

1 November 2023

ASX ANNOUNCEMENT

APA Group (ASX: APA)
also for release to APA Infrastructure Limited (ASX: AP2)

APA COMPLETES ALINTA ENERGY PILBARA ACQUISITION

Leading Australian energy infrastructure business, APA Group (ASX:APA), has today completed its acquisition of 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (**Alinta Energy Pilbara**).

The acquisition of Alinta Energy Pilbara is expected to be free cash flow per security accretive in its first full financial year of ownership¹ and value accretive.² Alinta Energy Pilbara has existing long term Power Purchase Agreements with a number of Australia's most significant resources companies and an attractive pipeline of projects to bring new renewable energy solutions to market, aligned to APA's Climate Transition Plan.

The acquisition is consistent with APA's strategy to be the partner of choice in delivering infrastructure solutions for the energy transition. The resources industry has been identified as a key target customer group, given the significant forecast demand for low emissions infrastructure as companies decarbonise their energy systems.

CEO and Managing Director Adam Watson said the acquisition provides APA with a significant growth platform in remote generation regions, complementing the company's existing capabilities and experience in key resources areas.

"This acquisition leverages our existing skills in operating large-scale renewables, gas, battery storage and electricity transmission infrastructure. It complements APA's already strong development and operational capability in key resources areas such as Mount Isa, where we are executing our customer-led strategy with the recent completion of the largest remote-grid solar farm in Australia," Mr Watson said.

"We believe this acquisition gives us the scale and capability to be the leading provider of bundled energy infrastructure solutions for the remote regions of Australia, providing the opportunity to support the increasing need for reliable, affordable and low emissions energy as our customers continue to decarbonise.

"We estimate the total market opportunity and investment in electricity generation infrastructure required to decarbonise the Pilbara to be about \$15 billion. As Australia's leading listed energy infrastructure business, with deep industry experience and a strong track record of community engagement, we are well positioned to work with our customers in the region to support them on their decarbonisation journeys.

"The Alinta Pilbara acquisition alone comes with an existing pipeline of more than \$3 billion of renewables focused growth opportunities in one of the world's leading mining geographies – this pipeline already has momentum with strategic sites and approvals secured for key growth projects, which include projects currently under construction."

-ENDS-

¹ Expected to be free cash flow accretive per security (inclusive of new securities issued under the Placement and SPP) to APA's forecast free cash flow per security in the first full year of APA's ownership being FY25. Free cash flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Future free cash flow accretion could be influenced by a range of factors including timing of growth projects, SIB capex and the underlying operating performance of the business.

² The acquisition is expected to deliver a projected internal rate of return greater than APA's corporate weighted average cost of capital. The acquisition and the potential rate of return from it, are subject to the 'Key Risks' set out on and from slide 42 of the Investor Presentation from 23 August 2023.

Authorised for release by Amanda Cheney

Company Secretary

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$22 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland through our investments in electricity transmission assets. We also own and operate renewable power generation assets in Australia, with wind and solar projects across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.