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APA Group entitlement offer.

21 February 2018

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This presentation has been prepared in relation to a pro rata accelerated institutional tradeable retail renounceable entitlement offer of new APA stapled securities (**New Securities**), to be made to:

- Eligible institutional Securityholders of APA (**Institutional Entitlement Offer**); and
- Eligible retail Securityholders of APA (**Retail Entitlement Offer**),

under sections 1012DAA and 1012DA(12A) of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, the **Entitlement Offer**).

The offer is a 'PAITREO' structure and while it accommodates trading of retail entitlements, it does not constitute a pro rata 'renounceable' offer for the purposes of ASX Listing Rule 7.7.1(c), meaning a nominee facility for the sale of foreign Securityholder interests is not required.

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The underwriters and/or their affiliates are acting as joint lead managers and underwriters of both the Institutional Entitlement Offer and Retail Entitlement Offer. The underwriters are acting for and providing services to APA in relation to the Entitlement Offer and will not be acting for or providing services to APA Securityholders. The underwriters have been engaged solely as independent contractors and are acting solely in a contractual relationship on an arm's length basis with APA. The engagement of the underwriters by APA is not intended to create any agency or other relationship between the underwriters and APA Securityholders.

The underwriters, in conjunction with their affiliates, are acting in the capacity as such in relation to the Entitlement Offer and will receive fees and expenses for acting in this capacity. Affiliates of the underwriters are or may in the future be lenders to APA or its affiliates.

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capital raising overview

- APA is undertaking a fully underwritten capital raising by way of a 1 for 17, pro-rata accelerated institutional tradeable retail renounceable entitlement offer to raise approximately $500 million (**Entitlement Offer**)
- The decision to undertake the Entitlement Offer takes into account a number of factors:

Commitment to maintain a prudent balance sheet

- Underpins strategy to maintain investment grade credit metrics
- Funding growth and investment in line with capital management policies
- Maturities of $737 million over calendar year 2018, including Subordinated Notes[1]

Funding for growth

- Committed growth projects currently in excess of $1.2 billion
- Positions APA to take advantage of its significant growth opportunities and maintain additional debt headroom
- Maintaining APA's balance sheet for future growth opportunities

Subordinated Notes to be redeemed

- First call due date of 31 March 2018, 50% equity credit from S&P will fall away on that date
- Yield on hybrid currently at 6.29% - bank bill rate + 450bps
- Redemption to be funded with mix of Entitlement Offer proceeds, cash and undrawn bank facilities

Note: (1) $126 million JPY medium term notes maturing in June 2018, $515 million Subordinated Notes with first call date of 31 March 2018 (contractual maturity in September 2072) and $96 million US private placement notes maturing in September 2018

key offer details

Offer structure and size	• 1 for 17[1] fully underwritten pro-rata accelerated institutional tradeable retail renounceable entitlement offer to raise approximately $500 million • Approximately 65,547,493 million new APA Securities to be issued (approx. 5.9% of issued Securities)
Offer Price	• Entitlement Offer will be conducted at A$7.70 per New Security (**Offer Price**), representing a: – A 6.8% discount to the last closing price[2] of $8.26 per Security) – A 6.4% discount to the TERP of $8.23 per Security[3]
Use of proceeds	• It is proposed that the proceeds from the Entitlement Offer will be used to assist in the funding of APA's growth projects and capital expenditure program, the funding of the redemption of APA Subordinated Notes and for other general corporate purposes.
Institutional Entitlement Offer	• The Institutional Entitlement Offer is open from 21 February to 22 February – Institutional Entitlements not taken up and entitlements of ineligible institutional Securityholders will be placed into the institutional shortfall bookbuild to be conducted on 23 February 2018
Retail Entitlement Offer	• Eligible retail Securityholders in Australia and New Zealand have a number of options under the Retail Entitlement Offer[4] – elect to take up all or part of their pro-rata entitlement by either i. the Early Retail Application Closing Date of 5 March 2018: or ii. the retail offer close date of 14 March 2018 – sell their entitlement on the ASX between 26 February 2018 and 7 March 2018 – do nothing and let their entitlement be offered for sale through the retail shortfall bookbuild process managed by the underwriters with any proceeds in excess of the Offer Price paid to the Securityholder
Ranking & Distributions	• New Securities will rank equally in all respects with existing Securities from the date of allotment but will not be entitled to the 1H18 distribution of 21.0 cents per Security which is to be paid on 14 March 2018
Record Date	• 7:00pm (Sydney time) on 26 February 2018

Notes:

(1) Fractional Entitlements will be rounded up to the nearest whole number of Securities

(2) As at close of trading on 20 February 2018

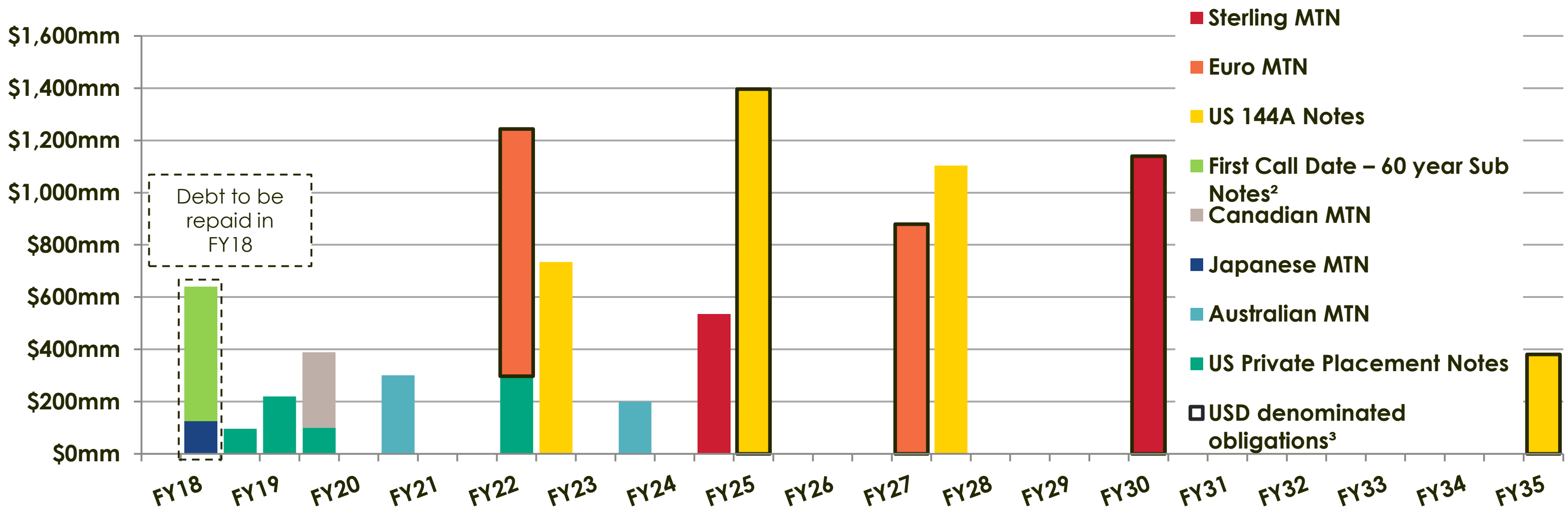
(3) The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which APA Securities should trade immediately after the ex-date for the Entitlement Offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which APA Securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the theoretical ex-rights price

(4) Refer to slide Annexure A for information on restrictions on Securityholders eligible to exercise entitlements

debt maturity profile

- Equity raise will help manage APA's internal gearing profile and further strengthen its credit metrics
- Repayment of Subordinated Notes will lower average cash interest costs

Debt maturity profile[1]



Key credit metrics	Dec 2017	Post equity Raise
Gearing Ratio[(3,4)]	68.9%	66.9%
Average interest rate applying to drawn debt	5.60%	5.60%
Interest rate exposure fixed or hedged	94.4%	94.4%

Notes:
(1) APA debt maturity profile as at 31 December 2017
(2) Subordinated Notes first call date of 31 March 2018. Contractual maturity date is 30 September 2072
(3) 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.
(4) Gearing Ratio, which is calculated in accordance with the covenants in certain of our debt facilities, is the ratio of net debt (being the total of certain indebtedness less cash and cash equivalents) to net debt plus total equity and retained earnings but excluding reserves carried in respect of effective hedges. The Gearing Ratio calculations do not take into account the excluded subsidiaries of APA.

offer timetable

Event	
Trading halt, announce 1H FY18 results and Entitlement Offer	Wednesday, 21 February 2018
Institutional Entitlement Offer closes	Thursday, 22 February 2018
Institutional shortfall bookbuild	Friday, 23 February 2018
Trading halt lifted – securities recommence trading on ASX on an "ex-entitlement" basis	Monday, 26 February 2018
Retail entitlements commence trading on ASX on a deferred settlement basis	Monday, 26 February 2018
Record date for determining entitlement to subscribe for New Securities	Monday, 26 February 2018
Retail Entitlement Offer opens	Friday, 2 March 2018
Retail Offer Booklet dispatched	Friday, 2 March 2018
Retail entitlements commence trading on ASX on a normal settlement basis	Monday, 5 March 2018
Early Retail Application Closing Date - last day to apply for New Securities to be issued on the Initial Allotment Date	Monday, 5 March 2018
Settlement of Institutional Entitlement Offer and Retail Entitlement Offer for applications which have been received by the Early Retail Application Closing Date	Tuesday, 6 March 2018
Retail entitlement trading on ASX ends	Wednesday, 7 March 2018
Initial Allotment Date – allotment and normal trading of New Securities under the Institutional Entitlement Offer and for applications which have been received by the Early Retail Application Closing Date	Wednesday, 7 March 2018
Retail Entitlement Offer closes	Wednesday, 14 March 2018
Retail shortfall bookbuild	Monday, 19 March 2018
Settlement of New Securities under the Retail Entitlement Offer (other than those issued on the Initial Allotment Date)	Thursday, 22 March 2018
Allotment of New Securities under the Retail Entitlement Offer	Friday, 23 March 2018
Normal trading of New Securities issued under the Retail Entitlement Offer	Monday, 26 March 2018
Dispatch of holding statements in respect of New Securities issued under the Retail Entitlement Offer	Tuesday, 27 March 2018

Note: The above timetable is indicative only and subject to change. APA reserves the right to vary these dates or to withdraw the Entitlement Offer at any time. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, APA, in consultation with the underwriters, reserves the right to amend this timetable at any time

key risks

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key risks

- This section discusses some of the key risks associated with any investment in APA together with risks relating to participation in the Entitlement Offer which may affect the value of APA Securities. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in APA.
- Before investing in APA you should be aware that a number of risks and uncertainties, which are both specific to APA and of a more general nature, may affect the future operating and financial performance of APA and the value of APA Securities.
- Before investing in APA Securities, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on APA (such as that available on the ASX website), and seek professional advice from an adviser who is licensed by ASIC to give that advice before making an investment decision.
- Nothing in this presentation is financial product advice and this presentation has been prepared without taking into account your investment objectives or personal circumstances.

key risks – 1. business risks

1.1 regulatory risks

- **APA's business includes regulated assets**
  - A number of APA's significant assets are subject to economic regulation, including regulation of the prices that APA is permitted to charge as determined by the independent national energy regulator, the Australian Energy Regulator (**AER**), and the Economic Regulatory Authority of Western Australia (**ERA**). Approximately 9.9% of APA's revenue (excluding pass-through revenue) for 1H FY18 was obtained from such regulated assets (which does not include revenue from APA's assets subject to 'light' regulation, discussed below).
  - Regulatory pricing periods generally run for five years and reflect the regulator's determination, amongst other matters, of APA's gas demand forecasts and projected operating expenditure, capital expenditure, regulatory depreciation, regulatory tax payable and weighted average cost of capital. However, costs and gas demand can change materially within a regulatory pricing period. Consequently, if APA is unable to efficiently manage the operating costs and capital expenditures within the regulatory allowance for a regulated asset, or if the regulator's projection of the operating costs, capital costs, taxation or weighted average costs of capital at the beginning of a pricing period are insufficient to meet the actual costs incurred, or if the actual gas demand and therefore usage of APA's asset falls below the regulator's determination, APA's financial position and/or performance may be adversely affected. There is no certainty that APA will be able to recover the amount of capital or operating expenditure required to operate its price-regulated businesses through regulated revenues.
  - The price regulation outcomes determined by the AER and the ERA under an Access Arrangement process for a full regulation asset may adversely affect APA's revenue in respect of that asset (to the extent revenue on a full regulation asset is not derived from a haulage contract that has its terms and conditions, including price, agreed with a customer and set for the period of the contract).
  - Further, decisions by the AER and the ERA under the National Gas Law (**NGL**) are no longer subject to merits review. The Competition and Consumer Amendment (Abolition of Limited Merits Review) Act 2017 (Cth) abolished the limited merits review regime, the effect of which is that AER and ERA decisions may only be challenged on judicial review grounds in Court, which are more limited than the grounds available under merits review.
  - In addition, a number of APA's assets are subject to light regulation which, while not a price regulation regime, does enable the regulator to arbitrate any disputes with customers (and prospective customers) on price and other terms of access.

- **Risk of changes in the regulatory treatment of APA's assets**
  - Under the NGL, any person (including customers seeking access to a pipeline) may make an application that an unregulated pipeline become "covered" and therefore subject to full or light economic regulation. Similarly, an application can be made seeking that light regulation be revoked and full price regulation be imposed instead. The additional costs, pricing regulation and risks associated with such a change may adversely affect APA's financial position and/or performance.

- **Risk of changes to the regulatory environment governing APA's activities**
  - As the regulatory environment applicable to APA evolves, new and amended laws and regulations that impact APA's operations may be implemented, regulatory authorities may impose new requirements on the exercise of discretionary power, or existing laws or regulations may be subject to new interpretations. These and any other changes to laws and the regulatory environment may adversely affect APA's operations and financial position and/or performance.
  - The COAG Energy Council is developing government policy in relation to the Australian domestic gas market and has established the Gas Market Reform Group to implement a domestic gas market reform package. Part of the reforms already enacted, are amendments to the National Gas Rules (**NGR**) to establish a new information disclosure and arbitration regime, which took effect on 1 August 2017. This new regime applies to all pipelines not currently subject to economic regulation. In accordance with the information disclosure requirements, APA made the required information disclosures on its website on 31 January 2018.
  - The new information disclosure and arbitration regime may adversely affect the revenue that APA may earn on its unregulated pipelines and this may adversely affect APA's financial position and/or performance.

key risks – 1. business risks

1.1 regulatory risks (cont'd)

- **Risk of changes to the regulatory environment governing APA's activities (cont'd)**
  - Further, in 2018, it is anticipated that the Gas Market Reform Group and the Australian Energy Market Operator will develop the legal, regulatory and contractual architecture to implement reforms endorsed by the COAG Energy Council for development of:
    - a capacity trading platform for trading secondary capacity;
    - a day-ahead auction of contracted but un-nominated capacity;
    - standards for key contract terms in primary, secondary and operational transportation agreements; and
    - a reporting framework for secondary capacity trades that provides for the publication of the price and other related information on secondary trades.
  - These reforms may impact the quantity and pricing of APA's sales of pipeline services in the primary market and may adversely affect APA's financial position and/or performance.
  - The Australian Energy Market Commission (**AEMC**) is also reviewing the economic regulatory framework for regulated pipelines under the NGL and NGR. The AEMC's report is expected in June 2018. Any reforms arising from this review may have adverse impacts on APA's pipelines that are subject to full or light economic regulation and may adversely affect APA's operations and financial position and/or performance.
  - Further, as part of the AEMC's reform process for the east coast gas industry, the suitability of the market structure applicable to Victoria, including market carriage applicable to the Victorian Transmission System, is being reviewed. Although the Victorian Transmission System is expected to remain a fully regulated asset, revenues from that asset may be adversely affected by any reforms and this may adversely affect APA's financial position and/or performance.
  - The Australian Competition and Consumer Commission (**ACCC**) is also undertaking an inquiry into the supply of and demand for wholesale gas in Australia. The inquiry will cover the full supply chain, including pipelines, and will continue to 2020. As well as publishing regular reports, the ACCC will make recommendations on longer term transparency measures. Any reforms arising from the ACCC's reports and/ or recommendations may adversely affect APA's operations and financial position and/or performance.

1.2 bypass and competitive risk

- Bypass and competitive risk occurs when a new or existing transmission pipeline offers gas transportation services to the same end market serviced by existing APA pipelines, or otherwise alters flow configurations to the detriment of existing APA pipelines. This risk is particularly applicable to the Moomba Sydney Pipeline, the Parmelia Gas Pipeline and the SEA Gas Pipeline (50% owned by APA). For example, the Moomba Adelaide Pipeline System is a competitive pipeline to the SEA Gas Pipeline, transporting gas to the South Australian market.
- In addition, LNG import facilities, the extension of electricity transmission lines, the use of diesel fuel for remote power generation and the growth of renewable power generation over the long-term may lead to increased bypass or competitive risk for APA's pipelines. If bypass and/or competitive risks increase and customers chose alternatives instead of contracting for services on APA's pipelines, APA's financial position and/or performance may be adversely affected.
- Further, APA's asset management business operates in a competitive market that is subject to changes in market conditions, new market entrants and competitive cost pressure. These factors could impact APA's relationships with its asset management customers and may adversely affect APA's operations and financial position and/or performance.

key risks – 1. business risks

1.3 gas demand risk

- The performance of APA's energy infrastructure businesses is affected by the volume of gas transported through APA's pipeline networks. As well as gas supply, this is dependent on end-user demand. End-user demand is subject to a range of variables, including a downturn in the resources industry. The relative price of gas and its competitive position with other energy sources (including electricity, coal, fuel oils, solar and wind) may reduce demand levels for services on APA's assets.
- A reduction in demand for APA's transmission services may also arise if the use of gas swap contracts by customers increases. Gas swap contracts involve customers "swapping" gas at specified delivery points so as to reduce the distance gas needs to be transported. Increased usage of such contracts may adversely affect APA's financial position and/or performance.
- Further, if there is increased use of gas storage facilities, this may reduce the demand for gas transmission and storage services on APA's assets.
- The competitive position of gas and the actions of APA's customers cannot be predicted with certainty. If the demand for gas weakens, it may adversely affect APA's financial position and/or performance.
- If a reduction in demand for gas means that certain of APA's regulated assets cease to contribute to the provision of services by APA, a regulator might require that the regulatory value of the assets be removed from the relevant regulated asset base until the assets again contribute to the provision of services. This may impact the level of APA's regulated tariffs and may adversely affect APA's financial position and/or performance.

1.4 gas supply risk

- The availability of competitively priced gas (as compared with other energy sources) is essential for APA's customers' ongoing use of gas transmission pipelines and distribution networks. Certain factors such as gas reserve depletion, allocation of gas to other markets and changes in Government policy (including regulatory restrictions on gas production and the implementation of the Australian Domestic Gas Security Mechanism) may impact the availability of gas supply to meet market demand.
- Within the Australian market, there are concerns of a potential shortfall of affordable gas available for domestic use, as increasing volumes of gas are contracted for the LNG export market. In addition, Victoria, New South Wales, South Australia and the Northern Territory have introduced gas production moratoria (in whole or in part) and other restrictions on the development of new gas reserves. Upward pricing pressure on gas domestically may adversely affect the amount of gas contracted in the domestic market.
- If there is a shortage of competitively priced gas for customers to transport through APA's gas pipelines, this may adversely affect APA's financial position and/or performance.

1.5 counterparty risk

- As part of its ongoing commercial activities, APA enters into transportation and asset management agreements with various third parties. If a counterparty to such an agreement is unable to meet its commitments to APA, whether in whole or in part, there is a risk that future anticipated revenue would reduce unless and until APA is able to secure an alternative customer. Counterparty risk also arises when contracts are entered into for derivatives (such as cross-currency swaps or fixed to floating rate swaps) with financial institutions. APA is also party to insurance contracts and is exposed to the risk of non-performance of an insurer should a claim arise.
- APA is unable to predict whether counterparties will maintain their current levels of credit standing in the future, or otherwise default on their contractual obligations. The failure of a counterparty to a transportation or derivative contract may adversely affect APA's financial position and/or performance.
- APA is also exposed to counterparty risk with respect to existing interest rate and foreign currency hedging arrangements.

key risks – 1. business risks

1.5 counterparty risk

- In addition, APA enters into contracts with its customers and other counterparties which give the counterparty rights to terminate the contracts if APA defaults on its obligations, or certain 'trigger' events occur. If APA's contracts are terminated by its counterparties, this may adversely affect APA's financial position and/or performance.
- Further, APA has acquired certain customer contracts as part of the acquisition of other businesses which allow the customer to call "force majeure" if an unforeseeable event occurs (including failure of gas reserves). If the force majeure event persists for a prolonged period, the customer may have the right to terminate its contract with APA and this may adversely affect APA's financial position and/or performance.

1.6 long-term contract risk

- A large part of APA's revenue is the subject of long-term negotiated contracts with end customers. Due to a range of factors including bypass and competitive risk, customer demand risk, gas supply risk and counterparty risk, APA may not be successful in recontracting the available pipeline capacity when it comes due for contract renewal, or it may be recontracted for a shorter term. This could require more frequent contract negotiations, and lessen long term stability for APA. APA may enter into contracts on less favourable terms than it has previously obtained. If APA is unable to recontract the available pipeline capacity with either its existing customer or new customers when the contracts are due for renewal, this may adversely affect APA's financial position and/or performance.

1.7 reliance on third party service providers risk

- APA outsources a number of its business operations, including repairs, construction, specialised maintenance and security. Third party service providers may fail to supply or manage these services or business operations in accordance with contractual obligations and applicable laws and regulations. In certain situations, APA may be held liable for such non-compliance and this may adversely affect APA's financial position and/or performance.
- In addition, delayed communication, miscommunication and other human errors between APA and its third party service providers may adversely affect APA's operations and financial position and/or performance.

1.8 interest rates and refinancing risks

- APA is exposed to movements in interest rates where funds are borrowed at a floating interest rate and are not effectively hedged, or where fixed rate debt is being refinanced. There is a risk that adverse interest rate movements may affect APA's earnings, both directly (through increased interest payments) and indirectly (through the impact on asset carrying values). Any increase in applicable interest rates will affect APA's costs of servicing unhedged borrowings and APA's hedges may prove ineffective, either of which circumstances may adversely affect APA's financial position and/or performance.
- APA ensures liquidity through the use of credit lines with banks, including refinancing of maturing loan facilities. In this context, APA depends on the willingness of banks to provide credit lines. Structural changes in the banking and financial markets may impact the willingness or ability of banks to provide credit lines to APA on commercially acceptable terms.
- In addition to bank credit facilities, APA finances its activities and operations from time to time by the issuance of debt, principally in the global and domestic debt capital markets. Therefore, APA is dependent on access to these capital markets and investors. Changes in demand for and supply of debt instruments in global or domestic debt capital markets could limit APA's ability to fund its activities and operations (including APA's capacity to acquire other entities or pipelines) on commercially acceptable terms.

key risks – 1. business risks

1.8 interest rates and refinancing risks (cont'd)

- APA's borrowings extend through to 2035. Access to continuing financing sources to extend and/or refinance debt facilities will be important. An inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect APA's operations and financial position and/or performance.

1.9 credit rating or security risks

- There is no assurance that any credit or security rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgement, circumstances warrant or a different methodology is applied to derive that rating. APA assumes no responsibility for verifying or updating information regarding such ratings should they change over time.
- Any downgrade in APA's credit rating could harm its ability to obtain financing or could increase its financing costs. A downgrade could also cause the instruments governing APA's future debt to contain more restrictive covenants, which in turn could limit APA's ability to obtain additional financing or to respond to changes in business, economic or market conditions.

1.10 foreign exchange risks

- APA is subject to currency fluctuations in relation to the purchase, supply and installation of goods and services, and borrowings, in a currency other than Australian dollars. There can be no assurance that APA will be able to effectively hedge its foreign currency exposure, particularly in periods of significant currency volatility, and/or that APA's hedges will prove effective. These risks may adversely affect APA's financial position and/or performance.

1.11 investment risk

- APA may acquire infrastructure and related assets or undertake additional or incremental investment in its existing assets. Any final investment decision in respect of such investment places considerable reliance on many assumptions.
- There is a risk that the assumptions and forecasts relied on by APA in making investment decisions (some of which may relate to time periods many years away) may not be realised. This may adversely affect the outcome of APA's investments and may adversely affect APA's financial position and/or performance. There is also a risk that APA may be unable to secure further appropriate infrastructure investments on suitable terms, thereby limiting its growth.

1.12 acquisition and integration risks

- APA has expanded its portfolio through significant acquisitions of pipelines and other energy infrastructure assets. Integrating these various assets into APA's business could be impacted by unexpected events, such as:
  - unanticipated costs (including accounting, reporting, land access, environmental compliance and technology costs);
  - failure to obtain or maintain necessary approvals;
  - failure to retain key employees or assets; or
  - inadequate supervision or execution by managers of integration processes.

key risks – 1. business risks

1.12 acquisition and integration risks (cont'd)

- APA may not be able to identify and/or successfully complete all prudent acquisition opportunities or mitigate all risks which may arise from an acquisition. This could prevent APA from obtaining anticipated operating advantages and cost savings and may adversely affect APA's financial position and/or performance. APA may be unable to foresee the appropriate risks and potential costs associated with certain acquired assets that are not part of its traditional gas infrastructure business. APA may similarly seek to undertake future acquisitions outside of Australia, including potentially in North America, where it lacks current operational experience. Further, changes to government policies or interventions by certain regulators, such as the ACCC, may prevent or limit APA's ability to pursue further acquisitions.

1.13 construction and development risk

- APA's business strategy includes the development of new pipeline capacity, renewable and gas-fired generation plants, gas storage facilities and gas processing assets. Development of APA's assets involves a number of typical construction risks including the possibility of failure to obtain necessary approvals, employee or equipment shortages, higher than budgeted construction costs, insolvency events in service and equipment providers and project delays. There is also a risk of inadequate project development at the front end, for example errors or inadequacies in the concept design and planning phase. Accordingly, APA may not be able to implement current and future development and construction projects in the manner or within the timeframe and budget expected. These risks may impact the commerciality and economics of the development and may adversely impact APA's financial position and/or performance.

1.14 operational risks

- APA is exposed to a number of operational risks such as equipment failures, rupture of pipelines (including as a result of corrosion or loss of containment) with a risk of explosion, employee or equipment shortages, human error and unplanned interruptions caused by industrial disputes, damage by third parties and unforeseen accidents. Operational disruption, the cost of repairing or replacing damaged assets and the risk of claims by shippers following an operational disruption, may adversely affect APA's reputation, and financial position and/or performance.
- APA also faces the risk that a failure on the part of a producer of natural gas to maintain supply may adversely affect APA's operations and financial position and/or performance.

1.15 operating licences and authorisations

- In addition to economic regulation, the natural gas industry in Australia is regulated from an operational perspective. APA is directly or indirectly subject to a range of regulatory requirements such as environmental laws and regulations, occupational health and safety requirements and technical and safety standards.
- All pipeline, distribution, gas processing, storage and electricity generation assets owned and/or operated by APA require compliance with relevant federal, state and territory laws, regulations and policies. Changes in any such laws, regulations or policies may adversely affect APA's pricing, costs or compliance regimes.
- In some instances, the operation of APA's assets is dependent on the granting and maintenance of appropriate licenses, permits or regulatory consents. Although these authorisations may be granted or renewed following expiry (as the case may be), there can be no guarantee that authorisations will be renewed, granted or continued, or that more onerous terms will not be imposed on such authorisations. These authorisations may be subject to loss or forfeiture in the event of material non-compliance. Any failure to obtain or maintain necessary authorisations may adversely affect APA's operations, and financial position and/or performance.

key risks – 1. business risks

1.16 environmental risks

- National, state and territory environmental laws and regulations affect the operations of APA's assets and apply to the sites, easements and facilities of APA's operations. These laws and regulations:
  - set standards relating to health, safety and environmental quality;
  - provide for penalties and other liabilities for the violation of such standards; and
  - establish certain obligations to remediate facilities and locations where operations are, or were, previously conducted.
- APA may be liable for the discharge of prohibited substances into the environment, environmental damage caused by APA or previous owners of property or assets acquired by APA, or other non-compliance with environmental laws and regulations. APA's liability may include fines, clean-up costs, damages, civil or criminal sanctions and interruptions in operations. Such costs are challenging to estimate and could stretch over many years for a single violation. Increased costs associated with regulatory compliance and/or litigation may adversely affect APA's financial position and/or performance.
- Even if APA is in compliance with the applicable environmental regime and legislation, it is possible that APA's construction projects may be subject to delays and/or be discontinued as a result of environmental disputes, environmental impact assessments and consultation processes, or the need to obtain necessary environmental approvals. This may adversely affect APA's financial position and/or performance.

1.17 land tenure

- APA's gas pipeline assets are constructed and operated on land over which APA has land tenure, including easements, leases or land that it owns. APA may lose land tenure rights or otherwise be required to relocate its pipelines. Further, land access costs may increase, including through rental increases, renewals of expiring agreements, prevention of easement encroachments or enforcement of APA's current land access rights. This may adversely affect APA's operations, and financial position and/or performance.

1.18 health and safety risks

- Occupational health and safety is a key risk area in the operation and maintenance of gas transmission, distribution networks and power generation. The risk of operational hazards, as well as the inherently hazardous nature of maintenance and construction work involving gas transmission, power generation and gas distribution facilities could result in serious injury and loss of human life, both to APA's employees and third parties. APA's internal policy decisions on safety and the training provided to employees relating to accident prevention and awareness may not be effective and the risks of accidents or long term health impacts cannot be eliminated. Consequently, APA may receive employee, customer or public claims for health and safety related issues from time to time. Such claims may adversely affect APA's operations, relations with employees and customers, reputation and financial position and/or performance.
- APA is subject to Australian health and safety regimes and is required to comply with Australian legislation concerning the protection of the health and welfare of employees and contractors. APA will incur compliance costs, and any failure or lapses in its compliance may result in it being exposed to fines, damages and criminal or civil sanctions. If health and safety hazards occur unusually frequently in APA's business or in unusually severe fashions, APA could become subject to additional and unanticipated compliance costs. These may adversely affect APA's operations, reputation, and financial position and/or performance.

key risks – 1. business risks

1.19 reliability or interference of pipeline network

- APA's business is materially dependent on the reliability of its pipeline network. In order to maintain the pipeline system operations, repairs and maintenance are necessary. In some cases, such repairs and maintenance may be expensive and capital intensive and may adversely affect APA's operations, reputation, and financial position and/or performance.
- Also, as a result of urban encroachment and the size of APA's energy network, many of APA's assets are located close to where people live. If these assets are exposed to interference, injury to persons or damage to property or the environment may occur. This may adversely affect APA's operations, reputation, and financial position and/or performance.

1.20 risks of extreme weather events, sabotage and terrorist acts

- APA is subject to the risk of accidents and incidents in respect of its pipelines and other infrastructure assets and adjacent sites, as well as to weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism which may impact its operations. These risks may result in a failure by APA to supply its customers, which may adversely affect APA's financial position and/or performance.
- APA has experienced extreme weather events that have caused damage to APA's assets in the past. Extreme weather events may inhibit APA's operations by causing infrastructure damage on its assets, disrupting gas suppliers and their ability to supply gas to APA's pipelines and damaging or destroying the facilities of APA's customers. This may adversely affect APA's financial position and/or performance.
- Sabotage of, and terrorist acts on, APA's assets may adversely affect APA's ability to provide APA's contracted services to its customers and could damage a third party's property .

1.21 disputes and litigation risks

- APA may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations. There is a risk that material or costly disputes or litigation, or adverse decisions by a regulator or court, may adversely affect APA's operations, and financial position and/or performance.
- Labour activism and unrest among APA's employees may increase during periods of renegotiation of enterprise bargaining agreements disrupting APA's operations and this may adversely affect APA's financial position and/or performance.

1.22 insurance

- There may be some circumstances where APA's insurance will not cover, or will not be adequate to cover, the consequences of adverse events arising from operations. APA may also become liable for pollution or other operational hazards against which it cannot insure or may have elected not to have insured or keep insured on account of high premium costs or otherwise. In that event, APA may incur costs that may adversely affect APA's financial position and/or performance.

key risks – 1. business risks

1.23 people risk

- APA's continued success is dependent, in part, on its ability to attract, engage, develop and retain the right employees within a market where there is varying supply of skilled workers. When APA's operations expand or current employees leave, labour costs may increase and APA may be unable to attract and retain the employees required. Additionally, it may take a considerable period of training and time before new employees are equipped with the requisite skills to work effectively and safely on the inherently dangerous tasks associated with gas assets. An inability to attract and retain the right employees may adversely affect APA's operations and financial position and/or performance.
- APA also relies on the expertise and continued service of certain key executives but cannot guarantee the retention of such personnel. These key executives possess highly valuable institutional knowledge, without which APA's operations could be negatively affected.

1.24 fraudulent behaviour of employees

- APA is exposed to risks associated with fraudulent behaviour of its officers, employees, consultants, contractors and contractual counterparties. The occurrence of such behaviour may adversely affect APA's operations, and financial position and/or performance.

1.25 legacy retirement benefit funds

- APA has legacy defined benefit superannuation funds that are funded through a combination of employer and employee contributions, which are invested by third party/external superannuation funds managers in equities, bonds and other external assets and the liabilities for which reflect both the rules of the relevant schemes and current market conditions and values for the invested assets of the funds. The values of such assets are dependent on, among other things, the performance of a broad range of equity and debt markets, which can be volatile. Any shortfall in the funding obligations of these funds may require additional funding from the employing entities thus increasing APA's liabilities. Such increased liabilities may have an adverse impact on APA’s financial position and/or performance.

1.26 information technology and cyber risk

- APA's operations rely on a number of information technology systems, applications and business processes utilised in the delivery of business functions, including APA’s customer management system, grid network and integrated operations centre. APA's operating businesses depend on computer systems and network infrastructure. System interruptions may occur caused by the replacement of systems, equipment failure, human error, natural disasters, sabotage (including cyber-attacks) and power outages. Interruptions may result in the unavailability of services, erroneous processing of third party instructions, and may reduce the relevant businesses’ ability to maintain efficient operations and impact relationships with customers. Further, interruptions to APA's information technology systems and any lack of availability of backup facilities may adversely affect APA's reputation, and financial position and/or performance.

key risks – 1. business risks

1.27 joint venture risk

- APA holds a number of interests in companies together with joint venture partners through equity or other joint ventures. Certain decisions require approval of the other shareholders of the joint venture or their representatives. Therefore, irrespective of APA's proportional interest in the joint venture, APA may not be able to unilaterally control all decision-making processes of a joint venture, including decisions in respect of distributions. The joint venture partners in these projects may have economic or business interests or objectives that are different to those of APA, may be unable or unwilling to fulfil their obligations under the relevant joint venture contracts or may experience financial or other difficulties. In addition, APA's reputation and its relationships with governments and other stakeholders may be adversely affected through association with a partner that has engaged in misconduct or has been negligent in connection with a project. These risks could disrupt the operations of the joint venture and negatively impact APA's investment in, and returns from, the joint venture. This may adversely affect APA's financial position and/or performance.

1.28 reputation risk

- APA relies on a level of public acceptance of the development and transmission of gas and power generation infrastructure. APA's business, and the construction of its pipelines and other related infrastructure, may generate negative public sentiment with certain stakeholder groups and result in negative publicity for APA. Negative public sentiment, any resulting community action and related publicity may result in federal and state governments implementing political measures that may adversely affect APA's reputation, operations, and financial position and/or performance.

key risks – 2. offer and general risks

2.1 underwriting risk

- APA has entered into an underwriting agreement under which the underwriters have agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between the parties. If certain conditions are not satisfied (including APA delivering certain certificates, sign-offs and opinions to the underwriters) or certain events occur, the underwriters may terminate the underwriting agreement. Termination of the underwriting agreement may adversely affect the proceeds raised under the Entitlement Offer. Termination of the underwriting agreement may adversely affect APA's operations and financial position and/or performance.

Termination

- There are certain events which trigger termination of the underwriting agreement during the institutional and retail offer periods. The ability of the underwriters to terminate the underwriting agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the securities, or the willingness of investors to subscribe for New Securities, or where they may give rise to a contravention by, or liability for, the underwriters.
- The events which may trigger termination of the underwriting agreement in the period from execution of the underwriting agreement to settlement of the Retail Entitlement Offer include (but not limited to) where:

(a) APA is removed from the official list of ASX or its securities are removed from official quotation or suspended from quotation by ASX for one or more trading days (other than in connection with the Entitlement Offer);

(b) APA alters its capital structure without the underwriters' consent;

(c) APA or a material subsidiary of APA is or becomes insolvent;

(d) APA's CEO or CFO has their employment terminated for cause;

(e) APA contravenes its constituent documents, the Corporations Act, the ASX Listing Rules or other applicable law; or

(f) APA's directors engage in fraud or commit certain offences.

2.2 renouncement risk

- If you are an eligible Securityholder, and you do not take up or sell your entitlements under the Entitlement Offer, then your entitlements will be treated as renounced and will be sold on your behalf in the retail bookbuild and any proceeds of sale of your entitlements over and above the Offer Price for New Securities will be paid to you. However, there is no guarantee that any value will be received for your renounced entitlement through the bookbuild process.
- The ability to sell New Securities under the bookbuild and the ability to obtain any premium will be dependent on various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which in the reasonable opinion of the underwriters, will, if accepted, result in acceptable allocations to clear the entire book.

key risks – 2. offer and general risks

2.2 renouncement risk (cont.)

- To the maximum extent permitted by law, APA, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents will not be liable, including for negligence, for any failure to procure applications under the bookbuild at a price in excess of the offer price. If there is a retail premium achieved on the retail bookbuild, it may be less than, more than, or equal to any premium achieved on the institutional bookbuild. Accordingly, it is possible that retail holders who do not take up their entitlements will receive less value than their institutional counterparts, or no value at all.
- You should also note that if you do not take up all of your entitlement, then your percentage stapled securityholding in APA will be diluted by not participating to the full extent in the Entitlement Offer.

2.3 risk of selling or transferring entitlements

- If you are an eligible retail Securityholder and do not wish to take up your entitlements, you can sell them on ASX or transfer them to another person or entity other than on ASX during the entitlement trading period.
- Prices obtainable for retail entitlements may rise and fall over the entitlement trading period and liquidity may vary. If you sell or transfer your entitlements at any stage in the retail entitlement trading period you may receive a higher or lower price than a security holder who sells or transfers their entitlements at any different stage in the retail entitlement trading period or through the retail shortfall bookbuild.
- There is no guarantee that there will be a viable market during, or on any particular day in, the retail entitlement trading period, on which to sell retail entitlements on ASX. Eligible retail Securityholders who wish to sell their entitlements may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the trading of entitlements.
- If you choose to transfer your entitlements to another person or entity other than on ASX, there is no guarantee that you will receive any value for transferred entitlements.
- You should also note that if you sell or transfer all or part of your entitlements, then your percentage stapled securityholding in APA will be diluted by not participating to the full extent in the Entitlement Offer.
- The tax consequences of selling or transferring entitlements or of doing nothing may be different. Before selling entitlements or choosing to do nothing in respect of entitlements, you should seek independent tax advice and you may wish to refer to the tax information contained in the retail offer booklet which will provide further information on potential taxation implications for Australian Securityholders.

2.4 market generally

- The price of Securities (including the New Securities to be issued pursuant to the Entitlement Offer) on the ASX will be affected by the financial performance of APA and may rise or fall due to numerous often unpredictable factors, including:

  (a) Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates and currency exchange rates;

  (b) tensions and acts of terrorism in Australia and around the world;

  (c) investor perceptions in the local and global markets for listed stocks; and

  (d) changes in the supply and demand of infrastructure securities.

key risks – 2. offer and general risks

2.4 market generally (cont'd)

- Securities (including the New Securities to be issued pursuant to the Entitlement Offer) may trade at higher or lower prices than the price at the time of this presentation and no assurances can be given that APA's market performance will not be adversely affected by any such market fluctuations or factors. No member of APA, nor any of their directors nor any other person guarantees APA's market performance.

2.5 economic risks

- Changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the trading price of Securities on the ASX. One or more of these factors may cause Securities to trade below current prices and may adversely affect APA's financial position and/or performance. In addition, changes in the value of Securities may be unrelated or disproportionate to the actual operating performance of APA.

2.6 economic conditions

- The operating and financial performance of APA is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in demand, could adversely affect APA's operations, and financial position and/or performance.

2.7 access to capital

- APA relies on access to debt and equity financing. The ability to secure financing, or financing on acceptable terms, may be adversely affected by volatility in the financial markets, globally or affecting a particular geographic region, industry or economic sector or by a downgrade in its credit rating. For these or other reasons, financing may be unavailable or the cost of financing may be significantly increased. Such inability to obtain, or increases in the costs of obtaining, financing may adversely affect APA's financial position and/or and performance.

2.8 asset impairment

- Where the value of an asset is assessed to be less than its carrying value, APA is obliged to recognise an impairment charge in its profit and loss account.
- Asset impairment charges may result from the occurrence of unexpected adverse events that impact APA's expected performance. Assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that may be significant and may adversely affect APA's financial position and/or performance.

2.9 changes to accounting standards

- Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act may adversely affect APA's reported results of operations in any given period or APA's financial position and/or performance.

key risks – 2. offer and general risks

2.10 changes in law, regulation and government policy

- Changes in law (including the NGL and the NGR), relevant taxation laws, interest rates, accounting standards, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the assets, operations and ultimately the financial performance of APA. These factors may ultimately affect APA's financial position and/or performance and the market price of APA Securities.

2.11 adverse tax developments

- APA comprises two trusts, APT and APTIT, which are registered managed investment schemes regulated by the Corporations Act. APT Units are "stapled" to APTIT Units on a one-to-one basis so that one APT unit and one APTIT unit form a single stapled security which trades on the ASX. Australian taxation laws apply to each of these entities separately. APA has made assumptions and taken positions in relation to its liability for income tax, stamp duty and goods and services tax across its businesses. In the event that the actual outcomes are different from expectations or they are not accepted by the relevant tax authorities, this may adversely affect APA's financial position. Adverse changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation to the APA or entities within the APA may also increase APA's tax liabilities.
- APTIT and its subsidiary trusts are generally not liable for Australian income tax and capital gains tax, provided that all income is distributed. If applicable tax regimes change or the activities of the APA result in APTIT or its subsidiary trusts becoming subject to a different tax regime, this could result in tax liabilities and may adversely affect APA's financial performance and/or position.

2.12 other external factors

- Other external factors may impact APA's performance, including changes or disruptions to political, regulatory, legal or economic conditions or to national and international markets.

2.13 insurance counterparty risk

- There can be no assurance that APA maintains, or will continue to maintain, sufficient insurance coverage for all of the risks associated with the operation of its businesses.
- The renewal of insurance will be dependent on a number of factors, such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved. The cost of APA's insurance policies could significantly increase as a result of claims made by it or as a result of local or global economic conditions that cause insurance to be more expensive.
- APA is also subject to the credit risk of its insurers and their continued ability to satisfy any claims made by APA. Certain risks and liabilities, including potential losses of a catastrophic nature, such as those arising from floods, earthquakes, terrorism or other similar catastrophic events, may be either uninsurable or not insurable on a financially reasonable basis, or may be subject to larger deductibles. APA may also elect to self-insure and/or carry large deductibles in certain circumstances. In the event APA experiences a loss or liability to third parties in the future, the proceeds of an applicable insurance policy may not respond to cover the full actual loss incurred or related liabilities to third parties. If APA's insurance coverage is not sufficient to cover any losses that are incurred in the course of its business, or if APA's insurers are unwilling or unable to satisfy claims made by APA, APA could be exposed to the payment of a larger deductible or to uninsured losses that are significant.
- Uncovered losses or the payment of a larger deductible may adversely affect APA's financial position and/or performance.

Annexure A: International selling restrictions

This presentation does not constitute an offer of entitlements (**Entitlements**) or New Securities in any jurisdiction in which it would be unlawful. In particular, This presentation may not be distributed to any person, and the Entitlements and New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This presentation constitutes an offering of Entitlements and New Securities only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this presentation, the merits of the Entitlements or the New Securities or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

APA as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon APA or its directors or officers. All or a substantial portion of the assets of APA and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgement against APA or such persons in Canada or to enforce a judgement obtained in Canadian courts against APA or such persons outside Canada.

Any financial information contained in this presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this presentation are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Securities purchased pursuant to this presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against APA if this presentation or any amendment thereto contains a misrepresentation. . If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against APA. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this presentation contains a misrepresentation, a purchaser who purchases the Entitlements and the New Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against APA, provided that (a) APA will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, APA is not liable for all or any portion of the damages that APA proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Annexure A: International selling restrictions (cont.)

Canada (British Columbia, Ontario and Quebec provinces) cont'd

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area – Austria, Belgium, Denmark, Germany, Luxembourg and Netherlands

The information in this presentation has been prepared on the basis that all offers of Entitlements and New Securities will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Member States of the European Economic Area (each, a **Relevant Member State**), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Entitlements and New Securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, **MiFID II**); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II.

France

This presentation is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French *Autorité des marchés financiers* (**AMF**). The Entitlements and the New Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This presentation and any other offering material relating to the Entitlements and the New Securities have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Annexure A: International selling restrictions (cont.)

Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the Entitlements and the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Entitlements or New Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this presentation, you should obtain independent professional advice.

Ireland

The information in this presentation does not constitute a prospectus under any Irish laws or regulations and this presentation has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the **Prospectus Regulations**). The Entitlements and the New Securities have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Italy

The offering of the Entitlements and the New Securities in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, **CONSOB**) pursuant to the Italian securities legislation and, accordingly, no offering material relating to these securities may be distributed in Italy and these securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended (**Decree No. 58**), other than:

- to qualified investors (**Qualified Investors**), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended (**Regulation No. 11971**); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of Entitlements and New Securities or distribution of any offer document relating to the New Securities in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws;
- in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Investors should also note that, in any subsequent distribution of Entitlements or New Securities in Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, when such securities are placed solely with Qualified Investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of such securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises such securities were purchased, unless an exemption under Decree No. 58 applies.

Annexure A: International selling restrictions (cont.)

Japan

The Entitlements and the New Securities have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Securities may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Securities may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Securities is conditional upon the execution of an agreement to that effect.

Korea

APA is not making any representation with respect to the eligibility of any recipients of this presentation to acquire the Entitlements or the New Securities under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. These securities have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea (**FSCMA**) and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the Entitlements and the New Securities may not be offered or sold in Korea other than to "accredited investors" (as defined in the FSCMA).

Malaysia

This presentation may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Securities. The Entitlements and the New Securities may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Norway

This presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Securities may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This presentation has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the **SFA**) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. APA is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Securities are not allowed to be offered to the retail public.

This presentation and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an "institutional investor", please return this presentation immediately. You may not forward or circulate this presentation to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Annexure A: International selling restrictions (cont.)

Sweden

This presentation has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this presentation may not be made available, nor may the Entitlements or the New Securities be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (*1991:980*) *om handel med finansiella instrument*). Any offering of Entitlements or New Securities in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this presentation and they may not distribute it or the information contained in it to any other person.

Switzerland

The Entitlements and the New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this presentation nor any other offering or marketing material relating to the Entitlements or the New Securities may be publicly distributed or otherwise made publicly available in Switzerland.

The Entitlements and the New Securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This presentation is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

Neither this presentation nor the Entitlements and the New Securities have been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority (**ESCA**) or any other governmental authority in the United Arab Emirates, nor has APA received authorization or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the Entitlements or the New Securities within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This presentation does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Entitlements or the New Securities, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by APA.

No offer or invitation to subscribe for Entitlements or New Securities is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither this presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Entitlements or the New Securities.

This presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Entitlements or the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to APA.

In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this presentation relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

Annexure A: International selling restrictions (cont.)

United States

This presentation may not be distributed or released in the United States. This presentation does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States. Neither the entitlements nor the New Securities have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Securities may not be offered or sold to, any person in the United States or any person that is acting for the account or benefit of a person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws. The entitlements and the New Securities to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S. In addition, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on ASX or otherwise, or take up or exercise entitlements purchased on ASX or otherwise, or transferred from another person.

Glossary

$ or A$ or dollars	Australian dollars
1H18 Interim Distribution	the interim distribution of 21 cents per existing Security for the period of 6 months ended 31 December 2017. New Securities are not entitled to the 1H18 Interim Distribution
APA	APA Group (consisting of APT and APTIT, both trusts of which APL is the trustee and responsible entity)
APL	Australian Pipeline Limited (ACN 091 344 704) (in its capacity as trustee and responsible entity of APT and APTIT)
APT	Australian Pipeline Trust (ARSN 091 678 778)
APTIT	APT Investment Trust (ARSN 115 585 441)
APTPL	APT Pipelines Limited (ACN 009 666 700), a wholly owned subsidiary of APL
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange
Corporations Act	Corporations Act 2001 (Cth)
Entitlement Offer	the pro-rata accelerated institutional tradeable retail renounceable entitlement offer of New Securities to eligible Securityholders, comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer
Institutional Entitlement Offer	the pro-rata entitlement offer of New Securities to eligible institutional Securityholders under the Entitlement Offer
New Security	a Security issued under the Entitlement Offer
PAITREO	pro-rata accelerated institutional tradeable retail renounceable entitlement offer
Retail Entitlement Offer	the pro-rata entitlement offer of New Securities to eligible retail Securityholders under the Entitlement Offer
Security	a fully paid ordinary APA stapled security, comprising an ordinary unit in each of APT and APTIT stapled together
Securityholder	the registered holder of a Security
Subordinated Notes	the subordinated notes issued by APTPL that may be redeemed by APTPL from 31 March 2018
TERP	Theoretical Ex-Rights Price