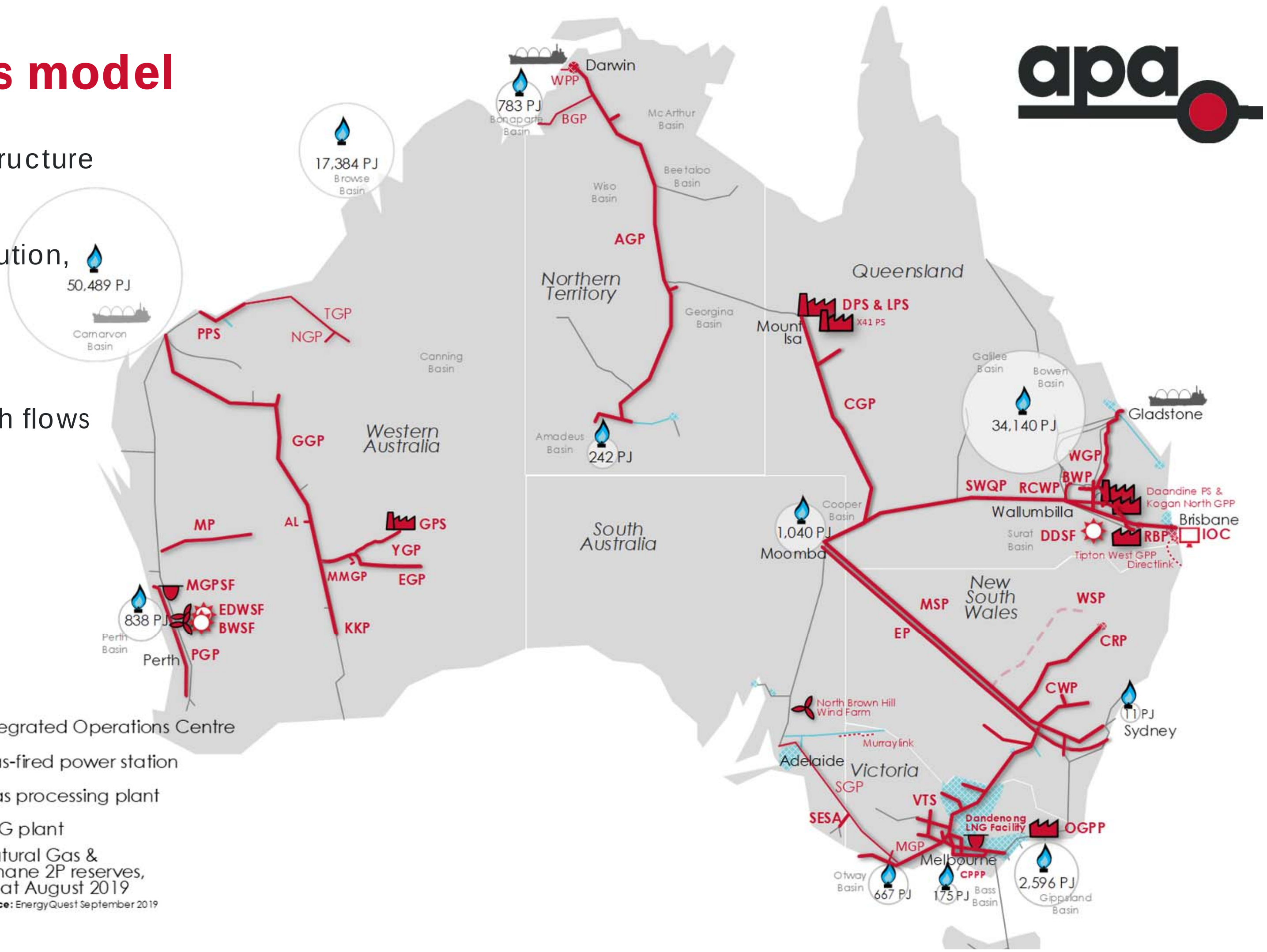
APA Group
UBS Australasia Conference 2019.

presented by: Rob Wheals, CEO and Managing Director

energy. connected.

low risk business model

- integrated energy infrastructure portfolio
- gas transmission & distribution, processing & storage, power generation – gas & renewables
- stable & predictable cash flows
- long term take or pay contracts
- ongoing organic growth



regulatory impact statement (RIS)

4 main areas of review

Information disclosure

- ➢ Greater information transparency
- APA is supportive, subject to:
  - customer confidentiality
  - ability to do bespoke deals
  - cost benefit

Review required post Part 23 implementation

Negotiation & dispute resolution

- ➢ Streamlining of arbitration processes across forms of regulation
- ➢ Smaller shippers may choose AER/ERA as arbitrator
- APA effectively manages risk of arbitration, >200 contracts negotiated since Aug 2017, with no formal request for access or arbitration

For APA, it's all about the <u>Customer</u>

- Delivering services customers value
- APA's Customer Promise
- Energy Charter
- Effective stakeholder engagement

Coverage

- ➢ AEMC East Coast Gas Review & ACCC Inquiry 2015/16
- ➢ Change current test to a hybrid market power + National Gas Objective test
- APA supports measures to get more gas to market including open access for **all** pipelines

Forms of Regulation

- ➢ AEMC Scope of Economic Regulation Review 2017/18
- ➢ Replacement of light regulation with Part 23 information disclosure and arbitration regime with ring fencing and non-discrimination protections
- APA agrees that Part 23 has made light regulation largely redundant

Continuation of past reviews

customer focus & The Energy Charter

putting customers at the centre of our decision-making

APA's Customer Promise

- Customer Promise developed and launched
- Multi-year improvement program to:
  - Drive the right culture
  - Deliver improvement initiatives

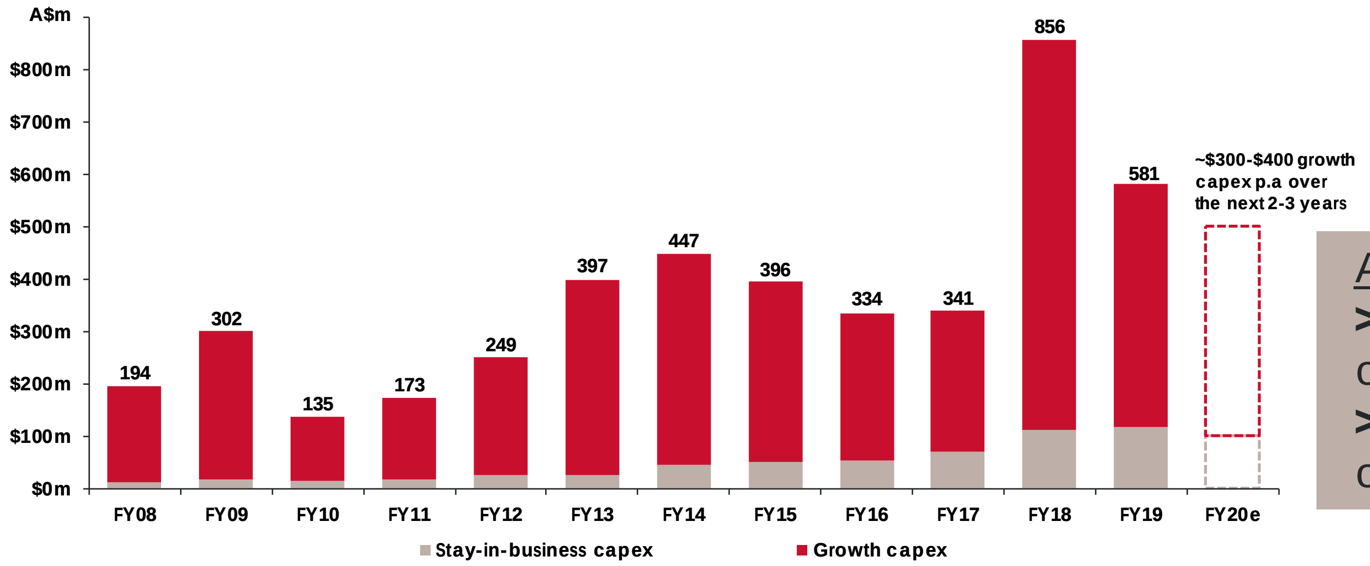
Together, deliver **energy** for a **better Australia**

The Energy Charter

APA is committed to the 5 principles of the Energy Charter

- 19 signatories from across the energy supply chain
- Disclosure report against principles were published 30 Sept 2019
- Independent Accountability Panel will publish finding & recommendations by 30 Nov 2019

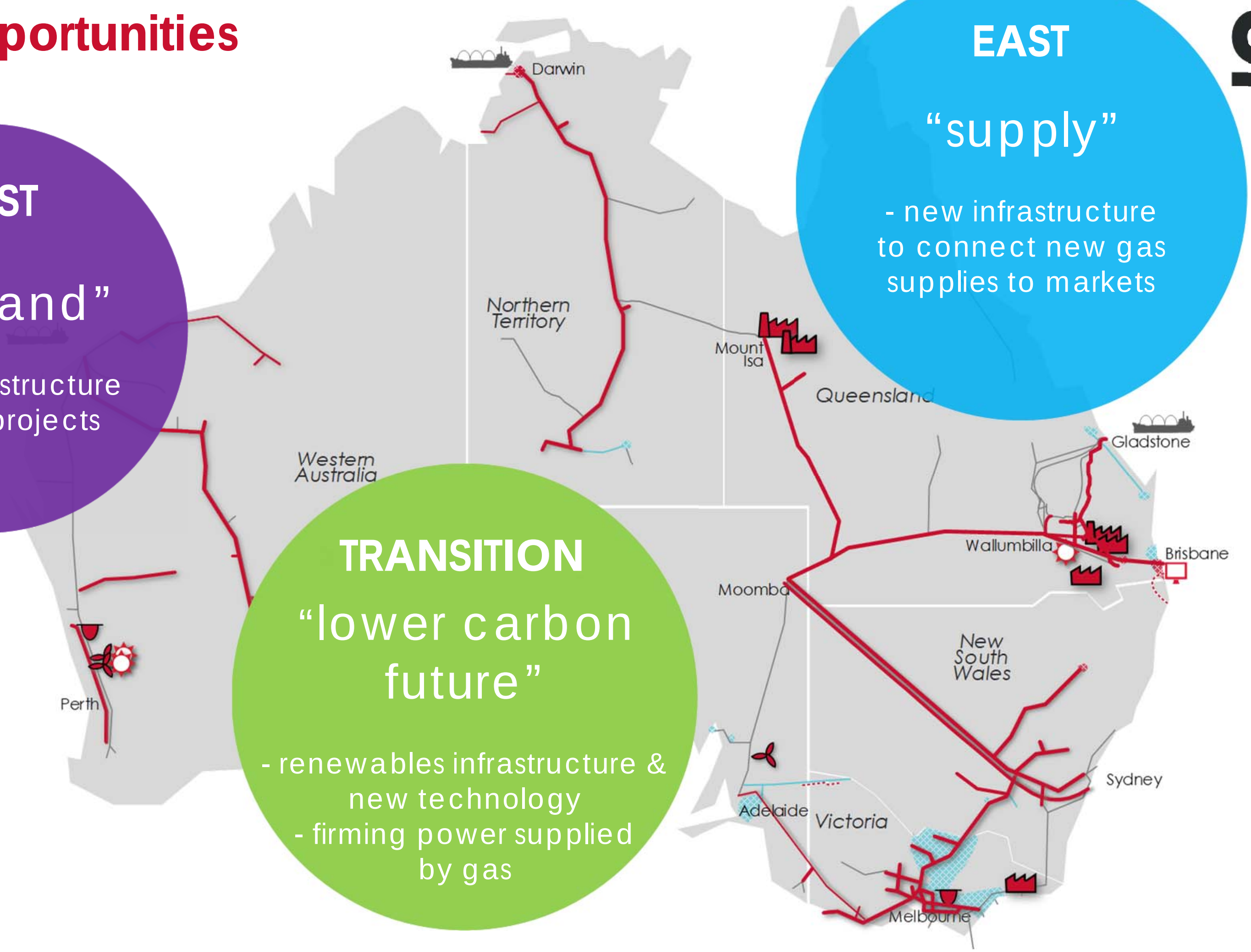
Australian growth story remains attractive



APA growth capex:
>$400 m pa average over the last 5 years
>$300 m pa average over the last 10 years

- Opportunities across pipelines, mid stream & power generation
- Timing subject to market demand & market dynamics
- APA continue working closely with customers

growth opportunities



WEST

“demand”

- new infrastructure for new projects

EAST

“supply”

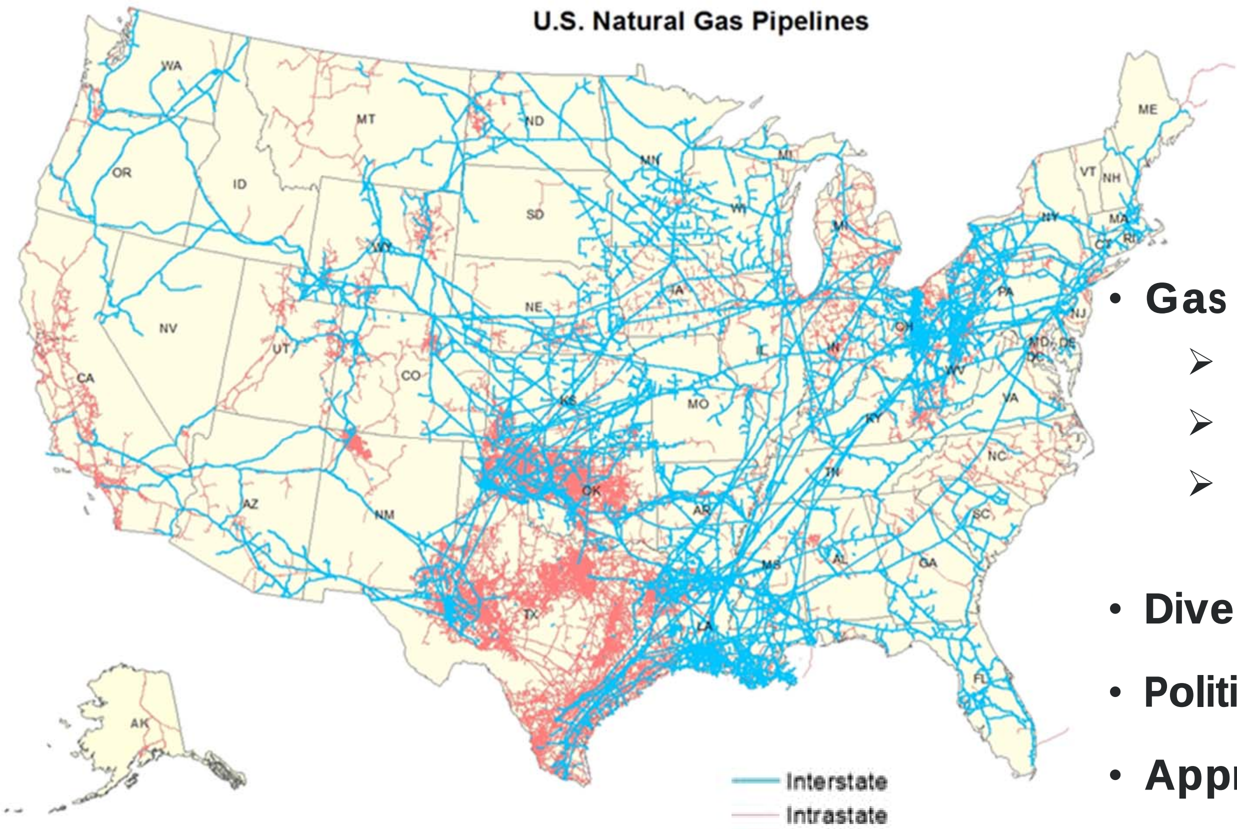
- new infrastructure to connect new gas supplies to markets

TRANSITION

“lower carbon future”

- renewables infrastructure & new technology
- firming power supplied by gas

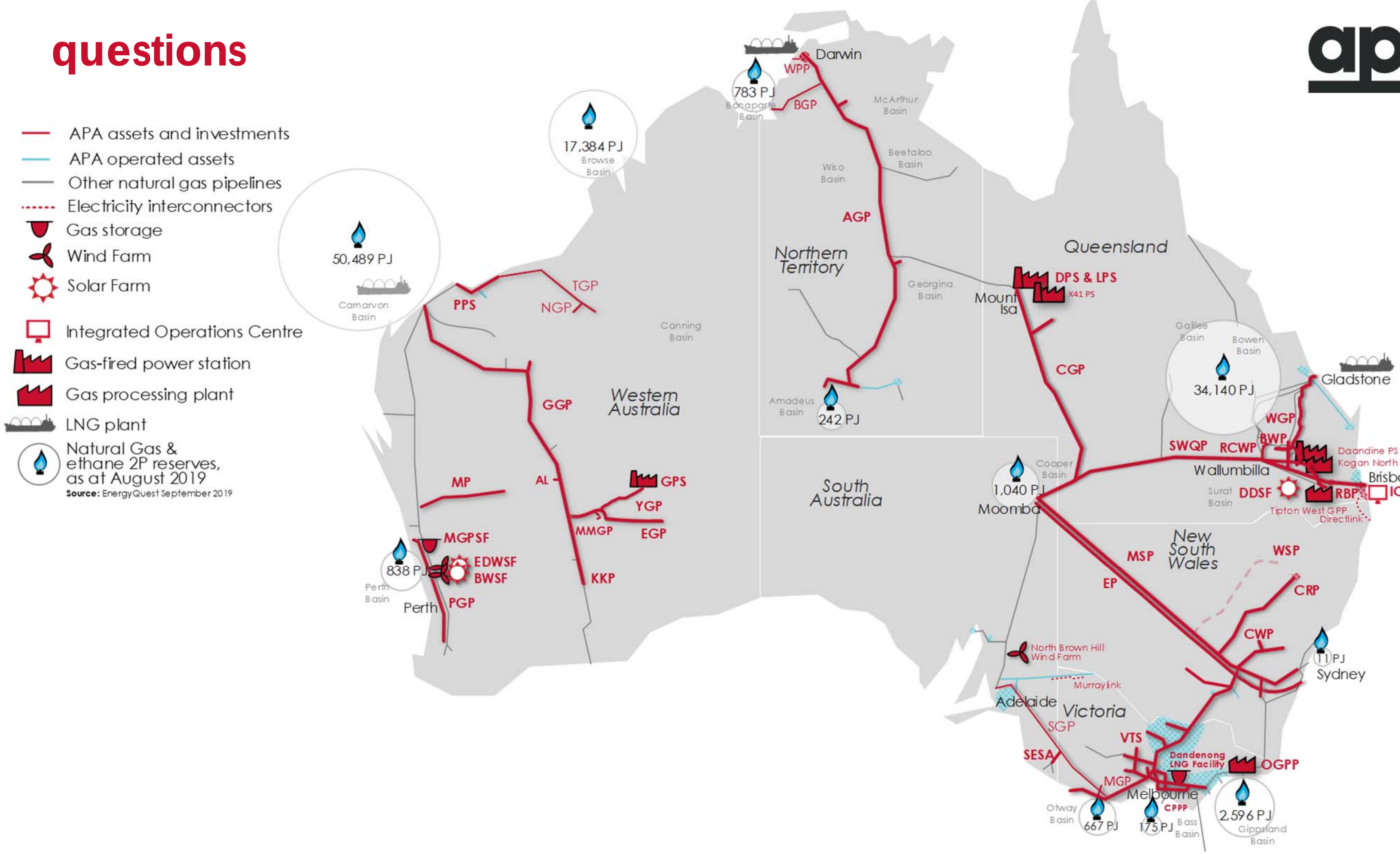
North America



Source: American Energy Mapping (AEM) 2013

- **Gas industry dynamics**
  - ➢ Significant reserves, >30 years
  - ➢ Conservative pricing
  - ➢ Increasing domestic & export demand
- **Diversity of opportunities**
- **Political stability**
- **Appropriate risk/return** environment
- **Supportive regulatory** environment

questions



APA assets and investments
APA operated assets
Other natural gas pipelines
Electricity interconnectors
Gas storage
Wind Farm
Solar Farm
Integrated Operations Centre
Gas-fired power station
Gas processing plant
LNG plant
Natural Gas & ethane 2P reserves, as at August 2019
Source: EnergyQuest September 2019
Darwin
WPP
783 PJ
Bonaparte Basin
BGP
McArthur Basin
Beetaloo Basin
Wiso Basin
AGP
Northern Territory
Georgina Basin
Amadeus Basin
242 PJ
17,384 PJ
Browse Basin
50,489 PJ
Carnarvon Basin
TGP
PPS
NGP
Canning Basin
Western Australia
GGP
MP
AL
GPS
YGP
MMGP
EGP
KKP
MGPSF
EDWSF
BWSF
838 PJ
Perth Basin
Perth
PGP
Queensland
DPS & LPS
X41 PS
Mount Isa
CGP
Galilee Basin
Bowen Basin
34,140 PJ
Gladstone
WGP
BWP
SWQP
RCWP
Daandine PS &
Kogan North GPP
Wallumbilla
Brisbane
Surat Basin
DDSF
RBP
IOC
Tipton West GPP
Directlink
South Australia
Cooper Basin
1,040 PJ
Moomba
New South Wales
MSP
EP
WSP
CRP
CWP
11 PJ
Sydney
North Brown Hill Wind Farm
Murraylink
Adelaide
Victoria
SGP
SESA
VTS
Dandenong LNG Facility
OGPP
MGP
Melbourne
CPPP
Otway Basin
667 PJ
175 PJ
Bass Basin
2,596 PJ
Gippsland Basin

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