



**APA Group Queensland site tour
Wallumbilla Gas Hub &
Integrated Operations Centre**

19 November 2015

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Agenda

- APA current overview
 - Transmission pipeline evolution
 - Wallumbilla Gas Hub
 - Integrated Operations Centre
 - Gas market developments
 - Future opportunities
 - Questions
- Mick McCormack
- Rob Wheals
- Craig Clarke
- Ed DePrinse
- John Jamieson
- Mick McCormack

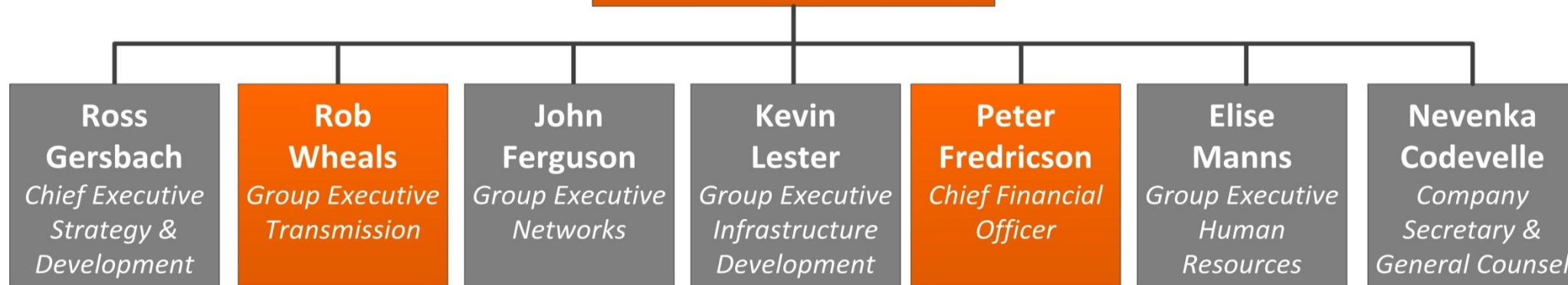


APA Group overview

Mick McCormack
Managing Director & CEO

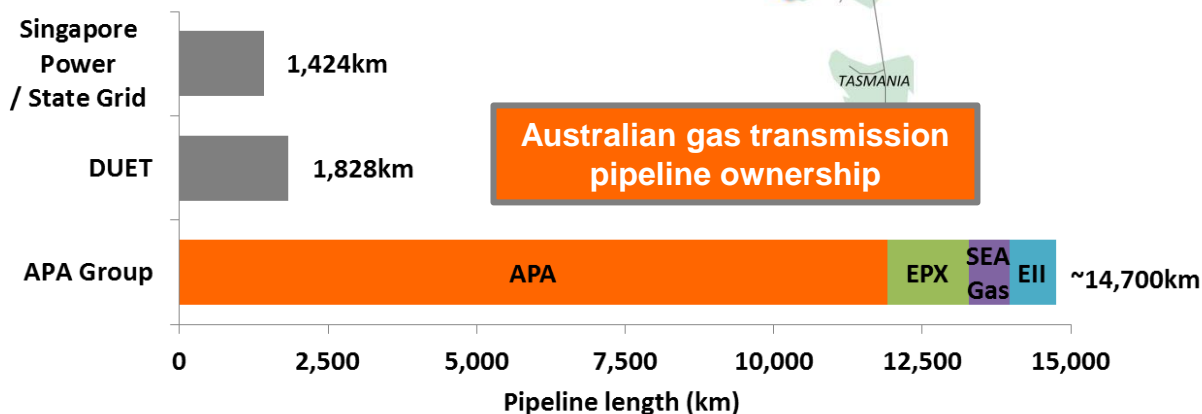
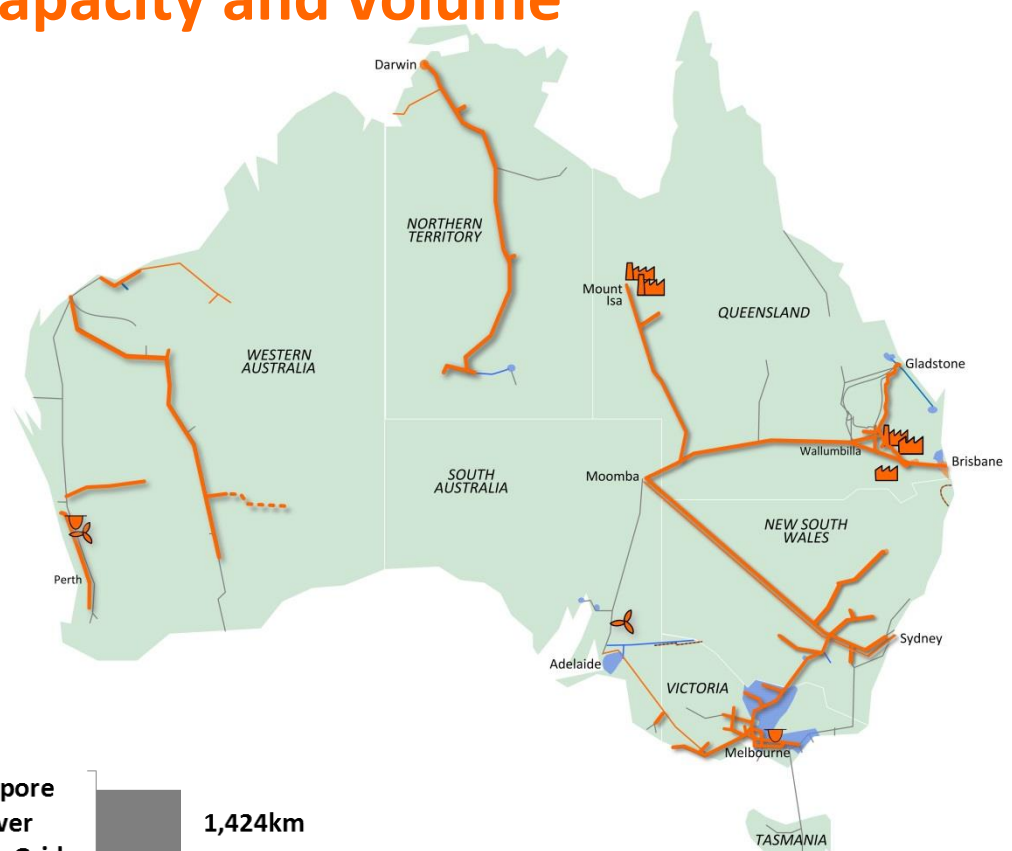
APA executive and management – site tour

Mick McCormack
Managing Director



- **Kerryanne Mallitt**
General Manager East Coast Field Services
- **Edwin DePrinse**
General Manager Transmission Services
- **Ivan Byak**
General Manager Commercial, East Coast
- **Walter Schutte**
General Manager Market Services
- **John Jamieson**
Markets and Risk Manager
- **Michael Butler**
IOC Manager
- **Tracey Roberts**
Business Development Manager (former Acting IOC Manager)
- **Lyndon Brock**
Regional Manager Western QLD
- **Ian Duncan**
General Manager Capital Markets
- **Greg Meredith**
Treasurer
- **Yoko Kosugi**
Head of Investor Relations
- **Jennifer Blake**
Investor Relations Manager
- **Craig Clarke**
Manager Infrastructure Construction Engineering

Australia's largest gas pipeline owner by pipeline length, capacity and volume



Source: AER State of the Energy Market Dec 2014 ; IMO Gas Market Statement of Opportunities Dec 2014; and APA data as at 30 Jun 2015.

APA Overview	(Ticker: APA AU)
Market capitalisation	A\$10.0 billion (as at 17 November 2015)
ASX rank	S&P/ASX 50
Credit Rating	S&P: BBB (outlook Stable) Moody's: Baa2 (outlook Stable)
Assets owned/operated	~ \$19 billion
	Gas transmission
	14,700 ⁽¹⁾ km transmission pipelines Underground & LNG gas storage
	Gas distribution
	27,100 km gas network pipelines 1.3 million gas consumers
	Other energy infrastructure
	585 MW power generation 244 km HV electricity transmission Gas processing plants
Employees	More than 1,600

(1) Includes 100% of the pipelines operated by APA Group which form part of its energy investments including Ethane Pipeline Income Fund, SEA Gas and EII. Figure does not include APA's Eastern Goldfields Pipeline (293 km) which is currently under construction in WA.

APA's long term strategy

- Consistent execution of a sustainable growth strategy since listing in 2000
- We're focused on building and enhancing our core business of gas infrastructure assets

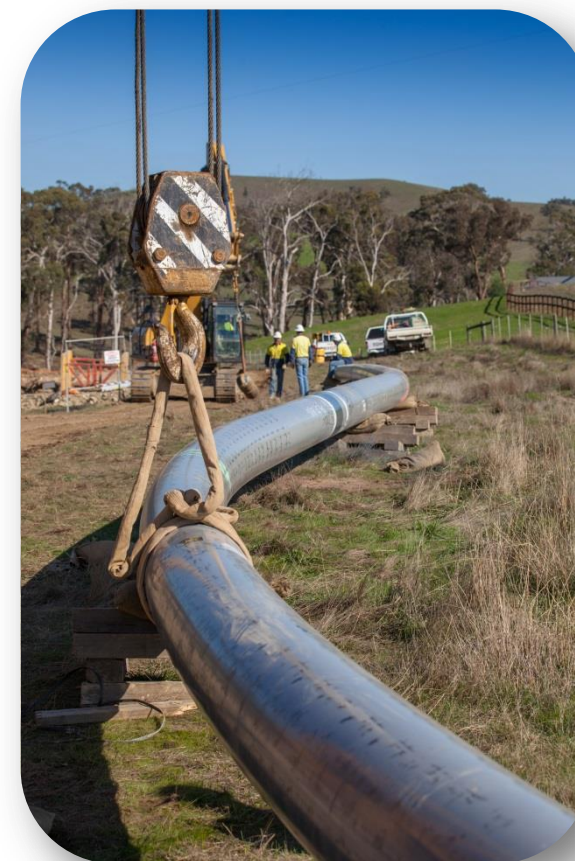
Continuing to grow our ownership interests in transmission pipelines through further expanding the east and west coast grids

Leveraging our asset management, development and operational capabilities

Growing other energy infrastructure midstream assets

Delivering responsive, valuable solutions to our customers

Maintaining financial flexibility



APA's unrivalled asset portfolio across Australia and internal expertise, together with strong industry fundamentals, drive growth opportunities



Transmission Pipeline Evolution

Rob Wheals
Group Executive Transmission

Evolution of transmission services

1969 - 2012

Simple

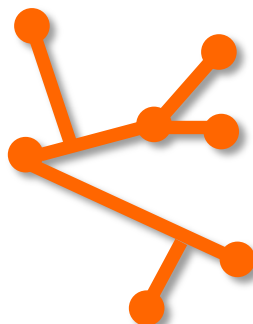
- Point to point
- Single purpose asset
- Single asset control rooms
- Simple contracts and range of services
 - Firm service
 - As Available
 - Park / Loan



2012 - 2015

Complex / multi-faceted / dynamic

- East Coast Grid
- ~30 receipt points to ~100 delivery points
- Multi asset services – single GTA
- Development of gas markets
- Capacity trading
- In-pipe trades



2015 onwards

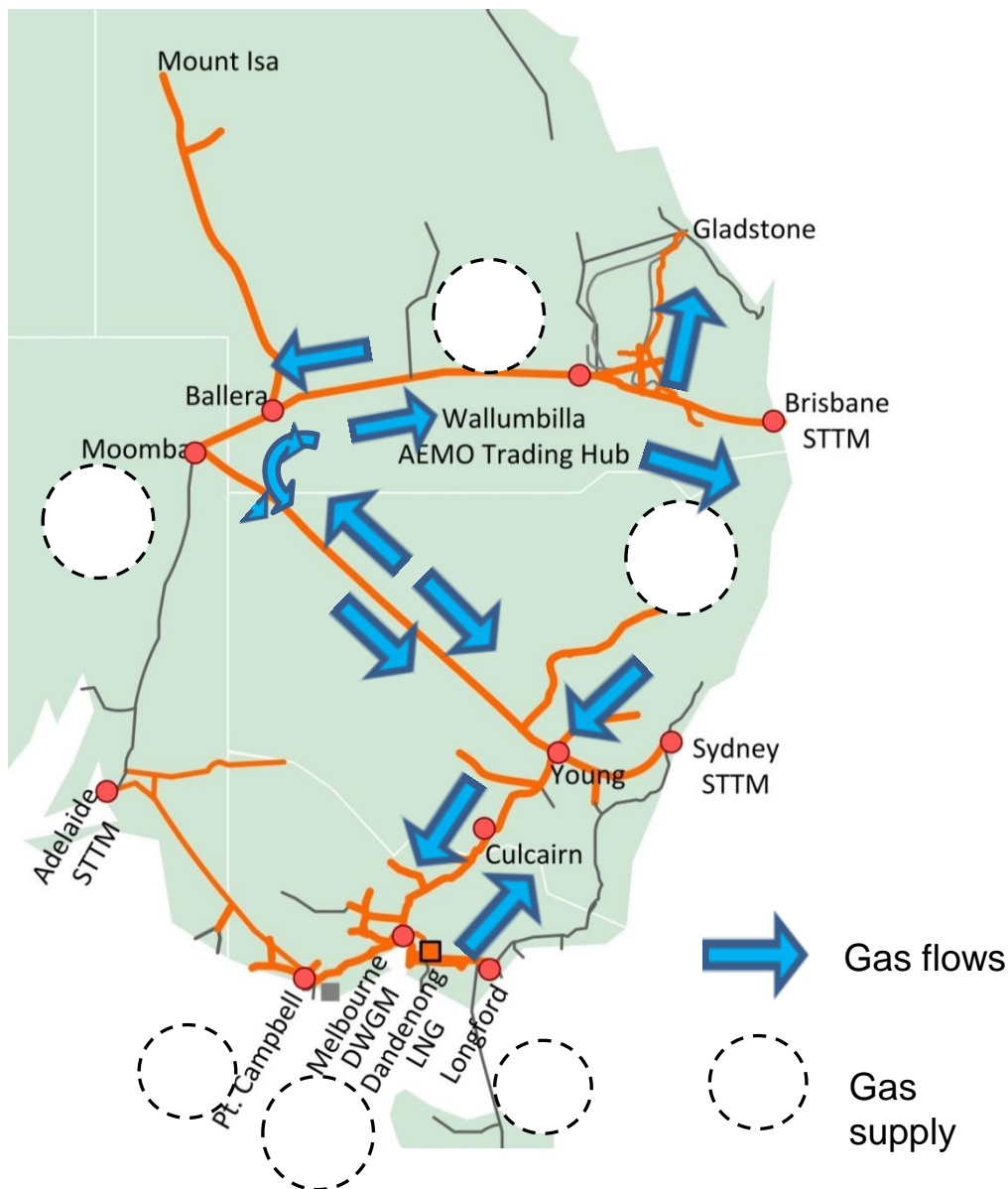
Flexible / seamless / connected

- Gas super highway
- Integrated Operations Centre
- Hub Services
- Portfolio grid services
 - Firm Services
 - As Available
 - Interruptible services
 - Bi-directional
 - Storage
 - Park/loan



Changing energy market dynamics have driven a shift in the way producers and gas users think about transporting gas. APA's innovative approach to providing seamless and flexible transport solutions allows producers and users to maximise the benefits of this dynamic market.

Evolution and delivery of innovative solutions



- Changing dynamics
 - LNG demand
 - World commodity prices
 - Changing sources of gas
 - Shorter gas sales terms & trading opportunities
- Leading to:
 - Increased complexity
 - Competing alternatives
 - Changing customer requirements and expectations
- APA's holistic energy delivery solutions are enabled by development & installation of:
 - Interconnected infrastructure
 - Bi-directional capabilities
 - Customer Management System
 - Integrated Operations Centre ('IOC')

Flexibility of APA's infrastructure allows our customers to manage their energy portfolios dynamically

Operational excellence

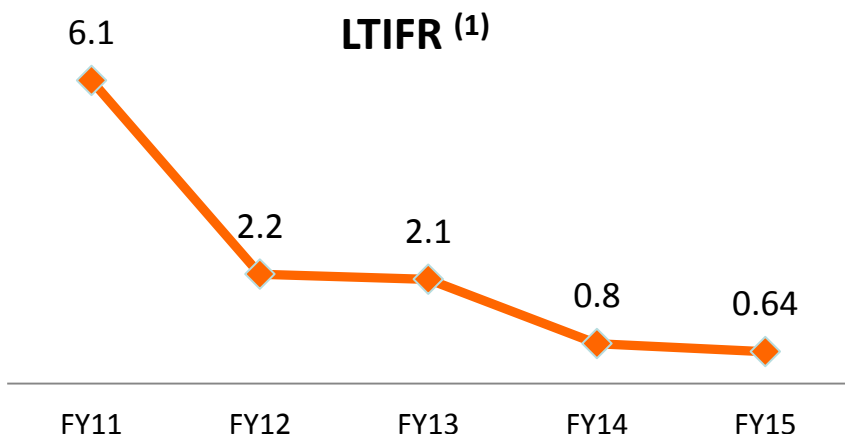
■ Enhancing infrastructure operations and maintenance

- Consolidating pipeline control and monitoring operations to ensure high reliability
- Improving asset maintenance management systems and processes across the portfolio
- Progressively adopting asset management best practice



■ Health and safety

- Long-term safety goal of Zero Harm – a program of continuous improvement
- Second year of 3 year HSE Strategic Improvement Plan



(1) Lost time injury frequency rate (LTIFR) is measured as the number of lost time injuries per million hours worked. Data from FY14 includes both Employees and Contractors. Prior to that, employee only data.

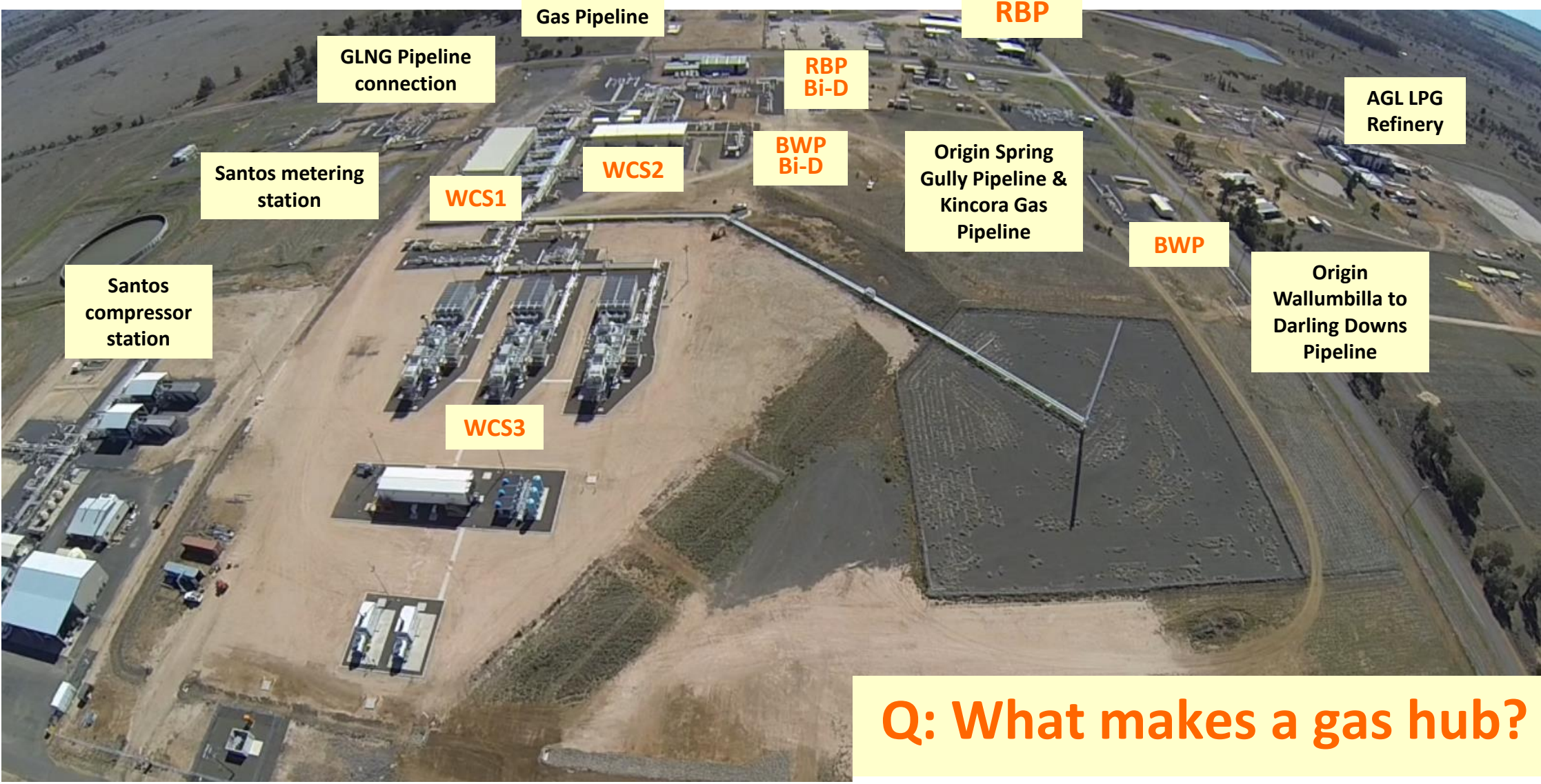
Looking after our people and assets improves service safety and reliability, operational efficiency and extends the economic life of the assets



Wallumbilla Gas Hub

Craig Clarke
Manager Infrastructure Construction Engineering

From paddock (2002) to Gas Hub - 2015



Q: What makes a gas hub?

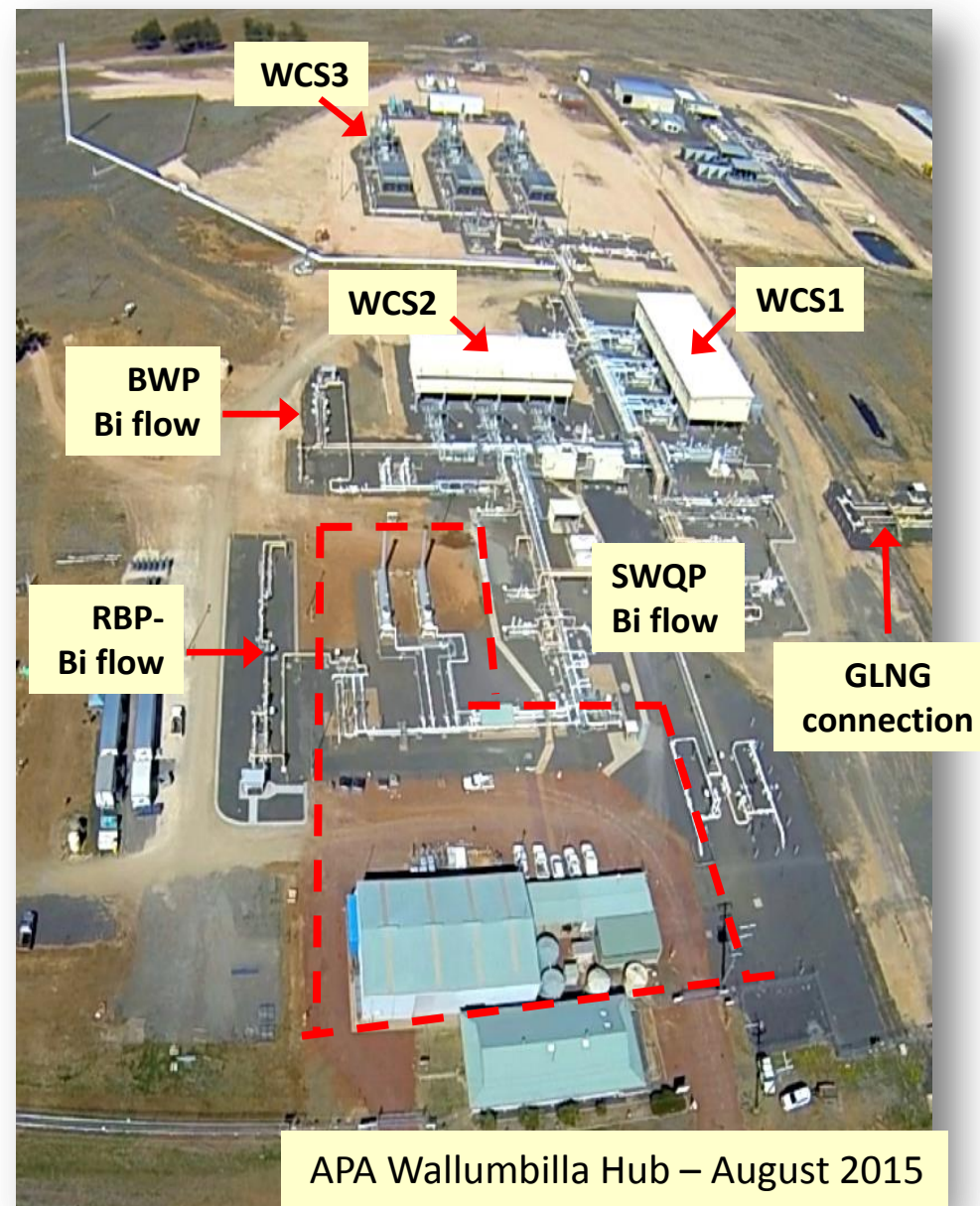
A: Connections & Services

Wallumbilla Hub project

- Expanded Pressure Management Services
 - Interconnect Gas Producers & Pipeline Systems
 - Pressure & Flow Control Services
 - Additional Compression Services

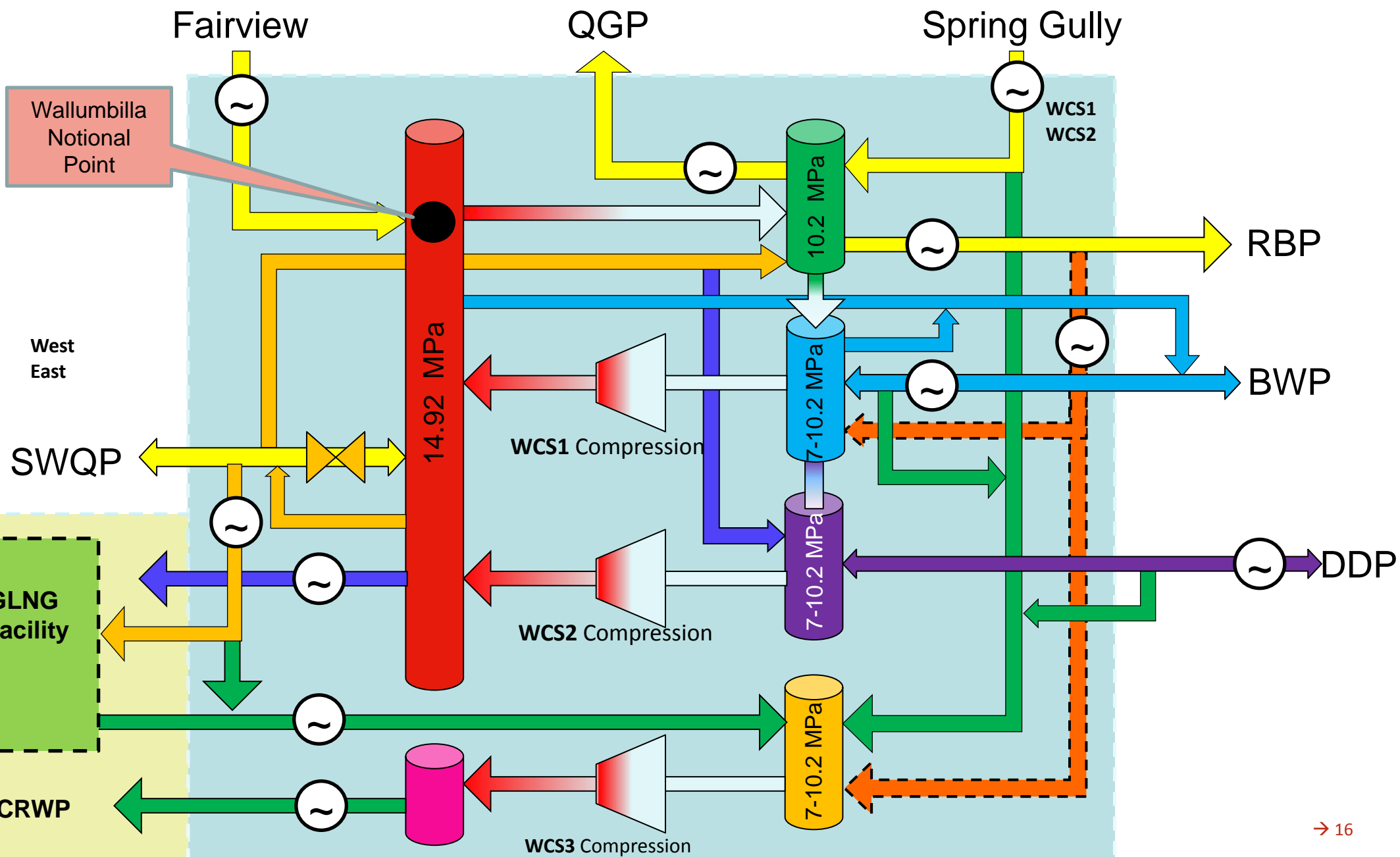
- New Redirection Services
 - Gas Quality Monitoring & Measurement

- | | |
|-------------|---|
| 2012 | SWQP & QSN looping
Wallumbilla Compressor Station No.2
APA acquired SWQP/QSN |
| 2014 | SWQP Bi-directional flow
BWP Bi-directional flow
Easternhaul Interconnect Services |
| 2015 | Wallumbilla Compressor Station No.3
GLNG CRWP supply commissioned
RBP Bi-directional flow |



--- Original site 2002

Wallumbilla configuration - 2015



APA Hub pressure and flow services

- Interconnection of Delivery & Receipt Points
- Pressure Reduction & Compression Services
 - 12 Pressure / Flow Control Skids
 - WCS3 Compressor Services
- Multiple Headers
 - Four Pressure Headers
 - Lean & Conventional Headers
- Nomination Management
- Multiple Operating Configurations
 - Automated Controls for Mode Switching
- Controlled remotely by IOC



APA Hub redirection and gas quality

- Redirection Services
 - Gas Delivery & Receipt Routing

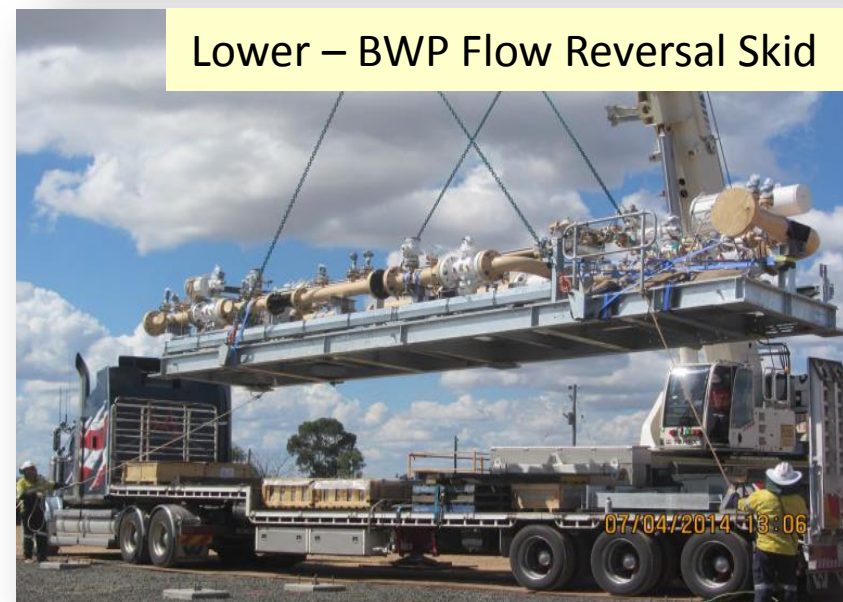
- Gas Quality Monitoring & Management
 - Out-of-Specification Gas Management

- Bi-Directional Transmission Pipeline Flows
 - Market Nominations – Domestic & LNG Export

Skids on N-S Pipe Racks



Lower – BWP Flow Reversal Skid



Summary

- 40 years on, Wallumbilla remains significant to the east coast gas market
 - ➔ *Rapid expansion over the past 5 years*
- Pipeline Hubs provide a range of mid stream services
 - ➔ *Compression services, quality management, storage & processing*
- Hubs assist to extract greater value from existing assets
 - ➔ *Easier access between gas market participants*
- The Wallumbilla Hub range of services continues to diversify
 - ➔ *Gas sources, LNG projects, international oil prices & the changing domestic market*
- The east coast pipeline system continues to become more interlinked
 - ➔ *Hub facilities maximise synergies between assets*

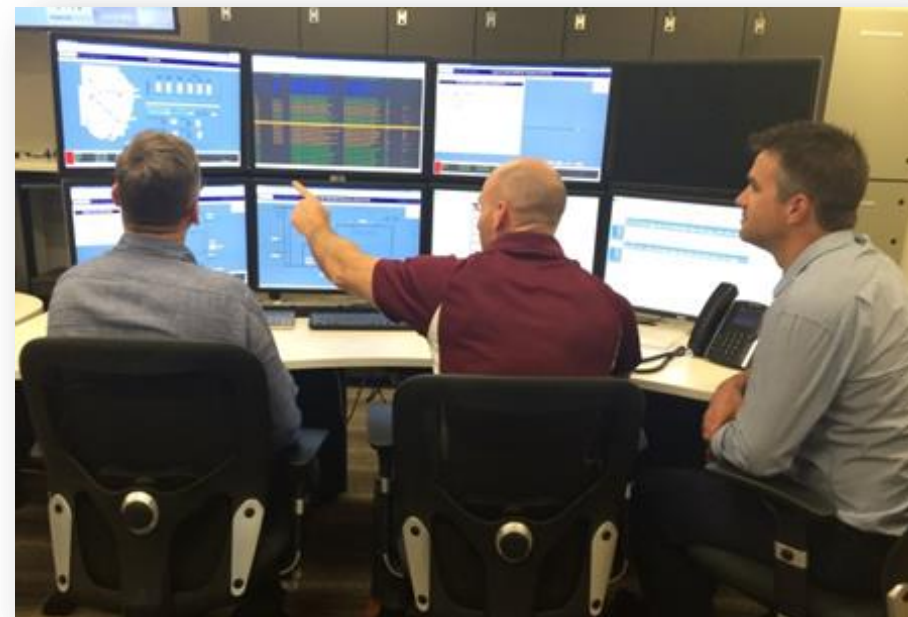


Integrated Operations Centre

Edwin DePrinse
General Manager Transmission Services

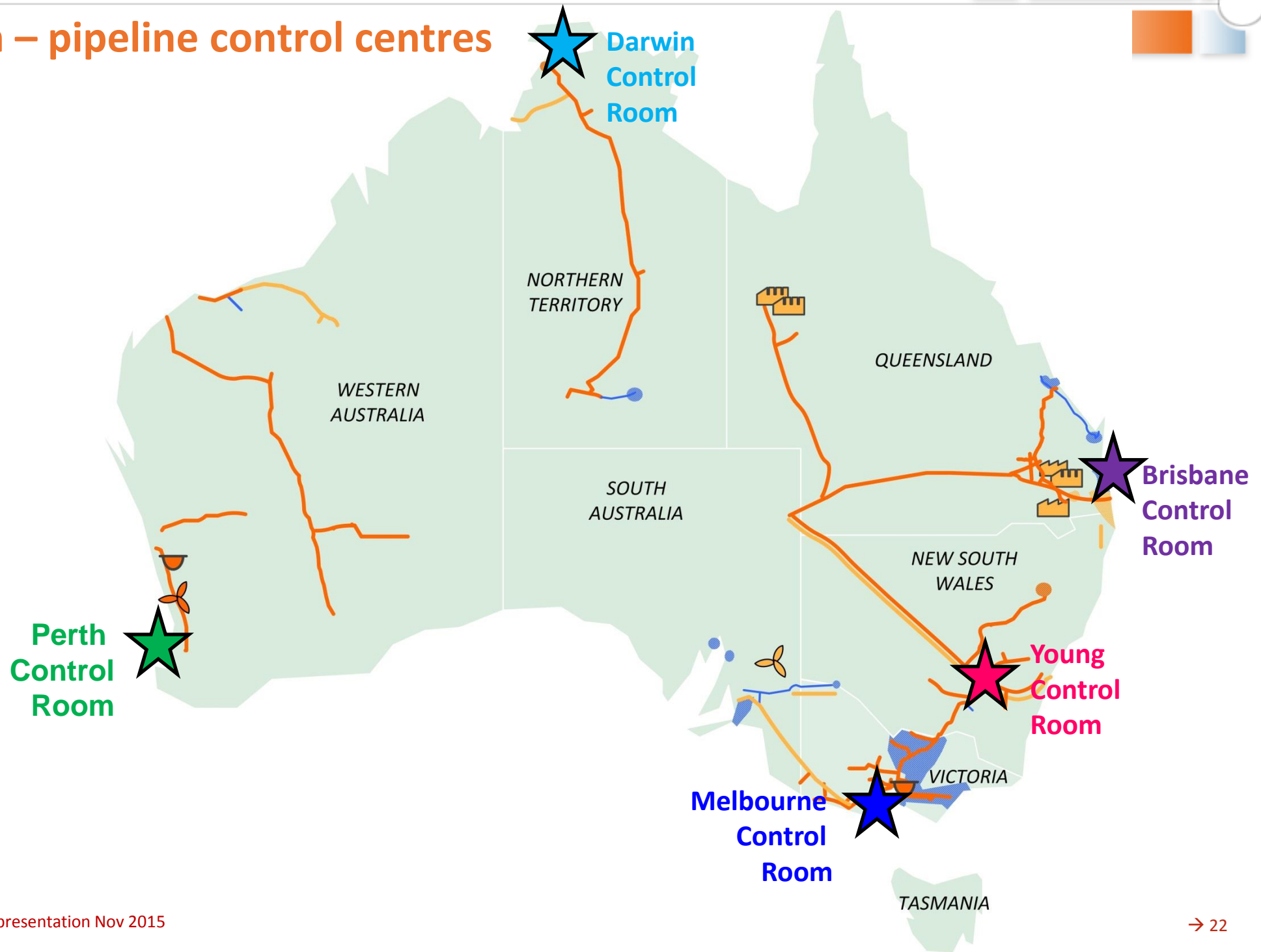
The Need for Change

- APA has experienced rapid growth through acquisition over the past 10 years
 - ➔ *5 separate pipeline control centres across 5 states*
- Interconnected grid
 - ➔ *Requires greater integration and co-ordination*
- Market is more complex and dynamic
 - ➔ *More nimble and proactive response, leverage commercial and engineering skills*
- Interruptions to services have more critical impacts
 - ➔ *Ability to respond quickly in a considered and appropriate way*

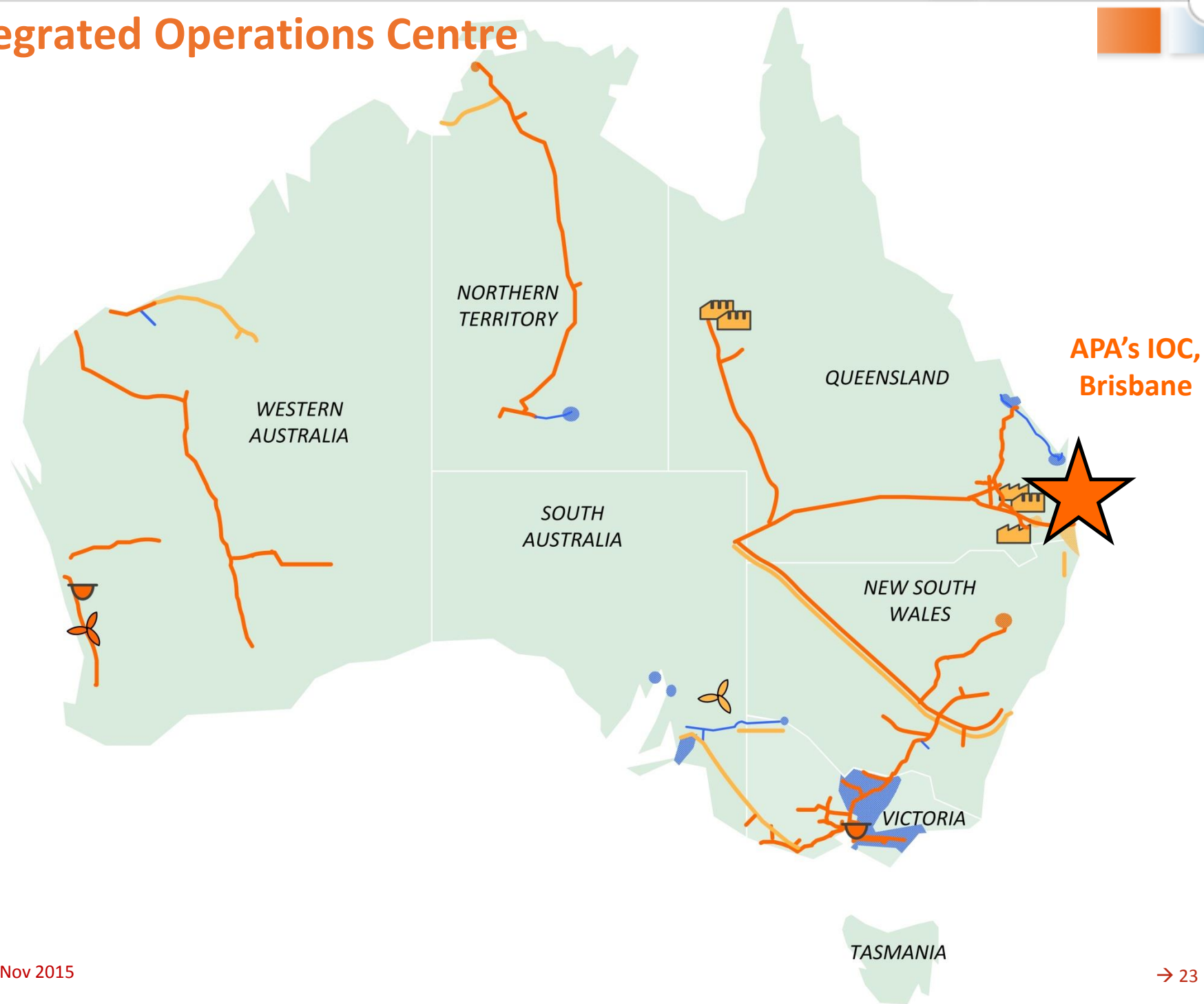


Evolution of APA's Control Room functions and facilities to align with the size and complexity of the operations now managed, keeping in mind the commercial challenges of the future

Then – pipeline control centres

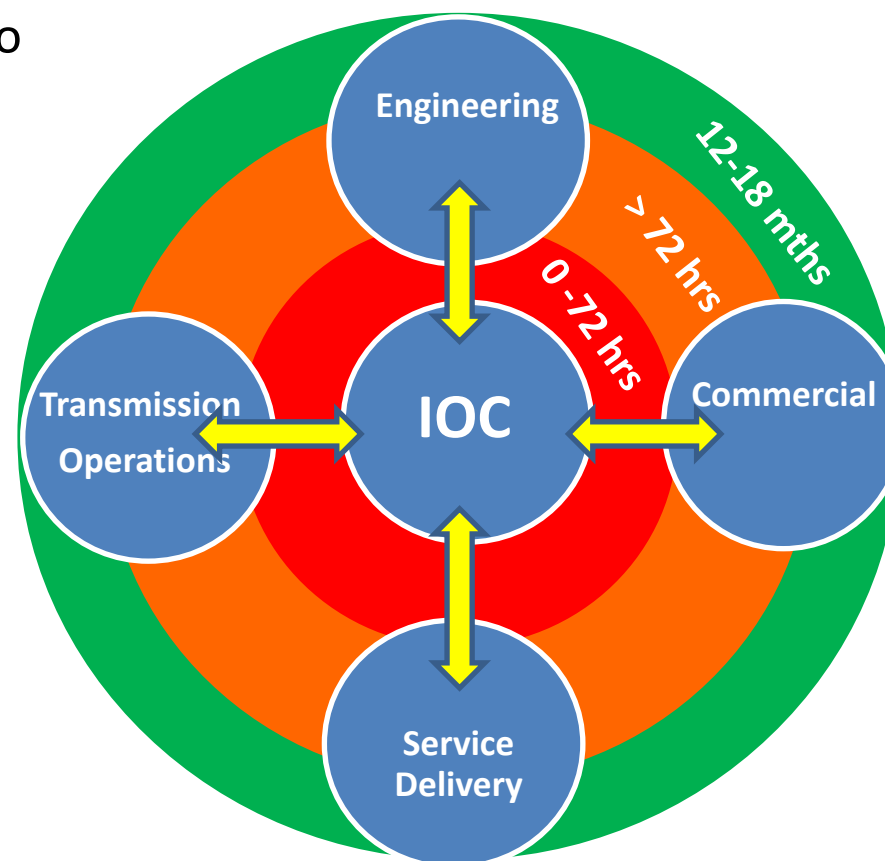


Now - Integrated Operations Centre



The IOC “72 hour” operating window

- Focus is to deliver flexible and seamless services to our customers
- Changes in market and customer requirements
 - Evolution of our thinking away from separate control rooms to an “integrated approach”
- Strategic capability that integrates:
 - Interconnected gas grid pipeline infrastructure
 - APA Grid customer management system
 - Engineering
 - System Control



Integrating operational, engineering, commercial disciplines

From multiple Control Rooms to IOC - the guiding principles

“ IOC – Supporting Operational Safety & Efficiency, Dynamic Customer Outcomes and Growth through Collaboration ”

IOC Attributes

- Integration
- Collaboration
- Coordination



IOC Qualities

- Proactive Behaviours
- Smarter & Intelligent Decisions
- Dynamic & Agile Actions



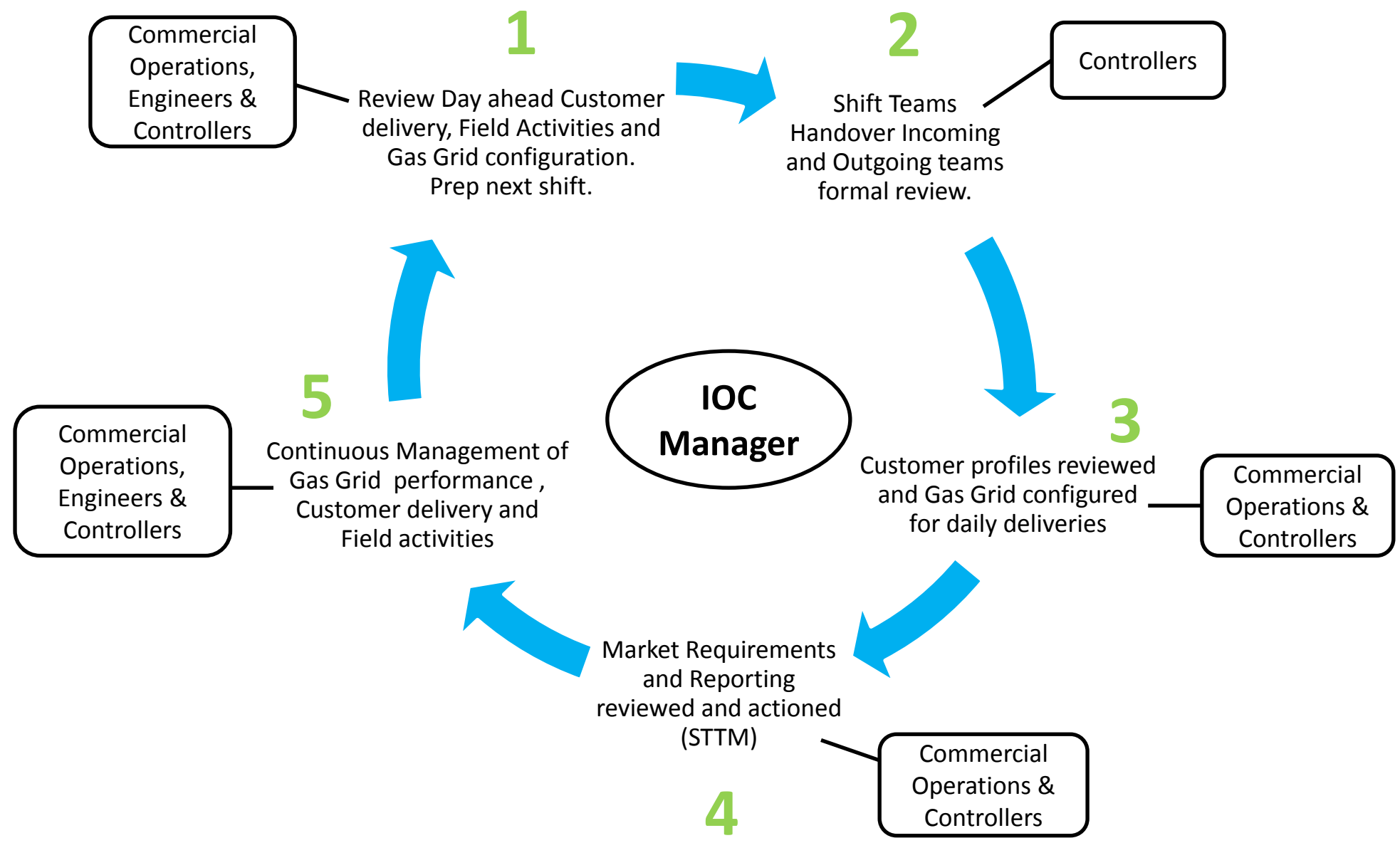
IOC Deliverables

- Operational Safety & Efficiency
- Customer Focused Outcomes
- APA Growth

“Minimise operational impact and maximise commercial opportunities”



A day in the IOC



IOC outcomes

■ Operational Efficiency

- Improved efficiency & issue management (capability & authority within the IOC)
- More effective decision making when responding to unforeseen and unplanned issues
- Improved incident management
- Enhanced capability to manage workload peaks or resource shortages
- Leverages other key strategic initiatives e.g. Enterprise Asset management, Planning and Scheduling of maintenance work

■ Commercial Opportunities

- Respond to customer short term needs, capture short term commercial opportunities

■ Enhanced Service delivery

- Seamless, end-to-end service delivery to customers

■ Status of integration

- Currently managing the East Coast Gas Grid & NT
- WA transition underway with full transition by end Feb 2016





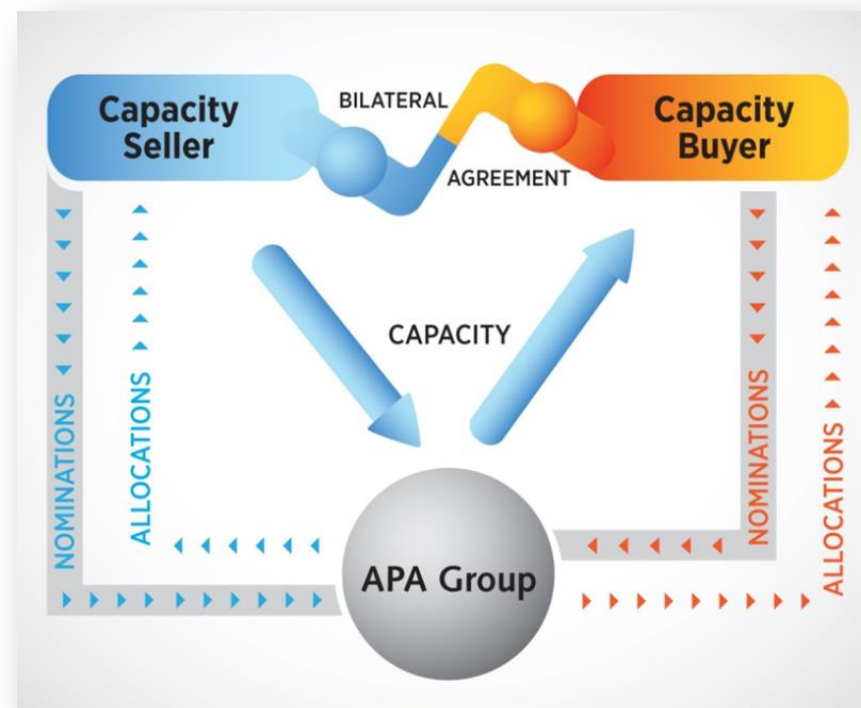
Gas Market Developments

John Jamieson
Markets and Risk Manager

APA initiatives to support Gas Trading Market

- APA's 'market vision'
 - Voluntary physical supply hubs at multiple locations
 - Contract carriage capacity market supported by well functioning secondary capacity trading market
 - Balancing markets at demand centres

- APA has developed and implemented a number of new products and services to support the market
 - Operational capacity transfer to support capacity trades
 - Standard form contract reducing contractual complexity/variability
 - Website - pipeline information, capacity offers and bids
 - Short term firm capacity offers
 - In pipe trades to support gas trades
 - Publishing indicative tariffs



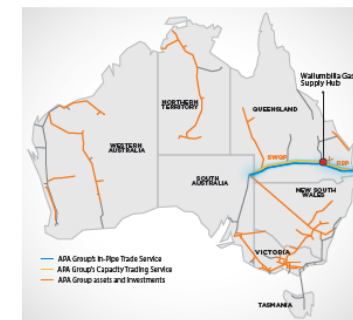
APA GROUP IN-PIPE TRADE

APA Group (APA) now offers an In-Pipe Trade service to facilitate the transfer of gas between users of gas transportation services for gas volumes either received or stored on the pipeline.

This innovative service allows any gas quantities received into the pipeline to be traded irrespective of the physical receipt point. The service also provides flexibility for shippers to source and trade gas on both a long and short term basis. Customers subsequently transfer and manage the flows of gas related to those trades via the APA Group customer information portal (APA Grid), using normal nomination processes.

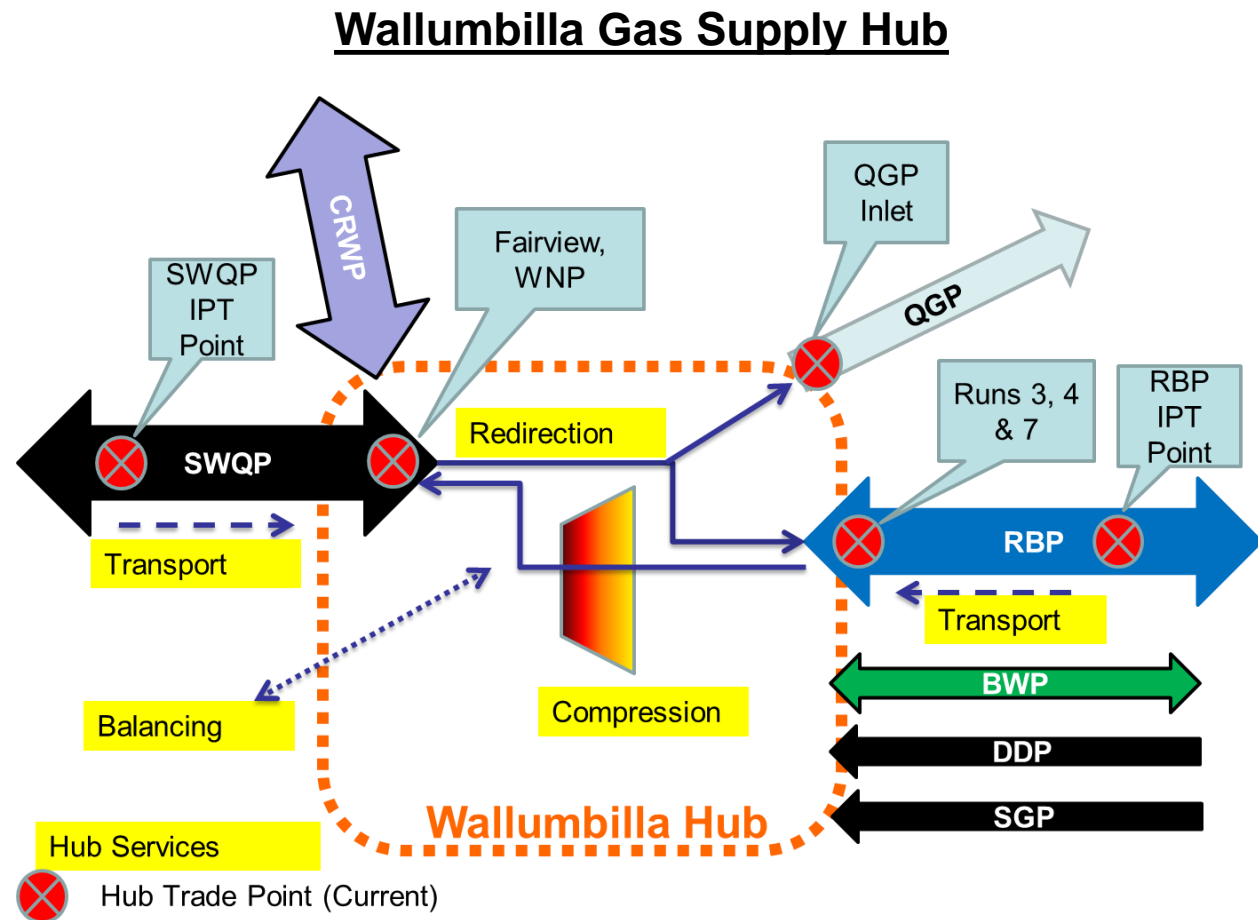
What is In-Pipe Trading

In-Pipe Trading refers to the ability of shippers to transfer gas



Proposed APA Initiatives

- New services to support market
 - Brokerage/platform for secondary capacity trading
- Wallumbilla & Moomba Hub Services
 - ‘Firm day ahead’ hub service
 - Trade point establishment
 - Compression trading service
 - Hub compression pipework enhancement
- Improved information transparency and information disclosure
 - Near real time flow information
 - Pipeline receipt and delivery point schematics



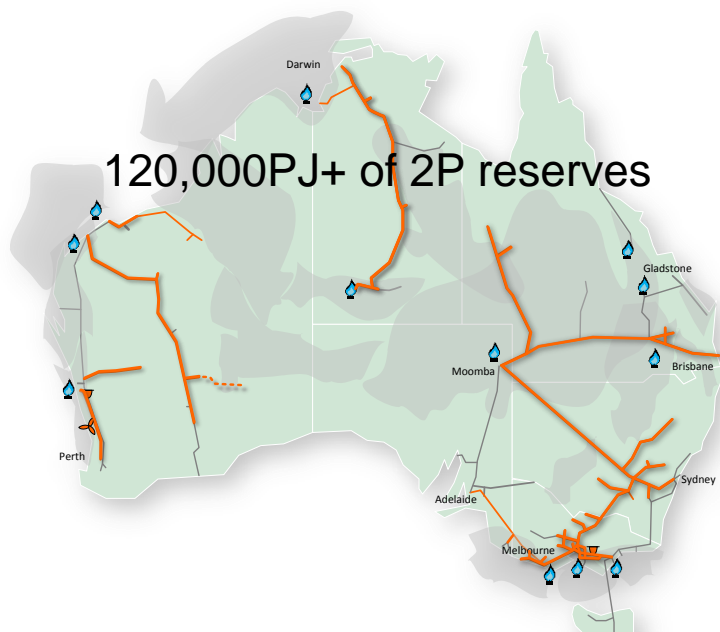


Future Opportunities

Mick McCormack
Managing Director & CEO

Continue to enhance and expand APA's footprint

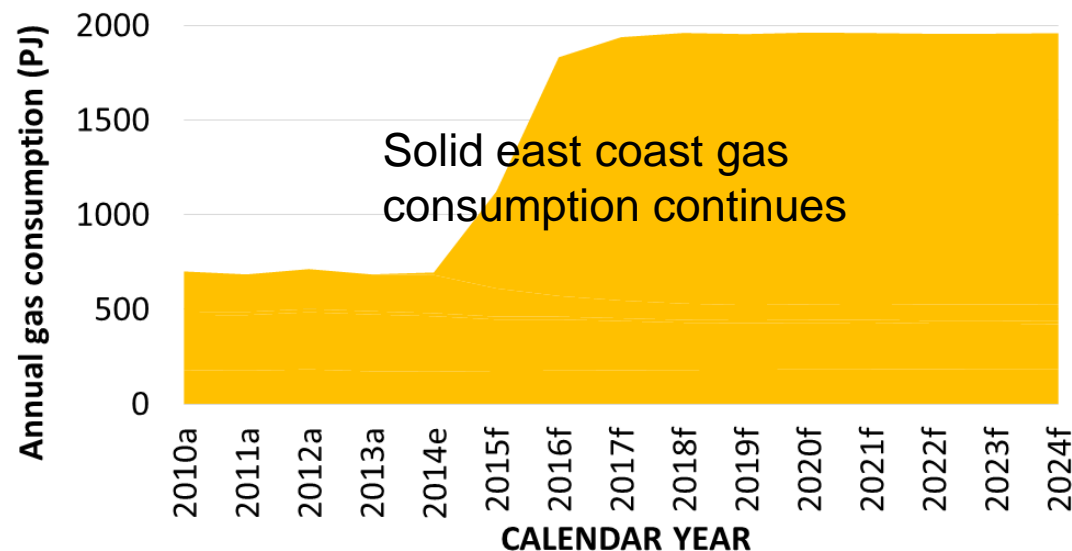
Significant gas reserves in Australia



Extensive asset footprint in gas infrastructure already

- 14,700 km of high pressure transmission pipelines
- Moomba and Wallumbilla compressor facilities
- Mondarra gas storage facility
- Gas processing plants at Tipton West and Kogan North

Gas will continue to be utilised



Source: AEMO Natural Gas Forecasting Report 19 December 2014 ('Medium' Case)

In-house operational capability

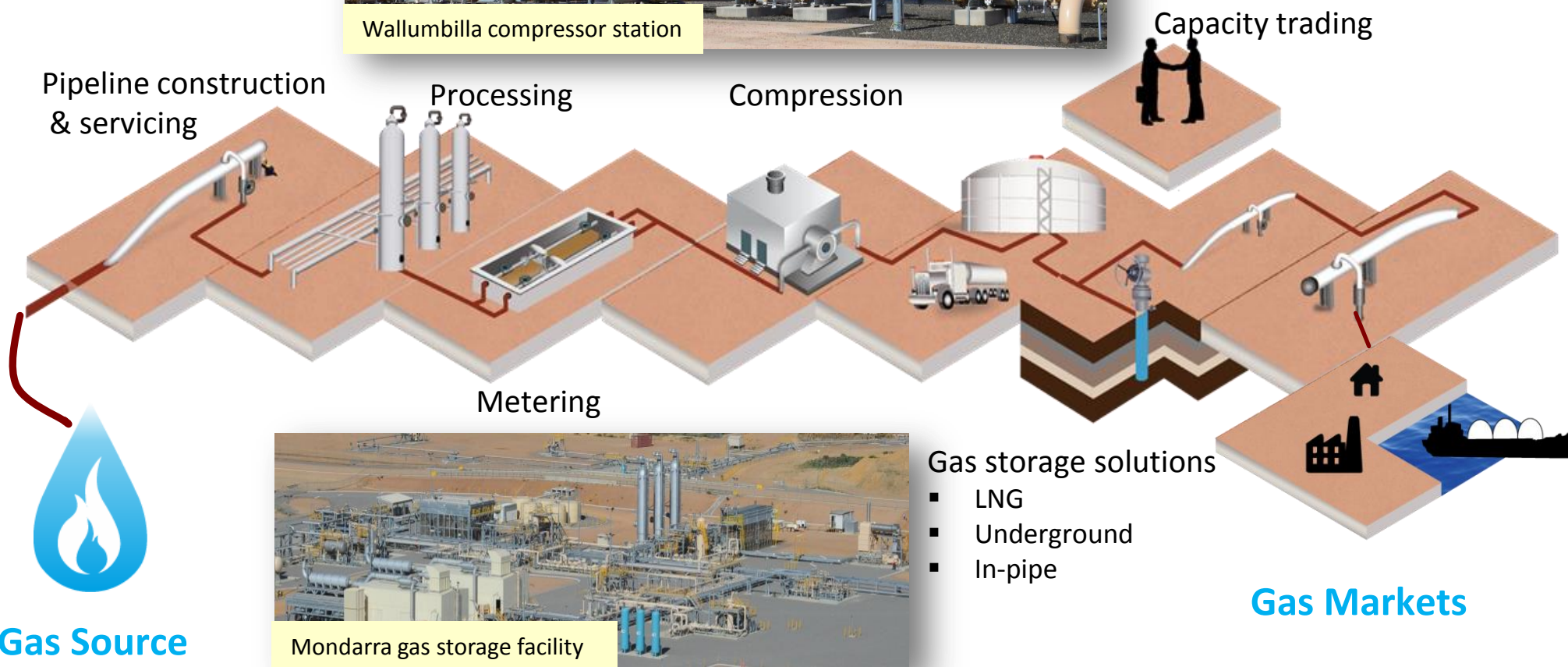
- 1,600+ employees
- 50+ offices around Australia
- Development of the IOC
- Efficient corporate and operational cost allocation

APA's asset footprint & capabilities, coupled with demand for gas, provides continuous opportunities

Midstream assets and services



Wallumbilla compressor station

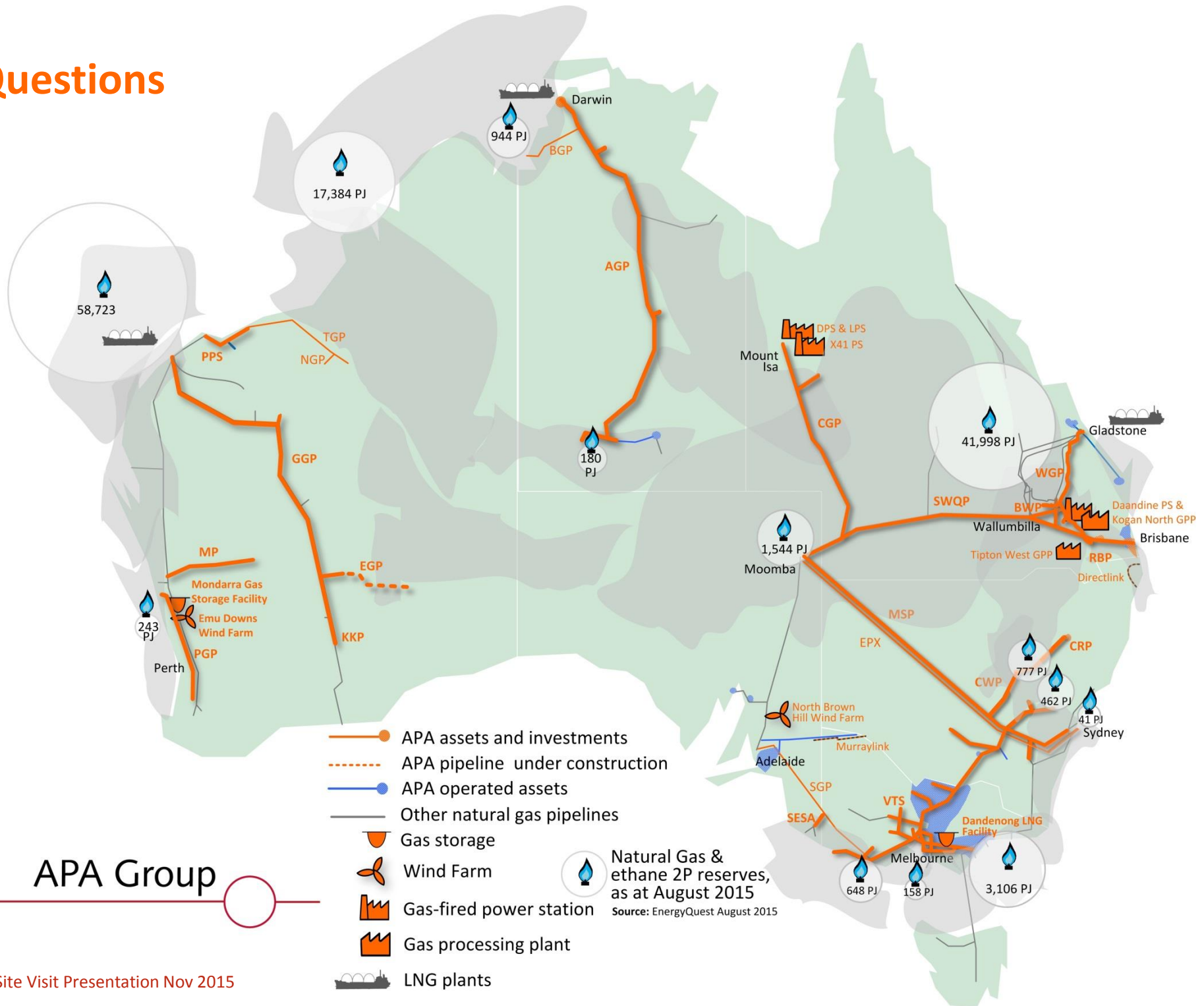


Mondarra gas storage facility

Gas Source

APA already offers a range of midstream assets and services - it's what we do

Questions



APA Group

Natural Gas & ethane 2P reserves, as at August 2015
Source: EnergyQuest August 2015



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