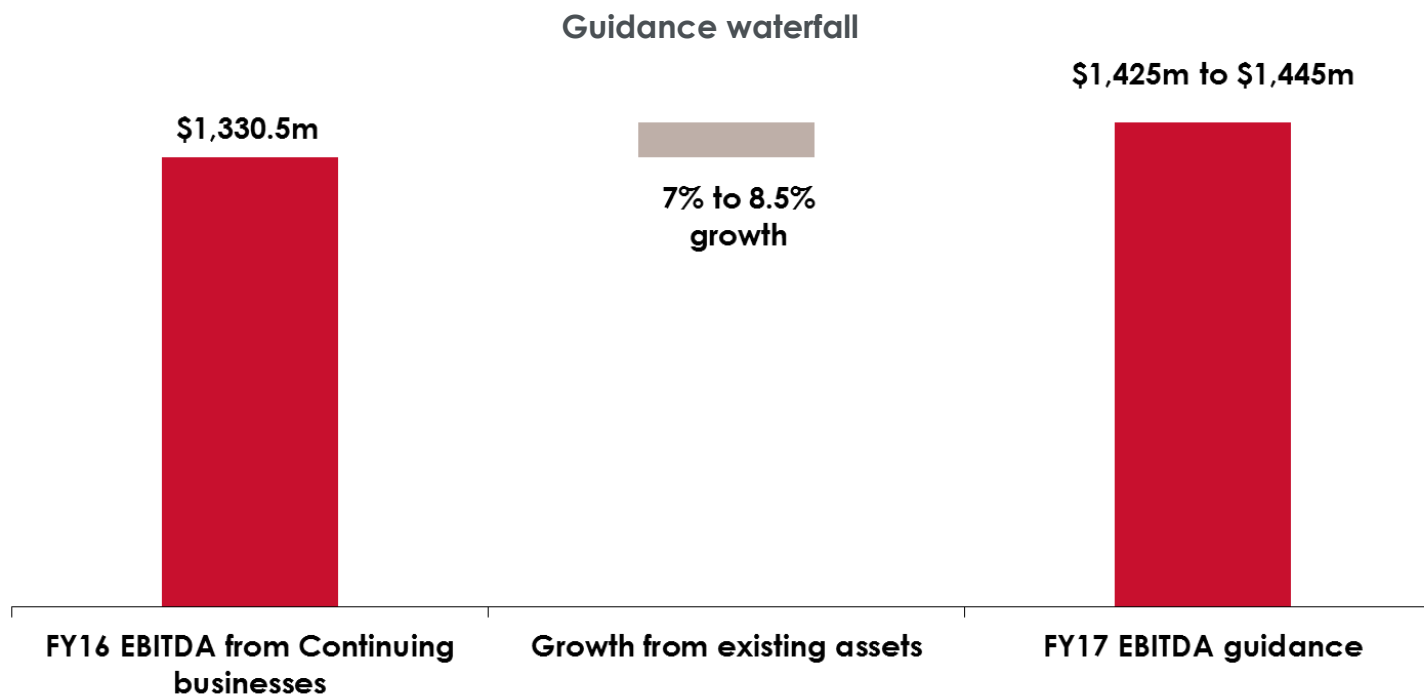
APA's Distribution Policy

- Fully covered by Operating Cash Flow
- Regard for capital needs of the business and economic conditions
- Grow generally in line with Operating Cash Flow
- Sustainable over the long term
- Funding growth with appropriate mixture of funds retained, debt and equity to maintain BBB/Baa2 ratings

FY17 guidance

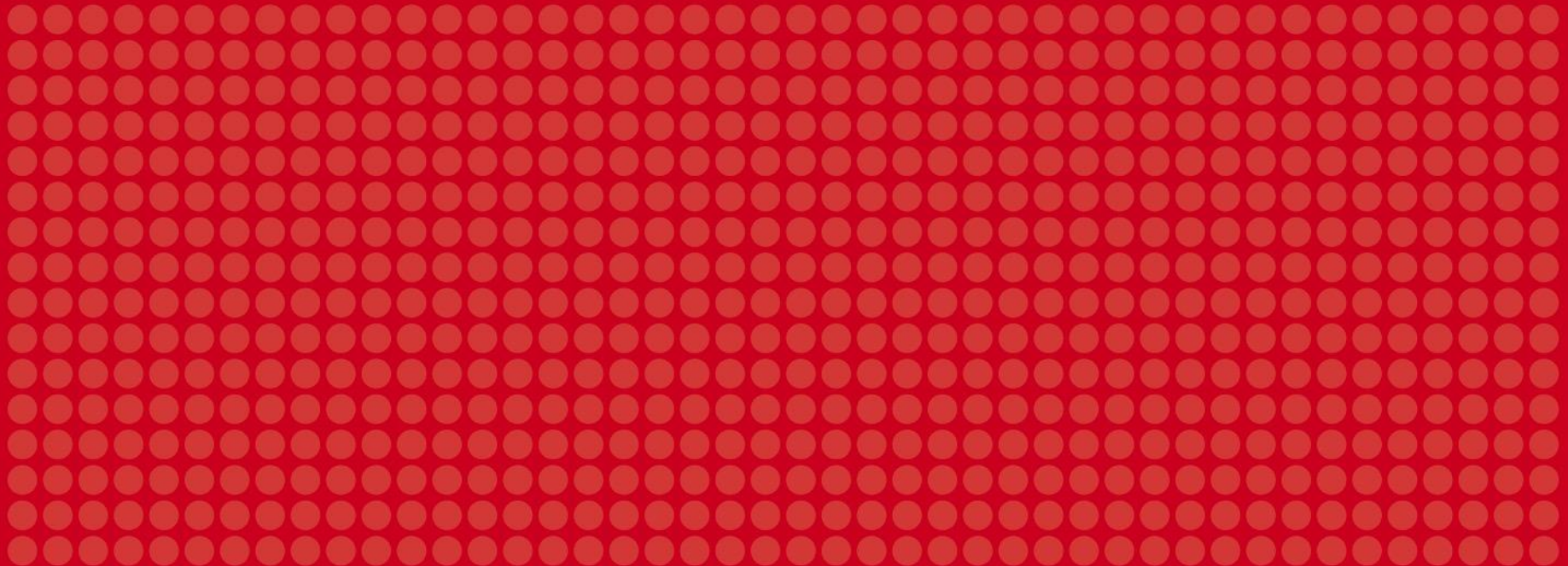


- Based on current operating plans and available information, EBITDA for FY2017 is expected to be within a range of \$1,425 million to \$1,445 million
- Net interest costs for FY2017 expected within a range of \$510 million to \$520 million
- Distributions per security for FY2017 expected to be in the order of 43.5 cents per security, prior to the benefit of any franking credits that may arise as a result of the filing of the FY2016 tax return



outlook

Mick McCormack Managing Director and CEO.



APA supports objective of developing a liquid gas market



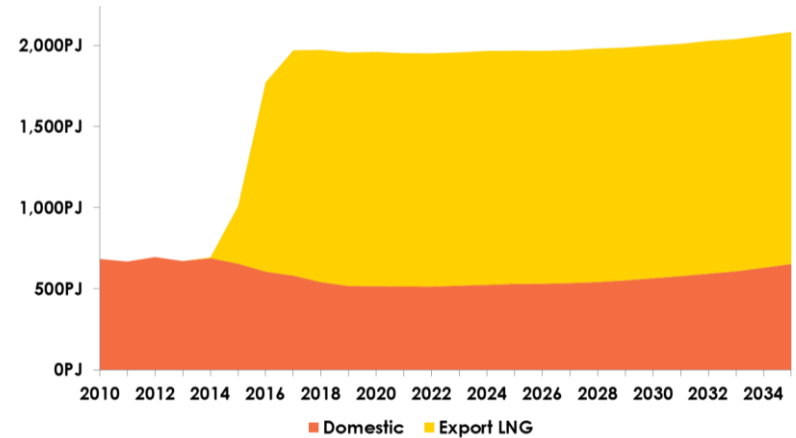
Market dynamics

- Gas consumption on the east coast of Australia has trebled in the last couple of years
- Gladstone export gas pipeline volumes show daily swing in volumes
- Gas transmission tariffs have not increased in real terms since 2002

Pipeline infrastructure has:

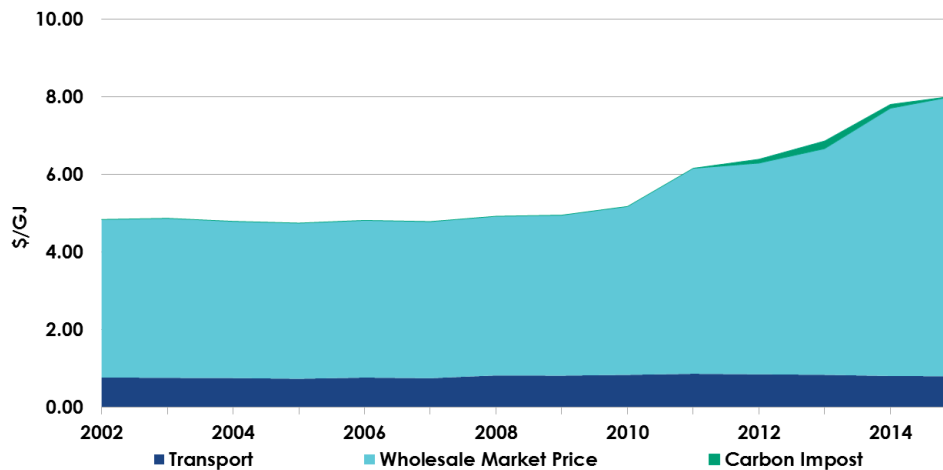
- Demonstrated track record of investing and innovating
- Provided customers with services and capacity they needed, when they needed them

East coast gas consumption



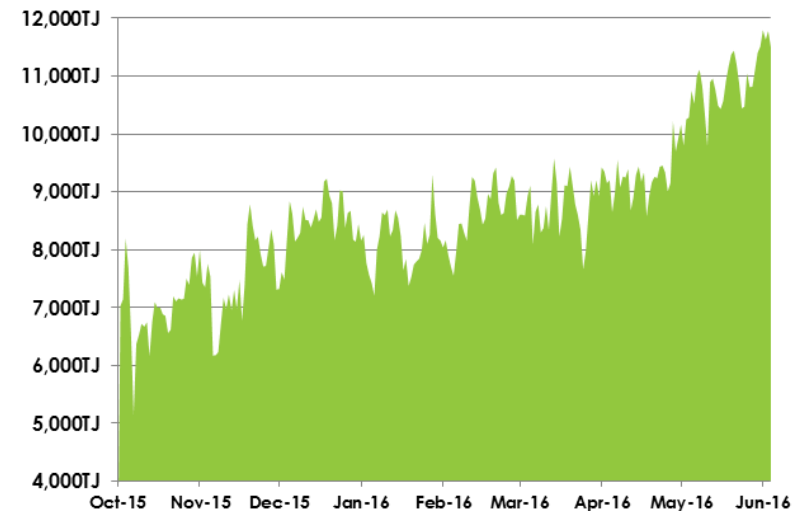
Source: AEMO

Wholesale gas price – east coast gas market average



Source: Gas Price Trends Report, large industrial customer data, Feb 2016, Oakley Greenwood, commissioned for the Department of Industry, Innovation and Science

Gladstone export gas pipeline volumes



Source: Gas Bulletin Board

APA's growth strategy and opportunities



VNI expansion works



Emu Downs Wind Farm



Wallumbilla Compressor Station

Organic growth opportunities

Over the short term (~3 years), \$1.5bn opportunities are available

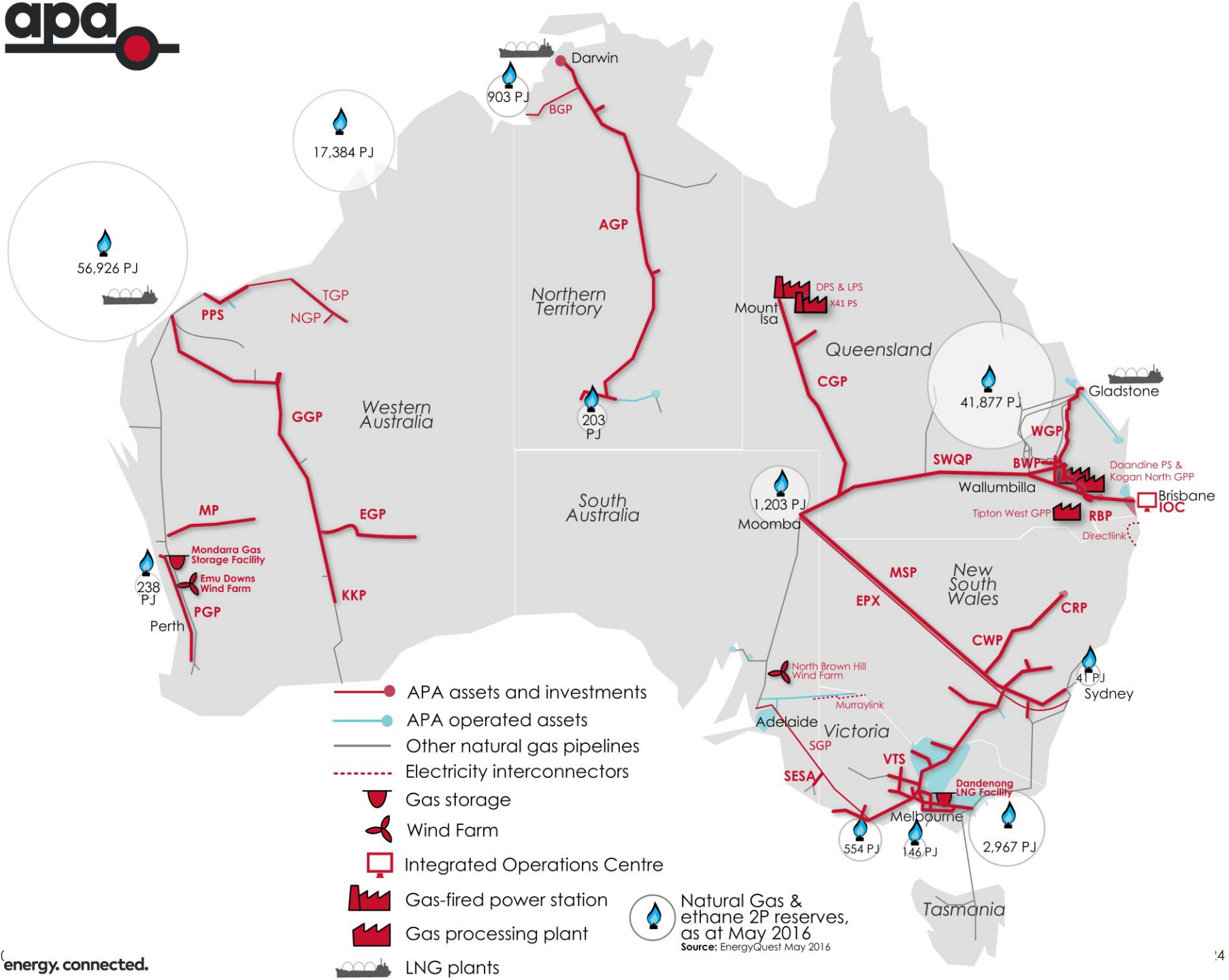
- Pipeline extensions and expansions c.\$700m
- Expand renewables and generation foot print c.\$500m
- Expand mid-stream asset footprint c.\$300m

Growth strategy

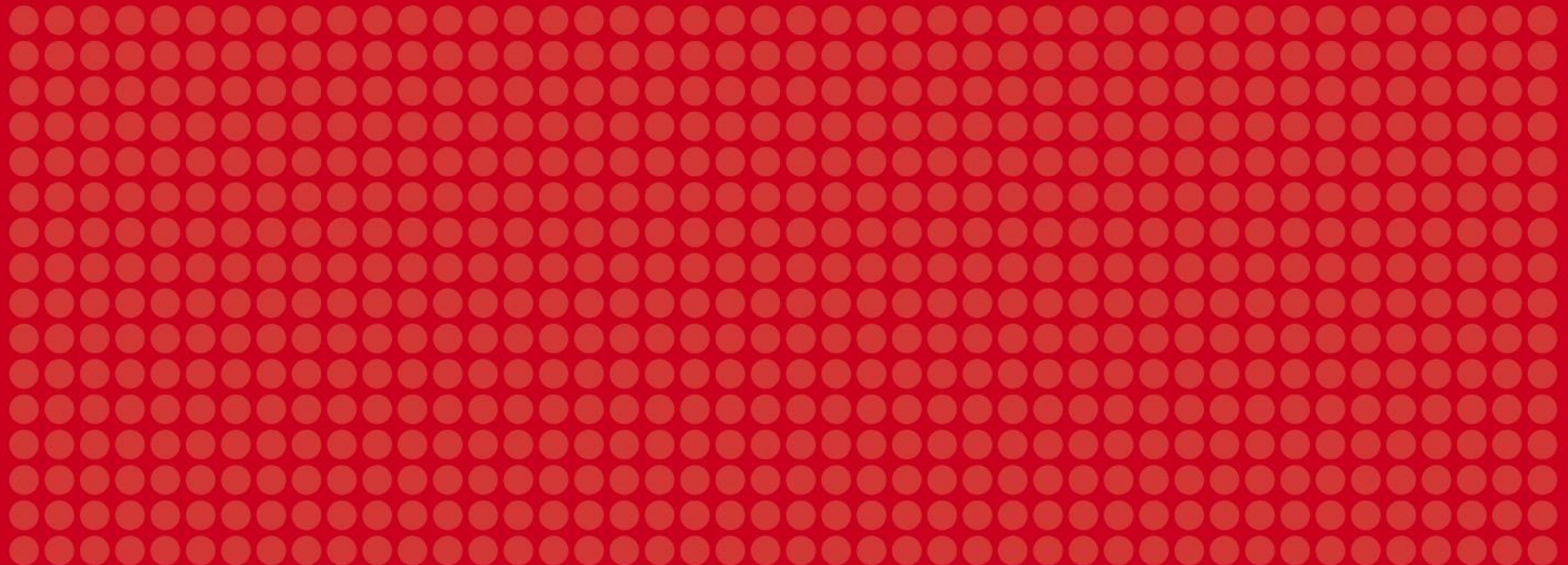
- Continuing in context of:
 - Appropriate funding and capital structure
 - Contracts with strong counterparties
 - Appropriate allocation of risk between parties
 - Leverage operational expertise
- Ongoing assessment of international opportunities



Mondarra Gas Storage Facility



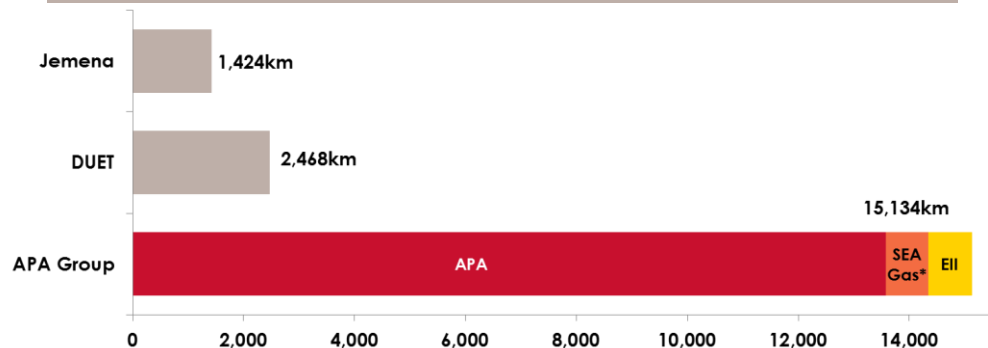
supplementary information



snapshot of APA



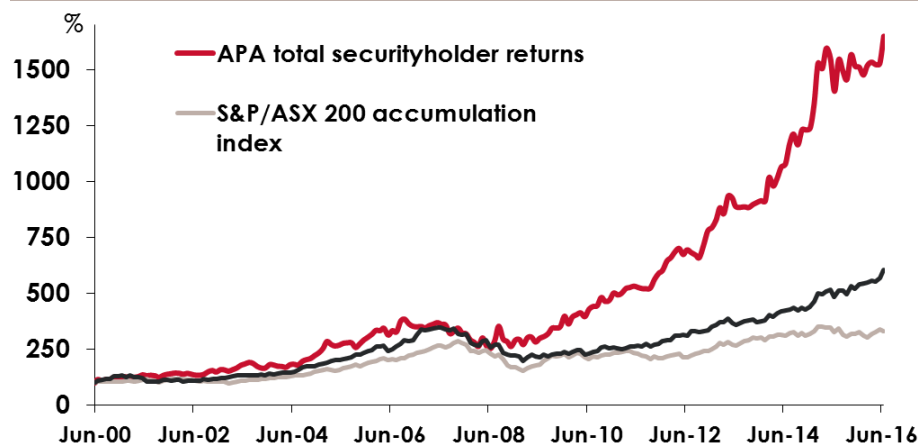
Australian gas transmission pipeline ownership by kilometres ~ APA is Australia's largest gas pipeline owner ~



Note: includes SEA Gas Pipeline and Mortlake Pipeline

Source: AER State of the Energy Market Dec 2015 ; Company reports; APA data as at 30 June 2016 and includes the Ethane Pipeline.

Total securityholder returns since listing vs index ~ Strong track record of delivering securityholder returns ~



Source: IRESS

APA Overview

(Ticker: APA AU)

Market cap A\$10.3 billion (as at 23 Aug 2016)

ASX rank S&P/ASX 50

Credit rating Moody's: Baa2 (outlook Stable)
S&P: BBB (outlook Stable)

Assets ~\$20 billion

owned/operated
Gas transmission⁽¹⁾
15,134km transmission pipelines
Underground & LNG gas storage

Gas distribution⁽²⁾
28,424 km gas mains & pipelines
1.3 million gas consumers

Other energy infrastructure
585 MW power generation
244 km HV electricity transmission
Gas processing plants

Employees ~1,600

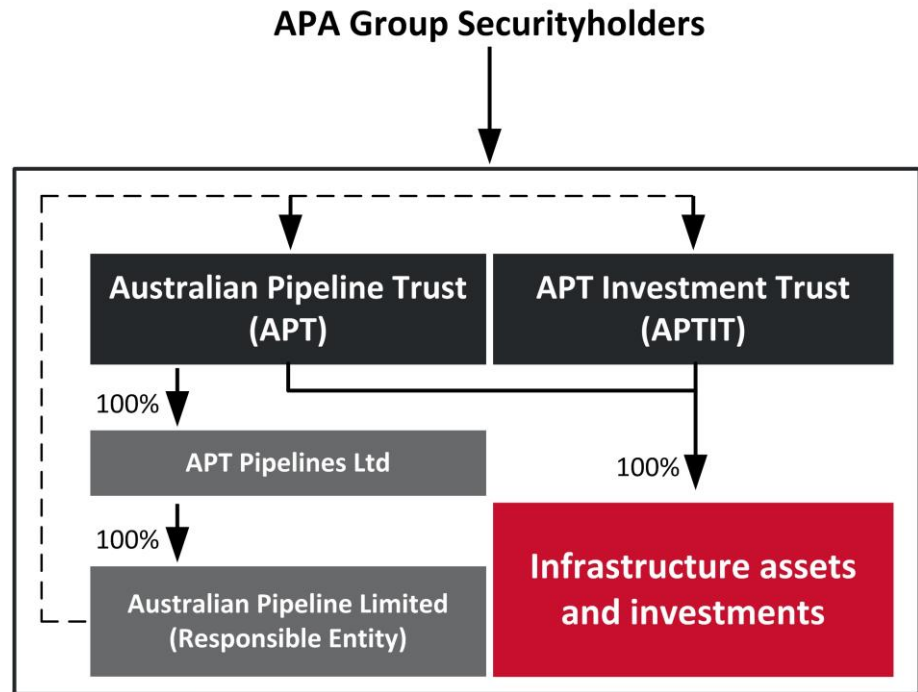
Notes:

- (1) Includes 100% of pipelines operated by APA Group, which form part of Energy Investments segment, including SEA Gas and EII.
- (2) Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

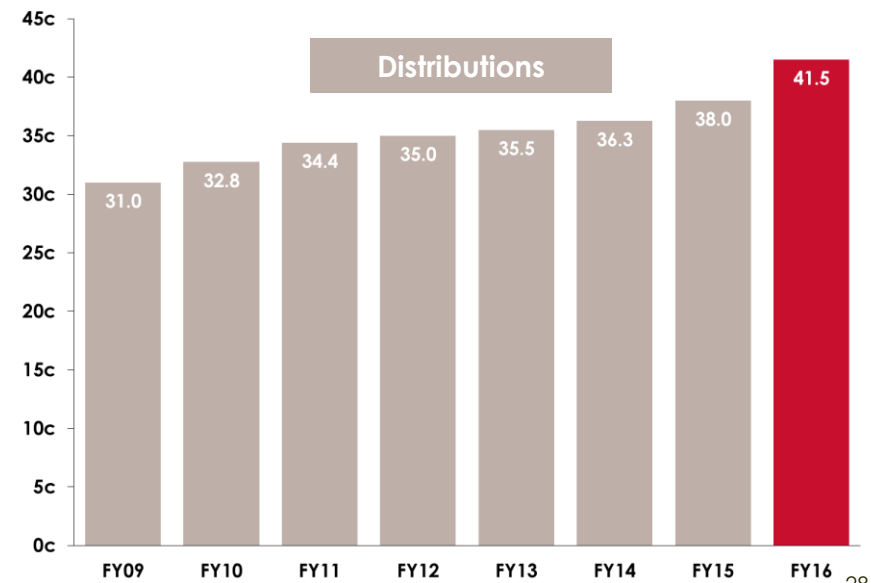
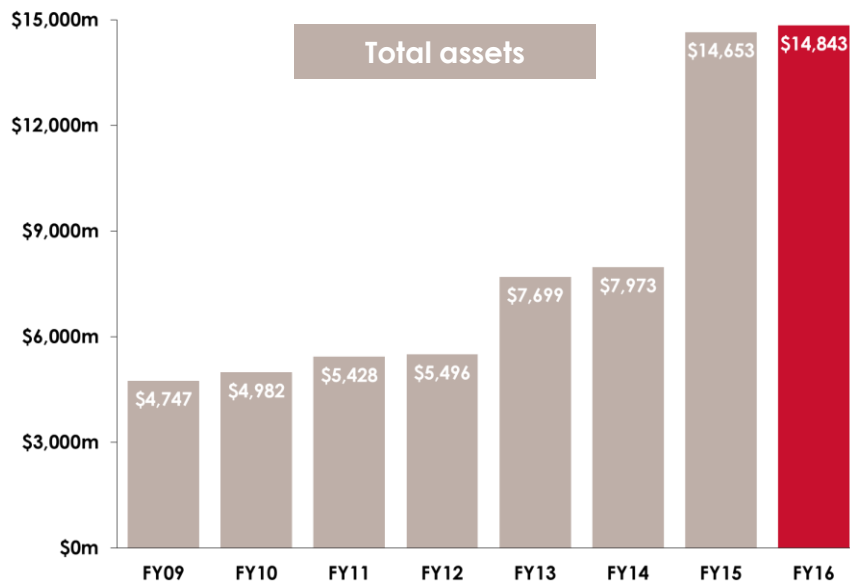
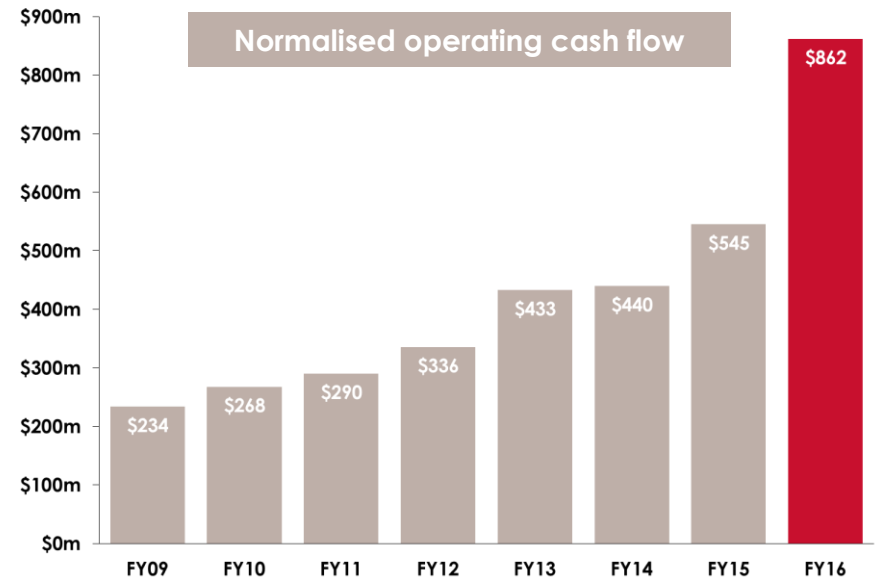
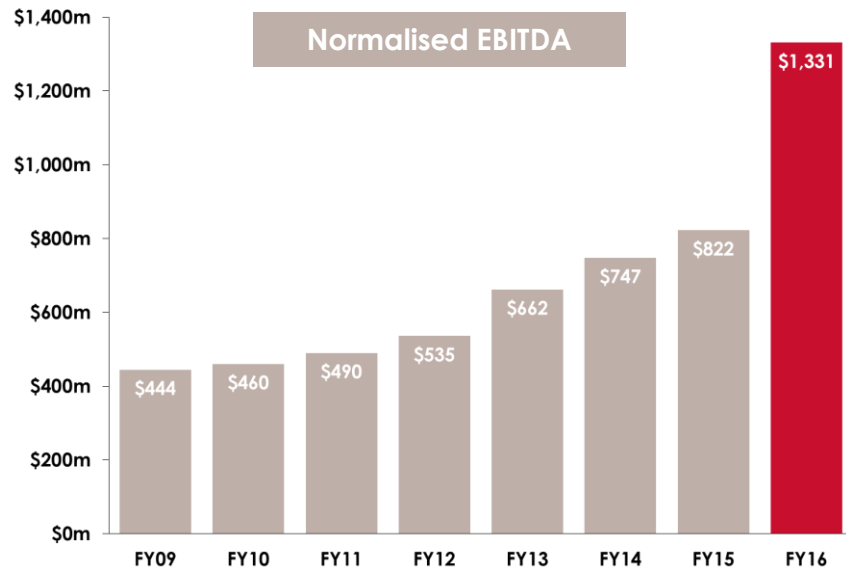
group structure



- APA is a stapled structure comprising two registered managed investment schemes:
 - Australian Pipeline Trust (ARSN 091 678 778)
 - APT Investment Trust (ARSN 115 585 441) is a tax pass-through trust
- Australian Pipeline Limited (ACN 091 344 704) is the responsible entity of the Trust and APT
- APA is listed as a stapled structure on the Australian Securities Exchange
- The units of the Trust and APT are stapled and must trade and otherwise be dealt with together
- APT Pipelines Limited (ABN 89 009 666 700) is APA's borrowing entity, a company wholly owned by APT
- Reporting business segments
 - **Energy Infrastructure:** APA's wholly or majority owned energy infrastructure assets
 - **Asset Management:** provision of asset management and operating services for the majority of APA's investments
 - **Energy Investments:** interests in energy infrastructure investments



strong historical performance

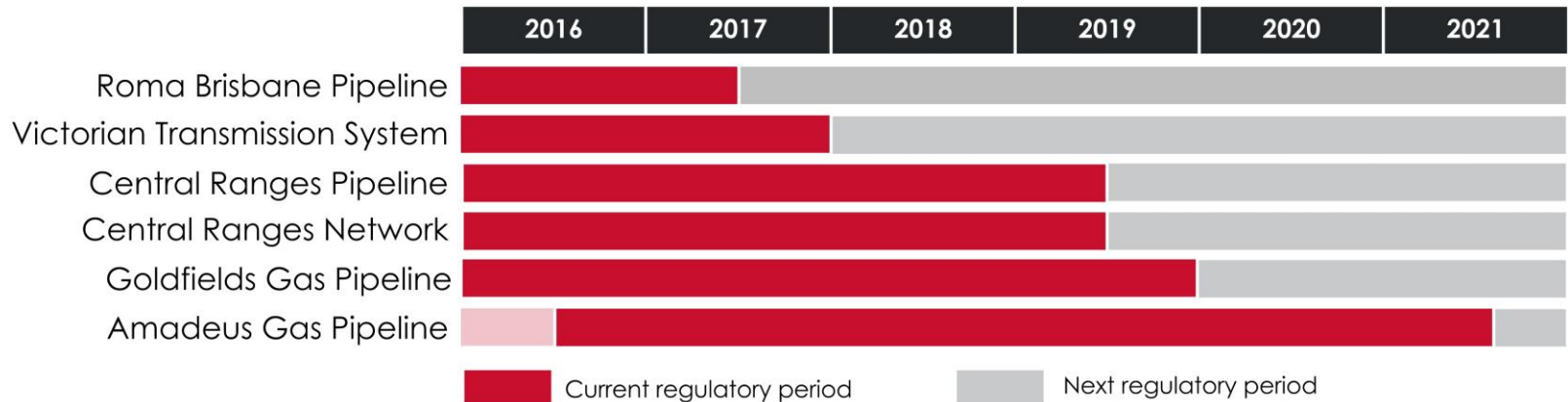


Total committed debt facilities at 30 June 2016

\$ million	Facility amount	Drawn amount	Tenor
2015 & 2016 Bilateral bank facilities	550	85	2 to 5 year facilities maturing between May 2018 to May 2021
2015 Syndicated bank facilities	830	622	2.25, 3.25 and 5.25 year tranches maturing September 2017, 2018 and 2020
2003 US Private placement	96	96	15 year tranche maturing September 2018
2007 US Private placement	811	811	10, 12 and 15 year tranches maturing May 2017, 2019 and 2022
2009 US Private placement	185	185	7 and 10 year tranches maturing July 2016 (\$85m repaid on maturity date of 1 Jul 2016) and July 2019
2010 AUD Medium Term Notes	300	300	10 year tranche maturing July 2020
2012 JPY Medium Term Notes	126	126	6.5 year tranche maturing in June 2018
2012 CAD Medium Term Notes	289	289	7.1 year tranche maturing in July 2019
2012 US144a/Reg S Notes	735	735	10 year tranche maturing October 2022
2012 GBP Medium Term Notes	536	536	12 year tranche maturing in November 2024
2012 Subordinated Notes	515	515	60 year term, first call date March 2018
2015 US144a/Reg S Notes ⁽¹⁾	1,777	1,777	10 and 20 year tranches maturing March 2025 and March 2035
2015 GBP Medium Term Notes ⁽¹⁾	1,140	1,140	15 year tranche maturing March 2030
2015 EUR Medium Term Notes ⁽¹⁾	1,826	1,826	7 and 12 year tranches March 2022 and 2027
Total	9,714	9,042	

Note: (1) Notes have been hedged into fixed rate US dollar obligations.

- Approximately 10% of APA's Energy Infrastructure revenues in FY16 was regulated revenue
- APA's major regulatory resets over the next few years are as follows:



- Goldfields Gas Pipeline access arrangement review
 - Western Australian Economic Regulation Authority ("ERA") issued its final decision in June 2016
 - Tariff reduction stems mainly from a reduction in the rate of return; a change in methodology to calculate depreciation; a change in allocation of certain costs between regulated and unregulated services; and a clawback of revenues arising from higher tariffs during the 18 month delay in ERA's decision
 - Regulated tariffs apply to approximately 20% of contracted shipper services
 - Clawback has been provided for in FY16 accounts
- Amadeus Gas Pipeline access arrangement review
 - Australian Energy Regulator ("AER") issued its final decision in May 2016
 - The final decision will have minimal impact on APA's revenue as the vast majority of service is provided at rates determined under contract

economic regulation of gas pipelines and networks



Regulator	• The Australian Energy Regulator (AER) is responsible for the economic regulation of gas transmission and distribution networks and enforcing the National Gas Law and National Gas Rules in all jurisdictions except Western Australia • The Economic Regulation Authority of Western Australia (ERA) is the independent economic regulator for Western Australia
Access arrangement	• Apply for a fixed term, generally 5 years • Set out the terms and conditions of third party access, including • At least one reference service that is commonly sought by customers – for pipelines, this is generally firm forward-haulage services • A reference (benchmark) tariff for the reference service
Reference tariff	• Provides a default tariff for customers seeking the reference service but tariffs can also be negotiated for other services • Determined with reference to regulated revenue, capacity and volume forecasts
Regulated revenue	• Determined using the building block approach to recover efficient costs • Forecast operating and maintenance costs • Regulatory asset depreciation costs and • Return on asset capital (regulated asset base) based on WACC determination • WACC based on 60:40 debt equity split
Regulated asset base (RAB)	• Opening RABs have been settled with the regulator; there are no reassessments for approved RABs • RABs adjusted every access arrangement period • Increased by capital added to the asset and reduced by regulatory depreciation costs
Regulatory coverage	• The larger distribution networks and some transmission pipelines are covered by economic regulation • Price regulated assets are those which the regulatory authorities have determined, among other things, demonstrate natural monopoly characteristics and a degree of market power • Coverage can be revoked • “Light-handed” regulation is effectively a negotiate/arbitrate regime, where tariffs are negotiated with users and are subject to determination by the regulator only where the customer initiates a dispute

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