

20 June 2022

ASX ANNOUNCEMENT

APA Group (ASX: APA)

APA signs transport, storage and development agreements for the Hunter Power Project

Leading Australian energy infrastructure business, APA Group (ASX: APA), today announced the execution of a 30-year Gas Transportation and Storage Agreement and a Development Agreement with Snowy Hydro Limited (**Snowy Hydro**), to commence the development of a pipeline connection, called the Kurri Kurri Lateral, which will include storage, to the Hunter Power Project.

APA will build, own and operate the Kurri Kurri Lateral, a gas transmission pipeline approximately 20 km in length, which will connect the Sydney to Newcastle Pipeline to the Hunter Power Project at Kurri Kurri in NSW, and a 70 TJ gas storage facility to service the Hunter Power Project, which are targeting completion by late 2023. The development is subject to APA obtaining certain third-party approvals for the development and operation of the APA facilities (including obtaining a pipeline licence) and various development matters being agreed with Snowy Hydro.

Snowy Hydro may extend the Gas Transportation and Storage Agreement for a further 10 years.

APA's total construction costs for the project are currently estimated to be around \$264 million. Final capital expenditure will be subject to detailed engineering design, which is expected to be completed by late 2022. APA has worked closely with Snowy Hydro to ensure that the Kurri Kurri Lateral will be hydrogen-blend ready, as well as committing to procuring electric drive compressors to minimise the emissions intensity of operations.

APA estimates construction jobs will peak at almost 400 workers when construction of the pipeline connection, storage and compressor station overlaps.

APA CEO and Managing Director, Rob Wheals, said APA was pleased to be working with Snowy Hydro on the Kurri Kurri Lateral.

"APA looks forward to delivering this key piece of infrastructure for the Hunter Power Project, which in turn should facilitate further expansion of renewable generation in the National Electricity Market. The current energy crisis has underscored the critical role that gas will continue to play in our energy mix, delivering affordable firming for renewable generation, energy security, and high heat capability for the industrial sector," Mr Wheals said.

"As coal is withdrawn from the National Electricity Market, natural gas is the workhorse of the energy grid. Its flexibility and reliability ensure it is able to be rapidly deployed and sustained for extended periods, delivering energy security when it's needed most.

About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country.



APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group.

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

“APA has commenced environmental, design and technical studies to develop the pipeline and storage facility. We will continue to work closely with landholders, the community, councils and the NSW Government.”

Authorised for release by Amanda Cheney

Company Secretary
APA Group Limited

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