



22 October 2020

ASX ANNOUNCEMENT

APA Group (ASX: APA)

Annual Meeting Addresses

APA Group provides the attached addresses by the Chairman and Managing Director & CEO to the annual meeting.

A handwritten signature in black ink, appearing to read 'N Codevelle'.

Authorised for release by Nevenka Codevelle

Company Secretary
Australian Pipeline Limited

For further information, please contact:

Investor enquiries:

Jennifer Blake

Head of Investor Relations

Telephone: +61 2 9693 0097

Mob: +61 455 071 006

Email: Jennifer.Blake@apa.com.au

Media enquiries:

Ben Pratt

General Manager, External Affairs & Reputation

Telephone: +61 2 9228 8300

Mob: +61 419 968 734

Email: Ben.Pratt@apa.com.au

About APA Group (APA)

APA is a leading Australian energy infrastructure business, owning and/or operating around \$22 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 ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

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, apa.com.au

APA Group 2020 Annual Meeting

22 October 2020

Address by Chairman, Michael Fraser

This has been an extraordinary year around the world and it also happens to mark the 20th anniversary of APA's listing on the ASX. Happily, financial year 2020 also marked two decades of growth for APA Securityholders and that's a track record that we're all proud of here at APA.

That record of growth however wouldn't have been possible without the hard work and commitment of our people. And in this most challenging of years, as we've confronted first of all bushfires and extreme weather – and now a global pandemic – I want to begin my formal remarks this morning by acknowledging Rob Wheals for his exceptional leadership, as well as the 1900 people around Australia who make up the APA family.

They have worked tirelessly to ensure we deliver safe, reliable and affordable energy to our customers and our communities. On behalf of the Board, I want to publicly extend my thanks to the entire team for their hard work and resilience in the face of extraordinary challenge.

True to our commitment to our customers and the community, APA has put in place a range of initiatives to support customers and suppliers in vulnerable circumstances. This includes fee and service flexibility and other support measures to help with affordability and financial viability.

As we adapt to the new COVID-normal environment, the health, safety and wellbeing of our people, our customers and our communities will remain our top priority. At the same time, as the focus shifts to economic recovery, as a proudly Australian business that invests in energy infrastructure, APA stands ready to play its own very important part.

Turning to our financial performance in FY20, despite the obvious external challenges, APA again recorded a solid set of results. Pleasingly, our strong balance sheet and stable revenue streams helped safeguard APA's earnings against market volatility.

Our revenue was up 4.8% on the previous year to just over \$2.1 billion, while our EBITDA of \$1.65 billion increased 5.1% year on year.

In FY20, the Board was pleased to declare full year distributions of 50 cents per security - an increase of 6.4% on FY19. For our long term investors, Total Securityholder Returns since APA's listing 20 years ago in June are now 2,203%.

The long-term sustainability of the business is at the core of every decision we take at APA.

Energy infrastructure inherently requires a long-term perspective – we invest today to deliver benefits to customers, shareholders, the economy and society well into the future. The investments we've made in renewable energy over the last 11 years are a great example of APA'S forward looking approach. We are now Australia's 6th largest owner of renewable power generation assets, with just over half of our power generation coming from wind and solar.

Energy transition is a significant area of focus for the Board and management. While natural gas will undoubtedly remain a critical part of our country's energy mix well into the future, we also see significant opportunities in new energy sources and technologies as well as ongoing opportunities to continue growing our renewable portfolio.

I want to highlight just one example of the kinds of innovation we're involved in.

In FY20, the Australian Renewable Energy Agency (ARENA) announced \$1.1 million of funding for a renewable methane pilot project at Wallumbilla being developed by APA with our partner Southern Green Gas. That potentially carbon neutral project is investigating whether it's possible to create methane using solar powered electricity, water and CO₂ from the atmosphere on an industrial scale. This could then be transported through our pipelines. While this is an early stage project in the development of the technology, we look forward to reporting on its progress in the future.

We understand the challenges and opportunities that climate change presents both for our business and for the long-term prosperity of the Australian economy and community.

APA supports the global transition to a lower-carbon future consistent with the Paris Agreement goals.

You would be aware that in April we published our Climate Change Position Statement and earlier this month, we were also pleased to deliver our first Climate Change Resilience Report. This report provides a comprehensive analysis of the resilience of APA's current asset portfolio under three divergent climate scenarios to 2050.

Importantly, it confirms that APA's current portfolio of assets remains robust under each of the modelled scenarios, including a 1.5degree Celsius pathway, but more than that, it also underscores our opportunities for diversifying our capital investments in the energy infrastructure of the future.

As we continue to evolve our strategy, I want to assure Securityholders that we'll continue to take a long-term view so that whatever Australia's future energy mix, APA will be at the forefront of developing world class, responsible energy solutions.

Turning now to our FY21 outlook, despite the ongoing challenges of COVID-19, your Board remains confident in the strong financial and operational position of APA. While we're not immune from the present economic downturn we are resilient and, pleasingly, our trading performance during the first quarter is in line with our expectations.

On that basis, we continue to forecast EBITDA to June 30 2021 within the range of \$1,625 million to \$1,665 million.

In conclusion, with the focus now turning to economic recovery and very much on an infrastructure led recovery, APA is both well positioned and well placed to play a major part in this most urgent task of helping rebuild our economy from the impact of COVID-19.

And with our refreshed purpose, vision and operational structure, which Rob will speak to shortly, and the strong foundations we have built over 20 years, I believe we are embarking on our third decade with confidence.

Thank you for your ongoing support.

It is now my pleasure to invite Rob Wheals, to address the meeting.

Address by Managing Director and CEO, Rob Wheals

Thank you Michael and good morning everyone. Welcome to our Annual Meeting for 2020.



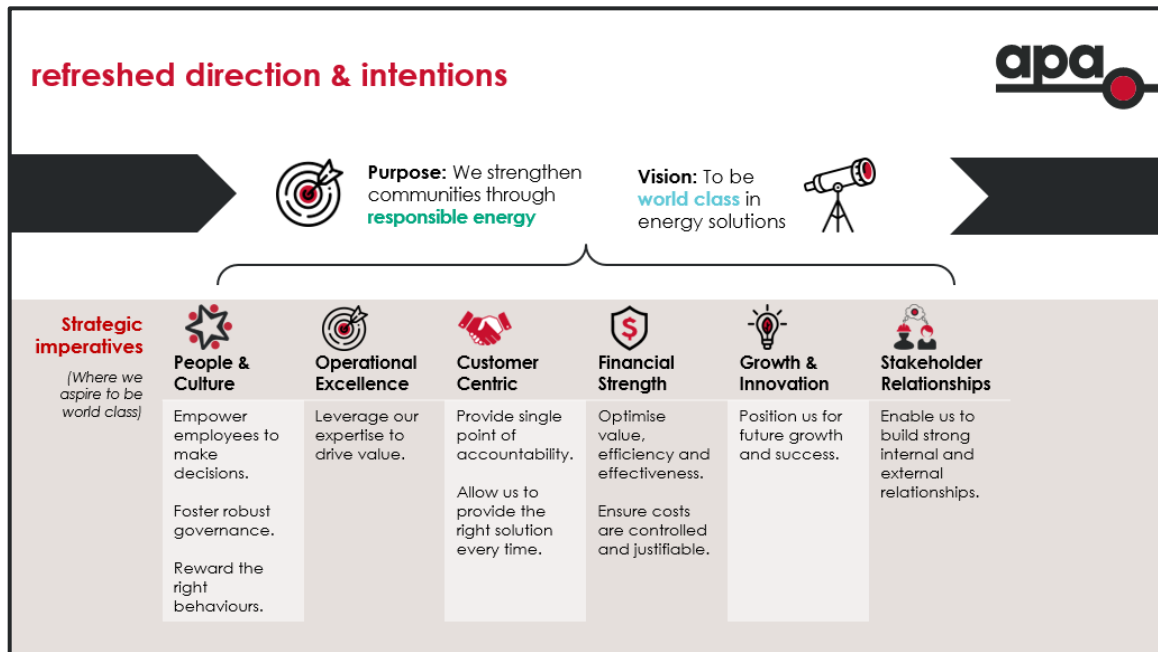
I too would like to begin my remarks today by acknowledging the efforts of our people during this most extraordinary of years.

This year, we've had to adapt to rapidly changing circumstances from bushfires to border closures and even movement curfews. These have had widespread impacts on our operations and have forced us to do our essential work in new ways and to rapidly adapt.

Being an essential service provider, communities around Australia depend on us delivering. And our people have demonstrated enormous resilience as they've continued to operate our assets safely and efficiently and most importantly, without disruption to supplies.

They have done so while prioritising the health and safety of their colleagues, our customers and the communities in which we work and I am extremely proud of their efforts. Safety must always be our number one priority and on that note I am especially pleased to advise we had no fatalities or regulatory penalties related to work, health and safety in FY20.

While some of the COVID-19 restrictions are now thankfully starting to ease, we are adapting to a new COVID-normal and I am confident our teams will continue delivering for our customers and the nation.



As we have navigated through this period, it has underscored for me the importance of our Purpose as a unifying force in good times and bad. A clear Purpose reminds us what we're here for and why we do what we do. And we know that Purpose-led companies attract and retain talent, and they achieve greater results.

Earlier this year, we unveiled our refreshed purpose – to strengthen communities through responsible energy. This means taking a long term view and creating value for all our stakeholders – customers, investors, the environment, communities, authorities and our employees.

It underpins our redefined vision - to be world class in energy solutions - which means being at the forefront of the responsible energy transformation, leveraging our existing portfolio and skills and investing in future technologies.

I will speak to that more shortly.

It also means having an unwavering customer focus, the highest possible standards of integrity, credibility, safety and environmental performance and a reputation for making a positive impact on communities.

Our new streamlined Operating Model ensures we are setup to achieve that vision, with capacity for innovation, scalability and agility. It will enable us to deliver on our six strategic imperatives – the things I believe we will need to excel in to deliver on our purpose and our world class vision.

Importantly, our customers are at the centre of it all – because we know that APA is successful when our customers are strong. And our growth is inextricably linked to that of our customers.

My Executive Leadership Team has evolved to reflect this new operating model. This includes the appointment of:

- Hannah McCaughey to lead our new Technology and Transformation Division;
- Julian Peck as Group Executive Strategy and Commercial; and
- Darren Rogers as Group Executive Operations

I want to take this opportunity to acknowledge APA's long-standing Chief Financial Officer, who will retire in December. I have had the privilege of working with Peter Fredricson for more than a decade. He has been an excellent CFO, supporting the extraordinary growth of APA. On behalf of all Securityholders, I want to take this opportunity to acknowledge his outstanding contribution.

Adam Watson will commence as CFO in mid-November. Adam joins us from Transurban and we welcome his extensive experience across a range of financial disciplines and ASX-listed companies.

climate change resilience report





highlights:

- APA's current **asset portfolio remains robust under all scenarios** – including the 1.5°C scenario
- **All three scenarios present diversification opportunities for APA** into electricity technologies, clean molecules, energy storage and related infrastructure
- Under all modelled outcomes, there is **no impairment impact** on APA's asset portfolio

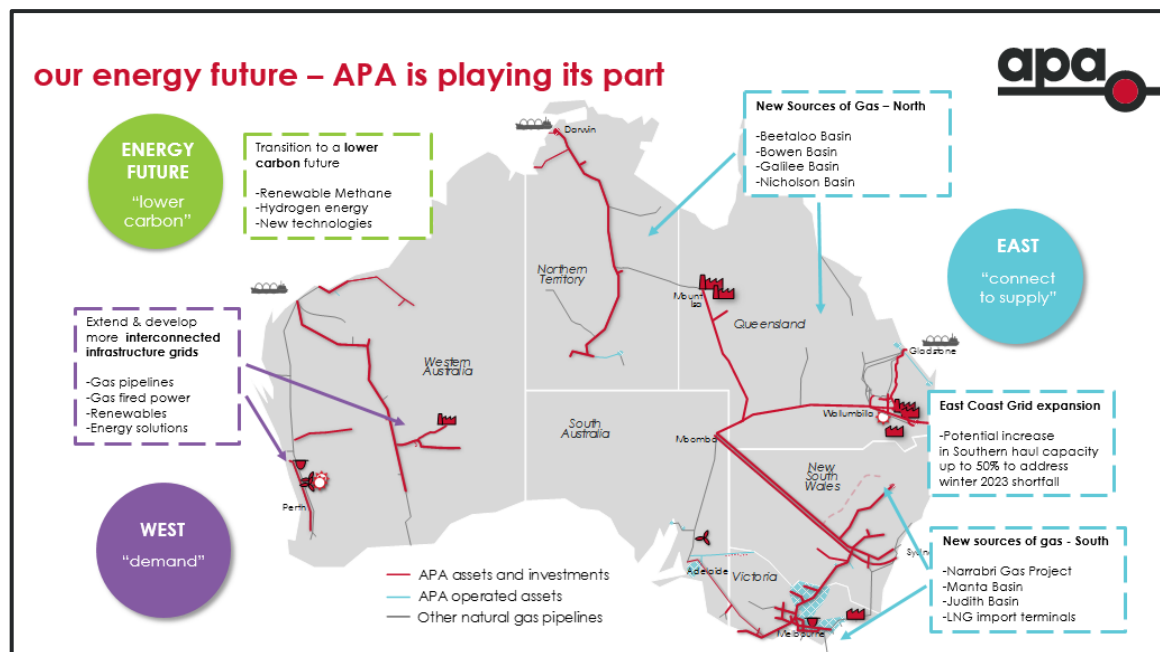
Returning to the energy transformation that is now well underway. This presents both challenges and opportunities for APA and we have been working on our own energy roadmap to a holistic approach to decarbonisation.

Natural gas, producing half the emissions of coal, will continue to have a critical role to play in our energy mix in the decades ahead. It is fundamental to our economic prosperity - including through a manufacturing led recovery. It will support the shift away from coal and it will be the key enabler as we transition to a cleaner energy future.

As the Chairman has highlighted, our Climate Change Resilience Report underscores both the quality and strength of our existing asset portfolio, as well as the diversification opportunities before us as we strive towards our ambition to be world class in energy solutions.

No matter which pathway the world follows in the task of decarbonising our economies, APA will have no shortage of investment opportunities that we can take advantage of.

We will continue to adapt and innovate - just as we have done over the last two decades. We will continue to leverage our core pipeline capabilities and operating expertise into developing the energy infrastructure business of tomorrow.



Of course we will also continue to play our critical role in addressing the urgent energy challenges of today. The Government has specifically highlighted the criticality of the gas sector in supporting our recovery from the extraordinary economic impacts of COVID-19.

As a proudly Australian business, APA is playing its part.

With a forecast 2023 winter gas supply shortfall in the south eastern gas market, we are already working to ensure capacity on the East Coast Gas Grid is not a constraint. We have begun work to expand our East Coast Gas Grid. Our expectation is that overtime we will invest up to \$700 million to increase capacity by up to 50% from our Wallumbilla Gas Hub in Queensland to southern markets.

Importantly, these are investments we are able to make incrementally and efficiently – without the need for any government subsidy - to develop capacity as and where it is required by the market.

Elsewhere, in Western Australia, the organic growth of our pipeline and power generation infrastructure continues to gain momentum. The more we develop interconnected infrastructure like the Goldfields and Eastern Goldfields pipeline grids, the more interest we get. And we are responding to customer needs by providing energy solutions that include both gas and renewable energy.

We're also considering frontier basin opportunities including in the Beetaloo, Galilee, Bowen and Nicholson basins and we're working with customers and government on a range of options.

As we've said before, we see over \$4 billion of domestic growth opportunities over the next five to 10 years. Of these as much as \$1 billion of projects are in active discussion with customers for decisions and/or delivery over the next two to three years.

We understand how important it is that we play our part in Team Australia at this critical time. Our customers are under pressure and we're working with them to meet their needs and help protect jobs.

For example, earlier this month, we executed revised arrangements for the transportation of ethane feedstock to Qenos' Botany plant over the next five years.

Recognising the significant cost pressures manufacturers currently face, our new agreement ensures both the safe and reliable delivery of ethane, while helping protect Australian jobs and support economic activity right around the country.

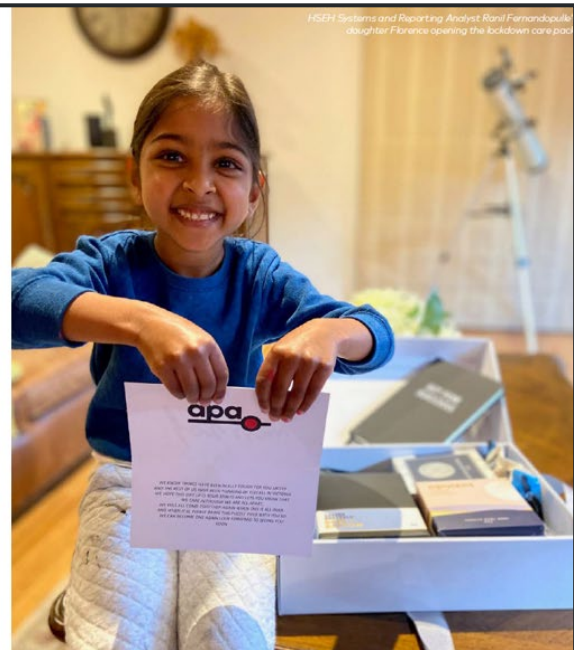
Finally, APA also continues to explore potential offshore growth opportunities in our core sector of gas distribution and transmission, focusing on North America.

Ross Gersbach has been based in Houston since September of last year, leading our efforts to identify potential opportunities to enter this market to take advantage of the abundance of low-priced natural gas and the continued growth in demand in that market.

As I've said before, we will only proceed if an investment meets our strict criteria.

APA is well placed to execute & deliver on our strategy of continued growth

- refreshed purpose and vision
- the right operating structure & team to take us forward
- commitment to our customers - the centre of everything we do
- a focus on our company culture & capability



To conclude:

- with our refreshed purpose and vision;
- the right operating structure and team to take us forward
- our commitment to putting our customers at the centre of everything we do; and
- a focus on our company culture and capability,

I believe APA is well placed to execute and deliver on our strategy of continued growth in this evolving energy market.

We are well positioned to deliver the responsible energy solutions of today and to respond to the opportunities of tomorrow.

With that I'll hand it back to Michael to move onto the formal business of the meeting.

[ENDS]