



31 January 2018

ASX ANNOUNCEMENT

APA Group (ASX: APA)

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

APA Refreshes Services and Publishes Pricing Methodology

Australia's leading energy infrastructure business APA Group (ASX: APA), today refreshed the suite of gas pipeline services available on its East Coast and Central Region gas transmission assets to provide customers with more options and additional flexibility to make it simpler for customers to better manage their gas portfolios. Further, APA published its Pricing Methodology and other information in relation to pipeline services and tariffs for these assets, consistent with the requirements of the National Gas Rules (Part 23).

The gas pipeline services refresh continues the innovative approach APA has always applied to its business which has seen it grow from a simple point-to-point gas transporter, to a leading energy infrastructure enterprise now providing a range of gas transportation, storage and other services to a broad group of long-term customers across the East Coast Grid. APA's new offerings provide more options for shorter term capacity reservation which will assist customers in the increasingly dynamic Australian gas market; customers can choose from a range of simpler and more flexible service offerings so that APA can tailor its services to better meet individual customer needs; gas and pipeline capacity can be traded with access to services which APA has been offering well ahead of government mandated markets; and better pricing through the removal or reduction of most ancillary fees and charges from both existing and future contracts.

Rob Wheals, APA's Group Executive Transmission said, "APA remains committed to working closely with customers – both existing and new entrants – to meet their commercial needs and to encourage growing the gas market and increasing its liquidity for the benefit of all Australians. We recognise that customers' needs across Australia are varied and therefore require transparent and consistent information. Our refreshed services provide additional clarity and ease of access for customers to APA's infrastructure which will help promote gas market liquidity.

"Meeting our customers' needs through innovation is at the heart of what we do. Over the last few years just some of the innovative services we have introduced include standard Gas Transportation Agreements, multi-asset or 'grid' services, bi-directional pipeline capabilities, park and loan facilities, in-pipe trade services, and a capacity trading website."

APA supports the Gas Market Reform Group's initiative of improved information transparency which should assist Australian gas market participants in their commercial decision making processes.

The published tariffs are consistent with tariffs that APA has agreed with its customers over a number of years and with competitive outcomes. The pricing methodology that underpins these tariffs aligns with APA's low risk business model while ensuring business sustainability having regard to the needs of all our stakeholders.

APA has executed 15 gas transportation agreements with customers on our East Coast and Central Region pipelines that are now subject to the new information and commercial arbitration regime which commenced 1 August 2017.

Mr Wheals said, "We see the development of Australia's gas reserves as critical to the delivery of reliable and affordable energy as Australia transitions to a lower carbon economy whilst supporting economic growth. APA's new service offerings together with the increased transparency that comes with publication of these tariffs, should support smoother and faster investment decisions which will hopefully encourage producers to bring more gas into the tight East Coast gas market."

The information will soon be available at www.apa.com.au, which is currently being updated.

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About APA Group (APA)

APA is Australia's leading 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