



29 June 2018

Dear Securityholder

UPDATE ON THE PROPOSAL FROM CK INFRASTRUCTURE HOLDINGS LIMITED

**APA SECURITYHOLDERS DO NOT NEED TO TAKE ANY ACTION – FOR YOUR INFORMATION ONLY**

On 13 June 2018, APA Group (ASX:APA) announced that it had received an unsolicited, indicative non-binding proposal from a consortium led by CK Infrastructure Holdings Limited, CK Asset Holdings Limited and Power Assets Holdings Limited (together, the **Consortium**), to acquire all of the stapled securities in APA.

Given recent media speculation regarding APA and the Consortium proposal, the Board wanted to update all Securityholders on the process and to reiterate that **we have made no recommendation on the Consortium proposal** at this time.

The indicative price proposed by the Consortium is A\$11.00 cash per stapled security. The proposal price does not result in any change to the final six months distribution for FY2018 of 24.0 cents per stapled security, which is scheduled for payment to APA Securityholders in September.

The Board considered that it was in the best interests of APA's Securityholders to engage further with the Consortium and allow due diligence (that is, "a look into the business") on a non-exclusive basis.

The Consortium is still undertaking its due diligence process which will take some time to work through. If the proposal proceeds to a firm offer, it is likely to be subject to a number of conditions including government regulatory approvals.

The Board will continue to keep Securityholders updated.

There is no certainty that the Consortium proposal will result in a transaction or, indeed, whether other offers will be made to acquire APA.

**If any offers proceed to a binding offer and the Board recommends an offer to APA Securityholders, you will have the opportunity to vote on the offer. Securityholders do not need to take any action at this stage.**

All APA ASX releases, including the 13 June release, will be available on both APA's ([www.apa.com.au](http://www.apa.com.au)) and the ASX ([www.asx.com.au](http://www.asx.com.au)) websites.

If you have any further questions regarding the proposal or process, please contact Jennifer Blake, APA's Group Head of Investor Relations on +61 2 9693 0097 or [jennifer.blake@apa.com.au](mailto:jennifer.blake@apa.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Fraser', written in a cursive style.

**Michael Fraser**  
Chairman  
APA Group