financial results for
half year ended 31 December 2016.

apa

22 February 2017

energy. connected.

1H FY17

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results overview and strategic highlights

Mick McCormack
Managing Director and CEO.

1H FY17 highlights

$ million	1H FY17	1H FY16	change	
Statutory results				
Revenue excluding pass-through[1]	**954.3**	812.5	Up	17.5%
EBITDA	**759.7**	667.6	Up	13.8%
Net profit after tax	**139.8**	99.5	Up	40.5%
Operating cash flow[2]	**518.2**	462.1	Up	12.1%
Operating cash flow per security (cents)	**46.5**	41.5	Up	12.0%
Distributions				
Distributions per security (cents)	**20.5**	19.0	Up	7.9%

Notes:

(1) Pass-through revenue is revenue on which no margin is earned.

(2) Operating cash flow = net cash from operations after interest and tax payments

results overview

- **Solid results delivered through continued commitment to investment and innovation**
  - Expanded network of integrated assets
  - Enhanced services offering flexibility and reliability
  - Increased capacity through removing bottlenecks

East Coast Grid

- Full period contribution from **DPS and Ethane Pipeline** acquisitions
- **Bi-directional and multi-asset, flexible services** to meet customer needs
- **Capacity augmentation**
  – VNI, Moomba Interconnect
- **New projects** announced
  – Reedy Creek, Western Slopes
- Regulation – **no change to coverage test**

Western Australia

- Full period contribution from **EGP**
- **Mondarra** – contributions from new contracts
- **Emu Downs** – wind farm performing as expected, solar farm FID

IOC enabling dynamic asset and service management

Investments

- $162.7 million capex & acquisitions

evolution of the Moomba Sydney Pipeline

~~Moomba TO Sydney Pipeline~~

Dec 2015

Moomba Sydney Pipeline

2000

point to point Moomba <u>to</u> Sydney gas haulage

NOW

- Integral part of East Coast Grid
- Bi-directional services
- Foundation contract with AGL renewed with multi-asset, multi-services contract
- Additional contracts as part of multi-asset, multi-services contract with key customers

multi services & connected assets

Bi-directional

Moomba Interconnect

Storage

Park & Loan

Capacity trading

delivering more for our customers through asset flexibility

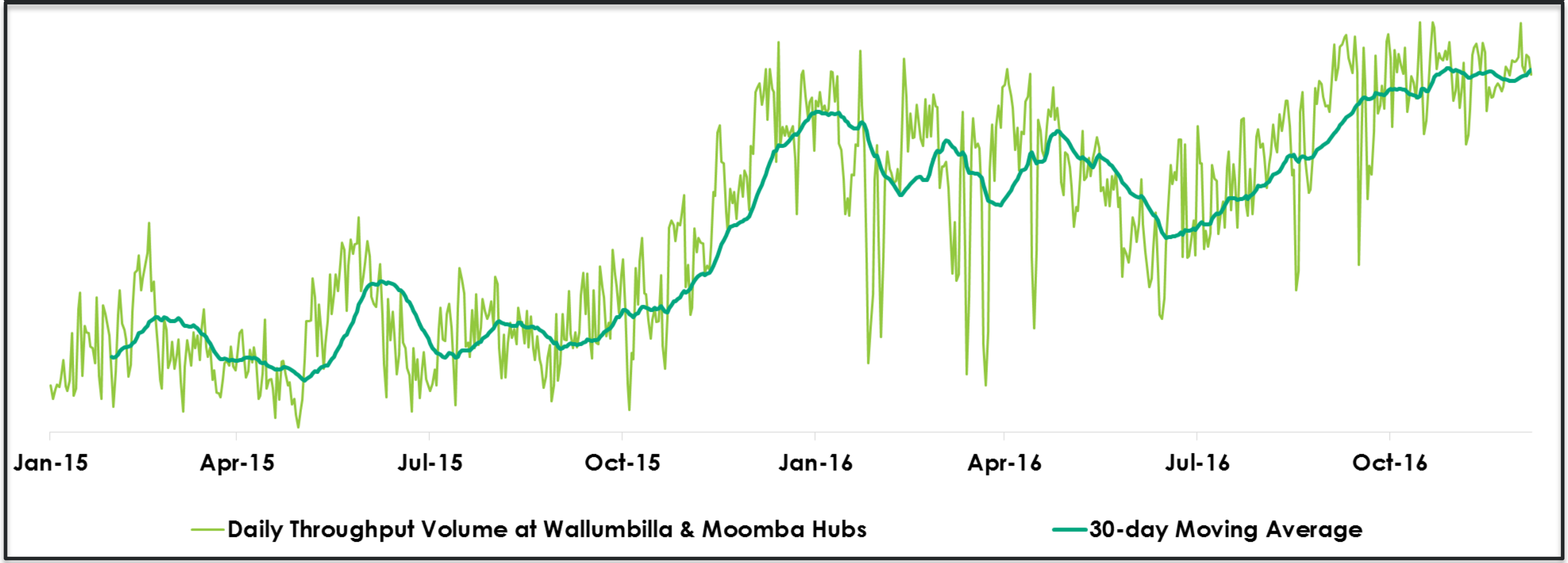
APA's East Coast Grid has:

- Delivered increased throughput
- Managed increased volatility

Made possible by continued investment in:

- East Coast Grid, in particular, removing bottlenecks
- Integrated Operations Centre
- APA Grid (IT, people & systems)

daily throughput and volatility at Wallumbilla & Moomba Hubs



delivering more energy to more customers by removing bottlenecks

Bi-directional projects

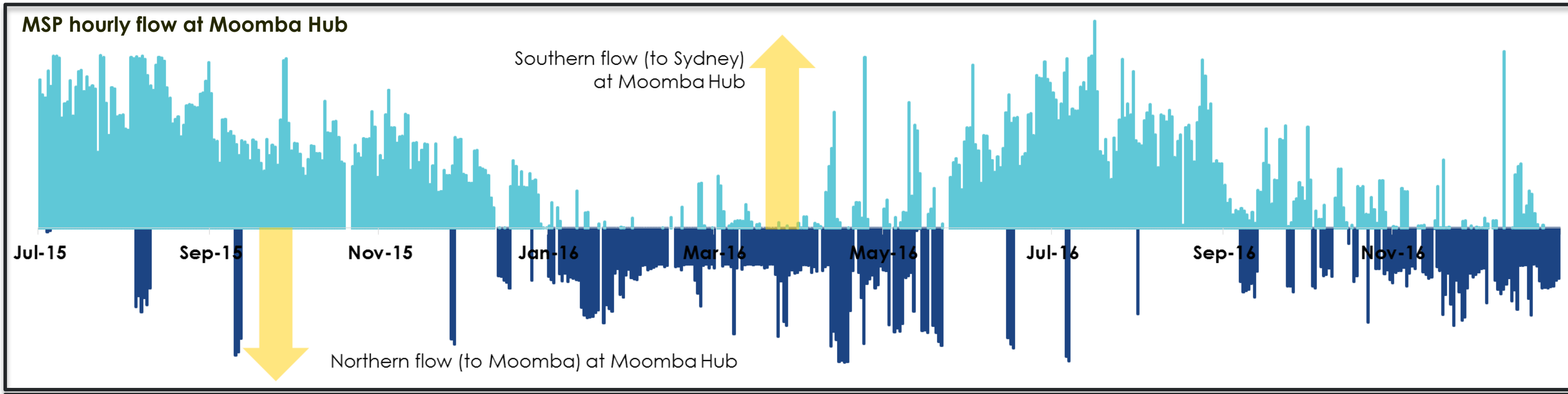
- Project completed progressively over 3+ years
- Major pipeline routes on the East Coast Grid now bi-directional - RBP, BWP, SWQP, MSP, VNI

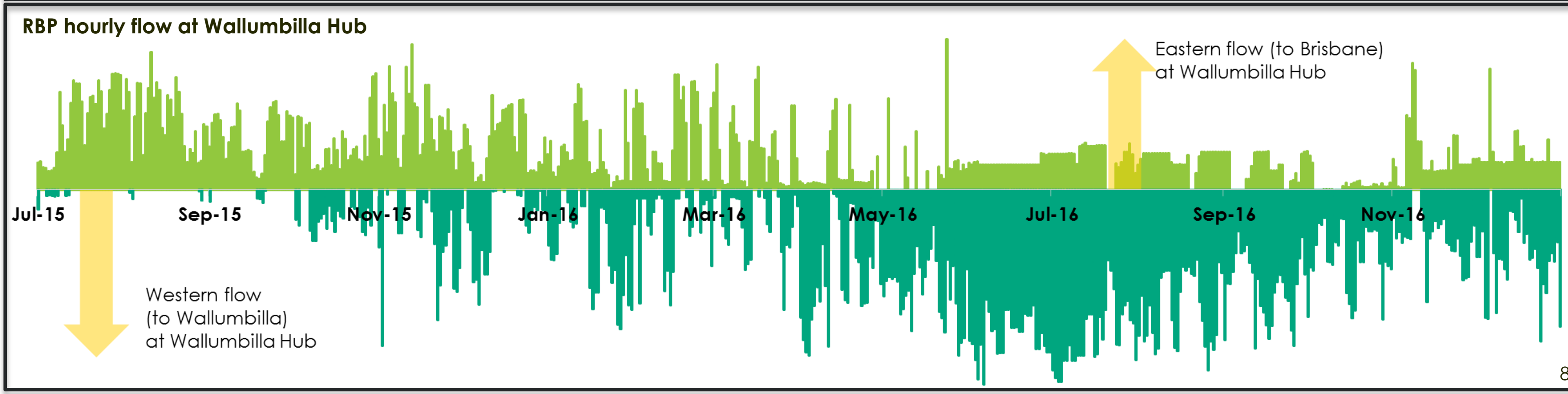
Moomba Interconnect

- Allows for more efficient operation of APA's East Coast Grid

Victorian – Northern Interconnect

- $240m+ total capex spend
- Increases interconnect capacity to 200TJ/day





financial performance
Peter Fredricson
Chief Financial Officer

summary results

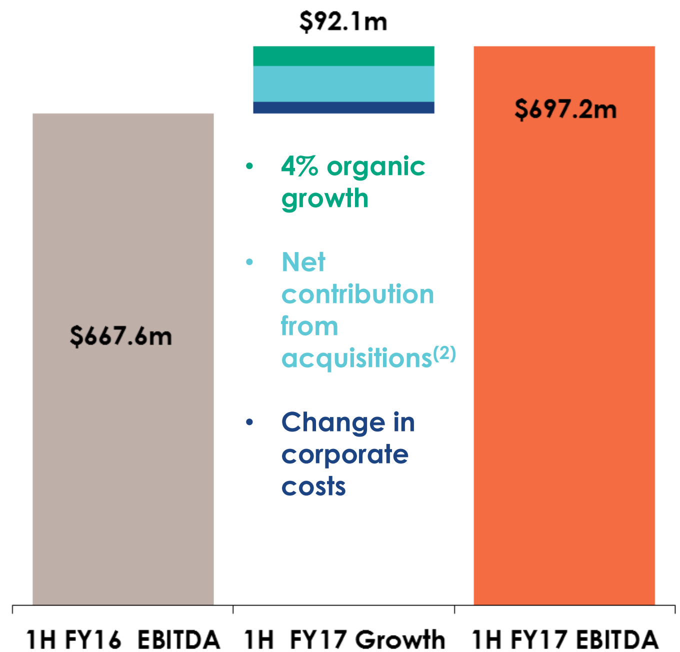
$ million	1H FY17	1H FY16	Change
Revenue excluding pass-through[1]	**954.3**	812.5	**17.5%**
EBITDA	**759.7**	667.6	**13.8%**
Depreciation and amortisation	**(282.0)**	(250.5)	**(12.6%)**
EBIT	**477.7**	417.1	**14.5%**
Net interest expense	**(254.7)**	(253.3)	**(0.6%)**
Pre-tax profit	**223.0**	163.8	**36.1%**
Tax	**(83.1)**	(64.2)	**(29.4%)**
Net profit after tax	**139.8**	99.5	**40.5%**
Operating cash flow	**518.2**	462.1	**12.1%**
Operating cash flow per security (cents)	**46.5**	41.5	**12.0%**

Notes: Numbers in the table may not add due to rounding.
(1) Pass-through revenue is revenue on which no margin is earned.

1H FY17 result: EBITDA by business segment

$ million	1H FY17	1H FY16	Change	% of EBITDA[1]
Energy Infrastructure				
Queensland	460.9	426.7	8.0%	58.4%
New South Wales	80.8	63.3	27.6%	10.2%
Victoria & South Australia	79.4	69.8	13.8%	10.1%
Northern Territory	10.0	9.9	1.6%	1.3%
Western Australia	120.5	101.5	18.8%	15.3%
Energy Infra total	751.7	671.1	12.0%	95.2%
Asset Management	25.2	27.9	(9.5%)	3.2%
Energy Investments	12.5	14.0	(10.2%)	1.6%
Corporate costs	(29.7)	(45.4)	34.5%	(3.8%)
Total EBITDA	759.7	667.6	13.8%	
CC/EBITDA[1]	3.8%	6.4%		

1H FY17 EBITDA Bridge

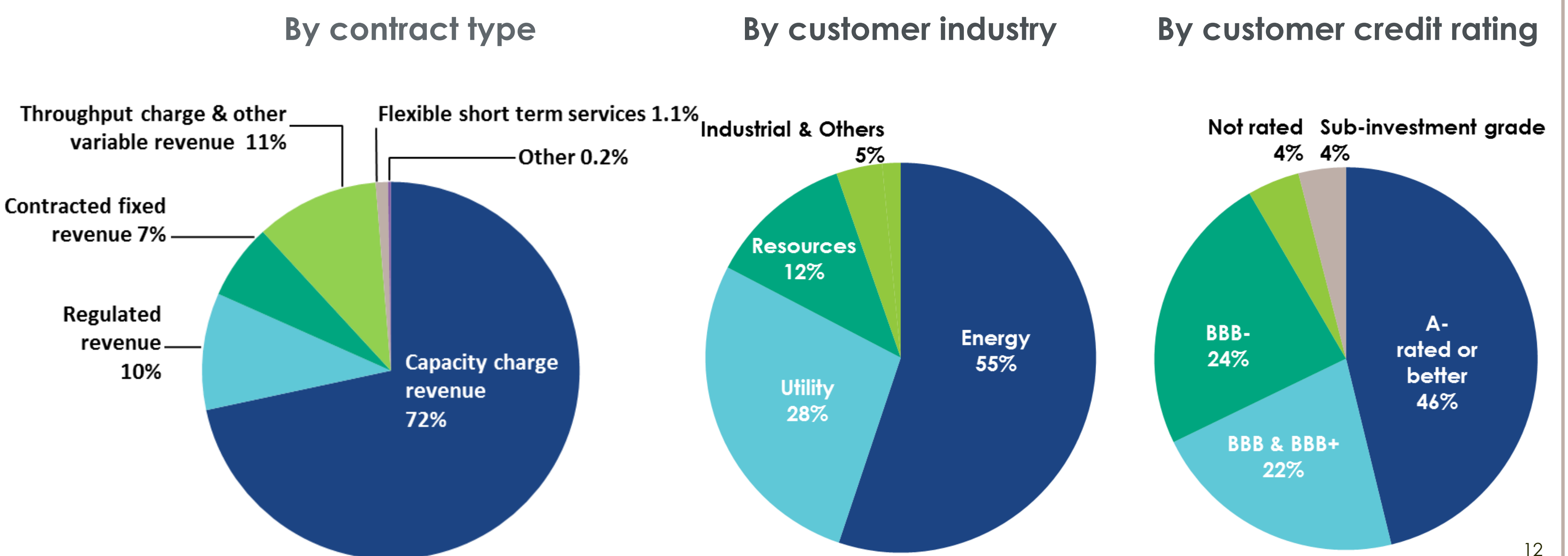


Notes: Numbers in the table may not add due to rounding.
(1) As a % of EBITDA before Corporate costs.
(2) Net contributions from acquisitions during the period of Diamantina and Leichhardt Power Stations and the Ethane Pipeline.

low risk business model

- APA has solid risk management processes in place
- Continue to manage counterparty risks by:
  - Diversification of customers & industry exposures
  - Assessment of counterparty creditworthiness
  - Entering into long term contracts to support major capital spend

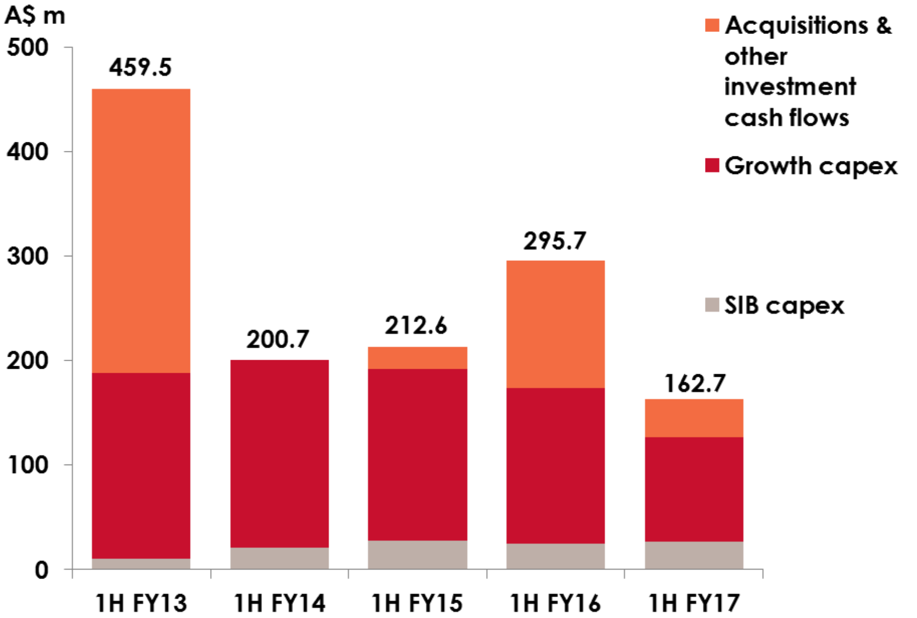
Energy Infrastructure revenue split



capital expenditure and investment cash flows

$ million	1H FY17	1H FY16
Growth capex		
Regulated – Victoria	46.6	36.0
Non-regulated		
East Coast Grid	22.2	19.7
Western Australia	2.6	79.1
Other	27.7	14.0
Total growth capex	**99.2**	**148.8**
Stay-in business capex	27.0	24.7
Total capex	**126.2**	**173.5**
Investments & acquisitions	36.5	122.2
Total capital & investment expenditure	**162.7**	**295.7**

Notes: Numbers in the table may not add due to rounding.
(1) Capital expenditure ("capex') represents cash payments as disclosed in the cash flow statement



Notes:
(1) Value of acquisitions represents value of acquisitions as prescribed in the notes to the financial statements

Growth capex projects included:

- VNI expansion (ongoing)
- Moomba Interconnect project
- Reedy Creek Wallumbilla Pipeline
- A number of other projects announced

Acquisitions and investments included:

- 50% interest in Mortlake Pipeline

capital management

- Cash and committed undrawn facilities of around $970 million as at 31 December 2016 to meet the continued capital growth needs of the business
- Credit ratings: S&P BBB (outlook Stable, confirmed Dec 2016), Moody's Baa2 (outlook Stable, confirmed Aug 2016)
- Issued A$200m, 7-year fixed rate A$ MTN in Oct 2016
- Key capital ratios are as follows:

Metrics(1)	Dec 2016	Jun 2016	Jun 2015
Gearing(1, 2)	66.7%	66.4%	63.4%
Interest cover ratio	2.80 times	2.60 times	2.59 times
Average interest rate applying to drawn debt(1, 3)	5.33%	5.64%	6.76%
Interest rate exposure fixed or hedged	86.0%	86.5%	94.0%
Average maturity of senior facilities	7.0 years	7.4 years	8.5 years

Notes:

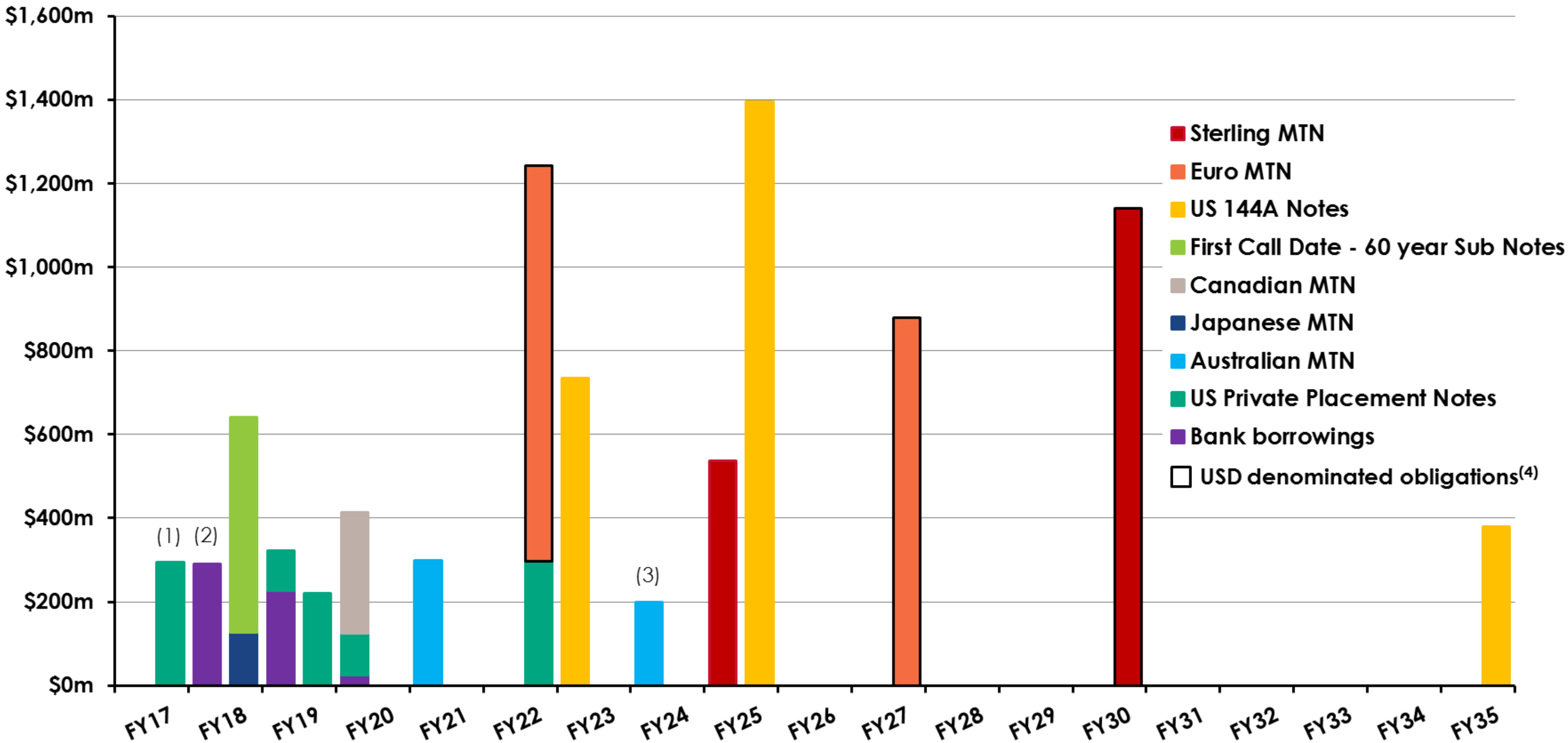
(1) For the purpose of the calculation, drawn debt that has been kept in USD (rather than AUD) has been nominally exchanged at AUD/USD exchange rate at the respective inception date of 0.7772 for Euro and GBP MTN issuances and 0.7879 for the US144A notes.

(2) Ratio of net debt to net debt plus book equity.

(3) Includes $515 million of Subordinated Notes.

debt maturity profile

- APA maintains diversity of funding sources and spread of maturities

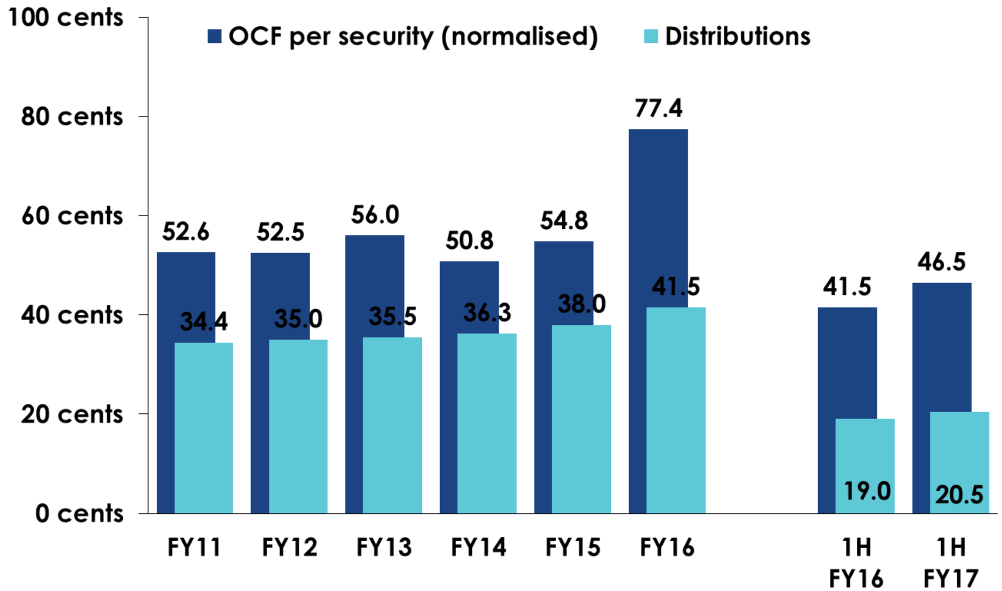


Note:
(1) USPP notes of A$295m equivalent will mature in May 2017
(2) A$311.25m of bank facilities will mature in September 2017
(3) New 7 year AMTN ($200M @ 3.85% issued in October 2016)
(4) USD denominated obligations translated to AUD at the prevailing rate at inception (USD144A - AUD/USD=0.7879, EMTN & Sterling - AUD/USD=0.7772)

fully covered distributions

- Distribution components:

4.67 cents	APT franked profit distribution
4.92 cents	APT unfranked profit distribution
5.47 cents	APT capital distribution
3.48 cents	APTIT profit distribution
1.96 cents	APTIT capital distribution
20.5 cents	

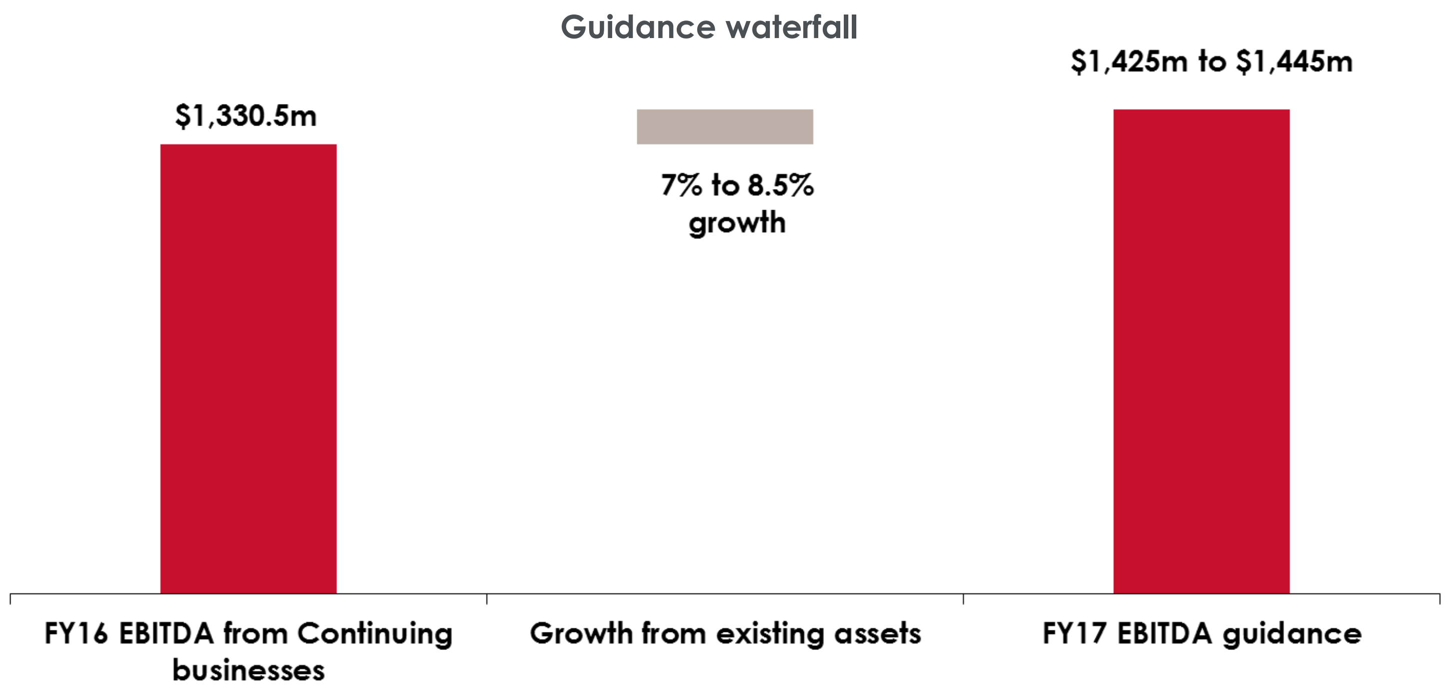


Franking Credits

- APA cash tax payer - calendar 2017
- Franking credits of 2.0 cents per security allocated to the interim APT profit distribution
- Expect future profits from APT to be distributed with some level of franking credits

FY17 guidance

- Based on current operating plans and available information, EBITDA for FY2017 is expected to be towards the upper end of the current range of $1,425 million to $1,445 million
- Net interest costs for FY2017 expected within a range of $510 million to $520 million
- Distributions per security for FY2017 expected to be in the order of 43.5 cents per security, with the 2.0 cents per security of franking credits announced for the half year and any further franking credits that may be allocated to the final distribution attaching to that cash payout



outlook
Mick McCormack
Managing Director and CEO.

industry overview

- Gas is an essential fuel in Australia's energy mix
- Australia's gas transmission sector is one of the most successful economic models which supports innovation and investment to meet customer demand
- Australia's energy system needs to undergo an overhaul in order to support growth and move to a cleaner energy future
- Gas-fired electricity generation is fast and efficient and able to support short term peak electricity demand, as well as being relatively quick to build and relatively low capital cost compared with alternatives
- An integrated pipeline infrastructure provides both security and flexibility to source and use gas

APA's portfolio and strategy aligned with future energy needs

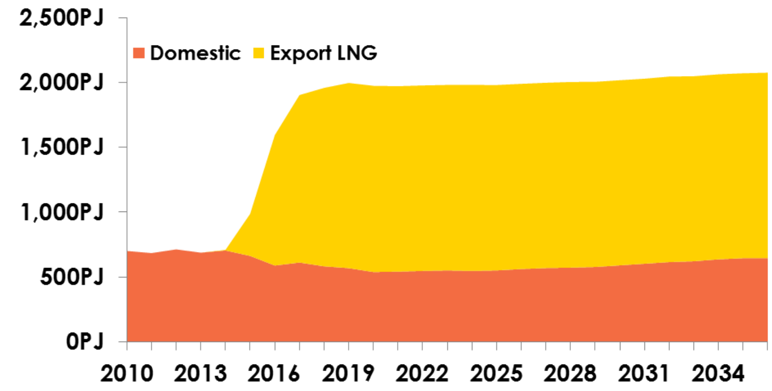
Gas market dynamics

- Gas demand remains solid
- Ongoing need to develop new supply sources and connect them to the market
- Focus needs to be on increasing supply, with enhancement of market-led solutions being priority for COAG and Dr. Vertigan's Gas Market Reform Group

Renewables and power generation dynamics

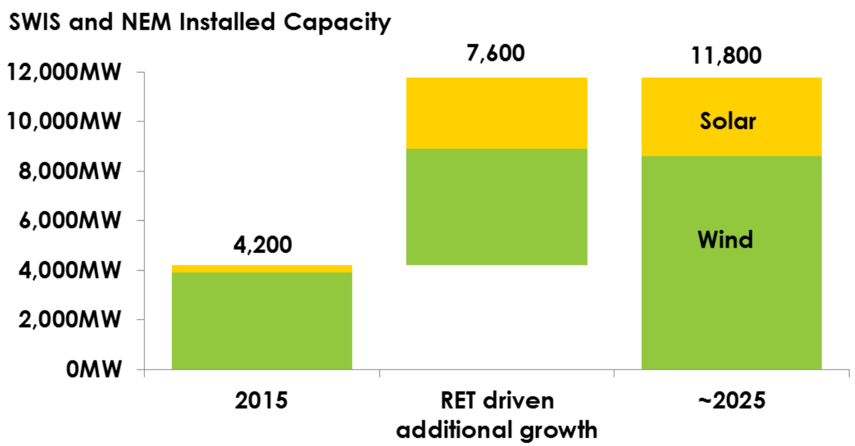
- Government policy remains key
- Commodity market recent strengthening which increases interest for investing in power solutions

East coast gas demand



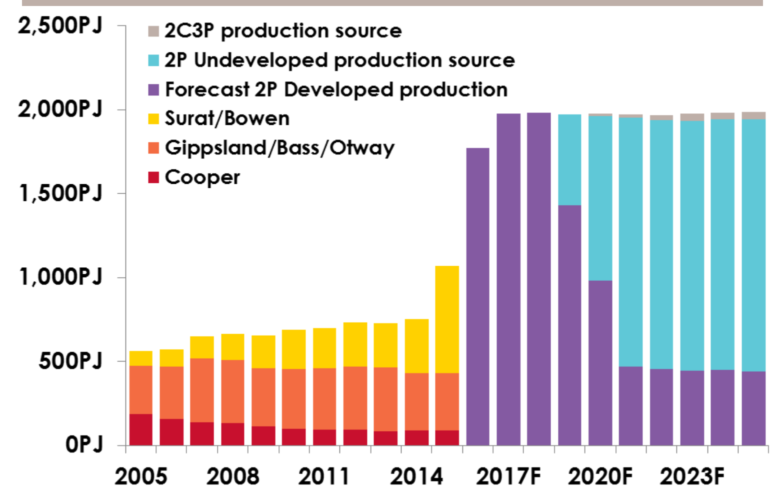
Source: AEMO, National Gas Forecasting Report 2016

RET Target of 33,000 GWh requires additional ~7,600MW renewables



Source: ACIL Allen 2014, Lit Search
Note: Additional capacity estimate based on 35% capacity factor for wind and 25% for solar and assumptions on wind/solar mix driven by expected LCOE curve.

East coast gas production by field

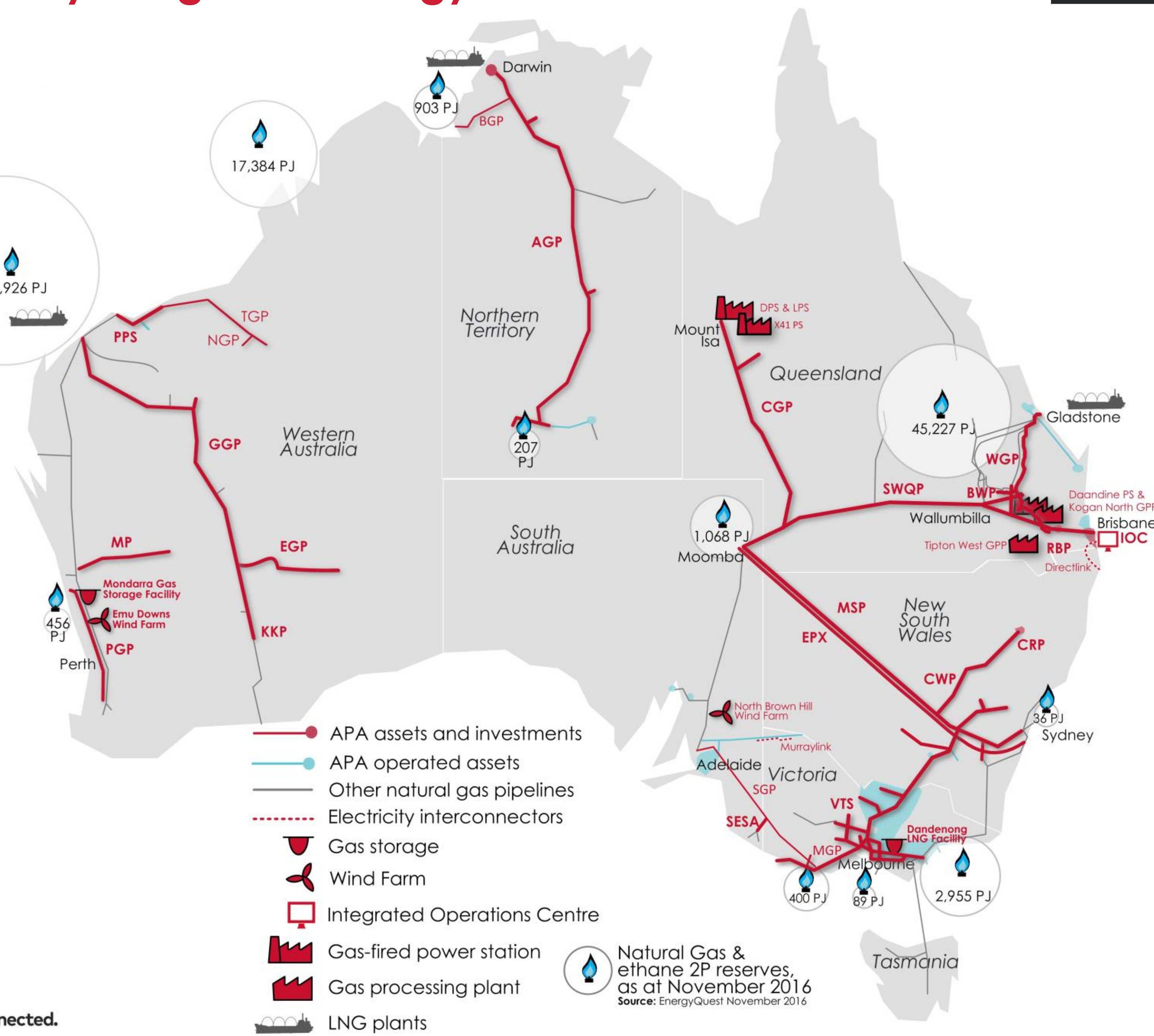


Source: EnergyQuest (actuals); AEMO 2016 GSOO (forecast)

executing on our growth strategy and opportunities

APA's investment criteria	Reedy Creek Wallumbilla Pipeline	Emu Downs Solar Farm	Western Slopes Pipeline	Badgingarra Wind Farm
Project details	• 50km, 300 TJ/day bi-directional capacity • $80m construction cost • Commissioning expected mid 2018	• 20MW solar farm • $50m construction cost • Commissioning expected Jan 2018	• Preliminary Environmental Assessment process commenced • 450km pipeline to potential new gas source • ~$500m construction cost	• 130MW wind farm • $315m construction cost • Commissioning expected Jan 2019
Appropriate funding and capital structure	✓ Corporate funding	✓ $5.5m ARENA funding ✓ Corporate funding	✓ Subject to regulatory approvals and project FID	✓ Subject to connections agreement ✓ Corporate funding
Contracts with strong counterparties	✓ 20 year contract with Australia Pacific LNG	✓ 13 year contract with Synergy	✓ Subject to project FID by Santos	✓ 12 year contract with Alinta Energy
Appropriate allocation of risk between parties	✓	✓	✓	✓
Leverage operational expertise	✓ Connection to APA's East Coast Grid	✓ Adjacent to Emu Downs Wind Farm ✓ Shared infrastructure	✓ Connection to APA's East Coast Grid	✓ Adjacent to Emu Downs Wind Farm and Emu Downs Solar Farm

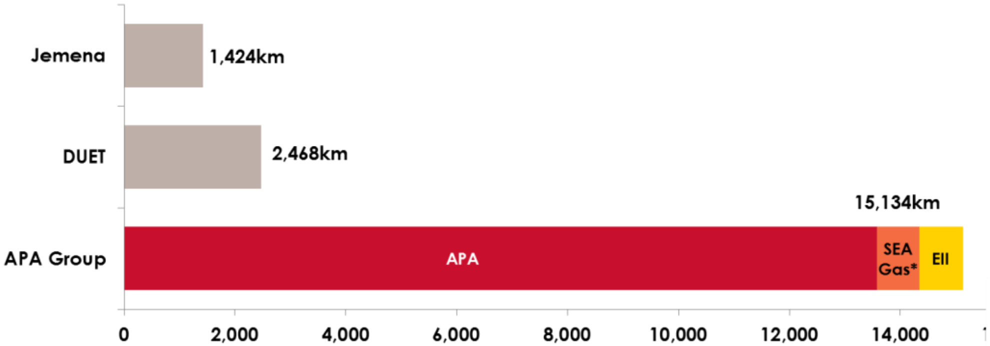
APA's uniquely integrated energy assets



supplementary information

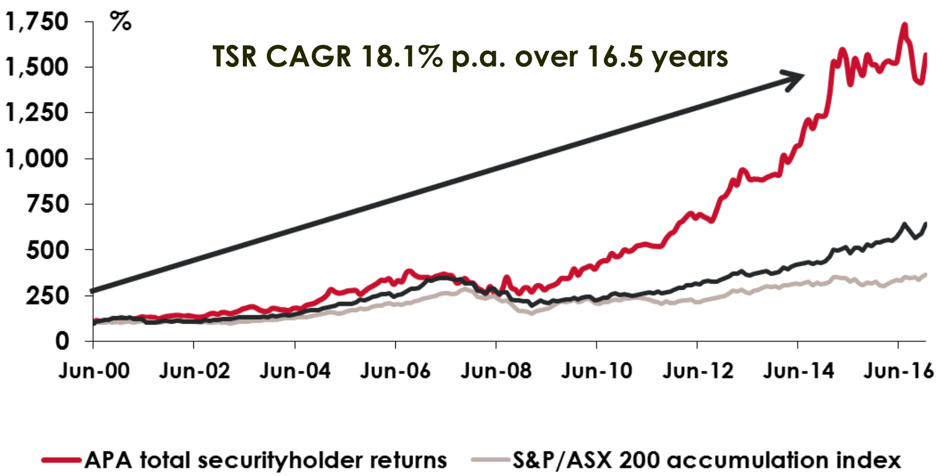
snapshot of APA

Australian gas transmission pipeline ownership by kilometres
~ APA is Australia's largest gas pipeline owner ~



Note: includes SEA Gas Pipeline and Mortlake Pipeline
Source: AER State of the Energy Market Dec 2015 ; Company reports; APA data as at 31 Dec 2016 and includes the Ethane Pipeline.

Total securityholder returns since listing vs index
~ Strong track record of delivering securityholder returns ~

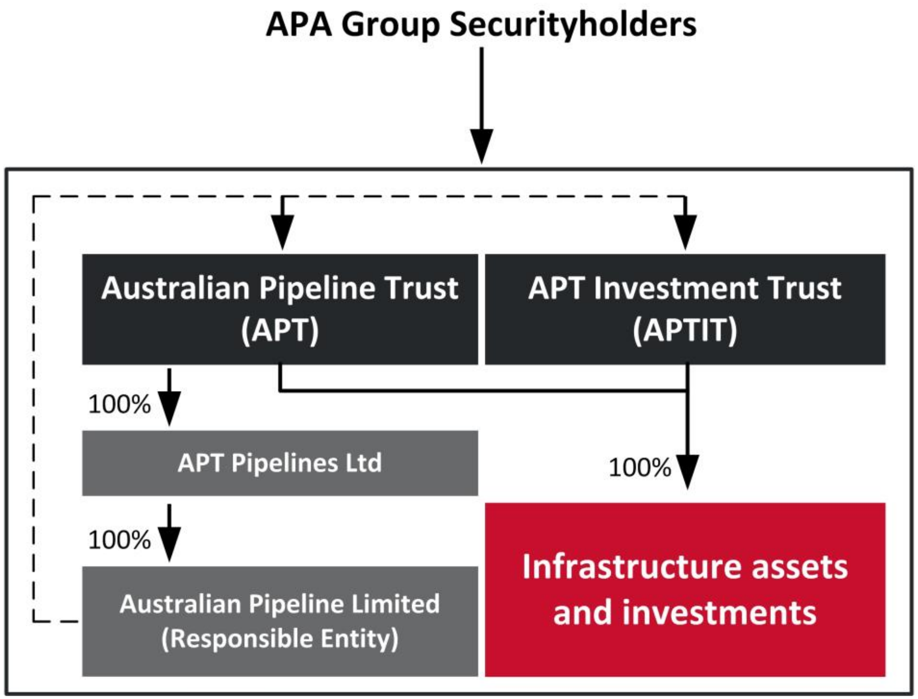


APA Overview	(Ticker: APA AU)
Market cap	A$9.7 billion (as at 21 Feb 2017)
ASX rank	S&P/ASX 50
Credit rating	Moody's: Baa2 (outlook Stable) S&P: BBB (outlook Stable)
Assets owned/ operated	approximately $20 billion **Gas transmission**(1) 15,134km transmission pipelines Underground & LNG gas storage **Gas distribution**(2) 28,680 km gas mains & pipelines 1.4 million gas consumers **Other energy infrastructure** 585 MW power generation 244 km HV electricity transmission Gas processing plants
Employees	~1,600

Notes:
(1) Includes 100% of pipelines operated by APA Group, which form part of Energy Investments segment, including SEA Gas and EII.
(2) Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

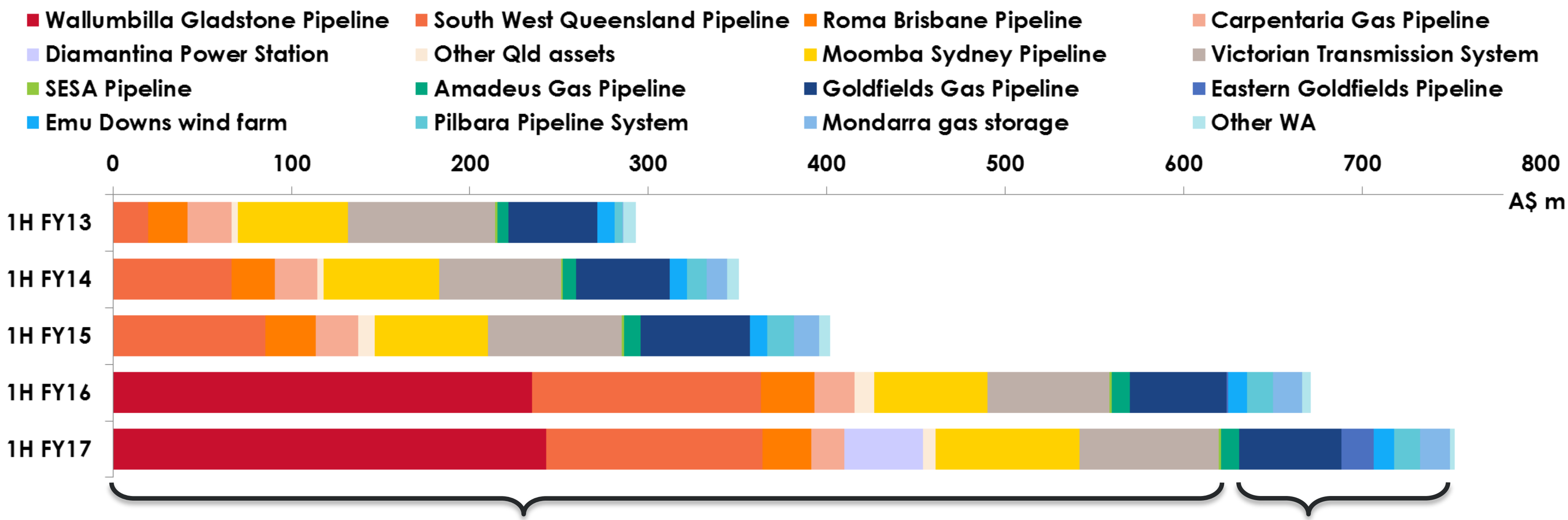
group structure

- APA is a stapled structure comprising two registered managed investment schemes:
  - Australian Pipeline Trust (ARSN 091 678 778)
  - APT Investment Trust (ARSN 115 585 441) is a tax pass-through trust
- Australian Pipeline Limited (ACN 091 344 704) is the responsible entity of the Trust and APT
- APA is listed as a stapled structure on the Australian Securities Exchange
- The units of the Trust and APT are stapled and must trade and otherwise be dealt with together
- APT Pipelines Limited (ABN 89 009 666 700) is APA's borrowing entity, a company wholly owned by APT



- Reporting business segments
  - **Energy Infrastructure**: APA's wholly or majority owned energy infrastructure assets
  - **Asset Management**: provision of asset management and operating services for the majority of APA's investments
  - **Energy Investments**: interests in energy infrastructure investments

1H FY17 operational summary – Energy Infrastructure



East Coast + Northern Territory

- EBITDA increased by 11%
- Queensland assets performed as expected, increasing 8% overall. This included full period contribution from DPS and against an unusually strong 1H FY16 period.
- VNI expansion benefits reflected in NSW and Victoria. NSW includes full period contribution from the Ethane Pipeline.
- East Coast Grid continues to evolve through customers needing to move gas around to manage market volatility

Western Australia

- EBITDA from WA assets increased by 19%
- EGP contributed for the half year period
- All other assets including GGP, Mondarra, Emu Downs continue to perform as expected

1H FY17 operational summary – Asset Management, Energy Investments and Corporate costs

Asset Management

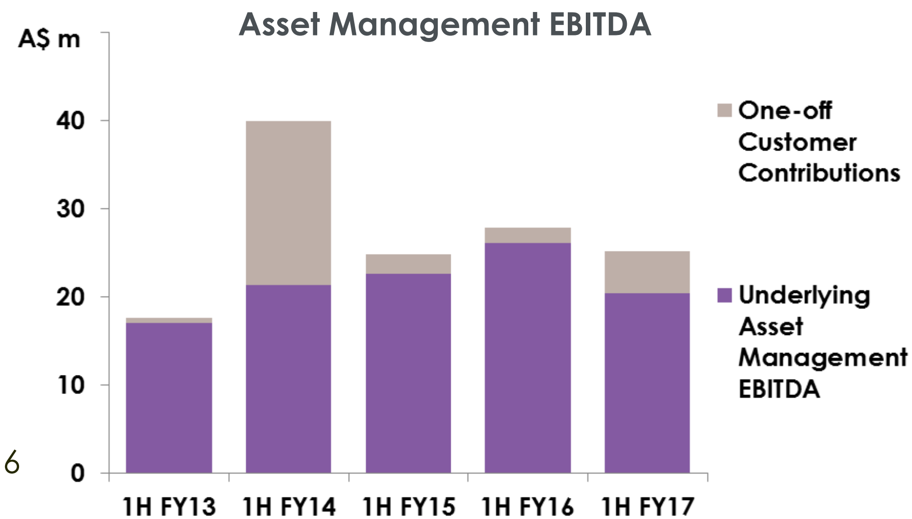
- Connections continued to grow, however lower tariffs due to new SA access arrangement from July '16
- Customer contribution average remains ~$10m p.a.

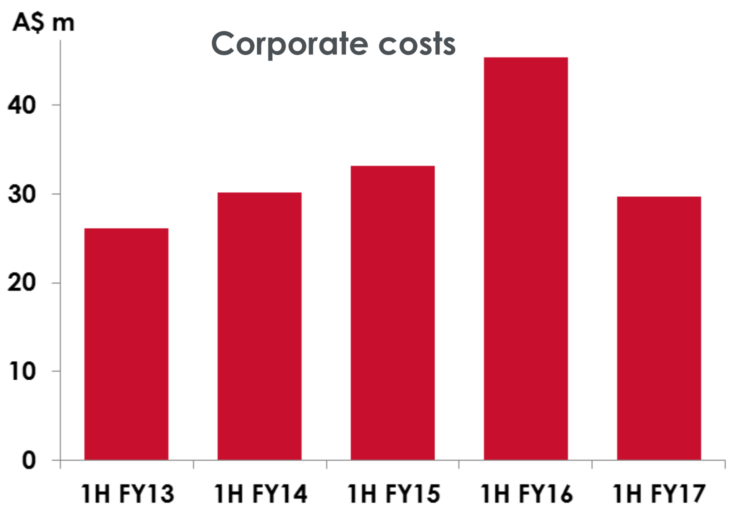
Energy Investments

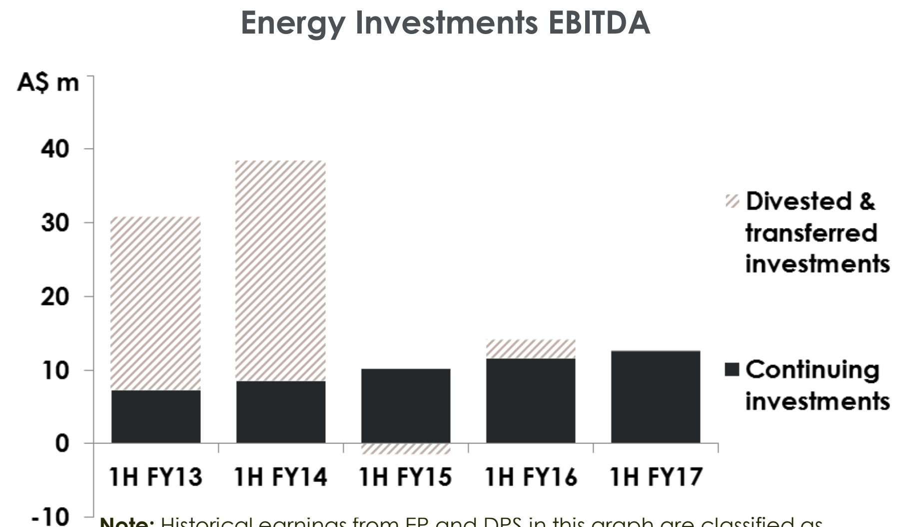
- EPX and DPS transferred out of the segment, into Energy Infrastructure as 100% owned assets
- Investments generally performed well

Corporate costs

- Corporate cost decreased due to one-off items in 1H FY16

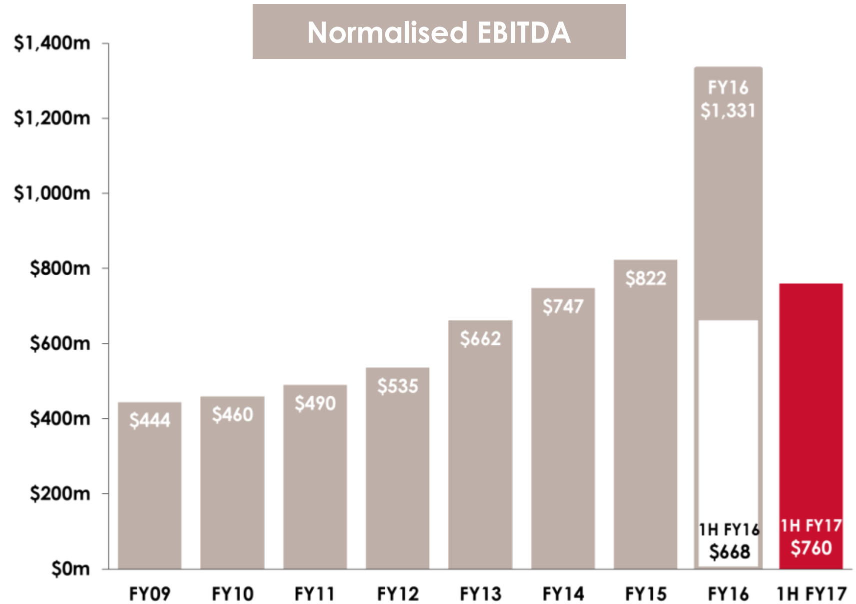


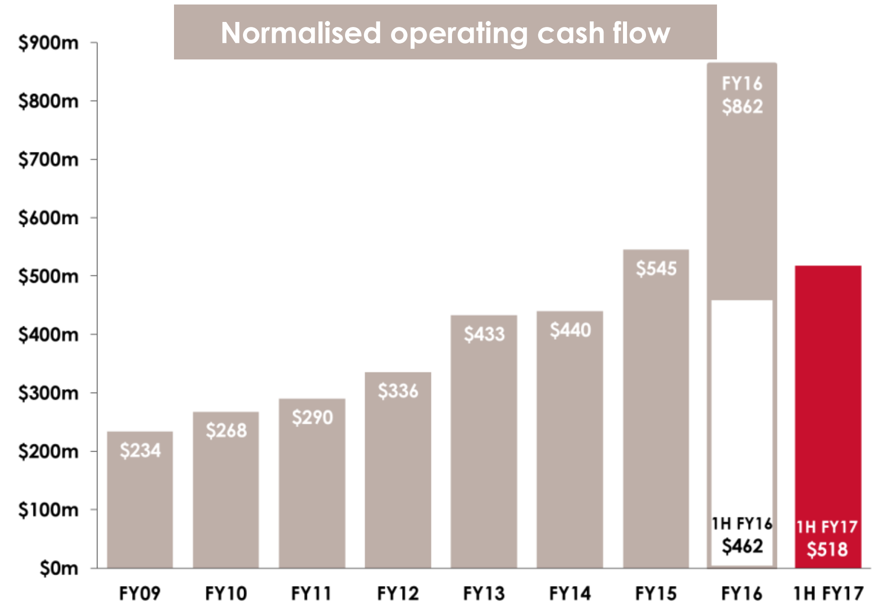


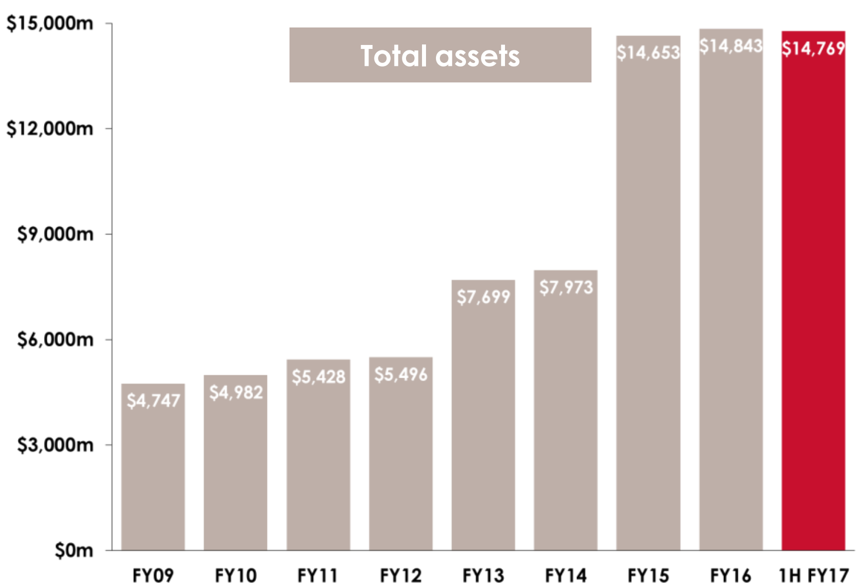


Note: Historical earnings from EP and DPS in this graph are classified as Divested & transferred investments.

continued growth momentum







debt facilities

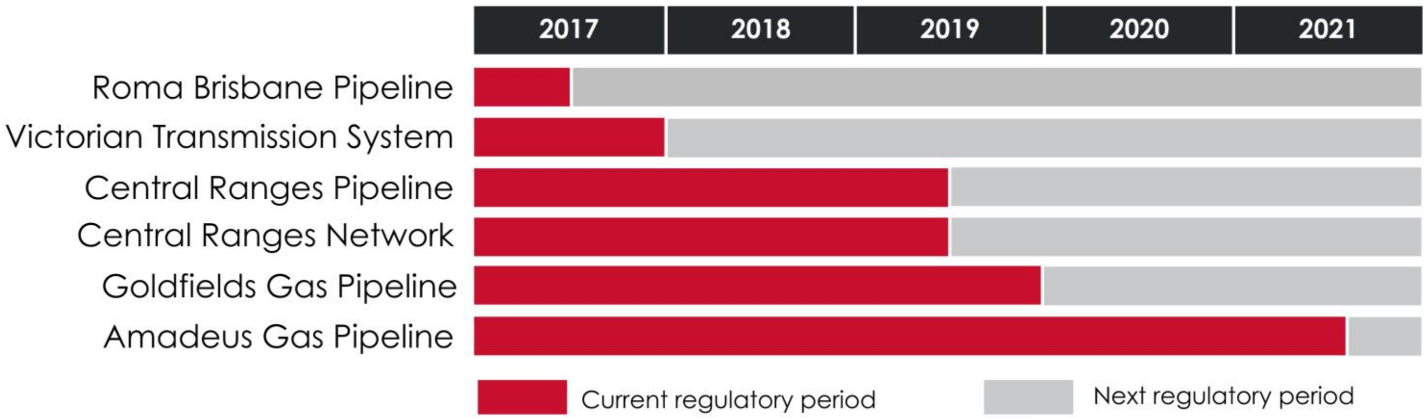
Total committed debt facilities at 31 December 2016

$ million	Facility amount	Drawn amount	Tenor
2015 & 2016 Bilateral bank facilities	550	25	2 to 5 year facilities maturing between May 2018 to May 2021
2015 Syndicated bank facilities	830	518	2.25, 3.25 and 5.25 year tranches maturing September 2017, 2018 and 2020
2003 US Private placement	96	96	15 year tranche maturing September 2018
2007 US Private placement	811	811	10, 12 and 15 year tranches maturing May 2017, 2019 and 2022
2009 US Private placement	99	99	10 year tranche maturing July 2019
2010 AUD Medium Term Notes	300	300	10 year tranche maturing July 2020
2012 JPY Medium Term Notes	126	126	6.5 year tranche maturing in June 2018
2012 CAD Medium Term Notes	289	289	7.1 year tranche maturing in July 2019
2012 US144a/Reg S Notes	735	735	10 year tranche maturing October 2022
2012 GBP Medium Term Notes	536	536	12 year tranche maturing in November 2024
2012 Subordinated Notes	515	515	60 year term, first call date March 2018
2015 US144a/Reg S Notes	1,777	1,777	10 and 20 year tranches maturing March 2025 and March 2035
2015 GBP Medium Term Notes(1)	1,140	1,140	15 year tranche maturing March 2030
2015 EUR Medium Term Notes(1)	1,826	1,826	7 and 12 year tranches March 2022 and 2027
2016 AUD Medium Term Notes	200	200	7 year tranche maturing October 2023
Total	**9,830**	**8,993**	

Note: (1) These instruments have been hedged into fixed rate US dollar obligations.

regulatory update

- Approximately 10% of APA's Energy Infrastructure revenues in 1H FY17 was regulated revenue
- APA's major regulatory resets over the next few years are as follows:



- Roma Brisbane Pipeline access arrangement review
  - APA lodged a proposed access arrangement for the July 2017 to June 2022 period in September 2016
  - APA's proposal reflects that this pipeline is now bi-directional
  - A draft decision by the Australian Energy Regulator ("AER") is expected in April 2017, with a final decision to follow in the second half of 2017
- Victorian Transmission System access arrangement review
  - APA lodged a proposed access arrangement for the January 2018 to December 2022 period in January 2017
  - APA's proposal reflects the expansion of system capacity that APA is undertaking, enabling gas to flow from Victoria to New South Wales
  - A draft decision by the AER is expected at the end of June 2017

economic regulation of gas pipelines and networks

Regulator	• The Australian Energy Regulator (AER) is responsible for the economic regulation of gas transmission and distribution networks and enforcing the National Gas Law and National Gas Rules in all jurisdictions except Western Australia • The Economic Regulation Authority of Western Australia (ERA) is the independent economic regulator for Western Australia

Access arrangement	• Apply for a term, generally 5 years
	• Set out the terms and conditions of third party access, including
	  • At least one reference service that is commonly sought by customers – for pipelines, this is generally firm forward-haulage services
	  • A reference (benchmark) tariff for the reference service

Reference tariff	• Provides a default tariff for customers seeking the reference service but tariffs can also be negotiated for other services • Determined with reference to regulated revenue, capacity and volume forecasts

Regulated revenue	• Determined using the building block approach to recover efficient costs
	  • Forecast operating and maintenance costs
	  • Regulatory asset depreciation and
	  • Return on value of regulated assets (regulated asset base) based on WACC determination
	• WACC based on 60:40 debt equity split

Regulated asset base (RAB)	• Opening RABs have been settled with the regulator; there are no reassessments for approved RABs • RABs adjusted every access arrangement period • Increased by capital invested into the asset and reduced by regulatory depreciation costs
Regulatory coverage	• The larger distribution networks and some transmission pipelines are price regulation • Price regulated assets are those which the regulatory authorities have determined, among other things, demonstrate natural monopoly characteristics and a degree of market power • Coverage can be revoked • “Light-handed” regulation is effectively a negotiate/arbitrate regime, where tariffs are negotiated with users and are subject to determination by the regulator only where the customer initiates a dispute

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