



5 May 2021

ASX ANNOUNCEMENT

**APA Group (ASX: APA)**

## **APA COMMENCES 25% EXPANSION OF EAST COAST GRID, ENTERS INTO AGREEMENT WITH ORIGIN ENERGY**

Leading Australian energy infrastructure business, APA Group (ASX: APA), today announced it had reached a Final Investment Decision (FID) to commence expansion of transportation capacity on its East Coast Grid, linking Queensland with southern markets, by approximately 25%. APA also announced a significant new East Coast Grid gas transportation agreement (GTA) with Origin Energy Limited (Origin ASX: ORG).

### **New East Coast Grid GTA**

APA's new three-year GTA with Origin Energy will commence on 1 January 2023 and will support Origin's energy needs in the southern markets, including winter peak demand and ahead of projected potential 2023 supply risks. Under this agreement Origin could meet over half of NSW's winter demand.

Total incremental revenue over the initial three-year GTA is around \$190 million, with the option of a further two-year extension. APA will deliver a portfolio of flexible services on the East Coast Grid, including on the Moomba Sydney Pipeline (MSP) and the South West Queensland Pipeline (SWQP).

### **East Coast Grid pipeline network expansion**

APA has reached FID on the East Coast Grid expansion project due to strong customer demand for transportation capacity, taken together with existing contracted positions and available capacity, and set in the dynamic market context of forecast winter gas supply risks from 2023.

The expansion will be delivered in two stages and at a capital investment of around \$270 million. It will increase winter peak capacity of the East Coast Grid by 25% through additional compression and associated works on both the SWQP and MSP. The SWQP and the MSP are the key pathways for delivery of gas from Queensland and the Northern Territory, to southern markets.

The first stage of expansion works will increase Wallumbilla to Wilton capacity by 12% and is targeted for commissioning in the first quarter of CY2023 ahead of forecast southern state winter supply risks identified in the 2021 AEMO Gas Statement Of Opportunities.

Stage 2 of the expansion works, which will add a further 13% of capacity, will be staged to meet customer demand and is currently targeted for commissioning towards the end of CY2023.

Engineering and design works continue on a potential third stage expansion of the East coast Grid to add a further 25% transportation capacity.

APA's CEO and Managing Director, Rob Wheals, said the FID reflects the changing dynamics of east coast gas supply, current contracted positions, ongoing customer discussions and the key role that Queensland gas production and the East Coast Grid will play in delivering energy security.

Expansion of the East Coast Grid has been confirmed through APA's FEED studies and provides the most efficient, timely and cost-effective means to meet gas demand in eastern Australia.

Mr Wheals said, "Through the investments we're making today in the staged 25% expansion of the East Coast Grid, APA is playing a critical role in delivering additional energy security for southern gas markets ahead of forecast supply risks.

"Today's announcements reinforce the competitiveness of APA's East Coast Grid and the critical role it plays in delivering for our customers and for the economy through cost effective, safe and reliable transportation of Australian domestic gas from northern gas producers to southern markets.

"In the dynamic energy market, our priority remains to ensure we deliver our customers services that they value. We are therefore delighted that Origin has chosen APA to transport competitive northern gas solutions to southern gas markets to meet its gas supply needs.

"This agreement is the result of us working closely with Origin for some time now to ensure we meet their needs as a valued customer, so they can in turn deliver to their customers.

"As always, we will continue to work with our customers to support their gas transportation requirements, consistent with APA's purpose to strengthen communities through responsible energy."



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## **About APA Group (APA)**

APA is a leading Australian energy infrastructure business. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks. APA is one of Australia's largest owners and operators of renewable power generation assets, with wind and solar projects across Western Australia, South Australia and Queensland. APA recently announced its first hybrid energy microgrid project at the Gruyere Gold Mine in Western Australia, combining solar energy with battery energy storage.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, [apa.com.au](http://apa.com.au)