



12 June 2018

ASX ANNOUNCEMENT

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA TO DEVELOP CRIB POINT PACKENHAM PIPELINE FOR AGL'S LNG IMPORT FACILITY

APA Group (ASX:APA) today announced it has entered into a Development Agreement (DA) and an associated 20 year Gas Transportation Agreement (GTA) with AGL Energy (ASX:AGL) for the development and construction of the Crib Point Packenham Pipeline. APA's capital expenditure for the pipeline is currently estimated to be in the range of \$160 to \$200 million. The transaction is subject to AGL achieving a final investment decision (FID) on the development of an LNG floating storage regasification unit (FSRU) and related offshore facilities during FY2019. If the AGL project proceeds, first gas delivery into the domestic market is expected during FY2021.

APA has been working with AGL since October 2017 on the prospective project to develop a pipeline route for the Crib Point Packenham Pipeline. The new pipeline would be approximately 60 kilometres in length with a capacity of at least 550 TJ/day, connecting AGL's proposed FSRU at Crib Point into APA's 7,500 kilometre East Coast Grid via the Victorian Transmission System.

Managing Director Mick McCormack said, "It's been very pleasing to work with AGL as its pipeline partner on this pioneering project. I've said for some time now that the East Coast gas issues are about a lack of affordable gas supply, and this innovative solution championed and progressed by AGL certainly goes towards injecting a flexible source of new gas supply into the tight domestic market in eastern Australia. This should help alleviate potential gas supply shortfalls in Victoria in 2021 - 2022 as forecast by the Australian Energy Market Operator¹ (AEMO).

"Increased certainty of supply for domestic users helps put downward pressure on prices which should benefit Australian consumers. With government restrictions on gas production in some states, shipping-in the much needed resource is a smart solution. We'll continue to work with AGL and all the relevant stakeholders to help bring this project to where a final investment decision can be made. As with all our new build projects, engaging with communities and landholders will be our key focus in the near term."

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

Nevenka Codevelle
Company Secretary
Australian Pipeline Limited

For further information please contact:

Investor enquiries:

Jennifer Blake

Telephone: +61 2 9693 0097

Mob: +61 406 42 775

Email: jennifer.blake@apa.com.au

Media enquiries:

Louise Watson

Telephone: +61 2 8011 0591

Mob: +61 419 185 674

Email: lwatson@symbolstrategic.com.au

¹ Australian Energy Market Operator Victorian Gas Planning Report Update, March 2018

About APA Group (APA)

APA is a leading Australian energy infrastructure business, owning and/or operating in excess of \$20 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

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