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APA Group | apa.com.au

8 March 2021

ASX ANNOUNCEMENT

APA Group (ASX: APA)

THIS ANNOUNCEMENT IS NOT AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE SUCH OFFER OR SALE WOULD BE UNLAWFUL.

EURO MEDIUM TERM NOTE PROGRAMME DOCUMENTATION

APA Group (ASX: APA) has updated the Offering Circular in respect of APT Pipelines Limited's US$10 billion Euro Medium Term Note Programme, and filed this with the Singapore Exchange.

A copy of the update is attached.

Authorised for release to ASX by Nevenka Codevelle
Company Secretary
Australian Pipeline Limited

For further information, please contact:

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About APA Group (APA)

APA is a leading Australian energy infrastructure business. 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 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. APA is one of Australia's largest owners and operators of renewable power generation assets, with wind and solar projects across Western Australia, South Australia and Queensland. APA recently announced its first hybrid energy microgrid project at the Gruyere Gold Mine in Western Australia, combining solar energy with battery energy storage.

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

Disclaimer

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States The securities referred to herein are being offered and sold only outside the United States pursuant to and in accordance with Regulation S under the Securities Act. There will be no public offer of the securities in the United States.

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IMPORTANT NOTICE

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IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such offering circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of APT Pipelines Limited in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of APT Pipelines Limited, BNP Paribas or any person who controls either of them or any director, officer, employee or agent of either of them or affiliate of any such person accepts any liability or responsibility

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Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular

APT PIPELINES LIMITED

(ABN 89 009 666 700)

(incorporated with limited liability in Australia)

U.S.$10,000,000,000
Euro Medium Term Note Programme
Irrevocably and unconditionally guaranteed by
Australian Pipeline Limited (ACN 091 344 704)
in its capacity as trustee and responsible entity of
Australian Pipeline Trust (ARSN 091 678 778)
and by certain other entities within the Group

(each incorporated with limited liability in Australia)

On 20 October 2010, APT Pipelines Limited (the **Issuer**) established a U.S.$10,000,000,000 Euro Medium Term Note Programme (the **Programme**) and issued an offering circular on that date describing the Programme. Updated offering circulars were subsequently issued on 16 November 2012, 9 March 2015, 6 March 2019 and 21 April 2020. This Offering Circular supersedes any previous Offering Circular and any supplement thereto. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date of this Offering Circular.

Under this Programme, the Issuer may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be guaranteed pursuant to the terms of the guarantee (the **Guarantee**) contained in the Trust Deed (as defined below) by Australian Pipeline Limited in its capacity as trustee and responsible entity of Australian Pipeline Trust (in that capacity, the **Principal Guarantor**) and in its capacity as trustee and responsible entity of the APT Investment Trust and by certain other entities within the Group (each an **Initial Guarantor**, and together with the Principal Guarantor, the **Initial Guarantors**), subject to the terms of the Trust Deed. The Issuer may from time to time and in accordance with the terms of the Trust Deed and the terms and conditions of the Notes appoint or procure the appointment of any Subsidiary (as defined below) of the Principal Guarantor which is not an Initial Guarantor as an additional guarantor (each such guarantor, an **Additional Guarantor**) or obtain a release of the guarantee provided by an Initial Guarantor (other than the Principal Guarantor) or an Additional Guarantor in respect of the Notes. The Initial Guarantors together with any Additional Guarantors but excluding any such released guarantors are referred to herein as the **Guarantors**. All references in this document to the **Group** include each Guarantor and each of its Subsidiaries (as defined in the section entitled "*Terms and Conditions of the Notes*") and for the avoidance of doubt includes the Australian Pipeline Trust and the APT Investment Trust.

The Notes may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**) and will be constituted by an amended and restated trust deed dated 8 March 2021 between the Issuer, the Initial Guarantors and The Bank of New York Mellon, London Branch (the **Trustee**) (the **Trust Deed**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described below), subject to increase as described in the Programme Agreement.

The Notes may be issued on a continuing basis to the Initial Dealer specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, the Subsidiaries and associated companies of the Issuer and the Guarantors, the Programme or such Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the date of listing of Notes of such Tranche.

The Programme provides that Notes may be listed, quoted or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not quoted or admitted to trading on any market.

Notes issued under the Programme may be rated or unrated. Where an issue of a certain series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and (where applicable) such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

The Issuer and the Guarantors may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Arranger and Initial Dealer

BNP PARIBAS

The date of this Offering Circular is 8 March 2021.

The offer and marketing (as such term is defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the AIFMD)) of any Tranche of Notes will be conducted in the European Economic Area (the EEA) and the United Kingdom (the UK) only if the relevant jurisdiction is specified as an Approved Jurisdiction in the applicable Final Terms. If a potential investor is not in an Approved Jurisdiction or otherwise is a person to whom the relevant Notes cannot be marketed in accordance with the AIFMD, as implemented and interpreted in accordance with the laws of each EEA Member State and the United Kingdom, as applicable, it should not participate in the relevant offering and the relevant Notes may not, and will not, be offered or marketed to it.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (MiFID II); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in the UK Markets in Financial Instruments Regulation (UK MiFIR); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II or the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II or the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended from time to time). Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the

Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the FSMA) and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the UK Prospectus Regulation). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the UK PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act. Chapter 289 of Singapore (the SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), unless otherwise specified before an offer of Notes, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA)), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantors and the terms of the Notes being offered, including the merits and risks involved. The Notes and the Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

To the best of the knowledge of the Issuer and the Principal Guarantor as at the date of this Offering Circular having made all reasonable enquiries, the information contained or incorporated in this Offering Circular is in accordance with the facts and there are no other facts the omission of which would make this Offering Circular or any of such information misleading. The Issuer and the Principal Guarantor accept responsibility accordingly.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers (as defined below), as the case may be. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme.

Copies of Final Terms in respect of Notes which are listed on a stock exchange will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

None of the Arranger, the Dealers, the Trustee, the Paying Agents, the Registrar or the Transfer Agents (each as defined below) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Arranger, the Dealers, the Trustee, the Paying Agents, the Registrar or the Transfer Agents and no responsibility or liability is accepted by the Arranger, the Dealers, the Trustee, any Paying Agent, the Registrar or the Transfer Agents as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Initial Guarantors in connection with the Programme. None of the Arranger, the Dealers, the Trustee, the Paying Agents, the Registrar or the Transfer Agents accept any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Initial Guarantors in connection with the Programme. Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements, have not authorised or caused the issue of, and take no responsibility for, this Offering Circular and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

In this Offering Circular, the Issuer and the Principal Guarantor rely on and refer to information and statistics regarding the industries in which the Group operates that have been obtained from independent industry publications or other publicly available information. In particular, the Issuer and the Principal Guarantor have referenced information published by certain Australian government sources, including AER, DEE, AEMO (each as defined below) and certain private sources, including EnergyQuest. Although the Issuer and the Principal Guarantor believe that these sources are reliable, neither they nor the Arranger, the Dealers, the Trustee, the Paying Agents, the Registrar or the Transfer Agents have independently verified such information and neither the Issuer and the Principal Guarantor nor the Arranger, the Dealers, the Trustee, the Paying Agents, the Registrar or the Transfer Agents make any representation as to the accuracy and completeness of this information.

This Offering Circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain documents referred to herein will be made available to prospective investors upon request to the Issuer or the Guarantors.

The information set out in those sections of the Offering Circular describing clearing and settlement is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream, Luxembourg currently in effect. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. None of the Issuer or the Principal Guarantor will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

No person is or has been authorised by the Issuer, the Initial Guarantors, any of the Dealers, the Arranger, the Trustee, the Paying Agents, the Registrar or the Transfer Agents to give any information or to make

any representation not contained in or not consistent with this Offering Circular or any other information supplied by the Issuer or any Guarantor in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Initial Guarantors, any of the Dealers, the Arranger, the Trustee, the Paying Agents, the Registrar or the Transfer Agents.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Initial Guarantors, any of the Dealers, the Arranger, the Trustee, the Paying Agents, the Registrar or the Transfer Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Initial Guarantors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Initial Guarantors, any of the Dealers, the Arranger, the Trustee, the Paying Agents, the Registrar or the Transfer Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular (or any part thereof) nor the offering, sale or delivery of any Notes shall in any circumstances constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer and/or the Initial Guarantors or that the information contained herein concerning the Issuer and/or the Initial Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Arranger, the Trustee, the Paying Agents, the Registrar and the Transfer Agents expressly do not undertake to review the financial condition or affairs of the Issuer or the Initial Guarantors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 (the FSMA) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with, see "*Subscription and Sale*".

This Offering Circular has not been, and will not be, lodged with the Australian Securities and Investments Commission and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 (Cth) of Australia (the Corporations Act). It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any "retail client" as defined in section 761G of the Corporations Act. None of the Issuer or the Initial Guarantors are licensed to provide financial product advice in respect of the Notes or the Guarantee. Cooling-off rights do not apply to the acquisition of the Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Initial Guarantors, the Arranger, the Dealers and the Trustee

do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Initial Guarantors, the Dealers, the Arranger or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, the European Economic Area (including Italy), Switzerland, the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong), Japan, Singapore and Australia, see "*Subscription and Sale*". Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part hereof in any manner whatsoever.

The Arranger, the Dealers, the Trustee, the Paying Agents, the Registrar and the Transfer Agents have received, or will or may receive, fees from the Issuer in connection with their participation in the Programme or any issue of Notes under the Programme and may hold interests in the Notes for their own account.

All references in this document to *U.S. dollars* and *U.S.$* refer to the lawful currency of the United States of America, all references in this document to *Australian dollars* and *A$* refer to the lawful currency of the Commonwealth of Australia and all references in this document to *Singapore dollars* and *S$* refer to the lawful currency of Singapore. In addition, all references to *Sterling* and £ refer to pounds sterling and all references to *euro* and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

All references in this document to the Group include each Guarantor and each of its Subsidiaries (as defined in the section entitled "*Terms and Conditions of the Notes*") and for the avoidance of doubt includes the Australian Pipeline Trust and the APT Investment Trust.

FORWARD-LOOKING STATEMENTS

Please refer to the section entitled "*Glossary*" for definitions of capitalised terms used but not otherwise defined in this Offering Circular.

This Offering Circular contains forward-looking statements including, without limitation, words and expressions such as **expect, believe, plan, intend, estimate, project, anticipate, may, will, would, could** or similar words or statements, in particular, in the sections entitled "*Description of the Issuer*" and "*Description of APA*" in this Offering Circular in relation to future events, the Issuer, each Initial Guarantor, each of their Subsidiaries for the time being and the Australian Pipeline Trust and the APT Investment Trust, the Group's prospects, its expected financial condition, its business strategies, the future developments of the Group's operations and industry and the future development of the general domestic, regional and global economy.

These statements are based on assumptions regarding the Group's present and future business strategy and the environment in which it expects to operate in the future. These matters and the Group's future results could differ materially from those expressed or implied by these forward-looking statements and, although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters. In addition, the Group's future performance may be affected by various factors and risks including, without limitation, those discussed in the sections entitled "*Risk Factors*", "*Description of the Issuer*" and "*Description of APA*".

Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Offering Circular, statements of, or references to, intentions of the Issuer or the Initial Guarantors or those of any of the directors of any of them are made as at the date of this Offering Circular. Any such intentions may change in light of future developments.

Each of the Issuer, the Initial Guarantors, the Arranger and the Dealers expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or any Initial Guarantor's or Subsidiary's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer, the Initial Guarantors or any of their respective Subsidiaries or directors.

In connection with the issue or distribution of any Tranche of Notes (other than in circumstances where such action would reasonably be expected to affect the price of the Notes or other securities traded within Australia or on a financial market, as defined in the Corporations Act, operated within Australia), one of more relevant Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws, rules and regulations.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the audited consolidated annual financial statements of the Group for each of the last three financial years (as at the date hereof, for the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020) (together with any audit or review reports prepared in connection therewith);

(b) the most recently published audited consolidated annual financial statements of the Group and, if published later, the most recently published unaudited consolidated interim financial statements of the Group (in each case, together with any audit or review reports prepared in connection therewith);

(c) the unaudited consolidated financial statements of the Group for the six-month period ended 31 December 2020 (together with any audit or review reports prepared in connection therewith); and

(d) each supplement to or amendment of this Offering Circular issued by the Issuer from time to time.

Copies of the audited consolidated annual financial statements of the Group deemed to be incorporated by reference in this Offering Circular may be obtained without charge from the website of the Australian Securities Exchange (https://www2.asx.com.au).

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any published unaudited interim financial statements of the Group which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited by the auditors of the Group. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them (see "*Risk Factors*").

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered in compliance with the terms hereof, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Offering Circular. In addition, such documents will be available for inspection between 9:00 am and 3:00 pm (London time) Monday to Friday excluding public holidays from the specified office of The Bank of New York Mellon, London Branch (the **Principal Paying Agent**) at One Canada Square, London E14 5AL, England.

The websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer and the Guarantors may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any relevant Final Terms and none of the Issuer, the Guarantors, the Arranger, the Dealers, the Trustee, the Paying Agents, the Transfer Agents or the Registrar accepts any responsibility whatsoever that any such information is accurate and/or up-to-date. Any such information should not form the basis of any investment decision by an investor to purchase or deal in the Notes.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer, the Guarantors and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	APT Pipelines Limited (ABN 89 009 666 700)
Principal Guarantor:	Australian Pipeline Limited (ACN 091 344 704) in its capacity as trustee and responsible entity of Australian Pipeline Trust (ARSN 091 678 778)
Other Guarantors:	Australian Pipeline Limited (ACN 091 344 704) in its capacity as trustee and responsible entity of the APT Investment Trust (ARSN 115 585 441)
	AGEX Pty. Ltd. (ACN 008 458 580)
	APA (BWF Holdco) Pty Ltd (ACN 149 677 627)
	APA (EDWF Holdco) Pty Ltd (ACN 149 677 574)
	APA (EPX) Pty Limited (ACN 613 224 285) in its own right and as trustee of EPX Trust
	APT (MIT) Services Pty Limited (ACN 117 635 677)
	APA (NBH) Pty Limited (ACN 139 483 999)
	APA (Pilbara Pipeline) Pty Ltd (ACN 081 971 173)
	APA (SWQP) Pty Limited (ACN 066 656 219)
	APA (WA) One Pty Limited (ACN 090 954 484)
	APA AIS 1 Pty Limited (ACN 099 145 981)
	APA AIS 2 Pty Ltd (ACN 076 712 331)
	APA AIS Pty Limited (ACN 071 080 861)
	APA AM (Allgas) Pty Limited (ACN 154 737 407)
	APT AM (Stratus) Pty Limited (ACN 124 754 374)
	APT AM Employment Pty Limited (ACN 124 754 356)
	APT AM Holdings Pty Limited (ACN 124 754 383)
	APA Bidco Pty Ltd (ACN 603 054 717)
	APA Biobond Pty Limited (ACN 076 568 100)
	APA Country Pipelines Pty Limited (ACN 108 218 346)
	APA DPS Holdings Pty Limited (ACN 153 498 910)
	APA DPS2 Pty Limited (ACN 152 844 098)

APA East Pipelines Pty Limited (ACN 091 883 368) in its own right and in its capacity as trustee of the Epic Energy East Pipelines Trust

APA EE Australia Pty Limited (ACN 069 799 613)

APA EE Corporate Shared Services Pty Limited (ACN 069 799 588)

APA EE Holdings Pty Limited (ACN 109 054 855)

APA EE Pty Limited (ACN 069 799 533)

APA Ethane Pty Limited (ACN 132 157 290) in its own right and as trustee of each of Moomba to Sydney Ethane Pipeline Trust, Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust

APA Facilities Management Pty Limited (ACN 140 898 424)

APA Midstream Holdings Pty Limited (ACN 617 436 870)

APA Northern Goldfields Interconnect Pty Ltd (ACN 646 298 142)

APA Operations (EII) Pty Limited (ACN 134 460 496)

APA Operations Pty Limited (ACN 123 090 933)

APA Orbost Gas Plant Pty Ltd (ACN 149 682 628)

APA Pipelines Investments (BWP) Pty Limited (ACN 091 258 418)

APA Power Holdings Pty Limited (ACN 149 762 121)

APA Power PF Pty Limited (ACN 153 498 894)

APA Reedy Creek Wallumbilla Pty Limited (ACN 609 218 608)

APA Transmission Pty Ltd (ACN 603 054 404)

APA VTS A Pty Limited (ACN 087 673 907) in its own right and as trustee of GasNet A Trust

APA VTS Australia (Holdings) Pty Limited (ACN 104 581 142)

APA VTS Australia (NSW) Pty Limited (ACN 079 136 413)

APA VTS Australia (Operations) Pty Limited (ACN 083 009 278)

APA VTS Australia Pty Limited (ACN 096 457 868) in its own right and as trustee of each of GasNet Australia Trust and GasNet Australia Investments Trust

APA Western Slopes Pipeline Pty Limited (ACN 615 958 748)

APA WGP Pty Ltd (ACN 140 760 612)

APT Facility Management Pty Limited (ACN 124 754 365)

APT Goldfields Pty Ltd (ACN 084 545 344)

APT Management Services Pty Limited (ACN 091 668 110)

APT O&M Holdings Pty Ltd (ACN 109 740 749)

APT O&M Services (QLD) Pty Ltd (ACN 112 358 595)

APT O&M Services Pty Ltd (ACN 112 358 586)

APT Parmelia Holdings Pty Ltd (ACN 115 930 768)

APT Parmelia Pty Ltd (ACN 078 902 397) in its own right and as trustee of The APT Parmelia Trust

APT Petroleum Pipelines Holdings Pty Limited (ACN 009 738 489)

APT Petroleum Pipelines Pty Limited (ACN 009 737 393)

APT Pipelines (NSW) Pty Limited (ACN 080 842 360)

APT Pipelines (NT) Pty Limited (ACN 075 733 336)

APT Pipelines (QLD) Pty Limited (ACN 080 382 387)

APT Pipelines (SA) Pty Limited (ACN 124 754 347)

APT Pipelines (WA) Pty Limited (ACN 066 343 584)

APT Pipelines Investments (NSW) Pty Limited (ACN 065 070 966)

APT Pipelines Investments (WA) Pty Limited (ACN 081 638 244)

Australian Pipeline Limited (ACN 091 344 704) in its capacity as trustee and responsible entity of the APT Investment Trust (ARSN 115 585 441)

Australian Pipeline Limited (ACN 091 344 704) in its capacity as trustee and responsible entity of APA Sub Trust No 1, APA Sub Trust No 2 and APA Sub Trust No 3

Central Ranges Pipeline Pty Ltd (ACN 108 218 355)

Darling Downs Solar Farm Pty Ltd (ACN 611 319 003)

Diamantina Holding Company Pty Limited (ACN 149 762 130)

Diamantina Power Station Pty Limited (ACN 149 762 176)

East Australian Pipeline Pty Limited (ACN 064 629 009)

EDWF Holdings 1 Pty Ltd (ACN 114 267 748)

EDWF Holdings 2 Pty Ltd (ACN 114 267 793)

EDWF Manager Pty Ltd (ACN 115 374 386)

EPX HoldCo Pty Limited (ACN 613 191 503)

EPX Member Pty Limited (ACN 613 225 237)

Gasinvest Australia Pty Ltd (ACN 065 055 478)

Gorodok Pty. Ltd. (ACN 057 156 751)

N.T. Gas Distribution Pty Limited (ACN 071 741 618)

N.T. Gas Easements Pty. Limited (ACN 051 412 643)

Roverton Pty. Ltd. (ACN 011 071 917)

SCP Investments (No.1) Pty Limited (ACN 084 521 817)

	SCP Investments (No.2) Pty Limited (ACN 084 521 951) SCP Investments (No.3) Pty Limited (ACN 085 991 984) Sopic Pty. Ltd. (ACN 010 851 288) Southern Cross Pipelines (NPL) Australia Pty Limited (ACN 085 991 948) Southern Cross Pipelines Australia Pty Limited (ACN 084 521 997) Trans Australia Pipeline Pty Ltd (ACN 006 699 378) Western Australian Gas Transmission Company 1 Pty Ltd (ACN 081 780 387) Wind Portfolio Pty Ltd (ACN 114 267 695) (together with any Subsidiary (as defined in Condition 11.4) of the Principal Guarantor which is appointed from time to time, as an additional or replacement Guarantor in accordance with the terms of the Trust Deed (as defined below) and the Terms and Conditions of the Notes (an **Additional Guarantor**), but excluding any such Initial Guarantor or additional or replacement Guarantor which has been released from the Guarantee, the **Guarantors** and each a **Guarantor**). See "*Guarantee*" and "*Guarantors*" below.
Description:	Medium Term Note Programme
Arranger and Initial Dealer:	BNP Paribas The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to **Dealers** are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and all persons appointed as a dealer in respect of one or more Tranches.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a

	limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale*").
Trustee:	The Bank of New York Mellon, London Branch
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Principal Paying Agent:	The Bank of New York Mellon, London Branch
	The Issuer may from time to time appoint additional or successor agents as paying agents in accordance with the Agency Agreement (such paying agents, together with the Principal Paying Agents, the **Paying Agents**).
Programme Size:	Up to U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantors may increase the limit of the Programme in accordance with the terms of the Programme Agreement. The Programme Agreement provides for the U.S.$ equivalent of any Note denominated in another currency to be determined on or around the date agreement is reached to issue those Notes.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a **Tranche**) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Final Terms.
Distribution:	Notes may be distributed on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, Singapore dollars, Japanese yen, Australian dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant

	central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and Bearer Notes will not be exchangeable for Registered Notes.
Fixed Rate Notes:	Fixed Rate Notes will bear interest at a fixed rate per annum at the rate specified in the applicable Final Terms. Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined separately for each Series as follows: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer. The applicable method and the margin (if any) relating to such floating rate as may be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes will be specified in the applicable Final Terms.
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange,

	as may be agreed by the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment (as specified in the applicable Final Terms).
Redemption:	The applicable Final Terms will specify either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions — Notes having a maturity of less than one year*" above). and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or in the United Kingdom which require the publication of a prospectus under Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9 except as required by law where such withholding or deduction is required in respect of taxes. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Acceleration:	The terms of the Notes will contain a cross acceleration provision as further described in Condition 11.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be

preferred by law) at least equally with all other unsecured obligations of the Issuer from time to time outstanding.

Guarantee:

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer pursuant to the Trust Deed will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors. The obligations of each Guarantor under the Guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of such Guarantor and will rank (save for certain obligations required to be preferred by law) at least equally with all other unsubordinated and unsecured obligations of such Guarantor from time to time outstanding.

The obligations of the Principal Guarantor (and of certain other Guarantors), have been or will be incurred solely in their capacity as trustee of a trust. In such circumstances, the liability of such Guarantor under the Guarantee is limited to the extent of the Guarantor's indemnification out of the assets of the trust in respect of that liability subject to certain exceptions as specified in Condition 3.5.

Guarantors which provided their guarantee in their capacity as trustee of a trust will be entitled to have access to the asset of that trust to satisfy that liability only to the extent such Guarantors have a right of indemnity out of the trust assets (see "*Risk Factors — Ranking of Claims*").

Guarantors:

The Issuer must ensure that any Subsidiary of the Principal Guarantor that is a guarantor in respect of (or is otherwise a co-obligor or jointly liable with respect to) any Financial Indebtedness (as defined in Condition 11) of any Obligor (as defined in Condition 11) under any bank facility or debt instrument issued in the Australian domestic or international capital markets where the principal amount of such facility or debt instrument, when aggregated with all other facilities or debt instruments in respect of which such Subsidiary is a guarantor, exceeds A$100,000,000, is or becomes a Guarantor.

Such Subsidiary will be required to execute a Guarantor Accession Deed (as defined in the Trust Deed) by which it becomes a Guarantor under the Trust Deed, Agency Agreement and Programme Agreement (as defined below) (the **Programme Documents**) and undertakes for the benefit of each party to the Programme Documents to perform and comply with all the duties of a Guarantor under the Programme Documents.

The Issuer may at any time by notice to the Trustee, the Principal Paying Agent and the Noteholders procure the release from the Guarantee of any Guarantor that is (i) no longer a Subsidiary of the Principal Guarantor, or (ii) is not required to be a Guarantor in order to comply with Condition 3.3. If any Subsidiary of the

	Principal Guarantor that is a Guarantor specified in such notice has ceased or is to cease to be a Subsidiary of the Principal Guarantor as of a date specified in such notice, or is not or is to cease from a date specified in such notice to be required to be a Guarantor in order for the Issuer to comply with Condition 3.3 (*Additional Guarantors*), then, so long as the Notes have not been accelerated and remain unpaid following an Event of Default on the date such Subsidiary ceases to be a Subsidiary of the Principal Guarantor or ceases to be required to be a Guarantor in order for the Issuer to comply with Condition 3.3 (as the case may be) (or, if later, the date of the notice referred to in Condition 3.4), the relevant Subsidiary shall be immediately released as a Guarantor. Where the release occurs after the notice referred to in Condition 3.4, the Issuer shall promptly give notice of such Guarantor's release to the Trustee, each Paying Agent and, in accordance with Condition 15, the Noteholders. The Principal Guarantor and Australian Pipeline Limited as trustee and responsible entity of APT Investment Trust may not be released from the Guarantee at any time other than, in the case of Australian Pipeline Limited as trustee and responsible entity of APT Investment Trust, where the units of APT Investment Trust are no longer stapled to the units of Australian Pipeline Trust, in which case, Condition 3.4 shall apply to Australian Pipeline Limited as trustee and responsible entity of APT Investment Trust.
Rating:	Notes issued under the Programme may be rated or unrated. Where an issue of certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and (where applicable) such rating (or expected rating, as the case may be) will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	Application has been made to the SGX-ST for permission to deal in and for quotation of any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). Application may be made for listing or quotation or admission to trading, as the case may be, of the Notes of any Series on any other stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue Notes

not listed and/or Notes not quoted or admitted to trading, as the case may be, on any stock exchange or market.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series and specified in the applicable Final Terms. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, the European Economic Area (including Italy), Switzerland, Hong Kong, Japan, Singapore and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale*").

Offers of Notes will be conducted in a Relevant State specified as an 'Approved Jurisdiction' in the applicable Final Terms and will not be conducted in any other Relevant State.

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 (the **TEFRA D Rules**) unless (i) the applicable Final Terms state that Bearer Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 (the **TEFRA C Rules**) or (ii) the Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

RISK FACTORS

Each of the Issuer and the Guarantors believes that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme which may in turn result in investors losing the value of their investment. Most of these factors are contingencies which may or may not occur and neither the Issuer nor any of the Guarantors is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer and Guarantors believe to be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

Each of the Issuer and the Guarantors believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuer or any of the Guarantors to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not have been considered significant risks by the Issuer and the Guarantors based on information currently available to them or which they may not currently anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

*APA Group (**APA**) is the registered business name of Australian Pipeline Trust and APT Investment Trust, the units of which trade on the Australian Securities Exchange under the ticker symbol "APA" as a single "stapled" security. References to APA in this section are made in the context of the business in its entirety including the respective businesses of the Issuer, the Principal Guarantor and their controlled entities.*

Please refer to "Description of APA" and the Glossary for definitions of capitalised terms used but not otherwise defined in this section.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Guarantors' ability to fulfil their obligations under the Guarantee

APA's business includes regulated assets that are dependent on tariff levels set by the applicable regulator. At a regulatory reset, any downward revisions in the transportation tariffs that APA is entitled to charge may negatively affect APA's revenue. At a regulatory reset, the regulator may not fully approve APA's costs. To the extent that the regulator does not accept APA's costs, then the profitability of APA's assets may be adversely impacted.

A number of APA's assets are subject to economic regulation, including regulation of the prices that APA is permitted to charge as determined by the independent national energy regulator, the AER, and the ERA. In HY2021 and FY2020, 8.2% and 8.0%, respectively, of APA's Energy Infrastructure segment revenue (excluding pass-through revenue) was derived from regulated tariffs under approved access arrangements (which does not include revenue from APA's assets subject to 'light' regulation or that are subject to an information disclosure and arbitration regime under Part 23 of the NGR, discussed below).

Regulatory pricing periods generally run for five years and reflect the regulator's determination, among other matters, of APA's opening regulated asset base, gas demand forecasts and projected operating expenditure, capital expenditure, regulatory depreciation, regulatory tax payable and weighted average cost of capital. Costs and gas demand can change materially within a regulatory pricing period. Consequently, if APA is unable to manage the operating costs and capital expenditures within the regulatory allowance or the incentive mechanisms for a regulated asset, or if the regulator's determination of the operating costs, capital costs, taxation or weighted average costs of capital at the beginning of a pricing period are insufficient to meet the actual costs incurred, or if the actual gas demand and therefore usage of APA's asset falls below the regulator's determination, APA's financial position and/or performance may be adversely affected. There is no certainty

that it will be able to recover the amount of capital or operating expenditure required to operate its price-regulated businesses.

The price regulation outcomes determined by the AER and the ERA under an access arrangement process for a full regulation asset may adversely affect APA's revenue in respect of that asset to the extent revenue on the asset is not derived from a haulage contract that has its terms and conditions, including price, agreed with a customer and set for the period of the contract.

AER and ERA decisions may be challenged in court on judicial review grounds. If either the AER or the ERA makes an adverse determination with respect to the price regulation of one or more of APA's assets, APA's ability to successfully challenge such a determination would be limited, and its business, operations, financial position and/or performance could be negatively impacted.

In addition, a number of APA's assets are subject to light regulation which, while not a price regulation regime, enables the regulator to arbitrate any disputes with customers (and prospective customers) on price and other terms of access. Further, APA's pipeline assets that are not subject to either full or light regulation are, however, subject to an information disclosure and arbitration regime under Part 23 of the NGR in which prices are negotiated between the customer and the pipeline operator, subject to commercial arbitration in the event of failure to reach a negotiated outcome. Any decisions regarding APA's assets subject to light regulation or the information disclosure and arbitration regime under Part 23 of the NGR resulting from such arbitration may negatively affect APA's financial position and/or performance.

In addition to economic regulation, the natural gas industry in Australia is regulated from an operational and technical perspective. All pipeline, distribution, gas processing, storage and power generation assets owned and/or operated by APA require compliance with relevant federal, state and territory laws, regulations, licences and policies. Changes in any such laws, regulations, licences or policies may adversely affect APA's pricing, costs or compliance regimes. APA is directly or indirectly subject to a range of regulatory requirements such as environmental laws and regulations, occupational health and safety requirements and technical and safety standards, including those contained in pipeline licences. Failure to properly comply with APA's regulatory obligations, including price regulation, may result in APA incurring losses, including losses arising from penalties, customer and third party damages claims, reputational damage (including injury to relationships with customers, third parties and regulators) and/or revocation of a pipeline license or licences or its Australian Financial Services License.

Changes to the regulatory environment governing its activities could adversely affect APA.

As the regulatory environment applicable to APA evolves, new and amended laws and regulations that impact APA's operations may be implemented, regulatory authorities may impose new requirements on the exercise of discretionary power or existing laws or regulations may be subject to new interpretations. These and any other changes to laws and the regulatory environment may adversely affect APA's operations and financial position and/or performance.

The Energy National Cabinet Reform Committee (the **ENCRC**) (formerly, the Council of Australian Governments Energy Council prior to September 2020) develops government policy in relation to the Australian domestic gas market. Reforms have been introduced in relation to the development of:

- a capacity trading platform for trading secondary capacity;
- a day-ahead auction of contracted but un-nominated capacity;
- standards for key contract terms in primary, secondary and operational transportation agreements; and

- a reporting framework for secondary capacity trades that provides for the publication of the price and other related information on secondary trades.

These reforms may adversely impact the quantity and pricing of APA's sales of pipeline services in the primary market and, therefore, APA's financial position and/or performance.

The ENCRC has also introduced:

- a draft legislative and rule package in November 2020 to improve transparency in Eastern and Northern Australian Gas markets, with legislation to go to parliament in CY2021. Complying with this additional requirement could increase APA's compliance costs and require it to disclose certain information it has not historically disclosed, which may have an adverse impact on APA's financial position and/or performance; and

- a Regulation Impact Statement, 'Option to Improve Gas Pipeline Regulation' (**RIS**). This RIS has included a consultation process followed by a period of assessment and review over late CY2019 and CY2020 to identify and evaluate options to deliver a more efficient and integrated regulatory framework for gas pipelines by focusing on different forms and applications of regulation to gas pipelines, information disclosure, negotiation frameworks and dispute resolution mechanisms. The ENCRC's decision on this RIS has been delayed and is expected to be published during the first half of CY2021. These processes may lead to changes in the regulatory regime, which may have an adverse impact on APA's financial position and/or performance.

For further information on these processes, see "*Regulatory Environment — Gas policy developments — Regulation Impact Statements*".

Changes in the regulatory treatment of certain parts of APA's businesses could increase its costs and risks.

Under the NGL, any person (including customers seeking access to a pipeline) may make an application for an unregulated pipeline to become "covered" and therefore subject to full or light economic regulation. If such an application was made, and certain statutory criteria satisfied, the relevant pipeline could become subjected to economic regulation. Similarly, an application can be made seeking that light regulation be revoked and full regulation be imposed instead. The additional costs, pricing regulation and risks associated with such a change may adversely affect APA's operations, financial position and/or financial performance. Full regulation would require Reference Services and Reference Tariffs and may limit APA's ability to negotiate tariffs and thereby potentially impair the profitability of those businesses. See "*Regulatory Environment — Full Regulation — Reference Tariffs*".

A change in tariff levels could adversely affect APA's revenue.

The operating results for APA's regulated businesses are dependent on tariff levels, which are subject to price or allowable revenue controls set by the AER or the ERA (as applicable). The price and allowable revenue controls for price regulated transmission and distribution businesses are based upon forecast gas demand, projected operating costs, projected capital expenditure, regulatory depreciation, regulatory tax payable and the projected weighted average cost of capital. Actual results can be significantly different from these projections over the course of a regulatory period (typically a five year term) as a result of changes in the costs of labour, equipment and capital inputs (including the costs of funding). Many of these changes are beyond APA's control, difficult to predict with certainty and subject to the regulator's determination. At a regulatory reset, any downward revisions in the transportation tariffs that APA is entitled to charge may negatively affect APA's revenues and, consequentially, adversely affect its business, operations, profits and financial position. In addition, APA's tariff levels may be influenced by changing regulatory practices or interpretations. Some recent regulatory decisions have seen regulators establishing rates of return below those adopted in earlier periods.

There is no certainty that APA will be able to recover the amount of capital or operating expenditure required to operate the price regulated businesses through regulated revenues.

APA's pipeline operations depend upon the retention, renewal or grant of certain licences and permits.

In some instances, the operation of APA's assets is dependent on the granting and maintenance of appropriate licences, permits or regulatory consents. Although these authorisations may be granted or renewed following expiry (as the case may be), there can be no guarantee that authorisations will be renewed, granted or continued, or that more onerous terms will not be imposed on such authorisations. These authorisations may be subject to loss or forfeiture in the event of material non-compliance. Any failure to obtain or maintain necessary authorisations may adversely affect APA's operations, and financial position and/or performance.

APA's investments and businesses may be subject to review by the Australian Competition and Consumer Commission.

The Australian Competition and Consumer Commission (**ACCC**) has the primary responsibility for enforcement of Australia's federal competition and consumer protection laws, including in relation to anticompetitive mergers and acquisitions, anticompetitive conduct and the misuse of market power. Acquisitions that may substantially lessen competition are subject to review by the ACCC. Adverse review, actions or decisions by the ACCC may prevent or limit APA's ability to pursue certain acquisitions. See "*—Operational and Legal Risks—APA's long term growth is dependent on the successful execution of acquisitions, new developments and pipeline capacity expansions*".

In April 2017, the Australian Government directed the ACCC to conduct a wide-ranging inquiry into the supply of and demand for wholesale gas in the East Coast gas market in Australia, as well as to publish regular information on the supply and pricing of gas for the next three years. In July 2019, the Australian Government extended the inquiry until December 2025. The inquiry covers the full supply chain, including pipelines. As well as publishing regular reports, the ACCC will make recommendations on longer term transparency measures. Any reforms arising from the ACCC's reports and/ or recommendations may adversely affect APA's operations and financial position and/or performance.

The Australian Government also implemented certain changes to Australia's competition laws in November 2017. One of these changes was to change the test for prohibited misuse of market power conduct. A company with substantial market power is now prohibited from engaging in conduct that has the purpose, effect or likely effect of substantially lessening competition. In the event that APA is considered to have substantial market power, by virtue of ownership of certain natural monopoly assets or otherwise, it may face an increased risk to competition claims as a result of these changes. If APA is found to have contravened Australia's competition laws, it may be subject to fines and other penalties which may impact its financial performance and business.

Customer Related Risks

End user demand can fluctuate significantly and influence APA's performance.

The performance of APA's businesses is affected by the volume of gas transported through its pipeline networks. In addition to gas supply, APA's businesses are dependent on end-user demand. End-user demand is subject to a range of variables, including a downturn in the resources industry. The relative price of gas and its competitive position with other energy sources (including electricity, wind, solar, coal and fuel oils) may reduce demand levels for services on APA's assets.

A reduction in demand for APA's transmission services may also arise if the use of gas swap contracts by customers increases. Gas swap contracts involve customers "swapping" gas at specified delivery points so as to reduce the distance gas needs to be transported. Increased usage of such contracts may adversely affect APA's financial position and/or performance.

Further, if there is increased use of gas storage facilities, the demand for gas transmission and storage services on APA's assets may decline.

The competitive position of gas and the actions of APA's customers cannot be predicted with certainty. If the demand for gas weakens, APA's financial position and/or performance may be adversely impacted.

If a reduction in demand for gas means that certain of APA's regulated assets cease to contribute to the provision of services by APA, a regulator might require that the regulatory value of such assets be removed from the relevant regulated asset base until such assets again contribute to the provision of services. This may impact the level of APA's regulated tariffs and may adversely affect APA's financial position and/or performance.

APA's long term contracts may fail to compensate for its increased costs and may expose APA to substantial market risk during contract renegotiation.

A substantial portion of APA's gas transmission revenues are from long term pipeline capacity contracts with customers. Under such long term contracts, it is possible that APA's costs to perform the contractual services could equal or exceed the revenues it collects for its services. Such imbalance between APA's revenues and costs could significantly impair its business, operations, financial position and/or performance, especially if the imbalance was protracted over a period of months or years.

APA also faces substantial market risks at the time of expiration of its long term contracts. Due to a variety of factors, such as the amount of competition in the gas pipeline market, the demand or lack thereof for gas and the market's bias for or against long term contracts, many of which are beyond APA's control, APA could be compelled to enter into long term contracts on less favourable terms than it has previously obtained. Alternatively, APA could be unable to enter into new long term contracts entirely, thereby subjecting its businesses to more frequent contract negotiations and lessened long term stability. These may have a negative impact on APA's business operations, financial position and/or performance.

APA's revenue is materially dependent on certain significant customers and industries.

Approximately 76% of APA's Energy Infrastructure transmission revenue for HY2021 and FY2020 was derived from its top ten customers. There can be no assurance that contracts with significant customers will continue or be renewed on their current terms and conditions or at all. If any significant customer terminates their contract, if APA is only able to renew its contracts on less favourable terms or if APA is unable to obtain substitute contracts with new customers on comparable terms, there may be a negative impact on its business, operations, financial position and/or performance.

In addition, 96.9% and 96.1% of the revenue from APA's assets in HY2021 and FY2020, respectively, was with counterparties in the energy, utilities and resources sectors. While APA's exposure is representative of the concentrated nature of Australia's utility customer base, any downturn in these sectors or the economy more broadly could adversely affect the performance and financial condition of such counterparties, which could reduce their ability to conduct business with APA and thereby have a negative impact on APA's business, operations, financial position and/or performance.

APA may fail to renew contracts as they expire.

A large part of APA's revenue is the subject of long term negotiated contracts with end customers. Due to a range of factors, including bypass and competitive risk, customer demand risk, gas supply risk, market risk and counterparty risk, APA may not be successful in recontracting the available pipeline capacity when it comes due for contract renewal or APA may recontract on less favourable terms than previously obtained. Capacity may also be recontracted for a shorter term, which could require more frequent contract negotiations and lessen long term stability for APA, along with increasing the likelihood of renewing contracts on less favourable terms. In addition, for pipelines not subject to price regulation, customers may seek commercial arbitration under the NGR as a means of determining price and other terms and conditions under the AEMO's new information

disclosure and commercial price arbitration regime. If APA is unable to recontract its infrastructure capacity or recontract it on less favourable terms than previously obtained, APA's financial position and/or performance may be adversely affected.

Operational and Legal Risks

APA's long term growth is dependent on the successful execution of acquisitions, new developments and pipeline capacity expansions.

APA seeks to expand its portfolio through significant acquisitions of new pipelines and other energy infrastructure assets, such as its acquisition of the WGP in FY2015 and the Darling Downs Solar Farm from Origin Energy in FY2017. APA also seeks to expand its portfolio through development of existing assets, such as the construction of the 130MW Badgingarra Wind Farm, which officially opened in FY2020 and the NGI, which was announced in November 2020. Integrating these various assets into APA's business could be affected by unexpected events, such as unanticipated costs (including accounting, reporting, land access, environmental compliance and technology costs), failing to obtain necessary approvals, failing to retain key employees or assets or inadequate supervision or execution by managers of the asset integration processes.

APA may fail to identify and/ or successfully complete prudent acquisition opportunities or mitigate all risks which may arise from an acquisition. This could prevent APA from obtaining anticipated operating advantages and cost savings (such as the elimination of redundancies), thereby adversely affecting its operations, financial position and/or performance. APA may also fail to consider the appropriate risks and potential costs associated with certain acquired assets that are not part of its traditional gas infrastructure business. APA may also seek to undertake future acquisitions outside of Australia, including potentially in North America, where it has no operational experience. In addition, certain regulators, such as the ACCC, may prevent or limit APA's ability to pursue further acquisitions.

APA conducts a due diligence investigation in connection with any acquisition, and it may rely on employees or third parties it engages as part of the due diligence process to conduct such due diligence investigations. APA may also rely on information provided by or on behalf of the seller or third parties it engages, and it may not be able to verify the accuracy, reliability or completeness of such information. To the extent that any investigation by APA's employees or third parties, or that any information provided by or on behalf of the seller or third parties it engages, is incomplete, incorrect, inaccurate or misleading, the actual performance of an acquired asset may be materially different than expected, which may have an adverse impact on APA's financial position and performance.

Additionally, it is possible that the analysis APA undertakes in connection with an acquisition results in conclusions and forecasts which are inaccurate or which are not realised in due course, whether because of flawed methodology, misinterpretation of economic circumstances or otherwise. To the extent that the actual results achieved by the acquisition are weaker than those indicated by APA's analysis, there may be an adverse impact on APA's financial position and performance.

Moreover, after APA acquires an asset, there is a risk that the integration of that asset into its operations may encounter unexpected challenges. In particular, the transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing APA's business. There is a risk that cash flows or operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect APA's financial condition and results of operation.

In addition, APA may not have access to sufficient information to identify, confirm and quantify all available synergy benefits, or to assess any costs to be incurred to achieve synergies in connection with an acquisition. Achievement of any synergies is not certain. There is a risk that any expected synergies may not be realised at

all or not realised to their full extent, or that they may be realised over a longer period of time than anticipated. There is also a risk that implementation and other one-off costs related to the acquisition may be substantial or greater than what APA reasonably anticipated. This could have a material adverse impact on APA's financial condition and results of operation.

In considering an acquisition APA makes assumptions and take positions in relation to the income tax and stamp duty consequences of the acquisition. In the event that the actual outcomes are different from those assumptions or they are not accepted by the relevant tax authorities, there may be an adverse impact on APA's financial position.

See "*Summary—Strategy—Optimise its asset portfolio*" for further information regarding potential acquisitions.

APA's business strategy also includes the development of new pipeline capacity, renewable and gas-fired power generation plants, gas storage facilities and gas processing assets as well as expanding its capacity in key areas of its existing pipeline network. In developing any new assets, APA may also fail to consider the appropriate risks and potential costs associated with these assets or fail to successfully integrate these assets into its existing infrastructure, which could adversely affect its operations, financial position and/or performance.

Development of APA's assets could be impeded or halted entirely by a range of factors, including failure to integrate, failure to obtain necessary regulatory approvals, technological, land access and climate considerations, employees or equipment shortages, higher than budgeted construction costs, insolvency events in service and equipment providers and project delays. Any delays to or termination of ongoing or planned expansions could have an adverse effect on APA's operations, financial position and/or performance.

There is also a risk of inadequate development in the early stages of a project, for example errors or inadequacies in the concept design and planning phase. Accordingly, APA may not be able to implement current and future development and construction projects in the manner or within the time frame and budget expected. These risks may impact the commerciality and economics of the development and may adversely impact APA's financial position and/or performance.

APA's energy infrastructure is subject to a wide variety of operational risks.

APA's energy infrastructure is exposed to a number of risks and hazards typically associated with such operations, such as equipment failures, rupture of pipelines or process plant (including as a result of corrosion or loss of containment) with a risk of explosion, employee or equipment shortages, human error and unplanned interruptions caused by industrial disputes, damage by third parties and unforeseen accidents. Operational disruption, the cost of repairing or replacing damaged assets or remedying any related damages, and the risk of claims by customers following an operational disruption may adversely affect APA's reputation, financial position and/or performance.

APA's energy infrastructure is exposed to significant occupational health and safety risks that could expose APA to claims and increased regulatory costs.

Occupational health and safety is a key risk area in the operation and maintenance of APA's assets. The risk of operational hazards, as well as the inherently hazardous nature of maintenance and construction work involving gas transmission, power generation, electricity transmission and gas processing and distribution facilities, could result in serious injury and loss of human life, both to APA's employees and third parties. APA's internal policy decisions on safety, operating procedures and the training provided to employees relating to hazard identification, risk assessments and incident prevention and awareness may not be effective and the risks of accidents or long term health impacts cannot be eliminated. Consequently, APA may receive employee, customer or public claims for health and safety related issues from time to time. Such claims may adversely affect APA's operations, relations with employees and customers, reputation and financial position and/or performance.

APA is subject to Australian health and safety regimes and is required to comply with Australian legislation concerning the protection of the health and welfare of employees, contractors and the public. APA will incur compliance costs related to these obligations, and any failure or lapses in its compliance may result in it being exposed to fines, damages, work stoppages at effected projects and criminal or civil sanctions. If significant health and safety consequences occur unusually frequently in APA's business or in an unusually severe fashion, it could become subject to additional and unanticipated compliance costs. These may adversely affect its operations, reputation, and financial position and/or performance.

APA's outsourcing of certain parts of its business operations may have unintended adverse impacts on its operations.

APA outsources a number of its business operations, including network repair and replacement, construction of new facilities, specialised maintenance and inspection activities, operation of its security register and specialised advisory services. Third party service providers may fail to supply or manage business operations in accordance with their contractual obligations, applicable laws and regulations and its expectations. Additionally, delayed communications, miscommunications and other human errors between APA and its third party service providers may have unintended adverse impacts on APA, especially considering the highly technical nature of its gas transmission, distribution network, power stations and gas processing facilities. APA's use of outsourcing thereby exposes it to risk to its business, operations, profits and financial position.

APA relies on information technology to operate its business.

APA's operations rely on a number of IT systems, applications and business processes utilised in the delivery of business functions, including its customer management system, pipeline grid and IOC. APA's operating businesses depend on computer systems and network infrastructure. System interruptions may occur due to the replacement of systems, equipment failure, human error, natural disasters, sabotage (including cyberattacks) and power outages. Interruptions may result in the unavailability of services, erroneous processing of third party instructions, and may reduce the relevant businesses' ability to maintain efficient operations and impact relationships with customers. Further, interruptions to its IT systems and any lack of availability of backup facilities may adversely affect its reputation, financial position and/or performance.

Although APA devotes efforts to improving its IT systems, applications and business processes to protect the confidentiality, integrity and availability of its information, the delivery of business functions and its computer systems and network infrastructure, and to improving its ability to identify and remediate IT risks and issues as they become known, it cannot guarantee that any efforts to improve its IT systems, applications and business processes will be effective, that its security measures can provide absolute security or that it will be able to identify or remediate risks or issues with its IT systems, applications and business processes effectively or in a timely manner.

In particular, APA's technologies, systems and networks have been subject to, and/or may continue to be the target of, cyberattacks, computer viruses, malicious code, phishing attacks or information security breaches that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of APA, its employees or its customers, or otherwise disrupt its or its customers' or other third parties' business operations. Although to date APA has not experienced any material losses relating to cyberattacks or other information security breaches, there can be no assurance that it will not suffer such losses in the future.

APA's degree of control, as well as its ability to identify and manage risks, may be reduced in its projects and operations that are conducted in joint ventures.

APA holds a number of interests in companies together with joint venture partners through equity or other joint ventures. Certain decisions require approval of the other shareholders of the joint venture or their representatives. Therefore, irrespective of its proportional interest in the joint venture, APA may not be able to

unilaterally control all decision-making processes of a joint venture, including decisions in respect of distributions. The joint venture partners in these projects may have economic or business interests or objectives that are different to APA, may be unable or unwilling to fulfil their obligations under the relevant joint venture contracts or may experience financial or other difficulties, which may threaten the viability of the joint venture or cause APA to incur additional costs. In addition, APA's reputation and relationships with governments and other stakeholders may be adversely affected through association with a partner that has engaged in misconduct or has been negligent in connection with a project. These risks could disrupt the operations of the joint venture or delay development of a project and negatively impact APA's investment in, and returns from, the joint venture. This may adversely affect APA's financial position and/or performance.

APA's assets may be subject to unplanned outages stemming from extreme weather events, sabotage and terrorist acts.

APA is subject to the risk of accidents and incidents in respect of its energy infrastructure assets and adjacent sites, including as a result of weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism. Any of these events may impact APA's operations and could result in unplanned outages of its assets. These risks may result in a failure by APA to supply its customers, which may adversely affect APA's financial position, reputation and/or performance.

Extreme weather events may inhibit APA's operations by causing damage to its assets, disrupting gas suppliers and its ability to supply gas to APA's pipelines, delaying project construction and commissioning schedules and damaging or destroying the facilities of APA's customers. Such extreme weather events, whether affecting APA's services, its suppliers or its customers, could have a material adverse effect on its business, operations, financial position and/or performance. For example, during FY2020, much of Australia endured ongoing drought, and the eastern states of Australia experienced a devastating and severe bushfire season followed by an extreme rainfall event. For APA's Orbost Gas Processing Plant in Victoria, delays arose during construction due to the bushfire threat, high temperatures, smoke and resulting poor air quality, which resulted in a later than anticipated start to the commencement of commissioning of the Orbost Gas Processing Plant in March 2020.

Sabotage of, and terrorist acts on, APA's assets may adversely affect APA's ability to provide APA's contracted services to its customers and could damage a third party's property. Repairs to correct any damage to assets could be costly and time-consuming and may result in substantial lost revenues during the period of such repairs. In addition, any service interruption or physical damage may cause loss or damage to customers or third parties who may seek to recover damages from APA, resulting in harm to its business, reputation and operational and financial result

Any delay in the availability of supplies, equipment or personnel necessary to remedy outages stemming from natural disasters, sabotage and terrorist attacks could compound the adverse effects on APA's business, reputation and operations.

APA's operations may be affected by climate change and changes in sustainability requirements.

APA's businesses, and the businesses of its customers, may be adversely impacted by climate change and other environmental changes. To the extent climate change results in increases in temperature, sea levels and the frequency and intensity of adverse climatic events including fires, storms, cyclones, floods and droughts, APA's business operations and financial results may be adversely affected including through lower gas volumes and revenues.

There have been a number of legislative and regulatory initiatives proposed and implemented in recent years in an attempt to control or limit the effects of climate change, including greenhouse gas emissions. The adoption of environmental legislation, in particular, in Australia, mandating a reduction in greenhouse gas emissions in the future may result in increased compliance costs for APA and its customers, additional operating restrictions

on APA's business and the businesses of its customers, which may affect the demand for natural gas or impact the prices APA charges to its customers, which may adversely impact its future business, financial position and/or performance.

The environmental regime applicable to APA's operations could subject it to inspection, non-compliance and remediation costs.

National, state and territory environmental laws and regulations affect the operations of APA's assets and apply to the sites, easements and facilities of its operations. These laws and regulations:

- create obligations to obtain and comply with approvals, including planning approvals;
- set standards relating to environmental compliance practices, processes and quality of assets;
- provide for penalties and other liabilities for the violation of approvals and such standards; and
- may establish certain obligations to clean-up or remediate facilities and locations where operations are, or were, previously conducted.

The costs and operational impacts associated with complying with these approvals, laws and regulations could increase as a result of obtaining new approvals, new or heightened environmental concerns or if APA fails to comply with any of its environmental obligations. Increased costs associated with approval or regulatory compliance may adversely affect APA's financial position and/or performance.

APA may also experience increased costs for any failure to comply with environmental laws. Specifically, APA may be liable for the discharge of prohibited substances into the environment or environmental damage caused by APA (including its officers, employees, consultants or contractors) or previous owners of property or assets acquired by APA. APA's liability may include fines, orders, clean-up costs, damages, remediation costs and orders, enforceable undertakings, civil and/or criminal sanctions and interruptions in operations. Such costs are challenging to estimate and could stretch over many years for a single violation. Increased costs associated with failure to comply with environmental laws may adversely affect APA's financial position and/or performance. Breaches may also result in the cancellation of some approvals, or in the imposition of more onerous operating conditions. Although APA currently does not have any material remediation projects, construction and/or maintenance may be necessary in heritage listed or environmentally sensitive locations, such as at the Yamarna Gas Pipeline.

Even if APA is in compliance with the applicable environmental laws, regulations, approvals, standards or other requirements, it is possible that its construction projects and business operations may be subject to delays and/or be discontinued as a result of environmental disputes, environmental impact assessments and consultation processes, or the need to obtain necessary environmental approvals, which may adversely affect APA's financial position and/or performance.

APA faces bypass and competitive risk.

Bypass and competitive risk occurs when a new or existing transmission pipeline offers gas transportation services to the same end market serviced by APA's existing pipelines, or otherwise alters flow configurations to the detriment of its existing pipelines. This risk is particularly applicable to the MSP, the Parmelia Gas Pipeline, GGP, CGP and the SEA Gas Pipeline (50% owned by APA).

Additionally, there is the potential for new gas development projects that principally supply export markets to directly compete with domestic markets for the supply of gas. For example, major LNG gas projects directly linked to gas resources that are currently connected to APA's gas transmission assets could result in a reduction in the quantities of gas available for domestic markets thereby potentially reducing the demand for APA's gas pipeline transportation services within Australia and its future revenue.

In addition, LNG import facilities, the extension of electricity transmission lines, the use of diesel fuel for remote power generation and the growth of renewable power generation over the long term may lead to increased bypass or competitive risk for APA's pipelines. If bypass and/or competitive risks increase and customers choose alternatives instead of contracting for services on APA's pipelines, APA's financial position and/or performance may be adversely affected.

Further, APA's Asset Management business operates in a competitive market that is subject to changes in market conditions, new market entrants and competitive cost pressure. These factors could impact APA's relationships with its Asset Management customers and may adversely affect its operations and financial position and/or performance.

Changes in market conditions, new market entrants and increased competitive cost pressure could impact APA's relationships with customers and have an adverse effect on its operations, financial position and/or performance.

APA's business is exposed to gas supply risk.

The availability of gas, competitively-priced or otherwise (as compared with other energy sources including electricity, coal, fuel oils, solar, wind and other alternative energy sources), is essential for APA's customers' ongoing use of gas transmission pipelines and distribution networks. Certain factors such as gas reserve depletion, gas price volatility flowing from macro-economic factors such as oil price shocks, allocation of gas to other markets, such as LNG export markets, and changes in government policy (including regulatory restrictions on gas production and the Australian Domestic Gas Security Mechanism) may impact the availability of gas supply to meet market demand.

Within the Australian market, there are concerns of a potential shortfall of affordable gas available for domestic use, as increasing volumes of gas are contracted for the LNG export market. This has been compounded by delays in removing gas production moratoria (in whole or in part) in Victoria, New South Wales and South Australia. Any interruptions in gas supply may place upward pricing pressure on gas domestically, which may adversely affect the amount of gas contracted in the domestic market.

If there is a shortage of competitively-priced gas for customers to transport through APA's gas pipelines, its financial position and/or performance may be adversely affected.

APA depends upon the reliability of its pipeline network.

APA's business is materially dependent upon the reliability of its pipeline network. In order to keep the pipeline system operational, repairs and maintenance are necessary. In some cases, such repairs and maintenance may be expensive and capital intensive and may impair APA's operations going forward. For example, the Moomba Sydney Pipeline has experienced stress corrosion cracking since 1982, which has resulted in ongoing management and significant repair costs for almost three decades due to coating degradation. It cannot predict whether other unforeseen maintenance and repair issues may arise. If they do, such issues could cause APA to incur substantial capital expenditure and could have an adverse effect on its operations, financial position and/or performance.

Moreover, as a result of urban encroachment and the size of APA's energy network, many of APA's assets are located close to populated areas. If these assets are exposed to interference, injury to persons or damage to property or the environment may occur and APA may be obligated to pay significant costs in addition to any related capital expenditure costs, which could have an adverse effect on its operations, financial position and/or performance.

APA depends on land tenure.

APA's pipelines and other energy infrastructure assets are primarily constructed and operated on land over which it has easements, leases or statutory or other land tenure. In addition, if APA fails to maintain its land

tenure rights or is otherwise required to relocate its pipelines, its operating business could be adversely affected. APA's business could also be negatively impacted if land access costs increase, including through rental increases, renewals of expiring agreements, prevention of easement encroachments or enforcement of its current land access rights. This may adversely affect its operations, and APA's financial position and/or performance.

APA's insurance coverage may not adequately cover it for all risks and liabilities.

APA believes that its insurance policies are appropriate and adequate to protect against major operating and other identified risks. However, not all risks and liabilities are insurable or insured, and APA may elect to not insure or maintain insurance coverage for certain risks on account of high premium costs or otherwise. In addition, the insurance coverage APA maintains may not extend or be adequate to cover all insurable liabilities and losses. Combined with changeable insurance market conditions, APA cannot be certain that insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. APA may also elect to self-insure and/or carry larger deductibles. In the event APA experiences a loss or liability to third parties in the future, the proceeds of an applicable insurance policy may not respond to cover the full actual loss incurred or related liabilities to third parties. Uncovered losses or the payment of a larger deductible may have a negative impact on APA's business, operations, profit and financial position.

The retention of certain of APA's employees and skills is vital for its long term success.

APA's continued success is dependent, in part, on its ability to attract, engage, develop and retain the right employees within a market where there is varying supply of skilled workers. APA's operations are geographically dispersed which can make attraction and retention of skilled employees in regional and remote locations a challenge. When its operations expand or current employees leave, labour costs may increase and APA may be unable to attract and retain the employees required. Additionally, it may take a considerable period of training and time before new employees are equipped with the requisite skills to work safely and effectively on the inherently dangerous tasks associated with APA's assets. An inability to attract, train and retain the right employees may adversely affect APA's operations and financial position and/or performance.

APA also relies on the expertise and continued service of certain key executives but cannot guarantee the retention of such personnel. These key executives possess highly valuable institutional knowledge, without which APA's operations could be negatively affected.

Fraudulent behaviour of APA's employees could adversely affect its operations.

APA is exposed to risks associated with fraudulent behaviour of its officers, employees, consultants, contractors and contractual counterparties. The occurrence of such behaviour may adversely affect APA's operations, and financial position and/or performance.

APA could be subjected to disruptions as a result of its partly unionised workforce.

The salary arrangements for approximately 30% of APA's employees at any point in time are covered by enterprise bargaining agreements negotiated with the employees, with union involvement. APA's partly unionised workforce could expose APA to labour activism and unrest. All of APA's enterprise bargaining agreements are in place, and five out of the seven of these agreements are due to expire at various times between March and September 2021. Negotiations have commenced on four of APA's enterprise bargaining agreements, with the fifth expected to commence from March 2021. Protected industrial action, including strikes and work bans, are lawful during the enterprise bargaining period. Labour activism and unrest could increase during current or future renegotiation of enterprise bargaining agreements. Labour activism and unrest, if undertaken by its employees, could disrupt APA's operations and adversely affect APA's financial condition and operating results.

APA could be required to provide additional funding to its legacy retirement benefit funds.

APA has legacy defined benefit superannuation funds that are funded through a combination of employer and employee contributions, which are invested by third party/external superannuation funds managers in equities, bonds and other external assets and the liabilities for which reflect the latest salary levels. The values of such assets are dependent on, among other things, the performance of the equity and debt markets, which have been particularly volatile in recent months due to factors such as COVID-19. Any shortfall in the funding obligations may require additional funding from the employing entities thus increasing APA's liabilities. APA's superannuation funds had a net deficit of A$38.5 million at 30 June 2020. See Note 16 of its audited consolidated financial statements of APT and its controlled entities for FY2020 for more information on its employee superannuation plans.

APA's customers and other counterparties may default on their obligations to APA or exercise rights consequent on APAs default.

As part of APA's ongoing commercial activities, it enters into gas transportation, gas processing and storage, electricity supply and asset management agreements with various third parties. If a counterparty to such an agreement is unable to meet its commitments to APA, whether in whole or in part, there is a risk that future anticipated revenue would reduce unless and until APA is able to secure an alternative customer. Counterparty risk also arises when contracts are entered into for derivatives (such as cross-currency swaps, forward exchange contracts or fixed to floating rate swaps) with financial institutions. APA is also party to insurance contracts and is exposed to the risk of non-performance of an insurer should a claim arise.

APA is unable to predict whether counterparties will maintain their current levels of credit standing in the future, or otherwise default on their contractual obligations. The failure of a counterparty to a transportation, electricity supply, gas processing asset management or derivative contract may adversely affect APA's financial position and/or performance.

In addition, in the ordinary course, APA enters into contracts with its customers and other counterparties which give the counterparty rights to terminate the contracts if it defaults on its obligations, or certain 'trigger' events occur. If APA's contracts are terminated by its counterparties, this may adversely affect APA's financial position and/or performance.

Further, APA has acquired certain customer contracts as part of the acquisition of other businesses which allow the customer to call "force majeure" if an unforeseeable event occurs (including failure of gas reserves). If the force majeure event persists for a prolonged period, the customer may have the right to terminate its contract with APA, which may adversely affect APA's financial position and/or performance.

Litigation against APA could subject it to costs or reputational harm.

Litigation risks made by or against APA include, but are not limited to, commercial claims, contractual claims, customer claims, injury claims, native title claims, tenure disputes, environmental claims and prosecutions, claims related to compensation on easements and other land access issues, occupational health and safety claims, employee claims, and regulatory disputes. Even if APA is ultimately successful in defending claims against it (or in pursuing claims made by it), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties.

The outbreak of communicable diseases (such as COVID-19) in Australia could negatively impact the health and well-being of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects.

The outbreak of COVID-19 in early CY2020 resulted in restrictions on movement within Australia, travel and the imposition of quarantines, as well as volatility in the global capital markets. APA expects the restrictions on

movement and travel to remain in place for the foreseeable future. Any such actual or requested restrictions on movement, travel and/or imposition of quarantines, and/or any such changes in investment sentiment and volatility in global capital markets, could adversely impact the economy and business activities of Australia and other affected countries. This could, in turn, adversely affect APA's business, financial condition, results of operations and prospects.

The full extent of the duration and impact of the COVID-19 outbreak are unknown at this time and will depend on future developments and factors outside of APA's control, which are highly uncertain, rapidly evolving and cannot be predicted, including new information which may emerge concerning the severity or duration of the COVID-19 pandemic and actions taken by governments and others to contain or mitigate the COVID-19 pandemic or its impact. Such developments, which may have an adverse effect on APA's staff, customers, suppliers, regulators, business, financial condition, results of operations and prospects, include disruptions that, among other things:

- adversely impact the underlying trends impacting on the Australian gas industry, such as commodity prices and the supply and demand for natural gas in Australia;
- could prevent one or more of APA's capital growth projects or expansion activities from proceeding, delay its completion or increase its anticipated cost;
- adversely impact the operations or financial position of APA's third-party suppliers, service providers or customers and increase its exposure to contract-related risks or customer credit risk; and
- adversely impacted APA's ability to accurately forecast assumptions used to evaluate development projects, expansion activities, acquisitions and divestitures.

If any of APA's or its contractors' employees are suspected of contracting an epidemic disease (such as COVID-19), this could require APA or its contractors to quarantine some or all of these employees and/or disinfect the facilities used for the relevant operations, which could in turn result in business continuity issues and/or additional costs. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease, a prolonged continuance of the COVID-19 pandemic or any other serious public health concerns in Australia, and the impact of any governmental restrictions, directives and/or orders that may be imposed, could adversely affect APA's business, financial condition, results of operations and prospects.

APA relies on a level of public acceptance of the development and transmission of gas, power generation and other energy infrastructure.

APA's business, and the construction of its pipelines, power generation and other energy infrastructure, may generate negative public sentiment with certain stakeholder groups and result in negative publicity for APA. In recent years, there has been an increased focus on the importance of corporate social responsibility and a social licence to operate. Negative public sentiment, any resulting community action and related publicity may result in federal or state governments implementing political measures that may adversely affect APA's reputation, operations, and financial position and/or performance.

Negative consumer sentiment towards the consumption of natural gas may adversely affect APA's revenue and the carrying value of its assets.

There is a risk that consumers develop a negative public sentiment towards the consumption of natural gas due to concerns about the potential effects on climate change. To the extent that consumers view natural gas as an unacceptable source of energy and, as a result, demand for natural gas decreases, APA's contracted revenue and the carrying value of its assets may be adversely affected.

Financial Risks

Interest rates may increase and thereby increase APA's financing costs.

APA finances its activities and operations through a combination of borrowings (which may bear interest at floating or fixed rates), equity and cash from operations. APA is exposed to risk from movements in interest rates where funds are borrowed at a floating interest rate and are not effectively hedged, or where fixed rate debt is being refinanced. Adverse interest rate movements may affect APA's earnings, both directly (through increased interest payments) and indirectly (through the impact on asset carrying values). APA's hedges may prove ineffective, and any increase in applicable interest rates will affect its costs of servicing unhedged borrowings. Either of those circumstances may adversely affect APA's financial position and/or performance.

APA has a substantial amount of indebtedness and its funding needs and sources could restrict its operations.

As of 31 December 2020, APA had A$10,947 million of indebtedness, which it has incurred under bank facilities and capital market debt instruments. The maturities of APA's borrowings extend through to 2035. APA's FFO to Net Debt Ratio was 12.1%, and its Gearing Ratio was 70.4%, at 31 December 2020. APA requires funds to meet its capital and operating expenditures for growth and maintenance of its assets and refinancing needs. APA may have difficulty in raising such funds.

APA's funding requirements may be met by way of additional debt financing. The terms of such debt financing may include restrictions which may:

- increase APA's vulnerability to general adverse economic and industry conditions;
- limit APA's ability to pursue its growth plans (including acquisitions and construction);
- require APA to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital and operating expenditures, working capital requirements and other general corporate purposes;
- limit APA's flexibility in planning for, or reacting to, changes in APA's businesses and its industry; and/or
- place APA at a competitive disadvantage compared to its competitors with less debt.

APA relies upon credit lines and financing activities, access to which could be jeopardised by numerous factors, including its inability to service its debt.

APA covers its liquidity needs through the use of credit lines with banks, including refinancing of maturing loan facilities. In this context, APA depends on the willingness of banks to provide credit lines. Structural changes in the banking and financial markets may impact the willingness or ability of banks to provide credit lines to APA on commercially acceptable terms.

In addition to bank credit facilities, APA finances its activities and operations from time to time by the issuance of debt, principally in the global and domestic debt capital markets. Therefore, APA is dependent on access to these capital markets and investors. Changes in demand for and supply of debt instruments in global or domestic debt capital markets could limit APA's ability to fund its activities and operations (including its capacity to acquire other entities or pipelines) on commercially acceptable terms.

APA's debt maturities extend through to 2035, so continued access to financing sources to extend and/or refinance debt facilities will be important. An inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect APA's operations and financial position and/or performance.

In addition, APA's ability to service its debt depends upon a variety of factors, including its future financial and operating performance, which are directly and indirectly affected by current economic, financial, business and

regulatory conditions. Many of these conditions are beyond APA's control. If APA's operating results are insufficient to service its debt, APA may be forced to take remedial actions, such as reducing distributions, reducing or delaying APA's business activities (including acquisitions, investments and capital expenditures), selling assets or seeking additional debt or equity capital. APA may be unable to undertake these remedial actions on favourable terms or at all.

See "*Annex — Management's Discussion and Analysis of Financial Condition and Result of Operations — Liquidity and Capital Resources*" for details of APA's current debt facilities and finance policies.

Currency fluctuations could adversely affect APA's operating profit.

APA is subject to currency fluctuations in relation to the purchase, supply and installation of goods and services where the price is denominated in a currency other than Australian dollars and borrowings that are denominated in a currency other than Australian dollars. For instance, APA's USPP Notes and outstanding 2012 and 2017 Rule 144A Notes were issued in U.S. dollars and have been swapped into fixed rate Australian dollar obligations. There can be no assurance that APA will be able to effectively hedge its foreign currency exposure, particularly in periods of significant currency volatility. This may adversely affect APA's financial position and/or performance.

Further, APA's revenues earned on the WGP are denominated in U.S. dollars, which, if not designated in an effective hedge relationship, exposes APA to movements in foreign exchange rates and there is a risk that adverse US$/A$ exchange rate movements may affect APA's reported earnings.

There can be no assurance that APA will be able to effectively hedge foreign currency exposures, particularly in periods of currency volatility, and/or that APA's hedges will prove effective. These risks may adversely impact APA's financial position and/or performance.

The assumptions and forecasts on which APA bases its investment decisions may not be realised.

APA may acquire infrastructure and related assets or undertake additional or incremental investment in its existing assets. Any final investment decision in respect of such investment places considerable reliance on many assumptions.

There is a risk that the assumptions and forecasts that APA relies on in making investment decisions (some of which may relate to time periods many years away) may not be realised or may only be realised in part. This may adversely affect the outcome of its investments and may adversely affect APA's financial position and/or performance. There is also a risk that APA may be unable to secure further appropriate infrastructure investments on suitable terms, thereby limiting its growth.

Loss of APA's investment grade rating could increase the costs of financing and/or decrease the availability of financing.

As at the date of this Offering Circular, the Issuer, with the credit support of the Guarantors and Subsidiaries, has an investment grade senior unsecured rating assigned by both Standard & Poor's Rating Services and Moody's Investors Services Inc.

Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. There is no assurance that any credit or security rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgement, circumstances warrant or a different methodology is applied to derive that rating. APA assumes no responsibility for verifying or updating information regarding such ratings should they change over time.

Any downgrade in APT Pipelines' credit rating could adversely impact APA's ability to obtain financing, increase its financing costs or have an adverse effect on the price of the Notes. A downgrade could also cause

APA's future debt to contain more restrictive covenants, which in turn could limit APA's ability to obtain additional financing or to respond to changes in business, economic or market conditions.

Changes in the tax treatment of APA's businesses could adversely impact APA's financial position.

APA has made assumptions and taken positions in relation to its liability for income tax, stamp duty and goods and services tax across its businesses. In the event that the actual outcomes are different from expectations or they are not accepted by the relevant tax authorities, there may be an adverse impact on APA's financial position. Any adverse development, due either to changes in tax legislation or interpretation, could also have an adverse impact on APA's financial position.

Changes to accounting standards could adversely affect APA's financial position.

Changes to AAS, other authoritative pronouncements of the AASB, Urgent Issues Group Interpretations and the Corporations Act may adversely affect APA's reported results of operations in any given period or APA's financial position and/or performance.

The value of APA's assets may be assessed to be less than their carrying value.

APA's Board regularly monitors impairment risk. Where the value of an asset is assessed to be less than its carrying value, APA is obliged to recognise an impairment charge in its profit and loss account. Asset impairment charges may result from the occurrence of unexpected adverse events that impact APA's expected performance. Assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment charges that could be significant and could have a material adverse effect on APA's financial condition and results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Insolvency laws of Australia

As the members of the Group are incorporated under the laws of Australia, and substantially all of the Group's business and assets are located in Australia, an insolvency proceeding relating to a member or members of the Group would likely involve Australian insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law or the insolvency laws of other jurisdictions with which the Noteholders may be familiar.

Whilst the extent of application of Australian insolvency laws in relation to companies acting as trustees, such as the Trustee Guarantors (see "*Risk Factors - Ranking of Claims*"), has recently been clarified by the High Court of Australia, there remain differences between the application of Australian insolvency laws to trustee and non-trustee companies.

In addition, legislation has been recently passed to amend certain aspects of Australia's insolvency laws. Amongst other things, with effect from 1 July 2018, a stay applies to the enforcement of rights against entities that arise due to (or in some cases following) the occurrence or subsistence of certain events or circumstances (**Specified Events**). These Specified Events include: (a) an entity publicly announcing that it is proposing a compromise or arrangement under section 411 of the Corporations Act or otherwise when an application to propose a compromise or arrangement under section 411 of the Corporations Act is made and the application states that it is being made for the purpose of the entity avoiding being wound up in insolvency; (b) the appointment of a managing controller to the whole or substantially the whole of the property of an entity; (c) an entity entering into administration; (d) an entity's financial position, if any of the preceding events have occurred; and (e) a reason that, in substance, is contrary to the relevant sub-section prescribing the relevant stay. The stay will also apply to the enforcement of rights due to certain reasons connected with the foregoing that

may be prescribed by regulation. To the extent that these stays apply to the Notes or the Trust Deed, they would restrict the exercise of rights in respect of Events of Default arising by reason of such events.

The legislation provides that specified contracts and rights may be excluded from the operation of the stay by regulation or declaration. Regulation 5.3A.50(k) of the Corporations Regulations exempt from the operation of the stays "a contract agreement or arrangement that is, or governs, securities, financial products, bonds, promissory notes, or syndicated loans". As such, it is not expected that the stay will apply to the Notes or the Trust Deed. However, the legislative amendments and regulations are untested and aspects of their drafting are unclear.

There may be uncertainty in relation to marketing under the AIFMD in the EEA and the UK

Under the AIFMD and the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 and relevant guidance issued by the European Securities and Markets Authority, the marketing of shares or units of an alternative investment fund (an **AIF**) in an EEA jurisdiction and the UK is prohibited unless certain criteria are met. It is intended that, by marketing Notes only in the Approved Jurisdictions (as specified in the applicable Final Terms), there will be no requirement to comply with the AIFMD. There is, however, a risk in some jurisdictions that a bond issuance by an AIF could be characterised as marketing shares or units for the purposes of the AIFMD. In these cases, any bond issuances could only be marketed in such jurisdictions in accordance with the marketing restrictions applicable to AIFs and any marketing not in accordance with those rules would be unlawful. Such characterisation may therefore affect the liquidity of the Notes. It may also affect the regulatory treatment of the Notes for certain types of investor.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Reliance on the Guarantee

The Notes are guaranteed pursuant to the Guarantee. The Issuer has minimal assets other than cash deposits and its investments in the Guarantors. If any or all of the Guarantors' financial condition deteriorates, it is possible

that the Issuer may not have access to the resources or liquidity to pay the amounts required under the Notes and the Guarantors, individually or collectively, may not have the financial resources or liquidity to pay the amounts required under the Guarantee. Consequently, investors in the Notes may suffer direct and materially adverse consequences.

Potential investors should be aware that the subsidiaries of APA forming the Guarantor group may change in accordance with the Trust Deed and Subsidiaries may be added as Guarantors to ensure that Condition 3 of the Notes is complied with. Guarantors may also be released in circumstances where such release will not cause a breach of Condition 3 of the Notes. Those circumstances include where the Guarantor to be released is not a guarantor or co-obligor in respect of financial indebtedness of other Obligors in excess of A$100,000,000 or is no longer a Subsidiary (as defined in Condition 11 of the Notes) of the Principal Guarantor. All Guarantors satisfying the conditions for release may be released with the exception of the Principal Guarantor and, for so long as the units in APT Investment Trust are stapled to the units of the Australian Pipeline Trust (**APT**), Australian Pipeline Limited in its capacity as trustee and responsible entity of APT Investment Trust. In the event that all other Guarantors satisfy the conditions of release, the Principal Guarantor would be the only entity guaranteeing the Notes.

Ranking of claims

The Notes are unsecured obligations of the Issuer and the guarantees of the Notes are unsecured obligations of the Guarantors.

Although the terms and conditions of the Notes restrict the Issuer and the Guarantors granting security to secure other capital markets indebtedness, there is no restriction on the Issuer or Guarantors granting security to secure other obligations. To the extent such security was granted, the obligations secured thereby would rank ahead of the Notes and guarantees provided by the Guarantors.

To the extent that assets are held by Subsidiaries that are not Guarantors, those assets would only be available to meet claims of Noteholders after the satisfaction of all liabilities of such subsidiaries and the return of any surplus assets as equity to the holding company of the Subsidiary that is a Guarantor (if any). There is no restriction on the liabilities that may be incurred by Subsidiaries that are not Guarantors, other than the requirements of Condition 3 of the Notes that a Subsidiary that guarantees or becomes a co-obligor in respect of financial indebtedness of other Obligors in excess of A$100,000,000 must become a Guarantor.

Certain Guarantors (**Trustee Guarantors**), including the Principal Guarantor and Australian Pipeline Limited in its capacity as trustee and responsible entity of APT Investment Trust, have entered into and provided their guarantees in their capacity as trustee of a specified trust. All or substantially all of the assets of such Guarantors (as reflected in the financial statements of the Group) are assets of the specified trust and are only available to meet liabilities in respect of which such Trustee Guarantors have a right to be indemnified out of such assets. The Trustee Guarantors will only have a right to be indemnified out of the assets of the specified trusts in respect of their liabilities under the Guarantee to the extent that such liabilities are properly incurred (although the board of directors of each Trustee Guarantor has resolved that the giving of such guarantee constitutes the proper performance of its obligations as trustee of the specified trust). Furthermore, a Trustee Guarantor's right of indemnity may be lost if it commits a breach of trust. In such circumstances the assets of the relevant trust may only be available to satisfy claims under the guarantee upon the relevant Trustee Guarantor first rectifying such breach of trust.

Notes linked to "benchmarks" (including Floating Rate Notes)

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including the London Interbank Offered Rate (**LIBOR**) and the Euro Interbank Offered Rate (**EURIBOR**), in particular with respect to certain floating rate Notes where the

Reference Rate (as defined in the Conditions) may be LIBOR, EURIBOR or another such benchmark. The Final Terms for Notes will specify whether LIBOR, EURIBOR or another such benchmark is applicable.

Benchmarks are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, the UK Financial Conduct Authority has announced that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark and that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 by the UK Financial Conduct Authority.

The Conditions and the Agency Agreement contain fallback provisions in the event that LIBOR or EURIBOR rates are not available, however the potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner in which the LIBOR benchmark or any other benchmark is administered, could result in discrepancies in the rates calculated according to the Conditions and the Agency Agreement and those based on any substitute or alternate benchmark that has become the market standard by or after 2021. Any such consequence could have a material adverse effect on the value and marketability of, and return on, any Notes linked to any such benchmark.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) payment of principal or interest may occur at a different time or in a different currency than expected; and

(iii) they may lose all or a substantial portion of their principal.

Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Dual Currency Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes may have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or (ii) determine without the consent of the Noteholders that any Event of Default shall not be treated as such where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do, or (iii) any modification to the Notes or the Trust Deed which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven, or (iv)

the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 (*Meetings of Noteholders and Modification, Waiver and Substitution*).

Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it. Enforceability of the Notes could also be affected by any changes to Australian insolvency law (see "*Risk Factors – Insolvency laws of Australia*").

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as described in the applicable Final Terms) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Trustee's actions

In certain circumstances (including the giving of notice to the Issuer and the Guarantors pursuant to Condition 11 (*Events of Default and Enforcement*)), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured to its satisfaction. Even if the Noteholders agree to indemnify and/or provide security to the Trustee, the time taken to agree the indemnity and/or security may impact on when such actions are taken.

The Trustee may decline to take action requested by the Noteholders, notwithstanding the provision of an indemnity or security to it, where it is not satisfied that the action is permitted by the terms of the Trust Deed or applicable law.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantors to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantors or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks relating to unaudited interim financial statements deemed incorporated by reference

Any published unaudited interim financial statements of the Issuer (whether prepared on a consolidated or a non-consolidated basis) which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited by the auditors of the Issuer. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance on them.

FORM OF THE NOTES

The Notes of each Series will be issued in either bearer form, with or without interest coupons and talons for further coupons if appropriate attached, or registered form, without interest coupons attached, in each case as specified in the applicable Final Terms.

Bearer Notes

The following applies to Notes specified in the applicable Final Terms to be in bearer form.

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent Global Note (a **Permanent Global Note**) which, in either case, will be delivered on or prior to the original issue date of the relevant Tranche to a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Notes in bearer form will be delivered and deliverable only outside the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of Notes will be made against presentation of the Temporary Global Note only outside the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) and only to the extent that customary certification to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person or any person within the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), as required by U.S. Treasury Regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) in whole or in part upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons for further coupons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms (which notice period shall not exceed 60 days)), in each case against customary certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made to Euroclear and/or Clearstream, Luxembourg, as applicable, against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

Holders of beneficial ownership interests must look solely to their nominee and/or applicable clearing system to receive such payment and none of the Issuer, the Guarantors, the Trustee, the Principal Paying Agent or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in Global Bearer Notes or for maintaining, supervising or reviewing any records relating to such interests.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) if the Permanent Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg the Issuer has been notified that Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system is available or (iii) the Issuer or a Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to that effect signed by two officers of the Issuer, or as the case may be, the relevant Guarantor, is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (as applicable, and in any case acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent. No definitive Note delivered in exchange for a Permanent Global Note will be mailed or otherwise delivered to any location in the United States (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) in connection with such exchange.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The following applies to Notes specified in the applicable Final Terms to be in registered form.

The Registered Notes of each Tranche offered and sold in reliance on Regulation S under the Securities Act (**Regulation S**), which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Global Registered Note** and together with any Global Bearer Note, the **Global Notes**). Prior to expiry of the distribution compliance period (as defined in Regulation S), if any, applicable to each Tranche of Notes, beneficial interests in a Global Registered Note may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Global Registered Note will bear a legend regarding such restrictions on transfer.

Global Registered Notes will be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons

holding beneficial interests in Global Registered Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Notes in definitive form.

Payments of principal, interest or any other amount in respect of the Registered Notes in global form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Global Registered Notes. Holders of beneficial ownership interests must look solely to their nominee and/or applicable clearing system to receive such payment and none of the Issuer, the Guarantors, the Trustee, the Principal Paying Agent, any Paying Agent, any Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of, beneficial ownership interests in the Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Registered Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) if the Global Registered Note is held in Euroclear and/or Clearstream, Luxembourg and the Issuer has been notified that Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system is available or (iii) the Issuer or a Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Notes in definitive form and a certificate to that effect signed by two officers of the Issuer, or as the case may be, the relevant Guarantor, is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (as applicable, and in any case acting on the instructions of any holder of an interest in such Global Registered Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Global Registered Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Registered Note in respect of the same Series. No beneficial owner of an interest in a Global Registered Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, Notes of such further Tranche shall be assigned a common code and International Securities Identification Number (**ISIN**), which are different from the common code and ISIN

assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S), if any, applicable to Notes of such Tranche.

For so long as any Note is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Trustee and their respective agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal, interest and any other amount payable on such nominal amount of such Notes, for which purposes the bearer of the relevant Global Bearer Note or the registered holder of the relevant Global Registered Note shall be treated by the Issuer, the Guarantors, the Trustee and their respective agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent, the Trustee and, as applicable, the Registrar.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or any of the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in the UK Markets in Financial Instruments Regulation (the **UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended from time to time). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus**

Regulation). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**Notification under Section 309B(1)(C) of the Securities and Futures Act (Chapter 289) of Singapore** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and are 'Excluded Investment Products' (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.)]

[Date]

APT PIPELINES LIMITED
(ABN 89 009 666 700)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Unconditionally guaranteed by
Australian Pipeline Limited (ABN 99 091 344 704)
in its capacity as trustee and responsible entity of
Australian Pipeline Trust (ARSN 091 678 778)
and by certain of its Subsidiaries
under its U.S.$10,000,000,000
Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Offering Circular dated 8 March 2021 [and the supplemental Offering Circular dated [*date*]] ([together,] the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular. The full information that has been provided on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*] [and the supplemental Offering Circular dated [*date*]] ([together,] the **Offering Circular**)]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue and the proceeds of issue are received in the United Kingdom, the minimum denomination must be £100,000 or its equivalent in any other currency.*]

1	(a)	Issuer:	APT Pipelines Limited (ABN 89 009 666 700)

	(b) Guarantors:	Each entity named under "Guarantors" on the signature pages hereto
2	(a) Series Number:	[ ]
	(b) Tranche Number:	[ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3	Specified Currency or Currencies:	[ ]
4	Aggregate Nominal Amount:	
	Series:	[ ]
	Tranche:	[ ]
5	[(a)] Issue Price:	[ ]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
	[(b)] Net Proceeds:	[ ] (*include for listed issues if required by the relevant stock exchange on which the Notes are listed*.)
6	(a) Specified Denominations:	[ ] (*Note — where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€100,000]."*) (*N.B. If an issue of Notes is (i) NOT admitted to trading on a regulated market within the European Economic Area or in the United Kingdom; and (ii) only offered to the public in an European Economic Area State or in the United Kingdom in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the [€100,000] minimum denomination is not required*.) (*In the case of Registered Notes, this means the minimum integral amount in which transfers can be made*.)
	(b) Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
7	(a) Issue Date:	[ ]
	(b) Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]

		(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8	Maturity Date:	[*Fixed rate — specify date/ Floating rate —* Interest Payment Date falling in or nearest to [*specify month*]]
9	Interest Basis:	[[ ]% Fixed Rate] [[LIBOR/EURIBOR] +/- [ ]% Floating Rate] [Zero Coupon] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	(a) Status of the Notes:	[Senior]
	(b) Status of the Guarantee:	[Senior]
14	Listing:	[SGX-ST/ Other (*specify*)/None]
15	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

[*In the case of Instalment Notes and Partly Paid Notes consider whether it is necessary to modify the interest calculation provisions*]

16	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate(s) of Interest:	[ ]% per annum [payable [annually/semi-annually/ quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 6.1*)
	(b) Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]/[*specify other*] (*N.B. This will need to be amended in the case of long or short coupons*)
	(c) Fixed Coupon Amount(s):	[ ] per Calculation Amount (*Applicable to Notes in definitive form.*)

	(d)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] (*Applicable to Notes in definitive form.*)
	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or [*specify other*]]
	(f)	[Determination Date(s):	[ ] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
17	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(b)	Business Day Convention:	[Floating Rate Convention [*N.B. for use with Specified Periods only*]/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*[specify other*]]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ]
	(f)	ISDA Determination:	
		(i) Floating Rate Option:	[ ]
		(ii) Designated Maturity:	[ ]
		(iii) Reset Date:	[ ]
	(g)	Screen Rate Determination:	
		(i) Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement (see Condition 6.2(b)(ii))*)

	(ii)	Interest Determination Date(s):	[ ] (*Second Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	(iii)	Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	(h)	Margin(s):	[+/-] [ ]% per annum
	(i)	Minimum Rate of Interest:	[ ]% per annum
	(j)	Maximum Rate of Interest:	[ ]% per annum
	(k)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] (*See Condition 6.2(d)for alternatives*)
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
18	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ]% per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 8.5(c) applies/*specify other*] (*Consider applicable day count fraction if not U.S. dollar denominated*)
19	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[ ]
(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

[*In the case of Instalment Notes and Partly Paid Notes, consider whether it is necessary to modify the Early Redemption Amount calculation*]

20	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	If redeemable in part:	
(i)	Minimum Redemption Amount:	[ ]
(ii)	Maximum Redemption Amount:	[ ]
(d)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)
21	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
(c)	Notice period (if other than as set out in the Conditions):	[ ]

		(*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)
22	Final Redemption Amount:	[[ ] per Calculation Amount/*specify other*/see Appendix]
23	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5):	[[ ] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event] [Registered Notes: Global Registered Note ([ ]) nominal amount [exchangeable for Registered Notes in definitive form]] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*)
25	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraph 17(c) relates*)

26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
28	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
29	Redenomination applicable:	Redenomination [not] applicable [(*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*)]
30	Other final terms:	[Not Applicable/*give details*]
31	Ratings for the Notes:	[Not Applicable/*give details*]
	DISTRIBUTION	
32	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
33	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
34	U.S. Selling Restrictions:	[Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
35	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
36	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

37		Additional selling restrictions:	[Not Applicable/*give details*]
38		Approved Jurisdictions (marketing in EEA member states and the UK only):	[Austria] [Belgium] [Denmark] [Finland] [France] [Germany] [Ireland] [Italy] [Luxembourg] [Netherlands] [Norway] [Portugal] [Spain] [Sweden] [United Kingdom]
	OPERATIONAL INFORMATION		
39	(i)	ISIN Code:	[ ]
	(ii)	Common Code:	[ ]
	(iii)	Classification of Financial Instruments Code (CFI):	[[ ]/Not Applicable]
	(iv)	Financial Instrument Short Name (FISN):	[[ ]/Not Applicable]
	(v)	Legal Entity Identifier:	261700SS8OEHDOCOUJ33
	(vi)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
	(vii)	Delivery:	Delivery [against/free of] payment
	(viii)	Name and address of Registrar (in the case of Registered Notes only):	[ ]
	(ix)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
	(x)	Name and address of Transfer Agent (if any):	[ ]
	(xi)	Name and address of Calculation Agent (if any):	[ ]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [Singapore Exchange Securities Trading Limited] [*or specify other relevant regulated market*] of the Notes described herein pursuant to the U.S.$10,000,000,000 Euro Medium Term Note Programme of APT Pipelines Limited.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in these Final Terms.

Issuer

Signed on behalf of APT Pipelines Limited (ABN 89 009 666 700):

By: _____

Duly authorised

Guarantors

Signed by [*insert name*]

for [*List each Guarantor (together with ACN/ARBN) at Issue Date*]

each by its duly authorised attorney:

[*insert name*]

TERMS AND CONDITIONS OF THE NOTES

The following except for the paragraphs in italics are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below), each Definitive Bearer Note (as defined below) and each Definitive Registered Note (as defined below), but, in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by APT Pipelines Limited (ABN 89 009 666 700) (the **Issuer**) constituted by an Amended and Restated Trust Deed (such Amended and Restated Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 8 March 2021 made between the Issuer, Australian Pipeline Limited (ABN 99 091 344 704) in its capacity as trustee and responsible entity of Australian Pipeline Trust (ARSN 091 678 778) (the **Principal Guarantor**), each other Initial Guarantor (as defined in the Trust Deed) (Initial Guarantors together with any other entity appointed as a guarantor under and as defined in the Trust Deed, but excluding any entity released as a guarantor, the **Guarantors**) as guarantors and The Bank of New York Mellon, London Branch, in its capacity as trustee for the Noteholders, Receiptholders and Couponholders (as defined in the Trust Deed) (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of the Series of which this Note forms part and shall mean any of the following forming part of that Series:

(a) any Notes represented by a global Note (a **Global Note**) in bearer form (a **Global Bearer Note**) or, as the context requires, such Global Bearer Note;

(b) any Notes represented by a Global Note in registered form (each a **Global Registered Note**) or, as the context requires, such Global Registered Note;

(c) any definitive Notes in bearer form (**Definitive Bearer Notes** and, together with Global Bearer Notes, the **Bearer Notes**) issued in exchange for a Global Bearer Note; and

(d) any definitive Notes in registered form (**Definitive Registered Notes** and, together with Global Registered Notes, the **Registered Notes**) (whether or not issued in exchange for a Global Registered Note).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Amended and Restated Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 8 March 2021 and made between the Issuer, the Initial Guarantors, the Trustee, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

Interest bearing Definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders** or **holders** in relation to any Notes, which expression shall mean, in the case of Bearer Notes, the holder of the Bearer Notes and, in the case of Registered Notes, the persons in whose name the Registered Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), (in the case of Definitive Bearer Notes) the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection between 9:00 am and 3:00 pm (London time) Monday to Friday, excluding public holidays, (i) at the principal office for the time being of the Trustee being at One Canada Square, London E14 5AL, England and at the specified office of each of the Paying Agents and the Registrar upon written request and satisfactory proof of holding or (ii) may be provided by email to such holder requesting copies of such documents, subject to the Trustee, Paying Agents or the Registrar being supplied by the Issuer with copies of such documents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer, the specified office of the Registrar (in the case of Registered Notes) and the specified offices of each of the Paying Agents (in the case of Bearer Notes) and copies may be obtained from those offices save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent or (in the case of Registered Notes) the Registrar as to its holding of such Notes and identity.

The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed and/or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1 FORM, DENOMINATION AND TITLE

The Notes are either in bearer form or in registered form, as specified in the applicable Final Terms and, in the case of Definitive Bearer Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass on registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantors, the Paying Agents, the Registrar (in the case of a Registered Note) and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Paying Agents, the Registrar (in the case of a Registered Note) and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Bearer Note or the registered holder of the relevant Global Registered Note shall be treated by the Issuer, the Guarantors, any Paying Agent, the Registrar (in the case of a Registered Note) and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2 TRANSFER OF REGISTERED NOTES

2.1 Transfers of interests in Global Registered Notes

Transfers of beneficial interests in Global Registered Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Notes represented by a Global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form or for Notes represented by another Global Registered Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Registered Note registered in the name of a nominee for Euroclear or Clearstream, Luxembourg shall be limited to transfers of such Global Registered Note, in whole but not in part, to another nominee of Euroclear or Clearstream, Luxembourg (as the case may be) or to a successor of Euroclear or Clearstream, Luxembourg (as the case may be) or such successor's nominee and will be subject to compliance with all applicable legal and regulatory restrictions and the terms and conditions of the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.5 (*Closed Periods*), upon the terms and subject to the conditions set forth in the Agency Agreement and subject to compliance with all applicable legal and regulatory restrictions, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer:

(a) the holder or holders must:

(i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

(ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the Registrar or, as the case may be, the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Agency Agreement). Subject as provided above, the Registrar, or as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in Sydney, London and the city where the specified office of the Registrar, or as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office, to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer or the Transfer Agent shall require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration. No Agent will be liable for the loss of any Note in the course of delivery.

2.5 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) 15 days before any date on which Notes may be called for redemption by the Issuer pursuant to Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), (iii) if a holder of a Registered Note elects to redeem its Registered Note pursuant to Condition 8.4 (*Redemption at the option of the Noteholders (Investor Put)*) in relation to that Noteholder only, at any time following the giving of notice of such redemption to the Issuer, and (iv) five business days ending on (and including) any Record Date (as defined in Condition 7.4).

2.6 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Global Registered Note of the same type at any time.

3 STATUS OF THE NOTES AND THE GUARANTEES

3.1 Status of the Notes

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations of the Issuer, from time to time outstanding.

3.2 Status of the Guarantees

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantors in the Trust Deed on a joint and several basis (the **Guarantee**). The obligations of the Guarantors under the Guarantees are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of each Guarantor and rank (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations of the Guarantors, from time to time outstanding, subject to the limitation on enforcement set out in Condition 3.5 (*Capacity of certain Guarantors*). The obligations of each Relevant Trustee under the Guarantee are incurred solely in its capacity as trustee (and, if applicable, responsible entity) for the Relevant Trust.

3.3 Additional Guarantors

The Issuer must ensure that any Subsidiary (as defined in Condition 11 (*Events of Default and Enforcement*)) of the Principal Guarantor that is a guarantor in respect of (or is otherwise a co-obligor or jointly liable with respect to) any Financial Indebtedness (as defined in Condition 11 (*Events of*

Default and Enforcement)) of any Obligor (as defined in Condition 11 (*Events of Default and Enforcement*)) under any bank facility or under any debt instruments issued in the Australian domestic or international capital markets (either publicly or privately), in any case in a principal amount in excess of A$100,000,000 (in aggregate for all such amounts for which such Subsidiary is a guarantor, co-obligor or otherwise jointly liable with respect to) is or becomes a Guarantor.

3.4 Release of Guarantors

Subject to this Condition, the Issuer may at any time by notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders procure the release from the Guarantee of any Guarantor that:

(a) is no longer a Subsidiary of the Principal Guarantor; or

(b) is not required to be a Guarantor in order for the Issuer to comply with Condition 3.3 (*Additional Guarantors*).

If any Subsidiary of the Principal Guarantor that is a Guarantor specified in such notice has ceased or is to cease to be a Subsidiary of the Principal Guarantor as of a date specified in such notice, or is not or is to cease from a date specified in such notice to be required to be a Guarantor in order for the Issuer to comply with Condition 3.3 (*Additional Guarantors*), then, so long as the Notes have not been accelerated and remain unpaid following an Event of Default, on the date such Guarantor ceases to be a Subsidiary of the Principal Guarantor or ceases to be required to be a Guarantor in order for the Issuer to comply with Condition 3.3 (*Additional Guarantors*) (as the case may be) (or, if later, the date of the notice referred to in this Condition 3.4) such Subsidiary shall be immediately released as a Guarantor. Where the release occurs after the notice referred to in this Condition 3.4, the Issuer shall promptly give notice of such Guarantor's release to the Trustee, each Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders. This Condition does not apply (i) in the case of the Principal Guarantor; or (ii) in the case of Australian Pipeline Limited in its capacity as trustee and responsible entity of APTIT for so long as the units in APTIT are stapled to the units of the Australian Pipeline Trust.

All Guarantors shall be deemed to be aware of and bound by the provisions of this Condition and any release pursuant to it. All Guarantors remaining following a release pursuant to this Condition shall continue to be bound by the terms of the Guarantee notwithstanding the release of any other Guarantor.

3.5 Capacity of certain Guarantors

The Trust Deed provides that each Relevant Trustee enters into the Trust Deed solely in its capacity as trustee (and, if applicable, responsible entity) of the Relevant Trust and that any liability of a Relevant Trustee arising in connection with the Trust Deed (including, without limitation, each Relevant Trustee's guarantee and agreement to comply with these Conditions insofar as they apply to it) is limited and can be enforced against that Relevant Trustee only to the extent that such Relevant Trustee is able to satisfy that liability out of the assets of the Relevant Trust out of which it is actually indemnified from the liability. Each Noteholder is deemed to have acknowledged and agreed that it may enforce its rights against each Relevant Trustee with respect to the non-observance of the Relevant Trustee's obligations, only to the extent necessary to enforce the Noteholder's rights, powers and remedies against the Relevant Trustee in respect of the assets of the Relevant Trust. However, this limitation does not apply to any obligation or liability of a Relevant Trustee to the extent that it is not satisfied because, under the Relevant Trust Deed or by operation of law, a Relevant Trustee is not indemnified, or there is a reduction in the extent of a Relevant Trustee's indemnification, out of the assets of the Relevant Trust as a result of the Relevant Trustee's fraud, negligence or wilful default (as provided in the Trust Deed).

In this Condition 3.5, the following expressions have the following meanings:

Relevant Trust means:

(a) in respect of Australian Pipeline Limited, the Australian Pipeline Trust, APTIT, the APA Sub Trust No 1, the APA Sub Trust No 2 and the APA Sub Trust No 3;

(b) in respect of APT Parmelia Pty Ltd, the APT Parmelia Trust;

(c) in respect of APA East Pipelines Pty Limited, the Epic Energy East Pipelines Trust;

(d) in respect of APA VTS Australia Pty Limited, the GasNet Australia Trust and the GasNet Australia Investments Trust;

(e) in respect of APA VTS A Pty Limited, the GasNet A Trust;

(f) in respect of APA Ethane Pty Limited, the Moomba to Sydney Ethane Pipeline Trust, the Ethane Pipeline Income Trust and the Ethane Pipeline Income Financing Trust; and

(g) in respect of the APA (EPX) Pty Limited, the EPX Trust.

Relevant Trust Deed means:

(a) in respect of the Australian Pipeline Trust, the trust deed dated 18 February 2000 establishing the Australian Pipeline Trust (as amended);

(b) in respect of APTIT, the trust deed dated 30 June 2005 establishing APTIT (as amended);

(c) in respect of the APA Sub Trust No 1, the trust deed dated 1 June 2004 establishing the APA Sub Trust No 1 (as amended);

(d) in respect of the APA Sub Trust No 2, the trust deed dated 1 June 2004 establishing the APA Sub Trust No 2 (as amended);

(e) in respect of the APA Sub Trust No 3, the trust deed dated 25 June 2004 establishing the APA Sub Trust No 3 (as amended);

(f) in respect of the APT Parmelia Trust, the trust deed dated 1 May 1997 establishing the APT Parmelia Trust;

(g) in respect of the Epic Energy East Pipelines Trust, the trust deed dated 21 June 2000 establishing the Epic Energy East Pipelines Trust (as amended);

(h) in respect of the GasNet Australia Trust, the trust deed dated 28 June 2001 establishing the GasNet Australia Trust (as amended);

(i) in respect of the GasNet Australia Investments Trust, the trust deed dated 23 May 2003 establishing the GasNet Australia Investments Trust (as amended);

(j) in respect of the GasNet A Trust, the trust deed dated 26 May 1999 establishing the GasNet A Trust (as amended);

(k) in respect of the Moomba to Sydney Ethane Pipeline Trust, the trust deed as consolidated on 24 February 2009 establishing the Moomba to Sydney Ethane Pipeline Trust (as amended);

(l) in respect of the Ethane Pipeline Income Trust, the trust deed dated 14 February 2006 establishing the Ethane Pipeline Income Trust (as amended);

(m) in respect of the Ethane Pipeline Income Financing Trust, the trust deed dated 14 February 2006 establishing the Ethane Pipeline Income Financing Trust (as amended); and

(n) in respect of the EPX Trust, the declaration of trust dated 4 July 2016 made by APA (EPX) Pty Limited establishing the EPX Trust (as amended).

Relevant Trustee means:

(a) in respect of the Australian Pipeline Trust, APTIT, the APA Sub Trust No 1, the APA Sub Trust No 2 and the APA Sub Trust No 3, Australian Pipeline Limited;

(b) in respect of the GasNet Australia Trust and the GasNet Australia Investments Trust, APA VTS Australia Pty Limited;

(c) in respect of the APT Parmelia Trust, APT Parmelia Pty Ltd;

(d) in respect of the Epic Energy East Pipelines Trust, APA East Pipelines Pty Limited;

(e) in respect of the GasNet Australia Trust and the GasNet Australia Investments Trust, APA VTS Australia Pty Limited;

(f) in respect of the GasNet A Trust, APA VTS A Pty Limited;

(g) in respect of the Moomba to Sydney Ethane Pipeline Trust, the Ethane Pipeline Income Trust and the Ethane Pipeline Income Financing Trust, APA Ethane Pty Limited; and

(h) in respect of the EPX Trust, APA (EPX) Pty Limited.

4 NEGATIVE PLEDGE

So long as any of the Notes remains outstanding:

(a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) (other than a Permitted Security Interest) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution of the Noteholders; and

(b) each Guarantor will ensure that none of its Relevant Indebtedness will be secured by any Security Interest (other than a Permitted Security Interest) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of it unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution of the Noteholders.

For the purposes of the Conditions:

Extraordinary Resolution has the meaning set out in the Trust Deed.

Permitted Security Interest means:

(a) any Security Interest existing at the Issue Date and any substitute Security Interest over the same present or future business, undertaking, assets or revenues (including any uncalled capital) in connection with the refinancing of any Relevant Indebtedness secured by such Security Interest (provided that the principal amount of Relevant Indebtedness secured by any such substitute Security Interest is not increased without the approval of an Extraordinary Resolution);

(b) any Security Interest existing at the time of acquisition of any asset acquired by the Issuer or a Guarantor after the Issue Date and not created in contemplation of that acquisition and any substitute Security Interest created on that asset in connection with the refinancing of such Relevant Indebtedness secured on that asset (provided that the principal amount of Relevant Indebtedness secured by any such Security Interest is not increased without the approval of an Extraordinary Resolution); and

(c) any Security Interest over the assets of any entity becoming a Guarantor after the Issue Date which Security Interest existed at the time of such entity becoming a Subsidiary (other than any Security Interest created in contemplation thereof) and any Security Interest thereafter created by such Subsidiary in substitution for the aforesaid Security Interest over the assets whose value does not materially exceed the current value of the assets subject to such original Security Interest and any substitute Security Interest over the assets subject to such original Security Interest in connection with the refinancing of any Relevant Indebtedness secured by the existing Security Interest (provided that the principal amount of Relevant Indebtedness secured by such substitute Security Interest is not increased without the prior approval of an Extraordinary Resolution),

and for the purpose of this definition a reference to an "asset" includes present or future business, undertaking, assets or revenues (including any uncalled capital).

Relevant Indebtedness means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market (excluding loan notes or similar interests in the bank syndicated market), and (b) any guarantee, indemnity or other assurance against financial loss in respect of any such indebtedness.

5 REDENOMINATION

5.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders or the Trustee, on giving prior notice to the Principal Paying Agent, the Trustee, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Trustee and Principal Paying Agent (in the case of Bearer Notes) or the Trustee and Registrar (in the case of Registered Notes), that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes held (or, as the case may be, in respect of which Coupons are presented for payment) by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of euro 100,000 and/or such higher amounts as the Issuer may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 7 (*Payments*); and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Trustee and Principal Paying Agent (in the case of Bearer Notes) or the Trustee and Registrar (in the case of Registered Notes) may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Issuer may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

(ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

Such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Principal Paying Agent and the Trustee, and as may be specified in the notice, to conform it to the convention then applicable to instruments denominated in euro.

5.2 Definitions

In the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 (*Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

Relevant Notes means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

Treaty means the Treaty on the Functioning of the European Union, as amended.

6 INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum

equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (or such earlier date as may be fixed for redemption in accordance with the Conditions).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1 (*Interest on Fixed Rate Notes*):

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on (but excluding) the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate of interest (expressed as a percentage) equal to the Rate of Interest and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest

Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney and London and any Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), the **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank

offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2 (*Interest on Floating Rate Notes*):

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or, if applicable, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantors, the Trustee, the Paying Agents and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*).

(f) Determination or Calculation by Trustee

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall appoint an expert, selected by and at the cost of the Issuer, or, as the case may be, the Guarantors, to determine the Rate of Interest at such rate as, subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms, the expert shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as applicable.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 (*Interest — Interest on Floating Rate Notes*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, or, if applicable, an expert appointed by the Trustee, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Guarantors, the Principal Paying Agent, the Registrar (if applicable), the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or fraud) no liability whatsoever to the Issuer, the Guarantors, the Noteholders, the Receiptholders, the Couponholders or any other party shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

6.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) the seventh day after notice is given to the relevant Noteholder(s) (whether individually or in accordance with Condition 15 (*Notices*)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment, provided that upon further presentation thereof being duly made, such payment is made.

7 PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

The Issuer shall have no obligation to make payment to the relevant payee unless and until it has received the necessary account details from the payee, and the relevant payee shall not be entitled to further interest or other payment in respect of any resulting delay.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation)* and (ii) any withholding or deduction required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any current or future regulations thereunder or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such and intergovernmental agreement) (any such withholding or deduction, a **FATCA Withholding**).

7.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as

aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

7.3 Payments in respect of Global Bearer Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer

Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

None of the Issuer, the Guarantors, the Trustee, the Paying Agents, the Transfer Agents or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Bearer Notes or for maintaining, supervising or renewing any records relating to such beneficial ownership interests.

7.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business and a day on which it is a business day in Sydney and London) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located and a day on which it is a business day in Sydney and London) before the relevant due date (the **Record Date**).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business and a day on which it is a business day in Sydney and London) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located and a day on which it is a business day in Sydney and London) before the Record Date.

For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder (or the first named of joint holders) with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or payment of instalment of principal in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered

Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantors, the Trustee, the Registrar, the Paying Agents or the Transfer Agents will have any responsibility or liability whatsoever for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantors to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantors.

If payment cannot be made in accordance with this Condition because appropriate account details have not been provided, the Issuer has no obligation to make the payment until the Paying Agent has received those details together with a claim for payment and evidence to its satisfaction of the entitlement of the payee. No interest or other amount will be payable in respect of the delay.

Except as provided in the Trust Deed, no person other than the Trustee shall be entitled to enforce any obligation of the Issuer or the Guarantors to make any payment in respect of the Notes.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation;

(ii) Sydney and London; and

(iii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre

of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5 (*Redemption and Purchase — Early Redemption Amounts*); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

8 REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons

The Issuer may fix as the date for redemption of the Notes in whole, but not in part, any date prior to the Maturity Date (if this Note is neither a Floating Rate Note nor a Dual Currency Interest Note) or any Interest Payment Date (if this Note is either a Floating Rate Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent (in the case of Bearer Notes) or the Trustee and the Registrar (in the case of Registered Notes) and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee by giving the certificate described below immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) or the Guarantors would be unable for reasons outside their control to procure payment by the Issuer and in making payment themselves would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to them,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantors would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two officers of the Issuer or, as the case may be, two officers of the Guarantors stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or, as the case may be, the Guarantors have or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 8.5 (*Early Redemption Amount*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 30 nor more than 60 days' notice (or such other period as is specified in the relevant Final Terms) to the Noteholders in accordance with Condition 15 (*Notices*); and

(b) not less than five business days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption

Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Definitive Bearer Notes or Registered Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot (in such place as the Principal Paying Agent, in the case of Definitive Bearer Notes, or the Registrar, in the case of Definitive Registered Notes, may approve and in such manner as the Principal Paying Agent, or as applicable, the Registrar, shall deem to be appropriate) not more than 30 days prior to the date fixed for redemption and a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to such date fixed for redemption (such date of selection being the **Selection Date**).

In the case of partial redemption of Bearer Notes which are represented by a Global Bearer Note, the relevant Bearer Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg. If only some of the Notes then outstanding are to be so redeemed, the Optional Redemption Amount (after accounting for any interest accrued to (but excluding) the relevant Optional Redemption Date) shall be an amount that is (A) equal to or greater than the Minimum Redemption Amount and (B) equal to or less than the Maximum Redemption Amount. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) at least five days prior to the Selection Date.

8.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (*Notices*) not less than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time between 9:00 am and 3:00 pm (London time) Monday to Friday, excluding public holidays, of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfer of Registered Notes in definitive form*). If this Note is a Definitive Bearer Note, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying

Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4. A Noteholder may not give notice requiring the Issuer to redeem any Notes held by it after the Issuer has given notice that it will redeem the Notes under Condition 8.2 (*Redemption for tax reasons*) or Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*).

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 (*Redemption for tax reasons*) above and Condition 11.1 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5 (*Early Redemption Amounts*).

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

8.8 Purchases

The Issuer, any Guarantor or any Subsidiary of the Issuer or a Guarantor may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, in the case of the Issuer only, reissued, or, at the option of any such purchaser, surrendered to any Paying Agent or the Registrar for cancellation.

8.9 Cancellation

All Notes which are redeemed will be cancelled forthwith (together with, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.8 (*Purchases*) above (together with, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1 (*Redemption at maturity*), 8.2 (*Redemption for tax reasons*), 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) or 8.4 (*Redemption at the option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 11.1 (*Events of Default relating to Notes*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

9 TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantors will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case

may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon;

(b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6 *(Payment Day)*);

(c) to the extent that the payee (i) is treated as a resident (for the purposes of the relevant double taxation agreement) in a jurisdiction having a double taxation agreement with the relevant jurisdiction of the holder giving complete exemption from Taxes otherwise imposed by such jurisdiction on the payment and (ii) is not excluded from the benefit of such exemption;

(d) which is required by reason of the holder being an associate (as that term is defined in section 128F of the Australian Tax Act) of the Issuer;

(e) in respect of a payment to, or to a third party on behalf of, a holder who is a resident of Australia or a holder who is a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia, in circumstances where such withholding or deduction would not have been required if the holder or any person acting on his behalf had provided to the Issuer an appropriate tax file number, Australian business number or details of an exemption from providing those numbers; or

(f) which is required by reason of the Australian Commissioner of Taxation giving a notice under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 (Cth).

For the avoidance of doubt, neither the Issuer, the Guarantors, nor any affiliate thereof, will be required to pay any additional amounts in respect of FATCA Withholding (as defined in Condition 7.1).

As used herein:

(i) **Tax Jurisdiction** means the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax;

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*); and

(iii) **Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia.

10 PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.2 (*Presentation of*

Definitive Bearer Notes, Receipts and Coupons) or any Talon which would be void pursuant to Condition 7.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*).

11 EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default relating to Notes

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) (but if the event described in paragraph (b) below occurs, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer and the Guarantors that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each, subject in the case of paragraph (b) below, to the giving of such certificate, an **Event of Default**) occurs and is continuing:

(a) (**failure to pay**): the Issuer fails to pay or repay any amount of principal or interest due in respect of the Notes when due and payable and does not remedy that failure:

(i) within five Business Days; or

(ii) if such non-payment is due solely to administrative error, whether by the Issuer, a Paying Agent, the Registrar (in the case of Registered Notes) or a bank involved in transferring funds to a Paying Agent, the Registrar or the Noteholders, within five Business Days after notice that the amount has not been paid is given to the Issuer by the relevant Paying Agent, the Registrar or the Noteholders;

(b) (**other failure**): an Obligor fails to perform an obligation it has under the Notes or the Trust Deed other than a provision requiring the payment of money as contemplated by Condition 11.1(a) and the Obligor does not remedy that failure within 20 Business Days after receipt by the Issuer of a notice from the Trustee specifying the failure and requiring it to be remedied;

(c) (**cross acceleration**): any Financial Indebtedness of an Obligor:

(i) becomes due and payable before the scheduled date for payment by reason of the occurrence of a default or event of default (however described); or

(ii) is not paid when due or within any applicable grace period,

except where the Obligor's liability to make the payment is being contested in good faith and provided that the aggregate of the Financial Indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) have occurred exceeds A$100,000,000 (its equivalent in any other currency);

(d) (**Insolvency Event**): an Insolvency Event occurs in respect of an Obligor (and in the case of any such Insolvency Event in relation to a Subsidiary of the Issuer, such event has had or is likely to have a Material Adverse Effect);

(e) (**enforcement process**): a distress, attachment, execution or other legal process for a sum in excess of A$100,000,000 (or its equivalent in other currencies) is levied, enforced or taken on or against all or a substantial part of, the assets of an Obligor which:

(i) is not discharged or stayed within 60 days; and

(ii) where such action or process is in respect of a Subsidiary of the Issuer, such event has had or is likely to have a Material Adverse Effect;

(f) (**enforcement of Encumbrance**): any Encumbrance becomes enforceable or is enforced against all or a substantial part of the assets of an Obligor (and in the case of any such event in relation to a Subsidiary of the Issuer, such event has had or is likely to have a Material Adverse Effect);

(g) (**APT Trust**):

(i) the APT Trust Deed in respect of the Australian Pipeline Trust is amended in any way or revoked so as to:

(A) affect the power or authority of the Principal Guarantor to enter into and perform its obligations under the Notes or the Trust Deed; or

(B) restrict, except where required by law, the Principal Guarantor's right of indemnity under the APT Trust Deed;

(ii) the Principal Guarantor is removed as trustee or responsible entity of the Australian Pipeline Trust or retires; or

(iii) the Principal Guarantor's right of indemnity or subrogation is restricted or limited or derogated from (whether or not arising under the APT Trust Deed, except as expressly set out in the APT Trust Deed),

and, in any case, that has or is reasonably likely to have a Material Adverse Effect;

(h) (**nationalisation**): all or a substantial part of the assets of an Obligor are compulsorily acquired by, or by order of, a governmental, or any governmental authority orders the sale or divesting of all or a substantial part of the assets of an Obligor, and in any case such action has or is reasonably likely to have a Material Adverse Effect;

(i) (**change of control of Issuer**): the Issuer ceases to be a Subsidiary of the Principal Guarantor; or

(j) (**vitiation**):

(i) if the Trust Deed or the Notes cease to be, or are claimed by the Issuer or any Guarantor not to be, in full force and effect; or

(ii) the Issuer or any Guarantor repudiates the Trust Deed or the Notes.

11.2 Notice of Event of Default

Promptly, and in any event within five Business Days of becoming aware of the existence of an Event of Default, the Issuer must give notice to the Noteholders in accordance with Condition 15 (*Notices*) specifying the event and any action being taken or proposed by the Issuer to remedy it.

11.3 Enforcement

At any time after any of the Notes have become immediately due and payable and have not been repaid, the Trustee may, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantors as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11.4 Definitions

For the purposes of the Conditions:

APT Trust Deed means the trust deed dated 18 February 2000 establishing the Australian Pipeline Trust (as amended).

APTIT means the APT Investment Trust (ARSN 115 585 441) constituted under a trust deed dated 30 June 2005 establishing that trust (as amended).

Australian Pipeline Trust means the trust and registered scheme of that name having Australian Registered Scheme Number 091 678 778.

Controller means a receiver, receiver and manager, administrator, liquidator, official manager, controller (as defined in section 9 of the Corporations Act) or other similar official.

Corporations Act means the Australian Corporations Act 2001 (*Cth*).

Encumbrance means an interest or power:

(a) reserved in or over an interest in any asset, including any retention of title; or

(b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes any agreement to grant or create any of the above.

Financial Indebtedness means any indebtedness in respect of moneys borrowed or in respect of any financial accommodation including, without limitation, under or in respect of:

(a) any liability under any finance lease;

(b) any liability under any bill of exchange, debenture, note or other security or under any acceptance credit facility;

(c) any guarantee or other assurance against financial loss; and

(d) any swap, option, hedge, forward, futures or similar transaction (a **Derivative Transaction**) entered into in connection with protection against or benefit from a fluctuation in any rate or price (and, when calculating the value of any Derivative Transaction, only the marked to market value shall be taken into account).

Insolvency Event means the happening of any of the following events in relation to a company:

(a) an order is made that the company be wound up (except for the purposes of a solvent reconstruction or amalgamation on terms which do not have or are not likely to have a Material Adverse Effect under paragraph (a) or (c) of the definition of that term);

(b) the company resolves to wind itself up or applies for or consents to an order that it be wound up (except in any case for the purposes of a solvent reconstruction or amalgamation on terms which do not have or are not likely to have a Material Adverse Effect under paragraph (a) or (c) of the definition of that term);

(c) an application is made for an order appointing a Controller to the company and the application is not set aside or dismissed within 60 days;

(d) a Controller is appointed over any substantial part of the assets of the company, unless the appointment is capable of being set aside and is set aside within 60 days of the appointment being made;

(e) except to reconstruct or amalgamate while solvent on terms which do not have or are not likely to have a Material Adverse Effect under paragraph (a) or (c) of the definition of that term, the company initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium), or enters into, resolves to enter into, or takes any steps to enter into or to consider entering into, a scheme or arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors;

(f) the company suspends payment of its debts generally, admits in writing that it is unable to pay its debts (or any class of its debts) as they become due and payable, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is found by a court to be insolvent; or

(g) the company ceases or threatens to cease to carry on the whole or a substantial part of its business, save in circumstances which do not have or are not likely to have a Material Adverse Effect.

Material Adverse Effect means a material adverse effect on:

(a) the ability of the Obligors (taken as a whole) to perform their obligations under the Notes or the Trust Deed;

(b) the remedies or rights of the Trustee or the Noteholders under the Notes or the Trust Deed; or

(c) the condition (financial or otherwise), prospects, results of operations or business affairs of the Guarantors and their Subsidiaries (which for the avoidance of doubt includes the Australian Pipeline Trust and APTIT) (taken as a whole).

Obligor means the Issuer and each Guarantor.

Subsidiary means in relation to a corporation or a trust (**entity**):

(a) if the entity controls the composition of the board of another entity which is a corporation — that other entity; or

(b) if the entity is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of shareholders or unitholders of another entity — that other entity,

and, in relation to the Principal Guarantor, is taken to include APTIT and Australian Pipeline Limited in its capacity as responsible entity and trustee of APTIT and each Subsidiary thereof (as the context requires) for so long as the units in APTIT are stapled to the units in Australian Pipeline Trust.

12 REPLACEMENT OF BEARER NOTES, RECEIPTS, COUPONS AND TALONS

Should any Bearer Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity (including

security) as the Issuer may reasonably require. Mutilated or defaced Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 PAYING AGENTS AND REGISTRAR

The names of the initial Paying Agents and the Registrar and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee (such approval not to be unreasonably withheld), to vary or terminate the appointment of the Registrar or any Paying Agent or any Transfer Agent and/or appoint additional or other Paying Agents, Registrar and Transfer Agents and/or approve any change in the specified office through which any Paying Agent and/or Registrar and/or Transfer Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and, if required by the Conditions, a Calculation Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) there will at all times be a Registrar and a Transfer Agent which, so long as Registered Notes are listed on any stock exchange or admitted to listing by any other relevant authority, will have a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(d) so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that any of the Global Notes are exchanged for Notes in definitive form, there will at all times be a Paying Agent in Singapore. In addition, an announcement of such exchange will be made through the Singapore Stock Exchange. Such announcement will include material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15 NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English-language daily newspaper of general circulation in Australia, and for so long as the Notes are admitted to trading on, and listed on the Singapore Stock Exchange, a daily newspaper of general circulation in Singapore. It is expected that any such publication in a newspaper will be made in the *Australian Financial Review* in Australia and the *Business Times* in Singapore. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices to holders of Registered Notes will be deemed validly given if mailed to their registered addresses appearing on the Register and will be deemed to have been given on the third day after the day on which it was mailed and, in addition, for so long as the Registered Notes are admitted to trading on, and listed on the Singapore Stock Exchange and the rules of that stock exchange so require, a daily newspaper of general circulation in Singapore. It is expected that any such publication in a newspaper will be made in the *Business Times* in Singapore. Any such notice will be deemed to have been given on the first date of such publication. In addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, a copy of such notices will be published in a daily newspaper of general circulation in the places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such mailing or publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16 MEETINGS OF NOTEHOLDERS AND MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings (including by way of teleconference or video-conference call) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Principal Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an

Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Conditions, the Notes, the Receipts, the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons or modifying the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification to the Notes or the Trust Deed which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantors, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders at any time agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes (and, in the case of Definitive Bearer Notes, the Receipts, the Coupons) and the Trust Deed of another company, being a Subsidiary of the Principal Guarantor (the **Substituted Issuer**), subject to:

(a) no payment of principal, interest or other amount in respect of the Notes being overdue;

(b) the Substituted Issuer assuming all obligations of the Issuer under the Notes and the Transaction Documents and such obligations being legal, valid and binding upon it;

(c) the Notes being unconditionally and irrevocably guaranteed by the Guarantors (which shall be deemed to exclude such Substituted Issuer if it is a Guarantor);

(d) the Substituted Issuer having obtained all authorisations required in any jurisdiction in which the Substituted Issuer is organised or located for the Substituted Issuer to assume and perform the obligations of the Issuer in respect of the Notes;

(e) the Substituted Issuer being able, under the laws of any jurisdiction in which it is organised or located, to effect payment of all amounts necessary for the fulfilment of the payment obligations on or in connection with the Notes in the currency in which the relevant payment obligation is due without withholding or deduction for or on account of any Taxes;

(f) the opinions of lawyers of recognised standing in Australia and of lawyers of recognised standing in the jurisdiction in which the Substituted Issuer is organised or located to the effect that the matters referred to in paragraphs (b), (c), (d) and (e) above have been satisfied and delivered to the Trustee, Principal Paying Agent and Registrar;

(g) the Notes continuing to have a credit rating from an internationally recognised rating agency at least equal to the credit rating of the Notes immediately prior to the substitution and evidence of this having been delivered to the Register;

(h) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and

(i) certain other conditions set out in the Trust Deed having been complied with.

17 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantors and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

18 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, any Receipts, any Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes, any Receipts and any Coupons are governed by, and shall be construed in accordance with, English law.

20.2 Submission to jurisdiction

The Issuer and each Guarantor irrevocably agree, for the benefit of the Trustee, the Noteholders, any Receiptholders and any Couponholders, that the courts of England and New South Wales are to jointly have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons) and accordingly submit to the exclusive jurisdiction of the English courts and New South Wales courts. In the event that the Issuer or any Guarantor commences any suit, action or proceedings (together referred to as **Proceedings**), such Proceedings shall be brought in either the courts of England or the courts of New South Wales but not both, whether concurrently or otherwise. Therefore, once Proceedings are commenced in the courts of England, Proceedings concerning the same dispute may not be commenced in New South Wales and vice versa.

The Issuer and each Guarantor waive any objection to the courts of England and New South Wales on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, any Receiptholders and any Couponholders may take any Proceedings arising out of or in connection with the Trust Deed, the Notes, any Receipts and any Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, any Receipts and any Coupons) against the Issuer or any Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer and each Guarantor appoint Elemental CoSec Limited at its registered office at 27 Old Gloucester Street, London WC1N 3AX as its agent for service of process in respect of Proceedings for which the courts of England are to have exclusive jurisdiction, and undertake that, in the event of Elemental CoSec Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

20.4 Other documents and the Guarantors

The Issuer and the Guarantors have in the Trust Deed and the Agency Agreement submitted to the exclusive jurisdiction of the English courts and New South Wales courts and, in respect of Proceedings for which the English courts are to have exclusive jurisdiction, appointed an agent for service of process in England on terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from this offering of the Notes will be used (a) to fund, in full or in part, the repayment of certain USPP Notes, 144A Notes and Euro EMTNs due to mature in CY2022 and (b) for general corporate purposes, unless otherwise disclosed in the relevant Final Terms.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

APA Group (**APA**) is the registered business name of Australian Pipeline Trust (**APT**) and APT Investment Trust (**APTIT**), the units of which trade on the Australian Securities Exchange (**ASX**) under the ticker symbol "APA" as a single "stapled" security. References to APA in this section are made in the context of the business of APA in its entirety including the respective businesses of the Issuer, the Principal Guarantor and their controlled entities.

The summary consolidated statement of financial position data as at 31 December 2020 and as at 30 June 2018, 2019 and 2020 and the summary consolidated statement of profit or loss and other comprehensive income data and the summary consolidated statement of cash flow data for HY2020 and HY2021 and for FY2018, FY2019 and FY2020 have been derived from, and are qualified in their entirety by reference to, APA's reviewed or audited, as applicable, consolidated financial statements included elsewhere in this Offering Circular, which have been reviewed or audited, as applicable, by Deloitte Touche Tohmatsu, its independent auditors.

The financial statements referred to above have been prepared in accordance with AAS as at the reporting date. The summary consolidated financial information presented below should also be read in conjunction with the sections in this Offering Circular titled "*Risk Factors*", "*Capitalisation*" and "*Annex — Management's Discussion and Analysis of Financial Condition and Results of Operations*". The summary consolidated financial information set forth below is not necessarily indicative of APA's future results of operations or financial condition.

Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income Data

	Year ended 30 June			Half-year ended 31 December	
	2018	**2019**	**2020**	**2019**	**2020**
(in thousands)		*A$*		*A$*	
Revenue (excluding pass-through revenue)	1,913,640	2,005,150	2,096,128	1,061,235	1,053,677
Share of net profits of jointly controlled entities accounted for using the equity method	21,924	23,222	30,677	15,733	15,583
Unallocated revenue[(1)]	5,851	2,601	2,661	850	2,547
Total revenue (excluding pass-through revenue)	**1,941,415**	**2,030,973**	**2,129,466**	**1,077,818**	**1,071,807**
Pass-through revenue[(2)]	445,307	421,198	461,155	236,016	223,223
Total revenue	**2,386,722**	**2,452,171**	**2,590,621**	**1,313,834**	**1,295,030**
Asset operation and management expenses	(214,339)	(213,522)	(218,010)	(98,885)	(98,124)
Depreciation and amortisation expense	(578,916)	(611,358)	(651,566)	(319,410)	(331,372)
Other operating costs —pass-through costs[(2)]	(445,307)	(421,198)	(461,155)	(236,016)	(223,223)
Finance costs	(515,515)	(500,020)	(499,998)	(246,187)	(231,623)
Employee benefit expense	(197,545)	(235,034)	(249,690)	(128,301)	(141,162))
Other expenses	(5,206)	(6,060)	(5,186)	(7,575)	(7,138)
Impairment of property, plant and equipment[(3)]	—	—	—	—	(249,322)
Profit before tax	**429,894**	**464,979**	**505,016**	**277,460**	**13,066**
Income tax (expense) / benefit	(165,055)	(176,966)	(187,910)	(102,413)	(24,772)

	Year ended 30 June			Half-year ended 31 December	
	2018	2019	2020	2019	2020
(in thousands)		*A$*		*A$*	
Profit for the period	**264,839**	**288,013**	**317,106**	**175,047**	**(11,706)**

Notes:

(1) Unallocated revenue is a non-GAAP measure.

(2) Pass-through revenue is revenue in respect of which an amount of costs are incurred and on which no margin is earned, and is therefore equivalent to the line item "Other operating costs — pass-through costs". Pass-through revenue and costs arise primarily on the asset management operations in respect of AGN assets and GDI assets. Management assesses revenue and cost performance by excluding pass-through revenue and costs.

(3) This has been recognised as a significant item. See Note 8 of the reviewed consolidated financial statements of APT and its controlled entities for HY2021 included elsewhere in this Offering Circular for further information regarding APA's non-cash impairment of A$249.3 million recognised against the Orbost Gas Processing Plant during HY2021.

Summary Consolidated Statement of Financial Position Data

	As at 30 June			As at 31 December
	2018	2019	2020	2020
(in thousands)		*A$*		*A$*
Current assets				
Cash and cash equivalents	100,643	354,947	1,172,771	806,803
Trade and other receivables	251,720	249,962	264,137	258,366
Other financial assets	55,525	68,039	32,748	77,233
Inventories	28,534	30,963	34,181	39,463
Other assets	12,487	13,592	22,101	16,878
Assets classified as held for sale[(1)]	—	—	—	139
Total current assets	**448,909**	**717,503**	**1,525,938**	**1,198,882**
Non-current assets				
Cash on deposit	—	—	—	—
Trade and other receivables	14,030	130,131	11,639	11,021
Other financial assets	591,487	502,161	581,027	443,208
Investments accounted for using the equity method	271,597	263,829	226,380	225,662
Property, plant and equipment	9,691,666	9,796,072	9,821,955	9,588,787
Goodwill	1,183,604	1,183,604	1,183,604	1,183,605
Other intangible assets	2,992,431	2,809,761	2,627,279	2,536,100

	As at 30 June			As at 31 December
	2018	2019	2020	2020
(in thousands)		*A$*		*A$*
Other assets	33,502	30,866	29,343	30,716
Total non-current assets	**14,778,317**	**14,716,424**	**14,481,227**	**14,019,098**
Total assets	**15,227,226**	**15,433,927**	**16,007,165**	**15,217,980**
Current liabilities				
Trade and other payables	381,676	302,082	308,764	284,022
Lease Liabilities	—	—	13,544	14,266
Borrowings	329,219	444,502	310,613	9,724
Other financial liabilities	139,401	152,782	186,347	180,622
Provisions	83,629	94,841	89,636	79,253
Unearned revenue	20,922	12,320	10,753	10,255
Liabilities directly associated with assets classified as held for sale[(1)]	—	—	—	255
Total current liabilities	**954,847**	**1,006,527**	**919,657**	**578,397**
Non-current liabilities				
Trade and other payables	5,089	3,230	4,826	8,545
Lease Liabilities	—	—	56,333	53,269
Borrowings	9,321,377	9,865,813	10,607,382	10,005,588
Other financial liabilities	128,510	264,703	427,638	375,113
Deferred tax liabilities	558,442	544,013	594,832	738,506
Provisions	71,951	89,663	115,905	109,464
Unearned revenue	60,183	60,581	56,737	66,602
Total non-current liabilities	**10,145,552**	**10,828,003**	**11,863,653**	**11,357,087**
Total liabilities	**11,100,399**	**11,834,530**	**12,783,310**	**11,935,484**
Net assets	**4,126,827**	**3,599,397**	**3,223,855**	**3,282,496**
Equity				
Australian Pipeline Trust equity:				
Issued capital	3,288,123	3,103,806	2,902,123	2,763,595
Reserves	(331,165)	(599,347)	(691,465)	(307,459)
Retained earnings	105,412	100,663	100,666	(29,952)
Equity attributable to unitholders of the parent	3,062,370	2,605,122	2,311,324	2,426,184
Non-controlling interests:				
Equity attributable to unitholders of APT Investment Trust	1,064,404	994,275	912,531	856,312
Other non-controlling interests	53	-	-	-

	As at 30 June			As at 31 December
	2018	2019	2020	2020
(in thousands)		*A$*		*A$*
Total non-controlling interests	**1,064,457**	**994,275**	**912,531**	**856,312**
Total equity	**4,126,827**	**3,599,397**	**3,223,855**	**3,282,496**

Note:

(1) Relates to APA's 50% ownership in Mid West Pipeline that APA is working to divest in the next 12 months.

Certain Non-GAAP Measures

	Year ended 30 June			Half-year ended 31 December	
	2018	2019	2020	2019	2020
(in thousands)		*A$*		*A$*	
Profit for the period	264,839	288,013	317,106	175,047	(11,706)
Plus:					
Finance costs	515,515	500,020	499,998	246,187	231,623
Unallocated revenue	(5,851)	(2,601)	(2,661)	(850)	(2,547)
Income tax expense	165,055	176,966	187,910	102,413	24,772
Depreciation and amortisation expense	578,916	611,358	651,566	319,410	331,372
Impairment of property, plant and equipment[(1)]					249,322
EBITDA (excluding significant item)	**1,518,474**	**1,573,756**	**1,653,919**	**842,207**	**822,836**

Note:

(1) This has been recognised as a significant item. See Note 8 of APA's reviewed consolidated financial statements of APT and its controlled entities for HY2021 included elsewhere in this Offering Circular for further information regarding APA's non-cash impairment of A$249.3 million recognised against the Orbost Gas Processing Plant during HY2021.

CAPITALISATION

The following table sets forth APA's short and long term loans and borrowings and capitalisation as at 31 December 2020.

As of 31 December 2020, APA had A$9,697 million of borrowings outstanding and A$2,054 million of cash and cash equivalents. Of APA's loans and borrowings, the only debt whose maturity is in the twelve months to 31 March 2022 is its A$1,132.1 million of EUR EMTNs due for repayment on 22 March 2022.

	As at 31 December 2020
(in thousands)	*(A$)*
Loans and borrowings	
Notes offered hereby	—
USPP Notes	296,000
Australian MTNs	200,000
Sterling EMTNs	2,418,000
Euro EMTNs	3,029,000
Japanese Yen EMTNs	133,000
Rule 144A Notes	3,621,000
Bank borrowings	
Total loans and borrowings	**9,697,000**
Lease liabilities	**67,535**
Equity	
Aggregate equity stapled security holders interests:	
Issued capital	3,596,748
Reserves	(307,459)
Retained earnings	(6,793)
Non-controlling interests	—
Total equity	**3,282,496**
Total capitalisation	**13,221,522**

DESCRIPTION OF THE ISSUER

Incorporation

The Issuer was incorporated on 15 November 1948 with limited liability in Queensland, Australia. All of the shares in the Issuer are held by APL, the responsible entity (**Responsible Entity**) and the trustee of both APT and APTIT. APL holds all of the shares in the Issuer in its capacity as responsible entity and trustee of APT. The Issuer's registered address is located at Level 25, 580 George Street, Sydney NSW 2000, Australia.

Business Overview

The principal activities of the Issuer are to manage treasury activities (being the sole corporate borrower on behalf of APA), advancing borrowings to companies within APA and being the parent investment company for APT.

Directors and Company Secretary

The following table sets out the members of the Board of Directors and the Company Secretaries of the Issuer:

Name	Position
Michael Fraser*	Chairman
Robert (Rob) Wheals	Managing Director and Chief Executive Officer
Steven Crane*	Non-Executive Director
James Fazzino*	Non-Executive Director
Debra Goodin*	Non-Executive Director
Shirley In't Veld*	Non-Executive Director
Rhoda Philippo*	Non-Executive Director
Peter Wasow*	Non-Executive Director
Nevenka Codevelle	Company Secretary
Amanda Cheney	Company Secretary

* Independent Directors.

The members of the Board of APL and its Company Secretaries are the same as those listed above of the Issuer. Brief profiles of the individuals are provided in the section of this Offering Circular entitled "*Ownership Structure and Management*".

OWNERSHIP STRUCTURE AND MANAGEMENT

Legal Framework and Ownership Structure

APA comprises two trusts, APT and APTIT, which are registered managed investment schemes regulated by the Corporations Act, the Issuer and their respective controlled entities. Securities in APT were initially listed on the ASX on 13 June 2000. Units in APT are "stapled" to units in APTIT on a one-to-one basis so that one APT unit and one APTIT unit trade as a single stapled security on the ASX under the ticker symbol "APA".

APT and APTIT, as registered managed investment schemes, are required by the Corporations Act to have a Responsible Entity to operate the schemes and perform the functions conferred on the Responsible Entity by the scheme's constitutions and the Corporations Act. The Responsible Entity and trustee of both of APT and APTIT is APL.

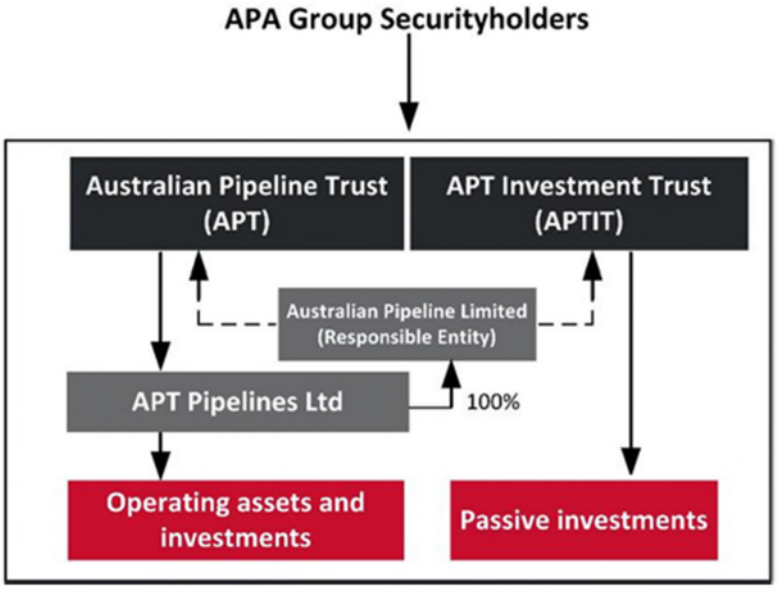
The Board comprises seven Directors, five of whom (including the Chairman, Michael Fraser) are independent. James Fazzino is a non-independent Director and Robert (Rob) Wheals is the Managing Director and Chief Executive Officer of APA.

Under the Corporations Act, APL as Responsible Entity of each of APT and APTIT, and APL's officers, must act in the best interests of the security holders and, if there is a conflict between the security holders' interests and the interests of the Responsible Entity, give priority to the former. Chapter 5C of the Corporations Act details various other obligations that a Responsible Entity has in relation to registered managed investment schemes such as APT or APTIT and other aspects of the regulation of such schemes.

The character of profit distributions from the two trusts differs and that affords flexibility with respect to returns to security holders on their investment in APA. APT generally provides post-tax distributions whilst APTIT provides pre-tax distributions which may include a tax-deferred component. By nature of APTIT's taxation status, if net income earned by APTIT is not distributed to security holders, tax may be payable by APL.

As at 12 February 2021, APA had 1,179,893,848 securities on issue with a market capitalisation of A$11.2 billion.

APA's ownership structure is outlined below:



Significant Investors

Based on publicly available information, as at 12 February 2021:

- the following entities had notifiable "substantial holdings" under the Corporations Act of more than 5% of APA's stapled securities (a person's notifiable "substantial holding" is the aggregate of the "relevant interests" (broadly defined) in voting securities held by the person and by its 'associates' (also broadly defined)):
    - UniSuper 14.780%
    - Vanguard Group 6.047%
    - BlackRock Group 6.000%

As at 12 February 2021:

- the following entities had registered holdings of more than 5% of APA's stapled securities:
    - HSBC Custody Nominees 24.404%
    - BNP Paribas Nominees Pty Ltd. 15.058%
    - J.P. Morgan Nominees 13.270%
    - Citicorp Nominees Pty Ltd 5.807%

Neither notifiable "substantial holdings" nor registered holdings precisely equate with beneficial holdings (beneficial holdings are generally not notifiable under Australian law). The "substantial holding" notification requirements are based on "relevant interests" (generally a broader concept than beneficial interests) as outlined above, and registered holdings reflect legal rather than beneficial ownership.

Related Party Transactions

For a discussion of related party transactions, see Note 28 to APT's financial statements for FY2020 and Note 28 to APT's financial statements for FY2019, each of which is included in this Offering Circular.

Board of Directors

The directors of APL are:

Name	Position
Michael Fraser*	Chairman
Robert Wheals	Managing Director and Chief Executive Officer
Steven Crane*	Non-Executive Director
James Fazzino	Non-Executive Director
Debra Goodin*	Non-Executive Director
Peter Wasow*	Non-Executive Director
Rhoda Phillippo *	Non-Executive Director
Shirley In't Veld*	Non-Executive Director

**Independent Directors.*

Michael Fraser, Chairman

Mr. Fraser was appointed by the board of directors of APL as a Director on 1 September 2015 and was appointed Chairman of the Board on 27 October 2017. Mr. Fraser has more than 35 years' experience in the Australian energy industry. He has held various executive positions at AGL Energy culminating in his role as Managing Director and Chief Executive Officer for the period of seven years until February 2015.

Mr. Fraser is a Director of Aurizon Holdings Limited. He is also a former Chairman of the Clean Energy Council, Elgas Limited, ActewAGL and the NEMMCo Participants Advisory Committee, as well as a former Director of Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.

Mr. Fraser is a member of the Audit and Risk Management Committee and the Chairman of the Nomination Committee.

Robert Wheals, Managing Director and Chief Executive Officer

Mr. Wheals was appointed as Managing Director and Chief Executive Officer in July 2019. Mr. Wheals has more than 25 years' experience in Australia and internationally in energy infrastructure and telecommunications, across roles in operations, finance, commercial, strategy, infrastructure investments and mergers and acquisitions, as well as regulatory.

Mr. Wheals joined APA in 2008 as General Manager Commercial to manage the commercial function of APA's transmission business, which includes over 15,000 kilometres of gas transmission pipelines, storage and processing facilities.

In 2012, Mr. Wheals was appointed Group Executive Transmission, responsible for approximately 85% of APA's earnings before interest, tax and depreciation. In this role, Mr. Wheals was responsible for the commercial, operational and safety performance of APA's transmission and gas storage assets.

Mr. Wheals has a deep understanding of the Australian energy market and the challenges facing Australia today and into the future, in particular the challenge of balancing sustainable lower emissions energy with reliable and affordable energy for end users.

Prior to joining APA, Mr. Wheals was General Manager of Strategy at AAPT Limited in Sydney.

Mr. Wheals has a Bachelor of Commerce Degree, is a Chartered Accountant and a Graduate Member of the Australian Institute of Company Directors.

Steven Crane, Non-Executive Director

Mr. Crane was appointed by the board of directors of APL as a Director on 1 January 2011. He has over 40 years' experience in the financial services industry. His background is in investment banking, having previously been Chief Executive Officer of ABN AMRO Australia and BZW Australia.

Mr. Crane has experience as a non-executive Director of listed entities. He is currently Chairman of nib holdings limited, the Taronga Conservation Society Australia, Global Value Technology Limited and a Director of SCA Property Group.

Mr. Crane was formerly Chairman of Adelaide Managed Funds Limited and Investa Property Group Limited, a Director of Bank of Queensland Limited, Transfield Services Limited, Adelaide Bank Limited, Foodland Associated Limited and APA Ethane Limited, the responsible entity of Ethane Pipeline Income Fund, and a member of the Advisory Council for CIMB Securities International (Australia) Pty Ltd.

Mr. Crane is a member of the Audit and Risk Management Committee, a member of the People and Remuneration Committee and a member of the Nominations Committee.

James Fazzino, Non-Executive Director

Mr. Fazzino was appointed as a Non-Executive Director on 21 February 2019. He has experience both locally and internationally in the industrial chemicals, fertilisers, explosives and manufacturing sectors. Mr. Fazzino is currently the Chairman of Manufacturing Australia, Chairman of Osteon Medical, a Director of Rabobank Australia Limited and of Tassal Group Limited. He is also a Co-convenor of the Male Champions of Change 2015 Group, Vice Chancellors Fellow at La Trobe University and Adjunct Professor at La Trobe Business School.

He was formerly the Managing Director and Chief Executive Officer of Incitec Pivot Limited and before that its Finance Director and Chief Financial Officer.

Mr. Fazzino is a member of the Audit and Risk Management Committee and a member of the Health Safety and Environment Committee.

Debra Goodin, Non-Executive Director

Ms. Goodin was appointed as a Non-Executive Director on 1 September 2015. Ms. Goodin is an experienced Non-Executive Director and Chairman of both listed and unlisted corporates. She is currently Chairman of Atlas Arteria Limited, and a Director and Audit Committee Chairman of Australia Pacific Airports Corporation Limited as an IFM owners' representative. She was formerly a Director of oOh!media Limited, Senex Energy Limited and Ten Network Holdings Limited.

Ms. Goodin also has executive experience in operations, finance and corporate development, including with engineering and professional services firms, and is a Fellow of Chartered Accountants Australia and New Zealand.

Ms. Goodin is the Chair of the Audit and Risk Management Committee, a member of the Health Safety and Environment Committee and a member of the Nomination Committee.

Peter Wasow, Non-Executive Director

Mr. Wasow was appointed as a Non-Executive Director on 19 March 2018. He has experience in the resources sector as both a senior executive and director. He retired as Managing Director and Chief Executive Officer of Alumina Limited in mid-2017. Previously, he had held the position of Executive Vice President and Chief Financial Officer at Santos Limited and, in a 20-year plus career at BHP, he held senior positions including Vice President, Finance, and other senior roles in Petroleum, Services, Corporate, Steel and Minerals.

Mr. Wasow is a Non-Executive Director with Oz Minerals Limited. He is formerly a Non-Executive Director of Alcoa of Australia Limited, AWA Brazil Limitada, AWAC LLC, Alumina Limited and the privately-held GHD Group.

Mr. Wasow is the Chair of the People and Remuneration Committee and a member of the Audit and Risk Management Committee.

Rhoda Phillippo, Non-Executive Director

Ms. Phillippo was appointed as a Non-Executive Director on 1 June 2020. She has considerable experience in the telecommunications, IT and energy sectors.

Ms. Phillippo is currently a Non-Executive Director with Pacific Hydro and Datacom, where she is the Chair of the Remuneration Committee. She is also an advisor to the Board of AgilityCIS, an energy billing solutions provider. She was formerly a Non-Executive Director of Vocus Group Ltd and LINQ, Chairman of Snapper Services in New Zealand and Deputy Chair of Kiwibank in New Zealand.

Ms. Phillippo spent much of her career in the telecommunications industry in the United Kingdom, New Zealand and Australia in senior management positions before joining Optimation, in New Zealand, as Chief Executive Officer. She later joined HRL Morrison & Co and, during this time, was Managing Director of Lumo Energy for two years.

Ms. Phillippo is a member of the Health, Safety and Environment Committee and a member of the People and Remuneration Committee.

Shirley In't Veld, Non-Executive Director

Ms. In't Veld was appointed as a Non-Executive Director on 19 March 2018. She has considerable expertise and experience in the energy, mining and renewables sector.

Ms. In't Veld is currently a Non-Executive Director with Northern Star Resources Limited, Alumina Limited and NBN Co Limited. She was formerly Deputy Chair of CSIRO, a Non-Executive Director of Perth Airport, DUET Group, Asciano Limited, Alcoa of Australia Limited and a Council Member of the Chamber of Commerce and Industry of Western Australia. She was also the Managing Director of Verve Energy (2007 – 2012) and, before that, she worked for 10 years in senior roles at Alcoa of Australia Limited, WMC Resources Ltd, Bond Corporation and BankWest.

In 2014, she was Chairman of the Queensland Government Expert Electricity Panel and a member of the Renewable Energy Target Review Panel for the Department of Prime Minister and Cabinet and was, until recently, a Council member of the Australian Institute of Company Directors (WA) and an Advisory Board member of the SMART Infrastructure Facility (University of Wollongong).

Ms. In't Veld is Chair of the Health, Safety and Environment Committee and a member of the People and Remuneration Committee.

Executive Officers

Executive officers of APA as of the date of this Offering Circular are as follows:

Name	Position
Robert Wheals	Chief Executive Officer
Nevenka Codevelle	Group Executive Governance & External Affairs
Adam Watson	Chief Financial Officer
Ross Gersbach	President North American Development
Kevin Lester	Group Executive Infrastructure Development
Vicki Barron	Acting Group Executive People, Safety & Culture
Darren Rogers	Group Executive Operations
Hannah McCaughey	Group Executive Transformation & Technology
Julian Peck	Group Executive Strategy & Commercial

Brief profiles on the key management personnel are set out below. See "*— Board of Directors — Robert Wheals, Managing Director and Chief Executive Officer*" for the profile of Mr. Robert Wheals.

Nevenka Codevelle, Group Executive Governance & External Affairs

Ms. Codevelle is responsible for APA's Governance and External Affairs Division, and has been with APA since February 2008.

The Governance and External Affairs Division comprises the company secretarial and legal; group risk, compliance and insurance; external affairs and reputation; sustainability and community; and economic regulation and external policy functions.

From 2017, Ms. Codevelle also initiated and led the Energy Charter, an energy industry-wide initiative to improve customer outcomes.

Ms. Codevelle has over 25 years' experience in Australia and internationally in energy and other infrastructure industries. Prior to joining APA, Ms. Codevelle was a senior policy advisor with the National Competition Council and senior lawyer in law firms in Australia and overseas.

Adam Watson, Chief Financial Officer

Mr. Watson joined APA as the Chief Financial Officer in November 2020. As Chief Financial Officer, Mr. Watson is responsible for all financial aspects of APA, including accounting and financial reporting, financial compliance and governance, taxation, treasury, balance sheet management, capital strategy, corporate real estate and procurement, investor relations and modelling and analysis.

Mr. Watson has over 20 years' experience in executive and senior leadership roles in the transport, services, manufacturing and infrastructure industries, based in Australia, China and the United States.

His roles have spanned finance, commercial, strategy, corporate development and operations.

Ross Gersbach, President North American Development

Mr. Gersbach is responsible for APA's North American strategy and execution.

Mr. Gersbach was previously a Director of APA from 2004 to 2008, before joining the management team in April 2008, where he was responsible for all commercial aspects of APA. He has over 30 years' experience in senior positions across a range of energy related sectors, covering areas such as infrastructure investments, mergers and acquisitions and strategic developments. Additionally, Mr. Gersbach has extensive commercial experience and has managed a portfolio of infrastructure assets in the natural gas and electricity distribution network sector.

Kevin Lester, Group Executive Infrastructure Development

Mr. Lester is responsible for the project governance, development, engineering, procurement and delivery of APA's infrastructure expansion and growth projects. The division also has responsibility for providing engineering governance, standards, system and asset modelling, provision of land access, approvals and community engagement across all projects.

Mr. Lester joined APA in August 2012, continuing a career in the management of major infrastructure projects, including energy infrastructure.

Mr. Lester is a Director and a past President of the Australian Pipelines and Gas Association.

Vicki Barron, Acting Group Executive People, Safety & Culture

Ms. Barron is responsible for managing APA's People, Safety and Culture division, which covers APA's health, safety, environment and heritage systems and performance; remuneration and benefits; performance and organisational capability; talent management, learning and leadership development; workforce planning and resourcing; diversity and inclusion; change management; and HR admin and reporting.

Ms. Barron joined APA in October 2017 as GM Organisational Effectiveness and in January 2021 joined the executive team as Acting Group Executive People, Safety and Culture. Ms. Barron has a strong background in leadership and organisational development; talent management; learning; and transformational culture change, including mergers and acquisitions.

Ms. Barron has over 20 years' human resources experience in Australia's financial services, energy, infrastructure, real estate, health services and FMCG industries and sectors.

Darren Rogers, Group Executive Operations

Mr. Rogers is responsible for the safe operations, maintenance, asset management and in-year revenue and cost responsibility of APA's portfolio of Transmission, Power, Networks and Midstream infrastructure assets. This includes over 15,000 km of transmission pipelines, solar and wind farms, and gas storage, processing and distribution.

Mr. Rogers joined APA in 2017 as General Manager Asset Management for Transmission before becoming Group Executive Transmission. Aside from his experience at APA, Mr. Rogers has performed senior executive roles in commercial, asset management and operations, leading large and complex divisions and across these companies.

Hannah McCaughey, Group Executive Transformation & Technology

Ms. McCaughey is responsible for APA's Transformation and Technology division, which is designed to enable APA to effectively respond to the disruptive forces of decarbonisation and digitisation.

The division helps drive the identification of emerging energy market opportunities while delivering business transformation, continuous improvement initiatives and technology solutions. Ms. McCaughey is responsible for APA Pathfinder. Prior to joining APA, Ms. McCaughey performed senior executive roles in infrastructure and utilities, and has led multiple whole-of-business transformations focused on delivering better customer outcomes and sustainable operational excellence.

Julian Peck, Group Executive Strategy & Commercial

Mr. Peck is responsible for delivering APA's customer experience, all business development and commercial contracting activities, co-ordination of corporate strategy development, as well as undertaking corporate development and merger and acquisition activities.

Prior to joining APA, Mr. Peck held senior leadership positions in investment banking, with over 20 years' experience specialising in the infrastructure, utility and power sectors.

Board Practices

Board Election Process

The Board determines its size and composition, subject to limits imposed by the Responsible Entity's constitution. The constitution provides for a minimum of three Directors and a maximum of 12. The composition of the Board is determined in accordance with the Board Charter. The Responsible Entity's constitution requires one-third of its Directors (excluding the Managing Director and any Director who is standing for re-election after having been appointed as an additional Director or to fill a vacancy) to retire from office at the annual general meeting each year. Retiring directors are eligible for re-election. The constitution also provides that if the Board appoints a Director to fill a vacancy or as an addition to the Board, the new Director will hold office until the end of the next annual general meeting of the Responsible Entity and is eligible for re-election.

Responsibilities

The Board has adopted a Board Charter and has also established delegations of authority that set out the matters to be delegated to the Managing Director/CEO. The Charter provides that the Board's responsibilities include:

- approving the core values and purpose of the Group and articulations of the Group's desired corporate culture (including APA's Code of Conduct);
- approving the strategic intent of the Group and monitoring management's implementation in line with the values, purpose and desired corporate culture of the Group;
- selecting and appointing (and, if appropriate, removing from office) the Managing Director and CEO, determining his/her conditions of service and monitoring his/her performance against established objectives;
- approving the appointment (and, if appropriate, the removal from office) of the Chief Financial Officer and Company Secretary;
- assessing the skills, experience and diversity desirable for the Board and reviewing the extent to which it is represented on the Board;
- assessing the performance of the Board, its committees and individual non-executive directors;
- assessing suitable candidates for the Board and the nomination and appointment of Directors;
- reviewing, on a regular basis, Board and senior management succession planning and development;
- approving conditions of service and performance monitoring procedures to apply to senior management, including with respect to risk outcomes and corporate culture;
- determining the distribution policy and the amount, nature and timing of distributions;
- approving annual budgets and longer-term strategic and business plans, including major capital expenditure;
- monitoring and reviewing financial performance and management processes aimed at ensuring the integrity of financial reporting (including the external audit), and approving the half-year and annual financial statements and reports;
- setting specific limits of authority for management to commit the Group to including new expenditure, enter contracts or acquire businesses without prior Board approval;
- approving the risk appetite statement within which the Board expects management to operate;
- reviewing and considering the potential impacts of risks relating to climate change on the Group's strategy and business;
- receiving information regarding material breaches of the Code of Conduct;
- reviewing and approving non-executive directors' board and committee fees;
- approving APA remuneration strategy and policy;
- setting performance targets for the Managing Director and CEO and management, considering performance against those targets and determining remuneration outcomes, including having regard to risk outcomes and corporate culture;

- confirming (with the assistance of the People and Remuneration Committee) that the Group's remuneration policies are aligned with the core values, purpose, strategic direction and risk appetite of APA;
- reviewing and approving material corporate governance principles, policies and procedures, including the policies recommended by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;
- approving measurable objectives for achieving diversity (including gender diversity) in the composition of the Board, the Executive and the workforce generally, and assessing APA's progress in achieving those objectives;
- overseeing APA's policies and reporting in respect of modern slavery and human rights related matters, and approving related disclosures; and
- ensuring effective and timely reporting to securityholders.

Meetings

The Board meets formally on a regular basis, in accordance with a schedule agreed annually, and whenever necessary to deal with urgent matters which might arise between scheduled meetings.

Director Independence

The Board has adopted an Independence of Directors Policy on Director independence and annually assesses the independence of its Directors. The Board will assess the materiality of any given relationship that may affect independence on a case-by-case basis. The Board's overarching test for independence is whether the Director is independent of management and free of any interest, position or relationship that might influence, or could reasonably be perceived to influence, in a material respect the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of APA as a whole rather than in the interest of an individual securityholder or other party. The policy outlines the circumstances in which a Director will normally not be considered independent, including if he or she is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional advisor, consultant or customer) with APA or any of its child entities, or is an officer of, or otherwise associated with, someone in such a relationship.

Director Indemnities

APL has entered into a range of deed polls and indemnity agreements with each of its Directors.

Board Committees

The Board has established four standing committees to assist with the effective discharge of its duties:

- Audit and Risk Management Committee;
- People and Remuneration Committee;
- Nomination Committee; and
- Health, Safety and Environment Committee.

The Audit and Risk Management Committee is chaired by the People and Remuneration Committee, the Health, Safety and Environment Committee and Nomination Committee are chaired by an independent Director and comprised of a majority of independent Directors. Each committee has no less than three members.

Each committee operates under a specific charter approved by the Board. The table below illustrates APL's current Board committees and their function and membership:

Committee	Members and composition	Role
Audit & Risk Management Committee	The Board has established an Audit & Risk Management Committee, comprised of non-executive Directors, a majority of whom are independent. The members of the committee are: • Debra Goodin (Chair); • Michael Fraser; • Steve Crane; • Peter Wasow; and • James Fazzino. The composition of the Audit & Risk Management Committee is determined by the following guidelines: • the committee will have a minimum of three members; • each member must be a Non-Executive Director; • the chairman must be an independent director who may not be the Chairman of the Board; and • each member will have a working familiarity with basic accounting and finance practices and an understanding of APA's risk environment. At least one member will have financial expertise (e.g., qualified accountant or other financial professional).	The function of the committee is to assist the Board in fulfilling its responsibilities to securityholders by overseeing APA's systems for financial reporting, audit and enterprise risk management, including monitoring the process for identifying, assessing and developing strategies to manage material risks for APA (both financial and non-financial). This includes responsibility for overseeing APA's: • financial and other periodic corporate reporting; • relationship with the external and internal auditors and overseeing the external and internal audit functions generally; • material risk profile (including any health, safety, environment and heritage (**HSEH**) risks of a material nature referred by the HSE Committee); • processes for identifying and managing financial and non-financial risk; • internal controls and systems; and • processes for monitoring compliance with applicable laws and regulations. The Audit & Risk Management Committee will meet a minimum of four times annually and more frequently, if required by the Committee Chairman.

Committee	Members and composition	Role
		The external and internal auditors are invited to attend committee meetings to discuss relevant matters including audit related agenda items. The committee will meet at least annually with the external and internal auditors (separately or together) without management present to discuss any matters the committee or these groups believe should be discussed privately.
People and Remuneration Committee	The members of the committee are: • Peter Wasow (Chairman); • Steven Crane; • Shirley In't Veld; and • Rhoda Phillippo. The composition of the People & Remuneration Committee is determined by the following guidelines: • The committee will have at least three members, the majority of whom must be independent directors; • Each member must be a Non-Executive Director; • The chairman must be an independent director.	The purpose of the committee is to oversee the development of APA's people and remuneration strategies and frameworks to support achievement of APA's business objectives. Specifically, the Committee will ensure there is a robust remuneration and reward system that aligns employee, investor and customer interests, promotes a positive culture and facilitates effective attraction, retention and development of a diverse and talented workforce. Related responsibilities of the committee include: • recommending to the Board any adjustment of directors' fees, including committee fees, for APA; • recommending the short and long term performance objectives for the Chief Executive Officer and all executives reporting to the CEO, and assessment of performance against those objectives; • developing and recommending the appointment, retention and termination policy and

Committee	Members and composition	Role
		procedures for the Chief Executive Officer; • recommending remuneration for the CEO and all executives reporting to the CEO; • reviewing executive and people leader development and senior succession planning (excluding MD and CEO succession which is the responsibility of the Nomination Committee); • recommending the 'at-risk' elements of remuneration and performance targets for APA's financial performance as they relate to incentives, including all awards made under APA's long term incentive plan; and • reviewing and recommending the diversity policy, and assessing the effectiveness of practices and initiatives with respect to gender and other diversity in the workforce.
Health, Safety and Environment Committee	The members of the committee are: • Shirley In't Veld (Chairman); • James Fazzino; • Debra Goodin; and • Rhoda Phillippo. The composition of the Health, Safety and Environment Committee is determined by the following guidelines: • The committee will have at least three members, the majority being independent directors;	The function of the committee is to oversee the implementation and operation of a robust HSE management system that reflects the needs of an energy infrastructure business. Related responsibilities of the committee include: • reviewing and monitoring the effectiveness of APA's HSE Management System, including reporting to the Audit and Risk Management Committee in relation to the adequacy of the processes

Committee	Members and composition	Role
	• Each member must be a Non-Executive Director; and • The Chairman must be an independent director.	for managing material HSEH risks; • ensuring compliance with HSEH relevant legislation and APA's HSE policy and reporting to the Audit and Risk Management Committee in relation to material HSEH compliance matters; • reviewing material HSEH risks and issues and overseeing the implementation of action plans to mitigate those risks and prevent incidents; • reviewing APA HSEH initiatives and programmes and their effectiveness; • considering management reports on HSEH performance and issues; and • reviewing APA's environmental and greenhouse gas footprint and tracking performance indictor trends.
Nomination Committee	The members of the committee are: • Michael Fraser (Chairman); • Debra Goodin; and • Steve Crane. The composition of the Nomination Committee is determined by the following guidelines: • The committee will have at least three members, the majority being independent directors. • Each member must be a Non-Executive Director.	The function of the committee is to oversee the recruitment and selection of Directors, to advise on the appropriate composition of the Board and to oversee the Chief Executive Officer succession process. Related responsibilities of the committee include: • assessing the size, diversity and composition of the Board; • the identification of individuals qualified to become Board members as additional members or to succeed existing members;

Committee	Members and composition	Role
	• The Chairman will be the Chairman of the Board who is an independent director.	• establishing processes and methodology for reviewing the performance of the Board, the committees, the Chairman and individual Non-Executive Directors; and • making recommendations to the Board regarding Director appointments and the structure of the Board and/or committees.

Remuneration of Officers and Directors

Information relating to the remuneration, security ownership and employment contracts of APL's directors and executive officers is included in extracts from the 2020 Directors' Report included in APA's audited consolidated financial statements for FY2020 included in this Offering Circular, from the 2019 Directors' Report included in APA's audited consolidated financial statements for FY2019 included in this Offering Circular and from the 2018 Directors' Report included in APA's audited consolidated financial statements for FY2018.

DESCRIPTION OF APA

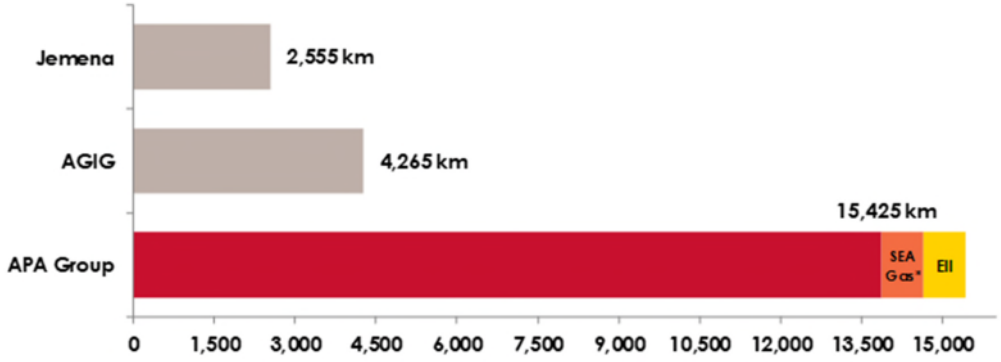
Overview

APA is a leading Australian energy infrastructure business, with ownership interests and operation of gas transmission, gas distribution, gas fired power generation, gas storage, gas processing, electricity transmission and renewable energy generation assets.

Its gas transmission pipelines span every state and territory on mainland Australia. APA has direct management and operations control over its assets and the majority of its investments. It holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI's Allgas Gas Networks.

APA's 15,000 km[1] of gas transmission pipelines delivered about half the nation's natural gas usage during HY2021 and FY2020. APA also has ownership interests in, and/or operate, AGN and GDI gas distribution networks, which together own approximately 29,500 km[2] of gas mains and pipelines, and more than 1.4 million gas consumer connections, as at 31 December 2020.

The chart below illustrates the relative size of APA's gas transmission pipeline portfolio (which includes pipelines in which APA has invested through its Energy Investments segment) as compared to its competitors in the Australian market as at 31 December 2020, as measured by gas transmission pipeline length.



Note:

* Includes SEA Gas Pipeline and Mortlake Pipeline. Sources include APA data as at 31 December 2020 (which includes the Ethane Pipeline) and publicly available reports from Jemena and the AGIG. Although APA is not aware of any energy investments of Singapore Power/China State Grid (owners of Jemena) or AGIG which are not represented in the chart above, they may have such interests. Length of pipelines is only one measure of size and may not be indicative of gas transported, earnings or cash flow.

COVID-19 Impact

APA has a revenue stream that is diversified across customers, geography and assets, which it believes enhances the stability of its revenue through economic cycles and has helped to minimise the impact of COVID-19 on its

[1] Owned and/or operated by APA Group. Gas transmission pipeline length is not adjusted for proportional ownership and represents the entire unlooped lengths of the pipelines or networks (including in relation to APA's energy investments, such as SEA Gas and Energy Infrastructure Investments Pty Limited) independent of the level of APA's ownership interest in such pipelines or networks.

[2] Gas distribution network length is not adjusted for proportional ownership and represents the entire length of the pipelines or networks independent of the level of APA's ownership interest in such pipelines or networks. Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

physical operations and financial performance. APA is also a supplier of an essential service of gas transportation and energy generation and has long term contracts supporting relatively stable and regulated revenues, strong balance sheet fundamentals, combined with a relatively remote asset footprint, which APA believes has also limited the impact of COVID-19 on its physical operations and financial performance.

Although the COVID-19 pandemic has had a limited impact on APA's HY2021 results, with approximately 89% of its energy infrastructure revenue generated from fixed or regulated sources during the period, investors should note that COVID-19 could have an impact on future demand for natural gas in Australia, which could impact APA's future financial results and financial condition. See "*Risk Factors—Operational and Legal Risks—The outbreak of communicable diseases (such as COVID-19) in Australia could negatively impact the health and wellbeing of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects*" for more information regarding the potential impact of COVID-19 on the industry and APA's operations. Importantly, in HY2021, gas volumes grew in key markets, including the Goldfields regions of Western Australia, the Northern Territory and sections of its East Coast Grid. APA believes that the resilience of its financial performance is partly attributable to the nature of its energy infrastructure asset base, the majority of which benefits from long term "take-or-pay" capacity contracts, generally with fixed and known indexation methodologies, and/or from price regulation. In addition, APA believes that natural gas will continue to play an important role in the future energy mix in Australia supporting the integration of renewable energy with flexible power into Australia's energy system. See "*— Key Strengths—Well positioned to benefit from Australian energy industry trends*".

APA's business continuity plans in response to the COVID-19 pandemic were activated in February 2020 and focused on maintaining its critical facilities, such as the IOC, ensuring its essential field services could be maintained and provision of IT support services more broadly, to facilitate remote working. APA's overall priority was for the health and safety of its people and continued operations as an essential service provider to its customers and the people of Australia.

During CY2020, APA also undertook a proactive stakeholder management with customers, government agencies, regulators and key suppliers; initial operational plans were established, especially for critical sites and processes; and plans for provision of IT services and equipment for employees working from home were prioritised. The CMT was established in March 2020 reporting directly to the CEO and Managing Director, with daily check-ins with management representatives across the country, and, just over a week later, more than 1,000 normally office-based employees began working remotely, while more than 750 field-based APA employees continued to work.

In line with government and health authority requirements across the states and territories of Australia, APA worked through its initial response to achieve stability in containment and planning and executing plans for recovery. Key activities have included:

- liaising with regulators, government agencies, industry groups, customers and suppliers;
- determining essential service requirements and authorities/permits for employees including contractors working in APA's offices and at various field sites and construction projects, including those regularly crossing state borders;
- ensuring all employees across APA's field sites and offices had COVIDSafe working arrangements in place including access to health sanitisers and other equipment, changes to work practices to provide for social distancing and access to expert health advice;
- implementing split teams for control rooms and in some cases separate rosters and sites to maintain health and ensure continuity of operations;

- significant planning and additional controls to ensure critical maintenance and outage activities can continue to deliver operational stability and reliability;
- ensuring IT capability and capacity was available to all employees working from home and accelerating APA's workplace digitisation programme with modern and secure office platforms. This also included additional cyber security awareness and increased cyber surveillance; and
- significant levels of ongoing communications and resources provided to support APA's people and assist in maintaining health, safety, and wellbeing for extended periods of time.

There have been many challenging issues to deal with, and many positive outcomes from, COVID-19, including, but not limited, to:

- no material safety or operational incidents during this time;
- social distancing practices, new travel arrangements and revised operational protocols established to allow all of APA's assets to continue to operate and help minimise the risks to the more than 700 employees who are continuing to work on sites or in the field;
- some of APA's Fly-In Fly-Out employees were converted to Drive-in Drive-Out arrangements for over three months to continue to deliver services to remote assets and communities;
- employees embraced new technology and ways of working to adapt to remote working and continue to be productive to deliver support to APA's customers, its front-line employees, and investors;
- cross-functional groups have been established to identify and assist APA's vulnerable customers, distressed suppliers and vulnerable employees;
- technical and leadership training previously only delivered in person has been successfully converted to various digital platforms, allowing skill development to continue and progress;
- establishing special arrangements and protocols to continue to conduct critical maintenance outages including bringing specialists from interstate and overseas, implementing additional quarantine and social distancing to keep people safe; and
- APA's leaders have stepped up and learned new skills to continue to lead their teams remotely and demonstrate the innovation, agility and collaboration required in challenging circumstances like these.

The COVID-19 pandemic created a unique and difficult operating environment for many of APA's customers during HY2021 and FY2020. It continued to support customers, suppliers and the community facing difficult circumstances due to the ongoing COVID-19 pandemic in the following ways:

- in the gas networks business, APA has worked with network owners and energy retailers to provide fee relief and ensure consumers are not disconnected without consent;
- in the gas transmission and power generation business, APA has offered flexible terms (service and payment) for customers and offered additional gas market and systems training to help customers optimise their gas portfolios;
- accelerated payments for key strategic suppliers (with < 50 employees) and regional businesses;
- APA has been in contact with commercial, industrial and small retail transmission customers for a quick pulse check to understand COVID-19 impacts and how it might be able to assist; and
- APA has provided targeted financial assistance for customers in vulnerable circumstances, including temporary discounts, credit term extensions and alternative prudential arrangements.

See "*Risk Factors—Operational and Legal Risks—The outbreak of communicable diseases (such as COVID-19) in Australia could negatively impact the health and wellbeing of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects*" for more information regarding the potential impact of COVID-19 on the industry and APA's operations.

APA's Business Segments

APA reports its operations in three principal business segments:

- Energy Infrastructure: The Energy Infrastructure segment consists of all of APA's energy infrastructure footprint across mainland Australia and includes all of its wholly or majority owned pipelines, gas storage assets, gas compression and processing assets and gas-fired and renewable energy power generation assets. The majority of revenues in the Energy Infrastructure segment are derived from either long term capacity-based contracts or regulatory arrangements. APA's contracts generally have the majority of the revenue fixed over the term of the relevant contract. Regulatory arrangements are typically reviewed every five years.

  For HY2021, the Energy Infrastructure segment represented 93.7% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 94.6% of APA's EBITDA (excluding corporate costs and significant item), as compared to 92.7% and 94.4%, respectively, for HY2020. For FY2020, the segment represented 93.0% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 94.3% of APA's EBITDA (excluding corporate costs and significant item). Pass-through revenue is revenue in respect of which an equivalent amount of costs are incurred and on which no margin is earned. Unallocated revenue is interest income, which is not included in the calculation of EBITDA (excluding significant item) but nets off against interest expense in calculating net interest cost.

- Asset Management: Asset Management includes the provision of commercial, operating services and/or asset maintenance services to APA's energy investments and third parties for appropriate fees. APA provides asset management and operational services under long term contracts to the majority of its energy investments and to a number of third parties on a contract basis. APA's main customers are EII, EII 2 and GDI. APA also has arrangements to operate until CY2027 the gas distribution networks owned by AGN, in which APA divested its ownership interest in August 2014.

  For HY2021, the Asset Management segment represented 4.8% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 3.6% of APA's EBITDA (excluding corporate costs and significant item) (as compared to 5.4% and 3.5%, respectively, for HY2020). For FY2020, the segment represented 5.3% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 3.7% of APA's EBITDA (excluding corporate costs and significant item).

- Energy Investments: Energy Investments includes APA's strategic stakes in a number of investment entities that hold energy infrastructure assets. For APA's Energy Investments, it generally seeks assets with long term secure cash flows and low ongoing capital expenditure requirements. Details of APA's specific Energy Investments are set out below.

Energy Investment		**Ownership interest**
SEA Gas Pipeline.....	50%	Gas pipeline: 687-km pipeline from Iona and Port Campbell, Victoria to Adelaide, SA
SEA Gas (Mortlake) Partnership	50%	Gas pipeline: Mortlake Gas Pipeline (83 km) from the Otway Gas Plant near Port Campbell to Mortlake Power Station

EII 2	20.2%	Wind generation: North Brown Hill Wind Farm (132 MW), SA
GDI	20%	Gas distribution: ~3,850 km of gas mains, supplying ~116,000 gas consumer connections in QLD
EII	19.9%	Gas pipelines: Telfer/Nifty Gas Pipelines and lateral (488 km); Bonaparte Gas Pipeline (286 km); Wickham Point Pipeline (12 km) Electricity transmission cables: Murraylink (180 km) and Directlink (64 km) Gas-fired power stations: Daandine Power Station (30 MW) and X41 Power Station (41 MW) Gas processing facilities; Kogan North (12 TJ/d); Tipton West (33 TJ/d)

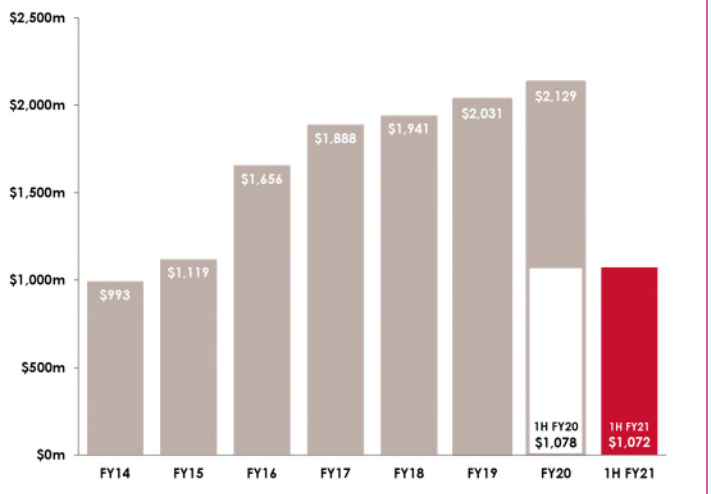
APA's ability to manage these investments and provide operational and/or corporate support services gives it flexibility in the way it grows its business and enables APA to harness in-house expertise. It also provides options for APA depending on opportunities available, energy market conditions and capital markets environments. Each investment is equity accounted.

For HY2021, the Energy Investments segment represented 1.5% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 1.9% of APA's EBITDA (excluding corporate costs and significant item) (as compared to 1.7% and 2.1%, respectively, for HY2020). For FY2020, the segment represented 1.7% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 2.1% of APA's EBITDA (excluding corporate costs and significant item).

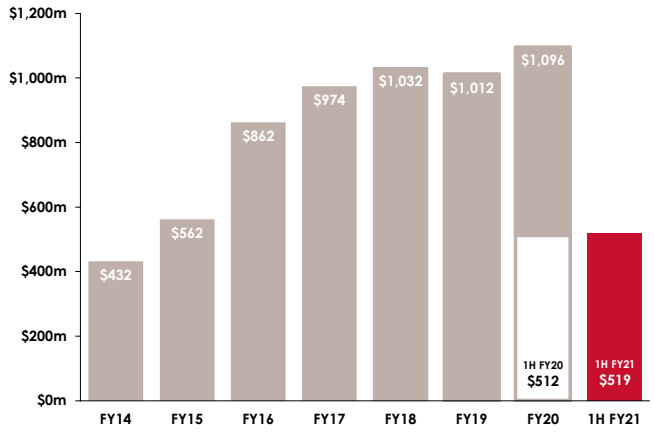
Selected Historical Financial Performance

APA's revenue (excluding pass-through revenue), operating cash flow, EBITDA (excluding corporate costs and significant item) and total assets have generally increased over the last five and a half financial years, as illustrated in the charts below.

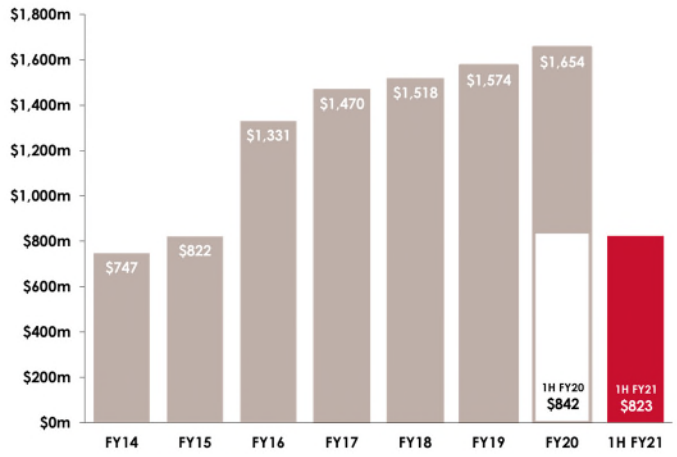
Total Revenue (excluding pass-through revenue) (A$ millions)	**Operating Cash Flow (A$ millions)**

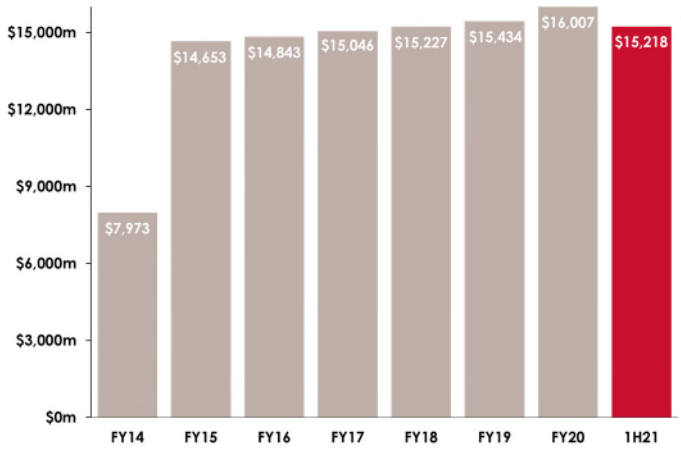


EBITDA (excluding significant item) (A$ millions)



Total Asset (A$ millions)





The relatively large changes in operating cash flow, EBITDA (excluding significant item) and total assets in certain years are partly due to large acquisitions and developments. In FY2018, APA acquired the Orbost Gas Processing Plant, which is expected to begin processing raw natural gas from Cooper Energy Limited's offshore Sole gas field under a multi-year gas processing agreement towards the end of the first quarter of CY2021. For the period FY2018 to HY2021, APA spent over A$1.6 billion (approximately A$740 million, A$460 million, A$280 million and A$154 million for FY2018, FY2019, FY2020 and HY2021, respectively) on committed growth projects in the areas of pipeline extensions and expansions, renewables and mid-stream assets, which included the Darling Downs Solar Farm (QLD), Badgingarra Wind Farm (WA), Badgingarra Solar Farm (WA), Emu Downs Solar Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA), Reedy Creek Wallumbilla Pipeline (QLD) and Orbost Gas Processing Plant. EBITDA (excluding significant item) from these specific growth projects was A$33.0 million, A$54.3 million and A$39.5 million in HY2021, FY2020 and FY2019, respectively. See "*Description of APA — History*" for a summary timeline of APA's history of acquisitions, divestments and developments.

APA's financial performance is partly attributable to the nature of its energy infrastructure asset base, the majority of which benefits from negotiated long term "take-or-pay" contracts with investment grade counterparties (in a range of diversified sectors including energy, utilities and resources) and/or from price regulation. Although APA prefers to enter into long term contracts, there has been some shift in the market to shorter contractual terms. With the dynamic nature of the energy market and the tight supply-demand balance of gas on the east coast, APA expects that some customers may require more flexibility and shorter contract terms to allow them to better react to changing market conditions. APA is able to accommodate customer requests for more flexible and shorter contract terms at its existing assets because of the size and scale of its pipeline infrastructure and product offering, combined with the flexible nature of its multi-asset and multi-service contracts and associated systems. This enables APA to better supply its products to numerous end-users from various sources, as needed.

For HY2021, APA's revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue) under negotiated contractual arrangements accounted for 88.7% of its total revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue), as compared to 90.0% of APA's revenue in HY2020. In FY2020, APA's revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue) under negotiated contractual arrangements accounted for 89.8% of its total revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue).

APA's Credit Support Policy

APA assesses customer creditworthiness in accordance with its Credit Support Policy and determines the required credit support depending on the nature of the customer's agreement with APA. The factors which APA considers in determining credit support include:

- the nature of services sought (e.g., transmission services, building new facilities, extensions, etc.);
- the relevant shipper's creditworthiness (including credit rating and previous credit history with APA);
- the amount of capital outlay required by APA to deliver the services; and
- the risks to APA in providing the relevant services.

As part of its Standard Gas Transportation Agreement, where the counterparty does not have an investment grade credit rating from either S&P or Moody's, APA will normally require either a bank guarantee for six months' worth of charges or a guarantee from the parent company of the counterparty, where the parent company has an investment grade credit rating.

APA's Regulated Assets

Australia's economic regulatory regime for gas pipelines, which is referred to as the NGAR, is set out in the Commonwealth of Australia's National Gas Law (**NGL**) and the NGR. Pipelines that are subject to full regulation or light regulation under the NGAR are referred to as "covered" and as "Scheme Pipelines". Pipelines that are not covered (i.e., not subject to full or light regulation under the NGAR) are referred to as "Non-Scheme Pipelines". Although Non-Scheme Pipelines are not subject to full regulation or light regulation, they are subject to the information disclosure and arbitration regime under Part 23 of the NGR, unless exempted.

There are currently four tiers of pipeline regulation in Australia under the NGAR:

1. Scheme Pipelines that are subject to "full regulation" in which the regulator (the ERA in Western Australia and AER everywhere else) approves an access arrangement, including reference tariffs based on a determination of the value of invested capital, a return on that capital and operating costs amongst other factors;

2. Scheme Pipelines that are subject to "light regulation" in which prices are negotiated between the customer and the pipeline operator, subject to arbitration by the AER (or the ERA in Western Australia) in the event of failure to reach a negotiated outcome;

3. Non-Scheme Pipelines that are subject to an information disclosure and arbitration regime under Part 23 of the NGR, in which prices are negotiated between the customer and the pipeline operator, subject to commercial arbitration in the event of failure to reach a negotiated outcome; and

4. Non-Scheme Pipelines that are exempt from either the information disclosure or both the information and arbitration regime under Part 23 of the NGR, including by virtue of their small size or lack of third party access.

"Full regulation" assets are those which have been determined, among other things, to demonstrate natural monopoly characteristics and have a degree of market power. In setting prices for price regulated assets, the relevant regulator considers various factors, including forecast demand, efficient operating costs, capital expenditures and the costs of debt financing and equity. Typically, "light regulation" pipelines are those considered to exhibit some natural monopoly characteristics but which do not have sufficient market power to warrant full regulation; nonetheless, the benefits of regulation are assessed to outweigh the costs. Under the NGL, any person (including customers seeking access to a pipeline) may make an application that a Non-Scheme become "covered" and therefore subject to full or light economic regulation. Similarly, an application can be made seeking that light regulation be revoked and full regulation be imposed instead.

APA typically contracts capacity of its assets using long term "take-or-pay" capacity contracts. Tariffs under those contracts reflect the amount of capacity reserved and are payable irrespective of gas transmission volumes shipped by that customer.

Two of APA's major full regulation assets are parts of the GGP and Roma RBP. See "*Description of APA — APA's Businesses — Energy Infrastructure*". One of its other significant full regulation assets, the VTS, operates through a market carriage system that is operated by the AEMO. Under this market carriage model, as the pipeline owner, APA makes the system available to the AEMO, as an independent system/market operator, which allocates pipeline capacity through a pool approach. Customers do not reserve physical capacity. Rather, they obtain from the wholesale gas market a financially firm right to transport gas through the pipeline.

APA's Segment Contributions

The following table summarises the contribution of each segment to HY2021 and FY2020 EBITDA (excluding significant item). See "*Description of APA — APA's Businesses — Energy Infrastructure*" for additional information regarding the assets within the Energy Infrastructure segment.

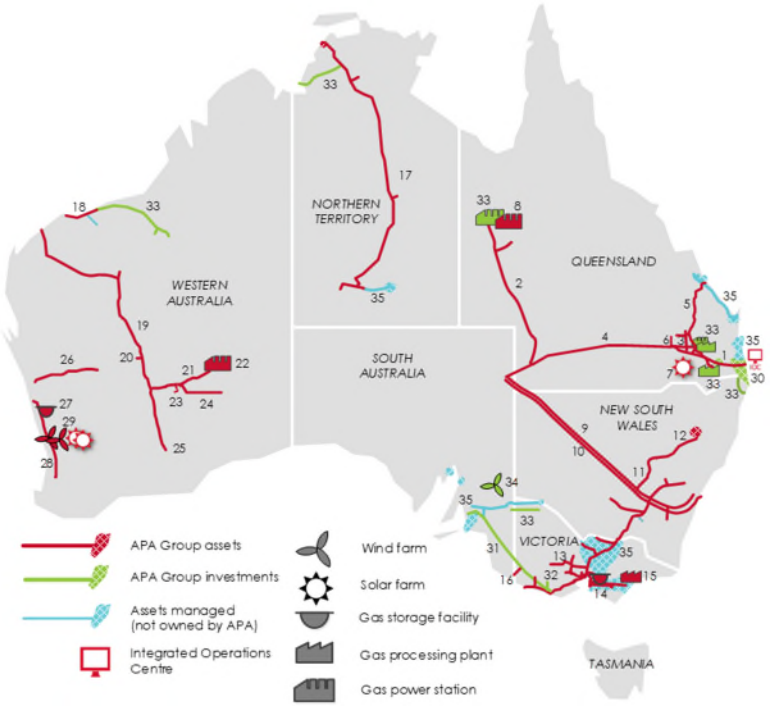
Asset	**HY2021 Contribution to EBITDA (excluding significant item)**	**HY2021 Contribution to EBITDA (excluding significant item)**	**FY2020 Contribution to EBITDA (excluding significant item)**	**FY2020 Contribution to EBITDA (excluding significant item)**
	(A$ thousands)	*(%)*	*(A$ thousands)*	*(%)*
Energy Infrastructure	818,798	94.6	1,629,807	94.3
Asset Management	30,967	3.6	63,343	3.7
Energy Investments	16,159	1.9	35,741	2.1

Asset	HY2021 Contribution to EBITDA (excluding significant item)	HY2021 Contribution to EBITDA (excluding significant item)	FY2020 Contribution to EBITDA (excluding significant item)	FY2020 Contribution to EBITDA (excluding significant item)
EBITDA (excluding corporate costs and significant item)	**865,924**	**100**	**1,728,891**	**100**
Corporate Costs	(43,088)	–	(74,972)	–
EBITDA (excluding significant item)[1]	**822,836**	–	**1,653,919**	–

Note:

(1) Totals may not add due to rounding.

APA also has part ownership in other gas infrastructure assets through its Energy Investments segment, many of which APA also operates through its Asset Management business. APA's Energy Infrastructure assets, Energy Investment assets, and Asset Management business are illustrated and described in the graphics below. Interests in APA's energy investments are presented at 31 December 2020.



Energy Infrastructure assets

	Pipeline Length / Generating Capacity	Economic Regulatory Status
East Coast and Central Region assets		

		Pipeline Length / Generating Capacity	Economic Regulatory Status
1	Roma Brisbane Pipeline (including Peat Lateral).....	583 km	Full regulation[1]
2	Carpentaria Gas Pipeline	944 km	Light regulation[2]
3	Berwyndale Wallumbilla Pipeline	112 km	Subject to Part 23 of NGR[3]
4	South West Queensland Pipeline	936 km	Subject to Part 23 of NGR[3]
5	Wallumbilla Gladstone Pipeline (including Laterals)	556 km	Subject to Part 23 of NGR[3][8]
6	Reedy Creek Wallumbilla Pipeline	49 km	Subject to Part 23 of NGR[4]
7	Darling Downs Solar Farm	108.5 MW	Not regulated
8	Diamantina and Leichhardt Power Stations.....	242 MW / 60 MW	Not regulated
9	Moomba Sydney Pipeline.....	2,029 km	Partly light regulation/Partly subject to Part 23 of NGR[5]
10	Ethane Pipeline	1,375 km	Not regulated
11	Central West Pipeline.....	255 km	Light regulation[2]
12	Central Ranges Pipeline and	295 km	Subject to Part 23 of NGR[4]
	Tamworth Gas Network (gas distribution).....	~260 km of gas mains, ~3,900 gas consumer connections	Subject to Part 23 of NGR[4]
13	Victorian Transmission System	1,847 km	Full regulation[1]
14	Dandenong LNG Storage Facility	12,000 tonnes	Not regulated
15	Orbost Gas Processing Plant.....	12 km / ~68 TJ/d	Not regulated[7]
16	SESA Pipeline.....	45 km	Subject to Part 23 of NGR[3]
17	Amadeus Gas Pipeline (including Laterals).....	1,661 km	Full regulation[1]
West Australian assets			
18	Pilbara Pipeline System	249 km	Subject to Part 23 of NGR[3]
19	Goldfields Gas Pipeline (88.2%)	1,546 km	Partly fully regulated/Partly subject to Part 23 of NGR[6]
20	Agnew Lateral	25 km	Subject to Part 23 of NGR[4]
21	Yamarna Gas Pipeline.....	198 km	Subject to Part 23 of NGR[4]

		Pipeline Length / Generating Capacity	Economic Regulatory Status
22	Gruyere Power Station.....	45 MW	Not regulated
23	Mt Morgan Gas Pipeline.....	5 km	Subject to Part 23 of NGR(4)
24	Eastern Goldfields Pipeline	293 km	Subject to Part 23 of NGR(4)
25	Kalgoorlie Kambalda Pipeline.....	44 km	Light regulation(2)
26	Mid West Pipeline (50%).....	362 km	Subject to Part 23 of NGR(4)
27	Mondarra Gas Storage and Processing Facility.....	18 PJ	Not regulated
28	Parmelia Gas Pipeline.....	448 km	Subject to Part 23 of NGR(3)
29	Emu Downs Wind Farm	80 MW	Not regulated
29	Emu Downs Solar Farm	20 MW	Not regulated
29	Badgingarra Wind Farm	130 MW	Not regulated
29	Badgingarra Solar Farm	19.3 MW	Not regulated

Notes:

(1) Scheme Pipelines that are subject to full regulation in which the AER (or ERA in WA) approves an access arrangement, including tariffs based on a determination of the value of invested capital and a return on that capital ("full regulation" pipeline).

(2) Scheme Pipelines that are subject to light regulation in which prices are negotiated between the customer and the pipeline operator, subject to arbitration by the AER (or ERA in WA) in the event of failure to reach a negotiated outcome.

(3) Non-Scheme Pipelines that are subject to the information disclosure and arbitration regime under Part 23 of the NGR.

(4) Non-Scheme Pipelines that are subject to Part 23 part of NGR but exempt from the information disclosure provisions by virtue of their small size or the fact that they each have a single user.

(5) The sections of the MSP from Marsden to Wilton, Lithgow, Canberra and Wagga Wagga are subject to light regulation. The balance of the MSP (the sections from Moomba to Marsden and the interconnect from Wagga Wagga to Culcairn) are subject to the information disclosure and arbitration regime under Part 23 of the NGR.

(6) Part of the capacity of the Goldfields Gas Pipeline (for all of its geographical reach) is subject to full regulation by the relevant regulatory authorities, whereas part of its capacity (including many of its laterals), (for all of its geographical reach) is exempt from the information disclosure and arbitration regime under Part 23 of the NGR by virtue of its small size or lack of third party access.

(7) Assets under commissioning.

(8) Due to a "greenfield" exemption the WGP was granted under the NGL, it will not be subject to regulation by the AER until at least 2030.

Energy Investments and Asset Management

Energy Investment		Ownership interest
(30) GDI.....	20%	Gas distribution: Allgas Gas Network ~3,850 km of gas mains, supplying ~116,000 gas consumer connections in QLD
(31) SEA Gas Pipeline ..	50%	Gas pipeline: 687 km pipeline from Iona and Port Campbell, Victoria to Adelaide, SA
(32) SEA Gas (Mortlake) Partnership	50%	Gas pipeline: Mortlake Gas Pipeline (83 km) from the Otway Gas Plant near Port Campbell to Mortlake Power Station
(33) EII.....	19.9%	Gas pipelines: Telfer/Nifty Gas Pipelines and lateral (488 km); Bonaparte Gas Pipeline (286 km); Wickham Point Pipeline (12 km) Electricity transmission cables: Murraylink (180 km) and Directlink (64 km) Gas-fired power stations: Daandine Power Station (30 MW) and X41 Power Station (41 MW) Gas processing facilities; Kogan North (12 TJ/d); Tipton West (33 TJ/d)
(34) EII 2.....	20.2%	Wind generation: North Brown Hill Wind Farm (132 MW), SA
(35) AGN	None [1]	

(1) Operating and maintenance agreements with AGN remain in place until CY2027.

History

In June 2000, APA was formed when the former Australian Gas Light Company group of companies spun out its gas transmission assets into a separate entity, Australian Pipeline Trust that it listed on the ASX. At the time, the group was selling substantially all of its Australian gas transmission assets into Australian Pipeline Trust in order to achieve a number of objectives, including realising unrecognised value in its asset portfolio, focusing on its core competencies of development, management and operation of pipeline assets as opposed to ownership of the assets, and releasing capital to fund future growth plans.

The following timeline (by calendar year) illustrates APA's development since APT was listed on the ASX.

2000.....	**June** — APT listed on the ASX with an interest in ~7,000km of pipelines.
2001.....	**February** — Acquisition of the remaining 15% interest in the RBP.
2003.....	**March** — Interest in the GGP increased to 48.5%.
2004.....	**August** — Acquisition of the PGP, the Mondarra Gas Storage Facility and an additional interest in the GGP (taking the total interest in the GGP to 88.2%).
2005.....	**February** — Acquisition of the remaining 30% interest in the CGP.
2006.....	**March** — Completion of construction and commissioning of Kogan North gas processing facility.

	March — Acquisition of Murraylink electricity interconnector.
	June — Execution of a 25-year gas transportation agreement with the PWC in the Northern Territory and commitment to the development of the BGP.
	November — Acquisition of the Allgas Gas Network gas distribution business in Queensland.
	December — Acquisition of the VTS and LNG storage facility in Victoria.
	December — Acquisition of GasNet Australia Group.
	December — Restructured as a stapled entity comprising Australian Pipeline Trust and APT investment Trust, and now known as APA Group.
2007.....	**January** — Completion of construction and commissioning of the Daandine Power Station, Queensland.
	February — Acquired the Directlink electricity interconnector in NSW.
	March — Completion of construction of the Tipton West gas processing facility.
	July — Acquisition of the Origin Energy Networks assets. The assets included a one third equity interest in the SEA Gas Pipeline, 17.2% equity interest in Envestra (now known as AGN), the long term asset management agreement to operate AGN's assets (including the requisite resources) and a number of other energy assets.
	November — Completed construction and commissioning of the X41 Power Station in Queensland.
2008.....	**August** — Acquisition of the CRP and CRN in New South Wales.
	December — Completion of construction of the BGP in the Northern Territory.
	December —Sold a number of APA's assets into EII, an unlisted investment vehicle and joint venture with Marubeni Corporation and Osaka Gas Company Ltd of Japan. APA retained 19.9% equity and the asset management and operations of those assets.
2009.....	**February** — Increase of APA's interest in Envestra (now known as AGN) to 30.6% through participation in and partly underwriting Envestra's rights issue.
	June — The Issuer obtained a BBB (stable) rating from S&P.
	October — EII 2, another APA joint venture with Marubeni Corporation and Osaka Gas, purchased the North Brown Hill wind farm project in South Australia.
2010.....	**April** — Acquisition of the BWP in Queensland.
	April — Announcement of the acquisition of a 14.9% interest in the HDF.
	April — The Issuer obtained a Baa2 (stable) rating from Moody's.
2011.....	**May** — Announcement of the expansion of the Mondarra Gas Storage Facility, underwritten by a 20-year revenue agreement with foundation customer Verve Energy (now known as **Synergy**).
	June — Acquisition of the AGP in the Northern Territory
	July — Acquisition of the Emu Downs wind farm and adjacent development site in Western Australia.
	December — Sale of the Allgas Gas Network to GDI, a new APA minority-owned investment vehicle of which APA owned 20%. APA retained the asset management and operations of the Allgas Gas Network.

	December — Announcement of an off-market take-over bid for HDF, of which APA already held 20.7% interest.
2012.....	**December** — Completion of the take-over of HDF, assuming control of the Epic Energy assets and operations.
2013.....	**May** — Completion of the sale of the MAPS to QIC Global Infrastructure.
	July — Announcement of an approach to Envestra (now known as AGN) regarding a proposal for an all-share merger.
2014.....	**August** — Announcement of the divestiture of 33% equity holding in Envestra after APA accepted the Cheung Kong Group consortium's offer for all its shares in Envestra.
	December — Completed the construction and commissioned the Diamantina Power Station and the Leichhardt Power Station, jointly owned and constructed by AGL and APA.
	December — Entered into a binding sale and purchase agreement with BG Group to acquire the QCLNG Pipeline (now known as WGP) for US$5 billion.
	December — Launched an equity raising of an A$1,839 million fully underwritten accelerated renounceable entitlement offer for APA's stapled securities and completed the offer in January 2015.
2015.....	**June** — Completed the acquisition of the WGP (formerly QCLNG Pipeline).
	November — Commissioned the Eastern Goldfields Pipeline greenfield project in Western Australia.
2016.....	**March** — Increased ownership of the Diamantina and Leichhardt Power Stations in Queensland from 50% to 100%.
	June — Increased ownership of the Ethane Pipeline Income Fund to 100%.
	June — Opened the IOC in Brisbane, Queensland. The IOC allows APA's customers to manage their energy portfolios across all of APA's assets with greater flexibility and through a single point of contact.
	August — Partnered with REST Industry Super to acquire the onshore Mortlake Gas Pipeline, supplying gas from the offshore Otway Basin to the Origin-owned Mortlake Power Station.
	September — Signed a 20-year GTA with APLNG which will see APA build and operate the RCWP, a 49-km pipeline.
	December — Signed a 13-year power purchase agreement with Western Australian energy provider, Synergy, for the 20MW Emu Downs Solar Farm, commissioned in January 2018.
2017.....	**July** — Eastern Goldfield pipeline supplying Sunrise Dam mine site commenced operations.
	October — Acquired Orbost Gas Processing Plant in Victoria.
2018.....	**January** — EDSF commissioned, and APA commenced a 13-year power purchase agreement with Western Australian energy provider, Synergy.
	February — Launched an A$500 million entitlement offer for APA stapled securities, which offer was completed in March 2018.

February —Mt Morgans Gas Pipeline (WA) commissioned for Dacian's Mt Morgans gold mine.

May — RCWP was completed and commissioned, and APA commenced a 20-year GTA with APLNG.

June — APA entered into a Development Agreement and associated Gas Transportation Agreement with AGL Energy for the development and construction of the Crib Point Pakenham Pipeline.

June — APA received an unsolicited proposal from a consortium led by CKI to acquire all of the stapled securities in APA through trust schemes of arrangement (the **Schemes**). In August 2018, APA entered into a conditional Implementation Agreement (the **Implementation Agreement**) with CKI. In November 2018, APA received notice from the CKI Consortium that the Australian Federal Treasurer had notified it of his decision to prohibit the Schemes and as a result the Implementation Agreement was terminated.

2019..... **January** — Gruyere Power Station (WA) and YGP completed and commenced commercial operations to supply Gruyere Gold Project.

January — Badgingarra windfarm completed and commences commercial operations.

March — DDSE (QLD) completed and commenced commercial operations, and APA commenced a power purchase agreement with Origin Energy to December 2030.

May — Rob Wheals, APA's former Executive Transmission, became Chief Executive Officer and Managing Director of APA on 6 July 2019. Mr. Wheals succeeded Mick McCormack who retired from APA on 5 July 2019.

July — Badgingarra Solar Farm (WA) completed and commenced commercial operation.

September — BSF in WA completed and commenced commercial operations, and APA commenced a power purchase agreement with Alinta Energy to 2035.

2020..... **August** — APA and Cooper Energy Limited announced execution of a transition agreement which outlines terms for the parties to work together to complete the commissioning of the Orbost Gas Processing Plant, and commence firm supply to Cooper Energy Limited's term gas customers as early as possible.

October — APA published its first Climate Change Resilience Report, providing a comprehensive analysis of the resilience of APA's current portfolio of assets under three divergent climate scenarios to 2050.

November — Announced an investment of up to A$460 million to construct the NGI, a new 580-km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the resource rich Goldfields region, to create an interconnected Gas Grid in Western Australia.

November — Adam Watson was appointed the Chief Financial Officer of APA Group. Mr. Watson succeeds Peter Fredricson, who retired as Chief Financial Officer of APA Group on December 31, 2020.

December — Announced a two-phased power expansion agreement with existing customer, Gruyere Gold Mine in Western Australia, which will increase total installed capacity by 45% from 45MW to 64MW being 60MW of gas-fired and solar

photovoltaic generation and 4.3MW of battery energy storage system. The agreement includes the creation of the Gruyere Hybrid Energy Microgrid — APA's first hybrid energy microgrid investment.

As indicated in the above timeline, APA has significantly increased its portfolio of energy infrastructure assets since listing its securities on the ASX in 2000. It owns or has an interest in major energy infrastructure assets in every mainland state and territory of Australia, having purchased most of the minority interests in its pipelines from minority owners, and having purchased a number of other strategic gas infrastructure assets during the last 20+ years.

Throughout its history, APA has enhanced and developed its portfolio of energy infrastructure assets, increasing capacity through compression and looping of pipelines, developing greenfield pipelines and laterals developing new power generation assets, and extending distribution networks via new connections.

Key Strengths

Largest gas infrastructure portfolio in Australia with a portfolio that cannot be readily replicated

Through an integrated portfolio of assets and investments, APA is Australia's largest transporter of natural gas as measured by pipeline length, capacity and volume transported. APA's gas transmission network is Australia's largest in terms of scale and geographic diversity and cannot be readily replicated. APA has a portfolio of over 15,000 km[3] of gas transmission pipelines that span every state and territory on mainland Australia. APA also owns or has interests in other related energy infrastructure assets such as gas storage facilities, gas processing facilities, gas compression facilities, renewables, gas-fired power generation assets, gas distribution networks and electricity interconnectors.

In addition, APA has ownership interests in and/or operates gas distribution networks, which together consist of approximately 29,500 km[4] of gas mains and pipelines and around 1.4 million gas consumer connections. APA continues to seek opportunities to expand and enhance its asset portfolio. In November 2020, APA announced an investment of up to A$460 million to construct the NGI, a new 580 km, 12 inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected Gas Grid in Western Australia. The NGI is expected to be operational around mid-CY2022.

APA believes that it is well-positioned to generate further value from its assets by enhancing the scale, efficiency and flexibility of its network through the ongoing expansion of and enhancements to its infrastructure portfolio. APA continues to optimise its existing asset portfolio to meet the demands of existing and new customers through a variety of projects, which are generally either fully underwritten by customers through long term gas transportation arrangements or have received regulatory approval through the relevant access arrangement. These projects include compression (increasing pressure of gas flowing through the pipeline to enable higher throughput), looping (increasing the capacity of a pipeline by installation of an additional pipeline, parallel to and joined with the original pipeline), lateral additions (branch pipelines linking a main pipeline to a market, end-user or other pipeline) and installing bi-directional capabilities on its existing pipelines. APA is also

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[3] Owned and/or operated by APA Group. Gas transmission pipeline length is not adjusted for proportional ownership and represents the entire unlooped lengths of the pipelines or networks (including in relation to APA's energy investments, such as SEA Gas and Energy Infrastructure Investments Pty Limited) independent of the level of APA Group's ownership interest in such pipelines or networks

[4] Gas distribution network length is not adjusted for proportional ownership and represents the entire lengths of the pipelines or networks independent of the level of APA's ownership interest in such pipelines or networks. Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

improving its services through technological system upgrades and commercial arrangements that are designed to provide a seamless service to customers across pipeline systems.

Quality assets with long expected lives, the majority of which require a relatively low level of maintenance capital expenditure

As at the date of this Offering Circular, the average age of APA's transmission pipeline assets, weighted by pipeline length, is approximately 28 years, and APA believes the expected lives of its transmission pipeline assets to be between 50 and 80 years.

The large majority of APA's gas transmission assets are located underground and in non-urban locations resulting in relatively well-conditioned assets and a low level of Stay In Business and IT Capital Expenditure or maintenance capital expenditure, which has been in the range of A$112.6 million to A$139.4 million per annum over the last three fiscal years. In HY2021, APA spent A$97.4 million on Stay in Business and IT Capital Expenditure (with 17% of that amount attributed to IT-related capital expenditure). The increase for HY2021 was largely driven by a major overhaul which was completed on the Diamantina Power Station during the period. All four gas turbines were cleaned and serviced prior to the ramp-up in contracted load that commenced on 1 January 2021. The A$60 million project was completed on budget and on time.

APA takes a long term view of asset management and undertakes an ongoing maintenance schedule designed to ensure that its assets meet statutory and technical licence conditions and are maintained in good condition. APA's maintenance includes, but is not limited to, aerial and physical surveys of its pipeline routes, the use of internal pipeline inspection gauges, or "pigs", risk-based inspection techniques and reliability-centred maintenance strategies on pipelines and facilities to ascertain asset condition and ensure safe, reliable operations.

Uniquely integrated portfolio of assets that enables the flexible, reliable and efficient delivery of services

APA's assets are geographically diverse and many of them, particularly those comprising its East Coast Grid, can operate as interconnected infrastructure or point-to-point assets, with major pipelines having the ability to flow gas bi-directionally. APA's integrated East Coast Grid spans over 7,600 km in pipeline length and has the ability to transport gas seamlessly from multiple gas production facilities to gas users across four Australian states and the ACT, as well as to the export LNG market that has developed out of Gladstone in Queensland. The creation of the East Coast Grid and the continued system enhancements provide the ability to deliver gas where APA's customers need it most. APA's investment of up to A$460 million to construct NGI, a new 580-km, 12 inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, will, upon completion, create an interconnected gas pipeline system covering approximately 2,690 km in Western Australia from north to south and west to east and is expected to further support the ability to transport gas seamlessly in that state, add capacity to its systems and increase gas supply options for its customers. The NGI is expected to be operational around mid-CY2022.

Bi-directional and multi-asset services across APA's interconnected East Coast Grid have enabled it to be a "one-stop" shop for many energy producers and users. Customers have the flexibility to access over 40 receipt points and approximately 98 delivery points across the East Coast Grid. Many of the flexible services that are available as a result of APA's continued investment in and augmentation of the East Coast Grid are now incorporated into long term multi-asset and multi-service contracts.

The establishment of APA's IOC in Brisbane in 2016, which is now the operations control centre for its transmission pipeline assets across the country, allows APA to oversee its grid and manage volatility caused by events such as weather, maintenance, and planned and unplanned customer events. Centralised control at APA's IOC, which houses a multi-disciplinary team of pipeline controllers, engineers, technicians and commercial operations specialists, has enhanced the flexibility of its assets, has enabled APA to more readily respond to its

customer needs, and allows it to ensure that gas is moved to where it is required by customers in the most timely and efficient manner. In addition, APA's customer management system, APA Grid, provides its transmission customers with a single platform to interact with APA across Australia (apart from the VTS) and allows customers to enter nominations, view reports and maintenance schedules for all transmission assets. Under APA's refreshed operating model, its Operations division now oversees the operation of all of APA's assets and investments, regardless of asset type. Together, APA believes these systems allow it to provide improved services to its customers.

Stable and predictable cash flow from price regulated assets and long term contracts

APA's financial performance is partly attributable to the nature of its energy infrastructure asset base, the majority of which benefits from long term "take-or-pay" capacity contracts, generally with fixed and known indexation methodology, and/or from price regulation.

In HY2021, APA's revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue) under negotiated contractual arrangements accounted for 88.7% of its total revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue). In FY2020, APA's revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue) under negotiated contractual arrangements (including assets subject to light regulation) accounted for 90.0% of its total revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue). Consequently, APA has no material direct exposure to underlying movements in natural gas, oil or other energy-related commodity prices under those contracts. Tariffs under those contracts reflect the amount of capacity reserved and are payable irrespective of gas transmission volumes shipped by that customer.

See "*Regulatory Environment*" for more information regarding the regulation of APA's business.

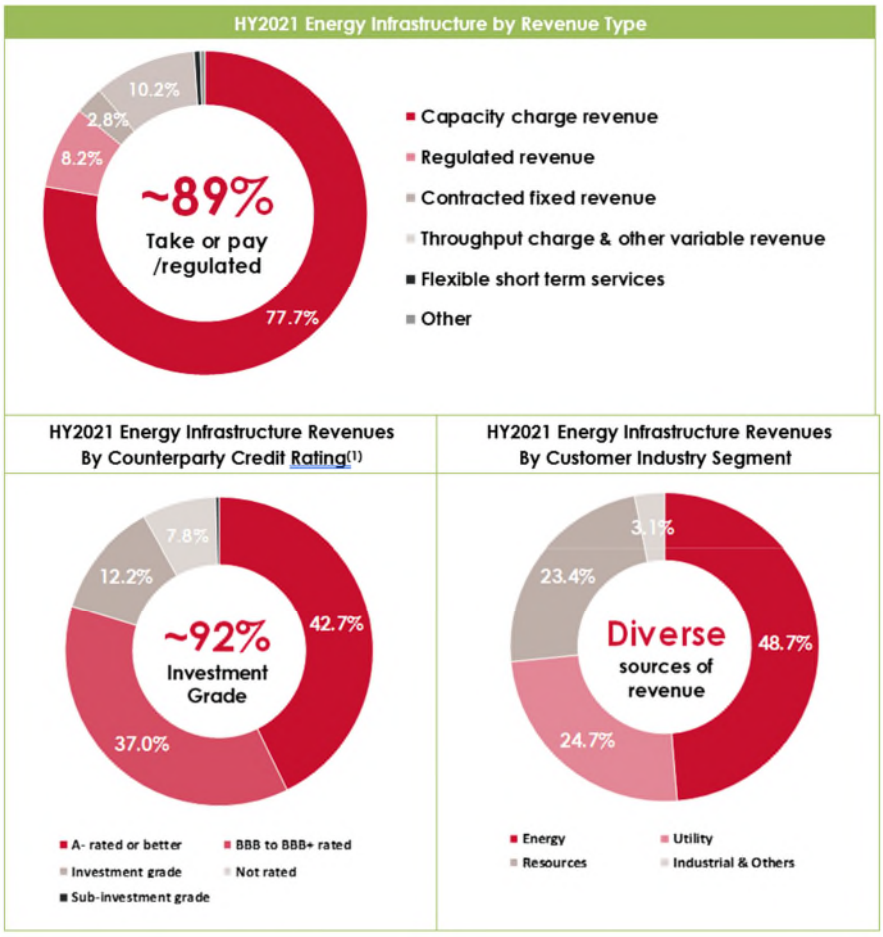
Quality customer base and diversified asset footprint

APA has a revenue stream that is diversified across customers, geography and assets, which it believes enhances the stability of its revenue through economic cycles. In HY2021, APA's top ten customers represented approximately 76% of its Energy Infrastructure revenue (excluding pass-through revenue and unallocated revenue). APA's top ten customers include AGL Energy and Origin Energy, two of the largest integrated utilities in Australia, and BG Group and BHP Group. In HY2021 and FY2020, no single client represented greater than 20.7% and 20.2%, respectively, of APA's Energy Infrastructure transmission revenue (excluding pass-through revenue and unallocated revenue). Additionally, based on the contracts underlying APA's major assets (the WGP, the GGP, the RBP, the VTS, the MSP, the SWQP and the CGP), APA estimates that 91.9% of its HY2021 revenue (excluding pass-through revenue and unallocated revenue) was contracted with customers with an investment grade credit rating or joint ventures with investment grade parties.

The following chart illustrates APA's energy infrastructure revenue split by revenue type, by customer industry and by customer credit rating.

Energy Infrastructure Revenue Split

Six months ended December 31, 2020



Note:

(1) Ratings shown as equivalent to S&P rating scale. An investment grade credit rating from either S&P (BBB- or better) or Moody's (Baa3 or better), or a joint venture with an investment grade average rating across owners.

The table below sets forth APA's top ten customers (in alphabetical order) as at 31 December 2020. Upon completion of the acquisition of the WGP in June 2015, the BG Group of companies and a CNOOC subsidiary each became Top 10 customers of APA. BG Group is now part of Royal Dutch Shell plc following its acquisition in 2016. CNOOC does not guarantee the obligations of its subsidiary (which is unrated), but in the event the LNG Shipper Agreement with that subsidiary is terminated due to that subsidiary's default and such subsidiary does not pay the required termination payment due on termination of the LNG Shipper Agreement, BG Group will be required to assume responsibility for the tariffs that would have been payable under such LNG Shipper Agreement. As such, APA has included revenues from this contract within the "A- rated or better" portion of the "By customer credit rating" pie chart above.

Top Ten Customers by alphabetical order	Sector	S&P[1]	Moody's[1]
AGL Energy	Utility	NR	Baa2
Alinta Energy	Utility	NR	NR

Top Ten Customers by alphabetical order	Sector	S&P[1]	Moody's[1]
AngloGold[2]	Resources	BB+	Baa3
BG Group[3]	Energy	AA-	NR
BHP Group Ltd	Resources	A	A2
Subsidiary of CNOOC Ltd[4]	Energy	NR	NR
Glencore[5]	Resources	BBB+	Baa1
Origin Energy	Energy	BBB	Baa2
Santos	Energy	BBB-	NR
Synergy[6]	Utility	AA+	Aa1

Notes:

(1) NR indicates not rated by the particular rating agency.

(2) Rating based on rating of AngloGold Ashanti Ltd.

(3) Rating based on rating of BG Energy Holdings Ltd.

(4) As noted above, CNOOC does not guarantee the obligations of its subsidiary that is party to the LNG Shipper GTAs. However, in the event the LNG Shipper Agreement with that subsidiary is terminated due to that subsidiary's default and such subsidiary does not pay the required termination payment due on termination of the LNG Shipper Agreement, BG Group will be required to assume responsibility for the tariffs that would have been payable under such LNG Shipper Agreement. Therefore, APA includes the CNOOC Ltd subsidiary in the same credit rating category as BG Group.

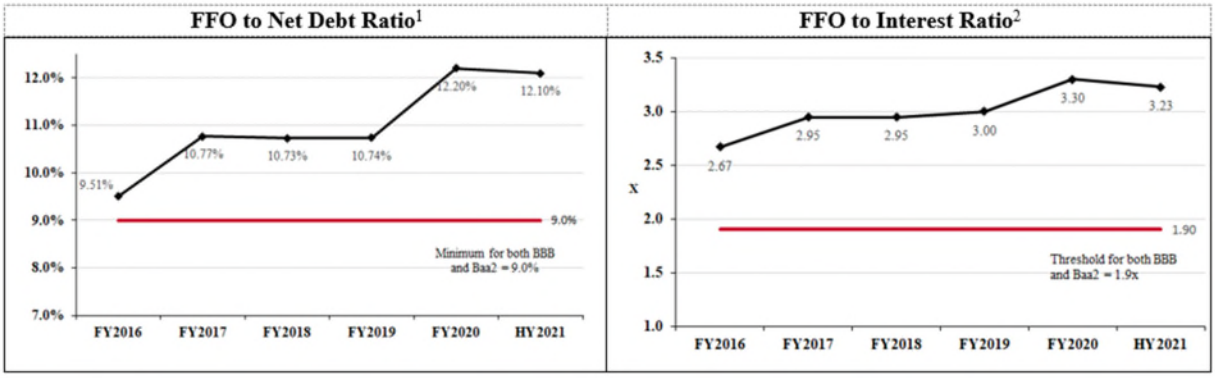
(5) Rating based on rating of Glencore plc.

(6) Rating based on rating of Government of Western Australia.

Strong balance sheet and prudent capital management

APA's assets have relatively long lives and generate stable long term cash flows that facilitate the servicing of its obligations under long term debt financings. Given its portfolio of gas pipelines and distribution networks (many of which are natural monopolies), the consistency of earnings, the extent of take-or-pay contractual agreements and the low risk profile of the assets, APA believes that it is well-positioned to maintain its balance sheet with investment grade credit rating metrics and maintain current levels of debt relative to equity. APA's historical FFO to Net Debt Ratio, FFO to Interest Ratio, Gearing Ratio and Interest Coverage Ratio for HY2021 and the last five fiscal years are set out in the charts below.

At 31 December 2020, APA's FFO to Net Debt Ratio was 12.1% and its FFO to Interest Ratio was 3.2 times. Although APA calculates FFO to Net Debt Ratio and FFO to Net Interest Ratio using a similar methodology to the corresponding metrics included in S&P's and Moody's BBB/Baa2 rating metric guidelines, each of S&P and Moody's apply proprietary adjustments to certain items reported in APA's reviewed and audited consolidated financial statements to independently derive their respective calculation of such metrics for each period. APA continues to have confidence that the balance sheet can continue to support both organic growth and long term growth in securityholder distributions. Its FFO to Net Debt Ratio has been between 10.5% and 12.5% during the past three fiscal years and HY2021.

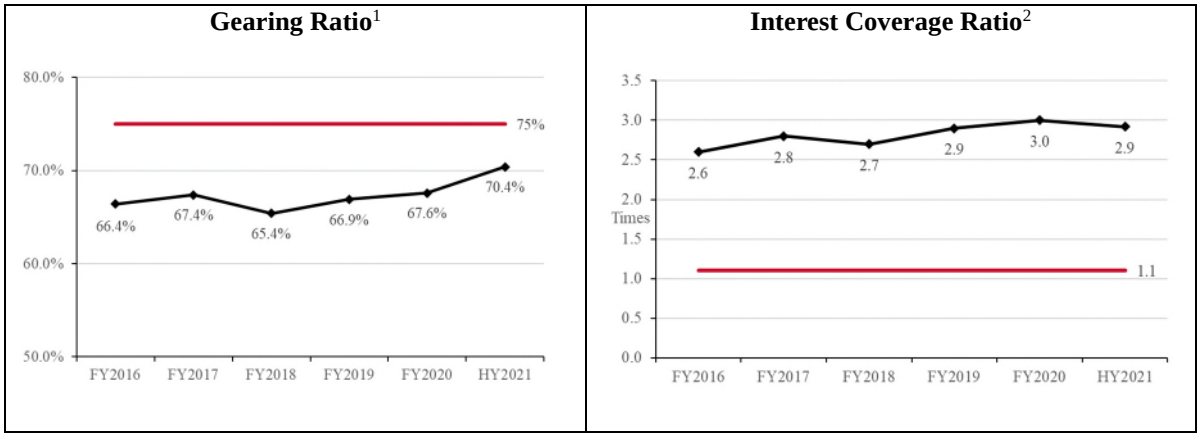


Notes:

(1) FFO to Net Debt Ratio (represented by the black line) is a non-GAAP measure and has been calculated by APA to approximate the metrics reported by S&P and Moody's.

(2) FFO to Interest Ratio (represented by the black line) is a non-GAAP measure and has been calculated by APA to approximate the metrics reported by S&P and Moody's.

At 31 December 2020, APA's Gearing Ratio was 70.4% and its Interest Coverage Ratio was 2.92 times, well in excess of its debt covenant default ratio of 1.1 times, as calculated in accordance with its bank debt facilities and USPP Notes.



Notes:

(1) Gearing Ratio (represented by the black line) is a non-GAAP measure. The red line represents the maximum Gearing Ratio allowed under APA's bank debt facilities and USPP Notes.

(2) Interest Coverage Ratio (represented by the black line) is a non-GAAP measure. The red line represents the minimum Interest Coverage Ratio allowed under APA's bank debt facilities and USPP Notes. For the calculation of the Interest Coverage Ratio, significant items are excluded from the EBITDA used. See "*Annex — Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations*" for further details on the significant items that occurred in each of HY2021, HY2020, FY2020, FY2019 and FY2018.

In addition, APA's growth capital expenditure, other than expenditure relating to its energy investments, is generally either fully underwritten by its customers through long term gas transportation arrangements or has received regulatory approval through the relevant access arrangement. APA has historically funded organic

growth through operating cash flow retained in the business and a combination of debt and equity financings. With the dynamic nature of the energy market and the tight supply-demand balance of gas on the east coast, APA expects that some customers may require more flexibility and shorter contract terms to allow them to better react to changing market conditions. APA is able to accommodate customer requests for more flexible and shorter contract terms at its existing assets because of the size and scale of its pipeline infrastructure and product offering, combined with the flexible nature of its multi-asset and multi-service contracts and associated systems. This enables APA to better supply its products to numerous end-users from various sources, as needed.

APA has a diverse debt portfolio across a number of global markets and currencies, including in the United States, United Kingdom, Europe and Australia, with a broad spread of maturities extending out to FY2035. As at 31 December 2020, its debt portfolio had an average maturity of drawn debt of 6.1 years.

APA has raised equity capital on a number of occasions. For example, it completed an A$500 million pro-rata accelerated institutional retail renounceable entitlement offer with retail rights trading for its stapled securities in March 2018. Support from its equity investors has allowed it to maintain a conservative financial risk profile over a period of substantial growth and investment in its business. APA has been rated BBB since June 2009 by S&P and Baa2 since April 2010 by Moody's. APA intends to maintain its senior unsecured issuer ratings as investment grade and is prepared to consider equity and hybrid capital raisings to fund growth capital expenditures in order to do so, as APA has done historically.

Well-positioned to benefit from Australian energy industry trends

Electricity produced in Australia is generated predominantly from non-renewable fuels and, while coal accounted for 58.4% of Australian electricity generation in FY2019, the DISER Australian Energy Statistics Report estimates that electricity generated from natural gas accounted for 20.0% of Australian electricity generation in FY2019 (the most recent year for which Australian Energy Statistics data is available). According to DISER, from FY2008 to FY2019, the total electricity generated from natural gas has increased at an average rate of 4.0% per annum, compared with an average rate of decline of 1.6% for coal, and increases of 4.1% for oil and 9.6% for renewable energy sources, respectively. According to DISER, from FY2008 to FY2019, natural gas production has increased at an average rate of 10.8% per annum, underpinned by increased CSG production, compared with an average increase of 3.6% for black coal, decrease of 4.1% for brown coal, decrease of 2.8% for crude oil and natural gas liquids, and an increase of 3.4% for renewable generation (i.e., wood-, woodwaste-, bagasse-, biofuel-, biogas-, solar-, wind- and hydro- produced electricity)[5]. DISER estimates that in FY2019, Australia's gas production increased by 16.2% from 4,731.2 PJ in FY2018 to 5,498.1 PJ in FY2019. Production from CSG declined by 2.2% during FY2019 to 1,408.1 PJ and accounted for over 25% of national gas production. [6]Western Australia remained Australia's largest producer of natural gas, producing 60.9% of total Australian gas production in FY2019, and was followed by Queensland, the second largest producer in Australia, at 26.2%. There is no assurance that the foregoing trends will continue.

AEMO's 2020 Gas Statement of Opportunities Report[7] contains their most recent forecasts for eastern and southeastern Australia's interconnected gas markets. Although this report was published in March 2020, at the onset of the COVID-19 pandemic, there is no more current forecast data published by AEMO available at the date of this Offering Circular. Accordingly, investors should note that the report may not account for the full impact of COVID-19 on the industry, and that COVID-19 may have an impact on demand for natural gas in Australia (as reflected in the forecast data published by AEMO included in this Offering Circular). See "*Risk Factors—Operational and Legal Risks—The outbreak of communicable diseases (such as COVID-19) in*

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[5] DISER, Australian Energy Statistics, Table J, September 2020.

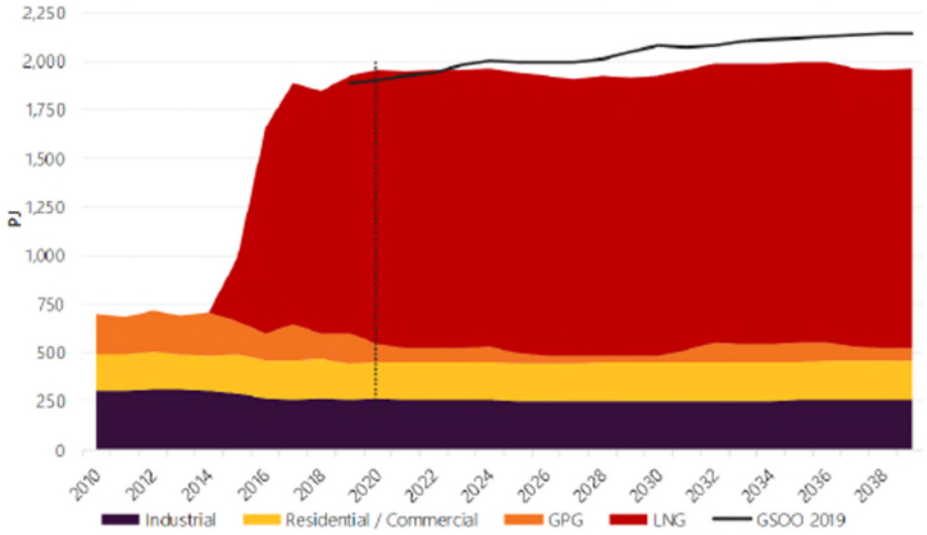
[6] DISER, Australian Energy Statistics, Table R, September 2020.

[7] AEMO, 2020, Gas Statement of Opportunities, March 2020.

Australia could negatively impact the health and wellbeing of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects" for more information regarding the potential impact of COVID-19 on the industry and APA's operations and "Important Information" for more information on APA's use of independent industry publications or other publicly available information.

Under AEMO's central energy consumption scenario, total consumption (including LNG exports) is projected to be stable in the short term. AEMO forecast LNG exports to increase slightly in the short term (from CY2021 to CY2025) from 1,420 PJ to 1,443 PJ as two of the three LNG facilities in Australia reach full nameplate capacity. The WGP, which APA acquired in June 2015, is a 543-km gas transmission pipeline that transports natural gas from various coal seam natural gas fields in the Surat Basin in Queensland to those LNG facilities. See "*Description of APA — APA's Businesses — Energy Infrastructure — Queensland — Wallumbilla Gladstone Pipeline*" for more details on the pipeline. Under this scenario, increases in natural gas transported to LNG export plants in Gladstone, including the plants for the QCLNG Project, APLNG Project and GLNG Project, are expected to offset an expected decline in industrial gas consumption and GPG. GPG is expected to continue to provide a reliability and security role to complement renewable generation in the national electricity market. According to AEMO, gas demand for GPG is forecast to drop in the medium term, as further electricity transmission means GPG is relied on less as a source of firm supply. As more coal generation retires in the long term, demand for GPG is forecast to grow back again, recovering to levels similar to those forecast for CY2020 levels. There is no assurance that the foregoing forecasts will be realised.

APA believes its assets are well-positioned to benefit from Australian gas production and the associated demand for use of transmission pipeline services. APA expects further contracts with its customers to underpin the need for energy solutions and the expansion of its existing assets. The below chart illustrates AEMO's central scenario gas consumption forecast from its 2020 Gas Statement of Opportunities Report. There is no assurance that the forecast will be correct.



Source: Gas consumption actual and forecast, AEMO, 2020 Gas Statement of Opportunities Report.

The COVID-19 pandemic negatively impacted global energy demand for fossil fuels during CY2020, with global demand for coal, oil and natural gas expected to be down approximately 8%, 9% and 5%, respectively, for CY2020 as compared to CY2019, and the pandemic is expected to continue to have lasting impacts on such

global demand.[8] In addition, the COVID-19 pandemic has also acted as a catalyst, supporting calls for a transition to low-carbon energy sources. Although, COVID-19 may have an impact on demand for natural gas in Australia , APA believes that natural gas will continue to play an important role in the future energy mix in Australia supporting the integration of renewable energy with flexible power into Australia's energy system. APA expects this to become increasingly important as coal-fired generation is expected to be retired and removed from the energy mix. APA also expect natural gas to remain essential to powering hard-to-abate and hard-to-electrify sectors, such as industrial heat and feedstock. See "*Risk Factors—Operational and Legal Risks—The outbreak of communicable diseases (such as COVID-19) in Australia could negatively impact the health and wellbeing of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects*" for more information regarding the potential impact of COVID-19 on the industry and APA's operations.

Integrated in-house management and experienced executive management team

APA has an experienced executive management team, which is focused on developing and implementing its core strategies. Mr. Robert Wheals joined APA in September 2008 as General Manager Commercial, was appointed Group Executive Transmission in 2012 and became its Chief Executive Officer and Managing Director on 6 July 2019. Mr. Wheals has a deep understanding of the Australian energy market and the challenges facing Australia, in particular, the challenge of balancing sustainable lower emissions energy against reliable and affordable energy for end users.

On 20 August 2020, Mr. Julian Peck joined APA as Group Executive Strategy & Commercial. Prior to joining APA, Mr. Peck held senior leadership positions in investment banking, with over 20 years' experience specialising in the infrastructure, utility and power sectors.

On 16 November 2020, Mr. Adam Watson joined APA as its Chief Financial Officer. Mr. Watson has over 20 years' experience in executive and senior leadership roles in the transport, services, manufacturing and infrastructure industries based in Australia, China and the United States. His roles have spanned finance, commercial, strategy, corporate development and operations.

APA's President, North American Development, Mr. Ross Gersbach, joined the management team on 1 February 2008 and has over 25 years of experience in senior positions across a range of energy related sectors, covering areas such as infrastructure investments, mergers and acquisitions and strategic developments.

APA's executive team also comprises Ms. Nevenka Codevelle (Group Executive Governance & External Affairs), Mr. Darren Rogers (Group Executive Operations), Ms. Hannah McCaughey (Group Executive Transformation & Technology), Mr. Kevin Lester (Group Executive Infrastructure Development) and Ms. Vicki Barron (acting Group Executive People, Safety & Culture). Collectively, APA's executive team has extensive experience in their respective areas and a proven record of achievement.

APA has a skilled and experienced workforce of more than 1,900 employees that performs the majority of commercial, engineering and operational functions for its assets and the assets it operates for its co-investors and others. APA's workforce helps optimise operating costs over an asset's life cycle, maximise revenue generation per asset and reduce payments to third parties to manage and maintain assets.

[8] IEA, World Energy Outlook 2020, Flagship Report, October 2020.

Strategy

As the largest gas infrastructure owner in Australia, APA believes that it is well-positioned to benefit from expected continued growth in Australian energy needs and use of energy infrastructure by executing the following business strategy.

- *Expand its integrated energy network and enhance its offer to meet the evolving needs of its customers.* APA intends to continue to expand and enhance its interconnected infrastructure grid and to continue to increase its ability to flow gas throughout its network from multiple gas production facilities to where its customers need it most. APA also intends to enhance its multi-asset and multi-service customer offerings across the network for its customers through the provision of additional flexibility and enhanced services. Former point to point contracts for some of APA's largest customers can now be combined into multi-asset and multi-service contracts providing additional flexibility and value to such customers. For example, in November 2020, APA announced an investment of up to A$460 million to construct the NGI, a new 580 km, 12 inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected Gas Grid in Western Australia. The NGI is expected to be operational around mid-CY2022.

- *Capture operational efficiencies from its significant asset base*. APA is continuing to actively pursue group-wide initiatives to ensure best-in-class systems and practices are utilised. APA seeks asset development opportunities that leverage existing assets and utilise the depth of its comprehensive asset management and operational skills. The creation of the East Coast Grid and continued system enhancements have allowed for greater flow and the ability to deliver gas where it is needed most. The establishment of the IOC in 2016 allowed APA to oversee its pipeline grid and manage volatility caused by events such as weather, maintenance, and planned and unplanned customer events. APA's refreshed operating model (rolled out in February 2020) further supports its commitment to continuous improvement of its capabilities and focuses on the successful delivery of six strategic imperatives, including People & Culture, Operational Excellence, Customer Centric, Financial Strength, Growth & Innovation and Stakeholder Relationships. Under the new operating model, the Operations division now oversees the operation of all of APA's assets and investments, regardless of asset type. APA believes it can continue to deliver growth from its existing assets and leverage off the expected increased gas demand requirements of its customers.

- *Actively manage relationships with its major customers to maximise opportunities*. APA's largest customers represent an important part of its current revenue stream and are key players in the future development of the Australian gas market. APA has a national account team structure, with sales teams responsible for customer portfolios. This structure is designed to provide strong customer focus, single accountability and a "whole of customer view". In addition, APA has a national contracts management function for day-to-day management of all existing contracts. It aims to ensure a seamless sales and service experience for its customers. Additionally, the evolution of APA's customer IT platform, APA Grid, has given its customers access to a single platform to interact with APA across Australia. It allows APA's customers to enter nominations and view reports and maintenance schedules for all transmission assets on one site. The APA Grid, coupled with the IOC, allows APA to provide improved services to its customers. In August 2019, APA also externally launched its Customer Promise initiative throughout Australia. APA has made the commitment to all customers that it will listen to understand; enable its people to respond; and do what it says it will do. These commitments were developed in consultation and collaboration with its customers. The Customer Promise is supported by the Red Dot Program, which comprises specific initiatives aimed at improving APA's customers' experience and overall customer outcomes. See "*Description of APA — Customers*".

- *Optimise its asset portfolio.* APA continually reviews opportunities to undertake asset development and/or acquisitions consistent with its strategy to optimise its asset portfolio, including those in gas transmission and distribution and in renewable energy power generation (including wind farms and solar farms) and electricity transmission. APA regularly participates, and from time to time submits offers (both non-binding indicative offers and binding offers), in competitive bidding processes for businesses and assets consistent with the strategy. There is no assurance that any bids, if made, will be successful, as both the outcome and the timing of such bids are uncertain and are generally outside of APA's control. Specifically, APA notes that it may lodge a binding bid for a company with an asset portfolio outside of its core gas transmission and distribution business (but within APA's stated strategy), involving a company that will help APA achieve net zero carbon emissions by 2050 with 2020 revenues of less than 10% of APA's 2020 revenue and assets of less than 15% of APA's assets at 31 December 2020. If APA was to be successful in that bid, the expectation is that it may enter into a binding agreement, prior to settlement of the Notes for the purposes of completing the acquisition and APA would expect to make an announcement to the ASX where the outcome could potentially be viewed as material to its overall business. APA does not intend to undertake any acquisitions that would negatively impact the BBB/Baa2 credit ratings currently assigned to its senior debt by S&P and Moody's. The rating agencies may change their view of APA's business risk profile, increasing credit metric threshold levels for APA's target credit rating. In any event, APA would structure the funding of any acquisition with a capital structure that maintained its BBB/Baa2 credit ratings. While APA does not expect any ratings downgrade in respect of any potential acquisitions in which it engages, no assurances can be made in this regard. See "*Risk factors—Operational and Legal Risks—APA's long-term growth is dependent on the successful execution of acquisitions, new developments and pipeline capacity expansions*" for a discussion of the risks associated with undertaking acquisitions.

- *Maintain a strong, investment grade balance sheet*. APA has historically maintained a relatively stable FFO to Net Debt Ratio, FFO to Interest Ratio, Gearing Ratio and Interest Coverage Ratio. APA aims to manage its balance sheet and intends to maintain its unsecured senior investment grade credit ratings at BBB rating by S&P and Baa2 rating by Moody's to help ensure that it has access to a broad range of global debt capital markets to fund its business.

- *Ambition to achieve Net Zero Operational Emissions by CY2050*. APA supports the global transition to a lower carbon future, aligned with the goals of the Paris Agreement on climate change. It understands the challenges and opportunities that climate change creates for its business and for the long term prosperity of global economies and communities. Building on its track record of action, APA will continue to progress its climate change work; advance its public advocacy for greater action; and enhance its climate-related disclosures. In CY2020, APA published a Climate Change Position Statement and joined the Australian Industry Energy Transitions Initiative. APA also delivered its first Climate Change Resilience Report (October 2020) which communicates the results of a comprehensive analysis of the resilience of its current portfolio of assets under three divergent climate scenarios to 2050. Importantly, the results of the analysis support APA's view that its current portfolio of assets remains robust under each of the modelled scenarios, including under a pathway which limits climate change to 1.5 degrees Celsius.

- *Refreshed operating model that enables the pursuit of innovation, scalability and agility to manage the changing nature of the energy landscape*. During FY2020, APA undertook a review of its operating model, which included reviewing (i) its capability, structures and processes to achieve operational excellence in management of all its assets; (ii) its ability to navigate industry disruption and evolution by adopting new technology and new energy solutions; (iii) its ability to address stakeholder needs, in particular its customers and communities where it operates; (iv) its ability to lead in responsible energy

solutions for the benefit of society and the environment, its customers, investors and employees; and (v) APA's ability to make it an effective organisation and a great place to work where accountabilities are clear, collaboration across teams is easy and its people feel empowered to make decisions for the benefit of all its stakeholders. As a result of its review, the Board endorsed APA's refreshed purpose, vision and operating model.

APA's refreshed operating model (rolled out in February 2020) supports its commitment to continuous improvement of its capabilities and focuses on the successful delivery of six strategic imperatives to pursue its vision to be a world class leader in energy solutions and to support its purpose of strengthening communities through responsible energy. APA's six strategic imperatives include:

- People & Culture. APA values the potential, capability and wellbeing of all its people. It plans to grow and develop their skills and expertise to enable them to meet the needs of APA's customers. APA also plans to hold itself to high ethical standards ensuring integrity and credibility.
- Operational Excellence. Optimising asset management and efficiency to enable APA to achieve holistic and world class operational excellence, safety and environmental performance.
- Customer Centric. APA's customers are at the centre of everything it does. It plans to listen to its customers and work with them in pursuing new opportunities, adding value and delivering their energy needs responsibly.
- Financial Strength. APA plans to continue to evaluate growth opportunities and cost efficiencies within its risk appetite, while maintaining a strong balance sheet with access to global debt and equity capital markets based on minimum investment grade credit ratings of Baa2 (Moody's) and BBB (S&P).
- Growth & Innovation. APA plans to continue to grow its energy infrastructure portfolio to meet its customers' needs — exploring and investing in new and emerging technologies where appropriate. It plans to actively pursue acquisitions that add value to its business.
- Stakeholder Relationships. APA plans to engage constructively with regulators, governments and other stakeholders to help shape policy that facilitates responsible delivery of energy for the benefits of all. APA plans to ensure the communities, in which it operates and impacts, benefit from what it does.

- *Invest in new energy technologies through APA Pathfinder, leveraging APA's infrastructure capabilities.* APA has established the APA Pathfinder, an innovation investment programme to unlock energy solutions of the future. APA Pathfinder is designed to help guide APA's business to become a world class energy provider with an innovation investment programme dedicated to identifying opportunities in new and adjacent technologies. APA Pathfinder is part of APA's refreshed strategy, operating model and ambition to achieve Net Zero emissions by 2050. The programme is designed to identify opportunities to extend APA's core business as its customers decarbonise in an evolving energy market. APA Pathfinder will focus primarily on scalable and replicable innovative energy infrastructure or similar projects relating to new technology and customer partnerships. This will help ensure that APA is ready to deliver on the energy solutions for its customers well into the future.

  One of the projects that will seed this programme includes the Parmelia Gas Pipeline hydrogen transformation project. Under this project, it is proposed that a section of the Parmelia Gas Pipeline will be transformed into Australia's first 100% hydrogen-ready transmission pipeline – making it one of a few hydrogen-ready transmission pipelines in the world. Ultimately, APA believes that the transition to a low carbon world would be more affordable if existing infrastructure can be utilised in combination

with greater electrification. Initially, the APA Pathfinder programme will focus on clean molecules, off-grid renewables and storage, with an ability to pivot as technologies evolve.

- *North American Strategy*. APA continues to explore potential offshore growth opportunities in its core sector of gas distribution and transmission, focusing on North America. APA believes that these types of operations are at the lower end of the risk spectrum and are consistent with the risk profile of its existing business in Australia. APA has established an office in Houston, Texas in the United States, with a team of three full-time employees, led by its President, North American Development, Ross Gersbach, who relocated from Australia to Houston at the end of CY2019. APA's corporate office in Sydney provides support to the Houston team.

  APA remains focused on North American opportunities for two key reasons – the abundance of low-priced natural gas, and the continued growth in natural gas demand in that market. Low-cost natural gas has resulted in significant new demand for power generation to replace coal, growing industrial demand and natural gas for LNG export markets in the United States. APA is of the view that the depth of the U.S. gas infrastructure market and strong growth-oriented fundamentals means that there should be attractive natural gas infrastructure opportunities for APA to pursue in the United States.

  APA continues to see opportunities to acquire attractive businesses in both the listed and unlisted space. Through its recent assessment of opportunities, APA has found that a large proportion of gas infrastructure assets are contained within diversified energy infrastructure businesses, many of which are integrated across gas and electricity transmission and storage.

  Factors such as COVID-19 and the lead-up to the U.S. federal election have resulted in a number of opportunities being put on hold during CY2020, but APA expects CY2021 to be a more active period as conditions are expected to stabilise. Importantly, while it remains attracted to the opportunities in North America, APA continues to take a disciplined approach to ensure investment outcomes are consistent with its purpose and strategy and deliver value for its securityholders.

APA's experience to date has revealed a preference for the following asset characteristics when exploring growth opportunities in North America:

1	Commercial environment.....	• Regulated and/or contracted businesses • Supportive regulatory environment • Geographic advantages and availability of follow on transactions
2	Operational alignment.....	• Existing operational expertise that fits with current APA businesses
3	Organisational structure	• Transparent and quantifiable performance record and/or existing infrastructure management team with proven track record
4	Credit	• Supportive of credit rating targets based on S&P/Moody's criteria • Limited counterparts risk
5	Financial returns.....	• Acceptable internal rate of return • Operating cash flow accretive in first full year of ownership
6	Investment size	• Appropriate size for initial investment

- Meaningful but not "betting" APA

7 Environmental impacts ..... • Compatible with long term energy transition objectives

APA's Businesses

APA's Energy Infrastructure, Asset Management and Energy Investment businesses are described below.

Energy Infrastructure

APA's Energy Infrastructure portfolio comprises a mixture of pipelines and other assets, including gas transmission, gas compression, gas processing and storage assets, renewable energy power generation and gas-fired power generation, that provide access to new and existing market opportunities throughout Australia. APA's pipelines have access to growth sectors of the Australian natural gas market, such as gas-fired power generation and LNG export. APA has a presence in each mainland state and territory and has easement rights over the property that its pipelines traverse. Many of its assets, in particular those comprising its East Coast Grid, can operate as interconnected infrastructure or point-to-point assets, with major pipelines having the ability to flow gas bi-directionally. APA manages and operates all of its gas transmission and distribution assets. In addition to its gas transmission and distribution assets, APA owns the Emu Downs Wind and Solar Farm, Badgingarra Wind and Solar Farm and the Gruyere Hybrid Energy Microgrid which is described in more detail below under "*—Western Australia*". APA also owns the Diamantina and Leichhardt Power Stations, gas-fired electricity generators that provide electricity to Glencore Xstrata and Ergon Energy, which is described in more detail below under *"— Queensland — Carpentaria Gas Pipeline and Diamantina and Leichhardt Power Stations*". APA also owns the Orbost Gas Processing Plant, which is described in more detail below under *"— Victoria and South Australia — Orbost Gas Processing Plant (under commissioning)*".

The majority of revenues in the Energy Infrastructure segment derive from either regulatory arrangements or long term "take-or-pay" capacity-based contracts. Contracts generally have the majority of the revenue fixed over the term of the relevant contract. APA strives to continually enhance the service offerings available to customers to better address their increasingly complex and dynamic gas portfolio needs. APA has made significant investment in its Energy Infrastructure segment in the last decade to support customers' needs. The IOC is one of those customer focused initiatives that APA has invested in to deliver seamless and reliable services for the benefit of the Australian energy market.

Growth Projects

For the period FY2018 to HY2021, APA spent over A$1.6 billion (approximately A$740 million, A$460 million, A$280 million and A$154 million for FY2018, FY2019, FY2020 and HY2021, respectively) on committed growth projects in the areas of pipeline extensions and expansions, renewables and mid-stream assets, which included the Darling Downs Solar Farm (QLD), Badgingarra Wind Farm (WA), Badgingarra Solar Farm (WA), Emu Downs Solar Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA), Reedy Creek Wallumbilla Pipeline (QLD) and Orbost Gas Processing Plant. EBITDA (excluding significant item) from these specific growth projects was A$33.0 million, A$54.3 million and A$39.5 million in HY2021, FY2020 and FY2019, respectively. APA has undertaken or continued work on the following major projects:

- NGI (WA): In November 2020, APA announced an investment of up to A$460 million to construct the NGI, a new 580-km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected Gas Grid in Western Australia. The NGI will, upon completion, connect to APA's Goldfields Gas Pipeline, which in turn connects to its Eastern Goldfields network, creating an interconnected APA gas pipeline system covering 2,690 km from north

to south and west to east across Western Australia. The NGI is expected to be operational around mid-CY2022.

- Orbost Gas Processing Plant (VIC): APA acquired the moth-balled processing plant in FY2018. Extensive refurbishment work was carried out on the plant during FY2019 to enable the processing of up 68 TJ/day of gas from Cooper Energy's Sole gas field. Delays arising during the construction upgrade as well as from the bushfire threat and resulting poor air quality, resulted in a later than anticipated start to the commencement of commissioning of the Orbost Gas Processing Plant in March 2020. The plant has since then supplied 3.5PJ of gas into the market and has completed a stability test to a level of 45 TJ/d. However, practical completion is yet to be achieved due to foaming in the SRU that is constraining the full stable processing capacity below 68 TJ/d. Under a multi-year gas processing agreement with Cooper Energy, the plant processes gas from the offshore Sole gas field. As a result of the delays, APA entered into a transition agreement with Cooper Energy in August 2020, which APA believes provides a pathway to practical completion of the Orbost Gas Processing Plant, including sharing of revenue and costs, including costs associated with the proposed Phase 2 works, by the end of the first quarter of CY2021. Operation of a single absorber allowed production of 22.5 TJ/d and commencement of the gas sales agreements of one term customer from 1 December 2020. Since 29 December 2020, parallel absorber operations commenced, with production planned to increase 45 TJ/d. The remaining Cooper term customer gas sales agreements commenced on 1 January 2021. Further shutdowns will likely be required on a regular basis during CY2021 to further improve plant operability and throughput. APA expects that further capital works will be required to increase sustainable and reliable rates above 45 TJ/day. See *"— East Coast Grid: Queensland, New South Wales, Victoria, South Australia and the ACT — Victoria and South Australia — Orbost Gas Processing Plant (under commissioning)*".

- Crib Point Pakenham Pipeline project (VIC): Since June 2018, APA has had in place a development agreement and associated GTA with AGL Energy for the development and construction of a ~55-km transmission pipeline connecting AGL's proposed LNG import terminal facilities to APA's Victorian Transmission System and the east coast domestic gas market. AGL and APA have jointly prepared and submitted an EES for the project which was on public display from July to August 2020. The Inquiry and Advisory Committee appointed by the Victorian Minister for Planning held public hearings on the EES from 12 October to 17 December 2020. APA continued engagement with stakeholders and continued to execute option agreements with affected landowners for a pipeline easement during the period.

- Moomba Sydney Pipeline southern haul reliability and capacity expansion (NSW/VIC): As part of its debottlenecking work, APA increased operating pressures on sections of the Moomba Sydney Pipeline, made compressor and engine overhauls and improved critical control systems at Bulla Park, Young and Culcairn achieved during FY2020 to provide greater reliability and additional capacity of up to 25 TJ/day.

- East Coast Grid Expansion: FEED: APA has commenced work on the expansion of the East Coast Grid. The staged incremental expansion for the SWQP and the MSP will result in an increase in capacity of approximately 50% or >200 TJ/d to 615 TJ/d on the SWQP and 686 TJ/d on the MSP. The expansion is aimed to allow APA to respond quickly and efficiently to the forecast CY2023/CY2024 shortfall of gas supply on the East Coast of Australia.

- Thomson Power Station (QLD): Construction of the 18 MW reciprocating engine power station was completed during HY2021, with commissioning completed on 1 March 2021. The new power station will supplement generation from APA's Diamantina/Leichhardt Power Stations for the Mount Isa region.

A further expansion to 25MW was approved in the period, with that expansion expected to be complete in the fourth quarter of FY2021.

- Beyondie Sulphate of Potash project (WA): APA completed and commissioned a new metering station for Kalium Lakes Limited mine site during HY2021. The metering station will supply gas from the Goldfields Gas Pipeline to the customer's mine site.

- Lake Way Gas Pipeline (WA): Engineering and procurement for a 26-km greenfields lateral off the Goldfields Gas Pipeline to the Salt Lake Potash mine commenced in the second half of FY2020. The project is expected to be complete in the first quarter of CY2021.

- Karlawinda Gas Lateral (WA): APA is constructing a new 56-km lateral off the northern section of the Goldfields Gas Pipeline to its customer Capricorn Metals' proposed Karlawinda mine. Gas will be transported approximately 500 km along the Goldfields Gas Pipeline then along the new Karlawinda Gas Pipeline. Approvals and design for the lateral are complete, coated pipe has been procured and delivered to site and fabrication of facilities and pipeline construction both commenced in the second quarter of FY2021. The lateral is scheduled to be operational in in the first quarter of CY2021.

- Murrin lateral looping project (WA): The Murrin Lateral has been expanded via a 13.5-km pipeline loop constructed and commissioned during HY2021. Construction was completed in the second quarter of FY2021 and the pipeline was commissioned in December 2020.

- WORM (VIC): The WORM will help increase reliability of supply to Melbourne by increasing both western and eastern gas flows. This new connection is critical in filling gas storage requirements and supporting peak day demand in Melbourne. Additional line pack in close proximity to Melbourne will support gas-fired power generation, all of which helps reduce risk of supply interruption to a major capital city. The Victorian Department of Environment, Land, Water and Planning advised on 23 December 2019 that the project will require an EES. Engineering and approvals work including landholder liaison surveys and studies required for the EES commenced during FY2020. Project completion is not expected before the third quarter of CY2022. Growth capital expenditure is fully underwritten through long term contractual arrangements or has regulatory approval through a relevant access arrangement.

- Yamarna Gas Pipeline and Gruyere Power Station (WA): Underwriting these two projects are a 15-year gas transportation agreement and a 15-year electricity supply agreement for the Gruyere Gold Project, a 50:50 joint venture between ASX-listed Gold Road Resources Ltd and the global miner Gold Fields Limited. The 198-km pipeline was completed in FY2018 and commissioned in FY2019. Practical completion of the 45 MW power station occurred in late CY2018. APA's Gruyere Power Station has been fully operational and supplying power to its customer Gruyere Gold Mines since January 2019, helping the mine meet the significant milestone of "first gold pour" in the June 2019 quarter.

- Darling Downs Solar Farm (QLD): This 108.5 MW solar farm is underwritten by a 12-year contract with Origin Energy. APA assumed the principal contractor role in December 2018 following the collapse of the EPC contractor RCR Tomlinson in November 2018. APA was able to complete construction of the solar farm within budget and commence operations without loss of budgeted revenue. Commercial operations commenced in January 2019.

- Badgingarra Wind and Solar Farms (WA): Both projects are underpinned by a 17-year agreement with Alinta Energy. The 130 MW wind farm was commissioned and commenced commercial operations in January 2019. Construction of the 19.3 MW solar farm was completed and commenced commercial operation in September 2019.

- Western Slopes Pipeline (NSW): A development agreement and associated GTA is in place between APA and a subsidiary of Santos Limited. APA is to build, own and operate the proposed ~460km Western Slopes Pipeline in northern NSW. The pipeline is to connect the Santos Narrabri Gas Project to APA's Moomba Sydney Pipeline and subsequently the east coast domestic gas market. The Santos Narrabri Gas Project received approval from the Independent Planning Commission and approval under the EPBC Act during HY2021. APA completed a route selection process and other required studies to inform an environmental impact statement (**EIS**) for the Western Slopes Pipeline and will progress the submission of the EIS conditional on Santos confirming they wish to proceed with the WSP.

- Dandenong Power Station Project (VIC): In December 2019, the government announced that APA's proposed 220MW gas-fired power generation project had been selected as one of two shortlisted UNGI projects to progress to agreement of key terms under the programme. APA continues to negotiate key terms with the government under the UNGI programme and engage in continued discussion with prospective customers to underwrite the project.

- Emperor Energy (VIC): APA entered into a non-binding memorandum of understanding (**MOU**) with Emperor Energy Limited in October 2019 and proceeded, in May 2020, to enter into a binding agreement to progress with the pre-Front End Engineering Design (**Pre-FEED**) for the provision of midstream infrastructure and services related to gas potentially produced from the Judith Gas Field in the offshore Gippsland Basin, Victoria. The Pre-FEED study was completed in December 2020 and the project awaits Emperor Energy Limited's further progression. Should the project proceed, APA's involvement includes building, owning, operating and maintaining a new 90 TJ/d gas processing train; 40-km sub-sea pipeline; and 12-km pipeline from the gas processing train to the market.

- Comet Ridge & Vintage Energy (QLD): During FY2019, APA entered into a MOU with Comet Ridge Limited and Vintage Energy Limited to investigate a potential pipeline route to connect Queensland's Galilee Basin to gas markets. The proposed 240-km Galilee Moranbah Pipeline and associated infrastructure would be built, owned and operated by APA, connecting gas sources in the Galilee Basin to Moranbah in Central Queensland. Moranbah is the gas processing and distribution hub for northern Bowen Basin gas resources. During FY2020, APA completed various studies, assessments, field surveys and stakeholder engagement under the Survey Licence granted in July 2019.

- Blue Energy (QLD): A MOU remains in place to investigate pipeline route options in both the Bowen and Galilee Basins. APA continues to engage with all resource holders in the Bowen Basin to progress the efficient development for delivery to the East Coast Gas Grid. It continues to explore the development of a pipeline to connect the Bowen Basin to the east coast gas grid. Discussions are ongoing with Arrow Energy Limited, Blue Energy Limited and Tri-Star Group. APA has also engaged with the Queensland Government who are preparing the scope for a $5 million study on the development of the Bowen Basin and pipeline.

- Technology Metals Australia (WA): APA entered into a non-binding MOU with Technology Metals Australia Limited for the provision of gas transportation services along a proposed ~152km new pipeline to supply gas to the Gabanintha Vanadium Project. The proposed pipeline would allow Technology Metals Australia Limited the opportunity to source gas from the closer emerging Perth Basin gas fields.

- Western Gas, Transcontinental Pipeline: In October 2020, APA entered into a memorandum of understanding with Western Gas to undertake a joint development and marketing study to supply Equus gas to east coast gas markets via a transcontinental pipeline.

Transformation and Technology – APA Pathfinder

APA launched the APA Pathfinder, an innovation investment programme to unlock energy solutions of the future in February 2021. APA Pathfinder is designed to guide APA's business to become a world class energy provider with an innovation investment programme dedicated to unlocking opportunities in new and adjacent technologies. APA Pathfinder is part of APA's refreshed operating model and its ambition to achieve Net Zero emissions by 2050. The programme is designed to identify opportunities to extend APA's core business as its customers decarbonise in an evolving energy market. APA Pathfinder will focus primarily on scalable and replicable innovative energy infrastructure or similar projects relating to new technology and customer partnerships.

An update on projects and developments by geographic region is as follows:

East Coast Grid: Queensland, New South Wales, Victoria, South Australia and the ACT

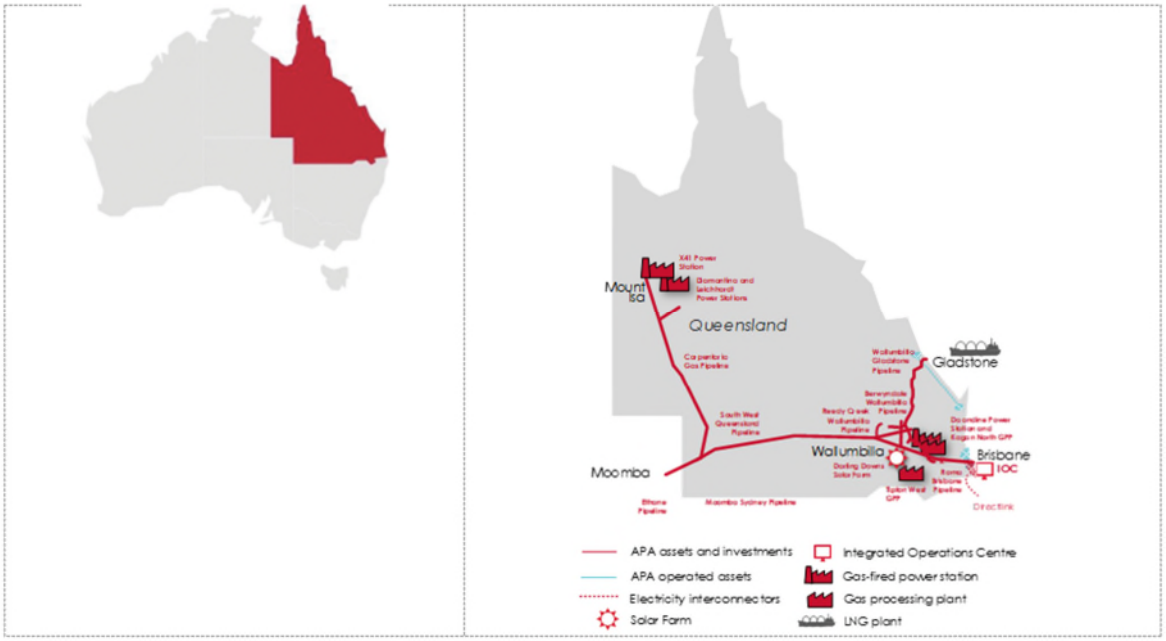
APA currently has over 7,600 km of integrated pipeline grid on the east coast of Australia, with the ability to transport gas seamlessly from multiple gas production facilities to gas users across Queensland, New South Wales, Victoria, South Australia and the ACT.

Customers using the grid have flexibility in relation to receipt and delivery points, with the potential to move between about 40 receipt points and approximately 98 delivery points across Eastern Australia. APA has developed the commercial and operational framework to deliver this flexibility and other related services, such as multi-pipeline services, bi-directional transportation and integrated gas storage and transportation facilities. Bi-directional and multi-asset services across its interconnected East Coast Grid enable APA to be a "one-stop" shop for many energy producers and users.

Queensland

APA currently wholly owns the following gas transmission pipelines and power stations and renewable power generation assets in Queensland:

- WGP;
- RCWP;
- CGP and Diamantina and Leichhardt Power Stations;
- RBP;
- SWQP;
- Berwyndale Wallumbilla Pipeline; and
- DDSF.



APA manages the six Queensland pipelines as part of its integrated business, and it operates and maintains GDI and AGN, the latter of which APA divested its remaining 33.05% ownership interest in FY2015.

Wallumbilla Gladstone Pipeline

The WGP transports natural gas from various coal seam natural gas fields in the Surat Basin to the Queensland Curtis Island LNG Plant, where the natural gas is converted to liquid natural gas for export. In total, the WGP is 556 km in length. The capacity of WGP supports a total peak maximum daily quantity of 1,510 TJ/day under the various gas transportation agreements. The major customers for the WGP are China National Offshore Oil Corporation and Royal Dutch Shell plc. The primary revenues received from services provided by the WGP are denominated in U.S. dollars, and the primary fee components are 100% indexed against the United States consumer price index. The payments APA receives for services provided by the WGP are not linked to the price of oil or LNG.

As part of its acquisition of the WGP in FY2015, APA acquired five separate gas transportation agreements (**GTAs**) between APA and shippers of gas.

Three of the five GTAs which provide for the receipt and transportation of gas through the WGP are for the delivery of gas to the Queensland Curtis LNG Plant (the **LNG Shipper GTAs**). These LNG Shipper GTAs are the primary transportation contracts related to the WGP and contain almost identical terms. Each of the LNG Shipper GTAs has an initial term of 20 years with two 10-year extensions at the option of the shippers, plus periods of up to two years after each of the initial term and each extension period intended for the shipper to utilise, in order to align the GTA term with its upstream arrangements. The first LNG Shipper GTA is with a subsidiary of China National Offshore Oil Corporation for a maximum daily quantity (**MDQ**) of 377.5 TJ. The remaining LNG Shipper GTAs are with subsidiaries of the BG Group (now owned by Royal Dutch Shell plc) for a total MDQ of 1,132.5 TJ. CNOOC does not guarantee the obligations of its subsidiary (which is unrated), but in the event the LNG Shipper GTA with that subsidiary is terminated due to that subsidiary's default and such subsidiary does not pay the required termination payment due on termination of the LNG Shipper GTA, Royal Dutch Shell plc will be required to assume responsibility for the tariffs that would have been payable under such LNG Shipper GTA.

All of the material revenue from the GTAs comes from the LNG Shipper GTAs. Under the LNG Shipper GTAs, each shipper pays APA a fee for the right to transport and deliver the MDQ of gas through the pipeline. That fee is payable regardless of whether a shipper transports any volume of gas and is structured to return APA a fixed rate of return relative to the capital expended to build the Wallumbilla Gladstone Pipeline. In addition, the LNG Shipper GTAs also include certain recovery charges in respect of capital expended in relation to certain further works on the pipeline, which are payable irrespective of volume transported. Certain fixed and variable operating costs incurred under the LNG Shipper GTAs are also passed through to the shippers. With respect to future capital expenditure on the pipeline, the LNG Shipper GTAs provide for APA to earn a return in respect of capital incurred on a mandatory basis or to sustain operation of the pipeline, consistent with industry practice, through an increase in the fee payable by the shippers. If the term of an LNG Shipper GTA is extended, the terms provide for APA to earn a return on the capital expended to extend the pipeline's asset life. The fees payable by the shipper over the extension period would be structured to allow APA to earn a return based on the capital expended to facilitate the asset life extension. The primary revenues received under the LNG Shipper GTAs are denominated in U.S. dollars, and the primary fee components are 100% indexed against the United States consumer price index. The payments due under the LNG Shipper GTAs are not linked to the price of oil or LNG.

The GTAs also include one GTA for the receipt, transportation and delivery of gas through any of the laterals that allow for domestic gas delivery (the **Domestic Gas GTA**). The shipper is a subsidiary of BG Group (now owned by Royal Dutch Shell plc), and the MDQ is 210 TJ. The terms of the Domestic Gas GTA are similar to corresponding provisions of the LNG Shipper GTAs. The key difference is the Domestic Gas GTA does not include any provision for recovery of capital costs or fixed operating costs (though reasonable variable operating costs are still passed to the shipper). The payment obligations of the Domestic Gas GTA are guaranteed by BG Energy Holdings Ltd.

The fifth GTA is an agreement that allows a subsidiary of BG Group (now owned by Royal Dutch Shell plc) to store gas in the WGP where operationally available. Payment to APA for provision of this service is nominal. This GTA does not provide for recovery of capital or operating costs.

The WGP was granted a 15-year exemption from coverage under the NGL, which ensures that the pipeline will not be subject to regulation by the AER until at least 2030. See "*Regulatory Environment*" for more details.

There is potential to further increase APA's revenue through expansions of the WGP and the provision of services to additional shippers.

Reedy Creek Wallumbilla Pipeline

The RCWP, commissioned in May 2018, is a gas transmission pipeline between APA's Wallumbilla Hub and the Australia Pacific LNG Pipeline at Reedy Creek. The RCWP expanded APA's East Coast Grid by a further 49 km and provides a key link to the Wallumbilla Gas Hub for one of the three major LNG projects operating out of Gladstone. As part of the project, APA also constructed the associated connections to compression facilities. APA has entered into a 20-year contract with Australia Pacific LNG Marketing Pty Limited to provide a bi-directional service of up to 300 TJ/d on the new pipeline.

The RCWP is subject to Part 23 of NGR.

Carpentaria Gas Pipeline and Diamantina and Leichhardt Power Stations

The CGP comprises an 840-km pipeline from Ballera to Mt. Isa, the 98-km Cannington lateral, the 6-km Mt. Isa lateral, two compressor stations, and the Mica Creek metering facility. The CGP was commissioned in 1998 to transport gas from Ballera in south-west Queensland to customers in Mt. Isa and the surrounding Carpentaria mineral province (copper, gold, phosphate, lead, silver and zinc).

Contracts are in place with expiration dates out to 2028 and APA expects these contracts to be renewed in the ordinary course prior to expiration. Contracts are capacity based (take-or-pay) with some throughput charges. The major shippers include AGL, PWC, the South 32 mine at Cannington (through the Cannington lateral) and the Santos. Gas transported through the CGP is sourced from a number of eastern and southern gas reserves, connected by the East Coast Grid and the NT, through the Northern Gas Pipeline. Australia's east coast combined proved and probable reserves are approximately 35,000 PJ according to EnergyQuest.

The CGP is a light regulation asset. For existing contracts, the rates are specified by contract. For new contracts, rates will be set by negotiation or, in the event of a dispute, by the AER as arbitrator.

In FY2016, APA increased its ownership of the Diamantina Power Station, a 242 MW combined-cycle gas-fired power station at Mount Isa, and the Leichhardt Power Station, an adjacent 60 MW combined cycle gas-fired power station, to 100%. The Diamantina and Leichhardt Power Stations are underwritten by contracts through 2031 with Mount Isa Mines Limited, a wholly owned subsidiary of Glencore Xstrata, and Ergon Energy Queensland, Queensland's state-owned regional electricity supplier. Under the arrangements, AGL Energy has contracted transportation capacity through APA's CGP through to December 2023 and will be delivering gas to the Diamantina and Leichhardt Power Stations through APA's CGP. Both contracts commenced in 2014.

Roma Brisbane Pipeline

The RBP is part of the bi-directional gas grid that transports gas from the regional gas hub at Wallumbilla near Roma. Gas is sourced at Wallumbilla and other sources mid-stream of the pipeline and transported in either an easterly or westerly direction depending on demand. The main gas pipeline, including Peat lateral, is a 583-km pipeline from Roma (Wallumbilla) to Brisbane that was commissioned in 1969 with significant expansion having been undertaken to cater for increased demand since the early 1980s. Capacity has been increased with the installation of compressor stations and almost the entire pipeline has been duplicated under six stages of looping totalling 406 km of pipeline.

Associated with the RBP is the 121-km Peat lateral, which was constructed in 2001 to transport gas from the Peat and Scotia gas fields to connect with the RBP at Arubial. The RBP physically connects with the Allgas Gas Network (at Oakey, Toowoomba and Brisbane), AGN (at Murarrie, Redbank, Riverview and Brightview) and the Kogan North Gas Plant (owned by EII), linking with the SWQP, which runs between Wallumbilla and Moomba, and the Queensland Gas Pipeline, which runs from Wallumbilla to Rockhampton (through Gladstone). Wallumbilla acts as a hub for a number of gas suppliers.

The major customers for the RBP are energy retailers and LNG proponents, including BG Group (now owned by Royal Dutch Shell plc), APLNG, Origin Energy and AGL Energy. Contracts are in place with expiration dates out to 2038. Contracts are capacity based (take-or-pay) with some throughput charges. Gas transported through the RBP is injected at Roma, Arubial and other receipt points for fields along the pipeline. The total eastern and southern gas reserves have combined proved and probable reserves of approximately 35,000 PJ according to EnergyQuest.

While the main gas users have historically been large industrial customers and retailers to domestic customers, usage by LNG proponents has become significant since the RBP become bi-directional. Additionally, more gas may be transported for end use by domestic customers as extension proposals are developed for the downstream distribution networks owned by GDI and AGN.

In November 2017, the AER published its final decision on the Roma Brisbane Access Arrangement which applied from 1 January 2018. APA's ongoing revenues that flow from longer term legacy contracts that are currently in place are unchanged by the determination. The next regulatory reset is expected in CY2022.

South West Queensland Pipeline

The SWQP provides a connection between gas producers in the Bowen/Surat Basin in southeastern Queensland and customers in Mount Isa (through its connection to the CGP) and South-Eastern Australia gas markets (through its connections to the Moomba to Adelaide Pipeline System and the MSP).

At Wallumbilla, the SWQP is configured to receive gas from a number of different gas fields in southeastern Queensland, including Berwyndale, Spring Gully, Darling Downs and Fairview, and to deliver that gas into pipelines to supply Gladstone and Brisbane or to flow that gas in a westerly direction to Ballera or Moomba.

In December 2012, APA announced that it would proceed with the development of expanded compression capacity and associated services at Wallumbilla. The expansion was underwritten by a 15-year revenue agreement with GLNG Operations Pty Ltd, with a further five-to10-year extension option. Construction was completed in December 2014.

The SWQP is not regulated. APA's long term contracts on the SWQP are in place with major Australian energy retailers and gas producers. A combination of east and west flow contracts are in place with expiration dates up to CY2034.

SWQP is able to receive conventional and unconventional gas from the eastern and southern gas sources. The total eastern and southern gas reserves have a combined proved and probable reserves of approximately 35,000 PJ according to EnergyQuest.

Berwyndale Wallumbilla Pipeline

In April 2010, APA acquired the 112-km Berwyndale Wallumbilla Pipeline (**BWP**), which runs from Berwyndale to Wallumbilla in the Surat Basin in Queensland, linking coal seam gas reserves in the Surat Basin with the Wallumbilla hub (including the RBP). The BWP was constructed in 2009 and is not regulated. APA converted this pipeline to bi-directional operation in July 2014. AGL Energy is BWP's largest customer. The BWP has a 17-year contract and two additional five-year options with AGL Energy that was executed in March 2010.

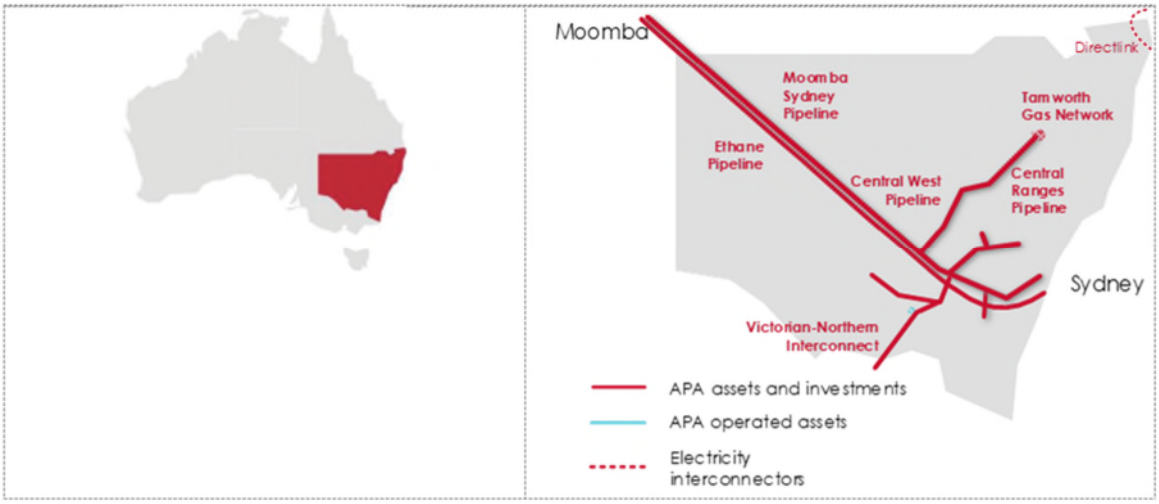
Darling Downs Solar Farm

DDSF, near Dalby in southwest Queensland, is a 108.5MW solar farm. APA completed its construction in late 2018 and in March 2019 full output was reached. DDSF is underpinned by an agreement with Origin Energy for the purchase of all of the energy and the Large-scale Renewable Generation Certificates generated by the solar farm until December 2030. The solar farm has approximately 430,000 fixed solar panels installed over an approximate 291 hectare site footprint, connecting to the existing Braemar Substation.

New South Wales

APA owns the following four pipelines in New South Wales:

- MSP;
- Ethane Pipeline;
- Central West Pipeline (**CWP**); and
- Central Ranges Pipeline and Central Ranges Network.



Each of APA's pipelines in New South Wales is owned, managed and operated by APA.

Moomba Sydney Pipeline

APA's 2,029-km MSP is a bi-directional pipeline system linking the Cooper Basin gas fields at Moomba, South Australia, with the distribution networks in Sydney, Newcastle and Wollongong. It forms an integral part of APA's over 7,600-km East Coast Grid. The mainline, which was commissioned in 1976, runs 1,300 km from Moomba to Wilton near Sydney, with a number of laterals branching off the mainline at Dalton to service Canberra and at Young to service both the regional centres in rural New South Wales and a New South Wales-Victorian Interconnect. The laterals were commissioned in 1981 and 1993 and the Interconnect was commissioned in 1998. Since the completion in 1998 of the Interconnect between Wagga Wagga, New South Wales, and the VTS, gas has also been transported bi-directionally between New South Wales and Victoria. Two of APA's other pipelines interconnect with the MSP at Marsden, the CWP and the CRP, each of which is described in more detail below.

According to DISER, New South Wales has Australia's largest quantity of installed electricity generating capacity. Given the dynamic and integrated Australian east coast gas market, the MSP now plays an integral role in connecting the northern and southern markets. MSP's major customers include AGL Energy, Origin Energy and EnergyAustralia.

Gas transported through the MSP is sourced from a number of basins on Australia's east coast, which are connected by the East Coast Grid. Depending on demand the pipeline may flow in either direction with gas sourced from the eastern and southern markets. At November 2020, the total eastern and southern gas reserves had a combined proved and probable reserves of approximately 35,000 PJ according to EnergyQuest.

The Eastern Gas Pipeline (**EGP**), which is owned by Jemena Group (State Grid and Singapore Power) and runs from Longford in Victoria to Sydney, provides an alternate means of gas transportation to Sydney and is the MSP's only primary competitor for gas transmission into Sydney. A key element in continuing to compete effectively with the EGP is the continued availability of adequate, competitively-priced gas supplies at the entry points to the MSP, being Moomba and Culcairn (where the Interconnect joins the VTS).

New service offerings available on the MSP as part of APA's East Coast Grid such as storage and bi-directional services, are expected to continue to provide the flexibility that customers require in the current dynamic east coast gas market. In addition, with the completion of the Moomba Sydney Interconnect project, the MSP is now connected to the VTS at Culcairn, which provides APA with further opportunities to take advantage of the connectivity of the East Coast Grid.

Ethane Pipeline

In June 2016, APA completed the acquisition of the Ethane Pipeline Income Fund, which owns the Moomba to Sydney Ethane Pipeline, after having obtained a controlling interest on 18 April 2016. The Moomba to Sydney Ethane Pipeline is a 1,375-km Ethane pipeline that, for much of its length, occupies the same easement as the MSP. The pipeline was constructed in 1996.

The Moomba to Sydney Ethane Pipeline supplies ethane to a petrochemical facility at Port Botany under a long term transportation agreement until 2030. However, the shipper may terminate with a six-month notice period. The pipeline is not regulated.

Central West Pipeline

The CWP is a 255 km long pipeline that was constructed in 1998 and runs from the MSP at Marsden, where it takes on gas, to Dubbo in western New South Wales for industrial, commercial and residential gas use. CWP's major customers are energy retailers, including Origin Energy, Alinta, AGL and EnergyAustralia.

The CWP is subject to light regulation.

Central Ranges Pipeline (CRP) and Central Ranges Network (CRN)

The Central Ranges Pipeline (**CRP**) is a 294-km pipeline that was constructed in 2006 and runs from Dubbo in western New South Wales to Tamworth in the Central Ranges region in New South Wales. The Central Ranges Network (**CRN**) is a 180-km gas distribution network in Tamworth constructed in 2006. APA acquired the CRP and the CRN in 2008.

The CRP and the CRN serve industrial, commercial and residential gas users. The CRP and the CRN's major customer is Origin Energy. Gas is supplied through the MSP and the CWP.

The CRP and the CRN ceased to be price regulated by the AER from 1 July 2019.

Victoria and South Australia

APA owns and operates the VTS and the associated Dandenong LNG Storage Facility located in Dandenong, Victoria. APA also owns and manages metering services in Victoria. In South Australia, it owns and operates the South-East South Australia Pipeline.

Victorian Transmission System

In 2006, APA acquired the VTS, which was built beginning in the late 1960s and comprises 1,992 km of high-pressure gas transmission pipelines in Victoria excluding looping. The VTS services a market of approximately

2.1 million retail and small business customers[9] and approximately 85% of all the natural gas consumed in Victoria was transported through the VTS in CY2019.[10] From CY2015 to CY2019, the VTS had an average annual throughput of approximately 200 PJ with a total volume throughput of 197 PJ in CY2019.[11]

The VTS is a market carriage system operated by the AEMO. Under this market carriage model, as the pipeline owner, APA makes the system available to the AEMO, as independent system/market operator, who allocates pipeline capacity through a pool approach. Customers do not reserve physical capacity. Rather, they obtain from the wholesale gas market a financially firm right to transport gas through the pipeline. VTS customers are energy retailers, large industrial users and electricity generation companies, including EnergyAustralia, AGL Energy and Origin Energy. The VTS's primary function is to transport gas from the Longford gas treatment plant in southeast Victoria (which processes gas from the offshore Bass Strait gas fields), the Otway Basin gas fields and underground storage in southwest Victoria.

The VTS is price regulated by the AER and the next regulatory reset will be in January 2023. Future extensions to the VTS (unless the AER agrees otherwise) will be price regulated, with the capital included in the regulated asset base if the regulator accepts that the capital expenditure was prudent and efficient.

In November 2017, the AER published its final decision on the access arrangement applying to the VTS. The AER approved APA's proposed expansions of the system to enable gas flows between Victoria and New South Wales, as well as the need for further future expansions of the Victorian system, as prudent expenditure. As such, these expenditures were taken into account in the AER's determination of the tariffs that can be charged for use of the VTS.

Dandenong LNG Storage Facility

The Dandenong LNG Storage Facility provides peak shaving (vaporisation of LNG to meet short sharp increases in gas demand) and security of supply services for the VTS (injection of gas into the system on demand) and wholesale trade in LNG used as fuel for transport vehicles. This storage facility is not price regulated, with prices currently being set through a competitive process. This facility was constructed in 1980.

Victorian Metering Business

APA owns and operates a metering business, comprising approximately 150 meter stations, servicing distribution networks, gas-fired power generators and major industrial users. Customers are supplied through the VTS and pay a negotiated fee for supply and ongoing operation. Growth in this business reflects growth in the VTS, with new meters required to cater to the expansion of the system to meet market demands. The metering business is not price regulated.

South-East South Australia Pipeline

APA owns the South-East South Australia Pipeline (**SESA Pipeline**). Gas enters the 45-km SESA Pipeline through the SEA Gas Pipeline. The SESA Pipeline was commissioned in 2005 and supplies natural gas to the AGN-owned south-east pipeline network around Mt. Gambier, Penola and Millicent in South Australia. The SESA Pipeline is not price regulated.

Orbost Gas Processing Plant (under commissioning)

The Orbost Gas Processing Plant was acquired by APA in FY2018 and is expected to process raw natural gas from Cooper Energy's offshore Sole gas field under a multi-year gas processing agreement towards the end of the first quarter of CY2021. Since 23 August 2020, APA and Cooper Energy have been working together under

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[9] AEMC Retail Energy Competition Review 2019.

[10] Victorian Gas Planning Report Update, March 2020.

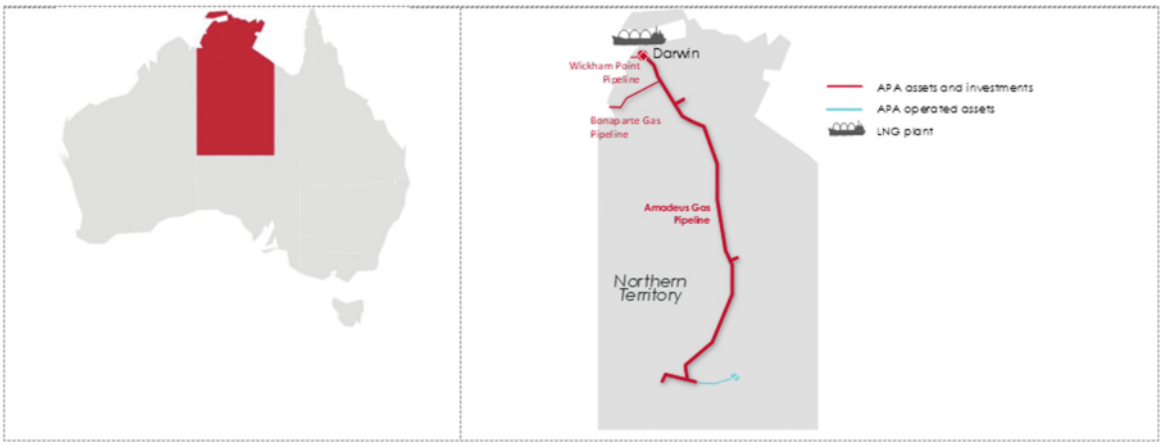
[11] Victorian Gas Planning Report Update, March 2020.

a transition agreement to complete commissioning of the plant and commence firm supply to Cooper Energy's term gas customers. As discussed above, APA is undertaking an upgrade of the site to increase plant throughput and uptime, including reconfiguration of the sulphur recovery units to allow operation independently, in parallel, or sequentially and thereby enable sustained production rates and greater operational flexibility. Operation of a single absorber enabled production of 22.5 TJ/d and commencement of the gas sales agreements of one term customer from 1 December 2020. Since 29 December 2020, parallel absorber operations commenced, with production planned to increase towards 45 TJ/d. The remaining Cooper term customer gas sales agreements commenced on 1 January 2021. Further shutdowns will likely be required on a regular basis during CY2021 to further improve plant operability and throughput. APA expects that further capital works will be required to increase sustainable and reliable rates above 45 TJ/day. See *"— Energy Infrastructure — Growth Projects*".

Northern Territory

APA's principal interests in the Northern Territory are:

- the Amadeus Gas Pipeline (the **AGP**); and
- 100% ownership of two small laterals.



Amadeus Gas Pipeline

APA manages and operates over 2,000 km of high-pressure pipeline in the Northern Territory including the AGP, a 1,659-km Amadeus Basin to Darwin gas pipeline. The pipeline was commissioned in 1986. The AGP transports gas from the Amadeus Basin in central Australia to Darwin, principally to fuel power generation in the Northern Territory. Since completion of Eni's Blacktip gas plant at Wadeye in CY2009, gas has also been delivered into the AGP through the Bonaparte Gas Pipeline which APA constructed and completed in December 2008. APA also completed construction in April 2009 of the Wickham Point Pipeline, which will enable an emergency supply of gas from the ConocoPhillips LNG plant at Wickham Point. The Bonaparte Gas Pipeline and the Wickham Point Pipeline are owned by the EII's investment vehicle in which APA has a 19.9% interest.

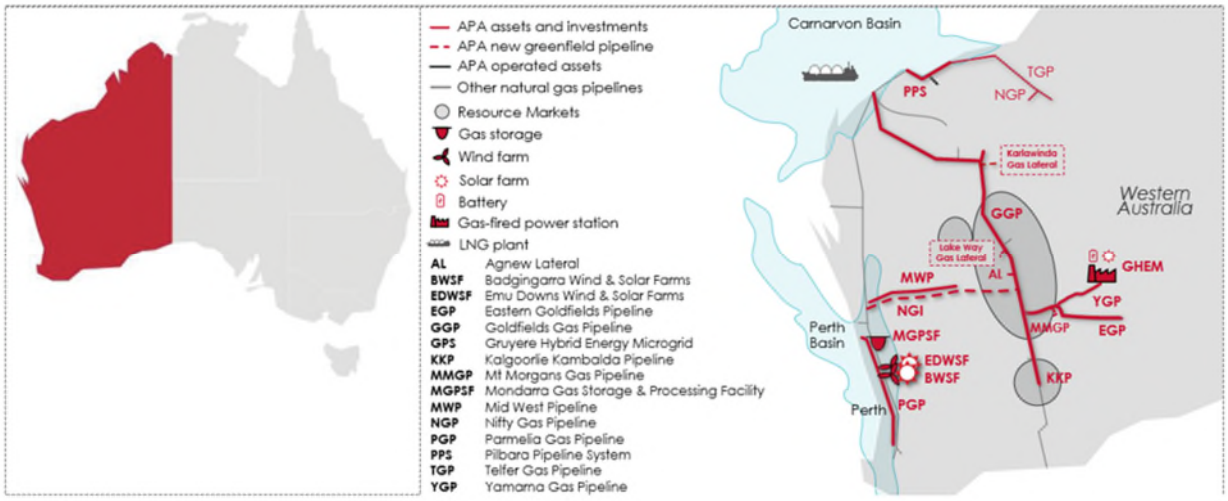
When APA acquired the AGP in June 2011, it entered into a new ~22.5-year take-or-pay agreement with the Northern Territory Power and Water Corporation, who may extend the term of the agreement for up to an additional 15 years or may reduce the term of the agreement by three to four years.

The AGP is price regulated by the AER and the most recent regulatory reset was in July 2016. The price terms of the contract above are not impacted by regulation.

Western Australia

APA owns or has an interest in three pipeline systems, a gas-fired power station, a gas processing and storage facility and four renewable power generation assets in Western Australia:

- GGP (88.2% ownership);
- Eastern Goldfields Pipeline;
- Yamarna Gas Pipeline and Gruyere Hybrid Energy Microgrid;
- Pilbara Pipeline System;
- Parmelia Gas Pipeline;
- Mondarra Gas Processing & Storage Facility;
- Mid West Pipeline (50% ownership);
- Agnew Lateral;
- Emu Downs Wind and Solar Farms;
- Badgingarra Wind and Solar Farms;
- Natural Gas Vehicle refuelling facilities; and
- Mt Morgans Gas Pipeline.



Goldfields Gas Pipeline

The GGP transports gas from the Carnarvon Basin and Northwest Shelf natural gas producers to mining customers in the Pilbara and Goldfields mining regions of Western Australia, principally for power generation at mine sites and minerals processing operations. Gas is also transported for power generation in remote towns such as Leonora and Esperance, and for commercial and residential end use in Kalgoorlie, but the quantities are small. Gas is supplied into the GGP from the East Spar and Harriet gas fields in Carnarvon Basin, and from the Northwest Shelf through the Dampier to Bunbury Natural Gas Pipeline (**DBNGP**).

The 1,378-km mainline, which was commissioned in 1996, runs from Yarraloola, about 150 km south west of Karratha, to Kalgoorlie. The main line includes the 47-km Newman Lateral, which delivers gas into power

stations supplying iron ore mining operations in the Pilbara. Seven compressor stations maintain pressure (and hence gas delivery capability) along the main line. The GGP assets include maintenance bases at Karratha, Newman, Leinster and Kalgoorlie.

Some 15 other lateral pipelines, including the 44-km Kalgoorlie to Kambalda Pipeline, extend to mining operations (iron ore, gold and nickel) located along the route of the GGP. Gas transported in the GGP is delivered through the Murrin Murrin Lateral, one of these lateral pipelines, into the EGP, and into the Yamarna Gas Pipeline.

APA entities, as participants in the Goldfields Gas Transmission Joint Venture, own 88.2% of the GGP (including the Newman Lateral). Group entities also own the Kalgoorlie to Kambalda Pipeline, and five of the other laterals extending from the main line.

APA has long term contracts in place with major mining companies, including Rio Tinto, BHP Group, Glencore and AngloGold Ashanti. The majority of the shorter term contracts are based on supplying energy to projects whose economic lives are expected to extend beyond their current term. The main contract with BHP Group Nickel West (relating to approximately 21% of GGP capacity) provides that the published regulatory tariff from time to time will apply to the contract. Other contracts do not have such "price-matching" clauses.

On the GGP, approximately half of the installed capacity (109 TJ per day) is "covered" and subject to full regulation administered by the ERA in Western Australia. Regulated prices and access terms and conditions (set in an "access arrangement" approved by the regulator) are reset at intervals of approximately five years. The next regulatory reset date is expected to be 1 January 2025. The remaining 46% of capacity is not currently "covered", and therefore is not subject to economic regulation via a regulator-approved access arrangement. The Kalgoorlie to Kambalda Pipeline is "covered", but is subject to "light regulation". See *"— Regulatory Environment*" below for further details.

Eastern Goldfields Pipeline

The 293-km Eastern Goldfields Pipeline was commissioned in December 2015. The pipeline connects the GGP, Murrin Murrin lateral, Mt Morgans Gas Pipeline and the Yamarna Gas Pipeline to gold mining operations in the eastern goldfields region in Western Australia.

Yamarna Gas Pipeline and Gruyere Hybrid Energy Microgrid

The new Yamarna Gas Pipeline (**YGP**) and the Gruyere Power Station projects were announced in FY2017. The 198-km YGP was completed in FY2018 and commissioned in FY2019. Practical completion of the 45 MW power station occurred in late CY2018. The Gruyere Power Station has been fully operational and supplying power to Gruyere Gold Mines since January 2019, helping the mine meet the significant milestone of "first gold pour" in the June 2019 quarter. Since becoming fully operational, APA has been able to transport gas almost 1,600 km over four APA interconnected pipelines, including YGP to the Gruyere Power Station, to deliver energy to the Gruyere Gold Project in Western Australia. A 15-year gas transportation agreement and a 15-year electricity supply agreement have been entered into with the Gruyere Gold Project, a 50:50 joint venture between ASX listed Gold Road Resources Ltd and the global miner Gold Fields Limited.

On 8 December 2020, APA announced a two-phased power expansion agreement with Gruyere Gold Mine in Western Australia, which is expected to increase total installed capacity by 45% from 45MW to 64MW. The agreement includes the creation of the Gruyere Hybrid Energy Microgrid—our first hybrid energy microgrid investment. Total capital expenditure for all expansion works is expected to be approximately A$38 million. The Gruyere Hybrid Energy Microgrid will utilise a hybrid control system that combines cloud and weather forecasting, battery control and the existing reciprocating engine control systems to optimise efficiency and maximise the use of renewable generation. This project will be completed in two stages. The first stage involves the installation of a twelfth reciprocating gas-fired engine that is expected to be commissioned in mid-CY2021.

The second stage will involve APA building and operating a 13 MWp solar farm backed up by a 4.4/MW/4.4MWh battery energy storage system which is expected to be commissioned by the end of CY2021.

Pilbara Pipeline System

The 249-km Pilbara Pipeline System (**PPS**) is a free flowing transmission pipeline system that comprises four pipelines. The main section, the Pilbara Energy Pipeline (**PEPL**), is a 219-km pipeline with an uncompressed capacity of 166 TJ/d. The PEPL is connected to the DBNGP at MLV7 and to the Telfer Gas Pipeline at Port Hedland. The main section of the PPS was constructed in 1995.

The PPS transports gas from the Carnarvon Basin through the North West Shelf Gas Plant connection and from other fields through the DBNGP connection and provides gas to Karratha, Port Hedland, and to the Telfer gas pipeline. The PPS is not price regulated.

Parmelia Gas Pipeline and Mondarra Gas Processing & Storage Facility

The 448-km Parmelia Gas Pipeline (**PGP**), which was commissioned in 1972, transports gas from both the Perth Basin gas fields at Dongara, south of Geraldton, and from the Carnarvon Basin through the DBNGP, to industrial, commercial and residential users. The Parmelia Gas business includes the Mondarra Gas Processing & Storage Facility (**MGPSF**) near Dongara. The MGPSF is adjacent to the PGP and the DBNGP. The facility is currently the only commercial underground gas storage facility in Western Australia.

In response to security of supply concerns and peak gas demand, the MGPSF was expanded to 15 PJ of commercial storage capacity, representing a five-fold increase, as well as significantly increasing daily injection and withdrawal rates into and out of the facility. The expansion was underwritten by a long term foundation contract with Synergy (formerly Verve Energy), a Western Australian government-owned electricity generator and retailer. With the completion of the expansion, a number of additional commercial customers have also signed contracts to use the facility.

The MGPSF capacity was expanded in the second quarter of 2016 following the successful completion of a new well to replace an existing well, increasing gas storage capacity to 18 PJ.

The PGP's and the MGPSF's customer base includes energy retailers and large industrial gas users, together with mining industry customers. Gas is supplied into the PGP from the Perth Basin gas fields around Dongara, as well as from the Carnarvon Basin (through the DBNGP) and the MGPSF.

The PGP and the MGPSF are not price regulated.

Mid West Pipeline

The 362-km Mid West Pipeline (**MWP**), which was constructed in 1999, transports gas from the Carnarvon Basin through the DBNGP to power generators for mining processes in the Windimurra and Mt. Magnet region. APA has a 50% interest in the MWP and the remaining 50% stake is owned by Horizon Power, a state government-owned electricity utility in Western Australia.

The MWP is not price regulated.

As a part of its commitment to invest in the NGI (as discussed below), APA is working with Horizon Power to divest its 50% share in this pipeline.

NGI (under construction)

In November 2020, APA announced an investment of up to A$460 million to construct the NGI, a new 580 km, 12 inch pipeline which will be connected to the GGP, which in turn connects to the Eastern Goldfields network, creating an interconnected gas pipeline system covering 2,690 km from north to south and west to east in

Western Australia. The NGI will connect emerging gas fields in the Perth Basin to the Goldfields region and is expected to be operational around mid-CY2022.

The NGI project is expected to offer customers greater basin-on-basin gas competition and supply security including access to the Perth Basin and the MGPSF.

Emu Downs Wind and Solar Farms

APA acquired 100% of the Emu Downs Wind Farm and adjacent development site in June 2011. The Emu Downs Wind Farm is an 80 MW wind farm, which has been in operation since October 2006 and is located 10 km from the PGP and 200 km north of Perth. The wind farm is connected to the electricity grid supplying Perth and the south west region of Western Australia.

APA has long term agreements with large energy retailers, such as the Western Australian government-owned energy retailer Synergy, for the total output of the wind farm, including the electricity produced and renewable energy certificates. These long term agreements are in place through to December 2030.

The wind turbine manufacturer, Vestas, provides operations and maintenance services for the 48 Vestas wind turbines on the Emu Downs Wind Farm under an agreement to 31 December 2025.

During FY2018, the 20 MW Emu Downs Solar Farm was completed. The project is underpinned by a power purchase agreement with Synergy through to December 2030 and received A$5.5 million funding from the Australian Renewable Energy Agency. The approximately A$50 million 20MW solar project shares the transmission connection and facilities with APA's existing 80MW Emu Downs Wind Farm.

Badgingarra Wind and Solar Farms

On 21 February 2017, APA announced construction of the 130 MW Badgingarra Wind Farm in Western Australia after entering into a 12-year offtake agreement with Alinta Energy to satisfy its renewable energy requirements. Energisation of the Western Power substation and the Badgingarra Wind Farm substation occurred in early January 2019, when the wind farm was commissioned and commenced commercial operations. Badgingarra Wind Farm consists of 37 towers and turbines of 130 MW and a substation and commenced generating revenue early in the third quarter of FY2019. During FY2018, APA agreed with Alinta Energy to extend the original 12-year power purchase agreement for the Badgingarra Wind Farm by a further five years to December 2035 and undertook construction of a new 19.3 MW solar farm also located on the Badgingarra site, which is adjacent to the Emu Downs renewables farm. Construction of the solar farm was completed and commercial operation commenced in September 2019. The Badgingarra Solar Farm shares the same transmission connection and facilities with APA's existing 130MW Badgingarra Wind Farm.

Asset Management

Asset Management includes the provision of commercial, operating services and/or asset maintenance services to APA's energy investments and third parties for fees. APA provides asset management and operational services under long term contracts to the majority of its energy investments and to a number of third parties on a contract basis. APA's main customers are EII and GDI. APA also has arrangements to operate until 2027 the gas distribution networks owned by AGN, in which it divested its ownership interest in August 2014.

Services to Assets Partly Owned by APA

APA manages, maintains and operates the assets of EII under an agreement that commenced in December 2008. The agreement has a market-based fee structure and was extended for five years in CY2020. APA also provide operations, maintenance and corporate services to GDI, which owns the Allgas Gas Network. See "— *Energy Investments*" below for further details.

Services to Third Parties

APA also provides operating and maintenance services to other third parties, principally where their assets are connected or adjacent to assets APA owns or operates. Although APA divested its 33.05% equity interest in AGN in August 2014, it has a long term contract that expires in June 2027 with AGN, pursuant to which it operates and maintains AGN's natural gas distribution and transmission assets in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. The contract earnings are based on cost recovery and 3% of AGN's network revenue plus incentive fees reflecting a share of efficiencies in the cost of operating and maintaining the networks.

Energy Investments

Complementing its energy infrastructure business, APA has invested in various energy infrastructure assets, companies and funds, including SEA Gas, Mortlake Pipeline, EII, EII 2 (an investment in the North Brown Hill Wind Farm) and GDI (which owns the Allgas Gas Network). In August 2014, APA sold its remaining 33.05% equity interest in the gas distribution network owned by AGN. APA holds a number of roles in respect of the majority of these investments in addition to its ownership interest. Each investment is equity accounted. APA also provides asset management services to some of these investments. See *"— Asset Management —Services to Assets Partly Owned by APA*" above.

SEA Gas

APA owns 50% of SEA Gas along with Rest Super (50%), which owns the Port Campbell to Adelaide pipeline (**PCA**), an unregulated 680-km pipeline that commenced commercial operations in January 2004. The PCA transports natural gas from Port Campbell and Iona in Victoria to Adelaide and other regional markets in South Australia and Victoria. It is the only pipeline connecting Victoria's gas fields to South Australia. It also connects into the SESA Pipeline, the VTS and the EnergyAustralia Underground Storage facility at Port Campbell, Victoria.

SEA Gas has multiple agreements with major users and retailers for the transportation of gas to South Australia and Victoria. In December 2018, SEA Gas announced that it had renewed a suite of contracts for transportation and storage capacity on the SEA Gas Pipeline which run for average terms of approximately five years.

Mortlake Pipeline

In August 2016, in partnership with Rest Super (50%), APA acquired a 50% interest in the Mortlake Pipeline via a stake in the newly established SEA Gas (Mortlake) Partnership. The 83-km pipeline was commissioned in January 2011 and provides gas from Otway Gas Plant, near Port Campbell, Victoria, to the 550 MW open-cycle gas turbines at Mortlake Power Station. SEA Gas (Mortlake) Partnership and Origin Energy have entered into long term contracts for transmission and storage services on the pipeline.

Energy Infrastructure Investments

APA owns a 19.9% interest in EII along with Marubeni Corporation (49.9%) and Osaka Gas Co., Ltd (30.2%). APA also manages the assets owned by EII.

The assets transferred into EII comprise:

- Electricity interconnectors: Murraylink (VIC-SA) and Directlink (NSW-QLD);
- Gas power generation: Daandine and X41 Power Stations (QLD);
- Coal seam gas processing plants: Tipton West and Kogan North (QLD); and
- Gas pipelines: Telfer/Nifty Gas Pipeline (WA), BGP and Wickham Point Pipeline (NT).

EII 2

In October 2009, a consortium including APA (the **EII 2 Consortium**) purchased the North Brown Hill Wind Farm project from AGL Energy. The wind farm commenced with a long term (25 years) offtake arrangement with AGL Energy for both the electricity generated and the renewable energy credits produced. The North Brown Hill Wind Farm was connected to the southeastern Australian electricity grid and commenced generation in December 2010. The wind farm has 63 wind turbines with a total wind generation capacity of 132 MW. APA has a 20.2% interest in the EII 2 Consortium as at 31 December 2020, with Marubeni Corporation holding a 39.9% interest and Infrastructure Capital Group holding a 39.9% interest.

GDI (EII) Pty Limited

On 16 December 2011, APA sold the Allgas Gas Network to GDI for A$475.7 million. As part of the transaction, APA acquired 20% ownership of GDI with the remaining stake now shared between Marubeni Corporation (40%) and SAS Trustee Corporation (40%). APA continues to operate Allgas under a long term asset management contract.

Allgas is subject to light regulation. It is one of two gas distribution businesses in South-East Queensland, servicing strong population growth centres. The network includes approximately 3,850 km of distribution mains supplying around 116,600 gas users. The network is also physically connected to APA's RBP at Oakey, Toowoomba and Brisbane.

Employees

In FY2020, APA had more than 1,900 employees spread across every Australian mainland state and territory, managing and operating the majority of its assets and undertaking corporate, financial, accounting, human resource, commercial and regulatory activities for the business. APA has a national focus on the management and operation of its business, with teams working across assets and functional lines to generate further value from the business.

The salary arrangements for approximately 30% of APA's employees at any point in time are covered by enterprise bargaining agreements negotiated with the employees, with union involvement, however not all operation and field staff are union members. All of APA's enterprise bargaining agreements are in place, and five out of the seven of these agreements are due to expire at various times between March and September 2021. Negotiations have commenced on four of its enterprise bargaining agreements, with the fifth expected to commence from March 2021. APA has not experienced any material disruptions to its operations as a result of industrial action since listing in June 2000.

Insurance

APA carries insurance against insurable events which have the potential to cause damage to its assets (including associated loss of earnings and costs of repair) and certain legal liabilities APA may incur to third parties. With advice from professional insurance brokers, insurances are placed with insurers of good reputation and credit rating for limits of liability that APA believes reflect both its potential exposures and prudent industry practice. Such insurances are generally subject to industry standard policy exclusions and other terms and conditions. APA may elect to self-insure and/or carry larger deductibles for some risks.

APA believes that its insurance policies are appropriate and adequate to protect against major operating and other identified risks. However, not all risks and liabilities are insurable or insured, and the insurance coverage it maintains may not extend to cover all insurable liabilities and losses.

Litigation and disputes

As of the date of this Offering Circular there are no legal or arbitration proceedings pending or known to be contemplated that may in the future have or have had, in the 12 months preceding the date of this Offering Circular, a material effect on the financial position or profitability of the Issuer or any member of APA. APA is party to a number of minor litigation matters in the ordinary course of business. APA believes that any ultimate liability in those litigation matters will not be material to its financial position, results of operations or cash flows.

Environmental management

The operation, construction and maintenance of APA's assets are subject to licences issued pursuant to various Australian federal, state and territory legislation. For pipelines, these licences require compliance with AS2885, the Pipelines Gas and Liquid Petroleum Standard (the **Standard**). The Standard details requirements for the management of the environmental matters associated with all aspects of the high-pressure pipeline industry, with which APA must comply.

APA has environmental management plans in place to help it manage environmental compliance and risk for APA's assets and projects. Environmental plans are prepared and independently audited for construction activities and, in accordance with the relevant standards, environmental plans are in place and are managed in accordance with its contracts and the terms and conditions of the licences that have been issued to APA.

Senior management reviews external audit reports and internal reports which are prepared relating to environmental issues and material breaches, if they were to occur, are reported to the APL board of directors. APA has not breached any material legislation or regulation. APA is in material compliance with the environmental management plans that are in place and with the terms of the licences issued to it and the relevant legislation, including the Standard.

Sustainability

Doing business sustainably is about operating in a way that creates value and supports growth without compromising APA's integrity, social or environmental responsibilities. APA took an important step in its responsible energy journey in late FY2020 by creating a dedicated Sustainability and Community function and team. The creation of this team reflects APA's acknowledgement of societal views, expectations and the vital role that sustainability and community play in delivering APA's purpose, vision and responsible energy promise.

APA is developing a comprehensive Sustainability Roadmap. This will set the sustainability direction for APA and help to continually improve sustainability performance.

APA continues to align and improve its disclosures with the Taskforce on Climate-related Financial Disclosures framework and other reporting frameworks such as the Sustainability Accounting Standards Board and the Global Reporting Index.

In CY2020, APA received an MSCI ESG Ratings Report score of AAA.

Climate Change

APA takes the science of climate change seriously and it supports a global transition to a lower-carbon future. APA continues to take steps to understand how it can best respond to the challenges and opportunities this presents. APA is in the process of developing a Climate Change Management Plan. This plan will provide an

integrated, organisation-level framework for embedding consideration of climate risk and opportunities into corporate strategy, business processes, planning and decision-making. The priority areas of this plan are:

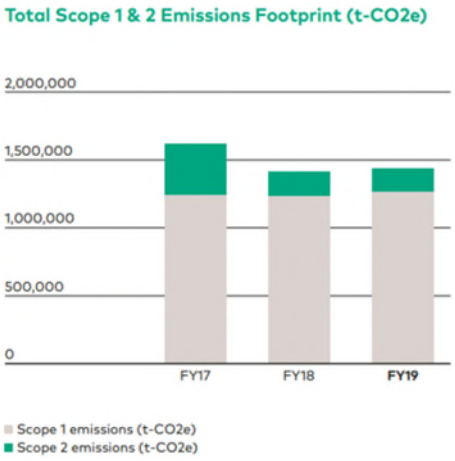
- Reduce and Avoid - optimise Scope 1 and Scope 2 emissions reduction opportunities throughout APA's portfolio and avoid emissions during FEED and construction processes;
- Innovate - leverage technology initiatives, partnerships and other innovations to advance progress towards Net Zero emissions, build readiness and support reduction and avoidance initiatives;
- Invest - climate ambition is embedded in APA's portfolio strategy and capital allocation decision-making, planning and valuation;
- Robust - the approach is built on strong foundations of governance, risk management, reward and recognition, and quality data, modelling and measurement; and
- Responsible - take a responsible and transparent approach in its disclosure, public policy engagement and the way in which APA integrates and implements its approach to climate.

Innovation and technology will be key to a lower carbon future and our new Pathfinder Program is designed to leverage APA's proven capability in energy infrastructure to unlock next generation energy solutions. One of the projects that will seed this program includes the Parmelia Gas Pipeline hydrogen transformation project. Under this project, it is proposed that a section of the Parmelia Gas Pipeline will be transformed into Australia's first 100 per cent hydrogen-ready transmission pipeline – making it one of only a few hydrogen ready pipelines in the world.

Other recent developments include:

- APA published its first Climate Change Position Statement. This affirms its stance on climate change by succinctly communicating APA's approach and supporting its purpose of strengthening communities through responsible energy;
- APA undertook detailed resilience testing of its existing portfolio against a range of scenarios including a 1.5 degree Celsius increase in global temperatures and publishing the outcomes in APA's first stand-alone Climate Change Resilience Report. The results of this analysis support APA's view that its current portfolio of assets remains robust under each of the modelled scenarios.

APA's business falls under the NGER Act so every year APA prepares and submits an NGER report. Emissions information for the prior financial year only is disclosed in APA's annual report due to overlapping regulatory and market reporting timeframes. In FY2019, APA's main sources of Scope 1 and Scope 2 emissions were from gas-fired power stations (49%), combustion of natural gas in compressor stations (16%) and fugitive emissions associated with natural gas pipelines (11%), making up 76% of total emissions.



Notes:

(1) Greenhouse gas emissions have generally been calculated in accordance with methodologies under the NGER Act.

(2) Management uses Scope 1 and Scope 2 emissions measures to evaluate APA's emissions performance. Scope 1 and Scope 2 performance measures also allow investors and other stakeholders to measure its emission performance. Interim emissions reduction targets are intended to be established in FY2022.

Customers

APA continually reviews its product and service suite to provide innovative and optimal solutions for its customers. APA recognises that it is more important than ever for APA to understand current and future customer needs and work collaboratively to meet them with responsible solutions.

APA is a founding member of the Energy Charter whose purpose is to meet community expectations of the energy sector through delivery of a more affordable, reliable and sustainable energy system. As part of this commitment:

- APA has supported customers and communities during the COVID-19 pandemic by ensuring they have access to the right information on service commitments and financial support;
- APA has provided customers with a consistent approach to site readiness by developing and trialling an improved gas connections experience in Victoria; and
- APA's own Customer Promise is its commitment to its customers that it will listen to understand, enable its people to respond and do what it says it will do.

People & Culture

APA strives to create a company culture that is customer-focused, innovative and collaborative, with empowered and energised teams. During FY2020, APA had a workforce of around 1,900 employees, and it continues to invest in attracting and nurturing the best talent and enhancing the employee experience.

APA revised gender targets in FY2020 with the aim of accelerating the pace of change of female representation in the workforce. Revised targets and performance are indicated below.

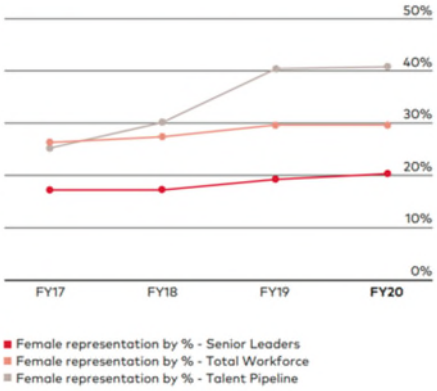
As part of the revisions, APA included a new 'extended leadership' target designed to improve the level of female representation among its senior leaders who manage teams (these are "other executives/general managers" and "senior managers" that have direct reports as a part of the role).

APA's commitment to gender equality was reinforced by the CEO becoming a Male Champion of Change, whose remit is to demonstrate company and community leadership to improve gender equality.

The new gender targets for 2025 are:

	Target for 2025
Total workforce female representation target	**40%** (up from 30%)
Senior leader female representation target	**30%** (up from 25%)
Talent pipeline female representation target	**50%** (unchanged)
Extended leadership female representation target	**40%** (new target)

Gender Target Action Plan Metrics



Notes:

(1) Female representation is calculated as point in time measurement, measured annually in April to align with statutory reporting under the Workplace Gender Equality Act 2012 (Cth).

(2) Management uses Gender Target Action Plan metrics to evaluate APA's performance against its gender equality commitments and targets. Gender Target Action Plan metrics also allow investors and other stakeholders to measure APA's performance against its gender equality commitments and targets.

Health, Safety, Environment and Heritage (HSEH)

In FY2020, APA launched a new three-year HSEH Strategic Plan FY2020 - FY2022. The objective of the strategic plan is to empower its people to deliver 'world class' HSEH performance over the next three years. The Strategic Plan for APA focuses on the following key themes:

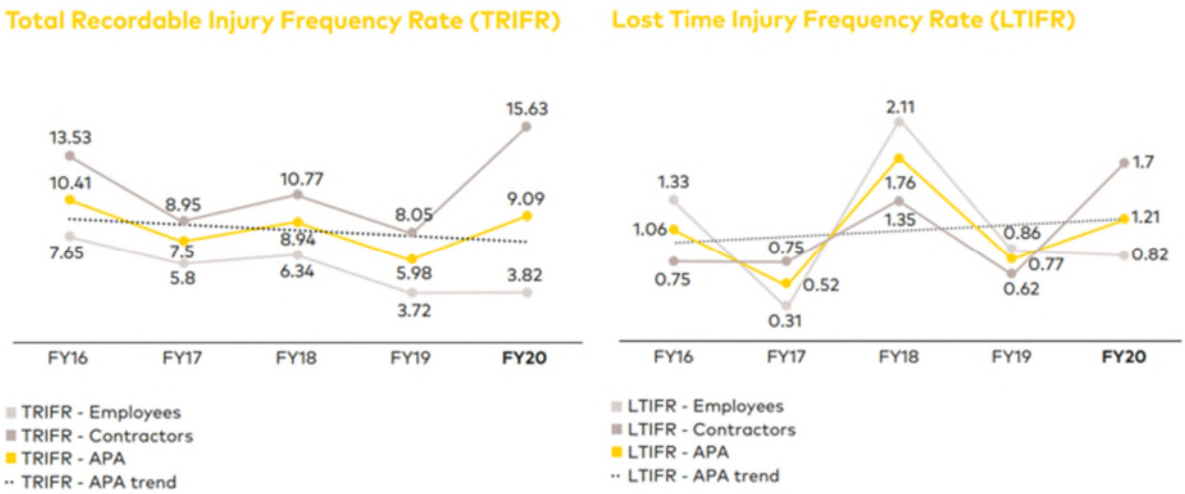
Health & Safety

Achieving strong health and safety outcomes is the highest priority for the whole of APA. APA wants to ensure everyone goes home safe every day, and to protect the communities and environments where APA operates.

APA's health and safety targets for FY2020 were for a Total Recordable Injury Frequency Rate (**TRIFR**) of <7.0 for contractors and <5.5 for APA as a whole (employees and contractors combined), and a Lost Time Injury Frequency Rate (**LTIFR**) of <1.0 for APA as a whole.

APA's employee safety performance continued to show good progress with employee LTIFR of 0.82 and TRIFR of 3.82. Contractor performance highlighted a challenge for APA, with contractor LTIFR of 1.70 and TRIFR of 15.63. Overall the combined APA TRIFR was 9.09 and APA LTIFR was 1.21. APA recorded no fatalities of employees or contractors in FY2020 or FY2019.

To address contractor health and safety performance, leadership focus and involvement in safety and operational activities has been increased to model and drive the right behaviours, while quarterly contractor forums have been held across Australia to review incidents, share learnings and improve work processes.



Notes:

(1) TRIFR refers to Injury (LTI, MOTI, MITI (each, as defined under "*Glossary*")) count / per million hours. LTIFR refers to Injury (LTI) count / per million hours.

(2) Management uses TRIFR and LTIFR measures to evaluate APA's performance against its health and safety commitments and targets. TRIFR and LTIFR measures also allow investors and other stakeholders to measure APA's performance against its health and safety commitments and targets.

Process Safety

In FY2020, APA recorded only one Tier 1[12] release and two Tier 2[13] releases across the organisation.

APA is in year three of a dedicated Process Safety improvement programme designed to reduce risk of major accident event as a result of an energy or harmful substance release. During FY2020 the programme delivered:

- The roll-out of process safety dossiers for each site in its Transmission and Midstream businesses that define safety-critical equipment;

[12] Tier 1 defined as a major release of harmful substances that may cause a major accident such as natural gas. Release quantities is >500kg per hour.

[13] Tier 2 is a significant release of harmful substances that may cause a major accident such as natural gas. Release quantities is >50kg per hour but less than Tier 1 quantities.

- The integration of the Process Safety Framework into APA's HSE management system;
- The development of a Process Safety Fatal Risk Protocol, which outlines the minimum expected behaviours for people working on high-risk assets;
- The introduction of a process safety scorecard to track key metrics and measures; and
- The training of Operations staff, engineers and leaders.

Environment and Heritage

APA's business is subject to a number of environmental regulatory instruments within relevant federal, state and territory jurisdictions. APA aspires to be known for world-class environmental performance.

APA recorded no significant environmental incidents and zero penalty notices during FY2020.

Environmental improvement programmes are ongoing with the Environment Management Plan Improvement Programme standardising and streamlining the management of environmental risks and compliance, while a newly developed Heritage Improvement Plan is focused on delivering processes and performance improvements.

Community

APA helps communities to prosper by connecting people and businesses to the energy they need. To continue delivering energy responsibly, APA needs to always do the right thing by its community stakeholders and build positive, open relationships with them.

In FY2020, APA strengthened its social performance and community capability. It sought to maintain positive relationships with community stakeholders through its Infrastructure Protection Programme and Stakeholder Engagement Strategies and Community Engagement Plans for new major projects

Supply Chain

APA works with its supply chain partners to promote sustainable and ethical procurement practices. It takes steps to ensure that the goods and services it sources are procured ethically and responsibly and expect its suppliers and contractors to do likewise.

In November 2020, APA submitted its first Modern Slavery Statement under the Commonwealth Modern Slavery Act (Cth) 2018. The Modern Slavery Statement describes work done to date in the assessment and mitigation of risk of modern slavery in its business and its supply chain. This includes the use of an artificial intelligence platform to help APA identify potential high-risk suppliers and incorporating human rights and modern slavery provisions in all new standard procurement contracts.

COVID-19 – Crisis Management

In response to the COVID-19 pandemic APA's business continuity plans were activated in February 2020. APA maintained two key objectives:

- to keep its people and the community safe and healthy; and
- to maintain its operations and assets to continue to deliver an essential service to its customers and communities.

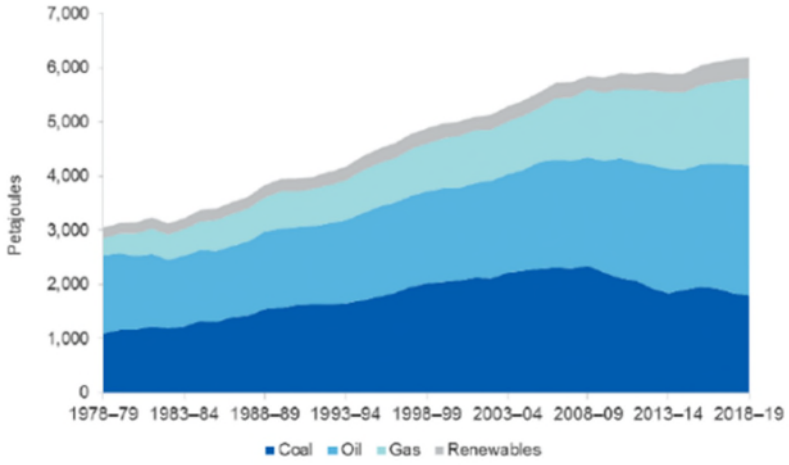
APA continued to deliver for customers and maintained the confidence of key stakeholders by:

- coordinating business continuity teams targeting ongoing delivery in key risk areas (e.g. Operations, Customers, Projects and Procurement);
- integrating health and safety processes for the identification and management of COVID-19, including all necessary hygiene and cleaning protocols;
- issuing regular communications to its employees on key updates and actions;
- keeping its assets and operations going by targeted expert training for control room personnel, Fly-In Fly-Out workers and IOC operators and established the back-up control room for the IOC to ensure continued 24-hour operation; and
- looking beyond its business to support customers via a number of Energy Charter initiatives.

Australian Energy Trends

Electricity produced in Australia is generated predominately from non-renewable fuels and, while coal accounted for 58.4% of Australian electricity generation in FY2019, the DISER Australian Energy Statistics Report estimates that electricity generated from natural gas accounted for 20.0% of Australian electricity generation in FY2019 (the most recent year for which Australian Energy Statistics data is available). According to DISER, from FY2008 to FY2019, the total electricity generated from natural gas has increased at an average rate of 4.0% per annum, compared with an average rate of decline of 1.6% for coal, and increases of 4.1% for oil and 9.6% for renewable energy sources, respectively. According to DISER, from FY2008 to FY2019, natural gas production has increased at an average rate of 10.8% per annum, underpinned by increased CSG production, compared with an average increase of 3.6% for black coal, decrease of 4.1% for brown coal, decrease of 2.8% for crude oil and natural gas liquids, and an increase of 3.4% for renewable generation (i.e., wood-, woodwaste-, bagasse-, biofuel-, biogas-, solar-, wind- and hydro- produced electricity).[14] DISER estimates that in FY2019, Australia's gas production increased by 16.2% from 4,731.2 PJ in FY2018 to 5,498.1 PJ in FY2019. Production from CSG declined by 2.2% during FY2019 to 1,408.1 PJ and accounted for over 25% of national gas production.[15] Western Australia remained Australia's largest producer of natural gas, producing 60.9% of total Australian gas production in FY2019, and was followed by Queensland, the second largest producer in Australia, at 26.2%. There is no assurance that the foregoing trends will continue.

Australian Energy Consumption by Fuel Type



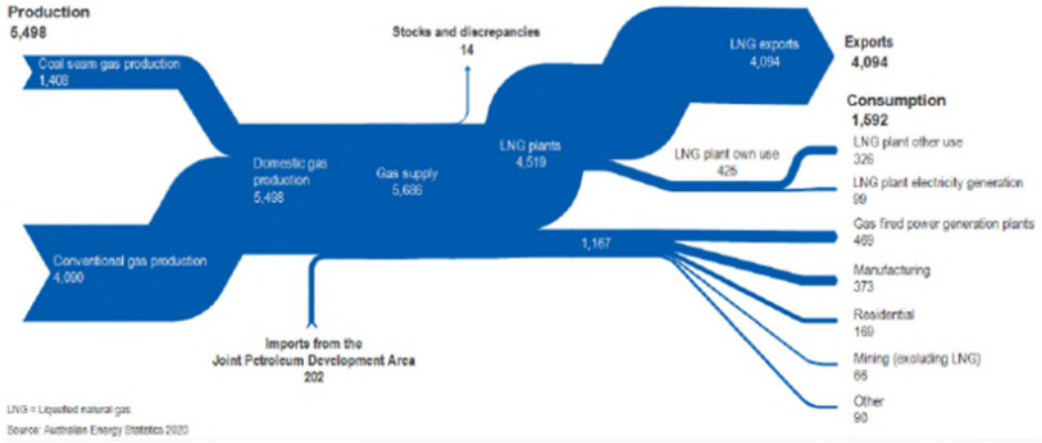
Source: Department of Industry, Science Energy and Resources, Australian Energy Statistics, Table C, September 2020

The Australian Natural Gas Market

Natural gas produced in Australia is consumed either domestically or exported as LNG predominantly to Asian markets. The diagram below illustrates how Australia's total production was consumed during FY2019.

[14] DISER, Australian Energy Statistics, Table O, September 2020.

[15] DISER, Australian Energy Statistics, Table R, September 2020.



Source: DISER (2020) Australian Energy Statistics, Tables A and F

The major consumers of gas in Australia are the electricity generation, manufacturing, residential and mining sectors. According to the DISER[16], the largest consumer of gas is the electricity generation sector, followed by manufacturing that is comprised of a few large consumers, including metal product industries (mainly smelting and refining activities) and the chemical industry (fertilisers and plastics). The DISER reports that mining, where gas is used for power generation and process heat, and residential use, for water heating, space heating and cooking, are the other material areas of consumption.

The Australian domestic gas market to date has consisted of three distinct regional markets. The largest of these is the Australian East Coast market, which accounted for approximately 53.8% of domestic gas consumption in FY2019, according to the DISER[17]. This eastern market consists of Queensland, New South Wales, Victoria, South Australia and Tasmania. The two other markets are the Western Australian market and the Northern Territory market, which accounted for approximately 40.7% and 5.6% of domestic gas consumption in FY2019, respectively, according to the DISER[18]. Western Australia and Australia's East Coast market are geographically isolated from one another, making transmission and distribution of gas between these two markets uneconomic at present. The Northern Gas Pipeline connects Northern Territory to Queensland and commenced operations in January 2019.

The natural gas industry in Australia comprises the physical supply chain and the marketing chain. The physical supply chain comprises:

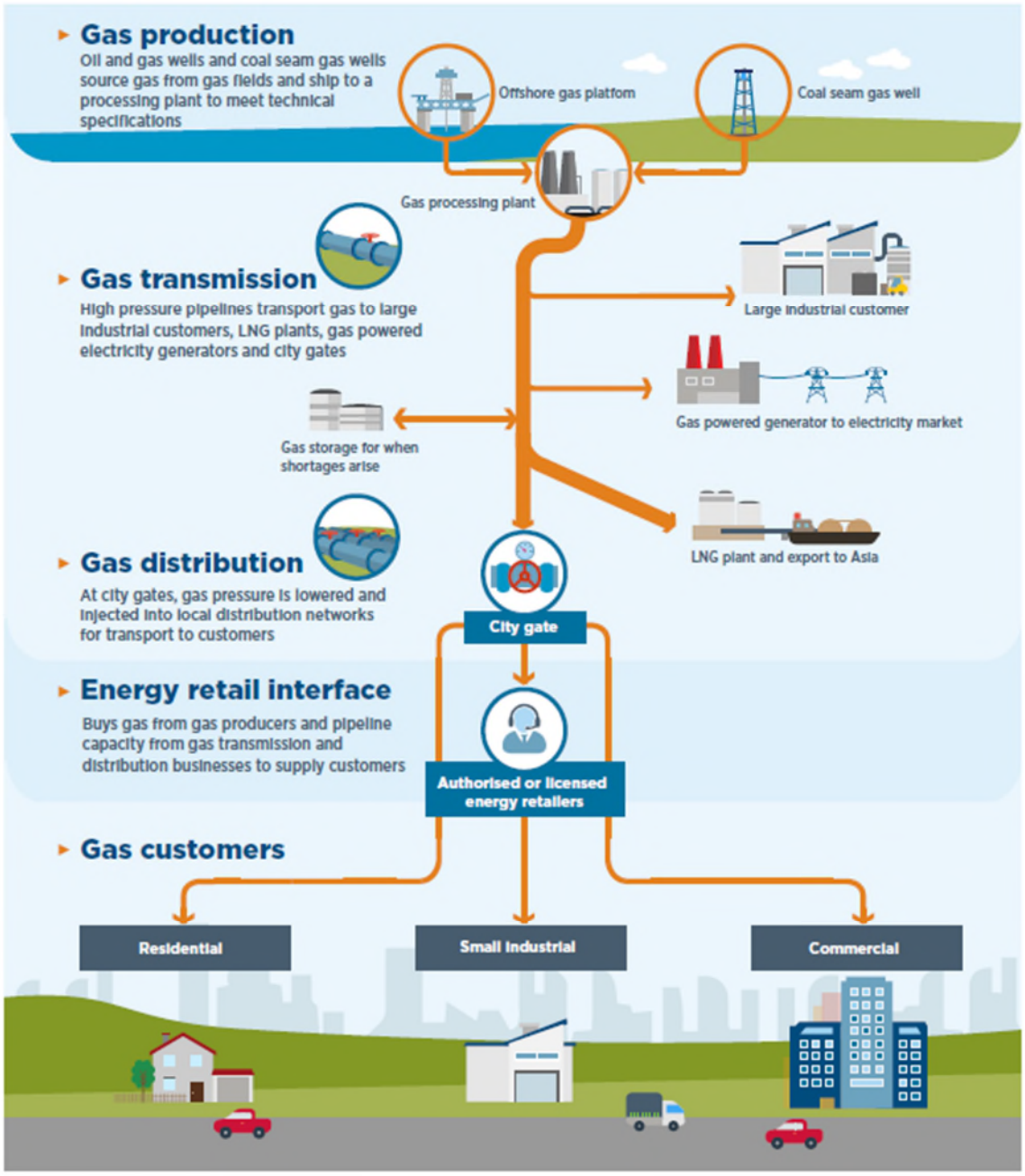
- Production: extracting the gas from the conventional reservoirs or coal seams and treatment to sales quality;
- Transmission: encompasses the transportation of sales quality gas at high pressure, generally over long distances; and
- Distribution: involves reticulation of the sales quality gas through a network of low pressure, smaller diameter pipelines to end-users — industrial, commercial and residential customers. For larger industrial customers and power generators, sales quality gas is often delivered at higher pressure directly from the transmission pipeline.

[16] Department of the Environment and Energy, Australian Energy Statistics, Table K, September 2020.

[17] Department of the Environment and Energy, Australian Energy Statistics, Table R, September 2020.

[18] Department of the Environment and Energy, Australian Energy Statistics, Table R, September 2020.

The image below depicts the supply chain of the Australian gas industry and how the physical supply and marketing chains interact.



Source: AER State of the Energy Market 2020

Marketing of natural gas occurs at a number of levels, related principally to the size of the transactions. Natural gas producers market gas in wholesale quantities to large industrial and power generation customers and energy retailers. Energy retailers deal in both wholesale and retail quantities, selling to industrial, commercial and residential customers. Vertical integration in the energy market results in some energy retailers and electricity generators also being natural gas producers.

In Australia, gas transmission and distribution pipeline owners may have transportation agreements with producers, retailers, aggregators, large industrial customers and power generators. The gas transmission and pipeline owners are paid a tariff for pipeline capacity and other gas transportation services (e.g., storage

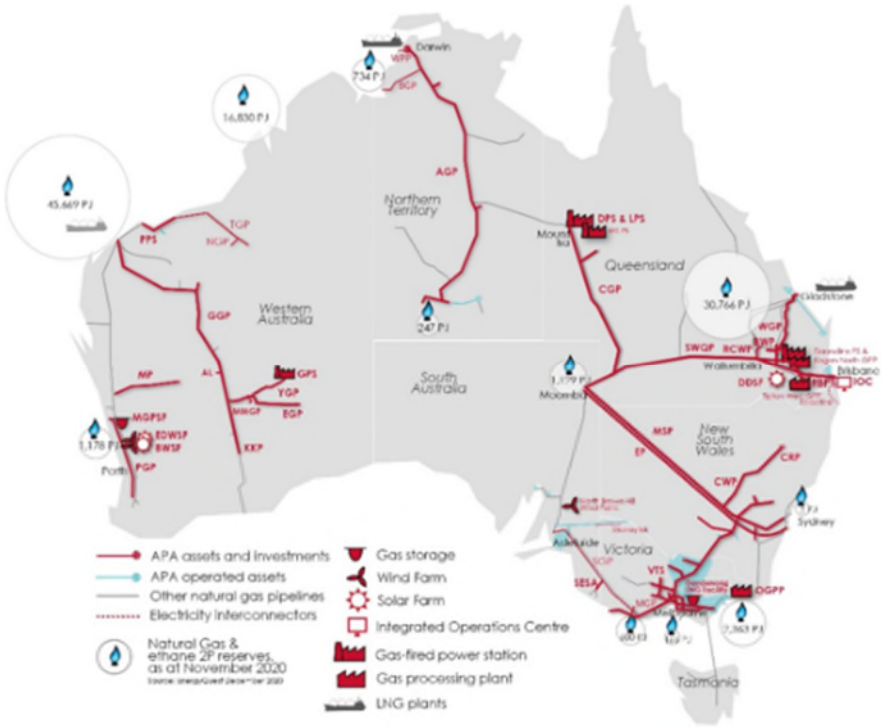
services) by whichever party in the marketing chain has the transportation agreement. The table below illustrates key participants in each sector of the natural gas market in Australia.

Production	Transmission	Distribution	Retail
• Arrow • Australia Pacific LNG (Origin Energy, ConocoPhillips, Sinopec) • Beach Energy • BHP Group • BP • Chevron • CNOOC • ExxonMobil • Gladstone LNG (Santos, Petronas, Total, Kogas) • Ichthys Project (Inpex Corp, Total Global) • Inpex Corp • KUFPEC • MIMI • Origin Energy • Queensland Curtis LNG (BG Group, CNOOC) • Santos • Shell • Woodside Petroleum • Other LNG projects include Wheatstone, Gorgon (Chevron), North West Shelf Venture, Pluto, Darwin LNG, Prelude, Gippsland JV, Cooper)	• APA Group • Australian Gas Infrastructure Group • Australia Pacific LNG Pipeline (Origin Energy, ConocoPhillips, Sinopec) • Energy Infrastructure Investments • Gladstone LNG Pipeline (Santos, Petronas, Total, Kogas) • Jemena (State Grid Corporation of China and Singapore Power International) • Palisade Investment Partners • QIC Global Infrastructure • •	• Australian Gas Infrastructure Group • Allgas Energy • AusNet Services • Evoenergy • Jemena (State Grid Corporation of China and Singapore Power International)	• AGL Energy • Alinta Energy • EnergyAustralia • Ergon Energy • Lumo Energy • Momentum Energy • M2 Energy • Origin • Red Energy • Simply Energy

Source: State of the Energy Market AER, 2020; EnergyQuarterly, EnergyQuest November 2020

Natural Gas Production

The exploration, production, transmission, distribution and marketing of natural gas are major economic activities in Australia, with gas being Australia's third largest energy resource after coal and uranium. Australia has approximately 100,000 PJ of proven and probable reserves of conventional natural gas, coal seam gas and ethane as at November 2020, according to EnergyQuest. The proven and probable natural gas and ethane reserves, including coal seam gas reserves, and gas transmission infrastructure in Australia as at November 2020 are illustrated in the map below.



Source: EnergyQuest, November 2020

According to EnergyQuest, approximately 65% of Australian natural gas and ethane reserves (proved and probable) are located off the west and north-west coast of Australia. Australia also has significant unconventional gas resources in the form of coal seam gas, tight gas and shale gas. In eastern Australia, gas reserves are dominated by the large coal seam gas resources which exist predominately in the Queensland coal basins. EnergyQuest estimates that the proved and probable reserves of coal seam gas were approximately 30,000 PJ as at November 2020.

Natural Gas Transmission

In Australia, the majority of gas producing fields are located in remote areas. In contrast, the principal domestic gas markets are generally concentrated around the major population centres. The majority of gas consumed in Australia is consequently transported through transmission pipelines over relatively long distances.

For the most part, these transmission pipelines connect one source of supply with one market. Historically, there has been little interconnection between Australia's discrete pipeline systems. However, in Australia's east there has been growth in interconnected pipelines, enabling greater flexibility in the transport of gas from multiple gas sources to multiple markets, and APA recently announced an investment of up to A$460 million to construct the NGI, a new 580 km, 12 inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected gas pipeline system covering approximately 2,690 km in

Western Australia from north to south and west to east across the state. The NGI is expected to be operational around mid-CY2022.

The majority of the early pipelines constructed in Australia were initially government-owned. Until 1994, only Queensland and the Northern Territory had predominantly privately owned transmission pipeline infrastructure.

In 1994, the Commonwealth sold the MSP and associated laterals to East Australian Pipeline Limited. The privatisation trend continued such that by the end of 1999 all major transmission pipelines in Australia were privately held.

Natural Gas Distribution

The gas distribution industry has generally followed a similar course to gas transmission pipelines, including significant privatisation of government-owned utilities in recent times. Many gas distribution businesses began in Australian capital cities during the 19th century, supplying manufactured gas. With the development of natural gas fields and associated construction of transmission pipelines, the existing gas distribution networks were converted to natural gas and expanded to include regional centres. Gas distribution networks continue to expand with population growth, with gas networks extended into new residential housing and commercial developments.

Liquefied Natural Gas Industry

Liquefied Natural Gas (**LNG**) is produced by converting natural gas to a liquid form for ease and safety of non-pressurised storage or transport. According to the Australian Department of Foreign Affairs and Trade, the value of Australia's LNG exports is estimated to have risen from A$2.2 billion in FY2004 to A$49.7 billion[19] in FY2019, becoming Australia's third largest commodity export after iron ore and coal.

Driven by both lower demand and lower prices, Australian LNG exports are expected to fall to A$31 billion in FY2021[20]. Oil prices fell to record lows in 2020 on account of a reduction in demand from global lockdowns associated with the COVID-19 pandemic limiting travel, tensions between Russia and Organisation of the Petroleum Exporting Countries producers surrounding production cuts, and limited storage capacity for excess reserves. The forecast decline in export earnings is driven primarily by expected weak contract and spot prices and, to a lesser extent, lower export volumes, with export volumes forecast to fall from 79 million tonnes in FY2020 to 75 million tonnes in FY2021[21]. Export earnings are forecast to partially recover to A$37 billion in FY2022, tracking an expected rise in contract and spot prices[22].

The development of an LNG export facility requires large amounts of upfront capital investment in purchasing or building processing plants, ports and shipping facilities. Currently, Australia's LNG export projects are principally located in Western Australia's North West Shelf, Gladstone in Queensland and Darwin in the Northern Territory.

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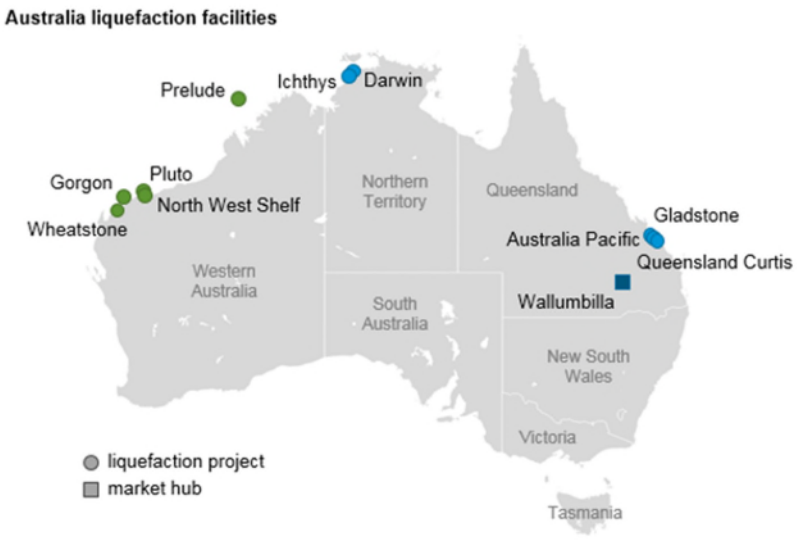
[19] Composition of Trade Australia 2018-19, Table 27: Australia's Major Merchandise Exports Rank, Value And Growth (January 2020).

[20] Resources and Energy Quarterly December 2020; Table 1.2: Australia's resource and energy exports, selected commodities.

[21] Resources and Energy Quarterly December 2020; Table 1.2: Australia's resource and energy exports, selected commodities.

[22] Resources and Energy Quarterly December 2020; Table 1.2: Australia's resource and energy exports, selected commodities.



Source: US Energy Information Administration (EIA), October 2017.

LNG projects in the North West Shelf include the Gorgon LNG project (producing since March 2016 and has production nameplate capacity of 15.6 million tonnes per annum (**mtpa**)), Wheatstone LNG project (producing since October 2017 and has nameplate production capacity of 8.9 mtpa), Pluto (producing since April 2012 and has production capacity of 4.9 mtpa) as well as the North West Shelf Venture, Australia's first LNG project, which began shipping cargoes in 1989 and has grown to include five production trains, and produces up to 16.9 mtpa. Additionally, the Prelude LNG Project, sponsored by Shell, Inpex, CPC and Kogas, shipped its first LNG cargo in June 2019. Its production capacity is at least 5.3 mtpa of liquids, 3.6 mtpa of LNG, 1.3 mtpa of condensate and 0.4 mtpa of LPG at plateau.

LNG projects in Darwin include the Ichthys Project (joint venture partners Inpex and Total) which shipped its first LNG cargo in October 2018 (nameplate production capacity expected of 8.9 mtpa) as well as Darwin LNG project which liquefies gas from the Timor Sea (producing since 2006 and nameplate production capacity of 3.7 mtpa). The three Queensland LNG export projects are the A$23.7 billion QCLNG Project (in production since December 2014), the A$24.7 billion APLNG Project (in production since December 2015) and the A$21.5 billion GLNG Project (in production since September 2015). All three projects are producing LNG from coal seams, which involves the production of coal seam natural gas in the gas fields in Queensland (Surat Basin and/or Bowen Basin), and transmission and delivery of gas to their LNG facilities on Curtis Island off Gladstone where coal seam natural gas is converted into LNG.

The QCLNG Project was developed by BG Group (now owned by Shell) and CNOOC and has a nameplate production capacity of 8.5mtpa. APA's WGP is a key component of the QCLNG Project because it transports all coal seam gas from the Surat Basin to the Queensland Curtis LNG Plant.

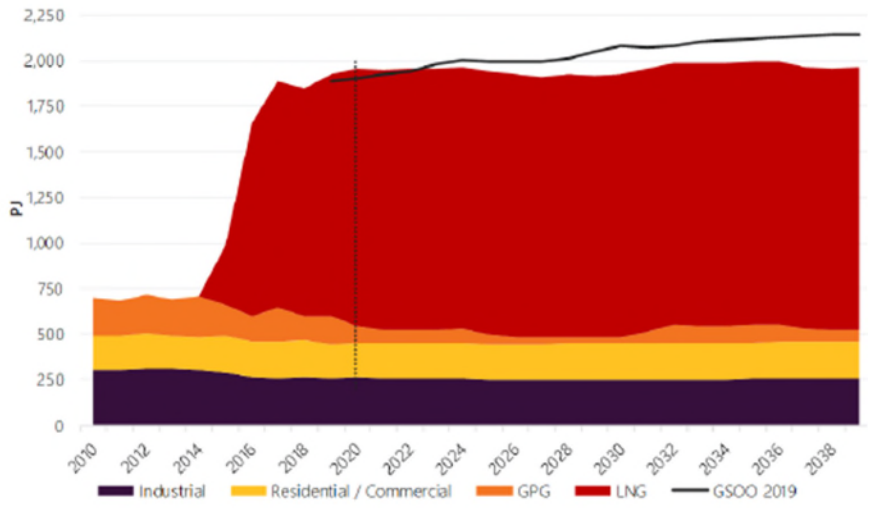
The APLNG Project was developed by Origin Energy, ConocoPhillips and Sinopec as joint venture partners and has a nameplate production capacity of 9 mtpa.

The GLNG Project which was developed by Santos, Petronas, Total and Kogas as joint venture partners, has a nameplate production capacity of 7.8 mtpa.

The QCLNG Project and APLNG Project are developing sufficient new gas production capacity to supply their LNG plants and domestic contracts and the GLNG Project is developing new capacity subject to reliance, in part, on the existing domestic gas fields. In addition to being the means to transport gas for the QCLNG Project, the WGP connects to the gas transmission pipelines for the APLNG Project and GLNG Project, which may lead to future opportunities for APA to earn additional revenue. APA acquired the WGP from BG Group (sponsor of

QCLNG project) in June 2015. It expects the need for gas transmission pipelines to supply the LNG projects around Gladstone will increase as LNG demand on Australia's east coast increases over the coming years, particularly from the expected significant growth in Asian gas demand (including from Japan, South Korea, China and Taiwan). APA believes the WGP is well-positioned to benefit from these LNG market dynamics.

The below chart illustrates AEMO's central scenario gas consumption forecast from its 2020 Gas Statement of Opportunities Report. This report was published in March 2020. Although this report was published in March 2020, at the onset of the COVID-19 pandemic, there is no more current forecast data published by AEMO available at the date of this Offering Circular. Accordingly, investors should note that the report may not account for the full impact of COVID-19 on the industry, and that COVID-19 may have an impact on demand for natural gas in Australia (as reflected in the forecast data published by AEMO included in this Offering Circular). See "*Risk Factors—Operational and Legal Risks—The outbreak of communicable diseases (such as COVID-19) in Australia could negatively impact the health and wellbeing of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects*" for more information regarding the potential impact of COVID-19 on the industry and APA's operations and "Important Information" for more information on APA's use of independent industry publications or other publicly available information.



Source: Gas consumption actual and forecast, AEMO, 2020 Gas Statement of Opportunities Report.

The COVID-19 pandemic negatively impacted global energy demand for fossil fuels during CY2020, with global demand for coal, oil and natural gas expected to be down approximately 8%, 9% and 5%, respectively, for CY2020 as compared to CY2019, and the pandemic is expected to continue to have lasting impacts on such global demand.[23] In addition, the COVID-19 pandemic has also acted as a catalyst, supporting calls for a transition to low-carbon energy sources. Although, COVID-19 may have an impact on demand for natural gas in Australia, APA believes that natural gas will continue to play an important role in the future energy mix in Australia supporting the integration of renewable energy with flexible power into Australia's energy system. APA expects this to become increasingly important as coal-fired generation is expected to be retired and removed from the energy mix. APA also expect natural gas to remain essential to powering hard-to-abate and hard-to-electrify sectors, such as industrial heat and feedstock. See "*Risk Factors—Operational and Legal Risks—The outbreak of communicable diseases (such as COVID-19) in Australia could negatively impact the*

[23] IEA, World Energy Outlook 2020, Flagship Report, October 2020.

health and wellbeing of APA's staff, its customers' demand for energy, the economy and business activities in Australia and, in turn, adversely affect APA's business, financial condition, results of operations and prospects" for more information regarding the potential impact of COVID-19 on the industry and APA's operations.

REGULATORY ENVIRONMENT

Australia's economic regulatory regime for gas pipelines, which is referred to as the NGAR, is set out in the NGL and the NGR. The NGAR is administered in Western Australia by the ERA, a state-based regulator, and in all other states and territories by the AER.

Pipelines that are subject to full regulation or light regulation under the NGAR are referred to as "covered" and as "Scheme Pipelines". Pipelines that are not covered (i.e., not subject to full or light regulation under the NGAR) are referred to as "Non-Scheme Pipelines". Although Non-Scheme Pipelines are not subject to full regulation or light regulation, they are subject to the information disclosure regime under Part 23 of the NGR, unless exempted.

There are currently four tiers of pipeline regulation in Australia under the NGAR:

1. Scheme Pipelines that are subject to "full regulation" in which the AER (or ERA in WA) approves an access arrangement, including reference tariffs based on a determination of the value of invested capital, a return on that capital and operating costs amongst other factors;

2. Scheme Pipelines that are subject to "light regulation" in which prices are negotiated between the customer and the pipeline operator, subject to arbitration by the AER (or ERA in WA) in the event of failure to reach a negotiated outcome;

3. Non-Scheme Pipelines that are subject to an information disclosure and arbitration regime under Part 23 of the NGR, in which prices are negotiated between the customer and the pipeline operator, subject to commercial arbitration in the event of failure to reach a negotiated outcome; and

4. Non-Scheme Pipelines that are exempt from either the information disclosure or both the information and arbitration regime under Part 23 of the NGR, including by virtue of their small size or lack of third party access.

The NGL includes criteria and a process whereby a pipeline can become "covered". Under the NGL, any person (including customers seeking access to a pipeline) may make an application that a Non-Scheme pipeline become "covered" and therefore subject to full or light economic regulation. If such an application was made, and certain statutory criteria satisfied, the relevant pipeline could become subjected to economic regulation. Similarly, an application can be made seeking that light regulation be revoked and full regulation be imposed instead.

Full Regulation

Pipelines which are regarded as having a degree of market power such that regulated access will significantly increase competition in a dependent market are typically subject to full regulation. Some of APA's pipelines have been covered by the NGAR and subject to full regulation since it was introduced in the 1990s establishing regulator-approved reference tariffs. The NGL and NGR contain principles which are applied in regulating third party access to natural gas transmission pipelines and distribution networks throughout Australia. They establish the rights and obligations of asset owners and users in relation to third party access to natural gas transmission and distribution. They provide a degree of predictability as to the terms and conditions of access to the services of specific gas infrastructure facilities, while preserving the role of commercial negotiation. APA has managed numerous price reviews since the original third party access regime commenced in 1998.

The following are core principles of the NGL and the NGR for price regulated assets:

- Reference Tariffs are applicable for standard services termed "Reference Services". Reference Services for each asset are specified in an access arrangement approved by the regulator. The owner is required

to provide the Reference Service to users at the Reference Tariff where there is available capacity except where it is not possible to do so safely;

- A user can accept a Reference Service at the Reference Tariff or seek to negotiate with the owner for a different service at a different tariff;
- The owner is able to offer discounts on its Reference Tariffs and the regulator may take account of this in subsequent tariff determinations where the discount provides benefits to other users of the pipeline (by, for example, avoiding inefficient bypass of the pipeline); and
- Disputes about access to pipeline services may be resolved by binding arbitration undertaken by the regulator.

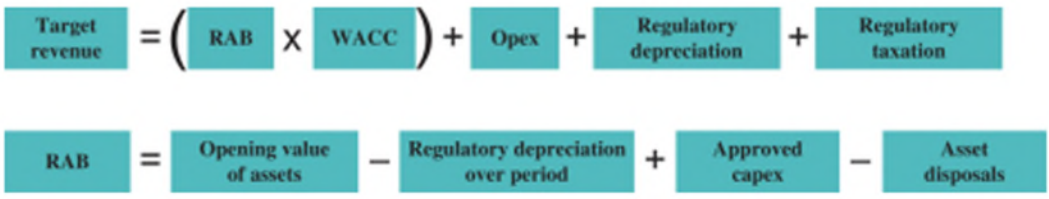
Reference Tariffs

Reference Tariffs are approved by the relevant regulator. Reference Tariffs are designed to provide a revenue stream to the owner sufficient to recover the following over the economic life of the asset:

- Return of the prudent and efficient capital invested;
- A rate of return on the capital invested (Weighted Average Cost of Capital or WACC) and tax thereon; and
- An efficient level of operating costs.

Some regulated assets are also subject to incentive schemes for capital and operating expenditure, which reward (or penalise) the pipeline owner by reference to its actual cost performance compared to approved forecasts. For pipelines subject to such a scheme, these rewards (or penalties) make up an additional element of the revenue building blocks.

The standard calculation of target revenue for the purposes of determining the Reference Tariffs is set out below:



Source: APA

For APA's existing price regulated assets, the key regulatory risk is the rate of return. The regulator sets a binding rate of return instrument for a defined interval of four years. Key methods and parameter values are fixed in the rate of return instrument, but the methods allow for variation in some market determined rates (for example, long term cost of debt) over time. The binding rate instrument in force at the time of a regulatory decision to reset tariffs is to be applied. AER's binding rate of return instrument came into effect on 17 December 2018, with an updated instrument, correcting typographical errors published on 4 April 2019. The ERA's rate of return guidelines were published on 18 December 2018, with an addendum published on 6 October 2020.

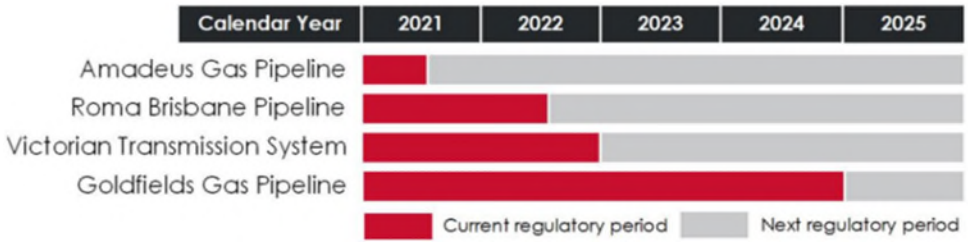
The instruments of the AER and ERA set the rate of return as a weighted average of a rate of return on equity and a rate of return on debt. The weighting uses an assumed gearing (ratio of debt to total assets) which is fixed in the instrument (currently 0.6 in the AER instrument; 0.55 in Western Australia). The return on equity must be calculated using the Capital Asset Pricing Model, using parameters for that model – beta (β) and the market risk premium (MRP) – which are specified in the instrument (β = 0.6, MRP = 6.1% in the AER instrument; β = 0.7, MRP = 6.0% in Western Australia). The risk free rate of the Capital Asset Pricing Model must be calculated,

using the method set out in the instrument, from long term government bond rates at the time a regulatory decision is made (10-year bonds in the AER instrument; 5-year bonds in Western Australia). In the AER instrument, the rate of return on debt is to be a 10 years moving average of the cost of debt with term to maturity of 10 years for a business with a BBB+, or equivalent, credit rating, calculated using the methods set out in the instrument (which currently provide for a transition into the moving average). A different approach applies in Western Australia. The rate of return on debt must be calculated, using the methods set out in the instrument, as the 5-year interest rate swap rate at the time the regulatory decision is made, plus a 10-year moving average of the premium above the 10-year swap rate for debt with term to maturity of 10 years for a business with a BBB+, or equivalent, credit rating.

Tariffs are typically set for a period of five years, but can vary during that period in accordance with an adjustment mechanism approved by the regulator. The adjustment mechanism must provide for tariff variation as the rate of return on debt (but not the rate of return on equity), calculated using the method set out in the binding instrument, and varies during the period of five years. The adjustment mechanism will also usually provide for inflation adjustment of the tariff using a CPI-X formula, where CPI is inflation measured by the CPI, and X represents a productivity factor.

Regulatory resets

During the six months ended 31 December 2020 and the year ended 30 June 2020, approximately 8.2% and 8.0% of APA's Energy Infrastructure revenues, respectively, were derived from regulated tariffs assets under approved access arrangements with remaining revenues being primarily derived from medium-to-long term contracts and under light or no regulation. Regulatory resets of Reference Tariffs generally occur every five years. The diagram below outlines the scheduled regulatory reset dates for pipelines owned and operated by APA.



Under the NGL, new pipelines can make an application for a 15-year regulation exemption.

Amadeus Gas Pipeline 2021-2026 access arrangement – consumer engagement

APA established the Amadeus Gas Pipeline Consumer Reference Group as part of the regulatory process for review of the 2021-2026 Amadeus Gas Pipeline access arrangement. Under the existing arrangement approved in 2016, APA was required to submit further revisions on 1 July 2020, which are expected to have effect for a period of five years from 1 July 2021.

The AER released its draft decision on the Amadeus Gas Pipeline Access Arrangement on 27 November 2020. The AER draft decision included an interruptible service reference service, in addition to the existing firm service reference service. The draft decision envisions a decline in the current Firm Service Reference Tariff, reflecting a lower rate of return and a larger volume associated with Northern Gas Pipeline interconnection. The reduced reference tariff has limited impact on APA because the pipeline is subject to a long term contract for the vast majority of gas transported. APA submitted a revised proposal to the AER in January 2021, accepting the relatively minor amendments required by the AER.

Light Regulation

Typically, “light regulation” pipelines are those considered to exhibit some natural monopoly characteristics but which do not have sufficient market power to warrant full regulation but nonetheless the benefits of regulation are assessed to outweigh the costs. For assets subject to “light regulation”, contractual terms including price are negotiated between the asset owner and customers/shippers. There is no tariff established by the regulator for “light regulation” pipelines. The regulator becomes involved as the binding arbitrator only where there is a dispute and the contractual terms cannot be agreed.

Information disclosure and commercial price arbitration regime

Additional information disclosure and commercial arbitration rules came into effect in August 2017 (December 2017 in Western Australia) and they apply to APA’s “non-scheme” pipelines, except for certain pipelines that are exempt. APA has worked with the Gas Market Reform Group, AEMO and the industry on the design and implementation of the additional rules over the past five years.

Under the new regime, pipeline operators are required to publish their pricing methodologies for services provided by Non-Scheme Pipelines. This disclosure supports negotiation of prices between the customer and the pipeline operator. If a customer and a pipeline operator cannot come to an agreement regarding pricing for services for a pipeline subject to Part 23 of the NGR, this regime provides an option to access an arbitrator to determine a commercial outcome that would occur in a workably competitive market.

This information for APA’s applicable East Coast and Central Region gas transmission assets was published on its website on 31 January 2018. This information includes its pricing methodology and other information in relation to pipeline services and tariffs for these assets consistent with the requirements of Part 23 of the NGR. The published tariffs are consistent with tariffs that APA has agreed with its customers over a number of years and with competitive outcomes. APA supports this initiative of improved information transparency. The information for its Western Australia gas transmission assets was published in June 2018. Additional disclosure provisions of individual pipeline financial statements, application of the prescribed recovered capital methodology, and average prices was published in October 2018.

Rolling out of information disclosure compliance

APA has published financial statements and associated information as specified under Part 23 of the NGR in October 2018, 2019 and 2020. Together with the January 2018 publication of its pricing principles and methodology, and standing terms, prospective pipeline users now have available a broad range of information to enable enhanced assessment of pipeline service offers. APA has continued to work with its customers to negotiate commercial terms that are acceptable and beneficial for all parties. No access requests have led to arbitration since that formal process was introduced in August 2017.

Changes to Part 7 of the NGR now require light regulation pipelines to report pipeline capacity and availability information, as well as financial information according to the AER’s Financial Reporting Guideline for Light Regulation Pipelines. APA published the first edition of this financial reporting in October 2020.

APA continues to work with its gas transportation customers to develop commercial arrangements that are mutually beneficial and satisfactory to all parties.

Part 24 and 25 capacity trading and auction

APA undertook extensive business system developments to ensure the successful implementation on 1 March 2019 of both a Capacity Trading Platform for the secondary trade of pipeline capacity, and a daily auction facility of firm contracted but un-nominated pipeline capacity. Both facilities are being run by the AEMO.

Gas Policy developments

Regulation Impact Statements

In August 2019, the ENCRC commenced a consultation to consider options to improve transparency in the eastern and northern Australian gas markets. In March 2020, the Final Decision RIS was agreed by ENCRC and, in November 2020, the draft legislative and rule package to implement these changes were provided for public consultation. APA accepts the proposed changes as enhancing gas market transparency subject to ensuring alignment with existing information disclosure requirements under the Corporations Act and the ASX Listing rules. Draft legislation to implement the changes was released for consultation in November 2020, with legislation to go to parliament in 2021.

On 1 November 2019, the ENCRC released a consultation RIS, 'Options to Improve Gas Pipeline Regulation'. This RIS identified and evaluated options to deliver a more efficient and integrated regulatory framework for gas pipelines. The RIS focused on the different forms and application of regulation to gas pipelines, information disclosure, negotiation frameworks and dispute resolution mechanisms. APA has been active in the consultation process, including suggesting a hybrid option that draws upon elements from the RIS and the existing NGL and Rules. Under APA's hybrid option, all pipelines would be subject to regulation with the minimum level being Part 23 of the NGR. The negotiate-arbitrate model would be retained, with an exemption for greenfield pipelines. All existing pipelines would retain their current regulated status at the start of the new scheme. The current test applying the existing Form of Regulation factors in Section 16 of the NGL would then be utilised to determine which pipelines should move from "lighter" Part 23 regulation to "heavier" full regulation or vice versa. APA believes this hybrid option addresses concerns about regulatory coverage of pipelines by ensuring the appropriate form of regulation while harmonising the level of information available across all regulatory classes of pipelines. Consultation on the RIS closed on 20 December 2019 and a period of assessment and review has been undertaken by senior officials from government and statutory authorities. The decision on the RIS is expected to be published during the first half of CY2021.

Security of Critical Infrastructure

The Federal Government introduced the Security of Critical Infrastructure Act in 2018 with the objective of providing a framework for managing risks to national security from foreign involvement in Australia's critical infrastructure. All required information on APA's assets and investment assets which met the threshold criteria under the legislation was submitted during the period to the Critical Infrastructure Register, maintained by the Critical Infrastructure Centre. This included information on pipelines, gas storage facilities, power stations and electricity interconnectors. APA has responded to enquiries received from the Critical Infrastructure Centre and continued to provide updates to the Critical Infrastructure Register to maintain completeness and accuracy of information, with no new assets added to the register in HY2021.

GLOSSARY

A$	Australian currency (dollars).
AAS	Australian Accounting Standards as published by the Australian Accounting Standards Board, including the Australian Accounting Interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act.
AASB	Australian Accounting Standards Board
ABN	Australian Business Number.
ACCC	Australian Competition and Consumer Commission.
access arrangement	An arrangement for access to a price regulated pipeline or distribution network covered by the NGL and NGR (setting out the terms and conditions, including price, at which third parties can acquire services on the pipeline or network).
ACN	Australian Company Number.
ACT	Australian Capital Territory, Australia.
AEMO	Australian Energy Market Operator.
AER	Australian Energy Regulator.
AGIG	Australian Gas Infrastructure Group.
AGL Energy	AGL Energy Limited (ABN 74 115 061 375).
AGN	Australian Gas Networks Limited (formerly Envestra Limited).
AGP	Amadeus Basin to Darwin gas pipeline, Northern Territory.
A-IFRS	Australian International Financial Reporting Standards as published by the AAS Board, including the Australian Accounting Interpretations adopted by the AAS Board, and the Corporations Act.
Allgas or Allgas Gas Network	Gas distribution network located in Queensland owned by GDI.
APA Group or APA	The registered business name of APT and APTIT, the units of which trade on the ASX under the ticker symbol "APA" as a single "stapled" security. References in this Offering Circular to APA are also made generally in the context of the business of APA in its entirety, including the respective businesses of the Issuer, the Principal Guarantor and their controlled entities.
APL	Australian Pipeline Limited (ACN 091 344 704).
APLNG Project	The Australia Pacific LNG project, Queensland.
APT	Australian Pipeline Trust (ARSN 091 678 778).
APTIT	APT Investment Trust (ARSN 115 585 441).
APT Pipelines or Issuer	APT Pipelines Limited (ACN 009 666 700), a wholly owned subsidiary of APL, as the responsible entity and trustee of APT.
Arrow	Arrow Energy Holdings Pty Ltd.
ARSN	Australian Registered Scheme Number.

ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691), the Australian Securities Exchange.
BG Group	BG Group plc.
BGP	Bonaparte Gas Pipeline.
BHP or BHP Group	BHP Group Limited and its controlled entities.
Board	The Board of Directors of APL or the Issuer (as the context requires), unless otherwise indicated.
BP	BP Plc.
BWP	Berwyndale Wallumbilla Pipeline, Queensland.
capacity	The maximum quantity of gas which a pipeline can transport from a receipt point to a delivery point under normal operating conditions and as currently configured.
CAD	Canadian Dollars.
CGP	Carpentaria Gas Pipeline, Queensland.
CMT	APA Crises Management Team.
CNOOC	China National Offshore Oil Corporation.
COAG Energy Council	The Council of Australian Governments Energy Council.
Commonwealth	Commonwealth of Australia and where the context so permits, includes the Federal Government of Australia.
compression	Whereby the pressure of the gas flowing through the pipeline is raised, enabling higher throughput.
Corporations Act	Australian Corporations Act 2001 (Cth).
CPI	Consumer Price Index, a general measure of Australian household price inflation.
CRN	Central Ranges Network, New South Wales.
CRP	Central Ranges Pipeline, New South Wales.
CY	Calendar Year.
CY2017	Calendar Year to 31 December 2017.
CY2018	Calendar Year to 31 December 2018.
CY2019	Calendar Year to 31 December 2019.
CY2020	Calendar Year to 31 December 2020.
CY2021	Calendar Year to 31 December 2021.
Darwin LNG Project	Darwin LNG Project, Northern Territory.
Derivative Transaction	The meaning given to it in "*Terms and Conditions of the Notes — Events of Default and Enforcement.*"
Directlink	An electricity interconnector asset, owned by EII.
Directors	Directors of APL or the Issuer (as the context requires), unless otherwise indicated.

DISER	Australia Department of Industry, Science, Energy and Resources.
East Coast Grid	APA's East Coast Grid mainly comprises CGP, SWQP, WGP, RBP, MSP and VTS.
EBIT	Earnings exclusive of interest expense and income tax expense.
EBITDA	Earnings exclusive of significant items before interest, income tax, depreciation and amortisation.
EES	Environmental Effects Statement.
EGP	Eastern Gas Pipeline, New South Wales.
EII	Energy Infrastructure Investments Pty Limited (ACN 104 348 852).
EII2	EII 2 Pty Ltd (ACN 139 673 215).
EIS	Environmental Impact Statement.
EMTN	Euro Medium Term Note.
ENCRC	The Energy National Cabinet Reform Committee. Certain references in this Offering Circular to the ENCRC or Energy National Cabinet Reform Committee include references to the Council of Australian Governments Energy Council.
EnergyQuest	EnergyQuest, an Australian-based energy advisory firm, which specialises in market analysis and strategy for energy companies, buyers, investors and governments.
Envestra	Envestra Limited (ACN 078 551 685) (now known as AGN).
ERA	Economic Regulation Authority.
Ethane Pipeline	Moomba to Port Botany Ethane Pipeline.
Excluded Subsidiaries	Certain subsidiaries that are excluded from the requirement to provide a guarantee under the Issuer's bank debt facilities, being Goldfields Gas Transmission Pty Ltd (ABN 87 004 273 241), APT SPV2 Pty Ltd, APT SPV3 Pty Ltd, APT SEA Gas Holdings Pty Limited (ACN 124 754 767), APA Sea Gas (Mortlake) Holdings Pty Ltd (ABN 56 612 184 684) and APA Sea Gas (Mortlake) Pty Ltd (ABN 24 612 185 734) and (in summary) any direct or indirect subsidiary of a Parent Guarantor party to certain limited recourse borrowing arrangements.
fiscal year	1 July to 30 June.
FEED	Front End Engineering and Design.
FFO-to-Debt Ratio	Funds From Operations divided by the sum of current and non-current borrowings and operating lease liabilities and unamortised borrowing costs, minus cash and cash equivalents and 50% reclassification of any hybrid issuances as defined by the credit rating agencies, and including derivatives at fair value. Calculated on a rolling 12 month basis.

FFO-to-Interest Ratio	Funds from Operations plus finance costs and any amount of interest expense included in the cost of qualifying assets, minus 50% reclassification of any interest on hybrid issuances as defined by the credit rating agencies divided by interest and other costs of finance paid as disclosed in the statement of cash flows plus any amount of interest expense included in the cost of qualifying assets. Calculated on a rolling 12 month basis. The FFO-to-Interest ratio calculations do not take into account the Excluded Subsidiaries of APA.
Funds From Operations	EBITDA minus finance costs, current income tax expense, the amount of interest expense included in the cost of qualifying assets, the share of net profits of associates and joint ventures using the equity method, plus cash distributions from associates and joint ventures using the equity method.
FY2018	Financial Year to 30 June 2018.
FY2019	Financial Year to 30 June 2019.
FY2020	Financial Year to 30 June 2020.
GasNet	GasNet Australia Group.
GDI	GDI (EII) Pty Limited (ABN 96 154 766 524).
Gearing Ratio	Calculated in accordance with the covenants in APA's bank debt facilities and USPP Notes, is (in summary) the ratio of net debt (being the total of certain indebtedness less cash and cash equivalents as calculated in APA's bank debt facilities and USPP Notes) to net debt plus total equity and retained earnings but excluding reserves carried in respect of effective hedges. The Gearing Ratio calculations do not take into account the Excluded Subsidiaries of the APA Group.
GGP	Goldfields Gas Pipeline, Western Australia.
GLNG Project	The Gladstone LNG Project, Queensland.
GPG	Gas-powered generation.
Gruyere Power Station	Gruyere Power Station, Western Australia.
GST	Australian Goods and Services Tax.
Gorgon LNG Project	The Gorgon Gas Project, Western Australia.
GTA	Gas Transportation Agreement.
HDF	Hastings Diversified Utilities Fund.
HSE	Health, Safety and Environment.
HSEH	Health, Safety, Environment and Heritage.
HY2020	The six months to 31 December 2019.
HY2021	The six months to 31 December 2020.
Ichthys Project	Ichthys LNG Project, Northern Territory.
IOC	Integrated Operations Centre.

Inpex	INPEX Corporation.
Interconnect or Interconnector	A section of pipeline or electricity infrastructure allowing bi-directional energy flow between states and territories of Australia or distinct networks.
Issuer	See "*APT Pipelines*".
Jemena	SGSP (Australia) Assets Pty Ltd (SGSPAA), trading as Jemena, is owned 60% by State Grid Corporation of China and 40% by Singapore Power International.
joule or J	The main SI unit for measuring all forms of energy is the joule.
km	Kilometres.
Kogas	Korea Gas Corporation.
lateral	A branch pipeline linking a main pipeline to a market or end-user or other pipeline.
LNG	Liquefied natural gas.
LTI	Lost Time Injury.
LTIFR	Lost Time Injury Frequency Rate.
looping	Increasing the capacity of a pipeline by installation of an additional pipeline (in sections or entirely), parallel to and joined with the original pipeline(s).
MAPS	Moomba to Adelaide Pipeline System, South Australia.
MDQ	Maximum daily quantity.
Moody's	Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.
MSP	Moomba Sydney Pipeline system in New South Wales, including laterals and the NSW-VIC Interconnect.
mtpa	Million tonnes per annum.
MTN	Medium Term Note.
Murraylink	An electricity interconnector asset owned by EII.
MW	Megawatt. 1 MW = 10^6 watts.
NGAR	National Gas Access Regime.
NGER	National Greenhouse and Energy Reporting Act 2007 (Cth).
NGI	Northern Goldfields Interconnect.
NGL	National Gas Law.
NGR	National Gas Rules.
North West Shelf Venture	North West Shelf LNG Project, Western Australia.
NSW	New South Wales, Australia.
NT	Northern Territory, Australia.
Origin Energy	Origin Energy Limited (ABN 30 000 051 696) and its relevant controlled entities.

Parent Guarantors	APL, in its separate capacities as trustee and responsible entity of APT and APTIT
pass-through revenue	Revenue which passes through APA's accounts but upon which no margin is earned such as, in some cases, reimbursements of construction or other costs which were incurred for customers.
PCA	Port Campbell to Adelaide Pipeline.
Petronas	Petronas Australia Pty Ltd and its Australian subsidiaries.
PGP	Parmelia Gas Pipeline, Western Australia.
PJ	Petajoule. 1 PJ = 10^{15} joules.
Pluto	Pluto LNG Project, Western Australia
Pre-FEED	Pre-Front End Engineering Design.
Prelude LNG Project	The Prelude FLNG facility, Western Australia
PWC	The Power and Water Corporation, a Northern Territory of Australia Government owned utility. Also known as Power and Water.
QCLNG Project	Queensland Curtis LNG Project, Queensland.
QLD	Queensland, Australia.
RBP	Roma Brisbane Pipeline, Queensland.
regulated asset base	The regulatory value of assets regulated under the NGL or the National Electricity Law.
RCW	Reedy Creek Wallumbilla Pipeline.
Reference Service	A service specified in an Access Arrangement and in respect of which a Reference Tariff has been specified in that access arrangement.
Reference Tariff	Pipeline tariff for a Reference Service specified in an access arrangement approved by a regulator according to pricing principles detailed in the NGR and NGL.
Responsible Entity	Australian Pipeline Limited (ACN 091 344 704) and, generally in Australia, a licensed entity or body that operates a registered managed investment scheme.
SA	South Australia, Australia.
S&P	Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.
SEA Gas	South East Australia Gas Pty Ltd.
securityholder	The registered holder of ordinary stapled securities in APT and APTIT.
SESA Pipeline	South East South Australia Pipeline.
Shell	Royal Dutch Shell plc.
SI	International System of Units (Système International d'Unités).
SRU	Sulphur Recovery Unit.

Standard	AS2885, the Gas and Liquid Petroleum pipelines standard.
SWQP	South West Queensland pipeline.
TJ	Terajoule. 1 TJ = 10^{12} joules.
TJ/d	Terajoule per day.
Total	Total SA.
TRIFR	Total recordable injury frequency rate.
USPP Notes	US Private Placement Notes.
VIC	Victoria, Australia.
VTS	Victorian Transmission System.
WA	Western Australia, Australia.
WACC	Weighted Average Cost of Capital, which refers to the weighted average of the cost at which an entity can borrow debt and the cost at which it can raise equity.
watt or W	Particularly for electricity, the basic SI unit of power is the watt and a commonly used unit is the kilowatt (1,000 watts).
WGP	Wallumbilla Gladstone Pipeline, formerly the QCLNG Pipeline, Queensland.
Wheatstone LNG Project	The Wheatstone Gas Project, Western Australia.
WORM	Western Outer Ring Main Project.

TAXATION

Australian Taxation

The following is a general summary of the taxation treatment under the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (the **Tax Act**), at the date of this Offering Circular, of payments of interest (as defined in the Tax Act) on the Notes and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the Notes (including dealers in securities, custodians or other third parties who hold the Notes on behalf of any absolute beneficial holders of the Notes). The following is a general guide only and should be treated with appropriate caution. Prospective holders of the Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Tax Act (**IWT**) is available in respect of the Notes under section 128F of the Tax Act if all the following conditions are satisfied:

- the Issuer is a resident of Australia when it issues the Notes;
- the Issuer is a resident of Australia when interest (as defined in section 128A(1AB) of the Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- the Notes are issued in a manner which satisfies the "public offer test" as outlined in section 128F(3) of the Tax Act. The "public offer test" should be satisfied where the Notes (whether in global form or otherwise) are offered for issue:
    - (a) to 10 or more persons who are carrying on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets who are not "associates" of each other for the purposes of section 128F(9) of the Tax Act; or
    - (b) to at least 100 investors who have acquired debentures in the past or are likely to be interested in acquiring debentures; or
    - (c) as a result of being accepted for listing on a stock exchange under an agreement requiring listing; or
    - (d) publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; or
    - (e) to a dealer, manager or underwriter who, under an agreement with the Issuer, offers to sell the Notes within 30 days by one of the preceding methods;
- the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes or interests in the Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Issuer, except as permitted by section 128F(5) of the Tax Act; and
- at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Issuer, except as permitted by section 128F(6) of the Tax Act.

Associates

An "associate" of the Issuer for the purposes of section 128F of the Tax Act refers to entities such as natural persons, companies, trustees and partnerships that by reason of a family or business connection are regarded as associates of a particular entity. The associate test operates to determine whether an entity is an associate of the Issuer. The associate test also considers whether the potential holders of the Notes are themselves associated with each other.

Where the Issuer and holders of the Notes are companies, associates of the Issuer/holder of the Notes will broadly include:

- an entity who (together with its associates) holds a majority voting interest in the Issuer/holder of the Notes;
- an entity who (together with its associates) sufficiently influences the Issuer/holder of the Notes;
- an entity who is controlled by the Issuer/holder of the Notes (and its associates) through a majority voting interest; or
- an entity that is "sufficiently influenced" by the Issuer/holder of the Notes (and its associates).

Subsection 318(6) of the Tax Act provides that:

"a company is sufficiently influenced by an entity or entities if the company, or its directors, are accustomed or under an obligation (whether formal or informal), or might reasonably be expected, to act in accordance with the directions, instructions or wishes of the entity or entities (whether those directions, instructions or wishes are, or might reasonably be expected to be, communicated directly or through interposed companies, partnerships or trusts)."

Where the Issuer/holder of the Notes is capable of benefiting (whether directly or indirectly) under a trust, associates of the Issuer/holder of the Notes will include the trustee of such trusts.

Where the Issuer/holder of the Notes is a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under any of the foregoing then they will be associates for the purposes of section 128F(9) of the Tax Act.

However, for the purposes of sections 128F(5) and (6) of the Tax Act (see the fourth and fifth bullet points under "Interest withholding tax" above), "associate" does not include:

- onshore associates (i.e., Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- offshore associates (i.e., Australian resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business through a permanent establishment in Australia) who are acting in the capacity of:
  - (a) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the Notes, a clearing house, custodian, funds manager or responsible entity of a registered scheme; or
  - (b) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

(being an **Offshore Associate**).

Compliance with section 128F of the Tax Act

The Issuer intends to issue the Notes in a manner that satisfies the requirements of the exemption from IWT as outlined above.

Pursuant to the Programme Agreement entered into between the Initial Dealer and the Issuer, the relevant Dealer must not, as part of the primary distribution of any Notes, sell any relevant Notes to any person that the employees of such Dealer directly involved in the sale of the Notes actually know or have reasonable grounds to suspect, or that the Issuer has notified the Dealer, is an Offshore Associate of the Issuer.

On the basis that the Notes are issued in compliance with section 128F, no deduction or withholding in respect of Australian IWT should be required to be made from any payment of principal or interest made by the Issuer in respect of the Notes.

Other Tax Matters

Under Australian laws as presently in effect:

- income tax — offshore holders of the Notes — assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Notes, payments of interest (as defined in section 128A(1AB) of the Tax Act and which includes certain amounts which are deemed to be interest—for example, a discount on a Note) to a holder of the Notes who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and

- gains on disposal of Notes — offshore holders of the Notes—a holder of the Notes who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident holder to another non-Australian resident where Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source; and

- death duties — no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and

- stamp duty and other taxes — no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes subject to the Note issued being 'debt interests' as described below; and

- other withholding taxes on payments in respect of Notes — section 12-140 of the Taxation Administration Act 1953 (the **Taxation Administration Act**) imposes a type of withholding tax at the rate of 47% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (**TFN**) (in certain circumstances), an Australian Business Number (**ABN**) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Notes, then the requirements of section 12-140 do not apply to payments to a holder of the Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of the Notes in registered form may be subject to a

withholding where the holder of the Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- supply withholding tax — payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of the Taxation Administration Act; and
- goods and services tax (**GST**) — neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of the Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of Notes, would give rise to any GST liability in Australia; and
- direction by the Commissioner — the Commissioner of Taxation may give a direction under section 255 of the Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 or any similar provision requiring the relevant Issuer to deduct from any payment to any other party (including a holder of Notes) any amount in respect of tax payable by that other party; and
- debt/equity rules — Division 974 of the Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be "interest" for the purpose of section 128F of the Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of the Notes; and
- additional withholdings from certain payments to non-residents — section 12-315 of the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Offering Circular are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored; and
- taxation of foreign exchange gains and losses — Divisions 230, 775 and 960 of the Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any holders of the Notes who are Australian residents or non-residents that hold the Notes in the course of carrying on business at or through a permanent establishment in Australia. Any such holder of the Notes should consult their professional advisers for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of the Notes.

Taxation of Financial Arrangements

Division 230 of the Act contains a regime for the taxation of financial arrangements issued, or held, by Australian residents (or non-residents operating through an Australian permanent establishment) (the **TOFA regime**). Where it applies, the TOFA regime may impact upon the tax character and tax timing of gains and losses arising from those financial arrangements. The TOFA regime does not contain any measures that would override the exemption from Australian IWT available under section 128F of the Tax Act.

Payments under the Guarantee

It is unclear whether or not any payment by the Guarantors under the Guarantee of amounts in respect of interest on the Notes would be subject to IWT or whether or not, if the payment would otherwise be subject to IWT, the payment would be exempt from IWT to the same extent that the payment of interest on the Notes to which it relates would be exempt from IWT under section 128F of the Australian Tax Act. However, the Australian Taxation Office has released a Taxation Determination concluding that payments by a guarantor in respect of interest on debentures (such as the Notes) should be regarded as interest subject to IWT but that such payments should be entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from IWT under section 128F of the Australian Tax Act.

Interest on bearer securities

Pursuant to section 126 of the Australian Tax Act, payments of interest in respect of Notes may be subject to withholding on account of Australian tax at a rate of 45% if the Notes are in bearer form and the Issuer does not provide the names and addresses of the holders of the Notes to the Commissioner of Taxation. No such tax is imposed if the Notes are held by non-resident holders (that do not hold the Notes in the course of carrying on a business at or through a permanent establishment in Australia) where the exemption provided by section 128F of the Tax Act is available or if Australian IWT is payable. However, section 126 of the Australian Tax Act will apply to resident holders. The Issuer intends to treat operators of clearing systems as the holders of the Notes for these purposes (consistent with Taxation Determination TD 2001/19).

Payment of Additional Amounts

If an amount of Australian withholding tax is required to be deducted or withheld by the Issuer (or a Guarantor) from payments of interest in relation to the Notes, then the Issuer or Guarantors (as the case may be) must, subject to certain exceptions set out in Condition 9 of the Notes, pay an additional amount that would result in the holders of the Notes receiving an amount equal to that which they would have received had no such deduction or withholding been made. In such circumstances and subject to the Terms and Conditions, the Issuer may redeem the Notes.

Australian Resident Holders

The income received by Australian resident holders in respect of the Notes will be included in the assessable income of those holders for Australian income tax purposes. Australian resident holders that derive a gain on a sale or redemption of Notes will be subject to Australian tax on such gain.

US and UK Resident Holders of Notes

Australia has signed a number of amended double tax conventions (**Treaties**) with the Specified Countries. The Treaties apply to interest derived by a resident of a Specified Country. The Treaties effectively exempt IWT from applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated financial institutions resident in a Specified Country which substantially derive their profits by carrying on a business of raising and providing finance.

The availability of this IWT exemption is subject to certain exceptions.

Under the Treaties, interest paid in respect of arrangements involving back-to-back loans and economically equivalent arrangements would still be subject to the 10% IWT rate. In addition, the anti-avoidance provisions in the Tax Act may apply.

Specified Countries include the United States of America, France and the United Kingdom.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold U.S. tax on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. Under proposed U.S. Treasury Regulations, however, such withholding on foreign passthru payments will not apply to payments made before the date that is two years after the date on which applicable final regulations that define foreign passthru payments are published. Further, obligations, such as the Notes, issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are filed generally would be "grandfathered" and would not be subject to withholding unless they are characterised as equity for U.S. federal income tax purposes or they are materially modified after such date. As of the date hereof, no such regulations have been issued. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, there generally will be no additional amounts payable to compensate for the withheld amount; however, APA does not expect to withhold any U.S. tax pursuant to FATCA with respect to the Notes.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS.

A jurisdiction that has signed the CRS Competent Authority Agreement, which includes Australia, may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in an amended and restated programme agreement dated 8 March 2021 (as amended, restated or supplemented, the **Programme Agreement**) between the Issuer, the Initial Guarantors and BNP Paribas (the **Initial Dealer** and together with any other dealers appointed under the terms of the Programme Agreement, the **Dealers**), Notes may be offered on a continuous basis by the Issuer to the Dealers. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of any Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer may violate the registration requirements of the Securities Act.

Each issuance of Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the

Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II;

(b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Regulation (as defined below).

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in relation to each Member State of the European Economic Area (each, a **Relevant State**), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer to the public in that Relevant State of any Notes at any time under the following exemptions under the Prospectus Regulation:

(a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public**"** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "Prospectus Regulation**"** means Regulation (EU) 2017/1129 (as amended).

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by

this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by Final Terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public in relation to any Notes" means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Switzerland

Under Swiss law, certain entities described herein, in particular the registered managed investment schemes APT and APTIT, may qualify as a collective investment scheme under Swiss regulations, none of which have been licensed for distribution to non-qualified investors by the Swiss Financial Market Supervisory Authority FINMA (**FINMA**) as a foreign collective investment scheme pursuant to article 120(1) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (**CISA**), and no representative or paying agent in Switzerland has been appointed pursuant to article 120(4) CISA. Accordingly, the Notes may only be offered (within the meaning of article 3(g) of the Swiss Federal Act on Financial Services (**FinSA**) or marketed (within the meaning of article 127a of the Collective Investment Schemes Ordinance), directly or indirectly, in Switzerland and this document and any other marketing or offering documents relating to the Issuer, the Principal Guarantor, the Other Guarantors or the Notes may only be made available in Switzerland to professional clients as defined in article 4(3) FinSA, private clients within the meaning of article 4(2) FinSA who are in a long-standing investment advisory- or investment management relationship with a regulated financial intermediary in accordance with article 10(3^{ter}) CISA and who did not declare that they shall not be treated as qualified investors within the meaning of the CISA. Investors in the Notes do not benefit from the specific investor protection provided by the CISA and the supervision by the FINMA in connection with the licensing for offering or the appointment of a representative or a paying agent in Switzerland.

No application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per la Societa el la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed

in the Republic of Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed and each further Dealer under the programme will be required to represent and agree that it has not offered, sold or delivered and will not offer, sell or deliver any Notes or distribute any copy of this Offering Circular or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and/or CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time; and

(ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Japan

The Notes have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not directly or indirectly, offered or sold and will not directly or indirectly offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each future Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) as modified or amended from time to time (together, the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the 'securities' or 'securities-based derivatives contracts' (each term as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified in the relevant Final Terms in respect of any Notes, the

Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that all Notes issued or to be issued under the Programme shall be 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or the Notes has been, or will be, lodged with the ASIC. Each Dealer represents and agrees, and each further Dealer under the Programme will be required to represent and agree, that it:

(a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless (a) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not (other than by reason of section 708(14) or section 708A of the Corporations Act) require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act, (b) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (c) such action does not require any document to be lodged with ASIC and (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will only offer any Note for issue or sale or invite offers to subscribe for or purchase any Note or deliver any Note or possess or distribute the Offering Circular or other material in relation to the Notes in circumstances which, to the best of its knowledge and belief, comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantors, the Trustee nor any of the other Dealers shall have any responsibility therefor.

Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to further agree that the offering and marketing of the Notes by such Dealer will be conducted in the EEA and the United Kingdom only if the relevant jurisdiction is specified as an 'Approved Jurisdiction' in the applicable Final Terms and will not otherwise be conducted by such Dealer in any other EEA member state or the United Kingdom.

None of the Issuer, the Guarantors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

For the purposes of these selling restrictions, the Notes include interests or rights in Notes held in Euroclear or Clearstream, Luxembourg or any other clearing system.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms, the Subscription Agreement, Dealer Accession Letter or dealer confirmation, as relevant.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by resolutions passed by the Board of Directors of the Issuer on 6 September 2010. The giving of the Guarantee was duly authorised by resolutions passed by the Board of Directors of the Principal Guarantor on 18 October 2010 and by each other Initial Guarantor on or before the date of its execution of or accession to the Trust Deed as a Guarantor. The giving of the Guarantee will also be authorised by each further Additional Guarantor at the time such entity becomes a Guarantor. The issue of each Tranche of Notes has been and the issue of each future Tranche of Notes will be, duly authorised by resolutions passed by the Board of Directors of the Issuer on or before its issue date.

Listing of Notes

Application has been made to the SGX-ST for permission to deal in and for the quotation for any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and the specified offices of the Principal Paying Agent at One Canada Square, London E14 5AL, England, and, in respect of Notes listed on the SGX-ST, from the specified offices of the Paying Agent for the time being in Singapore upon written request and proof of holding between 9:00 am and 3:00 pm Monday to Friday, excluding public holidays:

(a) the constitutional documents of the Issuer and the constitutional documents of each of the Guarantors;

(b) the audited consolidated financial statements of the Group in respect of the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020 together with the audit report prepared in connection therewith. The Group currently prepares audited consolidated accounts on an annual basis;

(c) the unaudited consolidated financial statements of the Group for the six-month period ending 31 December 2020 (together with any audit or review reports prepared in connection therewith);

(d) the most recently published audited consolidated annual financial statements of the Group and the most recently published unaudited interim financial statements (if any) of the Group, in each case together with any audit or review reports prepared in connection therewith. The Group currently prepares unaudited consolidated interim accounts on a half-yearly basis;

(e) the Trust Deed (which includes the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons) and the Agency Agreement;

(f) a copy of this Offering Circular; and

(g) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular, including Final Terms (save that the Final Terms relating to a unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer, the Trustee, the relevant Paying Agent and (in the case of Registered Notes) the Registrar as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference.

Clearing Systems

Each series of Bearer Notes will be initially represented by either a Temporary Global Note or a Permanent Global Note that will (unless otherwise specified in the applicable Final Terms) be deposited on the issue date thereof with (as specified in the Final Terms) a common depositary on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearance system compatible with Euroclear and Clearstream, Luxembourg. Each series of Registered Notes will be initially represented by interests in a Global Registered Note and (unless otherwise specified in the applicable Final Terms) deposited on the issue date thereof with (as specified in the Final Terms) a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg.

The Legal Entity Identifier of the Issuer is 261700SS8OEHDOCOUJ33. The appropriate Common Code and the ISIN for each series of Bearer Notes or Registered Notes will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2020 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2020.

Litigation

There are no legal or arbitration proceedings pending or known to be contemplated that may in the future have or have had, in the 12 months preceding the date of this Offering Circular, a material effect on the financial position or profitability of the Issuer or any other member of the Group. Members of the Group are party to a number of minor litigation matters in the ordinary course of business. APA believes that any ultimate liability in those other litigation matters will not be material to APA's financial position, results of operations or cash flows.

Auditors

The auditors of the Group are Deloitte Touche Tohmatsu, who have audited the Group's accounts, without qualification, in accordance with Australian Auditing Standards for each the financial years ended on 30 June 2018, 30 June 2019 and 30 June 2020. Deloitte Touche Tohmatsu have also reviewed, but not audited, the Group's accounts in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity for each of the six months ended 30 December 2019 and 30 December 2020. The auditors of the Group have no material interest in any entity which forms part of the Group.

The reports of the auditors of the Group are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

Parties Transacting with the Issuer and the Guarantors

Certain of the Arranger, the Trustee, the Paying Agents, the Registrar, the Transfer Agents and the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer, the Guarantors and other Group entities in the ordinary course of business.

ANNEX — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of APA's financial condition and results of operations should be read in conjunction with "Summary Consolidated Financial Information" and the financial statements and related notes included elsewhere in this Offering Circular. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. APA's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Offering Circular.

The discussion of APA's historical consolidated data below is derived from the consolidated financial statements of APT and its controlled entities.

APA is a leading Australian energy infrastructure business. APA's gas transmission pipelines span every state and territory on mainland Australia. APA has direct management and operations control over its assets and the majority of its investments. APA holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI's Allgas Gas Networks.

APA's 15,000 km[24] of gas transmission pipelines delivered about half the nation's natural gas usage during HY2021 and FY2020. APA also has ownership interests in, and/or operates, AGN and GDI gas distribution networks, which together own approximately 29,500 km[25] of gas mains and pipelines, and more than 1.4 million gas consumer connections, as at 31 December 2020.

APA is also one of Australia's largest owners and operators of renewable power generation assets. APA owns wind and solar projects in Western Australia, South Australia and in the Darling Downs in Queensland, and it recently announced the Gruyere Hybrid Energy Microgrid, combining solar energy with battery energy storage.

APA's assets are geographically diverse and many of them, particularly those comprising its East Coast Grid, can operate as interconnected infrastructure or point-to-point assets, with APA's major pipelines having the ability to flow gas bi-directionally. APA's assets serve customers in a range of diversified sectors, including energy, utilities, industrial and resources. APA is included in the S&P/ASX 50 Index, the MSCI All Country Capital Index and the FTSE All-World Index. APA is listed on the ASX and, as at 12 February 2021, it had a market capitalisation of A$11.19 billion.

APA reports its operations in three principal business segments:

- Energy Infrastructure: The Energy Infrastructure segment consists of all of APA's energy infrastructure footprint across mainland Australia and includes all of its wholly or majority owned pipelines, gas storage assets, gas compression and processing assets and gas-fired and renewable energy power generation assets. The majority of revenues in the Energy Infrastructure segment are derived from either long term capacity-based contracts or regulatory arrangements. APA's contracts generally have the majority of the revenue fixed over the term of the relevant contract. Regulatory arrangements are typically reviewed every five years.

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[24] Owned and/or operated by APA Group. Gas transmission pipeline length is not adjusted for proportional ownership and represents the entire unlooped lengths of the pipelines or networks (including in relation to APA's energy investments, such as SEA Gas and Energy Infrastructure Investments Pty Limited) independent of the level of APA's ownership interest in such pipelines or networks.

[25] Gas distribution network length is not adjusted for proportional ownership and represents the entire lengths of the pipelines or networks independent of the level of APA's ownership interest in such pipelines or networks. Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

For HY2021, the Energy Infrastructure segment represented 93.7% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 94.6% of APA's EBITDA (excluding corporate costs), as compared to 92.9% and 94.4%, respectively, for HY2020. For FY2020, the segment represented 93.0% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 94.3% of APA's EBITDA (excluding corporate costs). Pass-through revenue is revenue in respect of which an equivalent amount of costs are incurred and on which no margin is earned. Unallocated revenue is interest income, which is not included in the calculation of EBITDA but nets off against interest expense in calculating net interest cost.

- Asset Management: Asset Management includes the provision of commercial, operating services and/or asset maintenance services to APA's energy investments and third parties for appropriate fees. APA provides asset management and operational services under long term contracts to the majority of its energy investments and to a number of third parties on a contract basis. APA's main customers are EII, EII 2 and GDI. APA also has arrangements to operate until 2027 the gas distribution networks owned by AGN, in which it divested its ownership interest in August 2014.

  For HY2021, the Asset Management segment represented 4.8% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 3.6% of APA's EBITDA (excluding corporate costs) (as compared to 5.4% and 3.5%, respectively, for HY2020). For FY2020, the segment represented 5.3% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 3.7% of APA's EBITDA (excluding corporate costs).

- Energy Investments: Energy Investments includes APA's strategic stakes in a number of investment entities that hold energy infrastructure assets. For its Energy Investments, APA generally seeks assets with long term secure cash flows and low ongoing capital expenditure requirements. Details of APA's specific Energy Investments are set out below.

Energy Investment		**Ownership interest**
SEA Gas Pipeline.....	50%	Gas pipeline: 687-km pipeline from Iona and Port Campbell, Victoria to Adelaide, SA
SEA Gas (Mortlake) Partnership	50%	Gas pipeline: Mortlake Gas Pipeline (83 km) from the Otway Gas Plant near Port Campbell to Mortlake Power Station
EII 2	20.2%	Wind generation: North Brown Hill Wind Farm (132 MW), SA
GDI	20%	Gas distribution: ~3,850 km of gas mains, supplying ~116,000 gas consumer connections in QLD
EII	19.9%	Gas pipelines: Telfer/Nifty Gas Pipelines and lateral (488 km); Bonaparte Gas Pipeline (286 km); Wickham Point Pipeline (12 km) Electricity transmission cables: Murraylink (180 km) and Directlink (64 km) Gas-fired power stations: Daandine Power Station (30 MW) and X41 Power Station (41 MW) Gas processing facilities; Kogan North (12 TJ/d); Tipton West (33 TJ/d)

APA's ability to manage these investments and provide operational and/or corporate support services gives APA flexibility in the way it grows its business and enables it to harness in-house expertise. APA also provides options for itself depending on opportunities available, energy market conditions and capital markets environments. Each investment is equity accounted.

For HY2021, the Energy Investments segment represented 1.5% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 1.9% of APA's EBITDA (excluding corporate costs) (as compared to 1.7% and 2.1%, respectively, for HY2020). For FY2020, the segment represented 1.7% of APA's revenue (excluding pass-through revenue and unallocated revenue) and 2.1% of APA's EBITDA (excluding corporate costs).

These businesses also represent APA's reportable segments as described under "*—Segment Presentation*". APA's financial performance historically has been stable, which is primarily attributable to the nature of its energy infrastructure asset base, the substantial majority of which benefits from long term "take-or-pay" contracts and/or price regulation.

Key Drivers of Historical Results

The key factors impacting APA's results of operations over HY2021, HY2020, FY2020, FY2019 and FY2018 are described below.

Energy Infrastructure Business Underwritten by Long term "Take-or-Pay" Capacity Contracts and Price Regulation

The Energy Infrastructure segment of APA's business contributed A$1,001.5 million, A$1,000.3 million, A$1,978.5 million, A$1,905.2 million, and A$1,804.0 million of revenue (excluding pass-through revenue and unallocated revenue) in HY2021, HY2020, FY2020, FY2019 and FY2018, respectively, and A$818.8 million, A$830.9 million, A$1,629.8 million, A$1,572.4 million and A$1,497.1 million of EBITDA (excluding corporate costs and significant item) in HY2021, HY2020, FY2020, FY2019 and FY2018, respectively. In HY2021, revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue) from price regulated assets and revenue earned under negotiated contractual arrangements accounted for 8.2% and 88.7% of APA's total revenue from the Energy Infrastructure segment (excluding pass-through revenue and unallocated revenue), respectively. APA typically contracts capacity of its assets using long term "take-or-pay" capacity contracts. Tariffs under those contracts reflect the amount of capacity reserved and are payable irrespective of gas transmission volumes shipped by that customer. Due to a "greenfield" exemption the WGP was granted under the NGL, the WGP will not be subject to regulation by the AER until at least 2030. See "*Regulatory Environment*" for more information regarding the regulation of APA's business.

Where APA has long term "take-or-pay" contracts or price regulated assets, it is not materially exposed to short-term changes in natural gas supply or demand. However, as contracts expire and as new tariffs are set for its price regulated assets, APA does have exposure to recontracting decisions by customers, the timing of customer final investment decisions, impacts of Consumer Price Index (**CPI**) and the longer term trends in supply and demand for natural gas. See "*Regulatory Environment*" for more information regarding the regulation of APA's business, including an explanation of the process for setting tariffs. See "*Risk Factors* — —Risks Related to APA's Industry and Business—Customer Related Risks—*APA may fail to renew contracts as they expire*" for more information regarding APA's exposure to recontracting risks.

Capital Investment

Expansion and improvement of APA's energy infrastructure assets is highly capital intensive. APA's organic growth and Stay in Business and IT Capital Expenditure, including in the Energy Infrastructure segment, totalled A$251.6 million in HY2021, A$213.6 million in HY2020, A$427.1 million in FY2020, A$581.3 million

in FY2019 and A$855.5 million in FY2018. 77.9% of APA's capital expenditure over HY2021, FY2020, FY2019 and FY2018 relates to expanding and improving upon its existing assets, acquiring new assets and making additional energy investments. This growth capital expenditure, other than expenditure relating to additional energy investments, is generally made to meet customer demand relating to APA's existing assets and is generally either fully underwritten by its customers through long term gas transportation arrangements or has received regulatory approval through the relevant access arrangement.

During HY2021, APA continued to execute its growth strategy across traditional gas infrastructure and progressively into related energy infrastructure consistent with market and customer needs. APA expects that growth capital expenditure will exceed its original A$1 billion target over FY2021 to FY2023. This capital expenditure is currently expected to be attributed to the NGI, Gruyere Hybrid Energy Microgrid, WORM (approximately A$167 million), Thomson Power Station (approximately A$40 million), other committed projects (approximately A$70 million) and expansion of the East Coast Grid (up to A$700 million, subject to APA's final investment decision in FY2021). The A$460 million NGI will, upon completion, create an interconnected Western Australia Gas Grid and is expected to provide extra capacity to the Goldfields region as well as gas supply options for mining customers in the region. The Gruyere Hybrid Energy Microgrid, also located in the Western Australia's Goldfields region, is expected to ensure that APA's remote customers have access to secure, reliable and clean energy supply.

Given its significant infrastructure asset base, APA also experiences considerable depreciation costs and depreciation of non-current assets, which totalled A$240.1 million in HY2021, A$227.9 million in HY2020, A$468.8 million in FY2020, A$428.4 million in FY2019 and A$395.9 million in FY2018.

Finance Costs

Partly due to the capital intensive nature of APA's business and the structuring of its balance sheet, finance costs have been its largest single category of expense, other than pass-through costs. APA's net finance costs were A$229.1 million in HY2021, A$245.3 million in HY2020, A$497.3 million in FY2020, A$497.4 million in FY2019 and A$509.7 million in FY2018. Net finance costs are equivalent to APA's finance costs less interest income. APA's total drawn debt was A$9,684.4 million as at 31 December 2020, A$9,084.7 million as at 31 December 2019, A$9,983.6 million as at 30 June 2020, A$9,352.1 million as at 30 June 2019 and $8,810.4 million as at 30 June 2018.

APA has experienced significant debt costs due to its investment in existing assets and acquisition of new assets, which have been partially offset by reduced debt margins. The average interest rate (including credit margins) applying to APA's drawn debt was 5.18% for HY2021, 5.35% for HY2020, 5.33% for FY2020, 5.53% for FY2019 and 5.65% for FY2018. As at 31 December 2020, 100% of APA's borrowings bore interest at fixed interest rates or had been hedged to a fixed interest rate. See "*Liquidity and Capital Resources—Capital Structure*" for additional information.

Management of Operational Costs

Asset operation and management expenses were A$98.1 million in HY2021, which is broadly in line with the A$98.9 million in HY2020.

Asset operation and management expenses increased by A$4.5 million (or 2.1%) from A$213.5 million in FY2019 to A$218.0 million in FY2020, primarily due to Orbost Gas Processing Plant commercial operation delays due to the bushfire threat and resulting poor air quality and associated costs, an increase in operating costs at Gruyere Power Station (WA) and Badgingarra Wind Farm (WA), reflective of a full year of operations, and an increase in recoverable works undertaken. This was partially offset by the impact of the transition to AASB 16.

Asset operation and management expenses decreased by A$0.8 million (or 0.4%) from A$214.3 million in FY2018 to A$213.5 million in FY2019. This was due to higher recharges of labour and other costs to capital projects during FY2019 being mostly offset by increased contractor costs from recoverable works undertaken for EII at Murraylink and Directlink (these costs were recovered from EII and reflected in increased revenue from associates).

Impairment of Property, Plant and Equipment at Orbost Gas Processing Plant

An impairment expense of A$249.3 million was recognised for Orbost Gas Processing Plant in HY2021.

During HY2021, APA completed a re-configuration of the Orbost Gas Processing Plant. This was to enable operation of absorbers independently, in parallel or in series. Since the re-configuration and resumption of processing on 8 December 2020, the processing rates have been variable during testing and have yet to reach nameplate capacity of 68 TJ/day.

Following a further review of the plant operations and capital costs required to reach nameplate capacity of 68 TJ/day, APA has identified these matters as an impairment trigger and, consequently, prepared an assessment of the recoverable amount based on a value in use methodology as at 31 December 2020, using discounted cash flows over the 25-year technical life of the plant.

As at 31 December 2020, APA determined the recoverable amount to be A$233.3 million on a pre-tax basis, which results in a pre-tax impairment charge of A$249.3 million. This has been disclosed as a significant item in HY2021. The impairment charge reflects the continuation of production levels and expenditure based on the current performance of the asset since re-configuration and resumption of the processing plant, where current production is expected to achieve 45 TJ/day.

Segment Presentation

APA reports its operations in three segments: (i) Energy Infrastructure, (ii) Asset Management and (iii) Energy Investments. Segment performance is evaluated on an EBITDA (excluding significant item) basis while APA manages finance costs, income tax expense, depreciation and amortisation on a group-wide basis. The Energy Infrastructure segment is APA's most significant segment contributing 93.7%, 92.9%, 93.0%, 93.9% and 93.2% to its consolidated revenue (excluding pass-through revenue and unallocated revenue), and 94.6%, 94.4%, 94.3%, 95.1% and 94.4% of its EBITDA (excluding corporate costs and significant item) in HY2021, HY2020, FY2020, FY2019 and FY2018, respectively.

Adoption of AASB 16

For a discussion on APA's adoption of AASB 16 'Leases' and the related impacts to APA's financial condition and results of operations, see Notes 17 and 30 of the audited consolidated financial statements of APT and its controlled entities for FY2020.

Results of Operations

Comparison of HY2021 to HY2020

Consolidated Results

The following table sets out APA's consolidated results for HY2021 and HY2020:

	Half-year ended 31 December	
	2019	**2020**
(in thousands)	*A$*	
Revenue (excluding pass-through revenue)	1,061,235	1,053,677
Share of net profits of associates and joint ventures using the equity method	15,733	15,583
Unallocated revenue[(1)]	850	2,547
Total revenue (excluding pass-through revenue)	**1,077,818**	**1,071,807**
Pass-through revenue[(2)]	236,016	223,223
Total revenue	**1,313,834**	**1,295,030**
Asset operation and management expenses	(98,885)	(98,124)
Depreciation and amortisation expense	(319,410)	(331,372)
Other operating costs—pass-through costs[(2)]	(236,016)	(223,223)
Finance costs	(246,187)	(231,623)
Employee benefit expense	(128,301)	(141,162)
Other expenses	(7,575)	(7,138)
	—	
Impairment of property, plant and equipment[(3)]		(249,322)
Profit before tax	**277,460**	**13,066**
Income tax expense	(102,413)	(24,772)
Profit/(Loss) for the period	**175,047**	**(11,706)**

Notes:

(1) Unallocated revenue is a non-GAAP measure.

(2) Pass-through revenue is revenue in respect of which an amount of costs are incurred and on which no margin is earned, and is therefore equivalent to the line item "*Other operating costs — pass-through costs*". Pass-through revenue and costs arise primarily on the asset management operations in respect of AGN assets and GDI assets. Management assesses revenue and cost performance by excluding pass-through revenue and costs.

(3) This has been recognised as a significant item. See Note 8 of the reviewed consolidated financial statements of APT and its controlled entities for HY2021 included elsewhere in this Offering Circular for further information regarding APA's non-cash impairment of A$249.3 million recognised against the Orbost Gas Processing Plant during HY2021.

Revenue

Total revenue (excluding pass-through revenue) decreased by A$6.0 million (or 0.6%) from A$1,077.8 million in HY2020 to A$1,071.8 million in HY2021. The decrease is primarily due to the revenue decreases in its Asset

Management segment and Energy Investment segment, partly offset by the revenue increase in APA's Energy Infrastructure segment.

Revenue (excluding pass-through and unallocated revenue) in APA's Energy Infrastructure segment increased by A$1.2 million (or 0.1%) to A$1,001.5 million in HY2021, broadly in line with A$1,000.3 million in HY2020. This was primarily due to the continued reliable and efficient operation of assets and throughput volume growth in key markets, including the Goldfields regions of Western Australia, the NT and Moomba Sydney Pipeline in NSW, offset in part by a decrease in net contract expiry and renewal on the South West Queensland Pipeline in Queensland and lower energy consumption in Victoria. APA believes that because it provides an essential service, and given the long term relatively stable nature of its contracts and revenues and the remoteness of its asset footprint, COVID-19 had a limited impact on its financial performance for HY2021.

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Asset Management segment decreased by A$6.7 million (or 11.4%) from A$58.2 million in HY2020 to A$51.6 million in HY2021. The reduction was primarily due to a decrease in recoverable works revenue from EII in respect of major maintenance works for Daandine and X41 that were not repeated in HY2021.

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Energy Investments segment decreased by A$2.3 million (or 12.3%) from A$18.4 million in HY2020 to A$16.2 million in HY2021, primarily due to lower interest income from SEA Gas due to the repayment of the shareholder loan in the second half of FY2020. The Energy Investments segment revenue includes APA's share of net profits of joint arrangements and associates accounted for using the equity method.

Asset Operation and Management Expenses

Asset operation and management expenses decreased by A$0.8 million (or by 0.8%) from A$98.9 million in HY2020 to A$98.1 million in HY2021. HY2021 was broadly in line with the prior period, reflecting continued reliable and efficient operation of assets.

Depreciation and Amortisation

Depreciation and amortisation expense for HY2021 of A$331.4 million represents an increase of A$12.0 million (or 3.7%) over A$319.4 million reported for HY2020. The increase was mainly driven by an increase in depreciation related to various Stay in Business and IT Capital Expenditure, including the refurbishment of turbines at the Diamantina Power Station and IT assets capitalised in HY2021.

Finance Costs

Finance costs decreased by A$14.6 million (or 5.9%) from A$246.2 million in HY2020 to A$231.6 million in HY2021. Net finance costs decreased by A$16.2 million (or 6.6%) from A$245.3 million in HY2020 to A$229.1 million in HY2021. The decrease was primarily due to unrealised gains on Contract for Difference hedges, higher interest earned and higher capitalised interest in HY2021.

Employee Benefit Expenses

Employee benefit expenses increased by A$12.9 million (or 10.0%) from A$128.3 million in HY2020 to A$141.2 million in HY2021, primarily due to restructure costs as a part of the refresh of APA's operating model, including the creation of its new Transformation and Technology division (see "*Description of APA — Strategy*"), along with increased investment in Sustainability and Community, External affairs and Reputation functions.

Other Expenses

Other expenses decreased by A$0.4 million (or 5.8%) from A$7.6 million in HY2020 to A$7.1 million in HY2021, primarily due to ongoing cost control in the business.

Impairment of property, plant and equipment

HY2021 included an impairment of property, plant and equipment of A$249.3 million due to the impairment of Orbost Gas Processing Plant. There was no impairment in HY2020. APA determined the recoverable amount of Orbost Gas Processing Plant to be A$233.3million on a pre-tax basis which results in a pre-tax impairment charge of A$249.3 million. This has been disclosed as a significant item in the reviewed consolidated financial statements of APT and its controlled entities for HY2021 included elsewhere in this Offering Circular. The impairment charge reflects the continuation of production levels and expenditure based on the current performance of the asset since re-configuration and resumption of the processing plant.

Income Tax Expense

Income tax expense decreased by A$77.6 million (or 75.8%) from A$102.4 million in HY2020 to A$24.8 million in HY2021, predominately due to lower taxable profit as a result of the pre-tax impairment loss of A$249.3 million recognised on Orbost Gas Processing Plant in HY2021. The effective income tax rate excluding the significant item was 37.9% for HY2021 compared to 36.9% for HY2020. The higher effective income tax rate in comparison to the Australian corporate tax rate of 30% is primarily driven by the significant amortisation charges relating to contract intangibles acquired with the Wallumbilla Gladstone Pipeline. Both the impairment loss and the amortisation of the contract intangible are not deductible for income tax purposes.

Profit for the Half Year

Profit decreased by A$186.8 million (or 106.7%) from A$175.0 million in HY2020 to a loss of A$11.7 million in HY2021. This decrease was primarily due to reduction in revenue in APA's Asset Management segment and Energy Investment segment, increases in depreciation and amortisation expenses and employee benefit expenses, which were partially offset by the increase in revenue in APA's Energy Infrastructure segment and the decrease in finance costs as discussed above.

Segment Results

Segment performance is presented on the basis of EBITDA (excluding significant item), as presented in the table below for HY2021 and HY2020. The discussion below is focused on the operating results of each of APA's segments and, as a result, it does not reflect finance costs, income tax expense, depreciation and amortisation, each of which are described above on a group-wide basis.

	Half-year ended 31 December	
	2019	**2020**
(in thousands)	*A$*	
Energy Infrastructure EBITDA (excluding corporate costs and significant item)		
Queensland	506,250	495,526
New South Wales	81,563	83,553
Victoria	62,277	58,373
South Australia	1,194	1,209
Northern Territory	8,569	11,408
Western Australia	171,091	168,728

	Half-year ended 31 December	
	2019	**2020**
(in thousands)	*A$*	
Energy Infrastructure total EBITDA (excluding corporate costs and significant item) [(1)]	**830,944**	**818,797**
Asset Management EBITDA (excluding corporate costs and significant item)	31,255	30,968
Energy Investments EBITDA (excluding corporate costs and significant item)	18,430	16,159
EBITDA (excluding corporate costs and significant item)	**880,629**	**865,924**
Corporate costs	(38,422)	(43,088)
EBITDA (excluding significant item)	**842,207**	**822,836**

Notes:

(1) This excludes the significant item recognised in HY2021. See Note 8 of the reviewed consolidated financial statements of APT and its controlled entities for HY2021 included elsewhere in this Offering Circular for further information regarding APA's non-cash impairment of A$249.3 million recognised against the Orbost Gas Processing Plant during HY2021.

Below is a discussion of APA's revenue and EBITDA (excluding significant item) on a segment basis.

Energy Infrastructure

Revenue

Revenue (excluding pass-through and unallocated revenue) in APA's Energy Infrastructure segment increased by A$1.2 million (or 0.1%) to A$1,001.5 million in HY2021 from A$1,000.3 million in HY2020, primarily due to the continued reliable and efficient operation of APA's assets and throughput volume growth in key markets, including the Goldfields regions of Western Australia, the NT and Moomba Sydney Pipeline in NSW, offset in part by a decrease in net contract expiry and renewal on the South West Queensland Pipeline in Queensland and lower energy consumption in Victoria. APA believes that because it provides an essential service, and given the long term relatively stable nature of its contracts and revenues and the remoteness of its asset footprint, COVID-19 had a limited impact on its financial performance for HY2021.

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation and Significant Items

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation and significant items, in the Energy Infrastructure segment increased by A$13.4 million (or 7.9%) from A$169.4 million in HY2020 to A$182.7 million in HY2021, primarily due to the continued commercial operation delays of the Orbost Gas Processing Plant in Victoria and higher operation and maintenance costs on a few pipelines.

EBITDA (excluding corporate costs and significant item)

Energy Infrastructure EBITDA (excluding corporate costs and significant item)[26] decreased by A$12.1 million (or 1.5%) from A$830.9 million in HY2020 to A$818.8 million in HY2021 primarily due to a relatively flat revenue discussed above, partly offset by an increase in operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, discussed above.

Asset Management

Revenue

Revenue (excluding pass-through and unallocated revenue) in APA's Asset Management segment decreased by A$6.7 million (or 11.4%) from A$58.2 million in HY2020 to A$51.6 million in HY2021. The reduction was primarily due to a decrease in recoverable works revenue from EII in respect of major maintenance works for APA's Daandine Power Station and X41 Power Station that were not repeated in HY2021.

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Asset Management segment decreased by A$6.4 million (or 23.6%) from A$27.0 million in HY2020 to A$20.6 million in HY2021, primarily due to a decrease in recoverable works from EII in respect of major maintenance works for APA's Daandine Power Station and X41 Power Station that were not repeated in HY2021.

EBITDA (excluding corporate costs and significant item)

EBITDA (excluding corporate costs and significant item) in the Asset Management segment decreased by A$0.3 million (or 0.9%) from A$31.3 million in HY2020 to A$31.0 million in HY2021, due to the decrease in revenue and largely offset by the decrease in operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, discussed above.

Energy Investments

Revenue

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Energy Investments segment decreased by A$2.3 million (or 12.3%) from A$18.4 million in HY2020 to A$16.2 million in HY2021. The decrease was primarily due to lower interest income from SEA Gas due to the repayment of the shareholder loan in the second half of FY2020.

For additional information regarding APA's energy investments, see "*Description of APA — APA's Businesses — Energy Investments*".

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation and Significant Items

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation and significant items, in the Energy Investments segment are minimal and relate to corporate and accounting related costs.

EBITDA (excluding corporate costs and significant item)

EBITDA (excluding corporate costs and significant item) in the Energy Investments segment decreased by A$2.3 million (or 12.3%) from A$18.4 million in HY2020 to A$16.2 million in HY2021 for the reasons discussed above.

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[26] This excludes the significant item recognised in HY2021. See Note 8 of the reviewed consolidated financial statements of APT and its controlled entities for HY2021 included elsewhere in this Offering Circular for further information regarding APA's non-cash impairment of A$249.3 million recognised against the Orbost Gas Processing Plant during HY2021.

Corporate Costs

Corporate costs increased by A$4.7 million (or 12.1%) from A$38.4 million in HY2020 to A$43.1 million in HY2021. The increase is primarily due to a general increase in insurance premium and additional costs associated with investment in transformation and technology projects.

Comparison of FY2020 to FY2019

Consolidated Results

The following table sets out APA's consolidated results for FY2020 and FY2019:

	Year ended 30 June	
	2019	**2020**
(in thousands)	*A$*	
Revenue (excluding pass-through revenue)	2,005,150	2,096,128
Share of net profits of associates and joint ventures using the equity method	23,222	30,677
Unallocated revenue[(1)]	2,601	2,661
Total revenue (excluding pass-through revenue)	**2,030,973**	**2,129,466**
Pass-through revenue[(2)]	421,198	461,155
Total revenue	**2,452,171**	**2,590,621**
Asset operation and management expenses	(213,522)	(218,010)
Depreciation and amortisation expense	(611,358)	(651,566)
Other operating costs—pass-through costs[(1)]	(421,198)	(461,155)
Finance costs	(500,020)	(499,998)
Employee benefit expense	(235,034)	(249,690)
Other expenses	(6,060)	(5,186)
Profit before tax	**464,979**	**505,016**
Income tax expense	(176,966)	(187,910)
Profit for the year	**288,013**	**317,106**

Notes:

(1) Unallocated revenue is a non-GAAP measure.

(2) Pass-through revenue is revenue in respect of which an amount of costs are incurred and on which no margin is earned, and is therefore equivalent to the line item "Other operating costs—pass-through costs". Pass-through revenue and costs arise primarily on the asset management operations in respect of AGN assets and GDI assets. Management assesses revenue and cost performance by excluding pass-through revenue and costs.

Revenue

Total revenue (excluding pass-through revenue) increased by A$98.5 million (or 4.8%) from A$2,031.0 million in FY2019 to A$2,129.5 million in FY2020, primarily due to an increase in revenue from APA's Energy Infrastructure segments.

Revenue (excluding pass-through and unallocated revenue) in APA's Energy Infrastructure segment increased by A$73.3 million (or 3.8%) from A$1,905.2 million in FY2019 to A$1,978.5 million in FY2020. This increase was primarily due to full year contributions from growth assets commissioned in FY2019, including the Darling Downs Solar Farm (QLD), Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA), and Agnew Lateral (WA), and part year contribution from Badgingarra Solar Farm (WA) commissioned in FY2020; the reliable and efficient operation of APA's assets; and the reduction of corporate costs, partly offset by the Orbost Gas Processing Plant (VIC) commercial operation delays due to the bushfire threat and resulting poor air quality and associated costs and less favourable exchange rate for revenues from the Wallumbilla Gladstone Pipeline (QLD).

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Asset Management segment increased by A$17.8 million (or 18.8%) from A$94.8 million in FY2019 to A$112.6 million in FY2020. This was primarily due to higher haulage revenue due to colder weather and a higher incentive fee for outperformance achieved for network services in FY2020 that was not achieved in FY2019 partly offset by higher customer contributions (payments received from a third party for APA to undertake work on assets it manages to accommodate that third party's project) in FY2019 for recoverable works that were not repeated in FY2020.

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Energy Investments segment increased by A$7.3 million (or 25.7%) from A$28.4 million in FY2019 to A$35.7 million in FY2020, largely due to increased equity income received from SEA Gas and Energy Infrastructure Investments. The Energy Investments segment revenue includes APA's share of net profits of joint arrangements and associates accounted for using the equity method.

Asset Operation and Management Expenses

Asset operation and management expenses increased by A$4.5 million (or 2.1%) from A$213.5 million in FY2019 to A$218.0 million in FY2020, primarily due to Orbost Gas Processing Plant commercial operation delays due to the bushfire threat and resulting poor air quality and associated costs, an increase in operating costs at Gruyere Power Station (WA) and Badgingarra Wind Farm (WA), reflective of a full year of operations, and an increase in recoverable works undertaken. This is partially offset by the impact of transition to AASB 16.

Depreciation and Amortisation

Depreciation and amortisation expense increased by A$40.2 million (or 6.6%) from A$611.4 million in FY2019 to A$651.6 million in FY2020. This increase was mainly as a result of the increase from full year depreciation on new projects commissioned on assets, including Darling Downs Solar Farm (QLD), Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA), Agnew Lateral (WA), which were each capitalised during FY2019, a part year contribution from Badgingarra Solar Farm (WA) capitalised in FY2020. The increase also includes depreciation of Right-of-Use assets from the adoption of AASB 16 from 1 July 2019.

Finance Costs

Finance costs remained the same at A$500.0 million in each of FY2019 and FY2020. Net finance costs also remained consistent from A$497.4 million in FY2019 to A$497.3 million in FY2020. Net finance costs in FY2020 included the interest expense from the adoption of AASB16.

Employee Benefit Expenses

Employee benefit expenses increased by A$14.7 million (or 6.2%) from A$235.0 million in FY2019 to A$249.7 million in FY2020, primarily due to additional staff in line with the increased asset base in FY2020.

Other Expenses

Other expenses decreased by A$0.9 million (or 14.4%) from A$6.1 million in FY2019 to A$5.2 million in FY2020, primarily due to one-off costs in FY2019 associated with the proposal by the CKI Consortium to acquire all of the stapled securities in APA under the Schemes ("**CKI Proposal**").

Income Tax Expense

Income tax expense increased by A$10.9 million (or 6.2%) from A$177.0 million in FY2019 to A$187.9 million in FY2020. The effective income tax rate was 38.1% in FY2019 and 37.2% in FY2020. The increase in income tax expense was predominately due to higher taxable profit in FY2020. The higher effective income tax rate in comparison to the Australian corporate tax rate of 30% is driven by the significant amortisation charges relating to contract intangibles acquired with the Wallumbilla Gladstone Pipeline, which are not deductible for income tax purposes.

Profit for the Full Year

Profit increased by A$29.1 million (or 10.1%) from A$288.0 million in FY2019 to A$317.1 million in FY2020. This increase was primarily due to improved operating results in APA's Energy Infrastructure segment discussed above.

Segment Results

Segment performance is presented on the basis of EBITDA (excluding significant item), as presented in the table below for FY2020 and FY2019. The discussion below is focused on the operating results of each of APA's segments and, as a result, it does not reflect finance costs, income tax expense, depreciation and amortisation, each of which are described above on a group-wide basis.

	Year ended 30 June	
	2019	**2020**
(in thousands)	*A$*	
Energy Infrastructure EBITDA (excluding corporate costs and significant item)		
Queensland	1,010,063	1,007,891
New South Wales	149,362	160,751
Victoria	113,992	101,927
South Australia	2,051	2,294
Northern Territory	19,171	19,889
Western Australia	277,805	337,055
Energy Infrastructure total EBITDA (excluding corporate costs and significant item)	**1,572,444**	**1,629,807**
Asset Management EBITDA (excluding corporate costs and significant item)	52,954	63,343

	Year ended 30 June	
	2019	**2020**
(in thousands)	*A$*	
Energy Investments EBITDA (excluding corporate costs and significant item)	28,432	35,741
EBITDA (excluding corporate costs and significant item)	**1,653,830**	**1,728,891**
Corporate costs	(80,074)	(74,972)
EBITDA (excluding significant item)	**1,573,756**	**1,653,919**

Below is a discussion of APA's revenue and EBITDA (excluding significant item) on a segment basis.

Energy Infrastructure

Revenue

Revenue (excluding pass-through and unallocated revenue) in APA's Energy Infrastructure segment increased by A$73.3 million (or 3.8%) from A$1,905.2 million in FY2019 to A$1,978.5 million in FY2020. This increase was primarily due to full year contributions from growth assets commissioned in FY2019, including the Darling Downs Solar Farm (QLD), Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA), and Agnew Lateral (WA), and part year contribution from Badgingarra Solar Farm (WA) commissioned in FY2020; the reliable and efficient operation of APA's assets; and the reduction of corporate costs, partly offset by the Orbost Gas Processing Plant (VIC) commercial operation delays due to the bushfire threat and resulting poor air quality and associated costs and less favourable exchange rate for revenues from the Wallumbilla Gladstone Pipeline (QLD).

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Energy Infrastructure segment increased by A$16.0 million (or 4.8%) from A$332.7 million in FY2019 to A$348.7 million in FY2020. The increase is primarily due to the full year operating costs of the assets commissioned in FY2019 described above, as well as the impact from the adoption of AASB 16 Leases in FY2020, partially offset by the Orbost Gas Processing Plant commercial operations delays and associated costs.

EBITDA (excluding corporate costs and significant item)

Energy Infrastructure EBITDA (excluding corporate costs and significant item) increased by A$57.4 million (or 3.6%) from A$1,572.4 million in FY2019 to A$1,629.8 million in FY2020 due to the increase in revenue and partially offset by the operating expenses excluding finance costs, income tax expense, depreciation and amortisation discussed above.

Asset Management

Revenue

Revenue (excluding pass-through and unallocated revenue) in APA's Asset Management segment increased by A$17.8 million (or 18.8%) from A$94.8 million in FY2019 to A$112.6 million in FY2020. This was primarily due to higher haulage revenue due to colder weather and a higher incentive fee for outperformance achieved for network services in FY2020 that was not achieved in FY2019, partly offset by higher customer contributions

(payments received from a third party for APA to undertake work on assets it manages to accommodate that third party's project) in FY2019 for recoverable works that were not repeated in FY2020.

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Asset Management segment increased by A$7.4 million (or 17.7%) from A$41.8 million in FY2019 to A$49.2 million in FY2020. This increase is in line with the increase in revenue that was primarily due to the increased haulage service demand, and the impact from the adoption of AASB 16 Leases in FY2020.

EBITDA (excluding corporate costs and significant item)

EBITDA (excluding corporate costs and significant item) in the Asset Management segment increased by A$10.4 million (or 19.6%) from A$53.0 million in FY2019 to A$63.3 million in FY2020, primarily due to the increase in revenue partially offset by the operating expenses excluding finance costs, income tax expense, depreciation and amortisation discussed above.

Energy Investments

Revenue

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Energy Investments segment increased by A$7.3 million (or 25.7%) from A$28.4 million in FY2019 to A$35.7 million in FY2020. The increase was primarily due to increased equity income from the SEA Gas Investment.

For additional information regarding APA's energy investments, see "*Description of APA — APA's Businesses — Energy Investments*".

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Energy Investments segment are minimal and relate to corporate and accounting related costs.

EBITDA (excluding corporate costs and significant item)

EBITDA (excluding corporate costs and significant item) in the Energy Investments segment increased by A$7.3 million (or 25.7%) from A$28.4 million in FY2019 to A$35.7 million in FY2020 for the reasons discussed above.

Corporate Costs

Corporate costs decreased by A$5.1 million from A$80.1 million in FY2019 to A$75.0 million in FY2020. This decrease is primarily attributable to A$11.1 million in one-off items incurred in FY2019 in respect of costs associated with the CKI Proposal during the first half of FY2019, and the former Chief Executive Officer and Managing Director's retirement in the second half of FY2019.

Comparison of FY2019 to FY2018

Consolidated Results

The following table sets out APA's consolidated results for FY2019 and FY2018:

	Year ended 30 June	
	2018	**2019**
(in thousands)	*A$*	
Revenue (excluding pass-through revenue)	1,913,640	2,005,150

	Year ended 30 June	
	2018	**2019**
(in thousands)	*A$*	
Share of net profits of associates and joint ventures using the equity method	21,924	23,222
Unallocated revenue[(1)]	5,851	2,601
Total revenue (excluding pass-through revenue)	**1,941,415**	**2,030,973**
Pass-through revenue[(2)]	445,307	421,198
Total revenue	**2,386,722**	**2,452,171**
Asset operation and management expenses	(214,339)	(213,522)
Depreciation and amortisation expense	(578,916)	(611,358)
Other operating costs—pass-through costs[(1)]	(445,307)	(421,198)
Finance costs	(515,515)	(500,020)
Employee benefit expense	(197,545)	(235,034)
Other expenses	(5,206)	(6,060)
Profit before tax	**429,894**	**464,979**
Income tax expense	(165,055)	(176,966)
Profit for the year	**264,839**	**288,013**

Notes:

(1) Unallocated revenue is a non-GAAP measure.

(2) Pass-through revenue is revenue in respect of which an amount of costs are incurred and on which no margin is earned, and is therefore equivalent to the line item "*Other operating costs — pass-through costs*". Pass-through revenue and costs arise primarily on the asset management operations in respect of AGN assets and GDI assets. Management assesses revenue and cost performance by excluding pass-through revenue and costs.

Revenue

Total revenue (excluding pass-through revenue) increased by A$89.6 million (or 4.6%) from A$1,941.4 million in FY2018 to A$2,031.0 million in FY2019, primarily due to an increase in revenue from APA's Energy Infrastructure segments.

Revenue (excluding pass-through and unallocated revenue) in APA's Energy Infrastructure segment increased by A$101.2 million (or 5.6%) from A$1,804.0 million in FY2018 to A$1,905.2 million in FY2019. This increase was primarily due to full year contributions from organic growth projects completed and commissioned in FY2018, including the Reedy Creek Wallumbilla Pipeline (QLD), Mt Morgans Gas Pipeline (WA) and Emu Downs Solar Farm (WA), part year contributions from recently commissioned growth assets, including the Darling Downs Solar Farm (QLD); Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA) and Agnew Lateral (WA); growth on the Goldfields Gas Pipeline as a result of the organic expansions on the Eastern Goldfields Pipeline (WA) network; full year contribution from the new power

purchase agreement on the Diamantina Power Station (QLD) with Capricorn Copper mine; and favourable USD/AUD exchange rates and annual U.S. CPI escalation in relation to the Wallumbilla Gas Pipeline.

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Asset Management segment decreased by A$13.7 million (or 12.7%) from A$108.5 million in FY2018 to A$94.8 million in FY2019. This was due to reduced customer contributions (payments received from a third party for APA to undertake work on assets it manages to accommodate that third party's project) in FY2019 compared to FY2018, and a higher incentive fee (an amount payable to APA for achieving cost efficiencies in operating expense and capital expense) achieved in FY2018 for network services that was not repeated in FY2019. Customer contributions for FY2019 were lower due to the completion of a number of significant projects during FY2018, including connection of the Northern Gas Pipeline into APA's Amadeus Gas Pipeline and the Carpentaria Gas Pipeline, and less project activity in Victoria compared to the previous period.

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Energy Investments segment increased by A$5.4 million (or 23.3%) from A$23.1 million in FY2018 to A$28.4 million in FY2019 largely from interest received on a new A$125.0 million three year amortising shareholder loan to an associate. The Energy Investments segment revenue includes APA's share of net profits of joint arrangements and associates accounted for using the equity method.

Asset Operation and Management Expenses

Asset operation and management expenses decreased by A$0.8 million (or 0.4%) from A$214.3 million in FY2018 to A$213.5 million in FY2019. This was due to higher recharges of labour and other costs to capital projects during FY2019 being mostly offset by increased contractor costs from recoverable works undertaken for EII at Murraylink and Directlink (these costs were recovered from EII and reflected in increased revenue from associates).

Depreciation and Amortisation

Depreciation and amortisation expense increased by A$32.4 million (or 5.6%) from A$578.9 million in FY2018 to A$611.4 million in FY2019. This increase was mainly driven by depreciation on growth projects capitalised during FY2019, including the Darling Downs Solar Farm (QLD); Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA) and Agnew Lateral (WA), and a full year of depreciation on the Reedy Creek Wallumbilla Pipeline (QLD), Mt Morgans Gas Pipeline (WA) and Emu Downs Solar Farm (WA).

Finance Costs

Finance costs decreased by A$15.5 million (or 3.0%) from A$515.5 million in FY2018 to A$500.0 million in FY2019, while net finance costs decreased by A$12.2 million (or 2.4%) from A$509.7 million in FY2018 to A$497.4 million in FY2019. The decrease in net finance costs was primarily due to the repayment of higher cost debt during FY2019, as well as an increase in capitalised interest associated with growth projects.

Employee Benefit Expenses

Employee benefit expenses increased by A$37.5 million (or 19.0%) from A$197.5 million in FY2018 to A$235.0 million in FY2019, primarily due to one-off costs associated with provisioning for the retirement costs of Michael McCormack, APA's former Chief Executive Officer and Managing Director, general pay increases and additional staff in line with the increased asset base during FY2019.

Other Expenses

Other expenses increased by A$0.9 million (or 16.4%) from A$5.2 million in FY2018 to A$6.1 million in FY2019, primarily due to one-off costs associated with the proposal by the CKI Proposal.

Income Tax Expense

Income tax expense increased by A$11.9 million (or 7.2%) from A$165.1 million in FY2018 to A$177.0 million in FY2019. The effective income tax rate was 38.4% in FY2018 and 38.1% in FY2019. The increase in income tax expense was predominantly due to higher taxable profit in FY2019. The higher level of effective tax rate (compared with the corporate tax rate of 30%) is caused by the amortisation charges relating to contract intangibles acquired with the Wallumbilla Gladstone Pipeline (QLD), which are not deductible for tax purposes.

Profit for the Full Year

Profit increased by A$23.2 million (or 8.8%) from A$264.8 million in FY2018 to A$288.0 million in FY2019. This increase was primarily due to improved operating results in APA's Energy Infrastructure segment as discussed above).

Segment Results

Segment performance is presented on the basis of EBITDA (excluding significant item), as presented in the table below for FY2019 and FY2018. The discussion below is focused on the operating results of each of APA's segments and, as a result, it does not reflect finance costs, income tax expense, depreciation and amortisation, each of which are described above on a group-wide basis.

	Year ended 30 June	
	2018	**2019**
(in thousands)	*A$*	
Energy Infrastructure EBITDA (excluding corporate costs and significant item)		
Queensland	962,231	1,010,063
New South Wales	147,095	149,362
Victoria	124,631	113,992
South Australia	2,577	2,051
Northern Territory	22,923	19,171
Western Australia	237,639	277,805
Energy Infrastructure EBITDA (excluding corporate costs and significant item)	**1,497,096**	**1,572,444**
Asset Management EBITDA (excluding corporate costs and significant item)	66,204	52,954
Energy Investments EBITDA (excluding corporate costs and significant item)	23,068	28,432
EBITDA	**1,586,368**	**1,653,830**
Corporate costs	(67,894)	(80,074)
EBITDA (excluding significant item)	**1,518,474**	**1,573,756**

Below is a discussion of APA's revenue and EBITDA (excluding corporate costs and significant item) on a segment basis.

Energy Infrastructure

Revenue

Revenue (excluding pass-through and unallocated revenue) in APA's Energy Infrastructure segment increased by A$101.2 million (or 5.6%) from A$1,804.0 million in FY2018 to A$1,905.2 million in FY2019. This increase was primarily due to full year contributions from organic growth projects completed and commissioned in FY2018, including the Reedy Creek Wallumbilla Pipeline (QLD), Mt Morgans Gas Pipeline (WA) and Emu Downs Solar Farm (WA), part year contributions from recently commissioned growth assets, including the Darling Downs Solar Farm (QLD); Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA) and Agnew Lateral (WA); growth on the Goldfields Gas Pipeline as a result of the organic expansions on the Eastern Goldfields Pipeline (WA) network; full year contribution from the new power purchase agreement on the Diamantina Power Station (QLD) with Capricorn Copper mine; and favourable USD/AUD exchange rates and annual U.S. CPI escalation in relation to the Wallumbilla Gas Pipeline.

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Energy Infrastructure segment increased by A$25.8 million (or 8.4%) from A$306.9 million in FY2018 to A$332.7 million in FY2019, primarily as a result of the commissioned growth assets described above.

EBITDA (excluding corporate costs and significant item)

Energy infrastructure EBITDA (excluding corporate costs and significant item) increased by A$75.3 million (or 5.0%) from A$1,497.1 million in FY2018 to A$1,572.4 million in FY2019 due to the increase in revenue and partially offset by the increase in operating expense excluding finance costs, income tax expense, depreciation and amortisation as discussed above.

Asset Management

Revenue

Revenue (excluding pass-through and unallocated revenue) in APA's Asset Management segment decreased by A$13.7 million (or 12.7%) from A$108.5 million in FY2018 to A$94.8 million in FY2019. This was due to reduced customer contributions (payments received from a third party for APA to undertake work on assets it manages to accommodate that third party's project) in FY2019 compared to FY2018, and a higher incentive fee (an amount payable to APA for achieving cost efficiencies in operating expense and capital expense) achieved in FY2018 for network services that was not repeated in FY2019. Customer contributions for FY2019 were lower due to the completion of a number of significant projects during FY2018, including connection of the Northern Gas Pipeline into APA's Amadeus Gas Pipeline and the Carpentaria Gas Pipeline, and less project activity in Victoria compared to the previous period.

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Asset Management segment decreased by A$0.5 million (or 1.2%) from A$42.3 million in FY2018 to A$41.8 million in FY2019, primarily due to the reduction in customer contribution activity as described above.

EBITDA (excluding corporate costs and significant item)

EBITDA (excluding corporate costs and significant item) in the Asset Management segment decreased by A$13.2 million (or 20.0%) from A$66.2 million in FY2018 to A$53.0 million in FY2019, primarily due to the decrease in revenue discussed above.

Energy Investments

Revenue

Revenue (excluding pass-through revenue and unallocated revenue) in APA's Energy Investments segment increased by A$5.3 million (or 23.3%) from A$23.1 million in FY2018 to A$28.4 million in FY2019. The increase was primarily due to interest received on a new A$125.0 million three year amortising shareholder loan to an associate.

For additional information regarding APA's energy investments, see "*Description of APA—APA's Businesses—Energy Investments*".

Operating Expenses, excluding Finance Costs, Income Tax Expense, Depreciation and Amortisation

Operating expenses, excluding finance costs, income tax expense, depreciation and amortisation, in the Energy Investments segment were minimal and related to corporate and accounting related costs.

EBITDA (excluding corporate costs and significant item)

EBITDA (excluding corporate costs and significant item) in the Energy Investments segment increased by A$5.3 million (or 23.3%) from A$23.1 million in FY2018 to A$28.4 million in FY2019 for the reasons discussed above.

Corporate Costs

Corporate costs increased by A$12.2 million (17.9%) from A$67.9 million in FY2018 to A$80.1 million in FY2019. This is primarily attributable to A$11.1 million in one-off items incurred in FY2019 in respect of costs associated with the CKI Proposal during the first half of FY2019, and the former Chief Executive Officer and Managing Director's retirement in the second half of FY2019.

Liquidity and Capital Resources

APA manages its treasury risk, including liquidity and funding risk, foreign exchange risk and interest rate risk, centrally in accordance with the following principles:

- Cash and undrawn committed facilities totalling not less than 12 months operating costs and Stay In Business and IT Capital Expenditure but not exceeding 20% of gross drawn debt are to be maintained as a contingency buffer at all times;
- Cash flow projections are prepared monthly and cash balances are maintained to meet working capital needs, with a cash balance of A$5 million to A$50 million targeted, subject to exceptions for transactions that require APA to maintain higher cash balances;
- Debt should be structured to spread maturities over a number of years and maturities in any financial year should not exceed 25% of APA's gross debt portfolio except where approved by the Board; and
- Short term debt is repaid in preference to investing in financial instruments, wherever possible, or invested until the next debt maturity date that permits repayment, and investments are limited to certain Board approved investment instruments.

APA's policy is to manage its balance sheet with Baa2/BBB investment grade credit rating metrics. APA intends to maintain these ratings to ensure that it has access to a broad range of global debt capital markets to fund its business with long term debt arrangements. For significant acquisitions, APA has raised capital through equity and debt financings. For instance, in connection with the acquisition of the WGP from the BG Group in FY2015 APA raised A$1,839 million through the sale of its stapled securities through an equity entitlement offer. APA

also incurred US$3.7 billion of debt in debt capital markets transactions to fund the acquisition. Also, APA raised A$500 million through the sale of its stapled securities through an equity entitlement offer in FY2018.

APA enters into hedging transactions to manage foreign exchange risk associated with operating expenses, capital costs or the value of assets and liabilities that vary as a result of movements in foreign exchange rates, and not for speculative purposes. Other than as noted below, APA's policy is to hedge all non-Australian dollar exposures that are greater than US$1 million and that are certain, to Australian dollars and APA may use discretion to hedge other exposures less than or equal to US$1 million. The tenor of the hedge exposures should not exceed the tenor of the underlying exposure and APA's hedges should be entered into and documented as effective hedges under AASB 9 — *The Financial Instruments Accounting Standard* unless otherwise approved by the Board.

APA acquired the Wallumbilla Gladstone Pipeline in June 2015, with revenues denominated in US$ from the 20-year foundation contracts. Tariffs are escalated in January each year by US CPI, with operating costs passed through to customers. As of the date of this Offering Circular, US$3 billion of the original US$3.7 billion of debt that was borrowed (US 144A Notes maturing in CY2025 and CY2035, Euro EMTNs maturing in CY2027 and Sterling EMTNs maturing in 2030) to assist with funding of that acquisition, is retained in, or swapped into, US$ denominated debt obligations at an all-in annual rate of 4.61%. The US$3 billion is being managed as a "designated hedge" for US$ denominated revenues.

APA has hedged the US$ denominated Wallumbilla Gladstone Pipeline revenues receivable to March 2022 at the rates in the table below.

Period	**Average forward USD/AUD exchange rate**
FY2021	0.7199
FY2022 (to March 2022)	0.7099

A large portion of the net revenue from April 2022 onwards remains in the designated hedge relationship with the remaining US$3 billion in debt and as such, when that revenue is received and hedged, it will be recognised in the statement of profit or loss at those future rates.

APA may also enter into interest rate hedging transactions to manage its interest rate risk, which it undertakes from time to time depending on the composition of its debt portfolio and its gross debt levels. Interest rate hedging is not entered into for speculative purposes and all hedges should be entered into and documented as effective hedges under AASB 9 — *The Financial Instruments Accounting Standard* unless otherwise approved by the Board.

Cash Flows

Set forth below is a summary of APA's cash flows for the periods indicated. See the consolidated statement of cash flows in APA's reviewed consolidated financial statements for HY2021 and its audited consolidated financial statements for FY2020, FY2019 and FY2018 for more detailed cash flow information.

Summary Statement of Cash Flows

	Year ended 30 June			Half-year ended 31 December	
	2018	**2019**	**2020**	**2019**	**2020**
(in thousands)			*A$*		
Net cash flows from operating activities.....	1,031,627	1,012,127	1,095,943	511,853	519,227
Net cash flows (used in)/from investing activities.....	(875,810)	(703,052	(304,549	(210,916)	(253,099)
Net cash flows (used in)/from financing activities.....	(449,429)	(54,715	26,383	(581,518)	(631,791)
Net (decrease)/increase in cash	**(293,612)**	**254,360**	**817,776**	**(280,581**	**(365,663)**

Note:

(1) Australian dollars have been translated at the exchange rate of US$0.7709 per A$1.00, the noon buying rate on 31 December 2020.

Cash Flows From Operating Activities

Net cash inflow from operations increased by A$7.4 million (or 1.4%) to A$519.2 million in HY2021 from A$511.9 million in HY2020. This increase was a result of lower payments to suppliers and employees due to the timing of payments, partially offset by lower receipts from customers because of revenue reduction in Asset Management and decreased tax payments made in HY2021 compared to HY2020 due to lower profit and income tax liability of the respective preceding financial years.

Net cash inflow from operations increased by A$83.8 million (or 8.3%) to A$1,095.9 million in FY2020 from A$1,012.1 million in FY2019. This increase was primarily due to higher receipts from customers as a result of full year revenue contributions from growth assets commissioned in FY2019, including the Darling Downs Solar Farm (QLD), Badgingarra Wind Farm (WA), Yamarna Gas Pipeline (WA), Gruyere Power Station (WA) and Agnew Lateral (WA), and part year contribution from Badgingarra Solar Farm (WA). The increase was also due to additional distribution from equity investments in FY2020, partially offset by increased tax payments made in FY2020 due to higher profit and income tax liability compared to FY2019.

Net cash inflow from operations decreased by A$19.5 million (or 1.9%) to A$1,012.1 million in FY2019 from A$1,031.6 million in FY2018. This decrease was primarily due to increased tax payment in FY2019 as a result of lower profit and income tax liability in FY2019 compared to FY2018, partially offset by increase in the distribution from equity investments and lower interest paid.

Cash Flows Used in Investing Activities

Net cash outflow from investing activities increased by A$42.2 million (or 20.0%) to A$253.0 million in HY2021 from A$210.9 million in HY2020. This increase was primarily due to an increase in payment for property, plant and equipment related to new growth projects in HY2021, including Thomson Power Station (QLD), Eradu Compressor Station, Lakeways Gas Pipeline and IT projects, partially offset by lower payments on Orbost Gas Processing Plant (VIC) due to construction stage.

Net cash outflow from investing activities decreased by A$398.5 million (or 56.7%) to A$304.5 million in FY2020 from A$703.1 million in FY2019. This decrease was attributed to reduction in payment for property, plant and equipment as a result of completion of major projects in FY2019, including Darling Down Solar Farm (QLD), Badgingarra Wind Farm (WA), Agnew Gas Pipeline (WA) and Gruyere Power Station (WA). The decrease was also attributed to repayment of a loan from SEA Gas that was repaid in FY2019.

Net cash outflow from investing activities decreased by A$172.7 million (or 19.7%) to A$703.1 million in FY2019 from A$875.8 million in FY2018. This decrease was primarily due to major construction activities on Badgingarra Wind Farm (WA), Orbost Gas Processing Plant (VIC) and Darling Downs Solar Farm (QLD) undertaken in FY2018 and payments on growth projects commissioned in FY2018 including Yamarna Gas Pipeline (WA), Yamarna Power Station (WA) and Reedy Creek Wallumbilla Pipeline (QLD). The decrease was partially offset by a loan to an associate company in FY2018.

Cash Flows From/Used in Financing Activities

Net cash outflow from financing activities increased by A$50.3 million (or 8.6%) to A$631.8 million in HY2021 from A$581.5 million in HY2020. This increase was due to higher repayment of borrowings (i.e., AUD MTN A$300 million repaid in July 2020 and CAD MTN A$289.5 million repaid in July 2019) and higher distribution to security holders, partially offset by drawdown of bank bilateral facilities in HY2020 with nil in HY2021.

Net cash outflow from financing activities decreased by A$81.1 million (or 148.2%) from an outflow of A$54.7 million in FY2019 to net inflow of A$26.4 million in FY2020. This decrease was due to the proceeds from the issue of EUR $600 million (A$1,017.8 million) of 10.2-year fixed rate senior unsecured Medium Term Notes in in April 2020; offset in part by repayment of CAD $300 million (A$289.5 million) and US$75 million (A$99 million), each of which matured in July 2019. The decrease was also partially offset by higher distribution to security holders.

Net cash outflow from financing activities decreased by A$394.7 million (or 87.8%) to A$54.7 million in FY2019 from A$449.4 million in FY2018. This decrease was due to the proceeds from the issue of GBP400 million (A$742.4 million) of 12.3-year fixed rate senior unsecured Medium Term Notes in March 2019 and JPY10 billion (A$132.9 million) of 15-year fixed rate senior unsecured MTNs in June 2019, A$150.1 million from the unwinding of the cross currency interest rate swaps and WGP related USD borrowing restructure in June 2019, partially offset by repayment of 2003 USD Bond US$63 million (A$95.8 million) which matured in August 2018, 2007 USD Bond US$122 million (A$151.2 million) and 2007 AUD Bond A$68.2 million, each of which matured in May 2019, A$50 million Bilateral Facility with MUFG, A$50 million Bilateral Facility with Westpac, A$50 million Bilateral Facility with ANZ which matured in March 2019, respectively. The decrease of cash outflow is partially offset by increase in the distribution to the security holders.

Capital Structure

APA funds its operations through retained cash flows, borrowings from its syndicated and bilateral bank facilities debt raised in the debt capital markets and, when appropriate, the issuance of new equity securities. Its debt funding strategy is to continue to issue longer term debt in available global debt capital markets to take advantage of the flexibility and liquidity offered by those markets.

APA's debt structure is diversified both in terms of debt instrument type and maturity profile. Borrowings have principally taken the form of syndicated bank facilities, bilateral bank facilities, USPP Notes and MTNs issued both under its Australian MTN and EMTN issuances and the issuance of Rule 144A Notes.

APA's bank and capital markets borrowings are structured on a senior unsecured basis and rank *pari passu* with one another. The Issuer is its only corporate borrowing entity and all of the Issuer's bank facilities and capital markets issues are guaranteed by a common guarantor group, the same group that will guarantee the Notes.

Each of APA's current bank facility agreements, its USPP Notes, its Rule 144A Notes, its Australian MTNs and its EMTNs contain certain covenants and events of default that are usual for facilities and securities in those markets. Additionally, each of its current bank facility agreements and USPP Notes contains a maximum Gearing Ratio of 75% and a minimum Interest Coverage Ratio of 1.1x, and limits APA's ability to incur liens over its assets. The USPP Notes and Rule 144A Notes also contain a limitation on APA's ability to incur debt that is structurally or contractually senior to such notes, including by virtue of a grant of liens over its assets. Under its Australian MTNs, APA is subject to a limitation on its ability to grant of liens over its assets to secure certain types of borrowings, and is not subject to any financial covenants. APA has maintained its operations within its financial covenants applicable at any given time, mandated by the terms of its long term borrowings, including its various banking arrangements, USPP Notes, Rule 144A Notes and MTNs.

As at 31 December 2020, APA had the following bank facilities and debt securities on issue:

Capital Markets Issuances	Committed Amount A$ (equiv.) million[(1)]	Undrawn A$ million	Maturity
Bank Facilities			
2017, 2019 & 2020 Bilateral bank facilities	250	250	May 2022 to December 2025
2018 Syndicated bank facilities	1,000	1,000	30 June 2023 and 31 December 2023
Capital Markets Borrowings			
2007 US Private Placement Notes	296	None	May 2022
2012 Rule 144A Notes	735	None	October 2022
2012 GBP EMTNs	536	None	November 2024
2015 Rule 144A Notes[(2)]	1,777	None	10- and 20-year tranches maturing March 2025 and March 2035
2015 GBP EMTNs[(2)]	1,140	None	15-year tranche maturing March 2030
2015 EUR EMTNs	1,132	None	7-year tranche maturing March 2022
2015 EUR EMTNs[(2)]	879	None	12-year tranche maturing March 2027
2016 Australian MTNs	200	None	October 2023
2017 Rule 144A Notes	1,109	None	10.3-year tranche maturing July 2027
2019 GBP EMTNs	742	None	12.3-year tranche maturing March 2031
2019 JPY EMTNs	133	None	15-year tranche maturing June 2034
2020 EUR EMTNs	1,018	None	10.2-year tranche maturing July 2030
Total	**10,947**	**1,250**	

Notes:

(1) The A$ equivalent amounts in the above table reflect the foreign exchange rates at which the relevant cross-currency swaps were executed.

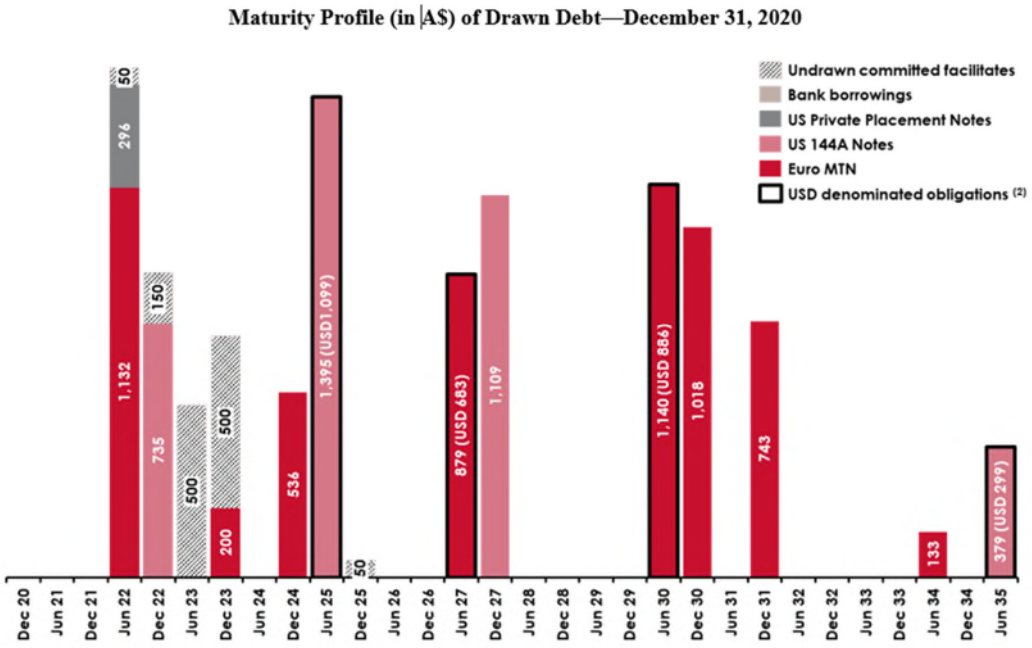
(2) USD denominated obligations translated to AUD at the prevailing rates at inception (2015 Rule 144A Notes AUD/USD=0.7879; 2015 GBP and EMTNs AUD/USD=0.7772).

The average interest rate (including credit margins) applying to drawn debt was 5.18% for HY2021, 5.35% HY2020, 5.33% FY2020, 5.53% FY2019 and 5.65% for FY2018.

As at 31 December 2020, APA had access to over A$2 billion of liquidity in the form of A$804.1 million of cash and A$1,250 million of committed undrawn bank facilities.

Debt Maturity Profile

APA's refinancing obligations are spread over a period of 14 years to FY2035. The weighted average remaining maturity of its drawn indebtedness as of 31 December 2020 was 6.1 years (compared to 6.4 years as at 30 June 2020 and 6.8 years as at 30 June 2019). The following chart illustrates APA's debt maturity profile as at 31 December 2020.



Note:

(1) Obligations translated to AUD at the prevailing rates at inception (2015 Rule 144A Notes AUD/USD=0.7879; 2015 GBP and EMTNs AUD/USD=0.7772).

Capital Expenditures

Growth capital expenditure, other than expenditure relating to APA's energy investments, is generally either fully underwritten by APA's customers through long term gas transportation arrangements or has received regulatory approval through the relevant access arrangement. APA has historically funded organic growth through operating cash flow retained in the business and a combination of debt financing and equity.

APA's organic growth and Stay in Business and IT Capital Expenditure for the last half year and three fiscal years are set out in the table below:

	Year ended 30 June			Half-year ended 31 December	
	2018	**2019**	**2020**	**2019**	**2020**
(in millions)			*A$*		
Organic Growth	742.9	462.8	287.7	145.1	154.2
Stay in Business and IT	112.6	118.5	139.4	68.5	97.4
Total capital expenditures	**855.5**	**581.3**	**427.1**	**213.6**	**251.6**

In addition to the figures noted in the table above, APA has also incurred inorganic growth capital expenditures related to energy investments and acquisitions, including A$20 million in FY2018 related to the share purchase price for the Orbost Gas Processing Plant.

APA's organic growth and Stay in Business and IT Capital Expenditure for HY2021 totalled A$251.6 million, of which A$154.2 million was related to organic growth capital expenditures and A$97.4 million was related to Stay in Business and IT Capital Expenditure. Organic growth capital expenditures of A$132.9 million were related to construction of the Orbost Gas Processing Plant and Crib Point Pakenham Pipeline in Victoria, construction of the Thomson Power Station in Queensland and various projects across WA including the Eastern Goldfields Pipeline expansion, Lakeways Gas Lateral, Murrin Looping, Karlawinda Gas Lateral, NGI and Gruyere Hybrid Energy Microgrid Expansion. A$21.3 million of APA's organic growth capital expenditure was spent on its price regulated assets, including the Victorian Transmission System, Roma Brisbane Pipeline and Goldfields Gas Pipeline. This included the commencement of Engineering and approvals work including landholder liaison and studies required for the EES for the WORM project in Victoria.

APA's organic growth and Stay in Business and IT Capital Expenditure for FY2020 totalled A$427.1 million, of which A$287.7 million related to organic growth capital expenditures and A$139.4 million related to Stay in Business and IT Capital Expenditure. Organic growth capital expenditures of A$287.7 million were related to construction of the Orbost Gas Processing Plant and Crib Point Pakenham Pipeline in Victoria, construction of the Thomson Power Station in Queensland, southern haul reliability and capacity expansion of the Moomba Sydney Pipeline, minor site works completed on the Goldfields and Eastern Goldfields expansion and Badgingarra Wind and Solar Farm. A$46.5 million of APA's organic growth capital expenditure was spent on its price regulated assets, including the Victorian Transmission System, Roma Brisbane Pipeline and Goldfields Gas Pipeline. This included the commencement of Engineering and approvals work including landholder liaison and studies required for the EES for the WORM project in Victoria.

APA's organic growth and Stay in Business and IT Capital Expenditure for FY2019 totalled A$581.3 million, of which A$462.8 million related to organic growth capital expenditures and A$118.4 million related to Stay in Business and IT Capital Expenditure. Organic growth capital expenditures of A$462.8 million were mainly related to completion and commissioning of the DDSF and the RCWP in Queensland, construction and completion of Western Australia projects including the Yamarna Gas Pipeline, Gruyere Power Station, Emu Downs Solar Farm and Badgingarra Wind and Solar Farm, construction of the Murrin Compressor Station, the upgrade of the Orbost Gas Processing Plant in Victoria and pre-investigative and preliminary licence approval undertakings for the proposed Western Slopes Pipeline and Crib Point Pakenham Pipeline. A$30.6 million of APA's organic growth capital expenditure was spent on its price regulated assets, including the Victorian Transmission System, Roma Brisbane Pipeline and Goldfields Gas Pipeline.

APA's organic growth and Stay in Business and IT Capital Expenditure for FY2018 totalled A$855.5 million, of which A$742.9 million related to organic growth capital expenditures and A$112.6 million related to Stay in Business and IT Capital Expenditure. Organic growth capital expenditures of A$742.9 million were related to construction of the DDSF and completion and commissioning of the RCWP in Queensland, construction and completion of Western Australia projects including the Yamarna Gas Pipeline, Mt Morgans Gas Pipeline and Emu Downs Solar Farm, construction of the Murrin Compressor Station, Gruyere Power Station and Badgingarra Wind Farm, commencement of the upgrade of the Orbost Gas Processing Plant in Victoria and pre-investigative and preliminary licence approval undertakings for the proposed Western Slopes Pipeline and Crib Point Pakenham Pipeline. A$33.0 million of APA's organic growth capital expenditure was spent on its price regulated assets, including the Victorian Northern Interconnect expansion and the South West Pipeline Westernhaul Expansion. In addition, APA expended A$20 million in FY2018 related to the share purchase price for the Orbost Gas Processing Plant.

Summary of Contractual Obligations

The following table summarises APA's contractual obligations and commitments (other than borrowings) as at 30 June 2020 that may affect APA's liquidity over the next five years. For the maturity profile of its borrowings, see "*— Liquidity and Capital Resources — Debt Maturity Profile*" above.

(in thousands)	**Total**	**Less than 1 year**	**From 1-5 years**	**Over 5 years**
		A$		
Lease liabilities	**80,954**	**15,808**	**42,671**	**22,475**
Capital expenditure — plant and equipment	168,391	168,391		
Capital expenditure — share of jointly controlled operation's commitments.....	11,107	11,107		
Total.....	260,452	195,306	42,671	22,475

See Notes 17 and 25 to APA's audited financial statements for FY2020 included elsewhere in this Offering Circular for further information regarding its contractual obligations and commitments.

Distribution Policy

APA declared and intends to pay interim distributions to the unitholders of APT and APTIT of A$283.2 million relating to HY2021. Distributions of A$590.0 million relating to FY2020, A$554.6 million relating to FY2019 and A$517.2 million relating to FY2018 have previously been paid. APA's pay-out ratio, which equals its total distributions over its adjusted operating cash flow, was 54.5% in HY2021, 53.0% in HY2020, 53.8% in FY2020, 54.8% in FY2019 and 50.1% in FY2018. APA funds distributions from operating cash flows. APA's distributions are determined annually with regard to its organic growth and investment opportunities, ongoing capital markets environment, maintaining its investment grade ratings and continuing to enhance long term unitholder value.

Off-balance Sheet Arrangements

APA has investments in certain entities and assets that undertake financing and other obligations that are non-recourse to the APA Group, and are carried on APA's consolidated balance sheet as equity investments. Certain members of APA's subsidiaries (which are Excluded Subsidiaries) have participated and may in the future

participate as obligors under those facilities on a limited recourse basis. As of 31 December 2020, APA Group members that hold its 50% interests in the SEA Gas Pipeline and Mortlake Pipeline investments were obligors under a facility related to those assets, with A$431.7 million of indebtedness outstanding as at 31 December 2020. The obligations of APA under that facility are limited to its investments in the SEA Gas Pipeline and Mortlake Pipeline and, consequently, SEA Gas Pipeline and Mortlake Pipeline indebtedness is not consolidated onto APA's consolidated balance sheet and its investments in the SEA Gas Pipeline and Mortlake Pipeline are accounted for as equity investments net of such indebtedness.

As of 31 December 2020, APA does not have any other off-balance sheet arrangements that APA believes have or are reasonably likely to have a current or future effect on APA's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors in the Notes.

Qualitative and Quantitative Disclosure about Market Risk

The information below discusses APA's financial risk management and should be read in conjunction with Note 9 to its financial statements for HY2021 included in this Offering Circular.

Interest Rate Risk Management

All of APA's 2007 USPP Notes are either fixed-rate Australian dollar denominated issues or, if issued in U.S. dollars, have been swapped into fixed interest rate Australian dollar obligations. APA's Sterling denominated EMTNs issued in 2012 and 2019, Yen denominated EMTNs issued in 2019 and the Euro denominated EMTNs issued in 2015 and 2020 have been swapped into fixed interest rate Australian dollar obligations. The A$200 million of Australian MTNs issued on 20 October 2016 are fixed rate notes. The Rule 144A Notes issued in October 2012 and March 2017 have been swapped from U.S. dollar to Australian dollar fixed rate obligations. The majority of revenue to be received from the LNG Shipper GTAs (20-year term) on the WGP will be denominated in U.S. dollars. US$3.7 billion of debt was raised in March 2015 in U.S., U.K. and European markets to fund, in part, the WGP. The majority of this debt, US$2.97 billion, is currently considered to be a "designated hedge" for the U.S. dollar denominated WGP revenues and therefore has been kept in U.S. dollars. Net U.S. dollar cash flow after servicing the U.S. dollar interest costs that are not part of that "designated relationship" will be hedged on a rolling basis for a period of time in line with APA's treasury policy.

As at 31 December 2020, 100% of APA's borrowings bore interest at fixed Australian interest rates or had been hedged to a fixed Australian interest rate.

Exchange Rate Risk Management

As noted under "*—Qualitative and Quantitative Disclosure about Market Risk— Interest Rate Risk Management*", APA's USPP Notes, its 2012 Rule 144A Notes that were issued in U.S. dollars, its 2017 Rule 144A Notes, its 2012 and 2019 EMTNs that were issued in Sterling, its 2019 EMTNs that were issued in Yen and its Euro denominated EMTNs issued in 2015 and 2020, have been swapped into fixed rate Australian dollar obligations. As of 31 December 2020, US$2.97 billion of the US$3.7 billion of EMTN (Euro and Sterling) and Rule 144A debt capital markets issuances in March 2015 that were used to fund, in part, the WGP acquisition were all either retained in, or hedged into, fixed rate U.S. dollar obligations. APA currently has no material foreign exchange exposure; however, its policy is to hedge all material exposures that are certain. This includes, for example, foreign currency denominated purchase orders that have been executed and involve an equipment cost in excess of US$1 million or equivalent. See "*—Qualitative and Quantitative Disclosure about Market Risk— Interest Rate Risk Management*" above for further details on its U.S. dollar residual cash flow hedging.

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