

APA Group UBS Australasia Conference 2019.



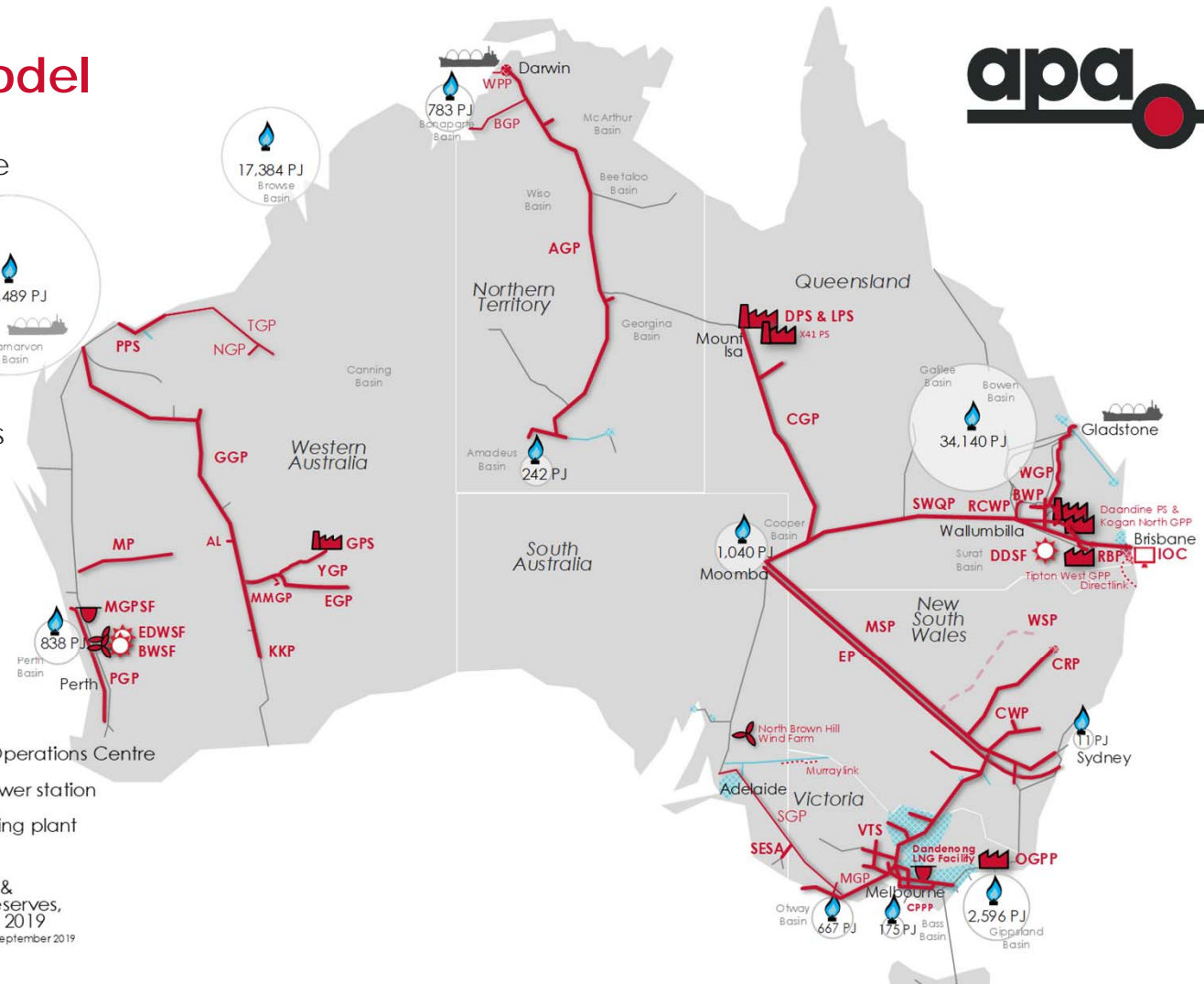
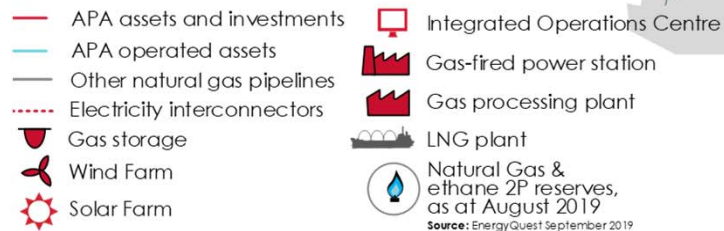
presented by: Rob Wheals, CEO and Managing Director

energy. connected.



low risk business model

- integrated energy infrastructure portfolio
- gas transmission & distribution, processing & storage, power generation – gas & renewables
- stable & predictable cash flows
- long term take or pay contracts
- ongoing organic growth



regulatory impact statement (RIS)

4 main areas of review



Information disclosure

- Greater information transparency
- APA is supportive, subject to:
 - customer confidentiality
 - ability to do bespoke deals
 - cost benefit

Review required post Part 23 implementation

For APA, it's all about the Customer

- Delivering services customers value
- APA's Customer Promise
- Energy Charter
- Effective stakeholder engagement

Continuation of past reviews

Negotiation & dispute resolution

- Streamlining of arbitration processes across forms of regulation
- Smaller shippers may choose AER/ERA as arbitrator
- APA effectively manages risk of arbitration, >200 contracts negotiated since Aug 2017, with no formal request for access or arbitration

Coverage

- AEMC East Coast Gas Review & ACCC Inquiry 2015/16
- Change current test to a hybrid market power + National Gas Objective test
- APA supports measures to get more gas to market including open access for **all** pipelines

Forms of Regulation

- AEMC Scope of Economic Regulation Review 2017/18
- Replacement of light regulation with Part 23 information disclosure and arbitration regime with ring fencing and non-discrimination protections
- APA agrees that Part 23 has made light regulation largely redundant

customer focus & The Energy Charter

putting customers at the centre of our decision-making



APA's Customer Promise

- Customer Promise developed and launched
- Multi-year improvement program to:
 - Drive the right culture
 - Deliver improvement initiatives



Together, deliver energy for a better Australia

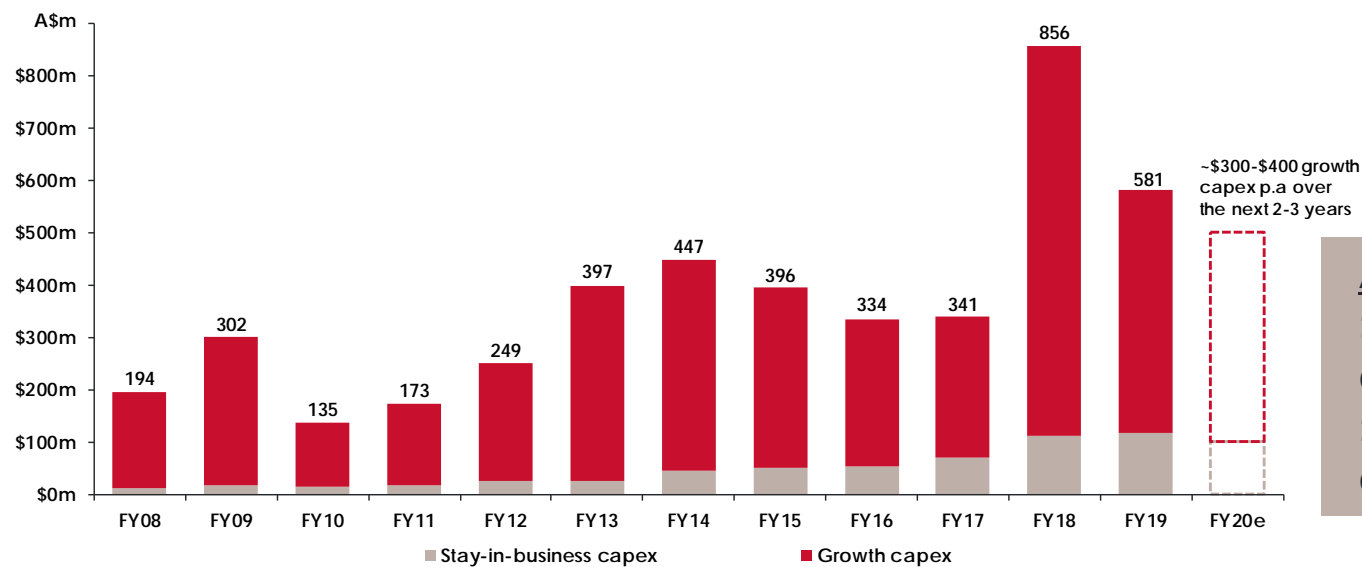


APA is committed to the 5 principles of the Energy Charter

- 19 signatories from across the energy supply chain
- Disclosure report against principles were published 30 Sept 2019
- Independent Accountability Panel will publish finding & recommendations by 30 Nov 2019



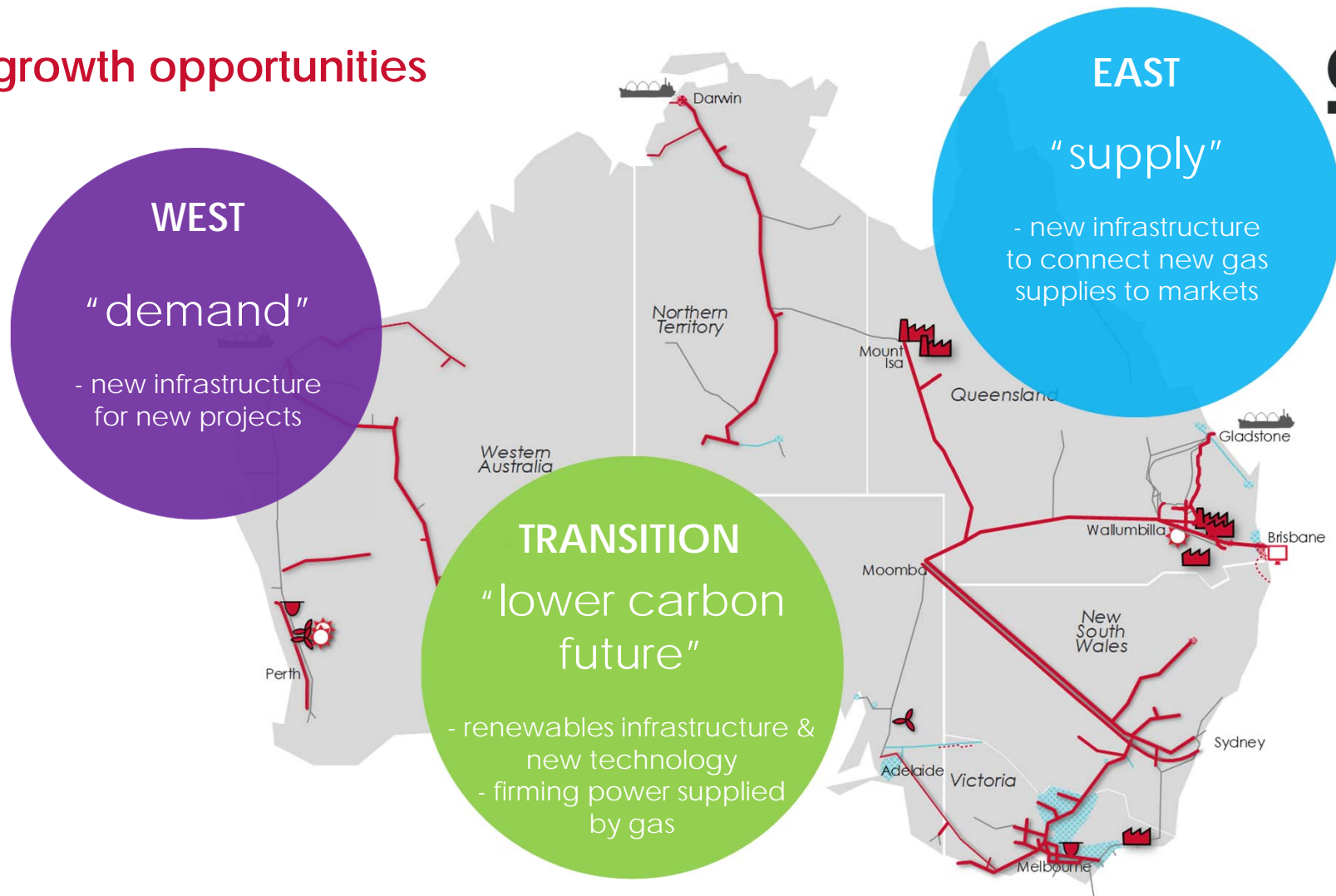
Australian growth story remains attractive



APA growth capex:
>\$400 m pa average
over the last 5 years
>\$300 m pa average
over the last 10 years

- Opportunities across pipelines, mid stream & power generation
- Timing subject to market demand & market dynamics
- APA continue working closely with customers

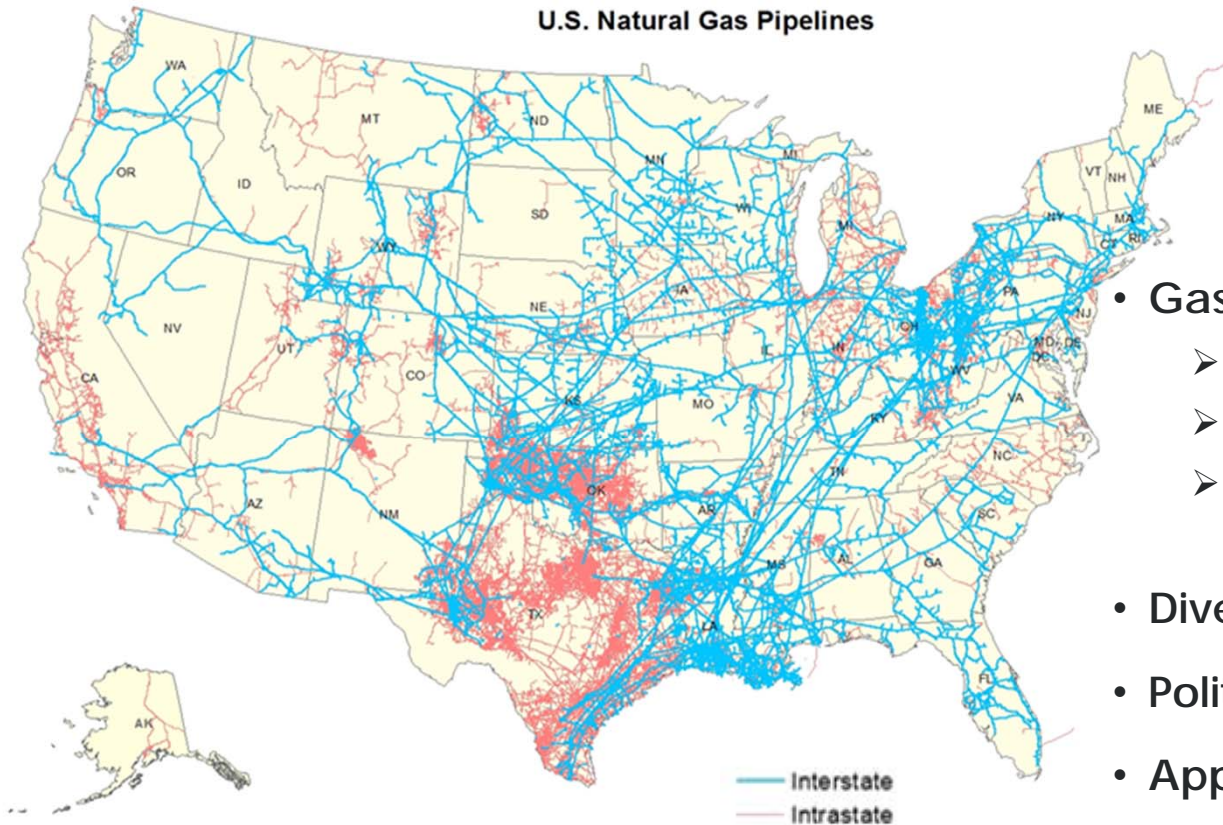
growth opportunities



North America



U.S. Natural Gas Pipelines



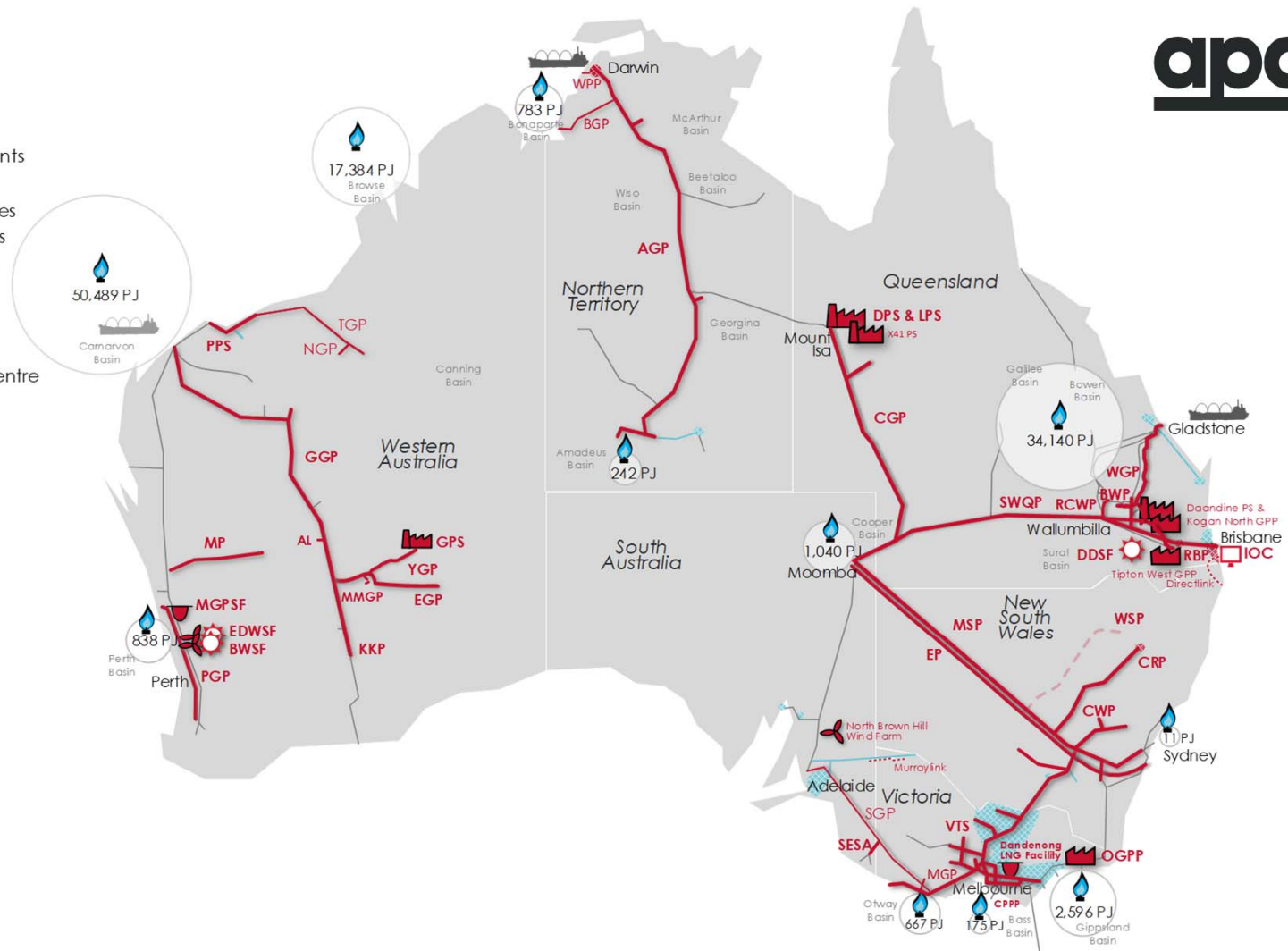
Source: American Energy Mapping (AEM) 2013

- **Gas industry dynamics**
 - Significant reserves, >30 years
 - Conservative pricing
 - Increasing domestic & export demand
- **Diversity of opportunities**
- **Political stability**
- **Appropriate risk/return environment**
- **Supportive regulatory environment**

questions



- APA assets and investments
 - APA operated assets
 - Other natural gas pipelines
 - Electricity interconnectors
 - 🛢️ Gas storage
 - 🌬️ Wind Farm
 - ☀️ Solar Farm
 - 🖥️ Integrated Operations Centre
 - 🏭 Gas-fired power station
 - 🏭 Gas processing plant
 - 🚢 LNG plant
 - 🔥 Natural Gas & ethane 2P reserves, as at August 2019
- Source: EnergyQuest September 2019



disclaimer



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