



20 June 2017

ASX ANNOUNCEMENT

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

## **APA'S MOU WITH BLUE ENERGY TO CONNECT NORTHERN QUEENSLAND GAS TO MARKET**

APA Group (ASX: APA), Australia's leading energy infrastructure business, is pleased to confirm that it has entered into a non-binding Memorandum of Understanding (MOU) with Blue Energy Limited (Blue Energy, ASX: BUL) to work together to facilitate options for the delivery of gas from Blue Energy's gas resources in the Bowen Basin in north eastern Queensland, to the east coast gas markets.

APA will work together with Blue Energy to explore the development of new pipeline infrastructure and other related mid-stream infrastructure required to bring these new gas resources online. Any investment will be subject to the satisfaction of a number of conditions, including gas resource certification, gas supply and transportation agreements and final board approvals.

APA's Managing Director, Mick McCormack said, "As an energy infrastructure provider, APA has been and will continue to be part of the solution of getting more gas into the market to put downward pressure on the price of gas to consumers. We continue to work collaboratively with existing and new customers in providing innovative new gas transportation services, and we are pleased to be working with Blue Energy in their Bowen Basin project. The interconnected nature of APA's East Coast Grid enables potential new producers such as Blue Energy, to explore opportunities to market their gas."

Today's announcement builds on APA's Memorandum of Understanding with Comet Ridge (Comet Ridge, ASX: COI, 11 May 2016) for the development of a pipeline connecting the Galilee Basin to APA's East Coast Grid. Blue Energy's Bowen and Comet Ridge's Galilee projects have combined material resources to supply the east coast market with additional resource options bringing more liquidity into the eastern Australian gas market. Developed independently or symbiotically, these projects would result in the development of approximately 750 kilometres of greenfield transmission pipeline and compression facilities for a total investment of in the order of \$800 million.

"APA's East Coast Grid is the only one of its kind in the world and enables large and small producers alike to respond to price signals and get more gas supply to markets across the eastern states. Significant investments like these require incentives to invest and the certainty of the rules around those investments for both the pipeliner and customers alike. We look forward to working with all of our stakeholders – customers, community and governments – to bring these projects to fruition, for the long term benefit of all Australians," said Mr McCormack.

**Nevenka Codevelle**  
Company Secretary  
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## **About APA Group (APA)**

APA is Australia's largest natural gas infrastructure business, owning and/or operating around \$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](http://apa.com.au)