



6 November 2023

ASX ANNOUNCEMENT

APA Group (ASX: APA)

APA Infrastructure Limited (ASX: AP2)

THIS ANNOUNCEMENT IS NOT AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION

LODGEMENT OF OFFERING CIRCULAR FOR HYBRID CAPITAL SECURITIES

APA Group (ASX: APA) refers to its announcement on 3 November 2023 regarding the €500 million hybrid subordinated capital securities (**Subordinated Notes**).

A copy of the Offering Circular to be lodged with Singapore Exchange Securities Trading Limited in connection with the proposed listing of the Subordinated Notes is attached.

END

Authorised for release by Amanda Cheney

Company Secretary

APA Group Limited

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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, \$25 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.

Disclaimer

The securities referred to in this announcement have not been and will not be registered under the Securities Act of 1933 of the United States of America (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, or any other jurisdiction. The securities referred to herein are being offered and sold only outside the United States to persons who are not US Persons (as defined in Regulation S under the Securities Act) pursuant to and in accordance with Regulation S under the Securities Act. There will be no public offer of the securities in the United States or any other jurisdiction. The Subordinated Notes will not be offered in Australia except to persons who are not "retail clients" as defined in Chapter 7 of the

Corporations Act and in respect of whom offers of securities and financial products may be made without disclosure under Parts 6D.2 or 7.9 of the Corporations Act.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the “**Offering Circular**”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SUBORDINATED NOTES DESCRIBED IN THE OFFERING CIRCULAR (THE “**SUBORDINATED NOTES**”) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Subordinated Notes, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to APA Infrastructure Limited (the “**Issuer**”), APA Group Limited in its capacity as trustee and responsible entity of APA Infrastructure Trust and as trustee and responsible entity of APA Investment Trust, for so long as the units in APA Investment Trust are stapled to the units in APA Infrastructure Trust (the “**Guarantor**”), J.P. Morgan Securities plc (the “**Structuring Agent to the Issuer**”) and BNP Paribas and Merrill Lynch International (together with the Structuring Agent to the Issuer, the “**Joint Lead Managers**”), and Australia and New Zealand Banking Group Limited (ABN 11 005 357 522), Mizuho International plc and Westpac Banking Corporation (ABN 33 007 457 141) (each, a “**Co-Manager**” and together with the Joint Lead Managers, the “**Managers**”) that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of the Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Manager or any of its affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of the Issuer and the Guarantor (as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Managers or any person who controls either of them or any director, officer, employee or agent of either of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Issuer or the Managers.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



APA INFRASTRUCTURE LIMITED (ABN 89 009 666 700)

(incorporated with limited liability in Australia)

€500,000,000 7.125 per cent. Subordinated Notes due 2083

guaranteed on a subordinated basis by

APA GROUP LIMITED (ABN 99 091 344 704)

(incorporated with limited liability in Australia)

in its capacity as trustee and responsible entity of

APA INFRASTRUCTURE TRUST (ARSN 091 678 778)

and as trustee and responsible entity of

APA INVESTMENT TRUST (ARSN 115 585 441)

for so long as the units in APA Investment Trust are stapled to the units in APA Infrastructure Trust

Issue Price: 99.516 per cent.

The €500,000,000 7.125 per cent. subordinated notes due 2083 (the “**Subordinated Notes**”) are issued by APA Infrastructure Limited (the “**Issuer**”) and guaranteed on a subordinated basis by APA Group Limited (ABN 99 091 344 704) in its capacity as trustee and responsible entity of the APA Infrastructure Trust (ARSN 091 678 778) and, for so long as the units in the APA Investment Trust are stapled to the units in the APA Infrastructure Trust, as trustee and responsible entity of the APA Investment Trust (ARSN 115 585 441) (the “**Guarantor**”), subject to the terms of the Trust Deed.

The Subordinated Notes entitle the holders thereof (the “**Noteholders**”) to receive cumulative interest in accordance with the Conditions. Interest on the Subordinated Notes will accrue (i) from (and including) 9 November 2023 (the “**Issue Date**”) to (but excluding) 9 February 2029 (the “**First Reset Date**”) at 7.125 per cent. per annum, (ii) from (and including) the First Reset Date to (but excluding) 9 February 2034 (the “**First Step-Up Date**”) at the relevant Reset Interest Rate (as defined in the Conditions), (iii) from (and including) the First Step-Up Date to (but excluding) 9 February 2049 (the “**Second Step-Up Date**”) at the relevant Reset Interest Rate plus 0.25 per cent. per annum and (iv) from (and including) the Second Step-Up Date to (but excluding) 9 November 2083 (the “**Maturity Date**”) at the relevant Reset Interest Rate plus 1.00 per cent. per annum. Interest will be payable (subject to deferral as described herein) annually in arrear on 9 February of each year, except that (i) the first payment of interest will be made on 9 February 2024 and will be in respect of the period from (and including) the Issue Date to (but excluding) 9 February 2024 and (ii) the last payment of interest will be made on the Maturity Date and will be in respect of the period from (and including) 9 February 2083 to (but excluding) the Maturity Date and subject always to any increase in accordance with the Conditions. See Condition 5 (*Interest*) of “*Terms and Conditions of the Subordinated Notes*” for details.

Unless redeemed earlier in accordance with the Conditions, the Subordinated Notes will be redeemed on the Maturity Date. Subject to applicable laws, the Issuer may redeem the Subordinated Notes (in whole but not in part) on the First Reset Date or on any Interest Payment Date following thereafter, as described in Condition 7 (*Redemption and Purchase*). In addition, the Issuer will have the right to redeem the Subordinated Notes (in whole but not in part) upon the occurrence of a Change of Control Event, a Gross-Up Event, a Tax Event, an Equity Credit Rating Event (each as defined in the Conditions) or if the Issuer, the Guarantor and/or any Subsidiary (as defined in the Conditions) of the Issuer or the Guarantor has, individually or in aggregate, purchased (and not resold) Subordinated Notes equal to or in excess of 75 per cent. of the aggregate principal amount of the Subordinated Notes as described in Condition 7 (*Redemption and Purchase*).

An investment in the Subordinated Notes involves certain risks. For a discussion of these risks see “*Risk Factors*”.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Subordinated Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Subordinated Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the APA Group (as defined herein), their respective subsidiaries, their respective associated companies or the Subordinated Notes.

The Subordinated Notes will be issued in registered form and will be represented upon issue by a single Global Certificate. The Global Certificate will be deposited on or about 9 November 2023 (the “**Issue Date**”) with and registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”).

The Subordinated Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “**Securities Act**”). Subject to certain exceptions, the Subordinated Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). See “*Subscription and Sale*”).

The Subordinated Notes are expected on issue to be rated ‘Ba1’ by Moody’s Investors Services, Inc. (or any of its subsidiaries or any successor in business thereto from time to time, “**Moody’s**”) and ‘BB+’ by S&P Global Ratings, a business division of S&P Global Inc. (or any of its subsidiaries or any successor in business thereto from time to time, “**S&P**”). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Structuring Agent to the Issuer

J.P. MORGAN

Joint Lead Managers

BOFA SECURITIES

BNP PARIBAS

J.P. MORGAN

Co-Managers

ANZ

MIZUHO

WESTPAC BANKING CORPORATION

The date of this Offering Circular is 3 November 2023.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantor, and the terms of the Subordinated Notes being offered, including the merits and risks involved. To the best of the knowledge of the Issuer and the Guarantor as at the date of this Offering Circular having made all reasonable enquiries, the information contained, or incorporated by reference, in this Offering Circular is in accordance with the facts and there are no other facts the omission of which would make this Offering Circular or any of such information misleading. The Issuer and the Guarantor accept responsibility accordingly.

None of J.P. Morgan Securities plc (the “**Structuring Agent to the Issuer**”), BNP Paribas and Merrill Lynch International (together with the Structuring Agent to the Issuer, the “**Joint Lead Managers**”), Australia and New Zealand Banking Group Limited (ABN 11 005 357 522), Mizuho International plc and Westpac Banking Corporation (ABN 33 007 457 141) (each, a “**Co-Manager**” and together with the Joint Lead Managers, the “**Managers**”), the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent (each as defined below) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent and no responsibility or liability is accepted by the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent as to the accuracy or completeness of the information contained, or incorporated by reference, in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Subordinated Notes. Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements, have not authorised or caused the issue of, and take no responsibility for, this Offering Circular and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

In this Offering Circular, the Issuer and the Guarantor rely on and refer to information and statistics regarding the industries in which the APA Group operates that have been obtained from independent industry publications or other publicly available information. In particular, the Issuer and the Guarantor have referenced information published by certain Australian government sources, including AER, DEE, AEMO (each as defined below) and certain private sources, including EnergyQuest. Although the Issuer and the Guarantor believe that these sources are reliable, neither they nor the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent have independently verified such information and neither the Issuer and the Guarantor nor the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent make any representation as to the accuracy and completeness of this information.

This Offering Circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain documents referred to herein will be made available to prospective investors upon request to the Issuer or the Guarantor.

The information set out in those sections of the Offering Circular describing clearing and settlement is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream currently in effect. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. None of the Issuer or the Guarantor will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

No person is or has been authorised by the Issuer, the Guarantor, any of the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied by the Issuer or the Guarantor or the Subordinated Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent.

Neither this Offering Circular nor any other information supplied in connection with the Subordinated Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent that any recipient of this Offering Circular or any other information supplied in connection with the Subordinated Notes should purchase any Subordinated Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Subordinated Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Subordinated Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, any of the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent to any person to subscribe for or to purchase any Subordinated Notes.

Neither the delivery of this Offering Circular (or any part thereof) nor the offering, sale or delivery of any Subordinated Notes shall in any circumstances constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer and/or the Guarantor or that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Subordinated Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers, the Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Subordinated Notes of any information coming to their attention.

The offer and marketing (as such term is defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the “AIFMD”)) of the Subordinated Notes will be conducted in the European Economic Area (the “EEA”) only if the relevant jurisdiction is Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, or Sweden (each, an “Approved Jurisdiction”). If a potential investor is not in an Approved Jurisdiction or otherwise is a person to whom the Subordinated Notes cannot be marketed in accordance with the AIFMD, as implemented and interpreted in accordance with the laws of each EEA Member State, as applicable, it should not participate in the offering and the Subordinated Notes may not, and will not, be offered or marketed to it.

PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET: Solely for the purposes of the Joint Lead Managers’ product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Subordinated Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET: Solely for the purposes of the Joint Lead Managers’ product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Subordinated Notes (a “**UK distributor**”) should take into consideration the manufacturers’ target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Subordinated Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Subordinated Notes and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, the Subordinated Notes may not be offered, sold or delivered within the

United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Subordinated Notes and the Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained, or incorporated by reference, in this Offering Circular. Any representation to the contrary is unlawful.

This Offering Circular has not been, and will not be, and no prospectus or other disclosure document in relation to the Subordinated Notes or the Guarantee has been or will be, lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia and this Offering Circular is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 (Cth) of Australia (the “**Corporations Act**”). It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any “retail client” as defined in section 761G of the Corporations Act. This Offering Circular is not, and under no circumstances is to be construed as, an advertisement or public offering of any Subordinated Notes in Australia. None of the Issuer or the Guarantor are licensed to provide financial product advice in respect of the Subordinated Notes or the Guarantee. Cooling-off rights do not apply to the acquisition of the Subordinated Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any of the Subordinated Notes in any jurisdiction to any person who is an associate of the Issuer within the meaning of subsection 128F(9) of the Income Tax Assessment Act 1936 of the Commonwealth of Australia and is: (a) a resident of Australia that would acquire the Subordinated Note through a permanent establishment outside Australia, or a non-resident that would not acquire the Subordinated Note through a permanent establishment in Australia; and (b) is not acting in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Subordinated Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme for the purposes of the Corporations Act.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Subordinated Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Subordinated Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Managers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Subordinated Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor, the Managers or the Trustee which is intended to permit a public offering of any Subordinated Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Subordinated Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Subordinated Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Subordinated Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Subordinated Notes in, among others, the United States, the United Kingdom, the EEA, the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), Japan, Singapore and Australia, see “*Subscription and Sale*”. Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part hereof in any manner whatsoever.

The Managers, the Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent have received, or will or may receive, fees from the Issuer in connection with the issue of Subordinated Notes and may hold interests in the Subordinated Notes for their own account.

All references in this document to “**euro**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, all references to “**U.S. dollars**” and “**U.S.\$**” refer to the lawful currency of the United States of America, and all references in this document to “**Australian dollars**” and “**A\$**” refer to the lawful currency of the Commonwealth of Australia.

FORWARD-LOOKING STATEMENTS

Please refer to the section entitled “*Glossary*” for definitions of capitalised terms used but not otherwise defined in this Offering Circular.

This Offering Circular contains forward-looking statements including, without limitation, words and expressions such as “**expect**”, “**believe**”, “**plan**”, “**intend**”, “**estimate**”, “**project**”, “**anticipate**”, “**may**”, “**will**”, “**would**”, “**could**” or similar words or statements, in particular, in the sections entitled “*Description of the Issuer*” and “*Description of APA*” in this Offering Circular in relation to future events, the Issuer, the Guarantor, each of their Subsidiaries for the time being, the APA Group’s prospects, its expected financial condition, its business strategies, the future developments of the APA Group’s operations and industry and the future development of the general domestic, regional and global economy.

These statements are based on assumptions regarding the APA Group’s present and future business strategy and the environment in which it expects to operate in the future. These matters and the APA Group’s future results could differ materially from those expressed or implied by these forward-looking statements and, although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters. In addition, the APA Group’s future performance may be affected by various factors and risks including, without limitation, those discussed in the sections entitled “*Risk Factors*”, “*Description of the Issuer*” and “*Description of APA*”.

Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Offering Circular, statements of, or references to, intentions of the Issuer or the Guarantor or those of any of the directors of any of them are made as at the date of this Offering Circular. Any such intentions may change in light of future developments.

Each of the Issuer, the Guarantor and the Managers expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s or the Guarantor’s or Subsidiary’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer, the Guarantor or any of their respective Subsidiaries or directors.

PRESENTATION OF CERTAIN FINANCIAL INFORMATION

Investors should be aware that certain financial data included in this Offering Circular is “non-IFRS financial information” under the Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 230: “Disclosing non-IFRS financial information” published by ASIC. Such measures include, but are not limited to, EBITDA. Non-IFRS financial information has not been subject to audit.

APA believes the non-IFRS financial information provides useful information to users in measuring the financial performance of APA. However, investors should note that the non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards (“AAS”), and International Financial Reporting Standards (“IFRS”). Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under AAS, or IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS, or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Offering Circular.

Investors should note that this Offering Circular contains pro-forma historical financial information. In particular, a pro-forma balance sheet has been prepared by APA based on APA’s audited condensed consolidated statement of financial position as at 30 June 2023 and Alinta Energy Pilbara’s unaudited consolidated statement of financial position as at 30 June 2023. The pro-forma and historical information provided in this Offering Circular is for illustrative purposes only and is not represented as being indicative of APA’s views on its future financial condition and/or performance. The pro-forma balance sheet has been prepared on the basis set out in the section entitled “*Description of APA — APA’s Owned and Managed Assets — Alinta Energy Pilbara*”. The pro-forma historical financial information included in this Offering Circular does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Further, neither the balance sheet of Alinta Energy Pilbara as at 30 June 2023 nor the resulting pro-forma historical balance sheet as at 30 June 2023 have been the subject of an audit or review by an independent auditor. The pro-forma historical balance sheet contained herein should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review by an independent auditor. Investors are cautioned not to place undue reliance on the pro-forma historical balance sheet.

APA undertook a due diligence process in respect of the acquisition of Alinta Energy Pilbara, which relied in part on the review of financial and other information provided by Alinta Energy Pilbara and its vendor as part of that process. Despite making reasonable efforts, APA has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it, and no representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness, reliability or adequacy of that information. If any such information provided to and relied upon by APA in its due diligence and its preparation of this Offering Circular proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Alinta Energy Pilbara (and the financial position of APA following the acquisition) may be materially different to the expectations reflected in this Offering Circular. Prospective investors should also note that there is no assurance that the due diligence conducted was conclusive, or that all material issues and risks in respect of the acquisition have been identified or managed appropriately. Therefore, there is a risk that issues may arise which also have a material impact on APA (for example, APA may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for APA in the acquisition agreement between APA and the vendor of Alinta Energy Pilbara). This could also affect the operations, financial performance and/or financial position of APA.

DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated annual financial statements of the APA Group for the financial years ended 30 June 2023 and 30 June 2022 (together with the audit reports prepared in connection therewith) shall be deemed to be incorporated in, and to form part of, this Offering Circular. Copies of such audited consolidated annual financial statements of the APA Group may be obtained without charge from the website of the ASX (<https://www2.asx.com.au>).

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered in compliance with the terms hereof, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above.

The websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer and the Guarantor may be obtained. Information appearing in such websites does not form part of this Offering Circular or any relevant Final Terms and none of the Issuer, the Guarantor, the Managers, the Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent accepts any responsibility whatsoever that any such information is accurate and/or up-to-date. Any such information should not form the basis of any investment decision by an investor to purchase or deal in the Subordinated Notes.

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OVERVIEW OF THE OFFERING

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular. The following overview must be read as an introduction to this Offering Circular and any decision to invest in the Subordinated Notes should be based on a consideration of this Offering Circular as a whole. Words and expressions defined in the Conditions shall have the same meanings in this section.

Issuer:	APA Infrastructure Limited (ABN 89 009 666 700).
Guarantor:	APA Group Limited (ABN 99 091 344 704) in its capacity as trustee and responsible entity of APA Infrastructure Trust (ARSN 091 678 778) and as trustee and responsible entity of APA Investment Trust (ARSN 115 585 441), for so long as the units in APA Investment Trust are stapled to the units in APA Infrastructure Trust.
Structuring Agent to the Issuer:	J.P. Morgan Securities plc
Joint Lead Managers:	BNP Paribas J.P. Morgan Securities plc Merrill Lynch International
Co-Managers	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) Mizuho International plc Westpac Banking Corporation (ABN 33 007 457 141)
Issue Date:	9 November 2023.
First Reset Date:	9 February 2029.
First Step-Up Date:	9 February 2034.
Second Step-Up Date:	9 February 2049.
Maturity Date:	9 November 2083.
Denomination:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Subordinated Notes in definitive form will be issued with a denomination above €199,000.
Form of Subordinated Notes:	The Subordinated Notes will be issued in registered form and will initially be represented by a single Global Certificate which will be deposited with and registered in the name of a nominee for a common depository for Euroclear and Clearstream.
Status and Ranking:	The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will at all times rank <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with any Parity Obligations of the Issuer. The rights and claims of the Trustee and the Noteholders against the Issuer are subordinated as described in Condition 3.2 (<i>Subordination of the Subordinated Notes</i>).
Guarantee:	The payment of principal and interest in respect of the Subordinated Notes (including any Deferred Interest Payments)

and all other moneys payable by the Issuer under or pursuant to the Subordinated Notes and/or the Trust Deed will be unconditionally and irrevocably guaranteed by the Guarantor in and on the terms set out in the Trust Deed.

The obligations of the Guarantor under the Guarantee will be direct, unconditional, unsecured and subordinated obligations of the Guarantor and will at all times rank *pari passu* with any Parity Obligations of the Guarantor. The rights and claims of the Trustee and the Noteholders in respect of the Guarantee will be subordinated as described in Condition 4.3 (*Subordination of the Guarantee*), subject to the limitation on enforcement set out in Condition 4.6 (*Capacity of the Guarantor*). The obligations of the Guarantor under the Guarantee are incurred solely in its capacity as trustee and responsible entity for the Relevant Trusts.

Interest:

Each Subordinated Note shall entitle the holder to receive cumulative interest. Interest on the Subordinated Notes will accrue:

- (a) from (and including) the Issue Date to (but excluding) the First Reset Date at a rate of 7.125 per cent. per annum;
- (b) from (and including) the First Reset Date to (but excluding) the First Step-Up Date at the relevant Reset Interest Rate;
- (c) from (and including) the First Step-Up Date to (but excluding) the Second Step-Up Date at the relevant Reset Interest Rate plus 0.25 per cent. per annum; and
- (d) from (and including) the Second Step-Up Date to (but excluding) the Maturity Date at the relevant Reset Interest Rate plus 1.00 per cent. per annum,

(each an “**Interest Rate**”) in each case on the principal amount of the Subordinated Notes, which interest will be payable annually in arrear on 9 February of each year, except that (i) the first payment of interest will be made on 9 February 2024 and will be in respect of the period from (and including) the Issue Date to (but excluding) 9 February 2024 and (ii) the last payment of interest will be made on the Maturity Date and will be in respect of the period from (and including) 9 February 2083 to (but excluding) the Maturity Date and subject always to any increase pursuant to Condition 5.7 (*Increase in Interest Rate*).

The Interest Amount payable per Calculation Amount on each Interest Payment Date falling on or before the First Reset Date is €71.25, except that the Interest Amount payable per Calculation Amount on the First Interest Payment Date in respect of the First Interest Period is €17.95890411, subject in each case to the provisions of Condition 5.4 (*Optional Deferral of Interest Payments*).

Optional Deferral of Interest Payments:

The Issuer may determine in its sole discretion (no later than 10 Business Days prior to the relevant Interest Payment Date) not

to pay all or part of the Interest Amount falling due on that Interest Payment Date. If the Issuer determines not to pay all or part of the Interest Amount falling due on an Interest Payment Date, such interest (or part thereof, as the case may be) will not be due and payable, or be paid, until the relevant Payment Reference Date and for so long as the same remains unpaid will constitute a “**Deferred Interest Payment**”.

Additional interest will accrue on each Deferred Interest Payment as set out in Condition 5.4 (*Optional deferral of interest payments*).

Each Deferred Interest Payment will become due and payable, and the Issuer must pay such Deferred Interest Payment, on the earliest to occur of (such date, the “**Payment Reference Date**”):

- (a) the next Interest Payment Date on which all or part of an Interest Amount is paid on the Subordinated Notes;
- (b) the date on which any Discretionary Distribution is declared or paid on, or any discretionary redemption, purchase by the issuing entity or buy-back is made of, any Ordinary Equity Security or Parity Obligation of the Issuer or the Guarantor (other than in respect of employee incentive or share plans of members of the APA Group);
- (c) the Maturity Date;
- (d) the date on which all of the Subordinated Notes are otherwise redeemed; and
- (e) the date on which an Event of Default occurs under paragraph (b) or (c) of the definition of that term.

Distribution and Capital Stopper:

If some or all of an Interest Amount is deferred and has not been paid in full within 20 Business Days, neither the Issuer nor the Guarantor will:

- (a) declare or pay any Discretionary Distribution, or procure that any Discretionary Distribution is made, on any of its Ordinary Equity Securities or Parity Obligations other than:
 - (i) payments made on Parity Obligations *pro rata* with payments made on the Subordinated Notes or Guaranteed Amounts); or (ii) a Discretionary Distribution declared or announced by the Issuer or the Guarantor between 10 Business Days before, to and including the 20 Business Days following, an Interest Payment Date in respect of the then outstanding Deferred Interest Payment (and additional interest thereon) under the Subordinated Notes; or
- (b) redeem, cancel, purchase or buy-back (or procure the redemption, cancellation, purchase or buy-back of), on a discretionary basis, any of its Ordinary Equity Securities or Parity Obligations,

(other than in respect of employee incentive or share plans of members of the APA Group) in each case, until the date on which all Deferred Interest Payments have been paid in full.

Change of Control Event; Increase in Interest Rate:

The Issuer has the right to redeem the Subordinated Notes upon the occurrence of a Change of Control Event as described below. Following the first occurrence of a Change of Control Event, unless an irrevocable notice is given of the redemption of the Subordinated Notes on or before the 15th Business Day following the first of such occurrence, 5.00 per cent. per annum shall be added once to the Interest Rate with effect from (and including) the 15th Business Day following the date on which that Change of Control Event occurs.

Early Redemption:

Subject to applicable laws, the Issuer may redeem the Subordinated Notes (in whole but not in part) on any day in the period starting on (and including) the 90th calendar day prior to the First Reset Date and ending on (and including) the First Reset Date or on any Interest Payment Date thereafter at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments.

Early Redemption on a Change of Control Event or Gross-Up Event:

If a Change of Control Event or a Gross-Up Event occurs, the Issuer may, subject to applicable laws, redeem the Subordinated Notes (in whole but not in part) at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments.

Early Redemption on a Tax Event or an Equity Credit Rating Event:

If a Tax Event or an Equity Credit Rating Event occurs, the Issuer may, subject to applicable laws, redeem the Subordinated Notes (in whole but not in part) at any time at:

- (a) where such redemption occurs prior to (but excluding) the First Reset Date, 101 per cent. of the principal amount; or
- (b) where such redemption occurs after, or on, the First Reset Date, the principal amount,

plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments.

Early Redemption due to Substantial Repurchase of Subordinated Notes:

In the event that the Issuer, the Guarantor and/or any Subsidiary of the Issuer or the Guarantor has, individually or in aggregate, purchased (and not resold) Subordinated Notes equal to or in excess of 75 per cent. of the aggregate principal amount of the Subordinated Notes issued on the Issue Date, the Issuer may redeem the remaining Subordinated Notes (in whole but not in part) at any time at their principal amount plus any interest accrued up to (but excluding) the Redemption Date and any outstanding Deferred Interest Payments.

Events of Default:	Details of, and remedies for, Events of Default in relation to the Subordinated Notes are set out in Condition 10 (<i>Events of Default</i>).
Taxation:	All payments in respect of the Subordinated Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8 (<i>Taxation</i>), except as required by law where such withholding or deduction is required in respect of taxes. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 8 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted.
Listing:	<p>Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Subordinated Notes on the Official List of the SGX-ST.</p> <p>The Subordinated Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Subordinated Notes are listed on the SGX-ST and the rules of the SGX-ST so require.</p>
Governing law:	The Subordinated Notes and the Trust Deed (including the Guarantee), and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law, save for the provisions regarding subordination and set-off which will be governed by, and construed in accordance with, the laws of New South Wales, Australia.
Trustee	The Bank of New York Mellon, London Branch
Principal Paying Agent	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch
Calculation Agent	The Bank of New York Mellon, London Branch
Ratings:	The Subordinated Notes are expected to be rated ‘BB+’ by S&P and ‘Ba1’ by Moody’s. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Selling Restrictions	There are restrictions on the distribution of this Offering Circular and the offer or sale of Subordinated Notes in, among others, the United States, the United Kingdom, the EEA, Hong Kong, Japan, Singapore and Australia, see “ <i>Subscription and Sale</i> ”.
Legal Entity Identifier of the Issuer:	261700SS80EHD0COUJ33
ISIN:	XS2711801287
Common Code:	271180128

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect their ability to fulfil their obligations under the Subordinated Notes and the Guarantee which may in turn result in investors losing the value of their investment. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer and Guarantor believe to be material for the purpose of assessing the market risks associated with the Subordinated Notes and the Guarantee are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Subordinated Notes, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with the Subordinated Notes, or of the Guarantor to make payments under the Guarantee, may occur for other reasons which may not have been considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

APA Group (“APA”) is the registered business name of APA Group Limited, the responsible entity for APA Infrastructure Trust (“APA Infra”) and APA Investment Trust (“APA Invest”), the units of which trade on the ASX under the ticker symbol “APA” as a single “stapled” security. References to APA in this section are made in the context of the business in its entirety including the respective businesses of the Issuer, the Guarantor and their controlled entities.

Please refer to “Description of APA” and “Glossary” for definitions of capitalised terms used but not otherwise defined in this section.

Regulatory Risks

APA’s business includes regulated assets that are dependent on tariff levels set by the applicable regulator. At a regulatory reset, any downward revisions in the transportation tariffs that APA is entitled to charge may negatively affect APA’s revenue. At a regulatory reset, the regulator may not fully approve APA’s costs. To the extent that the regulator does not accept APA’s costs, then the profitability of APA’s assets may be adversely impacted.

A number of APA’s 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 AER, and the ERA. In FY2023 and FY2022, 7.8% and 8.2%, respectively, of APA’s Energy Infrastructure segment revenue (excluding pass-through revenue) was derived from regulated tariffs under regulatory determination (which does not include revenue from APA’s assets subject to an information disclosure and arbitration regime under the NGR, discussed below). APA is also in the process of seeking a conversion of Basslink into a regulated asset, which would then be subject to pricing regulation under the NER.

Regulatory determination periods generally run for five years and reflect the regulator’s determination, among other matters, of APA’s opening regulated asset base, demand forecasts and projected operating expenditure, capital expenditure, regulatory depreciation, regulatory tax payable and weighted average cost of capital. However, costs 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 or the incentive mechanisms 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, APA’s business, operations, 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. In respect of gas transmission assets, there is an additional risk associated with the forecast gas demand – if the demand is forecast to be higher than eventuates, there is some revenue risk.

The price regulation outcomes determined by the AER and the ERA under regulatory determinations for a fully regulated asset may adversely affect APA's revenue in respect of that asset. Note that in respect of gas transmission assets, this risk can be mitigated to the extent revenue is 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.

AER and ERA decisions may be challenged in court on judicial review grounds. If either the AER or the ERA makes an adverse determination with respect to the price regulation of one or more of APA's assets, APA's ability to successfully challenge such a determination would be limited, and its business, operations, financial position and/or performance could be adversely affected.

Further, APA's pipeline assets in WA that are not subject to full regulation are subject to an information disclosure and arbitration regime under Part 23 of the pre-amended NGR as it applies in WA in which prices negotiated between the customer and the pipeline operator are subject to commercial arbitration in the event of failure to reach a negotiated outcome. Any decisions regarding the regulatory framework for APA's assets or the information disclosure and arbitration regime under the NGR resulting from such arbitration may negatively affect its business, operations, financial position and/or performance.

Since March 2023, APA pipeline assets outside WA are subject to uniform access requirements under section 133 of the NGL and information disclosure and arbitration requirements under Parts 10 – 12 of the NGR, in which prices negotiated between the customer and the pipeline operator are subject to commercial arbitration in the event of failure to reach a negotiated outcome. Any decisions regarding APA's pipeline assets subject to these regulations resulting from such arbitration may negatively affect its business, operations, financial position and/or performance.

In addition to economic regulation, the natural gas industry in Australia is regulated from an operational and technical perspective. All pipeline, distribution, gas processing, storage and power generation assets owned and/or operated by APA require compliance with relevant federal, state and territory laws, regulations, licences and policies. Changes in any such laws, regulations, licences or policies may adversely affect APA's pricing, costs or compliance regimes. 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, including those contained in pipeline licences. Failure to properly comply with APA's regulatory obligations, including price regulation, may result in APA incurring losses, including losses arising from penalties, customer and third party damages claims, reputational damage (including injury to relationships with customers, third parties and regulators) and/or revocation of a pipeline license or other licences including APA's Australian Financial Services License.

Changes in the regulatory treatment of certain parts of APA's businesses could increase its costs and risks.

Under the NGL, any person (including customers seeking access to a pipeline) may make an application that an unregulated pipeline (i.e. "non-scheme pipeline") become a "scheme pipeline" and therefore subject to full economic regulation. The AER may also make a scheme pipeline determination on its own initiative. If the AER were to make a scheme pipeline determination, the relevant pipeline could become subject to economic regulation. The additional costs, pricing regulation and risks associated with such a change may adversely affect APA's business, operations, financial position and/or performance.

APA's pipeline operations depend upon the retention, renewal or grant of certain licences and permits.

In some instances, the operation of APA's assets is dependent on the granting and maintenance of appropriate licences, 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 business, operations, and financial position and/or performance.

Changes to the regulatory environment governing its activities could adversely affect APA.

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 give rise to pricing, cost, compliance and other pressures and may adversely affect APA's business, operations and financial position and/or performance.

The Energy and Climate Change Ministerial Council (the "ECMC") (formerly the Energy National Cabinet Reform Committee ("ENCRC"), prior to September 2022) develops government policy in relation to the Australian domestic gas and electricity market.

Regulatory reforms implemented through the ECMC / ENCRC include:

- introduction of new powers for the Australian Energy Market Operator (the "AEMO") to manage gas supply adequacy and reliability risks;
- changes to the gas pipeline regulatory framework, including new powers for the regulator to make "scheme pipeline" determinations; and
- changes to the national energy objectives (in the national energy laws) to include reference to emissions reduction targets.

Other reforms have been introduced in relation to the 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 adversely impact the quantity and pricing of APA's sales of pipeline services and, therefore, its business, operations, financial position and/or performance.

The Federal Government has recognised the critical role gas plays and has noted that it will be an important part of Australia's energy mix during the market transition period. A key challenge for APA in new gas sources being brought to market will be uncertainty related to the timing and cost of government approval processes for proponents, as a result of negative community and stakeholder sentiment.

The Australian Competition and Consumer Commission ("ACCC") has the primary responsibility for enforcement of Australia's federal competition and consumer protection laws, including in relation to anticompetitive mergers and acquisitions, anticompetitive conduct and the misuse of market power. Acquisitions that may substantially lessen competition are subject to review by the ACCC. In August 2021, the ACCC proposed significant reforms to Australia's merger control regime, including mandatory notification

thresholds and deeming acquisitions which would entrench the substantial market power of the acquirer as substantially lessening competition. In April 2023, the ACCC renewed its calls for merger law reform. The proposed reforms, if enacted, and any adverse review, actions or decisions by the ACCC under the current or future competition laws may prevent or limit APA's ability to pursue certain acquisitions. In August 2023, the Commonwealth Treasurer announced a Competition Review, to be conducted over a two-year period. The Competition Review will consider the merger reform proposals put forward by the ACCC.

In April 2017, the Australian Government directed the ACCC to conduct a wide-ranging inquiry into the supply of and demand for wholesale gas in the East Coast gas market in Australia, as well as to publish regular information on the supply and pricing of gas for the next three years. In July 2019, the Australian Government extended the inquiry until December 2025. In October 2022, the inquiry was further extended until 2030. The inquiry covers the full supply chain, including pipelines. 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 business, operations, financial position and/or performance.

In June 2022, legislative reforms were enacted to improve transparency in Eastern and Northern Australian Gas markets. Complying with relevant additional requirements introduced by these changes could increase APA's compliance costs and require it to disclose certain information it has not historically disclosed, which may have an adverse impact on APA's financial position and/or performance.

APA will continue to face a range of regulatory risks, which would include the risk that it is considered by the relevant regulators to have market power in certain markets. A company with substantial market power is prohibited from engaging in conduct that has the purpose, effect or likely effect of substantially lessening competition. In the event APA is considered to have substantial market power, by virtue of ownership of certain natural monopoly assets or otherwise, APA may face competition claims. If APA is found to have contravened Australia's competition laws, APA may be subject to fines and other penalties which may impact its financial performance and business.

Regulatory risks for APA associated specifically with decarbonisation.

APA is exposed to regulatory policy change and government interventions. These changes and interventions may be at Federal, state or territory level, and may vary. They could include those that are designed to support decarbonisation, limit the impacts of climate change, or manage the impact of Australia's transitioning energy system. Those policy changes and interventions may constrain gas supply (including through limiting or restricting new gas projects), impact the availability of competitively priced gas, increase compliance costs for APA and its customers and otherwise place additional operating restrictions or complexities on APA's businesses and the businesses of its customers.

There have been a number of legislative and regulatory initiatives proposed and implemented in recent years to meet Australia's Paris Agreement on Climate Change (the "**Paris Agreement**") aligned emissions reduction targets. These include changes to the Safeguard Mechanism, the Federal Government's emissions reduction regulatory framework, which requires regulated facilities to reduce emissions over time. If Australia's emissions reduction scheme is not successful in meeting its commitments, it could result in further national legislation, resulting in an increase in compliance costs and risks of negative public and stakeholder sentiment towards major companies. APA has developed a Climate Transition Plan, which is aligned with the Paris Agreement, and will continue to review its commitments over time.

Customer Related Risks

End user demand can fluctuate significantly and influence APA's performance.

The performance of APA's businesses is affected by the volume of gas transported through its pipeline networks. In addition to gas supply, APA's businesses are 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, wind, solar, coal and fuel oils) 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, the demand for gas transmission and storage services on APA's assets may decline.

The competitive position of gas and the actions of APA's customers cannot be predicted with certainty. If the demand for gas weakens, APA's financial position and/or performance may be adversely impacted.

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 such assets be removed from the relevant regulated asset base until such 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.

APA's long-term contracts may fail to compensate for its increased costs and may expose APA to substantial market risk during contract renegotiation.

A substantial portion of APA's gas transmission revenues are from long-term pipeline capacity contracts with customers. Under such long-term contracts, it is possible that costs incurred by APA to perform the contractual services could equal or exceed the revenues APA collects for its services. Such imbalance between those revenues and costs could significantly impair APA's business, operations, financial position and/or performance, especially if the imbalance was protracted over a period of months or years.

APA also faces substantial market risks at the time of expiration of APA's long-term contracts. Due to a variety of factors, such as the amount of competition in the gas pipeline market, the demand or lack thereof for gas and the market's bias for or against long term contracts, many of which are beyond APA's control, APA could be compelled to enter into long term contracts on less favourable terms than previously obtained. Alternatively, APA could be unable to enter into new long-term contracts entirely, thereby subjecting APA's businesses to more frequent contract negotiations and lessened long-term stability. These may have a negative impact on APA's business, operations, financial position and/or performance.

APA's revenue is materially dependent on certain significant customers and industries.

Approximately 71% of APA's Energy Infrastructure segment revenue for FY2023 and FY2022 was derived from its top ten customers. There can be no assurance that contracts with significant customers will continue or be renewed on their current terms and conditions or at all. If any significant customer terminates their contract, if APA is only able to renew its contracts on less favourable terms or if APA is unable to obtain substitute contracts with new customers on comparable terms, there may be a negative impact on APA's business, operations, financial position and/or performance.

In addition, 96% of APA's Energy Infrastructure revenue in FY2023 and FY2022, was with counterparties in the energy, utilities and resources sectors. While APA's exposure is representative of the concentrated nature of Australia's utility customer base, any downturn in these sectors or the economy or any reduction in energy

demand more broadly could adversely affect the performance and financial condition of such counterparties, which could reduce their ability to conduct business with APA and thereby have a negative impact on APA's business, operations, financial position and/or performance.

In order for APA to remain competitive, it will need to continue to diversify its business (including across multiple asset types) as well as invest in new energy technologies at the rate required to meet the evolving needs of its current and future customers. If APA does not invest enough in diversifying its business (including across multiple asset types) or developing these new energy technologies and services, or is not successful in doing either, APA may lose customers or have to reduce pricing, which may adversely affect APA's business, operations, financial position and performance.

APA faces bypass and competitive risk.

Bypass risk occurs in APA's gas transmission business when a new or existing transmission pipeline offers gas transportation services to the same end market serviced by APA's existing pipelines, or otherwise alters flow configurations, to the financial detriment of existing APA pipelines. This bypass risk is particularly applicable to the SWQP (100% owned by APA), the MSP (100% owned by APA), the PGP (100% owned by APA), the CGP (100% owned by APA) and the SEA Gas Pipeline (50% owned by APA). For example, the Moomba to Adelaide Pipeline System (not owned by APA) is a competitive pipeline to the SEA Gas Pipeline, transporting gas to the Adelaide market.

Additionally, there is the potential for new gas development projects that principally supply export markets to directly compete with domestic markets for the supply of gas. For example, LNG supply projects directly linked to gas resources that are currently connected to APA's gas transmission assets could result in a reduction in the quantities of gas available for domestic markets, thereby potentially reducing the demand for APA's domestically focussed pipeline transportation services within Australia.

In addition, LNG import facilities, the extension of electricity transmission lines, the use of alternative fuels and the growth of renewable power generation may lead to increased bypass or competitive risk for APA's gas transmission business. If bypass and/or competitive risks increase, and customers choose alternatives instead of contracting for services on APA's pipelines, APA's business, operations, 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 business, operations and financial position and/or performance.

Changes in market conditions, new market entrants and increased competitive cost pressure could impact APA's relationships with customers and have an adverse effect on APA's business, operations, financial position and/or performance.

APA's business is exposed to gas supply risk.

The availability of competitively priced gas (as compared with other energy sources including electricity generated from coal, fuel oils, solar, wind, hydro and other alternative energy sources), is essential for APA's customers' ongoing use of gas transmission pipelines and distribution networks. Certain factors such as gas reserve depletion, gas price volatility flowing from macro-economic factors (for example, oil price shocks), allocation of gas to other markets (such as LNG export markets), and changes in government policy (including regulatory restrictions on gas production and 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. This has been compounded by delays in removing gas production moratoria (in whole or in part) in Victoria, New South Wales and South Australia. Any interruptions in gas supply may place upward pricing pressure on gas domestically, which may adversely affect the amount of gas contracted in the domestic market.

Further, government interventions, such as gas price caps or other regulation in the price for which gas can be offered to the market could also impact investment in future gas supply and lead to shortfalls. If there is a shortage of competitively priced gas for customers to transport through APA's gas pipelines, this may adversely affect APA's business, operations, financial position and/or performance.

APA's customers and other counterparties may default on their obligations to APA or exercise rights consequent on APAs default.

As part of its ongoing commercial activities, APA enters into infrastructure development agreements, gas transportation, gas processing and storage, electricity supply 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, forward exchange contracts 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 an infrastructure development, transportation, electricity supply, gas processing, asset management or derivative contract may adversely affect APA's business, operations, financial position and/or performance.

In addition, in the ordinary course, 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 business, operations, financial position and/or performance.

Further, APA has acquired certain customer contracts 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 business, operations, financial position and/or performance.

APA may fail to renew contracts as they expire.

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 and electricity generation capacity when it comes due for contract renewal, or APA may recontract on less favourable terms than previously obtained. Capacity may also be recontracted for a shorter-term, which could require more frequent contract negotiations, and lessen long term stability for APA, along with increasing the likelihood of renewing contracts on less favourable terms. In addition, for pipelines not subject to price regulation, customers may seek commercial arbitration under the NGR as a means of determining price and other terms and conditions under the applicable information disclosure and commercial price arbitration regime. If APA is unable to recontract its infrastructure capacity or recontract it on less favourable terms than previously obtained, APA's business, operations, financial position and/or performance may be adversely affected.

APA's outsourcing of certain parts of its business operations may have unintended adverse impacts on its operations.

APA outsources a number of its business operations, including network repair and replacement, construction of new facilities, specialised maintenance and inspection activities, operation of APA's security register and specialised advisory services. Third party service providers may fail to supply or manage business operations in accordance with contractual obligations, applicable laws and regulations and APA's expectations. Additionally, delayed communications, miscommunications and other human errors between APA and its third party service providers may have unintended adverse impacts on APA, especially considering the highly technical nature of its gas transmission, distribution network, power stations, gas processing facilities, renewable power generation and electricity transmission. APA's use of outsourcing thereby exposes it to risk to its business, operations, profits and financial position.

APA's operations may be affected by climate change.

APA's businesses, and the businesses of its customers, may be adversely impacted by climate change and other environmental changes. To the extent climate change results in increases in temperature, sea levels and the frequency and intensity of adverse climatic events including fires, storms, cyclones, floods and droughts, APA's business operations and financial results may be adversely affected including through impact of extreme weather events on assets and operations as well as through lower gas volumes and revenues.

APA may also be subject to increased insurance premiums, operating expenditure and capital expenditure as a result, which may have an adverse impact on its business, operations, financial position and/or performance.

In 2022, APA announced its Climate Transition Plan which includes targets and goals aimed at reducing APA's emissions over time. It is possible that these targets and goals may conflict with business growth opportunities for APA, which may have an adverse impact on its business, operations, financial position and/or performance.

APA relies on a level of public acceptance of the development and transmission of gas, power generation and other energy infrastructure.

APA's business, and the construction of its pipelines, power generation and other energy infrastructure, may generate negative public sentiment with certain stakeholder groups and result in negative publicity. In particular, effective consultation with traditional owners, landholders and community members is critically important in the successful development of new energy infrastructure projects. APA relies on a level of public acceptance for the development and operation of its assets. Changing societal and community sentiment in relation to the energy industry, as well as APA's business, may impact APA's commercial opportunities, and its ability to develop new projects and operate its assets.

In recent years, there has been an increased focus on the importance of corporate social responsibility and a social licence to operate. Negative public sentiment, any resulting community action and related publicity may result in federal or state governments implementing political measures that may adversely affect APA's reputation, business, operations, and financial position and/or performance.

Financial Risks

Interest rates may increase and thereby increase APA's financing costs.

APA finances its activities and operations through a combination of borrowings (which may bear interest at floating or fixed rates), equity and cash from operations. 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 those circumstances may adversely affect APA's business, operations, financial position and/or performance.

APA has a substantial amount of indebtedness and its funding needs and sources could restrict its operations.

As of 30 June 2023, APA had A\$11,240 million of drawn debt, which it has incurred under bank facilities and capital market debt instruments. The maturities of APA's borrowings currently extend through to FY2036. APA's FFO to Net Debt Ratio was 10.6% and its FFO to Interest Ratio was 3.3x, at 30 June 2023. APA requires funds to meet its capital and operating expenditures for growth and maintenance of its assets and refinancing needs.

APA's funding requirements may be met by way of additional debt financing. The terms of such debt financing may include restrictions which may:

- increase APA's vulnerability to general adverse economic and industry conditions;
- limit APA's ability to pursue its growth plans (including acquisitions and construction);
- require APA to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of APA cash flow to fund capital and operating expenditures, working capital requirements and other general corporate purposes;
- limit APA's flexibility in planning for, or reacting to, changes in APA's businesses and its industry; and/or
- place APA at a competitive disadvantage compared to its competitors with less debt.

APA relies upon credit lines and financing activities, access to which could be jeopardised by numerous factors, including its inability to service its debt.

APA covers its liquidity needs 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 assets) on commercially acceptable terms.

APA's borrowings extend through to FY2036. Access to financing sources to extend and/or refinance debt facilities will be important and will be dependent on, among other things, APA's credit rating and market conditions. An inability to secure new debt facilities or to access capital markets at a similar quantum and cost to existing debt facilities may adversely affect APA's business, operations and financial position and/or performance.

In addition, APA's ability to service its debt depends upon a variety of factors, including its future financial and operating performance, which are directly and indirectly affected by current economic, financial, business and regulatory conditions. Many of these conditions are beyond APA's control. If APA's operating results are insufficient to service its debt, APA may be forced to take remedial actions, such as reducing distributions, reducing or delaying its business activities (including acquisitions, investments and capital expenditures), selling assets or seeking additional debt or equity capital. APA may be unable to undertake these remedial actions on favourable terms or at all.

Loss of APA's investment grade rating could increase the costs of financing and/or decrease the availability of financing.

As at the date of this Offering Circular, the Issuer, with the credit support of the Guarantor and Subsidiaries, has an investment grade senior unsecured rating assigned by both S&P Rating Services and Moody's.

Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. 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, could trigger a coupon step up (and therefore increased interest payments) 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. It could also reduce access to certain investors or markets and result in an increase in the debt margins/coupon that APA would need to pay on its debt. APA will be exposed to refinancing risk if it is unable to replace an existing loan with a new one at its maturity date.

Currency fluctuations could adversely affect APA's operating profit.

APA is subject to currency fluctuations in relation to the purchase, supply and installation of goods and services, and borrowings that are denominated in a currency other than Australian dollars. For instance, APA's outstanding 2012 and 2017 Rule 144A Notes were issued in U.S. dollars and have been swapped into fixed rate Australian dollar obligations. 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 business, operations, financial position and/or performance.

Further, APA's revenues earned on the WGP are denominated in U.S. dollars. To minimise the foreign exchange volatility of the cash inflows, APA entered into a range of A\$/US\$ forward exchange contracts up to December 2025.

There can be no assurance that APA will be able to effectively hedge foreign currency exposures, particularly in periods of currency volatility, and/or that APA's hedges will prove effective. These risks may adversely impact APA's business, financial position and/or performance.

The assumptions and forecasts on which APA bases its investment decisions may not be realised.

APA may acquire energy infrastructure and related assets or undertake additional 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 business, operation, 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.

Operational and Legal Risks

APA's long-term growth can be impacted by the successful execution of acquisitions, new developments and existing portfolio capacity expansions.

APA seeks to expand its portfolio through significant acquisitions of pipelines and other energy infrastructure assets, or businesses, such as its acquisition of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (“**Alinta Energy Pilbara**”) which was completed in November 2023. APA also seeks to expand its portfolio through development of existing assets, such as the construction of the 88 MW Dugald River Solar Farm, which commenced operations in 2023.

Integrating these various assets into APA's business could be affected by unexpected events such as unanticipated costs (including accounting, reporting, land access, environmental compliance and technology costs), failing to obtain necessary approvals, failing to retain key employees or assets or inadequate supervision or execution by managers of the asset integration processes. APA may fail to identify and/or successfully complete 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, thereby adversely affecting APA's business, operations, financial position and/or performance. APA may also fail to consider the appropriate risks and potential costs associated with certain acquired assets that are not part of APA's traditional gas infrastructure business.

APA conducts due diligence investigations in connection with any acquisition and may rely on employees or third parties it engages as part of the due diligence process to conduct such due diligence investigations. APA may also rely on information provided by or on behalf of the seller or third parties it engages, and may not be able to verify the accuracy, reliability or completeness of such information. To the extent that any investigation by APA's employees or third parties, or that any information provided by or on behalf of the seller or third parties it engages, is incomplete, incorrect, inaccurate or misleading, the actual performance of an acquired asset may be materially different than expected, which may have an adverse impact on APA's business, operations, financial position and performance.

Additionally, it is possible that the analysis APA undertakes in connection with an acquisition result in conclusions and forecasts which are inaccurate or which are not realised in due course, whether because of flawed methodology, misinterpretation of economic circumstances or otherwise. To the extent that the actual results achieved by the acquisition are weaker than those indicated by APA's analysis, there may be an adverse impact on APA's business, operations, financial position and performance. In respect of the acquisition of Alinta Energy Pilbara, there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the acquisition have been identified and avoided or managed appropriately. Therefore, there is a risk that issues arise which will also have a material impact on APA (for example, APA may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for APA). This could adversely affect the business, operations, financial position or performance of APA.

Moreover, after APA acquires an asset or business, there is a risk that the integration of that asset or business into APA's operations may encounter unexpected challenges. In particular, the integration of information systems (including cyber-security systems) and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing APA's business. There is a risk that cash flows or operations could be disrupted or that costs associated with the integration may be greater than expected, which could adversely affect APA's financial condition and results of operation.

In addition, APA may not have access to sufficient information to identify, confirm and quantify all available synergy benefits, or to assess any costs to be incurred to achieve synergies in connection with an acquisition. Achievement of any synergies is not certain. There is a risk that any expected synergies may not be realised at

all or not realised to their full extent, or that they may be realised over a longer period of time than anticipated. There is also a risk that implementation and other one-off costs related to the acquisition may be substantial or greater than what APA reasonably anticipated. This could have a material adverse impact on APA's financial condition and results of operation.

In considering an acquisition, APA makes assumptions and takes positions in relation to the income tax, stamp duty and other taxes consequences of the acquisition. In the event that the actual outcomes are different from those assumptions or they are not accepted by the relevant tax authorities, there may be an adverse impact on APA's business, operations, financial position and/or performance.

See "*Summary — Strategy — Optimise its asset portfolio*" for further information regarding potential acquisitions.

APA's business strategy includes expanding its capacity in key areas of its existing pipeline network, the development of new pipelines, gas storage facilities and gas processing assets, renewable and firming (gas-fired generation and battery storage), electricity transmissions assets as well as future energy projects that further enable the energy transition, such as CO₂ pipelines and hydrogen.

Development of APA's assets involves a number of typical development and construction risks, including the possibility of failure to obtain necessary approvals (including from traditional owners), employees 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 or implement them in the manner or within the time frame and budget expected. A failure to deliver development and construction projects at all, or within the timeframe or budget expected, may adversely impact APA's business, operations, financial position and/or performance.

APA's energy infrastructure is subject to a wide variety of operational risks.

APA is exposed to certain material operational risks and major hazards, including poor or inadequate data, inadequate management of sustainability risk, inadequate third party, contract and supplier management, cyber security risk, severe weather and environmental risks, operational technology risk, major loss of containment or a gas explosion at a facility or of a pipeline, major electrical or equipment failure, curtailments or a terrorist attack. Although APA has action plans in place to minimise the risk of any of these events happening, if any were to occur, this could have an adverse impact on APA's reputation, business, operations, financial position and/or performance.

APA's energy infrastructure is exposed to a number of risks and hazards typically associated with such operations, 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 customers following an operational disruption may adversely affect APA's reputation, business, operations, financial position and/or performance.

The environmental regime applicable to APA's operations could subject it to inspection, non-compliance and remediation costs.

National, state and territory environmental laws and regulations in Australia affect the operations of APA's assets and apply to the sites, easements and facilities of APA's operations. These laws and regulations:

- create obligations to obtain and comply with approvals, including planning approvals;

- set standards relating to environmental compliance practices, processes and quality of assets;
- provide for penalties and other liabilities for the violation of approvals and such standards; and
- may establish certain obligations to clean-up or remediate facilities and locations where operations are, or were, previously conducted.

The costs and operational impacts associated with complying with these approvals, laws and regulations could increase as a result of obtaining new approvals, new or heightened environmental concerns, or if APA fails to comply with any of its environmental obligations. Increased costs associated with approval or regulatory compliance may adversely affect APA's business, operations, financial position and/or performance.

APA may also experience increased costs for any failure to comply with environmental, native title or cultural heritage laws. Specifically, APA may be liable for the discharge of prohibited substances into the environment or environmental damage caused by it (including its officers, employees, consultants or contractors) or previous owners of property or assets acquired by APA. APA's liability may include fines, orders, clean-up costs, damages, remediation costs and orders, enforceable undertakings, civil and/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 failure to comply with environmental, native title or culture heritage laws may adversely affect APA's business, operations, financial position and/or performance. Breaches may also result in the cancellation or suspension of some approvals, or in the imposition of more onerous operating conditions. Although APA currently does not have any material remediation projects, construction and/or maintenance may be necessary in heritage listed, or environmentally or culturally sensitive locations.

Even if APA is in compliance with the applicable environmental, native title or cultural heritage laws, regulations, approvals, standards or other requirements, it is possible that APA's construction projects may be subject to delays and/or be discontinued as a result of environmental, native title or cultural heritage disputes, environmental impact assessments and consultation processes, or the need to obtain necessary environmental or other approvals, which may adversely affect APA's business, operations, financial position and/or performance. APA has policies and control measures in place to mitigate environmental, native title and cultural heritage risk.

APA depends on land tenure.

APA's gas pipeline assets and other energy infrastructure assets are primarily constructed and operated on land over which APA has easements, leases or statutory or other land tenure. 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, business, financial position and/or performance.

APA's energy infrastructure is exposed to significant occupational health and safety risks that could expose APA to claims and increased regulatory costs.

Occupational health and safety is a key risk area in the operation and maintenance of APA's assets. 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 hazard identification, risk assessments and incident prevention and awareness are in place to mitigate risk, however this cannot eliminate the risks of accidents or long-term health impacts. 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 business, operations, financial position and/or performance.

APA is subject to Australian health and safety regimes and is required to comply with their respective legislation concerning the protection of the health and welfare of employees, contractors and other parties (including but not limited to, the public). APA will incur compliance costs related to these obligations, and any failure or lapses in its compliance may result in it being exposed to fines, damages and criminal or civil sanctions. If significant health and safety consequences occur APA could become subject to additional and unanticipated compliance costs. These may adversely affect APA's business, operations, financial position and/or performance.

APA depends upon the reliability of its 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 may adversely affect APA's business, operations, financial position and/or performance going forward. For example, the Moomba Sydney Pipeline has experienced stress corrosion cracking since 1982, which has resulted in on-going management and significant repair costs for almost three decades due to coating degradation. APA cannot predict whether other unforeseen maintenance and repair issues may arise. If they do, such issues could cause APA to incur substantial capital expenditure and could have an adverse effect on its business, operations, 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 populated areas. If these assets are exposed to interference, injury to persons or damage to property or the environment may occur and APA may be obligated to pay significant costs in addition to any related capital expenditure costs which could my adversely affect APA's business, operations, financial position and/or performance.

APA's assets may be subject to unplanned outages stemming from extreme weather events, sabotage and terrorist acts.

APA is subject to the risk of accidents and incidents in respect of its energy infrastructure assets and adjacent sites, as well as to weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism. Any of these events may impact APA's operations and could result in unplanned outages of its assets. These risks may result in a failure by APA to supply its customers, which may adversely affect APA's business, operations. financial position and/or performance.

Extreme weather events may inhibit APA's operations by causing damage to its assets, disrupting gas and/or electricity suppliers and its ability to supply gas to APA's pipelines, delaying project construction and commissioning schedules and damaging or destroying the facilities of APA's customers. Such extreme weather events, whether affecting APA's services, its suppliers or its customers, could have an adverse effect on APA's business, operations, financial position and/or performance.

Sabotage of, and terrorist acts on, APA's assets (whether physically or through cyber-attacks) may adversely affect APA's ability to provide APA's contracted services to its customers and could damage a third party's property. Repairs to correct any damage to assets or any information technology systems could be costly and time-consuming and may result in substantial lost revenues during the period of such repairs. In addition, any service interruption or physical damage may cause loss or damage to customers or third parties who may seek to recover damages from APA, adversely affecting APA's business, operations, financial position and/or performance.

Any delay in the availability of supplies, equipment or personnel necessary to remedy outages stemming from natural disasters, sabotage and terrorist attacks could compound the adverse effects on APA's business, reputation and operations.

Litigation against APA could subject it to costs or reputational harm.

Litigation risks made by or against APA include, but are not limited to, commercial claims, contractual claims, customer claims, injury claims, native title claims, tenure disputes, environmental claims and prosecutions, claims related to compensation on easements and other land access issues, occupational health and safety claims, employee claims, and regulatory disputes. APA is subject to claims from third parties in the ordinary course of business and estimates of liability and related provisions in APA's accounts may not ultimately be accurate. Even if APA is ultimately successful in defending claims against it (or in pursuing claims made by it), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties.

APA's insurance coverage may not adequately cover it for all risks and liabilities.

APA believes that its insurance policies are appropriate and adequate to protect against major operating and other identified risks where commercially available. However, not all risks and liabilities are insurable or insured, and APA may elect to not insure or maintain insurance coverage for certain risks on account of high premium costs or otherwise. In addition, the insurance coverage APA maintains may not extend or be adequate to cover all insurable liabilities and losses. Combined with changeable insurance market conditions, APA cannot be certain that insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. APA may also elect to self-insure and/or carry larger deductibles. 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.

The retention of certain of APA's employees and skills is vital for its long-term success.

APA's continued success is dependent on its ability to attract, engage, develop and retain talent, including in some geographically dispersed markets across Australia where there is varying supply of skilled workers. Attraction and retention of skilled employees in regional and remote locations presents a specific challenge for APA. When APA's operations expand or current employees leave, labour costs may increase and APA is required to compete in some challenging markets to attract new employees. This presents a risk that APA is unable to recruit replacement employees in a timely manner or at all in some markets which may adversely affect APA's business, operations, financial position and/or performance.

APA also relies on the expertise and continued service of particular key executives but cannot guarantee the retention of these executives. These key executives possess highly valuable institutional knowledge, without which APA's business, operations, financial position and/or performance may be adversely affected.

Fraudulent behaviour of APA's employees could adversely affect its operations.

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 business, operations, and financial position and/or performance.

APA could be subjected to disruptions as a result of its partly unionised workforce.

Currently, the salary arrangements for approximately 24% of APA's employees are covered by six enterprise bargaining agreements negotiated with the employees who are predominantly represented by unions in the negotiation process. Employee union membership numbers are unknown as this information is not held by APA and employees are not required to inform APA of their membership. APA's partly unionised workforce could expose it to labour activism and unrest. APA had two of its enterprise bargaining agreements approved by the Fair Work Commission this year. APA is currently in the middle of bargaining in relation to two other enterprise bargaining agreements which it expects will be finalised in the next couple of months. The remaining two agreements will expire in July 2025, and June 2026 respectively. APA is expecting each of the current negotiations to be resolved in a timely manner. Protected industrial action, including strikes and work bans, are

lawful during the enterprise bargaining period. Labour activism and unrest could increase during current or future renegotiation of enterprise bargaining agreements. Labour activism and unrest, if undertaken by APA's employees, could disrupt its operations and adversely affect its financial performance and operating results.

APA could be required to provide additional funding to its legacy retirement benefit funds.

APA has three legacy defined benefit superannuation plans 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. The values of such assets are dependent on, among other things, the performance of the equity and debt markets. Any shortfall in the funding obligations for the plans will require additional funding from relevant APA employing entities thus increasing APA's liabilities. Note, there are only a small number of employees in APA's three legacy defined benefit superannuation plans: 84 members and 42 pensioners. It was identified in June 2023 that two of the three defined benefit superannuation plans had fallen below APA's targeted funding levels.

APA relies on information technology to operate its business.

APA's operations rely on a number of Information Technology ("IT") systems, applications and business processes utilised in the delivery of business functions, including APA's customer management system, enterprise project infrastructure, payroll and financial management, grid network and integrated operations centre. APA's operating businesses depend on computer systems and network infrastructure. System interruptions may occur due to 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. Interruptions to APA's IT systems and any lack of availability of immediate backup solution may adversely affect APA's business, operations, financial position and/or performance.

Moreover, the impact of cyber incidents on privacy has been widely publicised recently though incidents involving large corporate organisations. The exposure of personal data leads to malicious activities such as extortion, targeted phishing and identity theft. The increasing rate of technological advancement and dependency on it, as well as greater accessibility, has resulted in greater actual and potential negative impacts on organisations and individuals. The growing volume and sophistication of cyber threats, both locally and globally, is increasing the likelihood of compromised data and creates a risk for APA. Any cyber security incident may adversely affect APA's business, operations, financial position and/or performance.

Further, a number of IT systems that APA utilises are provided by third parties, on a subscription basis commonly referred to as Software-as-a-Service. Examples are Enterprise Resource Planning (ERP), Customer Relationship Management systems, and foundational platforms such as Microsoft Azure and Amazon Web Services. APA has no direct management over these IT systems and services and relies on the respective vendors as to the reliability, security and integrity of these IT systems. Any system failures, outages, cyber-attack or data breach on the side of the vendor may adversely affect APA's business, operations, financial position and/or performance. APA continually invests in improving its IT systems, applications and business processes to protect the confidentiality, integrity and availability of its information, the delivery of business functions and its computer systems and network infrastructure. It also does this to improve its ability to identify and remediate IT risks and issues as they become known and to respond to the requirements of Security Legislation Amendment (Critical Infrastructure Protection) Act 2022 ("SLACIP").

In addition, APA will as part of its integration planning, critically assess the systems in place to determine the optimal approach for managing any associated cyber security risks, including putting in place additional compliance arrangements if APA considers this necessary to meet legal obligations concerning data privacy or that it is otherwise prudent to do so. APA cannot guarantee that any efforts to improve its IT systems,

applications and business processes will be effective, or that APA's security measures can provide absolute security or that it will be able to identify or remediate all potential risks or issues with its IT systems, applications and business processes. APA operates a major incident management and cyber incident response capability and exercises these on a regular basis.

APA's, or any of APA's IT system vendor's, APA's technologies, systems and networks have been subject to, and/or may continue to be the target of, cyberattacks, computer viruses, malicious code, phishing attacks or information security breaches that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of APA, its employees or its customers, or otherwise disrupt APA or its customers' or other third parties' business operations. Although to date APA has not experienced any revenue loss relating to cyber-attacks or other information security breaches, there can be no assurance that APA will not suffer such losses in the future and such losses may adversely affect APA's business, operations, financial position and/or performance.

APA's degree of control, as well as its ability to identify and manage risks, may be reduced in its projects and operations that are conducted in joint ventures.

APA holds a number of interests in entities 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, which may threaten the viability of the joint venture or cause APA to incur additional costs. In addition, APA's reputation and 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 business, operations, financial position and/or performance.

Operating multiple asset types and partnering across multiple stakeholder groups.

APA's strategy is to be the partner of choice in delivering infrastructure solutions for the energy transition in select asset classes, which is dependent on its ability to execute across multiple asset types. APA's non-pipeline assets currently represent only a small portion of APA's assets. Additionally, APA's engagement spans a diverse range of stakeholders (e.g., across state and federal government agencies, community, landholders, customers, suppliers, investors and employees) who hold different perspectives and objectives. Risks arising from engagement with this complex and changing set of stakeholders could lead to loss of stakeholder support which ultimately affects APA's ability to win projects, source approvals, and diversification into new energy markets.

If APA fails to demonstrate that it can effectively execute across multiple asset types and effectively engage across multiple stakeholder groups, APA may not succeed in building a market reputation as a trusted partner in delivering infrastructure solutions for the energy transition. This may adversely affect APA's business and/or performance.

Adverse tax developments.

APA comprises two trusts, APA Infra and APA Invest, which are registered managed investment schemes regulated by the Corporations Act. APA Infra units are "stapled" to units in APA Invest on a one-to-one basis so that one APA Infra unit and one APA Invest 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, goods and services tax and other taxes 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 business, operations, financial position and/or performance. 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 APA or its entities, may increase APA's tax liabilities. If APA Infra fails the loss recoupment tests, tax losses otherwise available to APA Infra may be forfeited which could result in tax payable, together with the generation of franking credits.

APA Invest and its subsidiary trusts are generally not liable for Australian income tax, provided that all income is distributed. If applicable tax regimes change or the activities of APA result in APA Invest or its subsidiary trusts becoming subject to a different tax regime, this could result in tax liabilities and may adversely affect APA's business, operations, financial position and/or performance.

Pandemic.

APA's business and operations, and those of its suppliers and contractors, as well as its customers, may be adversely affected by a future pandemic.

As evidenced through the COVID-19 pandemic, a future pandemic may result in federal, state and local governments in Australia implementing a number of measures and recommendations, including significant restrictions on movement and activity to slow or stop the spread of the pandemic. Those measures and recommendations, along with potential changes in the way APA's employees and customer's behave, may adversely affect APA's business, operations, financial position and/or performance.

In addition, a future pandemic may require many of APA's employees to work from home, which may necessitate a reassessment of some work flows and procedures. Addressing the disruptions a pandemic may cause may also require APA's senior management team and staff to devote time and resources to address the impact of the pandemic on APA's business, which may negatively affect their ability to implement APA's business plans and respond to other issues and opportunities.

Government measures or actions could also negatively impact APA's contractors' ability to perform their contracts with APA, including APA's construction contractors, which could have a material adverse effect on APA's business, operations, financial position and/or performance.

The extent to which a future pandemic will impact APA will depend on the nature of the pandemic, which cannot be predicted, including the geographic spread, severity and duration of the pandemic; the actions taken by federal and state or local governmental authorities in response to the pandemic, the impact of the pandemic on contracts and agreements to which APA is a party and the impact of the pandemic on the economy generally.

Uncertainty about the effects of any future pandemic may also result in significant disruption to credit and capital markets, which may affect APA's ability to raise new financing and refinance its existing and future indebtedness which could have a material adverse effect on APA's business, operations, financial position and/or performance.

Changes to accounting standards could adversely affect APA's financial position.

Changes to AAS and interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act may adversely affect APA's reported results of operations in any given period or APA's business, operations, financial position and/or performance.

The pro-forma historical balance sheet as at 30 June 2023 may not be indicative of the APA Group's future performance.

The pro-forma historical balance sheet as at 30 June 2023 included in “*Description of APA — APA's Owned and Managed Assets — Alinta Energy Pilbara*” is for illustrative purposes only and is not represented as being indicative of APA's views on its future financial condition and/or performance. The pro-forma historical balance sheet remains subject to adjustments, remeasurements and reassessments which will occur only in the 12 months post-acquisition. There can be no assurance that the assumptions used in preparing the pro-forma historical balance sheet will prove to be accurate over time or that no significant adjustments, remeasurements and reassessments will be required to be made post-acquisition. Further, the pro-forma historical balance sheet is not necessarily indicative of the financial position and performance that the APA Group would have achieved following the completion of the acquisition.

APA undertook a due diligence process in respect of the acquisition of Alinta Energy Pilbara, which relied in part on the review of financial and other information provided by Alinta Energy Pilbara and its vendor as part of that process. Despite making reasonable efforts, APA has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it, and no representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness, reliability or adequacy of that information. If any such information provided to and relied upon by APA in its due diligence and its preparation of this Offering Circular proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Alinta Energy Pilbara (and the financial position of APA following the acquisition) may be materially different to the expectations reflected in this Offering Circular. Prospective investors should also note that there is no assurance that the due diligence conducted was conclusive, or that all material issues and risks in respect of the acquisition have been identified or managed appropriately. Therefore, there is a risk that issues may arise which also have a material impact on APA (for example, APA may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for APA in the acquisition agreement between APA and the vendor of Alinta Energy Pilbara). This could also affect the operations, financial performance and/or financial position of APA.

Further, neither the balance sheet of Alinta Energy Pilbara as at 30 June 2023 nor the resulting pro-forma historical balance sheet as at 30 June 2023 have been the subject of an audit or review by an independent auditor. The pro-forma historical balance sheet contained herein should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review by an independent auditor. Investors are cautioned not to place undue reliance on the pro-forma historical balance sheet.

The value of APA's assets may be assessed to be less than their carrying value.

Where the recoverable amount of an asset is assessed to be less than its carrying value, APA is required to recognise an impairment expense in its statement of profit or loss. Asset impairment expenses may result from the occurrence of unexpected adverse events that impact APA's expected performance. Goodwill is tested for impairment annually, with assets assessed at a minimum for indicators (events or changes in circumstances which indicate that they might be impaired) at the end of each reporting period. This could result in the recognition of impairment expenses that may be significant and may adversely affect APA's business, operations, financial position and/or performance.

Risks relating to the Subordinated Notes and the Guarantee

There may be uncertainty in relation to marketing under the AIFMD in the EEA.

Under the AIFMD and the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 and relevant guidance issued by the European Securities and Markets Authority, the marketing of shares or units of an alternative investment fund (an “AIF”) in an EEA jurisdiction is prohibited unless certain criteria are met. It

is intended that, by marketing the Subordinated Notes only in the Approved Jurisdictions, there will be no requirement to comply with the AIFMD. There is, however, a risk in some jurisdictions that a bond issuance by an AIF could be characterised as marketing shares or units for the purposes of the AIFMD. In these cases, any bond issuances could only be marketed in such jurisdictions in accordance with the marketing restrictions applicable to AIFs and any marketing not in accordance with those rules would be unlawful. Such characterisation may therefore affect the liquidity of the Subordinated Notes. It may also affect the regulatory treatment of the Subordinated Notes for certain types of investor.

The Subordinated Notes may not be a suitable investment for all investors.

Each potential investor in the Subordinated Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Subordinated Notes, the merits and risks of investing in the Subordinated Notes and the information contained, or incorporated by reference, in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Subordinated Notes and the impact the Subordinated Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Subordinated Notes, including where the currency for principal or interest payments is denominated in a currency different from that of the potential investor;
- understand thoroughly the terms of the Subordinated Notes and the Guarantee and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate or other factors that may affect its investment and its ability to bear the applicable risks.

The Subordinated Notes are complex investment securities. Sophisticated institutional investors generally do not purchase complex investment securities as stand-alone investments. They purchase complex investment securities as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Subordinated Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Subordinated Notes will perform under changing conditions, the resulting effects on the value of the Subordinated Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Subordinated Notes and the Guarantee are subordinated with limited remedies for non-payment.

Upon the occurrence of an Insolvency Event of the Issuer, payments on the Subordinated Notes will be subordinated in right of payment to the prior payment in full of all other liabilities of the Issuer, except for Parity Obligations and Ordinary Equity Securities of the Issuer. Similarly upon the occurrence of an Insolvency Event of the Guarantor, payments on the Subordinated Notes will be subordinated in right of payment to the prior payment in full of all other liabilities of the Guarantor, except for Parity Obligations and Ordinary Equity Securities of the Guarantor. As at the Issue Date, neither the Issuer nor the Guarantor have any Parity Obligations outstanding. Holders of the Subordinated Notes are advised that liabilities of the Issuer or the Guarantor ranking senior to the Subordinated Notes and Guarantee may also arise out of events that are not reflected on the balance sheet of the Guarantor, including, without limitation, the giving of guarantees and the crystallisation of contingent liabilities. Claims made under any such guarantee will (unless such guarantee is on terms ranking equally with the Subordinated Notes (in the case of a guarantee by the Issuer) or the Guarantee (in the case of the Guarantor) become liabilities of the Issuer or Guarantor that in a winding-up of the Issuer or

Guarantor or a Relevant Trust (as the case may be) will need to be paid in full before the obligations under the Subordinated Notes or Guarantee (as the case may be) may be satisfied.

The Subordinated Notes contain no rights to enforce payment of amounts under the Subordinated Notes other than initiating steps, actions or proceedings for, or claiming or proving in the winding up or liquidation of the Issuer or, where amounts are outstanding under the Guarantee, a Relevant Trust.

Australian insolvency laws do not include any statutory regime which applies in relation to the insolvent winding up of trusts (such as the APA Infrastructure Trust and the APA Investment Trust) or gives creditors standing to apply for such a winding up. Accordingly, there is uncertainty as to the rights of a holder of Subordinated Notes or the Trustee to apply for the winding up of a Relevant Trust. Although a superior court may appoint a receiver to wind up a trust in the exercise of its equitable jurisdiction, such a remedy is discretionary and the circumstances in which it may be granted on the application of a trust creditor are uncertain.

The Noteholders have no voting rights.

The Subordinated Notes are non-voting with respect to general meetings of the Issuer and the Guarantor. Consequently, Noteholders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such Deferred Interest Payments or any other decisions by the Issuer's or the Guarantor's securityholders concerning the capital structure or any other matters relating to the Issuer or the Guarantor.

The Issuer has the right to defer Interest Amounts on the Subordinated Notes.

The Issuer may in its sole discretion defer Interest Amounts (as further described in Condition 5.4 (*Optional deferral of interest payments*)). A Deferred Interest Payment may, at the option of the Issuer, be paid at any time, and the circumstances in which it is required to be paid are set out in Condition 5.6 (*Payment of Deferred Interest Payments*). While the deferral of Interest Amounts continues pursuant to Condition 5.4 (*Optional deferral of interest payments*), the Issuer and the Guarantor may make payments on any instrument ranking senior to the Subordinated Notes and may also make payments made on Parity Obligations where such payments are made pro rata with payments made on the Subordinated Notes or Guaranteed Amounts or where the Issuer or Guarantor does not have the discretion not to pay such payments. The Issuer and the Guarantor are also permitted to make Mandatory Distributions in respect of Ordinary Equity Securities notwithstanding that Deferred Interest Payments remain outstanding. Mandatory Distributions include distributions by the Guarantor in its capacity as trustee and responsible entity of the APA Investment Trust of all 'net income' of the APA Investment Trust for a tax year, calculated in accordance with the Income Tax Assessment Act of 1936 of the Commonwealth of Australia, and any distribution which the Guarantor is required to make under the terms of the constitution of APA Investment Trust. The constitution of the APA Investment Trust requires the Guarantor to distribute to holders of units in the APA Investment Trust at least the operating income of the APA Investment Trust (defined as the gross income of the APA Investment Trust from its operations (including realised gains, rent, interest, dividends, distributions) less expenses arising in deriving that income (including realised but not unrealised losses on disposals of property or investments) for each 6 month period ending on 30 June or 31 December of any year. The aggregate amount distributed to unitholders of the APA Investment Trust and which would have been included in the definition of Mandatory Distribution (had it applied) during FY2021, FY2022 and FY2023 was approximately A\$42.9 million, A\$29.1 million and A\$24.3 million respectively.

The terms of any senior or Parity Obligations of the Issuer or the Guarantor may operate to restrict the Issuer's ability to pay interest on the Subordinated Notes, or the Guarantor's ability to pay Guaranteed Amounts, in particular, in the case of Parity Obligations, to the extent that payments are deferred on such Parity Obligations.

Any deferral of Interest Amounts is likely to have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the deferral provisions of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other securities on which interest or distributions accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's and/or the Guarantor's financial condition.

The Subordinated Notes are long-dated securities.

The Subordinated Notes will mature on the Maturity Date and, although the Issuer may redeem the Subordinated Notes in certain circumstances prior to such date, the Issuer is under no obligation to do so. Therefore, Noteholders should be aware that they may be required to bear the financial risks associated with an investment in long-term securities.

The Conditions contain a prohibition of set-off.

In accordance with Condition 3.3 (*No set-off*) and Condition 4.4 (*No set-off*), no holder of the Subordinated Notes may exercise or claim in respect of any amount owed to it by the Issuer or the Guarantor in respect of, or arising under or in connection with the Subordinated Notes or the Guarantee and each Noteholder will be deemed to have waived all such rights of set-off, subject to applicable law.

Insolvency laws of Australia

As the Issuer and the Guarantor are incorporated under the laws of Australia, and substantially all of the APA Group's business and assets are located in Australia, an insolvency proceeding relating to the Issuer, the Guarantor or a member of the APA Group would likely involve Australian insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law or the insolvency laws of other jurisdictions with which the Noteholders may be familiar.

Further, the Guarantor provides the Guarantee solely in its capacity as trustee and responsible entity of the Relevant Trusts. The assets of the Relevant Trusts are only available to meet the Guarantor's liabilities in respect of the Guarantee to the extent the Guarantor has a right to be indemnified out of such assets. The Guarantor will only have a right to be indemnified out of the assets of the Relevant Trusts in respect of the Guarantee to the extent that such liabilities are properly incurred (although the board of directors of the Guarantor has resolved that the giving of the Guarantee constitutes the proper performance of its obligations as trustee and responsible entity of each Relevant Trust). Furthermore, the Guarantor's right of indemnity may be lost if it commits a breach of trust. In such circumstances the assets of the Relevant Trusts may only be available to satisfy claims under the Guarantee upon the Guarantor first rectifying such breach of trust. In addition, whilst the extent of application of Australian insolvency laws in relation to companies acting as trustees, such as the Guarantor, has recently been clarified by the High Court of Australia, there remain differences between the application of Australian insolvency laws to trustee and non-trustee companies, including as noted in "*The Subordinated Notes and the Guarantee are subordinated with limited remedies for non-payment*" above.

In addition, a stay applies to the enforcement of rights against entities that arise due to (or in some cases following) the occurrence or subsistence of certain events or circumstances ("**Specified Events**"). These Specified Events include: (a) an entity publicly announcing that it is proposing a compromise or arrangement under section 411 of the Corporations Act or otherwise when an application to propose a compromise or arrangement under section 411 of the Corporations Act is made and the application states that it is being made for the purpose of the entity avoiding being wound up in insolvency; (b) the appointment of a managing controller to the whole or substantially the whole of the property of an entity; (c) an entity entering into administration; (d) an entity's financial position, if any of the preceding events have occurred; and (e) a reason that, in substance, is contrary to the relevant sub-section prescribing the relevant stay. The stay will also apply to the enforcement of rights due to certain reasons connected with the foregoing that may be prescribed by

regulation. To the extent that these stays apply to the Subordinated Notes or the Trust Deed, they would restrict the exercise of rights in respect of Events of Default arising by reason of such events.

Specified contracts and rights may be excluded from the operation of the stay by regulation or declaration. Regulation 5.3A.50(k) of the Corporations Regulations exempt from the operation of the stays “a contract agreement or arrangement that is, or governs, securities, financial products, bonds, promissory notes, or syndicated loans”. As such, it is not expected that the stay will apply to the Subordinated Notes or the Trust Deed. However, the legislative amendments and regulations are untested and aspects of their drafting are unclear.

The Issuer may redeem the Subordinated Notes under certain circumstances.

Noteholders should be aware that the Subordinated Notes may be redeemed at the option of the Issuer (in whole but not in part) at their principal amount (plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments) on the First Reset Date and on any Interest Payment Date thereafter following the First Reset Date. The Subordinated Notes are also subject to redemption (in whole but not in part) at the Issuer’s option upon the occurrence of a Gross-Up Event, a Change of Control Event, a Tax Event, an Equity Credit Rating Event or if the Issuer, the Guarantor and/or any Subsidiary (as defined in the Conditions) of the Issuer or the Guarantor has, individually or in aggregate, purchased (and not resold) Subordinated Notes equal to or in excess of 75 per cent. of the aggregate principal amount of the Subordinated Notes. The relevant redemption amount may be less than the then current market value of the Subordinated Notes.

Such optional redemption features are likely to limit the market value of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market value of those Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Subordinated Notes when its cost of borrowing is lower than the interest rate on the Subordinated Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

No limitation on issuing senior or Parity Obligations.

There is no restriction on the amount of securities, guarantee or other liabilities which the Issuer or the Guarantor may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Notes. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer or the Guarantor and/or may increase the likelihood of a deferral of interest under the Subordinated Notes. Further, the terms of such securities, guarantee or other liabilities may include provisions resulting in the Issuer being required to defer interest under the Subordinated Notes in circumstances where a deferral of interest is made on such other securities, guarantee or liabilities.

Fixed rate securities have a market risk.

Interest will accrue at a fixed rate of return. A holder of a security with a fixed rate of return is exposed to the risk that the price of such security falls as a result of changes in the current interest rate in the capital markets (the “**Market Interest Rate**”). While the nominal rate of return of a security with a fixed rate of return is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. A change of the Market Interest Rate causes the price of such security to change. If the Market Interest Rate increases, the price of such security typically falls. If the Market Interest Rate falls, the price of such security typically increases. Investors should be aware that movements of the Market Interest Rate can

adversely affect the price of the Subordinated Notes and can lead to losses for the Noteholders if they sell the Subordinated Notes.

Reset Interest Rate.

The Subordinated Notes will initially earn interest at 7.125 per cent. per annum from (and including) the Issue Date to but excluding the First Reset Date. On the First Reset Date, First Step-Up Date and Second Step-Up Date however, the Interest Rate will be reset to (i) the relevant Reset Interest Rate; (ii) the relevant Reset Interest Rate plus 0.25 per cent. per annum, and (iii) the relevant Reset Interest Rate plus 1.00 per cent. per annum, respectively. The Reset Interest Rate for any Reset Period (as defined in the Conditions) could be less than the Reset Interest Rate for prior Reset Periods and could affect the market value of an investment in the Subordinated Notes.

Any decline in the credit ratings of the Issuer and/or the Guarantor may affect the market value of the Subordinated Notes.

The Subordinated Notes are expected to be rated ‘BB+’ by S&P and ‘Ba1’ by Moody’s. The rating expected to be granted by each of S&P and Moody’s or any other rating assigned to the Subordinated Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Subordinated Notes. A credit rating is not a statement as to the likelihood of deferral of interest on the Subordinated Notes. Noteholders have a greater risk of deferral of interest payments than persons holding other securities with similar credit ratings but no, or more limited, interest deferral provisions. Credit ratings are for distribution only to a person (a) who is not a retail client within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and any person who receives this Offering Circular is advised that they must not distribute it to any person who is not entitled to receive it.

In addition, S&P and Moody’s may change, amend or clarify their rating methodology or may apply a different set of criteria after the Issue Date (due to changes in the rating previously assigned to the Issuer and/or the Guarantor or to any other reasons), and as a result the Subordinated Notes may no longer be eligible for the same or a higher amount of “equity credit” attributable to the Subordinated Notes at the Issue Date, in which case the Issuer may redeem all of the Subordinated Notes (but not some only), as provided in Condition 7.4 (*Redemption due to a Tax Event or an Equity Credit Rating Event*).

Future discontinuance of EURIBOR or the occurrence of a Benchmark Disruption Event under the Subordinated Notes may adversely affect the value of the Subordinated Notes.

Following the First Reset Date interest amounts payable under the Subordinated Notes are calculated by reference to the mid-market swap reference rate for swap transactions denominated in euro with a term of five years, which appears on the Reuters Screen Page “ICESWAP2/EURSFIXA”.

The swap rate, the Euro Interbank Offered Rate (“EURIBOR”) underlying the floating leg of this swap rate and other interest rate, equity, commodity, foreign exchange rate and other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform. Following any such reforms, benchmarks may perform differently than in the past or cease to exist or be available entirely, or there could be other consequences which cannot be predicted. More broadly, any of the international, national, or other proposals for reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Any such consequence could have a material adverse effect on the Subordinated Notes.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Disruption Event (as defined in the Conditions) occurs, including if EURIBOR and/or any page on which such benchmark may be published (or any successor service) becomes unavailable, or if the Calculation Agent, the Issuer, the Guarantor or any other party is no longer permitted lawfully to calculate any payments due to be made on any Subordinated Notes by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with or without the application of an Adjustment Spread (as defined in the Conditions). Adjustment Spread is a spread, or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser (as defined in the Conditions) and acting in good faith, determines is required to be applied to the Successor Rate and the Alternative Rate, as the case may be, which (i) is formally recommended in relation to the replacement of the Reset Reference Rate (as defined in the Conditions) with the Successor Rate by any Relevant Nominating Body (as defined in the Conditions); (ii) if no such recommendation has been made or in the case of an Alternative Rate, the spread, formula or methodology which the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as the industry standard for over-the counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Reset Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as applicable); or (iii) if the Issuer determines that no such customary market usage is recognised or acknowledged, the spread, formula or methodology which the Issuer in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reset Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). The use of a Successor Rate or Alternative Rate or, if applied, Adjustment Spread to determine the Reset Interest Rate may result in the Subordinated Notes performing differently (including paying a lower Reset Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Disruption Event, no Successor Rate or Alternative Rate and/or Adjustment Spread is determined, the ultimate fallback for the purposes of calculation of the Reset Interest Rate for a particular Reset Period may result in the Reset Interest Rate for the last preceding Reset Period being used. This may result in the effective application of a swap rate for the Subordinated Notes based on the swap rate for the immediately preceding Reset Period.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by Benchmarks Regulation (EU) 2016/1011 or any other international or national reforms, in making any investment decision with respect to the Subordinated Notes.

Modification, waivers and substitution.

The Conditions and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Trustee may, without the approval of the Noteholders, agree with the Issuer and the Guarantor to amend, modify, alter or add to the Conditions or the provisions of the Subordinated Notes, the Trust Deed or the Agency Agreement, if the Trustee is of the opinion that the amendment, modification, alteration or addition is (i) of a formal, minor or technical nature, (ii) made to correct a manifest error or an error which, in the opinion of the Trustee, is proven, or (iii) not materially prejudicial to the interests of the Noteholders. Further, the Trustee may agree, without the consent of the Noteholders, to the waiver or

authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default (as defined in the Conditions) shall not be treated as such if it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

In addition, if at any time after the Issue Date a Gross-Up Event, a Tax Event, an Equity Credit Rating Event or any combination of the foregoing has occurred, the Issuer may, subject to applicable laws, without the authority, assent or approval of Noteholders, instead of redeeming the Subordinated Notes, substitute all (but not some only) of the Subordinated Notes for other securities issued directly or indirectly by the Issuer, or vary the terms of the Subordinated Notes as described in Condition 13.2 (*Substitution or variation in the case of a Special Event*).

Further, the Trustee may, without the consent of the Noteholders at any time agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under the Conditions) as the principal debtor under the Subordinated Notes and the Trust Deed of another company, being a Subsidiary of the Guarantor, subject to the Subordinated Notes being unconditionally and irrevocably guaranteed by the Guarantor, the Trustee being satisfied that such substitution is not materially prejudicial to the interests of the Noteholders and certain other conditions set out in the Conditions and Trust Deed being complied with.

There are tax consequences for investing in the Subordinated Notes.

A general description of the Australian taxation consequences of investing in the Subordinated Notes is set out in the section entitled “*Taxation – Australian Taxation*” below. That description is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position. Noteholders should also be aware that future changes in Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in the Subordinated Notes.

Change of law

The conditions of the Subordinated Notes are based on laws in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to relevant law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Subordinated Notes affected by it.

Trustee’s actions.

In certain circumstances (including the giving of notice to the Issuer and the Guarantors pursuant to Condition 10 (*Events of Default and Enforcement*)), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Even if the Noteholders agree to indemnify and/or provide security and/or pre-fund the Trustee, the time taken to agree the indemnity and/or security and/or pre-funding may impact on when such actions are taken.

The Trustee may decline to take action requested by the Noteholders, notwithstanding the provision of an indemnity or security or pre-funding to it, where it is not satisfied that the action is permitted by the terms of the Trust Deed or applicable law.

Denominations involve integral multiples: definitive Subordinated Notes.

The Subordinated Notes will be in registered form and available for transfer in minimum principal amounts of €100,000 and integral multiples of €1,000 up to and including €199,000 (or in each case the equivalent in any

other currency). No Subordinated Notes in definitive form will be issued with a denomination above €199,000. It is possible that the Subordinated Notes may be traded in amounts that are not integral multiples of €1,000. In such a case a Noteholder who, as a result of trading such amounts, holds an amount which is less than €100,000 in the Noteholder's account with the relevant clearing system at the relevant time may not receive a definitive Subordinated Note in respect of such holding (should definitive Subordinated Notes be printed) and would need to purchase a principal amount of Subordinated Notes such that its holding amounts to €100,000.

Risks related to the market for Subordinated Notes generally

The secondary market.

The Subordinated Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Illiquidity may have an adverse effect on the market value of the Subordinated Notes. Investors may not be able to sell their Subordinated Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. The Subordinated Notes would generally have a more limited secondary market and more price volatility than conventional debt securities.

If the Subordinated Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Although approval in-principle has been received for the Subordinated Notes to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that the Subordinated Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Subordinated Notes and, therefore, any prospective purchaser should be prepared to hold the Subordinated Notes until the maturity or final redemption of such Subordinated Notes.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Subordinated Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (a) the Investor's Currency-equivalent yield on the Subordinated Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Subordinated Notes and (c) the Investor's Currency-equivalent market value of the Subordinated Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Subordinated Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult with its legal advisers to determine whether and to what extent (a) the Subordinated Notes are legal investments for it, (b) the Subordinated Notes can be used as collateral for various types of borrowing and (c) any other restrictions apply to its purchase or

pledge of the Subordinated Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Subordinated Notes under any applicable risk-based capital or similar rules, regulations or laws.

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

The following except for the paragraphs in italics are the Terms and Conditions of the Subordinated Notes which will be incorporated by reference into the Global Certificate (as defined below).

The €500,000,000 7.125 per cent. Guaranteed Subordinated Notes due 2083 (the “**Subordinated Notes**”, which expression, unless the context otherwise requires, includes any further Subordinated Notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Subordinated Notes) issued by APA Infrastructure Limited (ABN 89 009 666 700) (the “**Issuer**”) are constituted by a trust deed (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 9 November 2023 (the “**Issue Date**”) made between the Issuer, APA Group Limited (ABN 99 091 344 704) in its capacity as trustee and responsible entity of the APA Infrastructure Trust (ARSN 091 678 778) and, for so long as the units in the APA Investment Trust are stapled to the units in the APA Infrastructure Trust, as trustee and responsible entity of the APA Investment Trust (ARSN 115 585 441) as guarantor (the “**Guarantor**”) and The Bank of New York Mellon, London Branch, in its capacity as trustee for the Noteholders (the “**Trustee**”, which expression shall include any successor as Trustee).

The Subordinated Notes have the benefit of an agency agreement (as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 9 November 2023 and made between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent) and the other paying agents appointed under it (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar), and transfer agent (the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents) and The Bank of New York Mellon, London Branch as calculation agent (the “**Calculation Agent**”, which expression shall include any successor calculation agent).

For so long as any Subordinated Notes remain outstanding, upon prior written request and proof of holding satisfactory to the Trustee, copies of the Trust Deed and Agency Agreement will be available during normal business hours (being between 9.00 a.m. and 3.00 p.m. Monday to Friday, other than public holidays) to Noteholders (i) from the specified office of the Trustee from time to time; or (ii) electronically via e-mail from the Trustee; in each case, provided the Trustee has been supplied with the relevant documents by the Issuer.

The Noteholders are deemed to have notice of, are entitled to the benefit of and are bound by, all the provisions of the Trust Deed and the Agency Agreement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed and/or the Agency Agreement shall have the same meanings where used in these terms and conditions (the “**Conditions**”) unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the Conditions, the applicable Conditions will prevail.

1 FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Subordinated Notes are in registered form and are issued on their date of issue and transferable in minimum principal amounts of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Subordinated Notes in definitive form will be issued with a denomination above €199,000. A subordinated note certificate (a “**Definitive Certificate**”) will be issued to each Noteholder in respect of its registered holding of Subordinated Notes. Each Definitive Certificate will be numbered

serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar. The Subordinated Notes will be issued at the Issue Price.

Upon issue, the Subordinated Notes will be represented by a Global Certificate registered in the name of a nominee of, and deposited with a custodian for, Euroclear and Clearstream. The Conditions are modified by certain provisions contained in the Global Certificate. Definitive Certificates may only be issued in very limited circumstances (if either or both of Euroclear or Clearstream is closed for business for a continuous period of 14 calendar days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so). See “Global Certificate representing the Subordinated Notes – Exchange” for more details.

1.2 Title

Title to the Subordinated Notes passes only by registration in the Register. The holder of any Subordinated Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (regardless of any notice of ownership, trust or any interest or any writing (other than the endorsed form of transfer, duly completed) on, or the theft or loss of, the Definitive Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Noteholder**” and (in relation to a Subordinated Note) “**holder**” means the person in whose name a Subordinated Note is registered in the Register (or, in the case of a joint holding, the first named thereof).

2 TRANSFER OF SUBORDINATED NOTES AND ISSUE OF DEFINITIVE CERTIFICATES

2.1 Transfers

Subject as provided in Conditions 2.4 and 2.5, a Subordinated Note may be transferred (in whole but not in part) by depositing the Definitive Certificate issued in respect of that Subordinated Note, with the form of transfer on the back duly completed and signed, at the specified office of the Transfer Agent together with such evidence as the Registrar may reasonably require to prove title to the Subordinated Notes that are the subject of the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Subordinated Notes will pass upon registration of such transfer in the Register.

Transfers of interests in the Subordinated Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

2.2 Delivery of new Definitive Certificates

Each new Definitive Certificate to be issued upon transfer of Subordinated Notes will, within five business days of receipt by the Registrar of the duly completed form of transfer endorsed on the relevant Definitive Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Subordinated Note to the address specified in the form of transfer. For the purposes of this Condition 2.2, “**business day**” shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Definitive Certificate is deposited in connection with a transfer is located.

Where some but not all of the Subordinated Notes in respect of which a Definitive Certificate is issued are to be transferred, a new Definitive Certificate in respect of the principal amount of Subordinated Notes not so transferred will, within five business days of receipt by the Registrar of the original Definitive Certificate, be mailed by uninsured mail at the risk of the holder of the Subordinated Notes not so transferred to the address of such holder appearing on the Register (or, in the case of a joint holding, the first named thereof).

2.3 Formalities free of charge

Registration of transfer of Subordinated Notes will be effected without charge by or on behalf of the Issuer, the Registrar, or the Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or the Registrar may reasonably require) in respect of any tax or other governmental charges which may be imposed on the Issuer or the Registrar (as the case may be) in relation to such transfer.

2.4 Closed periods

No Noteholder may require the transfer of a Subordinated Note to be registered during the period of 15 days ending on (and including) the due date for any payment of any principal or interest (including Deferred Interest Payments) on that Subordinated Note.

2.5 Regulations

All transfers of Subordinated Notes and entries on the Register will be made subject to detailed regulations concerning transfers of Subordinated Notes, the initial form of which is scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one.

2.6 Transfer restrictions

- (a) The Subordinated Notes may only be transferred pursuant to offers received in Australia if:
 - (i) the aggregate consideration payable at the time of transfer is at least A\$500,000 (disregarding moneys lent by the transferor or its associates) or the relevant offer otherwise does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and
 - (ii) the transfer does not constitute an offer or transfer to a “retail client” as defined for the purposes of section 761G of the Corporations Act.
- (b) Subordinated Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Subordinated Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

3 STATUS AND SUBORDINATION OF THE SUBORDINATED NOTES

3.1 Status of the Subordinated Notes

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will at all times rank *pari passu* without any preference among themselves and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Trustee and the Noteholders against the Issuer are subordinated as described in Condition 3.2 (*Subordination of the Subordinated Notes*).

3.2 Subordination of the Subordinated Notes

The rights and claims of the Trustee (in respect of amounts owing on the Subordinated Notes but not in respect of any fees, expenses or indemnity claims owed to the Trustee by the Issuer) and the Noteholders as creditors of the Issuer are subordinated to the claims of the holders of Senior Obligations of the Issuer in that if at any time an Insolvency Event occurs in relation to the Issuer (otherwise than for the purposes of a Solvent Reorganisation of the Issuer), repayment of the principal amount of the Subordinated Notes

and payment of any accrued but unpaid interest thereon (including any Deferred Interest Payments) plus any other amount that would otherwise be payable to the Noteholders under these Conditions (all such amounts being “**Subordinated Noteholder Claims**”), is:

- (1) in any winding up or administration of the Issuer, subordinated and postponed to the prior payment in full of the Senior Obligations of the Issuer, and may only be proved (to the extent otherwise provable) subject to the payment in full of all such Senior Obligations; and
- (2) limited such that the amount payable by the Issuer in respect of Subordinated Noteholder Claims of each Noteholder in any winding up or administration of the Issuer (in lieu of any other payment by the Issuer under or in relation to the Subordinated Notes, including pursuant to these Conditions or the Trust Deed) shall be limited to the extent necessary to ensure that the amount paid to that Noteholder is equal to the amount that would be paid to that Noteholder if (in lieu of the Subordinated Noteholder Claims of that Noteholder) that Noteholder held one Notional Preference Security of the Issuer for each €1 (or its equivalent in a currency other than euro) of the aggregate amount of the Subordinated Noteholder Claims of that Noteholder.

For the purpose of calculating the amount that would be paid to a Noteholder if it held Notional Preference Securities as described in paragraph (2) of this Condition 3.2, the claims of any holders of Parity Obligations of the Issuer are to be deemed to constitute claims in respect of preference shares in the capital of the Issuer which rank *pari passu* with the Notional Preference Securities for payment.

Each Noteholder acknowledges and agrees that:

- (a) this Condition 3.2 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) the claims of Issuer Senior Creditors to which it is subordinated include each such Issuer Senior Creditor's entitlement to interest under section 563B of the Corporations Act and it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act;
- (c) the debt subordination effected by this Condition 3.2 is not affected by any act or omission of the Issuer or any Issuer Senior Creditor which might otherwise affect it at law or in equity or by winding-up of the Issuer;
- (d) it must pay or deliver to the liquidator or administrator any amount or asset received on account of its claim in the winding-up or administration of the Issuer in respect of the Subordinated Notes in excess of its entitlement under this Condition 3.2; and
- (e) it may not exercise any voting rights as a creditor in any administration or winding-up which follows an Insolvency Event of the Issuer until after all Issuer Senior Creditors have been paid in full or otherwise in a manner inconsistent with the subordination contemplated in this Condition 3.2.

Nothing in this Condition 3.2 shall be taken to create a charge or security interest on or over any right of the Noteholder or require the consent of any Issuer Senior Creditor to any amendments of the Conditions or the Guarantee.

3.3 No set-off

To the extent and in the manner permitted by applicable law, no Noteholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, and arising from, the Subordinated Notes and each Noteholder will, by virtue of its

holding of any Subordinated Note, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

4 STATUS AND SUBORDINATION OF THE GUARANTEE

4.1 Guarantee

The payment of principal and interest in respect of the Subordinated Notes (including any Deferred Interest Payments) and all other moneys payable by the Issuer under or pursuant to the Trust Deed (the “**Guaranteed Amounts**”) has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the “**Guarantee**”). For the avoidance of doubt, any Deferred Interest Payment will not be a Guaranteed Amount until it becomes due and payable in accordance with Condition 5.6 (*Payment of Deferred Interest Payments*).

4.2 Status of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and will at all times rank *pari passu* with any Parity Obligations of the Guarantor. The rights and claims of the Trustee and the Noteholders against the Guarantor are subordinated as described in Condition 4.3 (*Subordination of the Guarantee*), subject to the limitation on enforcement set out in Condition 4.6 (*Capacity of certain Guarantor*). The obligations of the Guarantor under the Guarantee are incurred solely in its capacity as trustee and responsible entity for the Relevant Trusts.

4.3 Subordination of the Guarantee

The rights and claims of the Trustee (in respect of amounts owing on the Subordinated Notes but not in respect of any fees, expenses or indemnity claims owed to the Trustee by the Guarantor) and the Noteholders as creditors of the Guarantor are subordinated to the claims of holders of Senior Obligations of the Guarantor in that if at any time an Insolvency Event occurs in relation to the Guarantor (otherwise than for the purposes of a Solvent Reorganisation of the Guarantor) the amount payable by the Guarantor in its capacity as trustee of a Relevant Trust under or in relation to the Guarantee in respect of amounts owing on the Subordinated Notes or which would otherwise be due to any Noteholder under the Guarantee (all such amounts being “**Subordinated Noteholder Guarantee Claims**”) is in any winding up or administration of the Guarantor, and in any winding up of a Relevant Trust or application of the assets of a Relevant Trust following its termination or dissolution:

- (1) subordinated and postponed to the prior payment in full of the Senior Obligations of the Guarantor which may be lawfully paid out of the assets of the Relevant Trust pursuant to the Guarantor’s right of indemnity or the terms of the Relevant Trust, and may only be proved or claimed (to the extent otherwise provable or claimable) subject to prior payment in full of all such Senior Obligations; and
- (2) limited such that the amount payable by the Guarantor in respect of Subordinated Noteholder Guarantee Claims of each Noteholder (in lieu of any other payment by the Guarantor under or in relation to the Guarantee) shall be limited to the extent necessary to ensure that the amount paid to that Noteholder is the amount that would be paid to that Noteholder if (in lieu of the Subordinated Noteholder Guarantee Claims of that Noteholder) that Noteholder held one Notional Preference Security of the Guarantor in respect of the Relevant Trust for each €1 (or its equivalent in a currency other than euro) of the aggregate amount of the Subordinated Noteholder Guarantee Claims of that Noteholder,

provided that in no event shall the aggregate amount payable in respect of any amounts due to a Noteholder under Condition 3.2 (*Subordination of the Subordinated Notes*) and the Guarantee exceed the amount that would be payable to the Noteholder if Condition 3.2 (*Subordination of the Subordinated Notes*) and this Condition 4.3 were omitted from these Conditions and the Guarantee. For the purpose of calculating the amount that would be paid to a Noteholder if it held Notional Preference Securities as described in paragraph (2) of this Condition 4.3, the claims of any holders of Parity Obligations of the Guarantor which may lawfully be paid out of the assets of the Relevant Trust pursuant to the Guarantor's right of indemnity or the terms of the Relevant Trust are to be deemed to constitute claims in respect of preferred units in the capital of the Relevant Trust which rank *pari passu* with the Notional Preference Securities for payment.

Each Noteholder acknowledges and agrees that, to the extent applicable in any winding up or administration of the Guarantor:

- (a) this Condition 4.3 is a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) the claims of Guarantor Senior Creditors to which it is subordinated include each such Guarantor Senior Creditor's entitlement to interest under section 563B of the Corporations Act and it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act;
- (c) the debt subordination effected by this Condition 4.3 is not affected by any act or omission of the Guarantor or any Guarantor Senior Creditor which might otherwise affect it at law or in equity or by winding-up of the Guarantor;
- (d) it must pay or deliver to the liquidator or administrator any amount or asset received on account of its claim in the winding-up or administration of the Guarantor in respect of the Subordinated Notes in excess of its entitlement under this Condition 4.3; and
- (e) it may not exercise any voting rights as a creditor in any administration or winding-up which follows an Insolvency Event of the Guarantor until after all relevant Guarantor Senior Creditors have been paid in full or otherwise in a manner inconsistent with the subordination contemplated in this Condition 4.3.

Nothing in this Condition 4.3 shall be taken to create a charge or security interest on or over any right of the Noteholder or require the consent of any Guarantor Senior Creditor to any amendments of the terms and conditions of the Subordinated Notes or the Guarantee.

Accordingly, without prejudice to the rights of the Trustee and the Noteholders under the Guarantee, the claims of all Guarantor Senior Creditors will first have to be satisfied in any winding-up of the Relevant Trusts before Noteholders may expect to obtain from the Guarantor any recovery in respect of their Subordinated Notes and, prior thereto, any Noteholder will have only limited ability to influence the conduct of such winding-up of the Relevant Trusts. See "Risk Factors — Risks Relating to the Subordinated Notes — The Subordinated Notes and the Guarantee are subordinated with limited remedies for non-payment".

4.4 No set-off

To the extent and in the manner permitted by applicable law, no Noteholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising from, the Subordinated Notes or the Guarantee and each Noteholder

will, by virtue of its holding of any Subordinated Note, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

4.5 Partial release of Guarantor

If at any time the units in the APA Investment Trust cease to be stapled to the units of the APA Infrastructure Trust then:

- (a) the Guarantee shall cease to bind the Guarantor in its capacity as trustee and responsible entity of the APA Investment Trust; and
- (b) the APA Investment Trust shall cease to be a Relevant Trust.

For the avoidance of doubt, the Guarantor shall continue to be bound by the Guarantee in its capacity as trustee and responsible entity of the APA Infrastructure Trust.

4.6 Capacity of the Guarantor

The Trust Deed provides that the Guarantor enters into the Trust Deed solely in its capacity as trustee and responsible entity of each Relevant Trust and that any liability of the Guarantor arising in connection with the Trust Deed (including, without limitation, the Guarantee and agreement to comply with these Conditions insofar as they apply to it) is limited and can be enforced against the Guarantor only to the extent that the Guarantor is able to satisfy that liability out of the assets of a Relevant Trust out of which it is actually indemnified from the liability. Each Noteholder is deemed to have acknowledged and agreed that it may enforce its rights against the Guarantor with respect to the non-observance of the Guarantor's obligations, only to the extent necessary to enforce the Noteholder's rights, powers and remedies against the Guarantor in respect of the assets of a Relevant Trust. However, this limitation does not apply to any obligation or liability of the Guarantor to the extent that it is not satisfied because, under the Relevant Trust Deed or by operation of law, the Guarantor is not indemnified, or there is a reduction in the extent of the Guarantor's indemnification, out of the assets of the Relevant Trust as a result of the Guarantor's fraud, negligence or wilful default (as provided in the Trust Deed).

5 INTEREST

5.1 Interest

Each Subordinated Note shall entitle the holder thereof to receive cumulative interest in accordance with the provisions of this Condition 5.

5.2 Interest Rate

Interest on the Subordinated Notes will accrue:

- (a) from (and including) the Issue Date to (but excluding) 9 February 2029 (the "**First Reset Date**") at 7.125 per cent. per annum;
- (b) from (and including) the First Reset Date to (but excluding) 9 February 2034 (the "**First Step-Up Date**") at the relevant Reset Interest Rate;
- (c) from (and including) the First Step-Up Date to (but excluding) 9 February 2049 (the "**Second Step-Up Date**"), at the relevant Reset Interest Rate plus 0.25 per cent. per annum; and
- (d) from (and including) the Second Step-Up Date to (but excluding) the Maturity Date, at the relevant Reset Interest Rate plus 1.00 per cent. per annum,

(each, an "**Interest Rate**") in each case on the principal amount of the Subordinated Notes, which interest will be payable annually in arrear on 9 February of each year, except that (i) the first payment

of interest will be made on 9 February 2024 (the “**First Interest Payment Date**”) and will be in respect of the period from (and including) the Issue Date to (but excluding) 9 February 2024 (the “**First Interest Period**”) and (ii) the last payment of interest will be made on the Maturity Date and will be in respect of the period from (and including) 9 February 2083 to (but excluding) the Maturity Date (the “**Last Interest Period**”) (each an “**Interest Payment Date**”) and subject always to any increase pursuant to Condition 5.7 (*Increase in Interest Rate following Change of Control Event*).

The Interest Amount payable per Calculation Amount on each Interest Payment Date falling on or before the First Reset Date is €71.25, except that the Interest Amount payable per Calculation Amount on the First Interest Payment Date in respect of the First Interest Period is €17.95890411, subject in each case to the provisions of Condition 5.4 (*Optional deferral of interest payments*).

The Interest Amount payable per Calculation Amount on the Interest Payment Date falling on the Maturity Date in respect of the Last Interest Period will be the product as calculated by the Calculation Agent of the Calculation Amount and the applicable Interest Rate, multiplied by the number of calendar days in the Last Interest Period divided by the number of calendar days in an Interest Period and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

Subject to the above, the Interest Amount payable per Calculation Amount on each Interest Payment Date will be the product as calculated by the Calculation Agent of the Calculation Amount and the applicable Interest Rate, multiplied by the Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

5.3 Benchmark Replacement

Notwithstanding the provisions above in this Condition 5, if the Issuer determines that a Benchmark Disruption Event has occurred in relation to the Reset Reference Rate, then the following provisions will apply.

- (a) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer and the Independent Adviser determining, no later than three Business Days prior to the relevant Reset Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with paragraph (b) below) and, in either case, an Adjustment Spread if any (in accordance with paragraph (c) below) and any Benchmark Amendments (in accordance with paragraph (d) below).
- (b) If the Issuer and the Independent Adviser:
 - (i) agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in paragraph (c) below) subsequently be used in place of the Reset Reference Rate as a component part of determining the Reset Interest Rate for all future payments of interest on the Subordinated Notes (subject to the subsequent operation of this Condition 5.3); or
 - (ii) agree that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in paragraph (c) below) subsequently be used in place of the Reset Reference Rate as a component part of determining the Reset Interest Rate for all future payments of interest on the Subordinated Notes (subject to the subsequent operation of this Condition 5.3); or
 - (iii) the Issuer and the Independent Adviser do not agree on the selection of a Successor Rate or an Alternative Rate, the fallback provisions set out in the definitions of “Reset Reference Rate” and “Reset Reference Bank Rate” continue to apply.

- (c) If the Issuer and the Independent Adviser agree (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (d) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.3 and the Issuer and the Independent Adviser agree: (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (c) above, without any requirement for the consent or approval of the Noteholders, the Trustee or the Agents, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this paragraph, the Issuer shall comply with the rules of the SGX-ST or any stock exchange on which the Subordinated Notes are for the time being listed or admitted to trading;
- (e) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.3 will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 12 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and the Noteholders;
- (f) Without prejudice to the obligations of the Issuer under paragraphs (a) to (e) above, the Reset Reference Rate and the fallback provisions provided for in the definitions of “Reset Reference Rate” and “Reset Reference Bank Rate” will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 5.3; and
- (g) Notwithstanding any other provision of this Condition 5.3, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:
 - (i) result in a reduction of the amount of “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Subordinated Notes by any Rating Agency when compared to the “equity credit” assigned to the Subordinated Notes immediately prior to the occurrence of the relevant Benchmark Disruption Event from such Rating Agency;
 - (ii) result in shortening of the period of time “equity credit” is assigned or attributed to the Subordinated Notes by any Rating Agency; or
 - (iii) otherwise prejudice the eligibility of the Subordinated Notes for "equity credit" from any Rating Agency.

5.4 Optional deferral of interest payments

- (a) The Issuer may determine in its sole discretion (no later than 10 Business Days prior to the relevant Interest Payment Date) not to pay all or part of the Interest Amount falling due on that

Interest Payment Date. If the Issuer determines not to pay all or part of the Interest Amount falling due on an Interest Payment Date, such interest (or part thereof, as the case may be) will not be due and payable, or be paid, until the relevant Payment Reference Date and for so long as the same remains unpaid will constitute a “**Deferred Interest Payment**”.

Additional interest will accrue on each Deferred Interest Payment:

- (i) at the same Interest Rate as the principal amount of the Subordinated Notes bears from time to time; and
- (ii) from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to (but excluding) the date the Deferred Interest Payment is paid,

and will be added to such Deferred Interest Payment (and thereafter accumulate additional interest accordingly) on each Interest Payment Date. Each Deferred Interest Payment and additional interest thereon will be payable in accordance with Condition 5.6 (*Payment of Deferred Interest Payments*).

- (b) The Issuer will notify the Noteholders, the Trustee, the Principal Paying Agent, the Registrar and (if and for so long as the Subordinated Notes are listed on the SGX-ST or any other stock exchange on which the Subordinated Notes are listed from time to time and the rules of the SGX-ST or such other exchange so require) the SGX-ST or such other exchange of any determination by it not to pay all or part of the Interest Amount which would otherwise fall due on an Interest Payment Date not less than 10 Business Days prior to the relevant Interest Payment Date. Deferral of Interest Amounts pursuant to this Condition 5.4 will not constitute a default of the Issuer or a breach of its obligations under the Subordinated Notes or for any other purpose.

5.5 Distribution and capital stopper

If some or all of an Interest Amount is deferred pursuant to paragraph (a) of Condition 5.4 (*Optional deferral of interest payments*) and such Interest Amount has not been paid in full by the date which is 20 Business Days following the Interest Payment Date on which it would otherwise have been due, neither the Issuer nor the Guarantor will:

- (a) declare or pay any Discretionary Distribution, or procure that any Discretionary Distribution is made, on any of its Ordinary Equity Securities or Parity Obligations other than:
 - (i) payments made on Parity Obligations *pro rata* with payments made on the Subordinated Notes or Guaranteed Amounts; or
 - (ii) a Discretionary Distribution declared or announced by the Issuer or the Guarantor between 10 Business Days before, to and including the 20 Business Days following, an Interest Payment Date in respect of the then outstanding Deferred Interest Payment (and additional interest thereon) under the Subordinated Notes; or
- (b) redeem, cancel, purchase or buy-back (or procure the redemption, cancellation, purchase or buy-back of), on a discretionary basis, any of its Ordinary Equity Securities or Parity Obligations,

(other than in respect of employee incentive or share plans of members of the APA Group) in each case, until the date on which all Deferred Interest Payments have been paid in full.

5.6 Payment of Deferred Interest Payments

- (a) The Issuer may elect to pay any Deferred Interest Payment at any time on the giving of at least five and not more than 15 Business Days' prior notice to the Noteholders, the Trustee, the Registrar and the Principal Paying Agent.
- (b) Each Deferred Interest Payment will become due and payable, and the Issuer must pay such Deferred Interest Payment, on the earliest to occur of (such date, the "**Payment Reference Date**"):
 - (i) the next Interest Payment Date on which all or part of an Interest Amount is paid on the Subordinated Notes;
 - (ii) the date on which any Discretionary Distribution is declared or paid on, or any discretionary redemption, purchase by the issuing entity or buy-back is made of, any Ordinary Equity Security or Parity Obligation of the Issuer or the Guarantor (other than in respect of employee incentive or share plans of members of the APA Group);
 - (iii) the Maturity Date;
 - (iv) the date on which all of the Subordinated Notes are otherwise redeemed; and
 - (v) the date on which an Event of Default occurs under paragraph (b) or (c) of the definition of that term.

5.7 Increase in Interest Rate following Change of Control Event

- (a) Unless an irrevocable notice to redeem the Subordinated Notes has been given to Noteholders by the Issuer pursuant to Condition 7.3 (*Early Redemption due to a Gross-Up Event or a Change of Control Event*) on or before the 15th Business Day following the first occurrence of a Change of Control Event, 5.00 per cent. per annum shall be added once to the Interest Rate with effect from (and including) the 15th Business Day following the date on which that Change of Control Event occurs. For the avoidance of doubt, the Interest Rate will not increase by reason of any subsequent Change of Control Event.
- (b) The occurrence of the Change of Control Event and of such increase in the Interest Rate will be notified by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*), the Trustee, the Registrar and the Principal Paying Agent no later than the 15th Business Day following the relevant Change of Control Event.

5.8 Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent will cause the Reset Interest Rate for each Reset Period to be notified to the Issuer, the Guarantor, the Trustee, the Paying Agents and any stock exchange on which the Subordinated Notes are for the time being listed and notice thereof shall be published by the Issuer in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the relevant Reset Date.

5.9 Determination or calculation by an agent of the Issuer

If the Calculation Agent does not at any time for any reason determine or calculate the Reset Interest Rate, the Issuer shall appoint an agent on its behalf to do so. In doing so, such agent shall apply such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances in accordance with the above provisions, and the determination or calculation shall be deemed to be a determination or calculation by

the Calculation Agent (notwithstanding anything to the contrary herein, in no circumstance shall the Calculation Agent incur any liability to any person for any rate so determined or calculated).

5.10 Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations, notifications and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions, whether by the Reference Banks (or any of them) or the Calculation Agent or the Trustee, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Registrar, the Calculation Agent, the other Paying Agents, the Trustee and all Noteholders and (in the absence of wilful default, fraud or manifest error) no liability whatsoever to the Issuer, the Guarantor, the Noteholders or any other party shall attach to the Reference Banks or the Calculation Agent or the Trustee, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.11 Accrual of interest

Each Subordinated Note (or in the case of the redemption of part only of a Subordinated Note, that part only of such Subordinated Note) will cease to bear interest from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Subordinated Note have been paid; and
- (b) the seventh day after notice is given to the relevant Noteholder(s) (whether individually or in accordance with Condition 12 (*Notices*)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Subordinated Note is available for payment, provided that upon further presentation thereof being duly made, such payment is made.

6 PAYMENTS

6.1 Method of payment

Subject as provided below, payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

The Issuer shall have no obligation to make payment to the relevant payee unless and until it has received the necessary account details from the payee, and the relevant payee shall not be entitled to further interest or other payment in respect of any resulting delay.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the “**Code**”), any current or future regulations thereunder or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such and intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”).

6.2 Payments in respect of the Subordinated Notes

Payments of principal in respect of the Subordinated Notes (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Subordinated Notes at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named

of joint holders) of the Subordinated Notes appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business and a day on which it is a business day in Sydney, New York and London) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located and a day on which it is a business day in Sydney, New York and London) before the relevant due date (the “**Record Date**”).

For these purposes, “**Designated Account**” means the account maintained by a holder (or the first named of joint holders) with a Designated Bank and identified as such in the Register and “**Designated Bank**” means any bank which processes payments in euro.

Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest of the Subordinated Notes, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Subordinated Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of the Subordinated Notes on redemption will be made in the same manner as payment of the principal amount of the Subordinated Notes.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Subordinated Notes.

None of the Issuer, the Guarantor, the Trustee, the Registrar, the Paying Agents or the Transfer Agents will have any responsibility or liability whatsoever for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

*So long as the Global Certificate is held on behalf of Euroclear and Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

6.3 General provisions applicable to payments

The registered holder of the Global Certificate shall be the only person entitled to receive payments in respect of Subordinated Notes represented by such Global Certificate and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid.

Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Subordinated Notes represented by such Global Certificate must look solely to Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Certificate.

If payment cannot be made in accordance with the Conditions because appropriate account details have not been provided, the Issuer has no obligation to make the payment until the Paying Agent has received those details together with a claim for payment and evidence to its satisfaction of the entitlement of the payee. No interest or other amount will be payable in respect of the delay.

Except as provided in the Trust Deed, no person other than the Trustee shall be entitled to enforce any obligation of the Issuer or the Guarantor to make any payment in respect of the Subordinated Notes.

6.4 Payment Day

If the date for payment of any amount in respect of any Subordinated Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Subordinated Notes in definitive form only, the relevant place of presentation;
 - (ii) Sydney, New York and London; and
- (b) a TARGET Business Day.

6.5 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Subordinated Notes shall be deemed to include any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

Any reference in the Conditions to interest in respect of the Subordinated Notes shall be deemed to include, as applicable, any Deferred Interest Payments and (for the avoidance of doubt, solely for the purposes of applying these Conditions to such payments) any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7 REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, the Subordinated Notes will be redeemed by the Issuer on 9 November 2083 (the “**Maturity Date**”) at their Principal Amount plus any interest accrued up to (but excluding) the Maturity Date and any outstanding Deferred Interest Payments.

7.2 Redemption at the option of the Issuer

Subject to applicable laws, the Issuer may redeem the Subordinated Notes (in whole but not in part) on any day in the period starting on (and including) the 90th calendar day prior to the First Reset Date and ending on (and including) the First Reset Date or on any Interest Payment Date thereafter at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments, having given:

- (a) not less than 30 nor more than 60 calendar days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) not less than five business days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and the Registrar,

which notices shall be irrevocable and shall specify the date fixed for redemption.

7.3 Redemption due to a Gross-Up Event or a Change of Control Event

(a) If a Gross-Up Event or a Change of Control Event occurs, the Issuer may, subject to applicable laws, redeem the Subordinated Notes (in whole but not in part) at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments, having given:

- (i) not less than 30 nor more than 60 calendar days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (ii) not less than five business days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and the Registrar,

which notices shall be irrevocable and shall specify the date fixed for redemption.

(b) In the case of a Gross-Up Event:

(i) no such notice of redemption may be given earlier than 90 calendar days prior to the earliest calendar day on which the Issuer or the Guarantor would be for the first time obliged to pay the additional amounts in question on payments due in respect of the Subordinated Notes; and

(ii) prior to the giving of any such notice of redemption, the Issuer will deliver or procure that there is delivered to the Trustee:

(A) a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer, or the Guarantor, as the case may be, stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions to the exercise of the right of the Issuer to redeem have been satisfied and that the obligation to pay additional amounts cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it; and

(B) an opinion of an independent legal or tax adviser of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay the additional amounts in question as a result of a Gross-Up Event,

and the Trustee shall be entitled, without liability to any person, to accept the above certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

(c) In the case of a Change of Control Event, prior to giving any notice of redemption, the Issuer will deliver or procure that there is delivered to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that a Change of Control Event has occurred. The Trustee shall be entitled, without liability to any person, to accept such certification as sufficient evidence that a Change of Control Event has occurred, in which event it shall be conclusive and binding on the Noteholders.

7.4 Redemption due to a Tax Event or an Equity Credit Rating Event

(a) If a Tax Event or an Equity Credit Rating Event occurs, the Issuer may, subject to applicable laws, redeem the Subordinated Notes (in whole but not in part) at any time at:

- (i) where such redemption occurs prior to (but excluding) the First Reset Date, 101 per cent. of the principal amount; or

(ii) where such redemption occurs after, or on, the First Reset Date, the principal amount, plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments, having given:

(A) not less than 30 nor more than 60 calendar days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and

(B) not less than five business days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and the Registrar,

which notices shall be irrevocable and shall specify the date fixed for redemption.

(b) Prior to giving such notice of redemption, the Issuer will deliver or procure that there is delivered to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that a Tax Event or an Equity Credit Rating Event (as the case may be) has occurred and stating in the case of a Tax Event that the relevant loss or deduction cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it and, in the case of a Tax Event, the opinion referred to in the definition of Tax Event. The Trustee shall be entitled, without liability to any person, to accept such certification and, in the case of a Tax Event, opinion as sufficient evidence that a Tax Event or an Equity Credit Rating Event (as the case may be) has occurred, in which event it shall be conclusive and binding on the Noteholders.

7.5 Redemption due to substantial repurchase of Subordinated Notes

In the event that the Issuer, the Guarantor and/or any Subsidiary of the Issuer or the Guarantor has, individually or in aggregate, purchased (and not resold) Subordinated Notes equal to or in excess of 75 per cent. of the aggregate principal amount of the Subordinated Notes issued on the Issue Date, the Issuer may redeem the remaining Subordinated Notes (in whole but not in part) at any time at their principal amount plus any interest accrued up to (but excluding) the Redemption Date and any outstanding Deferred Interest Payments, having given:

(a) not less than 30 nor more than 60 calendar days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and

(b) not less than five business days before the giving of the notice referred to in (a) above, notice to the Trustee, the Principal Paying Agent and the Registrar,

which notices shall be irrevocable and shall specify the date fixed for redemption.

7.6 Purchases

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Subordinated Notes at any price in the open market or otherwise. Such Subordinated Notes may be held, resold or, in the case of the Issuer only, reissued, or, at the option of any such purchaser, surrendered to any Paying Agent or the Registrar for cancellation.

7.7 Cancellation

All Subordinated Notes which are redeemed will be cancelled forthwith. All Subordinated Notes so cancelled and the Subordinated Notes purchased and cancelled pursuant to Condition 7.6 (*Purchases*) above shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8 TAXATION

All payments of principal and interest (including any Deferred Interest Payments) in respect of the Subordinated Notes by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Subordinated Notes after such withholding or deduction shall equal the respective amounts of principal and interest (including any Deferred Interest Payments) which would otherwise have been receivable in respect of the Subordinated Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Subordinated Note:

- (a) where payment is due to a holder or beneficial holder who is liable for such taxes or duties in respect of such Subordinated Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Subordinated Note;
- (b) presented for payment, where presentation is required, more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.4 (*Payment Day*));
- (c) to the extent that the holder or beneficial holder (i) is treated as a resident (for the purposes of the relevant double taxation agreement) in a jurisdiction having a double taxation agreement with the relevant jurisdiction of the holder giving complete exemption from taxes otherwise imposed by such jurisdiction on the payment and (ii) is not excluded from the benefit of such exemption;
- (d) in respect of any amount which is required to be withheld by reason of the holder or beneficial holder being an associate (as that term is defined in section 128F of the Australian Tax Act) of the Issuer;
- (e) in respect of a payment to, or to a third party on behalf of, a holder or beneficial holder who is a resident of Australia or a holder or beneficial holder who is a non-resident of Australia carrying on business in Australia at or through a permanent establishment in Australia, in circumstances where such withholding or deduction would not have been required if the holder or any person acting on his behalf had provided to the Issuer an appropriate tax file number, Australian business number or details of an exemption from providing those numbers; or
- (f) in respect of any amount which is required to be withheld by reason of the Australian Commissioner of Taxation giving a notice under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 of Australia.

For the avoidance of doubt, neither the Issuer, the Guarantor, nor any affiliate thereof, will be required to pay any additional amounts in respect of FATCA Withholding (as defined in Condition 6.1 (*Method of payment*)).

As used herein:

- (i) “**Tax Jurisdiction**” means the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax;
- (ii) “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12 (*Notices*); and

(iii) “**Australian Tax Act**” means the Income Tax Assessment Act 1936 of Australia.

9 PRESCRIPTION

The Subordinated Notes will become void unless claims in respect of principal and/or interest, including any Deferred Interest Payments, are made within a period of 10 years (in the case of principal) and five years (in the case of interest, including any Deferred Interest Payments and any additional interest accumulated thereon) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

10 EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default

If an Event of Default occurs and is subsisting, then the Trustee may, and shall if so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. of the aggregate in principal amount of the Subordinated Notes then outstanding (as defined in the Trust Deed) (subject in each case to being indemnified and/ or secured and/or pre-funded to its satisfaction):

- (a) give notice to the Issuer and the Guarantor that the Subordinated Notes are, and they shall immediately become, due and payable at their Principal Amount plus any accrued but unpaid interest thereon (including any Deferred Interest Payments);
- (b) initiate steps, actions or proceedings for the winding-up of the Issuer and/or prove in the winding-up or claim in the liquidation of the Issuer in respect of the Subordinated Notes; and/or
- (c) in the case of an Event of Default arising from the failure of the Guarantor to pay a Guaranteed Amount due and payable pursuant to the Guarantee, initiate steps, actions or proceedings for the winding up of the Relevant Trusts and/or prove in any winding up of the Relevant Trusts in respect of any unpaid Guaranteed Amounts,

provided that such claim of the Trustee in the winding-up or liquidation of the Issuer and/or the Relevant Trusts in respect of each Subordinated Note shall be subordinated as described in Condition 3.2 (*Subordination of the Subordinated Notes*) or Condition 4.3 (*Subordination of the Guarantee*), as the case may be.

10.2 Enforcement by the Trustee

Without prejudice to Condition 10.1 (*Events of Default*), the Trustee may at any time, at its discretion (subject to the next following sentence) and without further notice institute such proceedings against the Issuer or (subject to Condition 4.6 (*Capacity of certain Guarantor*)) the Guarantor as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor under the Trust Deed or the Subordinated Notes (other than any payment obligation of the Issuer or the Guarantor under or arising from the Trust Deed or the Subordinated Notes, including, without limitation, payment of any principal or interest (including any Deferred Interest Payments and any additional interest accumulated thereon under paragraph (a)(ii) of Condition 5.4 (*Optional deferral of interest payments*)) in respect of the Subordinated Notes and including damages awarded for the breach of any payment obligations, but without prejudice to the rights and remedies available to the Trustee in respect of fees, expenses and indemnity claims owing to it under the Trust Deed) but in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it under these Conditions.

The Trustee will not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Subordinated Notes unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. of the aggregate in principal amount of the Subordinated Notes then outstanding (as defined in the Trust Deed) and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

10.3 No other remedies

Except as permitted by this Condition 10 (including, without limitation, any rights or remedies of the Trustee under Condition 10.2 (*Enforcement by the Trustee*)) and Condition 10.1 (*Events of Default*) and without prejudice to the rights and remedies available to the Trustee in respect of fees, expenses and indemnity claims owing to it under the Trust Deed, no remedy against the Issuer or the Guarantor shall be available to the Trustee or the Noteholders in respect of any breach by the Issuer or the Guarantor (as the case may be) of any of its obligations under the Conditions and/or the Trust Deed (as the case may be).

10.4 Enforcement by the Noteholders

No Noteholder will be entitled to proceed directly against the Issuer or the Guarantor to enforce any right or remedy under or in respect of any Subordinated Note unless the Trustee, having become bound to so proceed, fails so to do within a reasonable period and the failure is continuing, in which case any such Noteholder may itself institute proceedings against the Issuer or (as the case may be) the Guarantor for the relevant remedy to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

10.5 Trustee may refrain

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

11 PAYING AGENTS AND REGISTRAR

The names of the initial Paying Agents and the Registrar and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee (such approval not to be unreasonably withheld), to vary or terminate the appointment of the Registrar or any Paying Agent or any Transfer Agent and/or appoint additional or other Paying Agents, Registrar and Transfer Agents and/or approve any change in the specified office through which any Paying Agent and/or Registrar and/or Transfer Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Calculation Agent;
- (b) so long as the Subordinated Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Registrar and a Transfer Agent which, so long as the Subordinated Notes are listed on any stock exchange or admitted to listing by any other relevant authority, will have a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

- (d) so long as the Subordinated Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Certificate is exchanged for Definitive Certificates, there will at all times be a Paying Agent in Singapore. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include material information with respect to the delivery of the definitive Subordinated Notes, including details of the Paying Agent in Singapore.

12 NOTICES

All notices to holders of the Subordinated Notes will be deemed validly given if mailed to their registered addresses appearing on the Register and will be deemed to have been given on the third day after the day on which it was mailed. In addition, for so long as the Subordinated Notes are admitted to trading on, and listed on the SGX-ST and the rules of that stock exchange so require, a daily newspaper of general circulation in Singapore. It is expected that any such publication in a newspaper will be made in the *Business Times* in Singapore. Any such notice will be deemed to have been given on the first date of such publication.

Until such time as any Definitive Certificates are issued, there may, so long as the Global Certificate representing the Subordinated Notes is held in its entirety on behalf of Euroclear and/or Clearstream, be substituted for such mailing or publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream for communication by them to the holders of the Subordinated Notes and, in addition, for so long as any Subordinated Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Subordinated Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Subordinated Note in definitive form) with the relevant Subordinated Note or Subordinated Notes, with the Registrar. Whilst any of the Subordinated Notes are represented by a Global Certificate, such notice may be given by any holder of a Subordinated Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

13 MEETINGS OF NOTEHOLDERS AND MODIFICATION, WAIVER AND SUBSTITUTION

13.1 Modification without consent

The Trustee may agree with the Issuer and the Guarantor, without the approval of Noteholders, to amend, modify, alter or add to either these Conditions or the provisions of the Subordinated Notes, the Trust Deed or the Agency Agreement, if the Trustee is of the opinion that the amendment, modification, alteration or addition is:

- (a) of a formal, minor or technical nature;
- (b) made to correct a manifest error or an error which, in the opinion of the Trustee, is proven; or
- (c) not materially prejudicial to the interests of the Noteholders.

13.2 Substitution or variation in the case of a Special Event

If at any time after the Issue Date a Special Event has occurred, subject to applicable laws, the Issuer may, without the authority, assent or approval of Noteholders, instead of redeeming the Subordinated Notes pursuant to Condition 7 (*Redemption and Purchase*), substitute all (but not some only) of the

Subordinated Notes for other securities issued directly or indirectly by the Issuer, or vary the terms of the Subordinated Notes, provided that such other securities or amended Subordinated Notes:

- (a) have terms not materially less favourable to Noteholders than the terms of the Subordinated Notes immediately prior to such substitution or variation (as reasonably determined by the Issuer);
- (b) have a rating ascribed to them by each Rating Agency which is equal to or higher than that ascribed to the Subordinated Notes immediately prior to such substitution or variation;
- (c) have the benefit of a guarantee from the Guarantor on terms not materially less favourable to Noteholders than the terms of the Guarantee (as reasonably determined by the Issuer); and
- (d) are listed on the SGX-ST or another internationally recognised stock exchange selected by the Issuer.

Any such substitution or variation will not be permitted if a Special Event would occur or be continuing immediately following such substitution or variation.

The Trustee shall (at the expense of the Issuer and following receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer confirming (a) to (d) above upon which the Trustee shall rely absolutely and without liability) use reasonable endeavours to assist the Issuer in such substitution or variation of the Subordinated Notes (including, but not limited to, entering into such documents or deeds as may be necessary to give effect thereto), provided that the Trustee shall not be obliged to participate in, or assist with, or enter into any documents or deeds in connection with, any such substitution or variation if the substitution or variation, or the securities into which the Subordinated Notes are to be substituted, or if the assistance with such substitution or variation, or the entry into of any documents or deeds, would impose, in the Trustee's opinion, more onerous obligations upon it, expose it to liabilities or reduce its protections.

13.3 Meetings

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter relating to the Subordinated Notes and/or the Trust Deed and/or the Agency Agreement, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. The necessary quorum for any such meeting shall be:

- (a) except for the purposes of passing an Extraordinary Resolution, one or more Eligible Persons present and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Subordinated Notes for the time being outstanding (as defined in the Trust Deed), or at any adjourned such meeting one or more Eligible Persons present (whatever the principal amount of the Subordinated Notes so held or represented by them);
- (b) for the purposes of passing an Extraordinary Resolution at a meeting the business of which does not include a Special Matter (as defined in the Trust Deed), one or more Eligible Persons present and holding or representing in the aggregate more than 50 per cent. in principal amount of the Subordinated Notes for the time being outstanding (as defined in the Trust Deed), or at any adjourned such meeting one or more Eligible Persons present (whatever the principal amount of the Subordinated Notes so held or represented by them); and
- (c) for the purposes of passing an Extraordinary Resolution at a meeting the business of which includes a Special Matter (as defined in the Trust Deed), one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds, or at any adjourned such

meeting not less than one-quarter, of the principal amount of the Subordinated Notes for the time being outstanding (as defined in the Trust Deed).

Any Noteholder present in person or by proxy, attorney or Representative (as defined in the Trust Deed) may demand a poll. On a poll each holder of a Subordinated Note present in person or by proxy and entitled to vote shall have one vote in respect of each €1,000 in principal amount of such holder's Subordinated Notes. A resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

The Trust Deed provides that:

- (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Subordinated Notes outstanding (a "**Written Resolution**"); or
- (ii) where the Certificates are held by or on behalf of a clearing system or clearing systems, consents given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of the Subordinated Notes outstanding (an "**Electronic Consent**"),

shall, in any such case, be effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Such Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution or Electronic Consent and whether or not they voted in favour of the relevant resolution.

13.4 Waiver, authorisation and determination

The Trustee may agree, without the consent of the Noteholders, to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders).

13.5 Trustee to have regard to interests of Noteholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, determination, authorisation or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

13.6 Notification to the Noteholders

Any modification, abrogation, waiver, determination, authorisation or substitution pursuant to or described in this Condition 13 shall be binding on the Noteholders and, unless the Trustee agrees

otherwise, notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

13.7 Benchmark Amendment

The consent or approval of the Noteholders shall not be required in the case of amendments to these Conditions pursuant to Condition 5.3 (*Benchmark Replacement*) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Subordinated Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 5.3 (*Benchmark Replacement*), where the requirements of Condition 5.3 (*Benchmark Replacement*) have been satisfied.

13.8 Compliance with stock exchange rules

In connection with any amendment, modification, alteration, addition or substitution under this Condition 13, the Issuer will comply with the rules of the SGX-ST or any other stock exchange on which the Subordinated Notes are for the time being listed or admitted to trading.

13.9 Substitution of the Issuer

The Trustee may, without the consent of the Noteholders at any time agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under these Conditions) as the principal debtor under the Subordinated Notes and the Trust Deed of another company, being a Subsidiary of the Guarantor (the “**Substituted Issuer**”), subject to:

- (a) no payment of principal, interest or other amount in respect of the Subordinated Notes being overdue;
- (b) the Substituted Issuer assuming all obligations of the Issuer under the Subordinated Notes, the Trust Deed and the Agency Agreement, such obligations being legal, valid and binding upon it, and the Subordinated Notes will continue to rank *pari passu* with the Subordinated Notes prior to the substitution;
- (c) the Subordinated Notes being unconditionally and irrevocably guaranteed by the Guarantor;
- (d) the Substituted Issuer having obtained all authorisations required in any jurisdiction in which the Substituted Issuer is organised or located for the Substituted Issuer to assume and perform the obligations of the Issuer in respect of the Subordinated Notes;
- (e) the Substituted Issuer being able, under the laws of any jurisdiction in which it is organised or located, to effect payment of all amounts necessary for the fulfilment of the payment obligations on or in connection with the Subordinated Notes in the currency in which the relevant payment obligation is due without withholding or deduction for or on account of any taxes;
- (f) the opinions of lawyers of recognised standing in Australia and of lawyers of recognised standing in the jurisdiction in which the Substituted Issuer is organised or located to the effect that the matters referred to in paragraphs (b), (c), (d) and (e) above have been satisfied and delivered to the Trustee, the Principal Paying Agent and the Registrar;
- (g) the Subordinated Notes continuing to have a credit rating from an internationally recognised rating agency at least equal to the credit rating of the Subordinated Notes immediately prior to the substitution and evidence of this having been delivered to the Trustee, the Principal Paying Agent and the Registrar;
- (h) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and

- (i) certain other conditions set out in the Trust Deed having been complied with.

14 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Guarantor and the Noteholders, including provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Subordinated Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agents shall be liable to any Noteholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received.

None of the Trustee and nor the Agents shall be under any obligation to monitor or ascertain whether any Event of Default has occurred or any event which could lead to the occurrence of any Event of Default has occurred or to monitor compliance by the Issuer with the provisions of the Trust Deed or Agency Agreement or these Conditions, and shall not be liable to any Noteholder, the Issuer or any other person for not doing so.

The Trustee may rely without liability to Noteholders on any report, confirmation or certificate or any advice of any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and, in such event, such report, confirmation or certificate or advice shall be binding on the Issuer and the Noteholders.

15 FURTHER ISSUES

Subject to applicable law, the Issuer may from time to time without the consent of the Noteholders create and issue further securities or incur further debt obligations either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same will be consolidated and form a single series with the Subordinated Notes; or (b) upon such terms as to ranking, distributions or interest, conversion, redemption and otherwise as the Issuer may determine at the time of issue.

16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Trust Deed, the Agency Agreement, the Subordinated Notes and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Subordinated Notes are governed by, and shall be construed in accordance with, English law, save for Conditions 3.2 (*Subordination of the Subordinated Notes*), 3.3 (*No set-off*), 4.3 (*Subordination of the Guarantee*) and 4.4 (*No set-off*) and the provisions of Clauses 9.2, 9.7, 10.9 and 10.14 of the Trust Deed, which will be governed by, and construed in accordance with, the laws of New South Wales, Australia.

17.2 Submission to jurisdiction

The Issuer and the Guarantor irrevocably agree, for the benefit of the Trustee and the Noteholders, that the courts of England and New South Wales are to jointly have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and/or the (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Subordinated Notes) and accordingly submit to the exclusive jurisdiction of the English courts and New South Wales courts. In the event that the Issuer or the Guarantor commences any suit, action or proceedings (together referred to as “**Proceedings**”), such Proceedings shall be brought in either the courts of England or the courts of New South Wales but not both, whether concurrently or otherwise. Therefore, once Proceedings are commenced in the courts of England, Proceedings concerning the same dispute may not be commenced in New South Wales and vice versa.

The Issuer and the Guarantor waive any objection to the courts of England and New South Wales on the grounds that they are an inconvenient or inappropriate forum. The Trustee or, any Noteholder may take any Proceedings arising out of or in connection with the Trust Deed and/or the Subordinated Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed and/or the Subordinated Notes) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

Each of the Issuer and the Guarantor appoint Elemental Process Agent Limited at its registered office at 27 Old Gloucester Street, London WC1N 3AX as its agent for service of process in respect of Proceedings for which the courts of England are to have exclusive jurisdiction, and undertake that, in the event of Elemental Process Agent Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17.4 Other documents and the Guarantor

The Issuer and the Guarantor have in the Trust Deed and the Agency Agreement submitted to the exclusive jurisdiction of the English courts and New South Wales courts and, in respect of Proceedings for which the English courts are to have exclusive jurisdiction, appointed an agent for service of process in England on terms substantially similar to those set out above.

18 DEFINITIONS

For the purposes of the Conditions:

“**Adjustment Spread**” means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reset Reference Rate with the Successor Rate by any Relevant Nominating Body;

or (if no such recommendation has been made, or in the case of an Alternative Rate);

- (b) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Reset Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

or (if the Issuer determines that no such industry standard is recognised or acknowledged)

- (c) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reset Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer determines, following consultation with the Independent Adviser, has replaced the Reset Reference Rate in customary market usage in the international swap markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in euros;

“**AMIT Regime**” means the Australian income tax rules applying to attribution managed investment trusts, including the provisions set out in Division 276 of the Income Tax Assessment Act 1997 (Cth) of Australia and the applicable withholding tax obligations as set out in Divisions 12 and 12A of Schedule 1 of the Taxation

Administration Act 1953 (Cth) of Australia and any other relevant provisions necessary to the operation of those rules;

“**APA Group**” means the Guarantor and each of its Subsidiaries and, for the avoidance of doubt, includes the Issuer, the APA Infrastructure Trust and (for so long as the units in the APA Investment Trust are stapled to the units in the APA Infrastructure Trust) the APA Investment Trust and their respective Subsidiaries;

“**APA Infrastructure Trust**” means the trust and registered scheme of that name having Australian Registered Scheme Number 091 678 778;

“**APA Investment Trust**” means the trust and registered scheme of that name having Australian Registered Scheme Number 115 585 441;

“**Benchmark Disruption Event**” means:

- (a) the Original Reference Rate has ceased to be published as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the Original Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of the Original Reference Rate) it has ceased publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the “**Specified Future Date**”); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified future date (the “**Specified Future Date**”), be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will, by a specified future date (the “**Specified Future Date**”), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Subordinated Notes; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will, by a specified future date (the “**Specified Future Date**”) no longer representative of an underlying market; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent, the Issuer, the Guarantor or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011, if applicable),

and, notwithstanding the sub-paragraphs above, where the relevant Benchmark Disruption Event is a public statement within sub-paragraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Disruption Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

“**Business Day**” means a day (other than a Saturday, Sunday or a public holiday) on which banks and foreign exchange markets are open for business in London, New York and Sydney;

“**Calculation Amount**” means €1,000 in principal amount of Subordinated Notes;

“**Change of Control**” occurs if:

- (a) the direct or indirect sale, lease, transfer conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the APA Group taken as a whole to any person other than to a member of the APA Group; or
- (b) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any person (the “**acquirer**”) becomes the beneficial owner of more than 50 per cent. of the outstanding Ordinary Equity Securities of the Guarantor, measured by voting power rather than number of shares or units, where the acquisition of more than 50 per cent. of such Ordinary Equity Securities is not subject to any unsatisfied or unwaived condition, regulatory approval or securityholders resolution; or
- (c) the Guarantor consolidates with, or merges with or into, any person or persons, or any person or persons consolidates with, or merges with or into, the Guarantor, in any such event pursuant to a transaction in which all of the Ordinary Equity Securities of the Guarantor outstanding immediately prior to such transaction is converted into or exchanged for cash, securities or other property, other than pursuant to any such transaction where the Ordinary Equity Securities of the Guarantor constitutes, or is converted into or exchanged for, a majority of the ordinary equity securities of the surviving person(s) immediately after giving effect to such transaction;

“**Change of Control Event**” means that a Change of Control occurs and, on any date during the Trigger Period, two Rating Agencies (including, if applicable, a Substitute Rating Agency) cease to rate the Issuer’s senior unsecured obligations as Investment Grade. In the event that there is only one Rating Agency providing a rating for the Issuer’s senior unsecured obligations at the commencement of any Trigger Period, if that Rating Agency (including, if applicable, a Substitute Rating Agency) ceases to rate the Issuer’s senior unsecured obligations as Investment Grade on any date during that Trigger Period, such action will be deemed to have been taken by two Ratings Agencies during that Trigger Period. Notwithstanding the foregoing, no Change of Control Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated;

“**Corporations Act**” means the Australian Corporations Act 2001 (*Cth*);

“**Day Count Fraction**” means:

- (a) if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Period in which the relevant period falls; and
- (b) if interest is required to be calculated for a period of more than one year, the sum of (i) the number of calendar days of the relevant period falling in the Interest Period in which it begins divided by the total number of calendar days in such Interest Period and (ii) the number of calendar days of the relevant period falling in the next Interest Period divided by the total number of calendar days in such next Interest Period (including the first such day but excluding the last);

“**Discretionary Distribution**” means a distribution (either interim or final) to the extent it exceeds the amount of a Mandatory Distribution in respect of a Distribution Period;

“**Equity Credit Rating Event**” occurs if after the Issue Date the Issuer or the Guarantor has received confirmation from any Rating Agency (or has become aware following a publication by any Rating Agency) that, due to any amendment to, clarification of, or change in its assessment criteria under its hybrid capital methodology or a change in the interpretation thereof, in each case occurring or becoming effective after the Issue Date:

- (a) the Subordinated Notes will no longer be eligible, in whole or in part, for the same or higher category of “equity credit” (or such similar nomenclature as is being used by that Rating Agency at the relevant time) as was attributed to the Subordinated Notes by that Rating Agency at the Issue Date (or, if “equity credit” is not assigned to the Subordinated Notes by the relevant Rating Agency on the Issue Date, at the date on which “equity credit” is assigned by such Rating Agency for the first time); or
- (b) if the Subordinated Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for “equity credit” from such Rating Agency in part or in full as a result, paragraph (a) above would have applied had the Subordinated Notes not been refinanced; or
- (c) the period of time during which the relevant Rating Agency will attribute to the Subordinated Notes a particular category of “equity credit” will be shortened as compared to the period of time for which such Rating Agency would have attributed to the Subordinated Notes that category of “equity credit” on the date on which such Rating Agency attributed to the Subordinated Notes such category of “equity credit” for the first time;

“euro” or “€” means the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of the Functioning of the European Union, as amended from time to time;

“**Event of Default**” means the occurrence of any of the following events:

- (a) any principal or any interest or other amount due and payable in respect of the Subordinated Notes or any of them, or (as the case may be) any Guaranteed Amounts pursuant to the Guarantee, are not paid by the Issuer or the Guarantor in full within 30 days of its due date; or
- (b) an order is made (other than an order successfully appealed or permanently stayed within 60 days) by a State or Federal Court in the Commonwealth of Australia, or an effective resolution is passed by the shareholders of the Issuer, for the winding-up of the Issuer (other than for the purposes of Solvent Reorganisation of the Issuer); or
- (c) a Relevant Trust is validly terminated by the Guarantor in accordance with the Relevant Trust Deed, or an order is made (other than an order successfully appealed or permanently stayed within 60 days) by a State or Federal Court in the Commonwealth of Australia, or an effective resolution is passed by the holders of the Ordinary Equity Securities of the Guarantor for the winding up of a Relevant Trust (in any case other than in circumstances where the Relevant Trust ceases to be a Relevant Trust under Condition 4.5 (*Partial release of Guarantor*) or for the purposes of Solvent Reorganisation of the Guarantor),

except that none of the following will constitute an Event of Default:

- (i) the non-payment by the Issuer or the Guarantor of any amount due and payable in respect of any of the Subordinated Notes or any Guaranteed Payments pursuant to the Guarantee:
 - (A) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or
 - (B) during any period where there is doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given by an independent law firm acceptable to the Trustee as to such validity or applicability; or
- (ii) the deferral of any Interest Amount pursuant to Condition 5.4 (*Optional deferral of interest payments*);

“**Gross-Up Event**” means that as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Tax Jurisdiction, or any change in or amendment to any official interpretation or application of those laws, rules or regulations, which change or amendment becomes effective on or after the Issue Date (or, if later, the date on which the applicable jurisdiction became a Tax Jurisdiction), the Issuer has or will become obliged to pay, or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay an additional amount, provided that the payment obligation cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it;

“**Guarantor Senior Creditors**” means the holders of Senior Obligations of the Guarantor;

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense) under Condition 5.3 (*Benchmark Replacement*) and notified in writing to the Trustee;

“**Initial Credit Spread**” means 4.098 per cent. per annum;

“**Insolvency Event**” means:

- (a) in respect of the Issuer, the appointment of an administrator, a liquidator, provisional liquidator or other similar officer in respect of the Issuer or any corporate action is taken by the Issuer to appoint such a person; and
- (b) in respect of the Guarantor:
 - (i) the appointment of an administrator, a liquidator, provisional liquidator or other similar officer in respect of the Guarantor or any corporate action is taken by the Guarantor to appoint such a person; or
 - (ii) the winding up, termination or dissolution of a Relevant Trust (other than in circumstances where the Relevant Trust has or will cease to be a Relevant Trust in accordance with Condition 4.5 (*Partial release of Guarantor*));

“**Interest Amount**” means the amount payable per Calculation Amount on an Interest Payment Date;

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Investment Grade**” means a credit rating of Baa3 by Moody’s or BBB- by S&P, or equivalent, or better;

“**Issue Price**” means, in relation to a Subordinated Note, 100.0 per cent.;

“**Issuer Senior Creditors**” means the holders of Senior Obligations of the Issuer;

“**Mandatory Distribution**” means in respect of any period (a “**Distribution Period**”):

- (a) an amount required to be paid by the Guarantor in its capacity as trustee and responsible entity of the APA Investment Trust to unitholders of the APA Investment Trust under the terms of the Relevant Trust Deed;
- (b) an amount which, together with all other distributions paid in respect of that Distribution Period, does not exceed such amount as the Guarantor determines to be the minimum amount necessary to ensure that:

- (i) in respect of any income year in which the APA Investment Trust is an attribution managed investment trust as defined in the Income Tax Assessment Act 1997 of Australia, the unitholders of the APA Investment Trust do not have an unfunded taxable income distribution from APA Investment Trust under the AMIT Regime; and
 - (ii) in respect any other income year, the Guarantor is not subject to tax on the “net income” (as defined in section 95 of the Income Tax Assessment Act 1936 of Australia) of the APA Investment Trust and the unitholders of APA Investment Trust do not have an unfunded taxable income distribution from APA Investment Trust; or
- (c) any amount in respect of a Parity Obligation which the Issuer or the Guarantor (as the case may be) does not have the discretion under the terms of such Parity Obligation to not make or pay;

“Notional Preference Security” means:

- (a) in respect of the Issuer, a preference share in the capital of the Issuer entitling the holder only to a return of capital in a winding up of the Issuer in an amount equal to €1:
 - (i) after payment in full of the claims of holders of Senior Obligations of the Issuer;
 - (ii) *pari passu* with the claims of holders of Parity Obligations of the Issuer; and
 - (iii) in priority to the claims of holders of Ordinary Equity Securities of the Issuer; and
- (b) in respect of the Guarantor and a Relevant Trust, a unit other than an ordinary unit in the Relevant Trust entitling the holder only to a return of capital in a winding up of the Relevant Trust in an amount equal to €1:
 - (i) after payment in full of the claims of holders of Senior Obligations of the Guarantor which may be lawfully paid out of the assets of the Relevant Trust pursuant to the Guarantor’s right of indemnity or the terms of the Relevant Trust;
 - (ii) *pari passu* with the claims of holders of Parity Obligations of the Guarantor which may be lawfully paid out of the assets of the Relevant Trust pursuant to the Guarantor’s right of indemnity or the terms of the Relevant Trust; and
 - (iii) in priority to the claims of holders of Ordinary Equity Securities of the Guarantor in respect of the Relevant Trust;

“Ordinary Equity Security” means:

- (a) in respect of the Issuer, an ordinary share in the capital of the Issuer; and
- (b) in respect of the Guarantor, an ordinary unit in a Relevant Trust;

“Parity Equity Security” means, in respect of the Issuer or the Guarantor, a Parity Obligation that is a preference share of the Issuer (in the case of the Issuer) or a unit in a Relevant Trust (in the case of the Guarantor);

“Parity Obligations” means:

- (a) in respect of the Issuer:
 - (i) any series of preference shares issued by the Issuer expressed to rank equally with the Subordinated Notes; and

- (ii) any other security, obligation (including, without limitation, any guarantee), instrument or preferred security issued, given or assumed by the Issuer and expressed to rank equally with the Subordinated Notes; and
- (b) in respect of the Guarantor and a Relevant Trust:
 - (i) any unit other than an ordinary unit in a Relevant Trust which ranks in priority to ordinary units in the Relevant Trust for return of capital in a winding up of the Relevant Trust and is expressed to rank equally with the Guarantee; and
 - (ii) any other security, obligation (including, without limitation, any guarantee) instrument or preferred security issued, given or assumed by Guarantor and expressed to rank equally with the Guarantee for the purpose of payment out of the assets of the Relevant Trust;

“Rating Agency” means Moody’s Investors Service Limited (**“Moody’s”**) or Standard & Poor’s Ratings Services (**“S&P”**), or their respective successors or any rating agency (a **“Substitute Rating Agency”**) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee;

“Relevant Nominating Body” means, in respect of a reference rate:

- (a) the European Commission, the central bank for the currency to which the reference rate relates, any central bank which is responsible for supervising the administrator of the reference rate, or any other relevant supervisory or regulatory authority or national legislative body of the country for the currency to which the reference rate relates; or
- (b) any working group or committee sponsored by, chaired or co-chaired by, or constituted at the request of
 - (i) the central bank for the currency to which the reference rate relates, (ii) any central bank which is responsible for supervising the administrator of the reference rate, (iii) any other relevant supervisory or regulatory authority or national legislative body of the country for the currency to which the reference rate relates, (iv) a group of the aforementioned central banks or other authorities, or (v) the Financial Stability Board or any part thereof;

“Relevant Trust” means:

- (a) the APA Infrastructure Trust; and
- (b) subject to Condition 4.5 (*Partial release of Guarantor*), the APA Investment Trust;

“Relevant Trust Deed” means:

- (a) in respect of the APA Infrastructure Trust, the trust deed dated 18 February 2000 establishing the APA Infrastructure Trust (as amended); and
- (b) in respect of the APA Investment Trust, the trust deed dated 30 June 2005 establishing the APA Investment Trust (as amended);

“Reset Date” means the First Reset Date and each date that falls five, or a multiple of five, years following the First Reset Date;

“Reset Determination Date” means the day which is two TARGET Business Days preceding the relevant Reset Date;

“Reset Interest Rate” means, in relation to any Reset Period, the sum of the Reset Reference Rate in relation to that Reset Period plus the Initial Credit Spread, subject to any applicable increase pursuant to Condition 5.7 (*Increase in Interest Rate following Change of Control Event*);

“**Reset Period**” means the period from and including the First Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“**Reset Reference Bank Rate**” means, subject to the operation of Condition 5.3 (*Benchmark Replacement*), the percentage rate determined by the Calculation Agent on the basis of the Swap Rate Quotations provided by the principal office of at least four major banks in the interbank market for euro swap transactions as selected by the Issuer (the “**Reference Banks**”) to the Calculation Agent at approximately 11:00 a.m. (Frankfurt time) on the relevant Reset Determination Date. If one quotation is provided, the Reset Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last Reset Reference Rate available on the Reset Screen Page before the Reset Determination Date, or, in the case of the Reset Period commencing on the first Reset Date, the rate of 3.154 per cent. per annum;

“**Reset Reference Rate**” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period and subject to the operation of Condition 5.3 (*Benchmark Replacement*), the euro mid-market swap reference rate for a term of five years as displayed on the Reset Screen Page as at 11:00 a.m. (Frankfurt time) on such Reset Determination Date. In the event that such rate does not appear on the Reset Screen Page on the relevant Reset Determination Date at approximately that time, the Reset Reference Rate will be the Reset Reference Bank Rate;

“**Reset Screen Page**” means Reuters screen “ICESWAP2/EURSFIXA” (or such other page as may replace such page on Reuters or such other page as may be determined by the Issuer for the purposes of displaying comparable rates);

“**Senior Obligations**” means, in respect of the Issuer or the Guarantor:

- (a) all obligations of the Issuer or the Guarantor (as the case may be) other than subordinated obligations of the Issuer or the Guarantor; and
- (b) all subordinated obligations of the Issuer or the Guarantor (as the case may be) other than obligations to holders of Parity Obligations or Ordinary Equity Securities of the Issuer or the Guarantor (as the case may be);

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited or any successor thereto;

“**Solvent Reorganisation**” means, with respect to the Issuer or the Guarantor (as the case may be), solvent winding-up, deregistration, dissolution, scheme of arrangement or other reorganisation of the Issuer or the Guarantor (as the case may be) solely for the purposes of a consolidation, amalgamation, merger or reconstruction, the terms of which have been approved by resolution of the holder(s) of the Ordinary Equity Securities of the Issuer or the Guarantor (as the case may be) or by a court of competent jurisdiction and, where any continuing or resulting corporation (other than the Issuer or the Guarantor) or trust (other than a Relevant Trust) will succeed to or acquire the assets of the Issuer or the Guarantor pursuant to such consolidation, amalgamation, merger or reconstruction, such continuing or resulting corporation, or the trustee or responsible entity of such continuing or resulting trust, effectively assumes the obligations of the Issuer under the Subordinated Notes and the Trust Deed or of the Guarantor under the Guarantee and the Trust Deed (as the case may be);

“**Special Event**” means any of a Gross-Up Event, a Tax Event, an Equity Credit Rating Event or any combination of the foregoing;

“**Subsidiary**” means in relation to a corporation or a trust (“**entity**”):

- (a) if the entity controls the composition of the board of another entity which is a corporation — that other entity; or
- (b) if the entity is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of shareholders or unitholders of another entity — that other entity,

and, in relation to the Guarantor, is taken to include the APA Investment Trust and APA Group Limited in its capacity as responsible entity and trustee of the APA Investment Trust and each Subsidiary thereof (as the context requires) for so long as the units in the APA Investment Trust are stapled to the units in the APA Infrastructure Trust;

“**Successor Rate**” means the rate which has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the Reset Reference Rate by the Relevant Nominating Body;

“**Swap Rate Quotation**” means the rate at which swaps in euro (EURIBOR basis) are offered by a Reference Bank to participants in the interbank market for euro swap transactions for a term of five years;

“**T2 System**” means the real time gross settlement system operated by the Eurosystem, or any successor or replacement for that system;

“**TARGET Business Day**” means a day on which the T2 is operating;

“**Tax Event**” means that, in the opinion of a recognised independent tax adviser, on or after the Issue Date, as a result of:

- (a) any amendment to, or change in, the laws (or any rules or regulations thereunder) of the Tax Jurisdiction which is enacted, promulgated, issued or otherwise becomes effective on or after the Issue Date (or, if later, the date on which the applicable jurisdiction became a Tax Jurisdiction); or
- (b) any official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation, the publication of any judicial decision, regulatory private ruling or determination) which is enacted, promulgated, issued or otherwise becomes effective on or after the Issue Date (or, if later, the date on which the applicable jurisdiction became a Tax Jurisdiction); or
- (c) any generally applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date (or, if later, the date on which the applicable jurisdiction became a Tax Jurisdiction),

interest paid by the Issuer on the Subordinated Notes or Guaranteed Amounts in respect of interest paid by the Guarantor pursuant to the Guarantee would no longer, or within 90 calendar days of the date of that opinion will no longer, be fully deductible (or the entitlement to make such deduction shall be materially reduced) by or on behalf of the Issuer or (as applicable) the Guarantor for corporate income tax purposes in the Tax Jurisdiction;

“**Trigger Period**” means the period commencing upon the earlier of:

- (a) the occurrence of a Change of Control; and
- (b) 60 days prior to the date of the first public announcement of any Change of Control (or pending Change of Control),

and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies (including, if applicable, a Substitute Rating Agency) has publicly announced that it is considering a possible ratings downgrade).

GLOBAL CERTIFICATE REPRESENTING THE SUBORDINATED NOTES

The Global Certificate contains the following provisions which apply to the Subordinated Notes in respect of which it is issued whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in this section.

Payments

Each payment by or on behalf of the Issuer or the Guarantor in respect of the Subordinated Notes will be made to or to the order of, the person whose name is entered on the Register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date (the “**Record Date**”).

Where no further payment is to be made in respect of the Subordinated Notes, payment of principal and interest will only be made against presentation and surrender of the Global Certificate to or to the order of the Registrar or such other agent as shall have been notified to the holder of the Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in the Subordinated Notes held through Euroclear or Clearstream will be credited, to the extent received by the Principal Paying Agent or the Registrar, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

Cancellation

Cancellation of any Subordinated Note following its redemption or purchase by the Issuer, the Guarantor or any of their subsidiaries will be effected by reduction in the aggregate Principal Amount of the Subordinated Notes in the Register.

Notices

For so long as all of the Subordinated Notes are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, notices to the Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream (as the case may be) for communication to the persons shown in the records of Euroclear or Clearstream as the holder of a Principal Amount of such Subordinated Notes (each an “**Accountholder**”) rather than by publication as required by Condition 12 (*Notices*). Such notice shall be deemed to have been given on the date of delivery of the notice to Euroclear and/or Clearstream (as the case may be) for such communication.

Accountholders

For so long as all of the Subordinated Notes are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, each Accountholder shall be treated as the holder of the relevant principal amount of such Subordinated Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Subordinated Notes, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the registered holder of the Global Certificate in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the registered holder of the Global Certificate.

Exchange

If either or both of Euroclear or Clearstream is closed for business for a continuous period of 14 calendar days (other than by reason of legal holidays) or announces an intention permanently to cease business, a number of Subordinated Notes corresponding to its book-entry interests in the Subordinated Notes represented by the

Global Certificate will, on receipt of effective forms of transfer, be transferred to each Accountholder (or a nominee thereof), and each such Accountholder (or nominee) will be registered as a holder of the Subordinated Notes in the Register and will receive a certificate made out in such Accountholder's (or its nominee's) name.

Transfers

Transfers of book-entry interests in the Subordinated Notes will be effected through the records of Euroclear, Clearstream and their respective participants in accordance with the rules and procedures of Euroclear, Clearstream and their respective direct and indirect participants. No Accountholder may require the transfer of a Subordinated Note to be so effected during the period from the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) on the date before the relevant due date for any payment of principal or interest on that Subordinated Note.

Clearing Systems

References herein to Euroclear and Clearstream shall be deemed to include any successor or other clearing system in which the Subordinated Notes may be cleared with the approval of the Trustee.

CLEARANCE AND SETTLEMENT OF THE SUBORDINATED NOTES

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream (the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor, the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor, the Agents or the Managers will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Subordinated Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Custodial and depositary links have been established with Euroclear and Clearstream to facilitate the initial issue of the Subordinated Notes and transfers of the Subordinated Notes associated with secondary market trading.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry of changes in the accounts of their participants. Euroclear and Clearstream provide their respective participants with, inter alia, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Registration and form

Book-entry interests in the Subordinated Notes held through Euroclear and Clearstream will be evidenced by the Global Certificate, registered in the name of a nominee of the common depositary of Euroclear and Clearstream. The Global Certificate will be held by, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream. Beneficial ownership in the Subordinated Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Subordinated Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Subordinated Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Subordinated Notes. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer or the Guarantor for holders of interests in the Subordinated Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

Neither the Issuer nor the Guarantor will impose any fees in respect of the Subordinated Notes. However, holders of book-entry interests in the Subordinated Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Global Clearance and Settlement Procedures

Initial settlement

Interests in the Subordinated Notes will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Subordinated Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Subordinated Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the Issue Date against payment (for value on the Issue Date).

Secondary market trading

Secondary market sales of book-entry interests in the Subordinated Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Subordinated Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional participants.

Eurosystem eligibility

The Subordinated Notes are not intended to be held in a manner which would allow Eurosystem eligibility.

General

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the transfers of interests in the Subordinated Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

None of the Issuer, the Guarantor, the Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations.

REPLACEMENT OF CAPITAL INTENTION

Each of the Issuer and the Guarantor intends (without thereby assuming a legal obligation), during the period from and including the Issue Date to but excluding the Second Step-Up Date, in the event of:

- a redemption of the Subordinated Notes at the Issuer's option pursuant to Condition 7.2 (*Redemption at the option of the Issuer*); or
- taken together with other repurchases of hybrid securities issued by a member of the APA Group, a repurchase of the Subordinated Notes pursuant to Condition 7.6 (*Purchases*) of more than: (i) 10 per cent. of the aggregate principal amount of outstanding hybrid securities issued by the APA Group in any period of 12 consecutive months; or (ii) 25 per cent. of the aggregate principal amount of the outstanding hybrid securities issued by the APA Group in any period of 10 consecutive years,

if the Subordinated Notes are assigned "equity credit" (or such similar classification then used by S&P) by S&P at the time of such redemption or repurchase, that the Subordinated Notes will be redeemed or repurchased only to the extent the Aggregate Equity Credit of the Subordinated Notes to be redeemed or repurchased does not exceed the Aggregate Equity Credit received by any entity in the APA Group, from the sale or issuance by any entity in the APA Group to third party purchasers of replacement securities (the "**Restrictions**"). For the purpose of the Restrictions, "**Aggregate Equity Credit**" means:

- in relation to the Subordinated Notes, the part of the aggregate principal amount of each series of the Subordinated Notes that was assigned "equity credit" by S&P at the time of their issuance; and
- in relation to replacement securities, the part of the net proceeds received from issuance of such replacement securities that was assigned "equity credit" by S&P at the time of their sale or issuance (or the "equity credit" S&P has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of "equity credit" by S&P on the issue date of such replacement securities).

The intention described above does not apply if on the date of such redemption or repurchase:

- the rating assigned by S&P to the Issuer is the same as or higher than the long-term corporate credit rating assigned to the Issuer on the date when the most recent additional hybrid security issued by the APA Group was issued (excluding refinancings) and the Issuer is of the view that such rating would not fall below such level as a result of such redemption or repurchase; or
- the Issuer no longer has a solicited corporate credit rating by S&P; or
- the Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor has individually or in the aggregate, redeemed, cancelled or purchased the Subordinated Notes equal to or in excess of 75 per cent. of the aggregate Principal Amount of the Subordinated Notes issued on the Issue Date; or (d) the statements made in the Restrictions set forth hereunder are no longer required for the Subordinated Notes to be assigned "equity credit" that is equal to or greater than the equity credit assigned by S&P on the Issue Date; or
- such replacement would cause the Issuer's outstanding hybrid capital which is assigned "equity credit" by S&P to exceed the maximum aggregate principal amount of hybrid capital for which S&P, under its then prevailing methodology, would assign "equity credit" based on the Issuer's adjusted total capitalisation; or
- there shall have occurred a general moratorium on, or disruption in, commercial banking activities in Australia, the United Kingdom, the European Economic Area or the United States by any Australian, United Kingdom, European Economic Area, New York State or United States Federal authorities, which

would, in the opinion of the Issuer or the Guarantor, be likely to materially prejudice the issuance of securities by any entity in the APA Group which, if issued, would be assigned “equity credit” by S&P.

The Subordinated Notes and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or prefunded to its satisfaction. It may not be possible for the Trustee to take certain actions and accordingly, in such circumstances the Trustee will be unable to take such actions, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, and it will be for Noteholders to take such actions directly.

CHANGE OF CONTROL INTENTION

Prior to the Issuer exercising its redemption right upon a Change of Control Event, the Issuer or the Guarantor intends (without hereby assuming a legal obligation) to make an offer to certain holders of senior debt to repurchase any such senior debt at the lower of their market value and par plus accrued interest.

This intention does not apply in respect of any senior debt of the Issuer or the Guarantor (as applicable) that continues to have an investment grade rating following the occurrence of the relevant Change of Control Event, nor any senior debt that has in its terms either: (a) a coupon or margin step-up linked to a rating downgrade; or (b) a put right in favour of holders or otherwise a requirement for the Issuer or the Guarantor (as applicable) to repay such senior debt on a change of control of the Issuer or the Guarantor (as applicable).

This intention also does not apply in the event that: (a) the Issuer no longer has a solicited credit rating from Moody's; (b) the Subordinated Notes no longer receive the equity credit ascribed by Moody's at the time of issue; or (c) Moody's, under its then prevailing hybrid equity criteria, no longer requires the undertaking to achieve the amount of equity credit ascribed to the Subordinated Notes at the time of issue.

USE OF PROCEEDS

The net proceeds from the offering of the Subordinated Notes will be used for general corporate purposes, including refinancing.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

APA Group (“**APA**”) is the registered business name of APA Group Limited, the responsible entity of APA Infrastructure Trust (“**APA Infra**”) and APA Investment Trust (“**APA Invest**”), the units of which trade on the Australian Securities Exchange (“**ASX**”) under the ticker symbol “**APA**” as a single “stapled” security. References to APA in this section are made in the context of the business of APA in its entirety including the respective businesses of the Issuer, the Guarantor and their controlled entities.

The summary consolidated statement of financial position data as at 30 June 2023 and the summary consolidated statement of profit or loss and other comprehensive income data and the summary consolidated statement of cash flow data for FY2023 have been derived from APA’s audited consolidated financial statements for FY2023, the summary consolidated statement of financial position data as at 30 June 2022 and the summary consolidated statement of profit or loss and other comprehensive income data and the summary consolidated statement of cash flow data for FY2022 have been derived from APA’s audited consolidated financial statements for FY2022, the summary consolidated statement of financial position data as at 30 June 2021 and the summary consolidated statement of profit or loss and other comprehensive income data and the summary consolidated statement of cash flow data for FY2021 have been derived from APA’s audited consolidated financial statements for FY2022 where it has been included as comparative consolidated financial information therein and, in each case, are qualified in their entirety by reference to the respective audited consolidated financial statements, which have been audited by Deloitte Touche Tohmatsu, its independent auditors.

The financial statements referred to above have been prepared in accordance with AAS as at the reporting date. The summary consolidated financial information presented below should also be read in conjunction with the sections in this Offering Circular titled “Risk Factors” and “Capitalisation”. The summary consolidated financial information set forth below is not necessarily indicative of APA’s future results of operations or financial condition.

Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income Data

	Year ended 30 June		
	2021	2022	2023
	<i>(A\$ in millions)</i>		
Revenue (excluding pass-through revenue)	2,111	2,207	2,358
Share of net profits of associates and joint ventures using the equity method	31	28	23
Unallocated revenue ⁽¹⁾	3	1	20
Total revenue (excluding pass-through revenue)	2,145	2,236	2,401
Pass-through revenue ⁽²⁾	460	496	512
Total revenue	2,605	2,732	2,913
Asset operation and management expenses	(214)	(228)	(227)
Depreciation and amortisation expense	(674)	(735)	(750)
Other operating costs — pass-through ⁽²⁾	(460)	(496)	(512)
Finance costs	(656)	(484)	(479)
Employee benefit expense	(291)	(323)	(398)
Other expenses	(17)	(24)	(82)

	Year ended 30 June		
	2021	2022	2023
	<i>(A\$ in millions)</i>		
(Impairment)/reversal of Impairment of property, plant and equipment ⁽³⁾	(249)	28	—
Fair value gains/(losses) on contracts for difference	18	(30)	12
Profit before tax	62	440	477
Income tax expense	(62)	(180)	(190)
Profit for the year	—	260	287

Notes:

- (1) Unallocated revenue is a non-IFRS measure.
- (2) Pass-through revenue is revenue in respect of which an amount of costs are incurred and on which no margin is earned, and is therefore equivalent to the line item “*Other operating costs — pass-through*”. Pass-through revenue and costs arise primarily on the asset management operations in respect of AGN assets and GDI assets. Management assesses revenue and cost performance by excluding pass-through revenue and costs.
- (3) This has been recognised as a significant item. See Note 2 in APA’s FY2022 Consolidated Financial Statements for further information.

Summary Consolidated Statement of Financial Position Data

	As at 30 June		
	2021	2022	2023
	<i>(A\$ in millions)</i>		
Current assets			
Cash and cash equivalents.....	652	940	513
Trade and other receivables.....	299	309	374
Other financial assets	57	32	49
Inventories.....	41	46	55
Other	27	31	42
Assets classified as held for sale ⁽¹⁾	—	295	—
Total current assets	1,076	1,653	1,033
Non-current assets			
Trade and other receivables.....	10	608	27
Other financial assets	218	362	430
Investments accounted for using the equity method	240	266	273
Property, plant and equipment.....	9,501	9,420	10,755
Goodwill	1,184	1,184	1,184

	As at 30 June		
	2021	2022	2023
	<i>(A\$ in millions)</i>		
Other intangible assets	2,481	2,312	2,130
Other	33	32	34
Total non-current assets.....	13,667	14,184	14,833
Total assets	14,743	15,837	15,866
Current liabilities			
Trade and other payables.....	315	417	471
Lease Liabilities	14	14	16
Borrowings.....	3	3	202
Other financial liabilities.....	168	206	207
Provisions.....	116	138	159
Unearned revenue	11	13	13
Liabilities directly associated with assets classified as held for sale ⁽¹⁾	—	31	—
Total current liabilities.....	627	822	1,068
Non-current liabilities			
Trade and other payables.....	15	11	9
Lease Liabilities	49	43	47
Borrowings.....	9,921	10,902	11,321
Other financial liabilities.....	261	422	452
Deferred tax liabilities.....	753	863	894
Provisions.....	102	94	113
Unearned revenue	64	51	52
Total non-current liabilities	11,165	12,386	12,888
Total liabilities	11,792	13,208	13,956
Net assets.....	2,951	2,629	1,910
Equity			
APA Infrastructure Trust equity:			
Issued capital.....	2,572	2,225	1,964
Reserves	(356)	(328)	(700)
Retained earnings.....	(50)	75	79
Equity attributable to unitholders of the parent	2,166	1,972	1,343
Non-controlling interests:			

	As at 30 June		
	2021	2022	2023
	<i>(A\$ in millions)</i>		
Equity attributable to unitholders of APA Investment Trust:			
Issued Capital.....	765	644	555
Retained Earnings.....	20	13	12
Total non-controlling interests	785	657	567
Total equity	2,951	2,629	1,910

Note:

- (1) Relates to the Orbest Gas Processing Plant which was disposed of on 28 July 2022. Refer to note 11 of the FY2022 Consolidated Financial Statements for further information.

Certain Non-IFRS Measures

	Year ended 30 June		
	2021	2022	2023
	<i>(A\$ in millions)</i>		
Profit for the year.....	—	260	287
Plus:			
Finance costs ⁽¹⁾	656	484	479
Unallocated revenue.....	(3)	(1)	(20)
Income tax expense.....	62	180	190
Depreciation and amortisation expense.....	674	735	750
Impairment/(reversal) of impairment of property, plant and equipment ⁽²⁾	249	(28)	—
EBITDA (excluding significant items).....	1,638	1,630	1,686

Note:

- (1) In FY2021, this includes a once-off interest charge of \$148 million reflecting swap termination costs, realised net foreign exchange movements and make-whole charges associated with bond note redemptions completed during the year which was recognised as a significant item. See Note 2 in APA's FY2022 Consolidated Financial Statements for further information.
- (2) This has been recognised as a significant item. See Note 2 in APA's FY2022 Consolidated Financial Statements for further information.

CAPITALISATION

The following table sets forth APA's short and long term loans and borrowings and capitalisation as at 30 June 2023, on a historical basis and as adjusted to give effect to the issuance of the Subordinated Notes.

As of 30 June 2023, APA had A\$11,586 million of borrowings outstanding and A\$513 million of cash and cash equivalents.

	As at 30 June 2023	
	Actual	As Adjusted⁽¹⁾
	<i>(A\$ in millions)</i>	
Loans and borrowings		
Australian MTNs	200	200
Sterling EMTNs.....	3,031	3,031
Euro EMTNs.....	3,825	3,825
Japanese Yen EMTNs	104	104
Rule 144A Notes.....	3,366	3,366
Bank borrowings.....	989	989
Subordinated Notes offered hereby.....	—	819
Total loans and borrowings	11,515	12,334
Lease and other liabilities.....	71	71
Total borrowings and other liabilities	11,586	12,405
Equity		
<i>Aggregate equity stapled securityholders interests:</i>		
Issued capital	1,964	1,964
Reserves.....	(700)	(700)
Retained earnings.....	79	79
Non-controlling interests	567	567
Total equity	1,910	1,910
Total capitalisation⁽²⁾⁽³⁾	13,496	14,315

Note:

- (1) The 'as adjusted' column does not give effect to the use of proceeds. Please also see the section entitled "Use of Proceeds" for more information in respect of the utilisation of the proceeds of the Subordinated Notes.
- (2) Total capitalisation equals total equity plus total loans and borrowings and lease liability and other.
- (3) Following: (i) the A\$875 million from the equity raising in August 2023 through institutional placement and security purchase plan, and (ii) A\$500 million received from the facility agreement with SMBC and A\$500 million received from the facility agreement with ANZ, each dated 23 August 2023 (the "Short-Term Facilities") entered into in connection with the Alinta Energy Pilbara acquisition, the total capitalisation of APA (as adjusted to give effect to the issuance of the Subordinated Notes and the use of proceeds of the Subordinated Notes) is A\$16,190 million.

Further, on 3 November 2023, APA entered into a syndicated facility agreement (the “**Syndicated Facility Agreement**”). As of the date of the Offering Circular, the Syndicated Facility Agreement has not been utilised. APA intends to use the proceeds from the Syndicated Facility Agreement to, amongst other things, refinance part of the Short-Term Facilities.

DESCRIPTION OF THE ISSUER

Incorporation

The Issuer was incorporated on 15 November 1948 with limited liability in Queensland, Australia. All of the shares in the Issuer are held by APAGL, the responsible entity (“**Responsible Entity**”) and the trustee of both APA Infra and APA Invest. APAGL holds all of the shares in the Issuer in its capacity as responsible entity and trustee of APA Infra. The Issuer’s registered address is located at Level 25, 580 George Street, Sydney NSW 2000, Australia.

Business Overview

The principal activities of the Issuer are to manage treasury activities (being the primary corporate borrower on behalf of APA), advancing such borrowings to APA’s operating companies and being the parent company for the majority of APA’s subsidiaries. As described in this Offering Circular, APA operates as a stapled group under APA Infra and APA Invest, and APA’s head trusts have a common senior management team. The board of directors of APAGL, in each of its separate capacities as responsible entity of APA Infra and of APA Invest, governs the affairs of APA Infra and APA Invest. The Issuer and APAGL share the same directors, who are described under “*Ownership Structure and Management*”.

Directors and Company Secretary

The following table sets out the members of the Board of Directors and the Company Secretaries of the Issuer:

Name	Position
Michael Fraser*	Chairman
Adam Watson	Managing Director and Chief Executive Officer
James Fazzino*	Non-Executive Director
Debra Goodin*	Non-Executive Director
Shirley In’t Veld*	Non-Executive Director
Rhoda Phillippo*	Non-Executive Director
Peter Wasow*	Non-Executive Director
Nino Ficca*	Non-Executive Director
Amanda Cheney	Company Secretary
Bronwyn Weir	Company Secretary

* Independent Directors.

The members of the Board of APAGL and its Company Secretaries are the same as those listed above of the Issuer. Brief profiles of the individuals are provided in the section of this Offering Circular entitled “*Ownership Structure and Management*”.

OWNERSHIP STRUCTURE AND MANAGEMENT

Legal Framework and Ownership Structure

APA comprises two trusts, APA Infra and APA Invest, which are registered managed investment schemes regulated by the Corporations Act, the Issuer and their respective controlled entities. Securities in APA Infra were initially listed on the ASX on 13 June 2000. Units in APA Infra are “stapled” to units in APA Invest on a one-to-one basis so that one APA Infra unit and one APA Invest unit trade as a single stapled security on the ASX under the ticker symbol “APA”.

APA Infra and APA Invest, as registered managed investment schemes, are required by the Corporations Act to have a Responsible Entity to operate the schemes and perform the functions conferred on the Responsible Entity by the scheme’s constitutions and the Corporations Act. The Responsible Entity and trustee of both of APA Infra and APA Invest is APAGL.

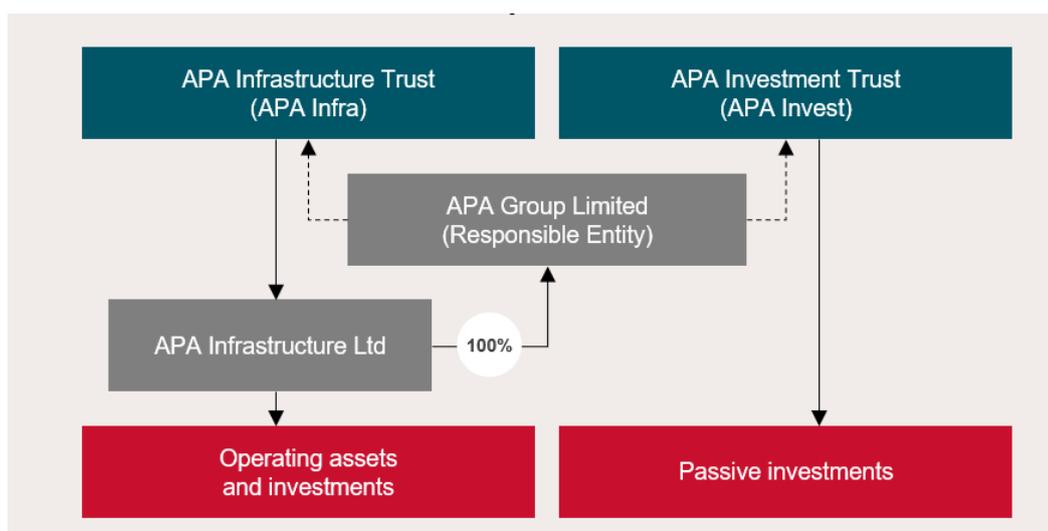
The Board comprises eight Directors, seven of whom (including the Chairman, Michael Fraser) are independent. Adam Watson is the Managing Director and Chief Executive Officer of APA and therefore considered non-independent.

Under the Corporations Act, APAGL as Responsible Entity of each of APA Infra and APA Invest, and APAGL’s officers, must act in the best interests of the securityholders and, if there is a conflict between the securityholders’ interests and the interests of the Responsible Entity, give priority to the former. Chapter 5C of the Corporations Act details various other obligations that a Responsible Entity has in relation to registered managed investment schemes such as APA Infra or APA Invest and other aspects of the regulation of such schemes.

The character of profit distributions from the two trusts differs. APA Infra generally provides post-tax distributions whilst APA Invest generally provides pre-tax distributions which may include a tax-deferred component. By nature of APA Invest’s taxation status, if net income earned by APA Invest is not distributed to securityholders, tax may be payable by APAGL as trustee for APA Invest.

As at 5 October 2023, APA had 1,282,957,939 securities on issue with a market capitalisation of A\$10.5 billion.

APA’s ownership structure is outlined below:



Significant Investors

As at 30 June 2023, the following entities were noted as having issued “substantial holdings” under the Corporations Act of more than 5% of APA’s stapled securities (a person’s notifiable “substantial holding” is the aggregate of the “relevant interests” (broadly defined) in voting securities held by the person and by its ‘associates’ (also broadly defined)):

- UniSuper – 9.97% (4 April 2023)
- State Street Corporation and subsidiaries – 7.22% (20 January 2022)
- BlackRock Group – 7.02% (16 July 2021)
- The Vanguard Group Inc – 5.04% (11 November 2021)

As at 30 June 2023, the following entities had registered holdings of more than 5% of APA’s stapled securities:

- HSBC Custody Nominees (Australia) Limited – 28.09%
- J P Morgan Nominees Australia Pty Limited - 11.34%
- BNP Paribas Nominees Pty Ltd – 9.94%
- Citicorp Nominees Pty Limited – 7.82%

Neither notifiable “substantial holdings” nor registered holdings precisely equate with beneficial holdings (beneficial holdings are generally not notifiable under Australian law). The “substantial holding” notification requirements are based on “relevant interests” (generally a broader concept than beneficial interests) as outlined above, and registered holdings reflect legal rather than beneficial ownership.

Related Party Transactions

For a discussion of related party transactions, see Note 30 to APA’s financial statements for FY2023 and Note 29 to APA’s financial statements for FY2022, each of which is included in this Offering Circular.

Board of Directors

The directors of APA are:

Name	Position
Michael Fraser*	Chairman
Adam Watson	Managing Director and Chief Executive Officer
James Fazzino*	Non-Executive Director
Debra Goodin*	Non-Executive Director
Peter Wasow*	Non-Executive Director
Rhoda Phillippo*	Non-Executive Director
Shirley In’t Veld*	Non-Executive Director
Nino Ficca*	Non-Executive Director

**Independent Directors.*

Michael Fraser, Chairman

Michael Fraser is the Chairman of APA Group and brings to the Board more than 35 years’ experience in the Australian energy and infrastructure sectors.

Michael has an extensive background in all aspects of the Australian energy market, including with the development of renewable energy projects and related firming infrastructure. Michael has held various executive positions at AGL Energy, including the role of Managing Director and Chief Executive Officer for a period of seven years to February 2015.

Michael is a current Director of Orora Limited. He is a former Chairman of the Clean Energy Council, Elgas Limited, ActewAGL and the NEMMCO Participants Advisory Committee, as well as a former Director of Aurizon Holdings Limited, Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.

Michael is Chair of the Nomination Committee and a member of the Safety and Sustainability Committee.

Adam Watson, Managing Director and Chief Executive Officer

Adam Watson was appointed Chief Executive Officer and Managing Director in December 2022. He joined APA Group in November 2020 as Chief Financial Officer (“CFO”).

In his role as CFO, Adam was responsible for APA’s technology, finance, taxation, treasury and capital markets, risk, cyber and physical security, procurement, real estate and shared services activities.

Adam has deep local and international experience in the industrial and manufacturing sectors and in the development, delivery and operations of critical infrastructure. He previously held senior executive roles at Transurban, Australia’s largest infrastructure business, along with Melbourne Airport and BlueScope Steel. Adam has deep experience in public private partnerships and his senior leadership roles have spanned finance, commercial, strategy, corporate development and operations.

James Fazzino, Non-Executive Director

James Fazzino brings to the Board extensive local and international experience in industrial, manufacturing and emerging energy markets.

James held the role of Managing Director and Chief Executive Officer at Incitec Pivot Limited for eight years up until 2017. In this role he built significant experience in sustainability and in the safe operation of high hazard and high-risk facilities in remote locations. James also has experience building strategic customer relationships and in the delivery of world scale hydrogen projects.

James is currently the Chair of Manufacturing Australia and a Director of Rabobank Australia Limited. He is also a convener of the Champions of Change Coalition, a group of senior business executives focussed on gender equality and inclusive workplaces. He was formerly the Chairman of Tassal Group Limited and Osteon Medical.

James is Chair of the Safety and Sustainability Committee, and a member of the Audit and Finance Committee and the Risk Management Committee.

Debra Goodin, Non-Executive Director

Debra (Debbie) Goodin brings to the Board experience in the infrastructure, construction, engineering services and energy sectors as both a senior executive and director.

Debbie has held senior finance, operations and corporate development roles in both the private and public sectors, including as a chief financial officer and chief operating officer. As an experienced non-executive director, Debbie has local and global experience in organizational leadership, financial management, operations and risk management and as chairman and audit and risk committee chair of organisations in the infrastructure and service delivery sectors.

Debbie is currently Chairman of Atlas Arteria Limited and a Director of Ansell Limited. She was formerly a Director of oOh!media Limited, Senex Energy Limited, Ten Network Holdings Limited and Australia Pacific Airports Corporation Limited.

Debbie is Chair of the Audit and Finance Committee and a member of the Risk Management Committee.

Shirley In't Veld, Non-Executive Director

Shirley In't Veld brings to the Board over 30 years' experience in the resources and energy sectors, including as Managing Director of Verve Energy and more than 10 years in senior roles at Alcoa Australia Limited, WMC Resources Limited, Bond Corporation and BankWest.

Shirley is currently a Non-executive Director with Alumina Limited, Develop Global Limited and Karora Resources Inc. She was formerly Deputy Chair of CSIRO, a Non-executive Director of NBN Co Limited, Northern Star Resources Limited, Perth Airport, DUET Group, Alcoa of Australia Limited and Asciano Limited, where she was Chair of the Sustainability Committee. Shirley was also formerly a member of the Federal Government's Renewable Energy Target Review Panel.

Shirley is a member of the People and Remuneration Committee, the Safety and Sustainability Committee and the Nomination Committee.

Rhoda Phillippo, Non-Executive Director

Rhoda Phillippo brings to the Board over 30 years of local and international experience in the telecommunications, technology and energy sectors.

Rhoda has held senior executive roles in the telecommunications, IT and energy sector in the United Kingdom, New Zealand and Australia including as Managing Director of Lumo Energy. She also has significant experience in infrastructure mergers and acquisitions in Australia and overseas.

Rhoda is currently Chairperson of Kinetic IT Pty Ltd, and a Non-executive Director with Dexus Funds Management Ltd and Waveconn Group Holdings Management Pty Ltd. She is also an advisor to the Board of Tally Group, an energy billing solutions provider.

She is formerly a Non-executive Director of Pacific Hydro, Datacom Group Limited, Vocus Group Ltd and LINQ, the Chairman of Snapper Services in New Zealand and Deputy Chair of Kiwibank in New Zealand.

Rhoda is Chair of the Risk Management Committee, and a member of the Audit and Finance Committee and the People and Remuneration Committee.

Peter Wasow, Non-Executive Director

Peter Wasow brings to the Board significant global experience in the energy and resources sectors as both a senior executive and director. He retired as Managing Director and Chief Executive Officer of Alumina Limited in 2017 and previously held senior executive positions at Santos Limited and BHP.

Peter was formerly a Non-executive Director of Alcoa of Australia Limited, AWA Brazil Limitada, AWAC LLC, Alumina Limited, Oz Minerals Limited and the privately held GHD Group.

Peter is Chair of the People and Remuneration Committee and a member of the Audit and Finance Committee and the Risk Management Committee.

Nino Ficca, Non-Executive Director

Nino Ficca brings to the Board almost 40 years' experience in the energy and infrastructure sectors.

Nino has extensive senior executive experience in strategic and operational roles, including in the national electricity market and gas markets. He held the role of Managing Director of AusNet Services Limited and its predecessors, SP AusNet and SPI Powernet, from 2001 to 2019.

Nino is currently a Non-Executive Director of the Australian Energy Market Operator, Transurban Queensland Group, Co-Founder and Adviser of TasRex and a Member of Deakin University Council. He is a previous Director and Chair of Energy Networks Australia and CIGRE Australia.

Nino holds a bachelor’s degree in electrical engineering, a graduate diploma in management from Deakin University and has completed the Advanced Management Program at Harvard Business School. He is a fellow of Engineers Australia and a member of the Australian Institute of Company Directors.

Nino is a member of the People and Remuneration Committee and Safety and Sustainability Committee.

Executive Officers

Executive officers of APA as of the date of this Offering Circular are as follows:

Name	Position
Adam Watson	Chief Executive Officer
Garrick Rollason	Chief Financial Officer
Amanda Cheney	Group Executive Legal and Governance
Petrea Bradford	Group Executive Operations
Ross Gersbach	Group Executive Strategy and Corporate Development
Kevin Lester	Group Executive Infrastructure Delivery
Elizabeth (Liz) McNamara	Group Executive Sustainability and Corporate Affairs
Darren Rogers	Group Energy Solutions
Jane Thomas	Group Executive People, Safety and Culture
Vin Vassallo	Group Executive Electricity Transmission

Brief profiles on the key management personnel are set out below. See “— *Board of Directors — Adam Watson, Managing Director and Chief Executive Officer*” for the profile of Mr. Adam Watson.

Garrick Rollason, Chief Financial Officer

Garrick Rollason joined APA Group as CFO in October 2023.

Garrick has more than 20 years’ experience in energy, infrastructure and capital markets, including leadership roles in finance, insurance, revenue management, investment, risk, governance, procurement, and property.

Garrick is responsible for APA’s finance, taxation, treasury capital markets, corporate finance, investor relations, technology, cyber and physical security, procurement, real estate, and shared services activities.

Amanda Cheney, Group Executive Legal & Governance

Amanda Cheney is responsible for APA Group’s legal, company secretariat, risk, compliance, insurance and internal audit functions. Amanda has over 20 years’ experience advising on major energy and infrastructure projects in Australia and internationally. She joined APA more than 10 years ago and has played a pivotal role in driving transformation and growth in a range of projects across the business.

Prior to joining APA, Amanda worked as a lawyer in private practice with leading law firms in Australia and Japan.

Amanda is a Fellow of the Governance Institute of Australia.

Petrea Bradford, Group Executive Operations

Petrea Bradford joined APA Group in August 2023 as Group Executive Operations and is responsible for the operations of APA Group's infrastructure portfolio.

Petrea has 25 years' experience in the oil and gas, renewables and aviation sectors, including senior leadership roles in operations, engineering, international development and strategy.

Petrea is responsible for the operations, maintenance, stay in business capital projects and asset management of APA's infrastructure portfolio that spans electricity and gas transmission, renewable power generation, and gas distribution networks.

Ross Gersbach, Group Executive Strategy and Corporate Development

Ross Gersbach is responsible for APA Group's strategy, market analytics, corporate development, and regulation and policy.

Ross was previously a Director of APA from 2004 to 2008, before joining the management team in April 2008, where he was responsible for all commercial aspects of APA. He has over 30 years' experience in senior positions across a range of energy related sectors, covering areas such as infrastructure investments, mergers and acquisitions and strategic developments.

Additionally, Ross has extensive commercial experience and has managed a portfolio of infrastructure assets in the natural gas and electricity distribution network sector.

Kevin Lester, Group Executive Infrastructure Delivery

Kevin Lester is responsible for the project governance, development, engineering, procurement and delivery of APA's infrastructure expansion and growth projects. The division also has responsibility for providing engineering governance, standards, system and asset modelling, provision of land access, approvals and community engagement across all projects.

Kevin joined APA in August 2012, continuing a career in the management of major infrastructure projects, including energy infrastructure.

Kevin is a Director and a past President of the Australian Pipelines and Gas Association.

Elizabeth (Liz) McNamara, Group Executive Sustainability & Corporate Affairs

Elizabeth (Liz) McNamara APA Group in November 2022 as Group Executive Sustainability and Corporate Affairs.

Liz is responsible for APA Group's sustainability and corporate affairs functions.

Liz has 25 years' experience in corporate affairs and leadership roles across large public service and ASX-listed organisations, including in energy, mining, investment banking and transport.

Liz joined APA in 2022 to lead the company's Sustainability and Corporate Affairs division and is responsible for the development and execution of APA's climate change and sustainability, government and industry relations, communications and brand functions.

Darren Rogers, Group Executive Energy Solutions

Darren Rogers is responsible for the safe operations, maintenance, asset management and in-year revenue and cost responsibility of APA's portfolio of Transmission, Power, Networks and Midstream infrastructure assets. This includes over 15,000 km of transmission pipelines, solar and wind farms, and gas storage, processing and distribution.

Darren joined APA in 2017 as General Manager Asset Management for Transmission before becoming Group Executive Transmission. Aside from his experience at APA, Mr. Rogers has performed senior executive roles in commercial, asset management and operations, leading large and complex divisions and across these companies.

Jane Thomas, Group Executive People, Safety & Culture

Jane Thomas is responsible for APA Group's health, safety, environment and heritage systems, and people and culture functions.

Jane has 30 years' experience across industries spanning energy, mining, banking and finance, retail and manufacturing.

Jane joined APA in 2021 and has driven a strengthened focus on culture and business transformation across the organisation. Prior to joining APA, Jane held senior leadership roles in major ASX-listed organisations and multinational global companies, leading people, health, safety, environment, community and legal functions.

Vin Vassallo, Group Executive Electricity Transmission

Vin Vassallo is responsible for APA Group's Electricity Transmission division.

Vin has more than 30 years' experience in leading the development and delivery of infrastructure both in Australia and North America, including under Private Public Partnerships, and managing business teams in complex environments.

Vin joined APA in 2022 and is responsible for the development of new business in electricity transmission and distribution, with a focus on contracted and regulated electricity transmission infrastructure.

Board Practices

Board Election Process

The Board determines its size and composition, subject to limits imposed by the Responsible Entity's constitution. The constitution provides for a minimum of three Directors and a maximum of 12. The composition of the Board is determined in accordance with the Board Charter. The Responsible Entity's constitution requires one-third of its Directors (excluding the Managing Director and any Director who is standing for re-election after having been appointed as an additional Director or to fill a vacancy) to retire from office at the annual general meeting each year. Retiring directors are eligible for re-election. The constitution also provides that if the Board appoints a Director to fill a vacancy or as an addition to the Board, the new Director will hold office until the end of the next annual general meeting of the Responsible Entity and is eligible for re-election.

Responsibilities

The Board has adopted a Board Charter and has also established delegations of authority that set out the matters to be delegated to the Chief Executive Officer and Managing Director. The Charter provides that the Board's responsibilities include:

- approving the core behaviours and purpose of the APA Group and articulation of the APA Group's desired culture (including APA's Code of Conduct);

- approving the strategic intent of the APA Group and monitoring management’s implementation in line with the behaviours, purpose and desired culture of the APA Group;
- selecting and appointing (and, if appropriate, removing from office) the Managing Director and CEO, determining his/her conditions of service and both approving and monitoring his/her performance against remuneration and performance assessment policies;
- approving the appointment (and, if appropriate, the removal from office) of the Chief Financial Officer and Company Secretary;
- assessing the skills, experience and diversity desirable for the Board and reviewing the extent to which those are represented on the Board in consultation with the Nomination Committee;
- assessing the performance of the Board, its committees, the Chair and individual non-executive directors;
- assessing suitable candidates for the Board and the nomination and appointment of non-executive Directors;
- reviewing, on a regular basis, Board and senior management succession planning and development;
- approving the design of any cash or equity-based annual or long term incentive plans (Incentive Plans) applying to the CEO and Executive Leadership Team (“ELT”), and any material amendments to such plans;
- approving equity grants and vesting of equity grants to the CEO under the Incentive Plan;
- determining the distribution policy and the amount, nature and timing of distributions;
- approving annual budgets and longer-term strategic and business plans, including major capital expenditure;
- monitoring and reviewing financial performance and management processes aimed at ensuring the integrity of financial reporting (including the external audit), and approving the half-year and annual financial statements and reports;
- setting specific limits of authority for management to commit APA Group to new expenditure, enter contracts or acquire businesses without prior Board approval;
- approving the Risk Appetite Statement within which the Board expects management to operate;
- receiving and reviewing reports from the Risk Management Committee (in consultation with the Safety & Sustainability Committee) on potential impacts of sustainability risks (including those relating to climate change) on APA Group’s strategy and business;
- receiving information regarding material breaches of the Code of Conduct;
- reviewing and approving non-executive directors’ board and committee fees;
- approving APA Group’s overall performance and remuneration strategy and frameworks, including confirming (with the assistance of the People & Remuneration Committee) that APA Group’s remuneration policies are aligned with the core behaviours, purpose, growth strategy and risk appetite of APA Group;

- setting annual performance targets for the CEO, considering performance against those targets and determining remuneration outcomes, including having regard to risk and sustainability outcomes and culture;
- reviewing and approving material corporate governance principles, policies and procedures, including the policies recommended by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;
- approving measurable objectives for achieving diversity (including gender diversity) in the composition of the Board, the ELT and the workforce generally, and assessing APA Group's progress in achieving those objectives;
- approving disclosures in respect of modern slavery and human rights related matters; and
- ensuring effective and timely reporting to securityholders.

Meetings

The Board meets formally on a regular basis, in accordance with a schedule agreed annually, and whenever necessary to deal with urgent matters which might arise between scheduled meetings.

Director Independence

The Board has adopted an Independence of Directors Policy on Director independence and annually assesses the independence of its Directors. The Board will assess the materiality of any given relationship that may affect independence on a case-by-case basis. The Board's overarching test for independence is whether the Director is independent of management and free of any interest, position or relationship that might influence, or could reasonably be perceived to influence, in a material respect the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of APA as a whole rather than in the interest of an individual securityholder or other party. The policy outlines the circumstances in which a Director will normally not be considered independent, including if he or she is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional advisor, consultant or customer) with APA or any of its child entities, or is an officer of, or otherwise associated with, someone in such a relationship.

Director Indemnities

APA has entered into a range of deed polls and indemnity agreements with each of its Directors.

Board Committees

The Board has established five standing committees to assist with the effective discharge of its duties:

- Risk Management Committee;
- Audit & Finance Committee;
- People & Remuneration Committee;
- Nomination Committee; and
- Safety & Sustainability Committee.

The Risk Management Committee, Audit & Finance Committee, People & Remuneration Committee, Safety & Sustainability Committee and Nomination Committee are chaired by an independent Director and are comprised of a majority of independent Directors. Each committee has no less than three members.

Each committee operates under a specific charter approved by the Board. The table below illustrates APA's current Board committees and their function and membership:

Committee	Members and composition	Role
Risk Management Committee	<p>The Board has established a Risk Management Committee, comprised of non-executive Directors, a majority of whom are independent. The members of the committee are:</p> <ul style="list-style-type: none"> • Rhoda Phillippo (<i>Chair</i>); • Debra Goodin; • Peter Wasow; and • James Fazzino. <p>The composition of the Risk Management Committee is determined by the following guidelines:</p> <ul style="list-style-type: none"> • the committee will have a minimum of three members; • each member must be a Non-Executive Director; and • the chair must be an independent director who may not be the Chair of the Board. 	<p>The function of the committee is to assist the Board to monitor, oversee and assess the implementation and effectiveness of APA’s risk management and compliance policies and frameworks, risk appetite, strategies to manage material risks and the effectiveness, resourcing and performance of APA’s Risk Management function. Related responsibilities of the committee include:</p> <ul style="list-style-type: none"> • ensuring APA is operating within a positive risk culture including undertaking an annual review and assessment of risk and compliance culture, and reporting to the Board on risk culture matters; • assessing the adequacy and suitability of APA’s Risk Management Framework to ensure APA is operating within its risk appetite; • oversight of material risk-related audit findings; and • reviewing and assessing the adequacy and effectiveness of APA’s regulatory compliance framework including reviewing and monitoring compliance management systems, control systems, policies and practices. <p>The Risk Management Committee will meet a minimum of four times annually and more frequently, if required by the Committee Chair.</p>
Audit & Finance Committee	<p>The Board has established an Audit & Finance Committee, comprised of non-executive</p>	<p>The function of the committee is to assist the Board fulfil its responsibilities relating to</p>

Committee

Members and composition

Directors, a majority of whom are independent. The members of the committee are:

- Debra Goodin (*Chair*);
- Rhoda Phillippo;
- Peter Wasow; and
- James Fazzino.

The composition of the Audit & Finance Committee is determined by the following guidelines:

- the committee will have a minimum of three members;
- each member must be a Non-Executive Director;
- the chair must be an independent director who may not be the Chair of the Board; and
- each member will have a working familiarity with basic accounting and finance practices and an understanding of APA's risk environment. At least one member will have financial expertise (e.g. qualified accountant or other financial professional).

Role

monitoring the integrity of APA's financial reporting, the effectiveness of the systems of internal controls, external corporate governance reporting and to monitor to effectiveness, performance, independence, and objectivity of the internal and external auditors. Related responsibilities of the committee include:

- reviewing and recommending to the Board key compliance policies for tax, Australian financial services licensing and ASX compliance;
- reviewing and recommending to the Board key capital and accounting-related matters in relation to capital management strategy and plans, capital funding and capital management initiatives and securityholder distributions; and
- overseeing the preparation of, and process for verifying the integrity of, any reports required by law or ASX Listing Rules including in consultation with the Safety & Sustainability Committee, any sustainability-related disclosures in the financial statements, and in consultation with the People & Remuneration Committee, any remuneration related disclosures in the Remuneration Report.

People and Remuneration Committee

The members of the committee are:

- Peter Wasow (*Chair*);

The purpose of the committee is to oversee the development of APA's people and remuneration

Committee

Members and composition

- Nino Ficca;
- Shirley In't Veld; and
- Rhoda Phillippo.

The composition of the People & Remuneration Committee is determined by the following guidelines:

- The committee will have at least three members, the majority of whom must be independent directors;
- Each member must be a Non-Executive Director;
- The chair must be an independent director.

Role

strategies and frameworks to support the achievement of APA's business objectives. Specifically, the Committee will ensure the strategies and frameworks align employee, investor and customer interests, promote a positive culture and facilitate effective attraction, retention and development of a diverse and talented workforce. Related responsibilities of the committee include:

- recommending to the Board any adjustment of directors' fees, including committee fees, for APA;
- reviewing and recommending to the Board the design of any cash or equity-based annual or long term incentive plans applying to the CEO and ELT, and any material amendments to such plans;
- recommending to the Board contract terms related to the appointment, retention and termination arrangements of the CEO;
- reviewing and recommending to the Board remuneration for the CEO and ELT;
- reviewing and reporting to the Board on executive and people leader development and senior management succession planning (excluding CEO succession which is the responsibility of the Nomination Committee);
- recommending the 'at-risk' elements of remuneration and performance targets for

Committee	Members and composition	Role
Safety & Sustainability Committee	<p>The members of the committee are:</p> <ul style="list-style-type: none"> • James Fazzino (<i>Chair</i>); • Shirley In't Veld; • Michael Fraser; and • Nino Ficca. <p>The composition of the Safety & Sustainability Committee is determined by the following guidelines:</p> <ul style="list-style-type: none"> • The committee will have at least three members, the majority being independent directors; • Each member must be a Non-Executive Director; and • The Chair must be an independent director. 	<p>APA's financial performance as they relate to incentives, including all awards made under APA's long term incentive plan; and</p> <ul style="list-style-type: none"> • recommending to the Board APA Group's diversity policy, and assessing the effectiveness of practices and initiatives with respect to gender and other diversity in the workforce. <p>The function of the committee is to oversee safety and sustainability matters, including with respect to the health and safety of APA's people, contractors and the public, the environment and cultural heritage priorities. Related responsibilities of the committee include:</p> <ul style="list-style-type: none"> • reviewing and monitoring the effectiveness of APA's HSEH Management System, including reporting to the Risk Management Committee in relation to the adequacy of the processes for managing material HSEH risks; • ensuring compliance with relevant HSEH legislation and policies, and reporting to the Risk Management Committee in relation to material HSEH compliance matters; • reviewing sustainability risks, including emerging risks and risks related to climate change and potential impact of those risks on APA's strategy and business, and reporting them to the

Committee	Members and composition	Role
		<p>Risk Management Committee;</p> <ul style="list-style-type: none"> • reviewing material HSEH risks and issues and overseeing the implementation of action plans to mitigate those risks and prevent incidents; • overseeing the implementation of APA's goal to strengthen engagement with indigenous stakeholders; • reviewing APA's environmental performance and greenhouse gas inventory and tracking performance indicator trends.
<p>Nomination Committee</p>	<p>The members of the committee are:</p> <ul style="list-style-type: none"> • Michael Fraser (<i>Chair</i>); • Shirley In't Veld and • Debra Goodin. <p>The composition of the Nomination Committee is determined by the following guidelines:</p> <ul style="list-style-type: none"> • The committee will have at least three members, the majority being independent directors. • Each member must be a Non-Executive Director. • The Chair will be the Chair of the Board who is an independent director. 	<p>The function of the committee is to oversee the recruitment and selection of Directors, to advise on the appropriate composition of the Board and to oversee the Chief Executive Officer succession process. Related responsibilities of the committee include:</p> <ul style="list-style-type: none"> • assessing the size, diversity and composition of the Board; • the identification of individuals qualified to become Board members as additional members or to succeed existing members; • establishing processes and methodology for reviewing the performance of the Board, the committees, the Chair and individual Non-Executive Directors; and • making recommendations to the Board regarding Director appointments and the

Committee	Members and composition	Role
		structure of the Board and/or committees.

Remuneration of Officers and Directors

Information relating to the remuneration, security ownership and employment contracts of APA’s directors and executive officers is included in extracts from the 2023 Directors’ Report included in APA’s audited consolidated financial statements for FY2023 included in this Offering Circular, from the 2022 Directors’ Report included in APA’s audited consolidated financial statements for FY2022 included in this Offering Circular and from the 2021 Directors’ Report included in APA’s audited consolidated financial statements for FY2021.

DESCRIPTION OF APA

Overview

APA is a leading Australian energy infrastructure business that owns, operates and manages a diverse A\$22bn portfolio of energy assets. In addition to its natural gas pipeline network, APA also owns, operates or has interests in gas storage and processing facilities, gas-fired power stations, electricity transmission and renewable energy generation (wind and solar farms). APA has direct management and operations control over its assets and the majority of its investments.

APA has 15,000 km¹ of gas transmission pipelines and delivers about half the nation's natural gas usage. APA also has an ownership interest in, and/or operates, gas distribution networks that together own over 29,500 km² of gas mains and pipelines, connecting over 1.5 million Australian homes and businesses. Its asset portfolio also includes high-voltage electricity transmission assets that connect Victoria with South Australia (Murraylink), New South Wales with Queensland (Directlink) and Victoria with Tasmania (Basslink). Additionally, APA has ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments (“EII”) and Allgas Gas Networks.

APA operates and has interests in 596MW of renewable electricity generation infrastructure. It owns wind and solar assets, as well as the Gruyere Hybrid Energy Microgrid in the Goldfields region of Western Australia, which combines solar energy with battery energy storage.

APA serves customers in a range of diversified sectors, including energy, utilities, industrial and resources. Through its diverse portfolio of assets, APA is well positioned to play a key role in developing and deploying energy solutions to support its customers' decarbonisation ambitions and Australia's broader energy transition.

In November 2023, consistent with APA's strategy to be the partner of choice in delivering infrastructure solutions for the energy transition, APA acquired Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (“**Alinta Energy Pilbara**”), providing APA with a significant growth platform to develop and operate remote-grid energy solutions for Australia's resources industry, complementing APA's already strong development and operational capability in key resources areas such as Mount Isa, Queensland and Gruyere. See “*Description of APA — APA's Business Segments — APA's Owned and Managed Assets — APA's Portfolio of Assets and Investments*” and “*Description of APA — APA's Businesses*” for more details on this acquisition.

APA's Business Segments

APA reports its operations in three principal business segments:

- **Energy Infrastructure:** The Energy Infrastructure segment comprises all of APA's energy infrastructure footprint across mainland Australia and includes all of its wholly or majority owned energy infrastructure assets across gas transmission, compression, processing, storage and electricity generation (gas and renewables) and transmission. The majority of revenues in the Energy Infrastructure segment are derived from either long term capacity-based contracts or regulatory arrangements (approximately 88% in FY2023), with most customer contracts subject to Consumer Price Index (“CPI”) or Producer Price Index (“PPI”) indexation. APA's contracts generally have the majority of the revenue fixed over the term of the relevant contract. Regulatory arrangements are typically reviewed every five years.

¹ Includes 100% of assets operated and/or under construction by APA Group, which form part of the Energy Investments segment, including SEA Gas, EII and EII2 (each partially owned).

² Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

For FY2023, the Energy Infrastructure segment represented 93.8% of APA's segment revenue (excluding pass-through revenue) and 95.7% of APA's underlying EBITDA³ (excluding corporate costs), as compared to 93.6% and 94.4%, respectively, for FY2022. Pass-through revenue is revenue from contracts with customers for the provision of commercial services, operating services, asset management services and/or asset maintenance services to APA's energy investments. Any management fee earned for the provision of these services is recognised as part of asset management revenues.

- **Asset Management:** Asset Management includes the provision of asset management and operating services for third parties and the majority of APA's investments, for which APA receives operating fees. APA's major third-party customers are Australian Gas Networks Limited ("AGN"), EIL, and GDI, who receive asset management services under long term contracts. APA's AGN operating and management arrangements extend until 2027.

For FY2023, the Asset Management segment represented 4.8% of APA's segment revenue (excluding pass-through revenue) and 3.0% of APA's underlying EBITDA (excluding corporate costs), as compared to 5.1% and 4.1%, respectively, for FY2022.

- **Energy Investments:** Energy Investments consists of APA's interests in energy infrastructure investments. For APA's Energy Investments, it generally seeks assets with long term secure cash flows and low ongoing capital expenditure requirements. For FY2023, the Energy Investments segment represented 1.0% of APA's segment revenue (excluding pass-through revenue) and 1.3% of APA's underlying EBITDA (excluding corporate costs), as compared to 1.3% and 1.6%, respectively, for FY2022.

APA's ability to manage these investments and provide operational and/or corporate support services gives it flexibility in the way it grows its business and enables APA to harness in-house expertise.

Further details of APA's Energy Infrastructure assets and Energy Investments and Asset Management activities are outlined in "*— APA's Owned and Managed Assets*" below.

³ Excludes recurring items arising from other activities and transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

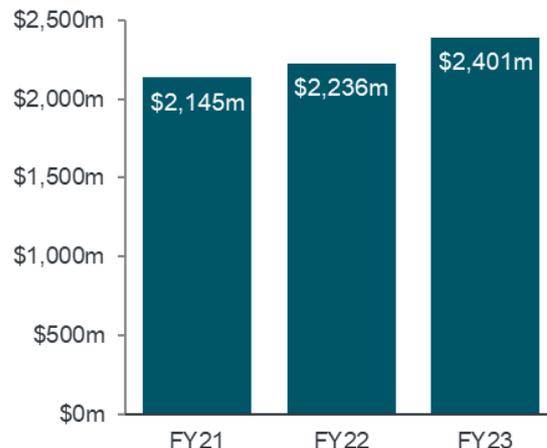
Selected Historical Financial Performance

The charts below illustrate APA's operating cash flow, revenue (excluding pass-through revenue), total assets, and underlying EBITDA⁴ over the last three years.

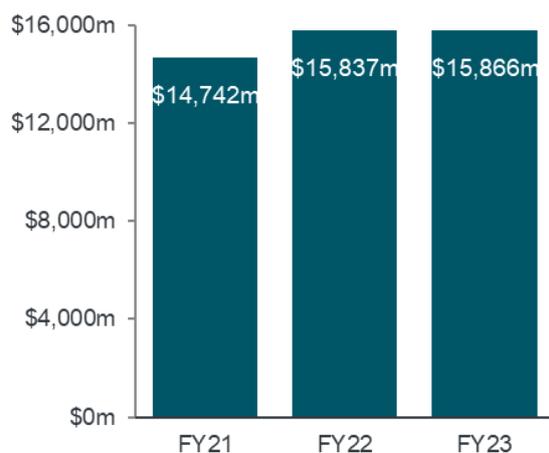
Operating cash flow (A\$m)



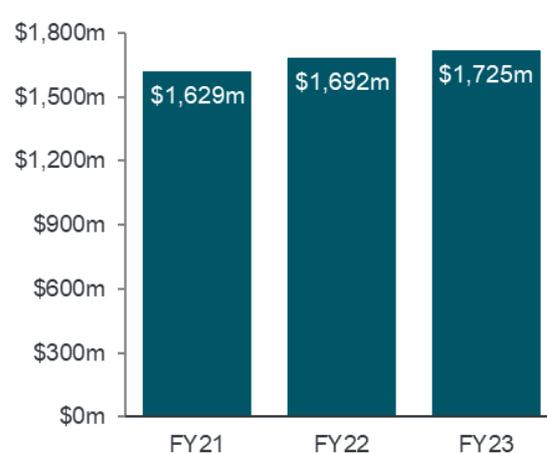
**Revenue (A\$m)
(excl. pass-through)**



Total assets (A\$m)



Underlying EBITDA (A\$m)



APA's Owned and Managed Assets

Regulated assets

Gas pipelines in Australia are regulated under the National Gas Law (“NGL”) and National Gas Rules (“NGR”) by the Australian Energy Regulator (“AER”) or the Economic Regulation Authority of Western Australia (“ERA”). Except VTS, NGL and NGR are subject to a “negotiate-arbitrate” model.

⁴ Underlying earnings before interest, tax, depreciation, and amortisation (“**Underlying EBITDA**”) excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

On 2 March 2023, amendments to the NGL and NGR were proclaimed and came into effect across all states except Western Australia. Prior to these amendments (and ongoing in WA), the NGL and NGR established two regulatory pipeline frameworks:

1. Scheme Pipelines:

- a. Subject to “full regulation” in which the regulator (the ERA in Western Australia and AER everywhere else) approves an access arrangement, including reference tariffs for a specified reference service based on a determination of the value of invested capital, a return on that capital and operating costs amongst other factors;
- b. Subject to “light regulation” in which prices are negotiated between the customer and the pipeline operator, subject to arbitration by the AER (or the ERA in Western Australia) in the event of failure to reach a negotiated outcome.

2. Non-Scheme Pipelines:

- a. Subject to an information disclosure and arbitration regime under Part 23 of the NGR, in which prices are negotiated between the customer and the pipeline operator, subject to commercial arbitration in the event of failure to reach a negotiated outcome; and
- b. Exempt from either the information disclosure or both the information and arbitration regime under Part 23 of the NGR, including by virtue of their small size or lack of third party access.

The 2 March 2023 amendments to the NGL and NGR discontinue light regulation and transition to a:

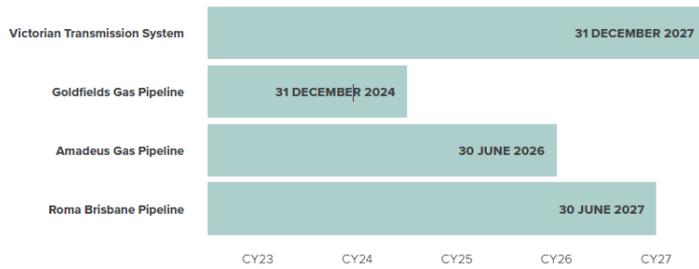
- ‘Heavier’ form of regulation, based on the current full regulation for scheme pipelines; or
- ‘Lighter’ form of regulation, based on the previous Part 23 regime for non-scheme pipelines.

In practice, pipelines subject to full regulation before 2 March 2023 are not expected to experience much change. APA’s non-scheme pipelines and pipelines previously subject to light regulation will transition to the new ‘lighter’ form of regulation. An information disclosure regime under Part 18A of the NGR applies to east coast gas compression and storage facilities.

During FY2023, approximately 7.8% of APA’s Energy Infrastructure revenues were subject to regulated outcomes. The diagram below shows APA’s pipelines by regulation type:

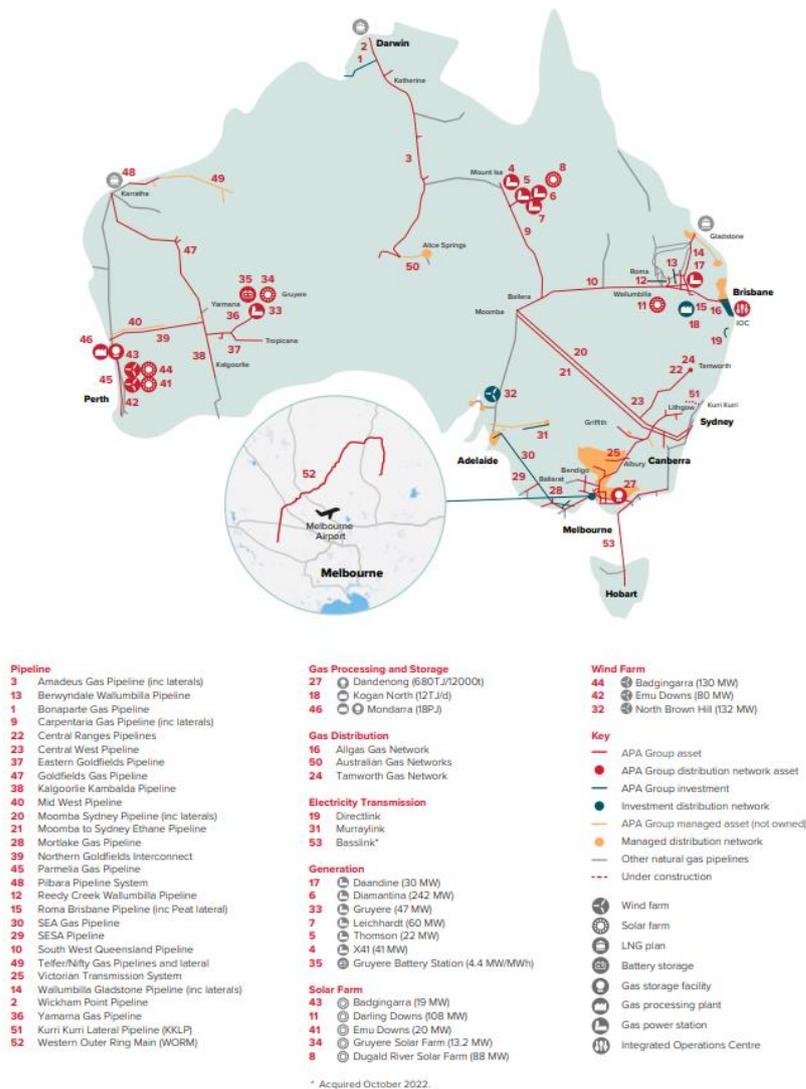


The diagram below shows the scheduled regulatory reset dates for pipelines owned and operated by APA that are currently subject to full regulation.⁵



APA's portfolio of assets and investments

APA's Energy Infrastructure assets, Energy Investment assets, and Asset Management business as at 30 June 2023 are illustrated and described in the graphics below.



⁵ Victorian Transmission System access arrangement from 1 January 2023 to 31 December 2027.

Energy Infrastructure assets

	Pipeline Length / Generating capacity	Economic Regulatory Status	
<u>Pipelines:</u>			
3	Amadeus Gas Pipeline (inc laterals)	1,661 km	Scheme ¹
13	Berwyndale Wallumbilla Pipeline	112 km	Non-scheme ³
1	Bonaparte Gas Pipeline	287 km	Non-scheme ⁴
9	Carpentaria Gas Pipeline (inc laterals)	936 km	Non-scheme ²
22	Central Ranges Pipelines	294 km	Non-scheme ⁴
23	Central West Pipeline	255 km	Non-scheme ²
37	Eastern Goldfields Pipeline (inc laterals)	389 km	Non-scheme ^{3,4}
47	Goldfields Gas Pipeline	1,378 km	Partly scheme/Partly non-scheme ⁶
38	Kalgoorlie Kambalda Pipeline	44 km	Light regulation ²
20	Moomba Sydney Pipeline (inc laterals)	2,029 km	Non-scheme ⁵
21	Moomba to Sydney Ethane Pipeline	1,375 km	Not regulated
39	Northern Goldfields Interconnect	579 km	Non-scheme ⁴
45	Parmelia Gas Pipeline (inc laterals)	417 km	Non-scheme ³
48	Pilbara Pipeline System	251 km	Non-scheme ³
12	Reedy Creek Wallumbilla Pipeline	49 km	Non-scheme ⁴
15	Roma Brisbane Pipeline (inc Peat lateral)	559 km	Scheme ¹
30	SEA Gas Pipeline	680 km	Non-scheme ³
29	South-East South Australia Pipeline	45 km	Non-scheme ³
10	South West Queensland Pipeline	937 km	Non-scheme ³
49	Telfer/Nifty Gas Pipelines and lateral	488 km	Non-scheme ^{3,4}
25	Victorian Transmission System	1,992 km	Scheme ¹
14	Wallumbilla Gladstone Pipeline (inc laterals)	543 km	Non-scheme/15 year no coverage ³
2	Wickham Point Pipeline	12 km	Non-scheme ⁴
51	Kurri Kurri Lateral Pipeline	45 km	N/A
52	Western Outer Ring Main	51 km	Part of VTS (see above)
<u>Gas Processing and Storage:</u>			
27	Dandenong	680 TJ/12,000 t	Subject to Part18A NGR
18	Kogan North	12 TJ/day	Not regulated
46	Mondarra	18 PJ	Not regulated
<u>Gas Distribution:</u>			
16	Allgas Gas Network	3,218 km	Non-scheme ³
50	Australian Gas Networks	25,000 km	APA operates but does not own these assets
24	Tamworth Gas Network	230 km	Non-scheme ⁴
<u>Electricity Transmission:</u>			
19	Directlink	63 km / 180 MWdc	Regulated under the National Electricity Law and National Electricity Rules
31	Murraylink	176 km / 220MWdc	Regulated under the National Electricity Law and National Electricity Rules

53	Basslink	370 km	Not currently subject to economic regulation ⁷
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Generation:

17	Daandine	30 MW	Not regulated
6	Diamantina	242 MW	Not regulated
33	Gruyere	47 MW	Not regulated
7	Leichhardt	60 MW	Not regulated
5	Thomson	22 MW	Not regulated
4	X41	41 MW	Not regulated
35	Gruyere Battery Station	4.4 MW	Not regulated

Solar Farm:

43	Badgingarra	19 MW	Not regulated
11	Darling Downs	108 MW	Not regulated
41	Emu Downs	20 MW	Not regulated
34	Gruyere Solar Farm	13.2 MW	Not regulated
8	Dugald River Solar Farm	88 MW	Not regulated

Wind Farm:

44	Badgingarra	130 MW	Not regulated
42	Emu Downs	80 MW	Not regulated
32	North Brown Hill	132 MW	Not regulated

Notes:

- (1) Scheme Pipelines that are subject to full regulation in which the AER (or ERA in WA) approves an access arrangement, including a reference service and reference tariffs based on a determination of the value of invested capital and a return on that capital (“full regulation” pipeline).
- (2) Scheme Pipelines that are subject to light regulation in which prices are negotiated between the customer and the pipeline operator, subject to arbitration by the ERA in the event of failure to reach a negotiated outcome.
- (3) Non-Scheme Pipelines that are subject to limited information disclosure, access negotiation and dispute resolution requirements under NGR.
- (4) Non-Scheme Pipelines exempt from certain information disclosure provisions of the NGR by virtue of their small size or the fact that they each have a single user, but are subject to the access negotiation and dispute resolution regime under the NGR.
- (5) The sections of the MSP from Marsden to Wilton, Lithgow, Canberra and Wagga Wagga were previously subject to light regulation. The entire MSP is now subject to the information disclosure, access negotiation and dispute resolution regime under the NGR.
- (6) Part of the capacity of the Goldfields Gas Pipeline (for all of its geographical reach) is subject to full regulation by the ERA, whereas part of its capacity (including many of its laterals), (for all of its geographical reach) is exempt from the information disclosure and dispute resolution regime under the NGR by virtue of its small size or lack of third party access.
- (7) A revenue contract is in place with Hydro Tasmania until 30 June 2025, by which point it is expected that Basslink will become a regulated asset.

Alinta Energy Pilbara

In August 2023, APA entered into a Share Sale Agreement with Alinta Power Cat Pty Ltd and Alinta Energy Development Pty Ltd to acquire 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (“**Alinta Energy Pilbara**”). The acquisition was completed on 1 November 2023.

Alinta Energy Pilbara is an energy infrastructure business underpinned by contracted operational assets (gas and solar power generation, gas transmission, battery energy storage systems (“**BESS**”) and electricity transmission), together with an extensive development pipeline of projects (wind, solar, gas reciprocating engines, BESS and associated electricity transmission), located in Western Australia’s Pilbara region. This acquisition further diversifies APA’s energy mix, asset type, customers and geography through the addition of a portfolio of stable cash flows from gas pipelines (which forms 25% of EBITDA) and predominantly capacity based contracts (which forms 75% of EBITDA) with high quality counterparties and low re-contracting risk. Given its existing relationships and strategic infrastructure, Alinta Energy Pilbara has an established position as compared to new entrants and miners insourcing (as a mitigant to any stranding risk).

Key highlights of the acquisition include:

- the acquisition is consistent with APA’s strategy to be the partner of choice in delivering infrastructure solutions for the energy transition, with the resources industry having been identified as a key target customer group, given the significant forecast demand for low emission infrastructure as companies decarbonise their energy systems;
- the acquisition provides APA with a significant growth platform to develop and operate remote-grid energy solutions for Australia’s resources industry, with more than A\$3 billion⁶ renewables-focused development pipeline and experienced capability within the business, complementing APA’s already strong development and operational capability in key resources areas such as Mount Isa and Gruyere. Electricity demand in the Pilbara region is expected to grow from approximately 7.6TWh to 1 approximately 5TWh by 2050, driven by decarbonisation and associated electrification of miner fleets, port and stationary operations;
- Alinta Energy Pilbara has existing long term power purchase agreements (“**PPAs**”) 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, including near-term actionable projects with strong wind and solar resources in highly sought after strategic locations with strong interconnectivity to existing assets;
- the acquisition is expected to be Free Cash Flow (“**FCF**”) accretive in its first full financial year of ownership⁷ and value accretive⁸. APA’s FY2024 distribution per security guidance of 56 cents per security remains unchanged inclusive of the additional securities on issue as a result of the equity raising⁹; and
- over the long-term, the renewables build out will help mitigate energy transition and regulatory risks in APA’s historically gas focused business.

⁶ Based on forecast capital expenditure requirements of development pipeline projects provided by Alinta Energy Pilbara management, in real 2023 dollars.

⁷ Expected to be FCF accretive per security in the first full year of APA’s ownership being FY2025. FCF is operating cash flow adjusted for strategically significant transformation projects, less stay-in-business (“**SIB**”) capital expenditure.

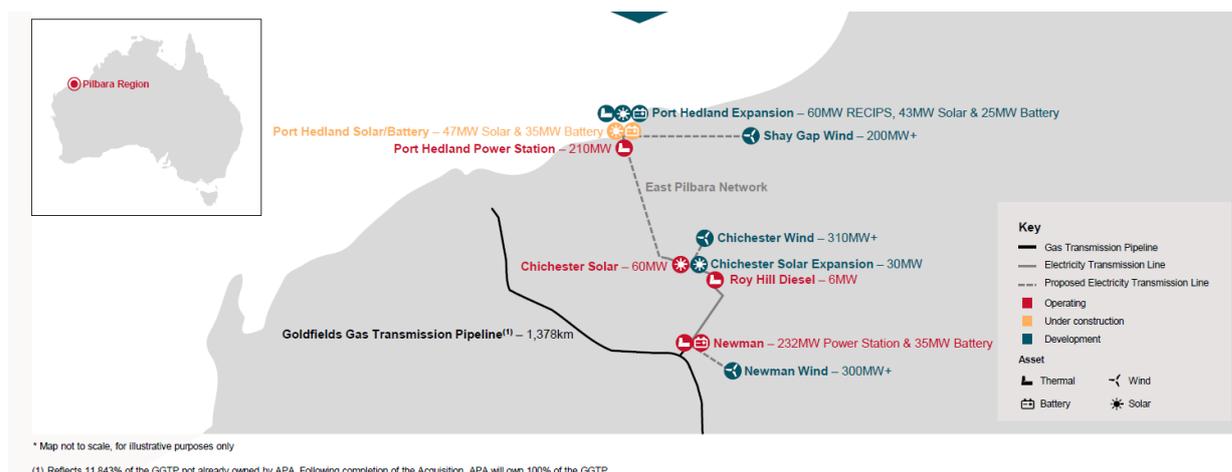
⁸ The Alinta Energy Pilbara acquisition is expected to deliver a projected internal rate of return greater than APA’s corporate weighted average cost of capital.

⁹ Distribution guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the discretion of the APA Board at the time.

Key details of the acquisition include:

- Alinta Energy Pilbara’s existing assets consist of 543MW of operating generation and storage assets, including 442MW operating gas generation, with an additional 60MW development pipeline¹⁰, which provide energy supply to a number of customers under existing PPAs, and more than 200 kilometres of operating electricity transmission lines, with an additional more than 600km development pipeline¹⁰;
- the acquisition includes an 11.8% ownership interest in the Goldfields Gas Pipeline, bringing APA’s total ownership interest to 100%;
- 60MW operating solar, 35MW operating battery and approximately 1GW+ of renewables-focused developments^{11,12}
- the weighted averaged contract life of the existing PPAs is approximately seven years¹³; and
- a team of approximately 60 FTEs, with a proven track record across development, construction commissioning and operation of generation and transmission infrastructure, will be welcomed into APA’s existing 2,400 workforce. The retention of Alinta Energy Pilbara’s operational team will reduce any integration risks associated with the acquisition.

Alinta Energy Pilbara’s widespread operational footprint and extensive development pipeline is highlighted in the graphic below.



¹⁰ Development pipeline capacities based on current project design, subject to change up until final investment decision. Based on information provided by Alinta Energy Pilbara.

¹¹ Includes Chichester Solar Farm expansion, Chichester Wind Farm, Newman Wind Farm, Port Hedland Solar Farm expansion, Port Hedland BESS expansion, Port Hedland Recips expansion and Shay Gap Wind Farm.

¹² Based on information provided by Alinta Energy Pilbara. Development pipeline capacities based on current project design, subject to change up until final investment decision. Development pipeline includes under construction 47MW Port Hedland Solar and 35MW Port Hedland Battery.

¹³ Weighted average contract life based on % revenue contribution of each revenue contract across the portfolio and remaining tenors on contracts (excluding Goldfields Gas Pipeline and contract extension options).

The below table sets out the combined pro-forma historical balance sheet as at 30 June 2023 following the expected acquisition of Alinta Energy Pilbara, which is subject to further adjustments detailed in “Capitalisation”:

	APA Balance Sheet ⁽¹⁾	Alinta Energy Pilbara Balance Sheet ⁽²⁾	Pro-Forma Debt/Equity Raising	Pro-Forma Acquisition Adjustments ⁽³⁾	Pro-Forma Transaction Costs	Remeasurement of APA's Existing Interest in GGP ⁽³⁾	Combined Pro- Forma Historical Balance Sheet
<i>(A\$ in millions)</i>							
Assets							
Cash and cash equivalents	513	37	1,743	(1,654)	(83)	—	556
Current assets	520	32	—	—	—	—	552
Property, plant & equipment ⁽⁴⁾	10,755	755	—	70	—	282	11,862
Goodwill and other intangible assets ⁽⁴⁾	3,314	309	—	833	—	932	5,388
Other non-current assets ..	764	78	—	(78)	—	—	764
Total assets	15,866	1,211	1,743	(829)	(83)	1,214	19,122
Liabilities							
Current debt	202	2	—	—	—	—	204
Other current liabilities	866	74	—	(31)	—	—	909
Total current liabilities ..	1,068	76	—	(31)	—	—	1,113
Long-term debt ⁽⁵⁾⁽⁶⁾	11,321	62	993	9	(11)	—	12,374
Other long-term liabilities	1,567	146	—	120	(3)	247	2,077
Total long-term liabilities	12,888	208	993	129	(14)	247	14,451
Total liabilities	13,956	284	993	98	(14)	247	15,564
Net assets	1,910	927	750	(927)	(69)	967	3,558
Equity							
Issued capital	2,519	1,138	750	(1,138)	(7)	—	3,262
Reserves	(700)	(99)	—	99	—	—	(700)
Retained earnings/(loss) ..	91	(112)	—	112	(62)	967	996
Equity Attributable to Securityholders	1,910	927	750	(927)	(69)	967	3,558

Notes:

- (1) The balance sheet information of APA has been extracted from the audited consolidated annual financial statements of the APA Group as at 30 June 2023.
- (2) The balance sheet information of Alinta Energy Pilbara's has been extracted from unaudited management accounts of Alinta Energy Pilbara as at 30 June 2023.
- (3) Pro-forma balance sheet adjustments reflect a preliminary assessment of the fair value of the assets and liabilities arising from the acquisition of Alinta Energy Pilbara, including the related remeasurement of APA's existing interest in GGP in accordance with AASB 3 Business Combinations. The final determination of fair value of the assets and liabilities of Alinta Energy Pilbara and the related remeasurement of APA's existing interest in GGP, including measurement of deferred tax assets or liabilities, is subject to APA finalising its fair value assessment which will occur in the 12 months post-acquisition. Consequently, the final fair value assessment may be materially different from the preliminary fair value assessment which may materially impact future earnings.
- (4) The allocation of the purchase price between property, plant and equipment and goodwill and other intangible assets (including contract intangibles) is subject to significant judgement and estimation uncertainty which will be finalised as part of business

combination accounting. As a result of the acquisition, annual depreciation and amortisation expense (including for the remeasurement of GGP) is currently estimated to increase by approximately A\$150-A\$200 million.

- (5) Includes a fair value adjustment to recognise the below market interest rates on the existing Alinta Energy Pilbara debt facilities provided by NAIF and ARENA of A\$107 million which are expected to remain in place following acquisition.
- (6) The acquisition will be funded by an equity capital raising and new debt facilities established in connection with the acquisition. The new short-term committed undrawn bank facilities of A\$1.0 billion have been entered into on 23 August 2023. These short-term facilities are expected to be replaced with long-term debt prior to 30 June 2024.

The table above is for illustrative purposes only and is not represented as being indicative of APA's views on its future financial condition and/or performance. The pro-forma historical financial information above does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Further, neither the balance sheet of Alinta Energy Pilbara as at 30 June 2023 nor the resulting pro-forma historical balance sheet as at 30 June 2023 have been the subject of an audit or review by an independent auditor. The pro-forma historical balance sheet above should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review by an independent auditor. Investors are cautioned not to place undue reliance on the pro-forma historical balance sheet.

Energy Investments and Asset Management

Asset and ownership interests		Asset details
SEA Gas Pipeline	50% South East Australia Gas Pty Ltd	Gas pipeline: 687-km pipeline from Iona and Port Campbell, Victoria to Adelaide, SA
Mortlake Gas Pipeline	50% SEA Gas (Mortlake) Partnership	Gas pipeline: Mortlake Gas Pipeline (83 km) from the Otway Gas Plant near Port Campbell to Mortlake Power Station
North Brown Hill Wind Farm	20.2% EII2	Wind generation: 132 MW windfarm, SA
Allgas Gas Distribution Network	20% GDI (EII)	Gas distribution: approximately 3,900 km Allgas distribution network in Queensland with approximately 114,000 connections
Kogan North Processing Plant Directlink and Murraylink Electricity Interconnectors Nifty and Telfer Gas Pipelines Wickham Point and Bonaparte Gas Pipelines	19.9% Energy Infrastructure Investments (EII)	Gas processing facilities: 12 TJ/day Electricity transmission: 243km Gas pipelines totalling 786km

Key Strengths

Leading Australian gas infrastructure business with an energy infrastructure portfolio that cannot be readily replicated

Through a portfolio of assets and investments, APA is a leading Australian energy infrastructure business and the largest transporter of natural gas as measured by pipeline length, capacity and volume transported. APA's gas transmission network is Australia's largest in terms of scale and geographic diversity and cannot be readily replicated. APA has a portfolio of over 15,000 km¹⁴ of gas transmission pipelines that span every state and territory on mainland Australia. APA also owns or has interests in other related energy infrastructure assets such as gas storage facilities, gas processing facilities, gas compression facilities, renewables, gas-fired power generation assets, gas distribution networks and electricity interconnectors.

In addition, APA has ownership interests in and/or operates gas distribution networks, which together consist of approximately 29,500 km¹⁵ of gas mains and pipelines and more than 1.5 million gas consumer connections. APA continues to seek opportunities to expand and enhance its asset portfolio.

APA believes that it is well-positioned to generate further value from its assets by enhancing the scale, efficiency and flexibility of its network through the ongoing expansion of and enhancements to its infrastructure portfolio. APA continues to optimise its existing asset portfolio to meet the demands of existing and new customers through a variety of projects, which are generally fully underwritten by customers through gas transportation agreements, or have received regulatory approval through the relevant access arrangement. Other projects might be initiated based on expectations of future market demand, or may be partially underwritten by customers with other revenue expected over the life of the asset. These projects include compression (increasing pressure of gas flowing through the pipeline to enable higher throughput), looping (increasing the capacity of a pipeline by installation of an additional pipeline, parallel to and joined with the original pipeline), lateral additions (branch pipelines linking a main pipeline to a market, end-user or other pipeline) and installing bi-directional capabilities on its existing pipelines. APA is also improving its services through technological system upgrades and commercial arrangements that are designed to provide a seamless service to customers across pipeline systems.

Quality assets with long expected lives, the majority of which require a relatively low level of maintenance capital expenditure

As at the date of this Offering Circular, the average age of APA's transmission pipeline assets, weighted by pipeline length, is substantially below expected maximum life. APA believes the expected lives of its transmission pipeline assets to be between 50 and 80 years.

The large majority of APA's gas transmission assets are located underground and in non-urban locations resulting in relatively well-conditioned assets and a low level of Stay In Business ("SIB") capital expenditure, which has been in the range of A\$130 million to A\$193 million per annum over the last three FYs. In FY2023, APA spent A\$193 million on SIB capital expenditure (with 17% of that amount attributed to IT-related capital expenditure).

APA takes a long-term view of asset management and undertakes an ongoing maintenance schedule designed to ensure that its assets meet statutory and technical licence conditions and are maintained in good condition. APA's maintenance includes, but is not limited to, aerial and physical surveys of its pipeline routes, the use of internal pipeline inspection gauges, or "pigs", risk-based inspection techniques and reliability-centred

¹⁴ Includes 100% of assets operated and/or under construction by APA Group, which form part of Energy Investments segment, including SEA Gas, EII and EII2 (each partially owned).

¹⁵ Includes 100% of assets operated by APA Group in Queensland, New South Wales, Victoria and South Australia.

maintenance strategies on pipelines and facilities to ascertain asset condition and ensure safe, reliable operations.

Uniquely integrated portfolio of assets that enables the flexible, reliable and efficient delivery of services

APA's assets are geographically diverse and many of them, particularly those comprising its East Coast Grid, can operate as interconnected infrastructure or point-to-point assets, with major pipelines having the ability to flow gas bi-directionally. APA's integrated East Coast Grid spans thousands of kilometres of pipeline length and provides the capability to transport gas seamlessly from multiple gas production facilities to gas users across four Australian states and the ACT, as well as to the export LNG market that has developed out of Gladstone in Queensland. The creation of the East Coast Grid and the continued system enhancements provide the ability to deliver gas where APA's customers need it most.

Bi-directional and multi-asset services across APA's interconnected East Coast Grid have enabled it to be a "one-stop" shop for many energy producers and users. Customers have the flexibility to access over 40 receipt points and approximately 98 delivery points across the East Coast Grid. Many of the flexible services that are available as a result of APA's continued investment in and augmentation of the East Coast Grid are now incorporated into multi-asset and multi-service contracts of varying lengths.

In June 2023, APA completed the construction of the NGI, a 580 km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected gas pipeline system covering approximately 2,690 km in Western Australia from north to south and west to east. The NGI is expected to provide greater energy security and flexibility to meet the state's long-term energy needs.

Stable and predictable cash flow from price regulated assets and long-term contracts

APA's financial performance is partly attributable to the nature of its energy infrastructure asset base, the majority of which benefits from long term "take-or-pay" capacity contracts, generally with fixed and known indexation methodology, and/or from price regulation.

In FY2023, APA's revenue from the Energy Infrastructure segment (excluding pass-through revenue) derived from long term, take-or-pay contracts or regulated assets accounted for approximately 88% of its total revenue from the Energy Infrastructure segment (excluding pass-through revenue). This compares to approximately 85% in FY2022. Consequently, APA has no material direct exposure to underlying movements in natural gas, oil or other energy-related commodity prices under those contracts. Tariffs under those contracts reflect the amount of capacity reserved and are payable irrespective of gas transmission volumes shipped by that customer.

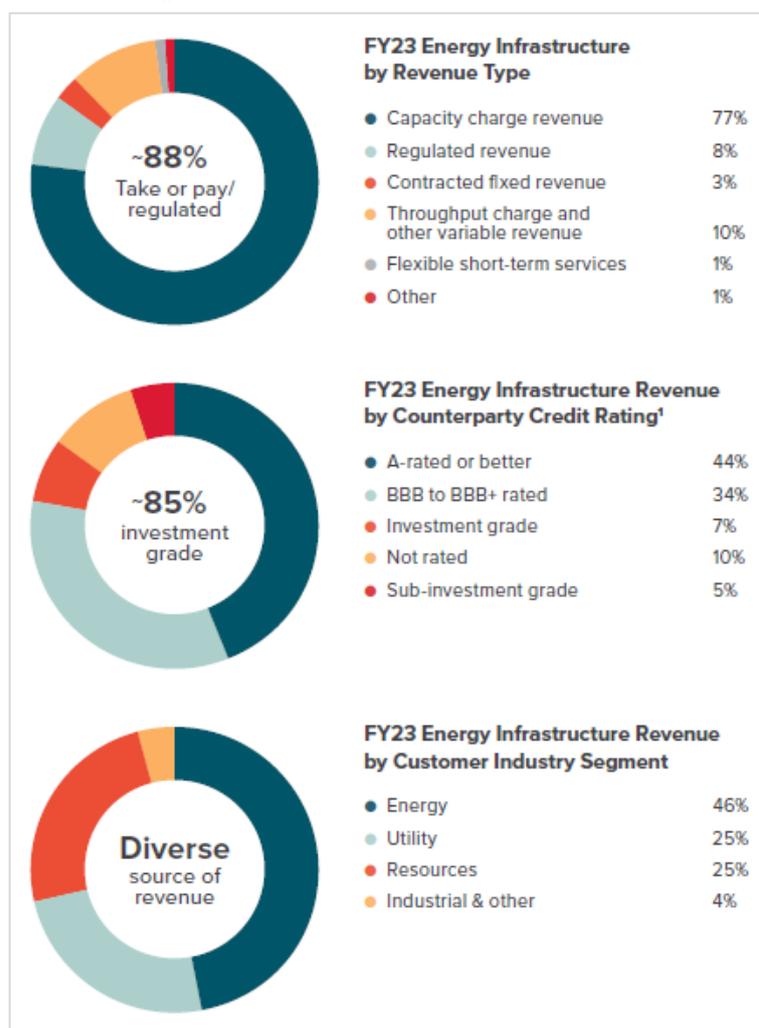
See "*Regulatory Environment*" for more information regarding the regulation of APA's business.

Quality customer base and diversified asset footprint

APA has a revenue stream that is diversified across customers, geography and assets, which it believes enhances the stability of its revenue through economic cycles. In FY2023, APA's top ten customers represented approximately 71% of its Energy Infrastructure revenue (excluding pass-through revenue and unallocated revenue). APA's top ten customers include AGL Energy and Origin Energy, two of the largest integrated utilities in Australia, and Shell/BG Group. In FY2023 and FY2022, no single client represented greater than 16% and 15%, respectively, of APA's Energy Infrastructure revenue (excluding pass-through revenue and unallocated revenue). Additionally, based on the contracts underlying APA's major assets, APA estimates that approximately 85% of its FY2023 revenue (excluding pass-through revenue) was contracted with customers with an investment grade credit rating or joint ventures with investment grade parties.

The following chart illustrates APA's energy infrastructure revenue split by revenue type, counterparty credit rating and customer industry segment.

Energy Infrastructure Revenue Split



Note:

- (1) Ratings shown as equivalent to S&P rating scale. An investment grade credit rating from either S&P (BBB- or better) or Moody's (Baa3 or better), or a joint venture with an investment grade average rating across owners.

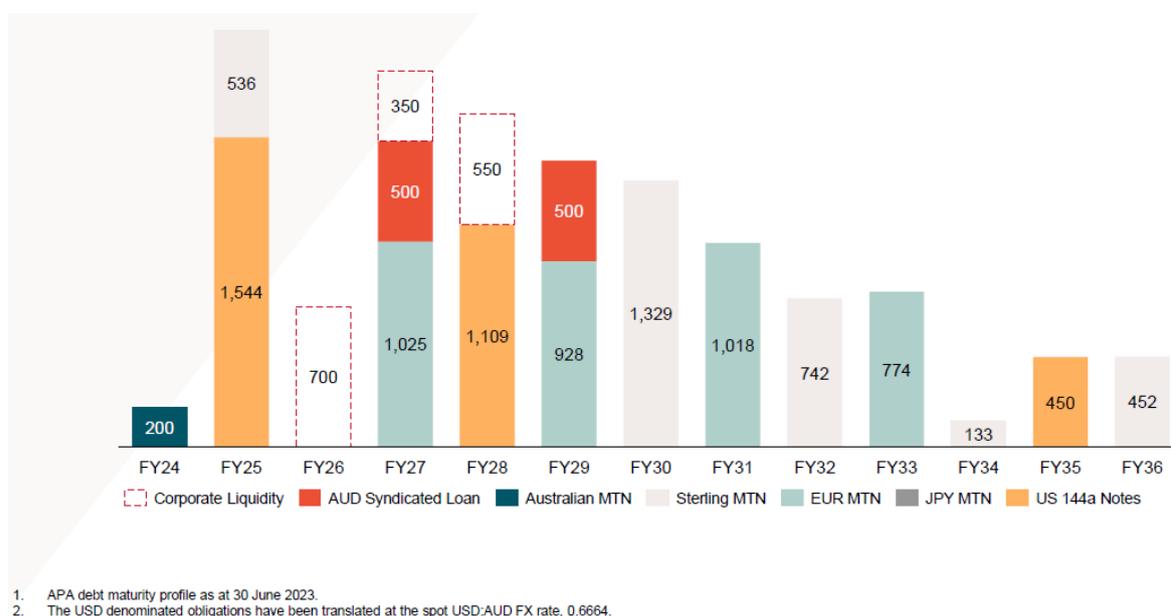
APA's acquisition of Alinta Energy Pilbara in November 2023 further diversifies its revenue stream across geography, energy mix, customers and asset type, with the portfolio underpinned by long-term contracts with large, low-risk quality portfolio of counterparties (where the Pilbara mines represent core assets that are at the lower end of global cost curves and with long mine lives).

Strong balance sheet and prudent capital management

APA's overall capital management strategy is to continue to target and maintain BBB/Baa2 investment grade credit ratings (S&P/Moody's). APA's assets have relatively long lives and generate stable long term cash flows that facilitate the servicing of its obligations under long term debt financings. Given its portfolio of gas pipelines and distribution networks (many of which are natural monopolies), the consistency of earnings, the extent of take-or-pay contractual agreements and the low risk profile of the assets, APA believes that it is well-positioned to maintain its balance sheet with investment grade credit rating metrics and maintain current levels of debt relative to equity.

APA's FFO to Net Debt Ratio and FFO to Interest Ratio are better than the minimum threshold levels that Moody's and S&P consider appropriate for APA Group's BBB/Baa2 credit ratings. At 30 June 2023, APA's FFO to Net Debt Ratio was 10.6% and its FFO to Interest Ratio was 3.3x, as compared to 11.1% and 3.6x, respectively, for FY2022. APA's methodology for calculating its credit metrics ratios is now more closely aligned with the credit rating agencies' methodology, each of S&P and Moody's apply proprietary adjustments to certain items reported in APA's reviewed and audited consolidated financial statements to independently derive their respective calculation of such metrics for each period.

As highlighted in the graphic below, APA has a diverse debt portfolio and access to a number of global markets and currencies, including in the United States, United Kingdom, Europe and Australia, with a broad spread of maturities extending out to FY2036. As at 30 June 2023, its debt portfolio had an average duration of debt of 5.7 years. As at 30 June 2023, 100% of interest obligations on gross drawn borrowings was either hedged into or issued at fixed interest rates for varying periods extending out to 2036. The average interest rate¹⁶, including credit margins, applying to drawn debt was 4.43% for FY2023, as compared to 4.42% in FY2022. Most of APA's debt obligations were either issued at fixed rates or hedged at lower interest rates because they were issued in the lower interest rate environment prior to 2022.



APA has raised equity capital on a number of occasions. Most recently, in September 2023 it completed an A\$675 million pro-rata institutional placement and an A\$200 million Security Purchase Plan, which was upsized from the targeted A\$75 million. Support from its equity investors has allowed it to maintain a conservative financial risk profile over a period of substantial growth and investment in its business. Having been rated BBB since June 2009 by S&P and Baa2 since April 2010 by Moody's, APA intends to maintain its senior unsecured issuer ratings as investment grade and is prepared to consider equity and hybrid capital raisings to fund future growth capital expenditures, as APA has done historically.

In addition, APA's growth capital expenditure, other than expenditure relating to its energy investments, is generally either fully underwritten by its customers through long term gas transportation arrangements or has received regulatory approval through the relevant access arrangement. APA has historically funded organic growth through operating cash flow retained in the business and a combination of debt and equity financings.

¹⁶ The average interest rate is now calculated using period end foreign exchange and hedged rates to better reflect actual debt outstanding at period end (comparative year has also been restated).

With the dynamic nature of the energy market and the tight supply-demand balance of gas, APA expects that some customers may require more flexibility and shorter contract terms to allow them to better react to changing market conditions. APA is able to accommodate customer requests for more flexible and shorter contract terms at its existing assets because of the size and scale of its pipeline infrastructure and product offering, combined with the flexible nature of its multi-asset and multi-service contracts and associated systems. This enables APA to better supply its products to numerous end-users from various sources, as needed.

Well-positioned to support Australia's energy transition

APA believes it is well-positioned in Australia to play a key role in developing and deploying energy solutions that support Australia's energy transition and its customers' decarbonisation ambitions. APA's natural gas assets are strategically integrated in both the East Coast and West Coast gas markets and will play a critical part of the future energy mix, helping to unlock the expansion of renewable energy required to replace retiring coal power stations and diesel generation and support the nation's decarbonisation. In addition, natural gas continues to play an important role for powering hard-to-abate and hard-to-electrify industrial sectors and provides essential heating in colder climates.

In October 2022, APA acquired the Basslink electricity transmission interconnector connecting Victoria and Tasmania. Basslink is fundamental to both the supply of affordable and reliable energy to Victoria and Tasmania.

Most recently, in November 2023, APA acquired the Pilbara assets of Alinta Energy including renewables and gas generation, electricity transmission and the remaining 11.8% interest in Goldfields Gas Pipeline. By supporting the decarbonisation of Pilbara miners through providing remote renewables generation, the Alinta Energy Pilbara assets provide a significant growth platform to develop and operate remote-grid energy solutions for Australia's resources industry. Alinta Energy Pilbara has an attractive pipeline of projects to bring new renewable energy solutions to the Pilbara market, including near-term actionable projects with strong wind and solar resources in highly sought after strategic locations with strong interconnectivity to existing assets.

Well-positioned to benefit from Australian energy industry trends

Electricity produced in Australia is generated predominantly from non-renewable fuels and, while coal accounted for 47.2% of Australian electricity generation in FY2022, the Department of Climate Change, Energy, the Environment and Water ("DCCEEW") Australian Energy Update estimates that electricity generated from natural gas accounted for 18.8% of Australian electricity generation in FY2022¹⁷. According to the DCCEEW, from FY2008 to FY2022, the total electricity generated from natural gas has increased at a compound annual growth rate of 2.5% per annum, compared with (i) a decline of 2.3% per annum for coal, (ii) an increase of 1.0% per annum for oil products, and (iii) an increase of 10.8% per annum for renewable energy sources¹⁸.

According to the DCCEEW, from FY2008 to FY2022, natural gas production has increased at a compound annual growth rate of 8.9% per annum, compared with a compound annual growth rate increase of 1.9% for black coal, decrease of 4.0% for brown coal, and an increase of 4.8% for renewable generation (i.e., wood-, bagasse-, biogas-, solar-, wind- and hydro- produced electricity)¹⁹. The DCCEEW estimates that from FY2018 to FY2022, Australia's gas production increased by 28.4% from 4,731.2 PJ to 6,076.0 PJ²⁰. Western Australia remained Australia's largest producer of natural gas, producing 61.4% of Australia's total gas supply in FY2022,

¹⁷ DCCEEW, Australian Energy Update, Table O & Figure 17, September 2023.

¹⁸ DCCEEW, Australian Energy Update, Table O1.1, September 2023.

¹⁹ DCCEEW, Australian Energy Update 2023, Table J, September 2023.

²⁰ DCCEEW, Australian Energy Update 2023, Table J, September 2023.

and was followed by Queensland, the second largest producer in Australia, at 25.4% ²¹. There is no assurance that the foregoing trends will continue.

AEMO's 2023 Gas Statement of Opportunities ("GSOO") Report²² contains their most recent forecasts for the adequacy of gas supplies in Australian jurisdictions other than Western Australia.

Under AEMO's Orchestrated Step Change (1.8 °C), total consumption (including LNG exports) is projected to be stable in the short term. AEMO forecast LNG exports to increase only slightly in the short term (from CY2023 to CY2026) from 1,326 PJ to 1,367 PJ as two of the three LNG facilities on the East Coast of Australia reach full nameplate capacity. The WGP, which APA acquired in June 2015, is a 543-km gas transmission pipeline that transports natural gas from various coal seam natural gas fields in the Surat Basin in Queensland to those LNG facilities. See "*Description of APA — APA's Businesses — Energy Infrastructure — Queensland — Wallumbilla Gladstone Pipeline*" for more details on the pipeline. Gas-powered generation ("GPG") is expected to continue to provide a reliability and security role to complement renewable generation in the national electricity market. According to AEMO, gas demand for GPG is forecast to drop in the medium term, as further electricity transmission means GPG is relied on less as a source of firm supply. As more coal generation retires in the long term, demand for GPG is forecast to grow back again, recovering to levels similar to those forecast for CY2024 levels. There is no assurance that the foregoing forecasts will be realised.

AEMO's 2022 Western Australia Gas Statement of Opportunities ("WA GSOO") Report²³, highlights that the domestic gas market is facing a tight supply demand balance between 2023 and 2029, with demand up to 5% higher than potential supply. Supply is forecast to slightly exceed demand between 2027 and 2029, as Scarborough is expected to be brought onstream at 180 TJ/day from mid-2027. However, from 2030 onwards, the gas market is forecast to move into a larger deficit, with shortfalls over 200 TJ/day between 2030 and 2032. Planned coal retirements and declining production from existing gas fields will increase the need for gas generation.

APA believes its assets are well-positioned to benefit from Australian gas production and address the associated demand for use of transmission pipeline services. APA's investment in its assets delivers essential capacity to customers and markets, particularly in the peak winter periods, including its expansion of its East Coast Grid and construction of its South West Queensland Pipeline expansion and its Western Outer Ring Main ("WORM") project, all of which further enhance the system, capability, reliability and security of gas supply to households and businesses. In addition, the completion of the NGL, which links Western Australia's two major north-south gas pipelines, is expected to further support the ability to transport gas seamlessly in Western Australia, add capacity to its systems and increase gas supply options for its customers.

Integrated in-house management and experienced executive management team

APA has an experienced executive management team, which is focused on developing and implementing its core strategies. Adam Watson was appointed Chief Executive Officer and Managing Director in December 2022. He joined APA Group in November 2020 as CFO. Adam has deep local and international experience in the industrial and manufacturing sectors and in the development, delivery and operations of critical infrastructure.

In October 2023, Garrick Rollason joined APA as its Group CFO, following more than seven years as CFO of Victoria Power Networks (which includes CitiPower and Powercor) and United Energy, leading teams across finance, insurance, revenue management, investment, risk, governance, procurement and property. Garrick has

²¹ DCCEEW, Australian Energy Update 2023, Figure 14 (supporting text below figure), September 2023.

²² See the 2023 Gas Statement of Opportunities: <https://aemo.com.au/en/energy-systems/gas/gas-forecasting-and-planning/gas-statement-of-opportunities-gsoo>.

²³ AEMO, 2022 Western Australia Gas Statement of Opportunities, December 2022.

significant financial experience in energy, infrastructure and capital markets, along with demonstrated growth and operational leadership.

APA's Group Executive Strategy and Corporate Development, Ross Gersbach, joined the management team on 1 February 2008 and has over 25 years of experience in senior positions across a range of energy related sectors, covering areas such as infrastructure investments, mergers and acquisitions and strategic developments.

In FY2023, APA took important steps to further build the capability it needs to deliver on its strategy to be the partner of choice in delivering infrastructure solutions for Australia's energy transition, welcoming Elizabeth McNamara as Group Executive, Sustainability and Corporate Affairs, and Vin Vassallo as its Group Executive, Electricity Transmission.

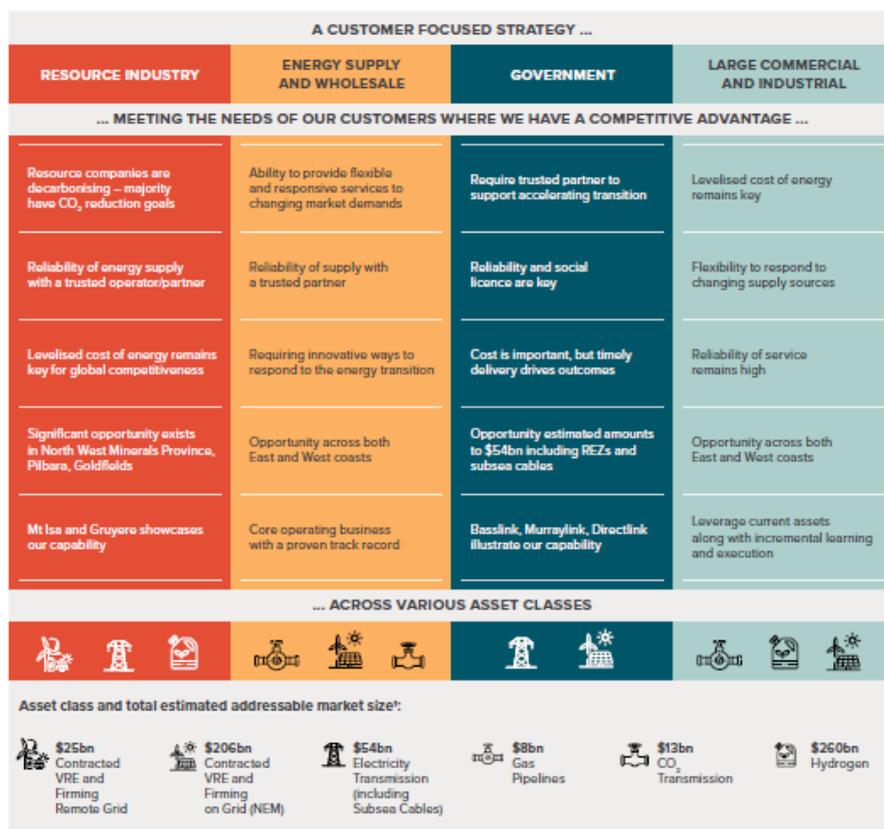
APA's executive team also comprises Amanda Cheney (*Group Executive Legal and Governance*), Petrea Bradford (*Group Executive Operations*), Darren Rogers (*Group Executive Energy Solutions*), Kevin Lester (*Group Executive Infrastructure Delivery*) and Jane Thomas (*Group Executive People, Safety & Culture*). Collectively, APA's executive team has extensive experience in their respective areas and a proven record of achievement.

APA has a skilled and experienced workforce of more than 2,400 employees that performs the majority of commercial, engineering and operational functions for its assets and the assets it operates for its co-investors and others. APA's workforce helps optimise operating costs over an asset's life cycle, maximise revenue generation per asset and reduce payments to third parties to manage and maintain assets.

Strategy

As a leading Australian energy infrastructure business, APA believes that it is well-positioned to benefit from the expected continued growth in Australian energy needs and use of energy infrastructure. Over the last 12 months, APA refreshed its strategic ambition to be the partner of choice in delivering infrastructure solutions for the energy transition. APA's approach will focus on select asset classes where it has a competitive advantage – renewable electricity and firming, electricity transmission, gas transportation and future energy (including clean fuels such as hydrogen). The approach will be underpinned by anticipating the needs of its customers, partnering with them, pursuing unsolicited proposals, and delivering bundled energy solutions.

The diagram below illustrates how APA will be bringing its strategy to life through a customer driven approach to the market:



¹ Estimated addressable market sizes in Australia. Estimates are based on a number of key assumptions, including in relation to macroeconomic factors, future technology advancements and costs, market demand, regulatory requirements and government policies and there can be no assurance the estimates are accurate. The actual addressable market sizes may differ materially from the estimates because events frequently do not occur as projected.

In addition to its refreshed strategic ambition, APA’s broader strategic approach includes the following business strategy:

- Expand its integrated energy network and enhance its offer to meet the evolving needs of its customers.* APA intends to continue to expand and enhance its interconnected infrastructure grid and to continue to increase its ability to flow gas throughout its network from multiple gas production facilities to where its customers need it most. APA also intends to enhance its multi-asset and multi-service customer offerings across the network for its customers through the provision of additional flexibility and enhanced services. Former point to point contracts for some of APA’s largest customers can now be combined into multi-asset and multi-service contracts providing additional flexibility and value to such customers. For example, in November 2020, APA announced an investment of up to A\$460 million to construct the NGI, a new 580 km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected Gas Grid in Western Australia. The NGI was completed and officially opened in July 2023.
- Capture operational efficiencies from its significant asset base.* APA is continuing to actively pursue group-wide initiatives to ensure best-in-class systems and practices are utilised. APA seeks asset development opportunities that leverage existing assets and utilise the depth of its comprehensive asset management and operational skills. The creation of the East Coast and West Coast Grids and continued system enhancements have allowed for greater flow and the ability to deliver gas where it is needed

most. APA believes it can continue to deliver growth from its existing assets and leverage off the expected increased gas demand requirements of its customers.

- *Actively manage relationships with its major customers to maximise opportunities.* APA's largest customers represent an important part of its current revenue stream and are key players in the future development of the Australian gas market. APA has a national account team structure, with sales teams responsible for customer portfolios. This structure is designed to provide strong customer focus, single accountability and a "whole of customer view". In addition, APA has a national contracts management function for day-to-day management of all existing contracts. It aims to ensure a seamless sales and service experience for its customers. Additionally, the evolution of APA's customer IT platform, APA Grid, has given its customers access to a single platform to interact with APA across Australia. It allows APA's customers to enter nominations and view reports and maintenance schedules for all transmission assets on one site. The APA Grid, coupled with the IOC, allows APA to provide improved services to its customers.
- *Optimise its asset portfolio.* APA continually reviews opportunities to undertake asset development and/or acquisitions consistent with its strategy to optimise its asset portfolio, including those in gas transmission and distribution and in renewable energy power generation (including wind farms and solar farms) and electricity transmission. APA regularly participates, and from time to time submits offers (both non-binding indicative offers and binding offers), in competitive bidding processes for businesses and assets consistent with the strategy. Most recently, in November 2023 APA acquired Alinta Energy's Pilbara assets, building on its WA presence and offering to customers. APA does not intend to undertake any acquisitions that would negatively impact the BBB/Baa2 credit ratings currently assigned to its senior debt by S&P and Moody's. The rating agencies may change their view of APA's business risk profile, increasing credit metric threshold levels for APA's target credit rating. In any event, APA structures the funding of any acquisition with a capital structure that maintains its BBB/Baa2 credit ratings. While APA does not expect any ratings downgrade in respect of any potential acquisitions in which it engages, no assurances can be made in this regard. See "*Risk factors — Operational and Legal Risks — APA's long-term growth can be impacted by the successful execution of acquisitions, new developments and existing portfolio capacity expansions*" for a discussion of the risks associated with undertaking acquisitions.
- *Maintain a strong, investment grade balance sheet.* APA has historically maintained a relatively stable FFO to Net Debt Ratio, FFO to Interest Ratio, Gearing Ratio and Interest Coverage Ratio. APA aims to manage its balance sheet and intends to maintain its unsecured senior investment grade credit ratings at BBB rating by S&P and Baa2 rating by Moody's to help ensure that it has access to a broad range of global debt capital markets to fund its business.
- *Ambition to achieve net zero operational emissions for its power generation and electricity transmission infrastructure by 2040 and for its gas infrastructure by 2050.* APA supports the global transition to a lower carbon future, aligned with the goals of the Paris Agreement. It understands the challenges and opportunities that climate change creates for its business and for the long term prosperity of global economies and communities. Building on its track record of action, APA will continue to progress its climate change work; advance its public advocacy for greater action; and enhance its climate-related disclosures. In 2022, APA published its Climate Transition Plan outlining its commitments and pathway to net zero, including:
 - a target to reduce operational emissions in APA's gas infrastructure portfolio by 30% by 2030 with a goal for net zero by 2050;
 - a goal to reduce emissions intensity for power generation by 35% by 2030;

- a more ambitious goal of net zero operational emissions by 2040 for its power generation and electricity transmission infrastructure; and
- a target of 100% renewable electricity procurement across the business from FY2023 and has set a goal to operate a 100% zero direct emissions fleet where appropriate by FY2030.
- *Invest in future fuels through the APA Pathfinder Program, established in FY2021, to understand the requirements to support clean molecules in either existing or new infrastructure.* In May 2023, APA's landmark PGP conversion project confirmed via pressurised hydrogen laboratory testing the technical feasibility of converting a 43km section of the PGP to carry 100% hydrogen. The project will now consider preparing the section of pipeline for hydrogen service, and will include detailed safety studies and conversion plans, while continuing to investigate potential supply and offtake opportunities. Off the back of this research, APA has developed a Pipeline Screening Tool that provides a high-level assessment of the hydrogen readiness of its national pipeline assets, based on key pipeline material and operating characteristics.

Supporting the PGP conversion project is a Memorandum of Understanding between APA and Wesfarmers Chemicals, Energy and Fertilisers (WesCEF), signed in May 2022. As part of this, APA is committed to a pre-feasibility study to assess the viability of producing and transporting green hydrogen via the PGP to WesCEF's production facilities in Kwinana. The findings were promising, demonstrating that the PGP study area is likely to be suitable for green hydrogen development. APA and WesCEF are now considering the results further.

Pathfinder is investigating other hydrogen and Carbon Capture and Storage project opportunities where APA can bring its market-leading energy infrastructure expertise and experience to large-scale projects.

APA continues to review acquisition opportunities across the target energy infrastructure asset classes in line with strategy.

History

In June 2000, APA was formed when the former Australian Gas Light Company group of companies spun out its gas transmission assets into a separate entity, Australian Pipeline Trust that it listed on the ASX. In May 2022, APA announced a refresh of group entity names, with APT Pipelines Limited, the borrowing entity of the APA Group, changing its name to APA Infrastructure Limited.

The following timeline (by calendar year) illustrates APA's development since Australia Pipeline Trust was listed on the ASX.

2000	June — Australia Pipeline Trust listed on the ASX with an interest in approximately 7,000km of pipelines.
2001	February — Acquisition of the remaining 15% interest in the RBP.
2003	March — Interest in the GGP increased to 48.5%.
2004	August — Acquisition of the PGP, the Mondarra Gas Storage Facility and an additional interest in the GGP (taking the total interest in the GGP to 88.2%).
2005	February — Acquisition of the remaining 30% interest in the CGP.
2006	March — Completion of construction and commissioning of Kogan North gas processing facility.
	March — Acquisition of Murraylink electricity interconnector.

- June** — Execution of a 25-year gas transportation agreement with the PWC in the Northern Territory to develop the BGP.
- December** — Acquisition of the VTS and LNG storage facility in Victoria.
- December** — Acquired the Allgas gas distribution business (Queensland).
- December** — Completed the acquisition of GasNet Australia (Victoria).
- December** — Restructured as a stapled entity comprising Australian Pipeline Trust and APT Investment Trust, and now known as APA Group.
- 2007** **January** — Completion of construction and commissioning of the Daandine Power Station, Queensland.
- February** — Acquired the Directlink electricity interconnector in NSW.
- March** — Completion of construction of the Tipton West gas processing facility.
- July** — Acquisition of the Origin Energy Networks assets. The assets included a one third equity interest in the SEA Gas Pipeline, 17.2% equity interest in Envestra (now known as AGN), the long term asset management agreement to operate AGN’s assets (including the requisite resources) and a number of other energy assets.
- November** — Completed construction and commissioning of the X41 Power Station in Queensland.
- 2008** **August** — Acquisition of the CRP and associated distribution network in New South Wales.
- December** — Completion of construction of the BGP in the Northern Territory.
- December** — Sold a number of APA’s assets into EII, an unlisted investment vehicle and joint venture with Marubeni Corporation and Osaka Gas Company Ltd of Japan. APA retained 19.9% equity and the asset management and operations of those assets.
- 2009** **February** — Increase of APA’s interest in Envestra (now known as AGN) to 30.6% through participation in and partly underwriting Envestra’s rights issue.
- June** — The Issuer obtained a BBB (stable) rating from S&P.
- October** — EII2, a consortium including APA, purchased the North Brown Hill wind farm project in South Australia.
- 2010** **March** — Acquisition of the BWP in Queensland.
- April** — Announcement of increased holdings in HDF to 14.9%.
- April** — The Issuer obtained a Baa2 (stable) rating from Moody’s.
- 2011** **May** — Announcement of the expansion of the Mondarra Gas Storage Facility, underwritten by a long term foundation agreement with Synergy (formerly known as Verve Energy).
- June** — Acquisition of the AGP in the Northern Territory
- July** — Acquisition of the Emu Downs wind farm.
- December** — Sale of the Allgas Gas Network to GDI, a minority-owned joint venture of which APA owned 20%. APA retained the asset management and operations of the Allgas Gas Network.
- December** — Announcement of an off-market take-over bid for HDF, of which APA already held 20.7% interest.

- 2012** **December** — Completion of the take-over of HDF, assuming control of the Epic Energy assets and operations.
- 2013** **May** — Completion of the sale of the MAPS to QIC Global Infrastructure.
- July** — Announcement of an approach to Envestra (now known as AGN) regarding a proposal for an all-share merger.
- 2014** **August** — Announcement of the divestiture of 33% equity holding in Envestra to Cheung Kong Group consortium.
- December** — Completed the construction and commissioned the Diamantina and Leichhardt Power Stations, jointly owned and constructed by AGL and APA.
- December** — Entered into a binding sale and purchase agreement with BG Group to acquire the QCLNG Pipeline (now known as WGP) for U.S.\$5 billion.
- December** — Launched an equity raising of an A\$1,839 million fully underwritten accelerated renounceable entitlement offer for APA's stapled securities and completed the offer in January 2015.
- 2015** **June** — Completed the acquisition of the WGP (formerly QCLNG Pipeline).
- November** — Commissioned the EGP pipeline in Western Australia.
- 2016** **March** — Increased ownership of the Diamantina and Leichhardt Power Stations in Queensland from 50% to 100%.
- June** — Increased ownership of the Ethane Pipeline Income Fund to 100%.
- June** — Opened the IOC in Brisbane, Queensland. The IOC allows APA's customers to manage their energy portfolios across all of APA's assets with greater flexibility and through a single point of contact.
- August** — Partnered with REST Industry Super to acquire the onshore Mortlake Gas Pipeline.
- September** — Signed a 20-year GTA with APLNG to build and operate the RCWP, a 49-km pipeline.
- December** — Signed a 13-year PPA with Synergy, for the 20MW Emu Downs Solar Farm, commissioned in March 2018.
- 2017** **October** — Acquired Orbost Gas Processing Plant in Victoria.
- 2018** **January** — EDSF commissioned, and APA commenced a 13-year PPA with Western Australian energy provider, Synergy.
- February** — Launched an A\$500 million entitlement offer which was completed in March 2018.
- February** — Mt Morgans Gas Pipeline (WA) commissioned for Dacian's Mt Morgans gold mine.
- May** — RCWP was completed and commissioned, and APA commenced a 20-year GTA with APLNG.
- June** — APA entered into a Development Agreement and associated GTA with AGL Energy for the development and construction of the Crib Point Pakenham Pipeline.
- June** — APA received an unsolicited proposal from CKI consortium to acquire all of the stapled securities in APA through trust schemes of arrangement. In August 2018, APA entered into a conditional Implementation Agreement with CKI. In November 2018, APA

received notice from the CKI Consortium that the Australian Federal Treasurer had notified it of his decision to prohibit the Schemes and as a result the Implementation Agreement was terminated.

- 2019** **January** — Gruyere Power Station (WA) and YGP completed and commenced operations to supply Gruyere Gold Project.
- January** — Badgingarra wind farm completed and commences commercial operations.
- January** — DDSF (QLD) completed and commenced commercial operations. The project was underwritten by a PPA with Origin Energy.
- August** — Badgingarra Solar Farm (WA) completed and commenced commercial operation. The asset is underpinned by a long-term PPA with Alinta Energy.
- 2020** **August** — APA and Cooper Energy Limited announced execution of a transition agreement to work together to complete the commissioning of the Orbst Gas Processing Plant, and commence firm supply to Cooper Energy Limited’s term gas customers.
- August** — Adam Watson was appointed the Chief Financial Officer of APA Group. Mr. Watson succeeds Peter Fredricson, who retired as Chief Financial Officer of APA Group on 31 December 2020.
- October** — APA published its first Climate Change Resilience Report, providing a comprehensive analysis of the resilience of APA’s current portfolio of assets under three divergent climate scenarios to 2050.
- November** — Announced an investment of up to A\$460 million to construct the NGI, a new 580-km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the resource rich Goldfields region, to create an interconnected Gas Grid in Western Australia.
- December** — Announced a two-phased power expansion agreement with existing customer, Gruyere Gold Mine in Western Australia. The agreement includes the creation of the Gruyere Hybrid Energy Microgrid — APA’s first hybrid energy microgrid investment.
- 2021** **February** — Launched Pathfinder to unlock next generation energy solutions, comprising pilot projects, equity investments, and research and development.
- February** — Progressing towards a sustainable future by announcing an ambition to achieve net zero operations (Scope 1 and 2) emissions by 2050.
- March** — Commissioned the Thomson Power Station, a third gas-fired power station in Mount Isa, strengthening the energy security of the North West Minerals Province of Queensland.
- May** — Commenced 25% expansion of the East Coast Grid.
- November** — Announced a staged plan to build an 88 MW solar farm at Mica Creek in Mount Isa, supporting customers in the North West Minerals Province with affordable, renewable electricity. The solar farm was completed during FY2023 and successfully connected and commissioned in Q4FY2023.
- November** — Acquired an interest in Basslink debt
- November** — Announced investigation of opportunities in Western Australia to commercialise and deliver low cost hydrogen as part of a newly established consortium with Pilot Energy and Warrego Energy Limited.

- 2022** **February** — Announced the rights to acquire a total of 100% of Basslink debt.
- April** — Announced a A\$60 million expansion of the South West Pipeline in the Victoria Transmission System, through the installation of an additional compressor facility at Winchelsea Compressor Station.
- May** — Announced a memorandum of understanding with Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) to undertake pre-feasibility study to assess the viability to produce and transport green hydrogen via APA’s PGP to WesCEF’s production facilities in Kwinana.
- May** — Announced a refresh of group entity names, with APT Pipelines Limited, the borrowing entity of the APA Group, changing its name to APA Infrastructure Limited.
- May** — Commenced second stage of the 25% expansion of the East Coast Grid.
- June** — Announced the execution of a 30-year Gas Transportation and Storage Agreement and a Development Agreement with Snowy Hydro Limited, to commence the development of, the Kurri Kurri Lateral to the Hunter Power Project.
- June** — Entered into a binding agreement with Cooper Energy Limited to sell the Orbest Gas Processing Plant.
- August** — Commenced construction on the Western Outer Ring Main gas transmission project to enable larger volumes of gas to be transported to Victoria’s Iona Underground Storage Facility for use during peak demand.
- August** — Adam Watson, APA’s CFO, appointed as acting CEO following announcement that CEO and Managing Director Rob Wheals stepping down from the role. APA’s General Manager of Investor Relations, Kynwynn Strong, appointed as acting CFO.
- October** — Announced acquisition completion of Basslink Pty Ltd.
- December** — Adam Watson, APA’s acting CEO, appointed CEO and Managing Director of APA.
- 2023** **May** — APA lodged an application to convert Basslink to become a ‘regulated asset’.
- May** — Announced successful completion of laboratory testing confirming the technical feasibility of converting a 43km section of the PGP in WA to carry 100% hydrogen.
- June** — Garrick Rollason appointed as APA’s CFO, replacing Kynwynn Strong (Acting CFO), with an expected start in October 2023.
- June** — Signed an initial agreement with Tamboran Resources to progress the connection of Tamboran’s Beetaloo Basin to APA’s gas transmission assets.
- July** — Announced completion of first stage of East Coast Grid expansion.
- July** — Official opening of the North Goldfields Interconnect pipeline.
- July** — Announced signed agreement with Arafura Rare Earths to commence early works to supply energy to Arafura’s Nolans Rare Earth Project.
- August** — Announced the signing of an initial agreement with Empire Energy Group to progress works associated with the development of the Carpentaria pilot project.
- August** — Entered into a Share Sale Agreement to acquire 100% of Alinta Energy Pilbara for an Enterprise Value of A\$1,722 million. Announced intention to raise equity through a fully underwritten ‘pro-rata’ institutional placement and a non-underwritten Security Purchase Plan, with proceeds to be used to partly fund the acquisition.
- August** — Successful completion of the underwritten A\$675 million ‘pro-rata’ institutional placement.

September — Announced completion of the Security Purchase Plan, raising a total A\$200 million.

November — Announced completion of the acquisition of Alinta Energy Pilbara.

As indicated in the above timeline, APA has significantly increased its portfolio of energy infrastructure assets since listing its securities on the ASX in 2000. It owns or has an interest in major energy infrastructure assets in every state and territory of Australia, having acquired interests in various strategic infrastructure assets during the last 20+ years.

Throughout its history, APA has enhanced and developed its portfolio of energy infrastructure assets, increasing capacity through compression and looping of pipelines, developing greenfield pipelines and laterals developing new power generation assets, and extending distribution networks via new connections.

APA's Businesses

APA's Energy Infrastructure, Asset Management and Energy Investment businesses are described below.

Energy Infrastructure

APA's Energy Infrastructure portfolio comprises a mixture of pipelines and other assets, including gas and electricity transmission, gas compression, gas processing and storage assets, renewable energy power generation and gas-fired power generation, that provide access to new and existing market opportunities throughout Australia. APA's pipelines have access to growth sectors of the Australian natural gas market, such as gas-fired power generation and LNG export. APA has a presence in each mainland state and territory and has easement rights over the property that its pipelines traverse. Many of its assets, in particular those comprising its East Coast and West Coast grids, can operate as interconnected infrastructure or point-to-point assets, with major pipelines having the ability to flow gas bi-directionally. APA manages all of its gas transmission and distribution assets. In addition to its gas transmission and distribution assets, on 1 November 2023, APA acquired Alinta Energy Pilbara, comprising energy infrastructure assets including gas and solar power generation, gas transmission, BESS and electricity transmission. APA also owns the Emu Downs Wind and Solar Farm, Badgingarra Wind and Solar Farm and the Gruyere Hybrid Energy Microgrid which is described in more detail below under "*—Western Australia*". APA also owns the Diamantina and Leichhardt Power Stations, gas-fired electricity generators that provide electricity to Glencore Xstrata and Ergon Energy, which is described in more detail below under "*— Queensland — Carpentaria Gas Pipeline and Diamantina and Leichhardt Power Stations*".

The majority of revenues in the Energy Infrastructure segment derive from either regulatory arrangements or long term "take-or-pay" capacity-based contracts. Contracts generally have the majority of the revenue fixed over the term of the relevant contract. APA strives to continually enhance the service offerings available to customers to better address their increasingly complex and dynamic gas portfolio needs. APA has made significant investment in its Energy Infrastructure segment in the last decade to support customers' needs. The IOC is one of those customer focused initiatives that APA has invested in to deliver seamless and reliable services for the benefit of the Australian energy market.

An overview of the key Energy Infrastructure assets is as follows:

- **Alinta Energy Pilbara (WA):** In November 2023, APA announced that it has completed the acquisition of Alinta Energy Pilbara. The acquisition is consistent with APA's strategy to be the partner of choice in delivering infrastructure solutions for the energy transition. Alinta Energy Pilbara's existing assets consist of 543MW of operating generation and storage assets and more than 200 kilometres of operating electricity transmission lines.
- **NGI (WA):** In June 2023, APA completed the construction of the NGI, a 580-km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create

an interconnected Gas Grid in Western Australia. The NGI connects to APA's Goldfields Gas Pipeline, which in turn connects to its Eastern Goldfields network, creating an interconnected APA gas pipeline system covering 2,690 km from north to south and west to east across Western Australia.

- **Basslink (VIC/TAS):** On 20 October 2022, APA Group acquired 100% of Basslink Pty Ltd and its subsidiary Basslink Telecoms Pty Ltd (“**Basslink**”). Basslink owns and operates the 370km high voltage direct current (“**HVDC**”) electricity interconnector between Victoria and Tasmania. Contracts are in place with Hydro Tasmania and the State of Tasmania. The contracts provide predictable revenues, facilitate the operations of the interconnector and institute operational improvements whilst APA works to convert Basslink to a regulated asset under an agreed consultation process. A revenue contract is in place with Hydro Tasmania until 30 June 2025, by which point the parties expect Basslink to become regulated.
- **Moomba Sydney Pipeline southern haul reliability and capacity expansion (NSW/VIC):** As part of its debottlenecking work, APA increased operating pressures on sections of the Moomba Sydney Pipeline, made compressor and engine overhauls and improved critical control systems at Bulla Park, Young and Culcairn achieved during FY2020 to provide greater reliability and additional capacity of up to 25 TJ/day.
- **East Coast Grid Expansion:** Stage 1 of the expansion works, increasing Wallumbilla to Wilton capacity by 12%, was completed and commissioned in Q4FY2023. This will help mitigate the forecast 2023 southern State winter supply risks identified in the 2022 AEMO GSOO. Confirmation of Stage 2, which will add a further 13% of capacity, was announced in May 2022. Stage 2 is well advanced with major procurement complete, and construction commenced on both the MSP and SWQP sites in late FY2023. The project is scheduled for commissioning ahead of the forecast potential winter 2024 shortfalls.
- **Kurri Kurri Lateral Pipeline (NSW)** – On 20 June 2022, APA executed a Gas Transportation and Storage Agreement and a Development Agreement with Snowy Hydro Limited to develop a 20 kilometre Kurri Kurri Lateral gas pipeline connection. APA will build, own and operate the Kurri Kurri Lateral, connecting the Sydney to Newcastle Pipeline to the Hunter Power Project at Kurri Kurri in New South Wales. The project includes a 70 TJ gas storage facility to service the Hunter Power Project. During the year, the New South Wales Government approved the Environmental Impact Statement (“**EIS**”) for the project. APA submitted an application for a pipeline licence in February which was issued in first quarter of FY2024. APA has secured an easement with all landowners along the pipeline alignment. Major procurement is complete, and pipe has arrived at Newcastle Port and been transferred to site. Electric drive compressors will be used to minimise the emissions intensity of operations. Construction contracts have been executed in first quarter of FY2024 with project completion expected in first half of FY2025 and ahead of the Hunter Power station project completion.
- **Thomson Power Station (QLD):** Construction of the 18 MW reciprocating engine power station was completed during FY2021, with commissioning completed on 1 March 2021. The new power station will supplement generation from APA's Diamantina/Leichhardt Power Stations for the Mount Isa region. A further expansion to 22MW was subsequently approved and completed.
- **WORM (VIC):** The WORM will help increase reliability of supply to Melbourne by increasing both western and eastern gas flows. This new connection is critical in filling gas storage requirements and supporting peak day demand in Melbourne. Additional line pack in close proximity to Melbourne will support gas-fired power generation, all of which helps reduce risk of supply interruption to a major capital city. The Pipeline Licence for the project was issued in May 2022 and approval under the EPBC Act received in June 2022. Construction, which began in August 2022, progressed significantly during

FY2023 with some delays to overall completion due to an exceptionally wet spring and some difficult ground conditions. Completion and commissioning is now expected in Q2FY2024.

Key projects by geographic region

East Coast Grid: Queensland, New South Wales, Victoria, South Australia and the ACT

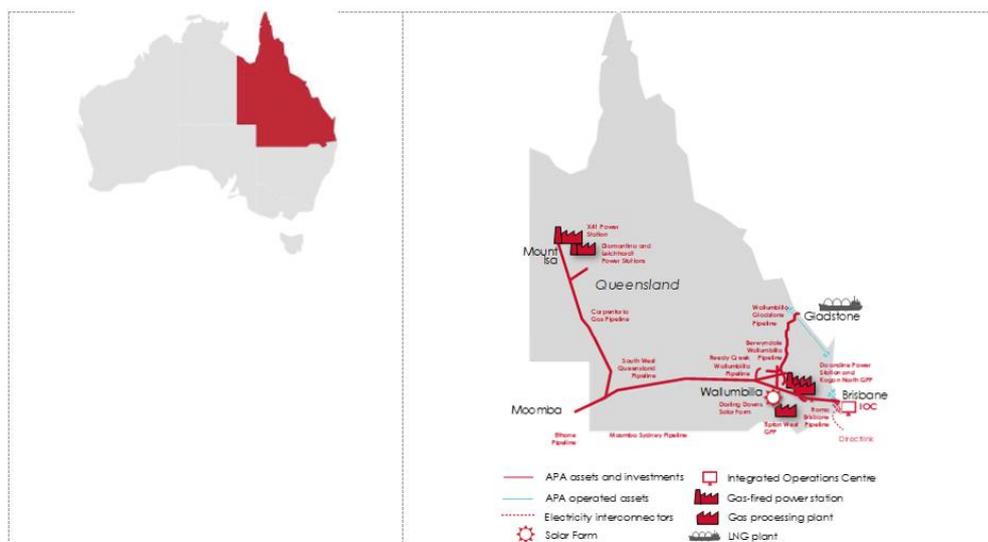
APA currently has thousands of kilometres of integrated pipeline grid on the east coast of Australia, with the ability to transport gas seamlessly from multiple gas production facilities to gas users across Queensland, New South Wales, Victoria, South Australia and the ACT.

Customers using the grid have flexibility in relation to receipt and delivery points, with the potential to move between about 40 receipt points and approximately 98 delivery points across Eastern Australia. APA has developed the commercial and operational framework to deliver this flexibility and other related services, such as multi-pipeline services, bi-directional transportation and integrated gas storage and transportation facilities. Bi-directional and multi-asset services across its interconnected East Coast Grid enable APA to be a “one-stop” shop for many energy producers and users.

Queensland

APA currently wholly owns the following gas transmission pipelines and power stations and renewable power generation assets in Queensland:

- Wallumbilla Gladstone Pipeline (“WGP”);
- Reedy Creek Wallumbilla Pipeline (“RCWP”);
- Carpentaria Gas Pipeline (“CGP”) and Diamantina and Leichhardt Power Stations;
- Dugald River Solar Farm (previously the Mica Creek Solar Farm)
- Roma Brisbane Pipeline (“RBP”);
- South West Queensland Pipeline (“SWQP”);
- Berwyndale Wallumbilla Pipeline (“BWP”); and
- Darling Downs Solar Farms (“DDSF”).



APA manages the six Queensland pipelines as part of its integrated business, and it operates and maintains GDI and AGN, the latter of which APA divested its remaining 33.05% ownership interest in FY2015.

Wallumbilla Gladstone Pipeline

The WGP transports natural gas from various coal seam natural gas fields in the Surat Basin to the Queensland Curtis Island LNG Plant, where the natural gas is converted to liquid natural gas for export. In total, the WGP is 543 km in length. The capacity of WGP supports a total peak maximum daily quantity of 1,598 TJ/day under the various gas transportation agreements. The major customers for the WGP are China National Offshore Oil Corporation and Royal Dutch Shell plc. The primary revenues received from services provided by the WGP are denominated in U.S. dollars, and the primary fee components are 100% indexed against the United States consumer price index. The payments APA receives for services provided by the WGP are not linked to the price of oil or LNG.

As part of its acquisition of the WGP in FY2015, APA acquired five separate gas transportation agreements (“GTAs”) between APA and shippers of gas.

Three of the five GTAs which provide for the receipt and transportation of gas through the WGP are for the delivery of gas to the Queensland Curtis LNG Plant (the “LNG Shipper GTAs”). These LNG Shipper GTAs are the primary transportation contracts related to the WGP and contain almost identical terms. Each of the LNG Shipper GTAs has an initial term of 20 years with two 10-year extensions at the option of the shippers, plus periods of up to two years after each of the initial term and each extension period intended for the shipper to utilise, in order to align the GTA term with its upstream arrangements. The first LNG Shipper GTA is with a subsidiary of China National Offshore Oil Corporation for a maximum daily quantity (“MDQ”) of 377.5 TJ. The remaining LNG Shipper GTAs are with subsidiaries of the BG Group (now owned by Royal Dutch Shell plc) for a total MDQ of 1,132.5 TJ. CNOOC does not guarantee the obligations of its subsidiary (which is unrated), but in the event the LNG Shipper GTA with that subsidiary is terminated due to that subsidiary’s default and such subsidiary does not pay the required termination payment due on termination of the LNG Shipper GTA, Royal Dutch Shell plc will be required to assume responsibility for the tariffs that would have been payable under such LNG Shipper GTA.

All of the material revenue from the GTAs comes from the LNG Shipper GTAs. Under the LNG Shipper GTAs, each shipper pays APA a fee for the right to transport and deliver the MDQ of gas through the pipeline. That fee is payable regardless of whether a shipper transports any volume of gas and is structured to return APA a fixed rate of return relative to the capital expended to build the Wallumbilla Gladstone Pipeline. In addition, the LNG Shipper GTAs also include certain recovery charges in respect of capital expended in relation to certain further works on the pipeline, which are payable irrespective of volume transported. Certain fixed and variable operating costs incurred under the LNG Shipper GTAs are also passed through to the shippers. With respect to future capital expenditure on the pipeline, the LNG Shipper GTAs provide for APA to earn a return in respect of capital incurred on a mandatory basis or to sustain operation of the pipeline, consistent with industry practice, through an increase in the fee payable by the shippers. If the term of an LNG Shipper GTA is extended, the terms provide for APA to earn a return on the capital expended to extend the pipeline’s asset life. The fees payable by the shipper over the extension period would be structured to allow APA to earn a return based on the capital expended to facilitate the asset life extension. The primary revenues received under the LNG Shipper GTAs are denominated in U.S. dollars, and the primary fee components are 100% indexed against the United States consumer price index. The payments due under the LNG Shipper GTAs are not linked to the price of oil or LNG.

The GTAs also include one GTA for the receipt, transportation and delivery of gas through any of the laterals that allow for domestic gas delivery (the “Domestic Gas GTA”). The shipper is a subsidiary of BG Group (now owned by Royal Dutch Shell plc), and the MDQ is 210 TJ. The terms of the Domestic Gas GTA are similar to

corresponding provisions of the LNG Shipper GTAs. The key difference is the Domestic Gas GTA does not include any provision for recovery of capital costs or fixed operating costs (though reasonable variable operating costs are still passed to the shipper). The payment obligations of the Domestic Gas GTA are guaranteed by BG Energy Holdings Ltd.

The fifth GTA is an agreement that allows a subsidiary of BG Group (now owned by Royal Dutch Shell plc) to store gas in the WGP where operationally available. Payment to APA for provision of this service is nominal. This GTA does not provide for recovery of capital or operating costs.

The WGP was granted a 15-year exemption from coverage under the NGL, which ensures that the pipeline will not be subject to regulation by the AER until at least 2030. See “*Regulatory Environment*” for more details.

There is potential to further increase APA’s revenue through expansions of the WGP and the provision of services to additional shippers.

Reedy Creek Wallumbilla Pipeline

The RCWP, commissioned in May 2018, is a gas transmission pipeline between APA’s Wallumbilla Hub and the Australia Pacific LNG Pipeline at Reedy Creek. The RCWP expanded APA’s East Coast Grid by a further 49 km and provides a key link to the Wallumbilla Gas Hub for one of the three major LNG projects operating out of Gladstone. As part of the project, APA also constructed the associated connections to compression facilities. APA has entered into a 20-year contract with Australia Pacific LNG Marketing Pty Limited to provide a bi-directional service of up to 300 TJ/d on the new pipeline.

The RCWP is a non-scheme pipeline exempt from information disclosure provisions under the NGR but is subject to the access negotiation and dispute resolution regime under the NGR.

Carpentaria Gas Pipeline and Diamantina and Leichhardt Power Stations

The CGP comprises an 840-km pipeline from Ballera to Mt. Isa, the 98-km Cannington lateral, the 6-km Mt. Isa lateral, two compressor stations, and the Mica Creek metering facility. The CGP was commissioned in 1998 to transport gas from Ballera in south-west Queensland to customers in Mt. Isa and the surrounding Carpentaria mineral province (copper, gold, phosphate, lead, silver and zinc).

Contracts are in place with expiration dates out to 2028 and APA expects these contracts to be renewed in the ordinary course prior to expiration. Contracts are capacity based (take-or-pay) with some throughput charges. The major shippers include AGL, PWC, the South 32 mine at Cannington (through the Cannington lateral) and the Santos. Gas transported through the CGP is sourced from a number of eastern and southern gas reserves, connected by the East Coast Grid and the NT, through the Northern Gas Pipeline. Australia’s east coast combined proved and probable reserves are approximately 35,000 PJ according to EnergyQuest.

The CGP is a non-scheme pipeline subject to the information disclosure, access negotiation and dispute resolution regime of NGR.

In FY2016, APA increased its ownership of the Diamantina Power Station, a 242 MW combined-cycle gas-fired power station at Mount Isa, and the Leichhardt Power Station, an adjacent 60 MW combined cycle gas-fired power station, to 100%. The Diamantina and Leichhardt Power Stations are underwritten by contracts to mid-2031 with Mount Isa Mines Limited, a wholly owned subsidiary of Glencore Xstrata, and Ergon Energy Queensland, Queensland’s state-owned regional electricity supplier. Under the arrangements, AGL Energy has contracted transportation capacity through APA’s CGP through to December 2023 and will be delivering gas to the Diamantina and Leichhardt Power Stations through APA’s CGP. Both contracts commenced in 2014.

Dugald River Solar Farm

88MW Dugald River Solar Farm (previously called Mica Creek Solar Farm) was approved in March 2022 and as built and now in operation. The project is underpinned by two offtake agreements – a 15-year solar offtake agreement to supply renewable energy to the MMG Dugald River mine and a variation to an existing agreement with existing APA customer, Mount Isa Mines Limited, to supply renewable energy for 15 years. As part of the project, APA entered into a 32-year lease agreement with the Queensland Government to locate the Dugald River Solar Farm near the Diamantina Power Station Complex. The solar farm was completed during FY2023 and successfully connected and commissioned in fourth quarter of FY2023.

Roma Brisbane Pipeline

The RBP is part of the bi-directional gas grid that transports gas from the regional gas hub at Wallumbilla near Roma. Gas is sourced at Wallumbilla and other sources mid-stream of the pipeline and transported in either an easterly or westerly direction depending on demand. The main gas pipeline, including Peat lateral, is a 583-km pipeline from Roma (Wallumbilla) to Brisbane that was commissioned in 1969 with significant expansion having been undertaken to cater for increased demand since the early 1980s. Capacity has been increased with the installation of compressor stations and almost the entire pipeline has been duplicated under six stages of looping totalling 406 km of pipeline.

Associated with the RBP is the 121-km Peat lateral, which was constructed in 2001 to transport gas from the Peat and Scotia gas fields to connect with the RBP at Arubial. The RBP physically connects with the Allgas Gas Network (at Oakey, Toowoomba and Brisbane), AGN (at Murarrie, Redbank, Riverview and Brightview) and the Kogan North Gas Plant (owned by EII), linking with the SWQP, which runs between Wallumbilla and Moomba, and the Queensland Gas Pipeline, which runs from Wallumbilla to Rockhampton (through Gladstone). Wallumbilla acts as a hub for a number of gas suppliers.

The major customers for the RBP are energy retailers and LNG proponents, including BG Group (now owned by Royal Dutch Shell plc), APLNG, Origin Energy and AGL Energy. Contracts are in place with expiration dates out to 2038. Contracts are capacity based (take-or-pay) with some throughput charges. Gas transported through the RBP is injected at Roma, Arubial and other receipt points for fields along the pipeline. The total eastern and southern gas reserves have combined proved and probable reserves of approximately 35,000 PJ according to EnergyQuest.

While the main gas users have historically been large industrial customers and retailers to domestic customers, usage by LNG proponents has become significant since the RBP become bi-directional. Additionally, more gas may be transported for end use by domestic customers as extension proposals are developed for the downstream distribution networks owned by GDI and AGN.

In May 2022, the AER published its final decision on the Roma Brisbane Access Arrangement which applied from 1 July 2022. APA's ongoing revenues that flow from longer term legacy contracts that are currently in place are unchanged by the determination. The next regulatory reset is expected in CY2027.

South West Queensland Pipeline

The SWQP provides a connection between gas producers in the Bowen/Surat Basin in southeastern Queensland and customers in Mount Isa (through its connection to the CGP) and South-Eastern Australia gas markets (through its connections to the Moomba to Adelaide Pipeline System and the MSP).

At Wallumbilla, the SWQP is configured to receive gas from a number of different gas fields in southeastern Queensland, including Berwyndale, Spring Gully, Darling Downs and Fairview, and to deliver that gas into pipelines to supply Gladstone and Brisbane or to flow that gas in a westerly direction to Ballera or Moomba.

In December 2012, APA announced that it would proceed with the development of expanded compression capacity and associated services at Wallumbilla. The expansion was underwritten by a 15-year revenue agreement with GLNG Operations Pty Ltd, with a further five-to-10-year extension option. Construction was completed in December 2014.

The SWQP is a non-scheme asset subject to the information disclosure, access negotiation and dispute resolution regime of NGR.

APA's long term contracts on the SWQP are in place with major Australian energy retailers and gas producers. A combination of east and west flow contracts are in place with expiration dates up to CY2034.

SWQP is able to receive gas from the eastern and southern gas sources. The total eastern and southern gas reserves have a combined proved and probable reserves of approximately 35,000 PJ according to EnergyQuest.

Berwyndale Wallumbilla Pipeline

In April 2010, APA acquired the 112-km BWP, which runs from Berwyndale to Wallumbilla in the Surat Basin in Queensland, linking coal seam gas reserves in the Surat Basin with the Wallumbilla hub (including the RBP). The BWP was constructed in 2009. The BWP is a non-scheme asset a non-scheme pipeline subject to the information disclosure, access negotiation and dispute resolution regime of NGR. APA converted this pipeline to bi-directional operation in July 2014. AGL Energy is BWP's largest customer. The BWP has a 17-year contract and two additional five-year options with AGL Energy that was executed in March 2010.

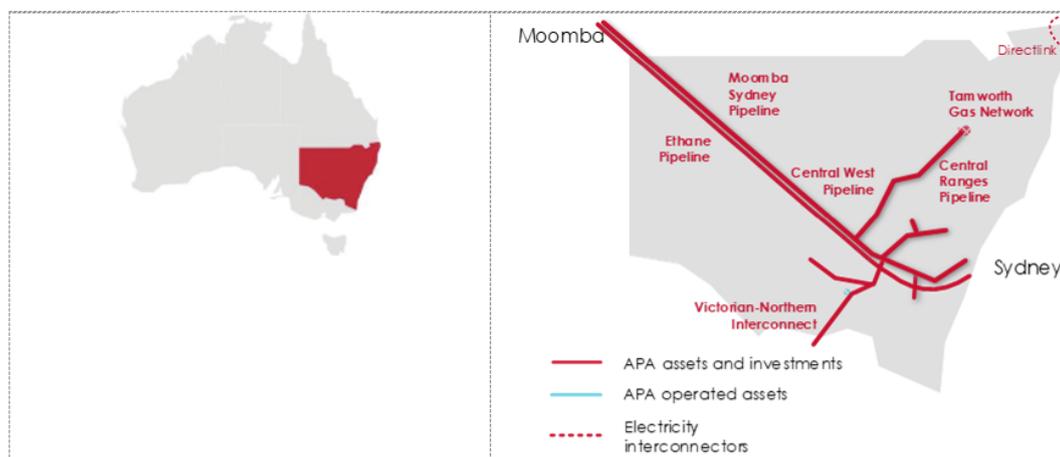
Darling Downs Solar Farm

DDSF, near Dalby in southwest Queensland, is a 108.5MW solar farm. APA completed its construction in late 2018 and in March 2019 full output was reached. DDSF is underpinned by an agreement with Origin Energy for the purchase of all of the energy and the Large-scale Renewable Generation Certificates generated by the solar farm until December 2030. The solar farm has approximately 430,000 fixed solar panels installed over an approximate 290-hectare site footprint, connecting to the existing Braemar Substation.

New South Wales

APA owns the following four pipelines in New South Wales:

- Moomba Sydney Pipeline (“MSP”);
- Ethane Pipeline;
- Central West Pipeline (“CWP”); and
- Central Ranges Pipeline (“CRP”) and Central Ranges Network (“CRN”).



Each of APA's pipelines in New South Wales is owned, managed and operated by APA.

Moomba Sydney Pipeline

APA's 2,029-km MSP is a bi-directional pipeline system linking the Cooper Basin gas fields at Moomba, South Australia, with the distribution networks in Sydney, Newcastle and Wollongong. It forms an integral part of APA's East Coast Grid which spans thousands of kilometres. The mainline, which was commissioned in 1976, runs 1,300 km from Moomba to Wilton near Sydney, with a number of laterals branching off the mainline at Dalton to service Canberra and at Young to service both the regional centres in rural New South Wales and a New South Wales-Victorian Interconnect. The laterals were commissioned in 1981 and 1993 and the Interconnect was commissioned in 1998. Since the completion in 1998 of the Interconnect between Wagga Wagga, New South Wales, and the VTS, gas has also been transported bi-directionally between New South Wales and Victoria. Two of APA's other pipelines interconnect with the MSP at Marsden, the CWP and the CRP, each of which is described in more detail below.

According to DISER, New South Wales has Australia's largest quantity of installed electricity generating capacity. Given the dynamic and integrated Australian east coast gas market, the MSP now plays an integral role in connecting the northern and southern markets. MSP's major customers include AGL Energy, Origin Energy and EnergyAustralia.

Gas transported through the MSP is sourced from a number of basins on Australia's east coast, which are connected by the East Coast Grid. Depending on demand the pipeline may flow in either direction with gas sourced from the northern and southern producers. At August 2023, the total eastern and southern gas reserves had a combined proved and probable reserves of approximately 32, 118 PJ according to EnergyQuest.

The Eastern Gas Pipeline ("EGP"), which is owned by Jemena Group (State Grid and Singapore Power) and runs from Longford in Victoria to Sydney, provides an alternate means of gas transportation to Sydney and is the MSP's only primary competitor for gas transmission into Sydney. A key element in continuing to compete effectively with the EGP is the continued availability of adequate, competitively-priced gas supplies at the entry points to the MSP, being Moomba and Culcairn (where the Interconnect joins the VTS).

New service offerings available on the MSP as part of APA's East Coast Grid such as storage and bi-directional services, are expected to continue to provide the flexibility that customers require in the current dynamic east coast gas market. In addition, with the completion of recent expansions to the MSP and SWQP, the southernhaul capacity of APA's interconnected pipeline network has increased by approximately 25% to facilitate increased gas supply from Queensland producers to meet gas demand in NSW and Victoria..

Ethane Pipeline

In June 2016, APA completed the acquisition of the Ethane Pipeline Income Fund, which owns the Moomba to Sydney Ethane Pipeline, after having obtained a controlling interest on 18 April 2016. The Moomba to Sydney Ethane Pipeline is a 1,375-km Ethane pipeline that, for much of its length, occupies the same easement as the MSP. The pipeline was constructed in 1996.

The Moomba to Sydney Ethane Pipeline supplies ethane to a petrochemical facility at Port Botany under a long term transportation agreement until 2030. However, the shipper may terminate with a six-month notice period. The pipeline is not regulated.

Central West Pipeline

The CWP is a 255 km long pipeline that was constructed in 1998 and runs from the MSP at Marsden, where it takes on gas, to Dubbo in western New South Wales for industrial, commercial and residential gas use. CWP's major customers are energy retailers, including Origin Energy, Alinta, AGL and EnergyAustralia.

The CWP is a non-scheme asset a non-scheme pipeline subject to the information disclosure, access negotiation and dispute resolution regime of NGR.

Central Ranges Pipeline and Central Ranges Network

The CRP is a 294-km pipeline that was constructed in 2006 and runs from Dubbo in western New South Wales to Tamworth in the Central Ranges region in New South Wales. The CRN is a 180-km gas distribution network in Tamworth constructed in 2006. APA acquired the CRP and the CRN in 2008.

The CRP and the CRN serve industrial, commercial and residential gas users. The CRP and the CRN’s major customer is Origin Energy. Gas is supplied through the MSP and the CWP.

The CRP and CRN are non-scheme assets that are exempt from requirements of the NGR to publish service usage information, service availability information and financial information.

Victoria and South Australia

APA owns and operates the Victorian Transmission System (“VTS”) and the associated Dandenong LNG Storage Facility located in Dandenong, Victoria. APA also owns and manages metering services in Victoria. In South Australia, it owns and operates the South-East South Australia Pipeline.



Victorian Transmission System

In 2006, APA acquired the VTS, which was built beginning in the late 1960s and comprises 1,992 km of high-pressure gas transmission pipelines in Victoria excluding looping.

The VTS is a market carriage system operated by the AEMO. Under this market carriage model, as the pipeline owner, APA makes the system available to the AEMO, as independent system/market operator, who allocates pipeline capacity through a pool approach. Customers do not reserve physical capacity. Rather, they obtain from the wholesale gas market a financially firm right to transport gas through the pipeline. VTS customers are energy retailers, large industrial users and electricity generation companies, including EnergyAustralia, AGL Energy and Origin Energy. The VTS’s primary function is to transport gas from the Longford gas treatment plant in southeast Victoria (which processes gas from the offshore Bass Strait gas fields), the Otway Basin gas fields and underground storage in southwest Victoria.

The VTS is price regulated by the AER and the next regulatory review will be in December 2027. Future extensions to the VTS (unless the AER agrees otherwise) will be price regulated, with the capital included in the regulated asset base if the regulator accepts that the capital expenditure was prudent and efficient.

In April 2022, APA reached a Final Investment Decision for a A\$60 million expansion of the South-West Pipeline in the Victorian Transmission System. Recognising the critical importance of natural gas to Victoria’s

energy system, APA has worked with the Australian Energy Regulator and the Victorian Government to expedite the project. The project was completed and commissioned on schedule in Q4FY2023.

Dandenong LNG Storage Facility

The Dandenong LNG Storage Facility provides peak shaving (vaporisation of LNG to meet short sharp increases in gas demand) and security of supply services for the VTS (injection of gas into the system on demand) and wholesale trade in LNG used as fuel for transport vehicles. This storage facility is not price regulated. This facility was constructed in 1980.

Victorian Metering Business

APA owns and operates a metering business, comprising approximately 150 meter stations, servicing distribution networks, gas-fired power generators and major industrial users. Customers are supplied through the VTS and pay a negotiated fee for supply and ongoing operation. Growth in this business reflects growth in the VTS, with new meters required to cater to the expansion of the system to meet market demands. The metering business is not price regulated.

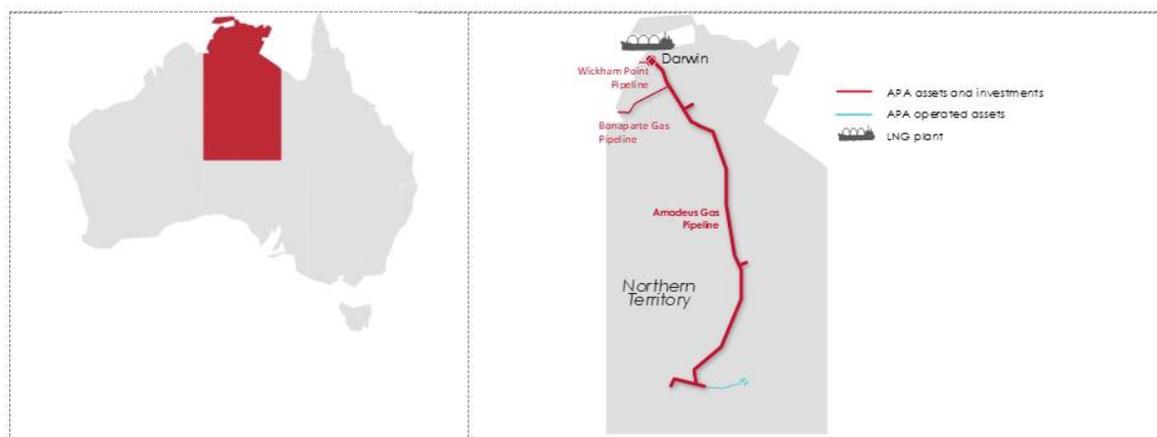
South-East South Australia Pipeline

APA owns the South-East South Australia Pipeline (“**SESA Pipeline**”). Gas enters the 45-km SESA Pipeline through the SEA Gas Pipeline. The SESA Pipeline was commissioned in 2005 and supplies natural gas to the AGN-owned south-east pipeline network around Mt. Gambier, Penola and Millicent in South Australia. The SESA Pipeline is a non-scheme asset a non-scheme pipeline subject to the information disclosure, access negotiation and dispute resolution regime of NGR.

Northern Territory

APA’s principal interests in the Northern Territory are:

- the Amadeus Gas Pipeline (the “**AGP**”); and
- 100% ownership of two small laterals.



Amadeus Gas Pipeline

APA manages and operates over 2,000 km of high-pressure pipeline in the Northern Territory including the AGP, a 1,659-km Amadeus Basin to Darwin gas pipeline. The pipeline was commissioned in 1986. The AGP transports gas from the Amadeus Basin in central Australia to Darwin, principally to fuel power generation in the Northern Territory. Since completion of Eni’s Blacktip gas plant at Wadeye in CY2009, gas has also been delivered into the AGP through the Bonaparte Gas Pipeline which APA constructed and completed in December 2008. APA also completed construction in April 2009 of the Wickham Point Pipeline, which will enable an

emergency supply of gas from the ConocoPhillips LNG plant at Wickham Point. The Bonaparte Gas Pipeline and the Wickham Point Pipeline are owned by the EII's investment vehicle in which APA has a 19.9% interest.

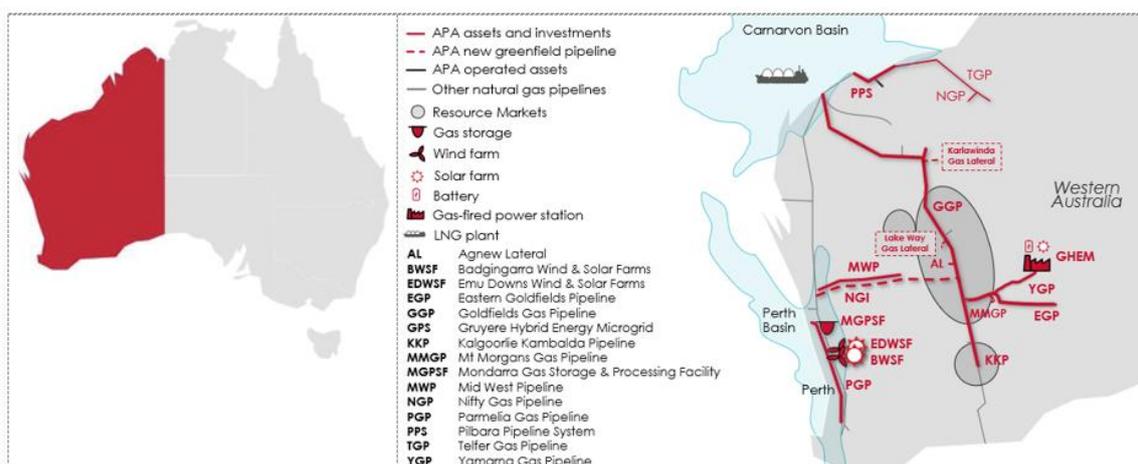
When APA acquired the AGP in June 2011, it entered into a new ~22.5-year take-or-pay agreement with the Northern Territory Power and Water Corporation, who may extend the term of the agreement for up to an additional 15 years or may reduce the term of the agreement by three to four years.

The AGP is price regulated by the AER and the most recent regulatory reset was in July 2016. The price terms of the contract above are not impacted by regulation.

Western Australia

APA owns or has an interest in the following pipeline systems, power stations, gas processing and storage facilities and renewable power generation assets in Western Australia:

- Alinta Energy Pilbara;
- Goldfields Gas Pipeline (“GGP”) (88.2% ownership);
- Eastern Goldfields Pipeline;
- Yamarna Gas Pipeline (“YGP”) and Gruyere Hybrid Energy Microgrid;
- Pilbara Pipeline System (“PPS”);
- Parmelia Gas Pipeline (“PGP”);
- Mondarra Gas Processing & Storage Facility (“MGPSF”);
- Northern Goldfields Interconnector (“NGI”);
- Emu Downs Wind and Solar Farms;
- Badgingarra Wind and Solar Farms;



Alinta Energy Pilbara

On 1 November 2023, APA announced the completion of the acquisition of Alinta Energy Pilbara. The acquisition is consistent with APA's strategy to be the partner of choice in delivering infrastructure solutions for the energy transition. APA now owns Alinta Energy Pilbara's existing assets which consist of 543MW of operating generation and storage assets and more than 200 kilometres of operating electricity transmission lines. APA also acquired 11.8% ownership interest in the GGP held by Alinta Energy Pilbara, bringing APA's

ownership interest to 100%. The development pipeline includes 82MW of solar and BESS projects under construction and approximately 1GW+ of renewables-focused developments.

Goldfields Gas Pipeline

The GGP transports gas from the Carnarvon Basin and Northwest Shelf natural gas producers to mining customers in the Pilbara and Goldfields mining regions of Western Australia, principally for power generation at mine sites and minerals processing operations. Gas is also transported for power generation in remote towns such as Leonora and Esperance, and for commercial and residential end use in Kalgoorlie, but the quantities are small. Gas is supplied into the GGP from the East Spar and Harriet gas fields in Carnarvon Basin, and from the Northwest Shelf through the Dampier to Bunbury Natural Gas Pipeline (“**DBNGP**”).

The 1,378 km mainline, which was commissioned in 1996, runs from Yarraloola, about 150 km south west of Karratha, to Kalgoorlie. The main line includes the 47 km Newman Lateral, which delivers gas into power stations supplying iron ore mining operations in the Pilbara. Seven compressor stations maintain pressure (and hence gas delivery capability) along the main line. The GGP assets include maintenance bases at Karratha, Newman, Leinster and Kalgoorlie.

Some 15 other lateral pipelines, including the 44 km Kalgoorlie to Kambalda Pipeline, extend to mining operations (iron ore, gold and nickel) located along the route of the GGP. Gas transported in the GGP is delivered through the Murrin Lateral, one of these lateral pipelines, into the EGP, and into the Yamarna Gas Pipeline.

APA entities, following the acquisition of Alinta Energy Pilbara, owns 100% of the GGP (including the Newman Lateral). Group entities also own the Kalgoorlie to Kambalda Pipeline, and five of the other laterals extending from the main line.

APA has long term contracts in place with major mining companies, including Rio Tinto, BHP Group, Glencore and AngloGold Ashanti. The majority of the shorter-term contracts are based on supplying energy to projects whose economic lives are expected to extend beyond their current term. The main contract with BHP Group Nickel West (relating to approximately 21% of GGP capacity) provides that the published regulatory tariff from time to time will apply to the contract. Other contracts do not have such “price-matching” clauses.

On the GGP, approximately half of the installed capacity (109 TJ per day) is “covered” and subject to full regulation administered by the ERA in Western Australia. Regulated prices and access terms and conditions (set in an “access arrangement” approved by the regulator) are reset at intervals of approximately five years. The next regulatory reset date is expected to be 1 January 2025. The remaining 46% of capacity is not currently “covered”, and therefore is not subject to economic regulation via a regulator-approved access arrangement. The Kalgoorlie to Kambalda Pipeline is “covered” but is subject to “light regulation”. See “— *Regulatory Environment*” below for further details.

Eastern Goldfields Pipeline

The 293-km Eastern Goldfields Pipeline was commissioned in December 2015. The pipeline connects the GGP, Murrin lateral, Mount Morgans Gas Pipeline and the Yamarna Gas Pipeline to gold mining operations in the eastern goldfields region in Western Australia.

Yamarna Gas Pipeline and Gruyere Hybrid Energy Microgrid

The YGP and the Gruyere Power Station projects were announced in FY2017. The 198-km YGP was completed in FY2018 and commissioned in FY2019. Practical completion of the 45 MW power station occurred in late CY2018. The Gruyere Power Station has been fully operational and supplying power to Gruyere Gold Mines since January 2019, helping the mine meet the significant milestone of “first gold pour” in the June 2019 quarter. Since becoming fully operational, APA has been able to transport gas almost 1,600 km over four APA

interconnected pipelines, including YGP to the Gruyere Power Station, to deliver energy to the Gruyere Gold Project in Western Australia. A 15-year gas transportation agreement and a 15-year electricity supply agreement have been entered into with the Gruyere Gold Project, a 50:50 joint venture between ASX listed Gold Road Resources Ltd and the global miner Gold Fields Limited.

In 2022, APA completed a two-stage transformation of the Gruyere Power Station to a hybrid renewable microgrid consisting of the existing power station, an additional reciprocating gas-fired engine, a 13MW solar farm and a 4.4MW/4.4MWh BESS. This project increases total installed capacity by 45% from 45MW to 64MW. The Gruyere Hybrid Energy Microgrid is APA's first hybrid energy microgrid investment with total capital expenditure for all expansion works at approximately A\$38 million. The Gruyere Hybrid Energy Microgrid utilises a hybrid control system that combines cloud and weather forecasting, battery control and reciprocating engine control systems to optimise efficiency and maximise the use of renewable generation.

Pilbara Pipeline System

The 251 km PPS is a free flowing transmission pipeline system that comprises five pipelines. The main section, the Pilbara Energy Pipeline (“PEPL”), is a 216 km pipeline with an uncompressed capacity of 166 TJ/d. The PEPL is connected to the DBNGP at MLV7 and to the Telfer Gas Pipeline at Port Hedland. The main section of the PPS was constructed in 1995.

The PPS transports gas from the Carnarvon Basin through the North West Shelf Gas Plant connection and from other fields through the DBNGP connection and provides gas to Karratha, Port Hedland, and to the Telfer gas pipeline. The PPS is not price regulated.

Parmelia Gas Pipeline and Mondarra Gas Processing & Storage Facility

The 445 km PGP, which was commissioned in 1972, transports gas from both the Perth Basin gas fields at Dongara, south of Geraldton, and from the Carnarvon Basin through the DBNGP, to industrial, commercial and residential users. The Parmelia Gas business includes the MGPSF near Dongara. The MGPSF is adjacent to the PGP and the DBNGP.

In response to security of supply concerns and peak gas demand, the MGPSF was expanded to 15 PJ of commercial storage capacity, representing a five-fold increase, as well as significantly increasing daily injection and withdrawal rates into and out of the facility. The expansion was underwritten by a long term foundation contract with Synergy (formerly Verve Energy), a Western Australian government-owned electricity generator and retailer. With the completion of the expansion, a number of additional commercial customers have also signed contracts to use the facility.

The MGPSF capacity was expanded in the second quarter of 2016 following the successful completion of a new well to replace an existing well, increasing gas storage capacity to 18 PJ.

The PGP's and the MGPSF's customer base includes energy retailers and large industrial gas users.

In May 2023, APA's landmark PGP conversion project in Western Australia confirmed via pressurised hydrogen laboratory testing the technical feasibility of converting a 43km section of the PGP to carry 100% hydrogen. The testing results indicate it is technically feasible, safe and efficient to run the 43km section of the pipeline at the current operating pressure using hydrogen. The project will now consider preparing the section of pipeline for hydrogen service, and will include detailed safety studies and conversion plans, while continuing to investigate potential supply and offtake opportunities.

The PGP and the MGPSF are not price regulated.

Northern Goldfields Interconnect

In June 2023, APA completed the construction of the NGI, a 579 km, 12-inch pipeline which is connected to the GGP, which in turn connects to the Eastern Goldfields network, creating an interconnected gas pipeline system covering 2,690 km from north to south and west to east in Western Australia. The NGI will connect emerging gas fields in the Perth Basin to the Goldfields region.

The NGI project is expected to offer customers greater basin-on-basin gas competition and supply security including access to the Perth Basin and the MGPSF.

Emu Downs Wind and Solar Farms

APA acquired 100% of the Emu Downs Wind Farm and adjacent development site in June 2011. The Emu Downs Wind Farm is an 80 MW wind farm, which has been in operation since October 2006 and is located 10 km from the PGP and 200 km north of Perth. The wind farm is connected to the electricity grid supplying Perth and the south west region of Western Australia.

APA has long term agreements with large energy retailers, such as the Western Australian government-owned energy retailer Synergy, for the total output of the wind farm, including the electricity produced and renewable energy certificates. These long term agreements are in place through to December 2030.

The wind turbine manufacturer, Vestas, provides operations and maintenance services for the 48 Vestas wind turbines on the Emu Downs Wind Farm under an agreement to 31 December 2025.

During FY2018, the 20 MW Emu Downs Solar Farm was completed. The project is underpinned by a PPA with Synergy through to December 2030 and received A\$5.5 million funding from the Australian Renewable Energy Agency. The approximately A\$50 million 20MW solar project shares the transmission connection and facilities with APA's existing 80MW Emu Downs Wind Farm.

Badgingarra Wind and Solar Farms

On 21 February 2017, APA announced construction of the 130 MW Badgingarra Wind Farm in Western Australia after entering into a 12-year offtake agreement with Alinta Energy to satisfy its renewable energy requirements. Energisation of the Western Power substation and the Badgingarra Wind Farm substation occurred in early January 2019, when the wind farm was commissioned and commenced commercial operations. Badgingarra Wind Farm consists of 37 towers and turbines of 130 MW and a substation and commenced generating revenue early in the third quarter of FY2019. During FY2018, APA agreed with Alinta Energy to extend the original 12-year PPA for the Badgingarra Wind Farm by a further five years to December 2035 and undertook construction of a new 19.3 MW solar farm also located on the Badgingarra site, which is adjacent to the Emu Downs renewables farm. Construction of the solar farm was completed and commercial operation commenced in September 2019. The Badgingarra Solar Farm shares the same transmission connection and facilities with APA's existing 130MW Badgingarra Wind Farm.

Asset Management

Asset Management includes the provision of commercial, operating services and/or asset maintenance services to APA's energy investments and third parties for fees. APA provides asset management and operational services under long term contracts to the majority of its energy investments and to a number of third parties on a contract basis. APA's main customers are EII and GDI. APA also has arrangements to operate until 2027 the gas distribution networks owned by AGN, in which it divested its ownership interest in August 2014.

Services to Assets Partly Owned by APA

APA manages, maintains and operates the assets of EII under an agreement that commenced in December 2008. The agreement has a market-based fee structure and was extended for five years in CY2020. APA also provide

operations, maintenance and corporate services to GDI, which owns the Allgas Gas Network. See “— *Energy Investments*” below for further details.

Services to Third Parties

APA also provides operating and maintenance services to other third parties, principally where their assets are connected or adjacent to assets APA owns or operates. Although APA divested its 33.05% equity interest in AGN in August 2014, it has a long term contract that expires in June 2027 with AGN, pursuant to which it operates and maintains AGN’s natural gas distribution and transmission assets in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. The contract earnings are based on cost recovery and 3% of AGN’s network revenue plus incentive fees reflecting a share of efficiencies in the cost of operating and maintaining the networks.

Energy Investments

Complementing its energy infrastructure business, APA has invested in various energy infrastructure assets, companies and funds, including SEA Gas, Mortlake Pipeline, EII, EII 2 (an investment in the North Brown Hill Wind Farm) and GDI (which owns the Allgas Gas Network). In August 2014, APA sold its remaining 33.05% equity interest in the gas distribution network owned by AGN. APA holds a number of roles in respect of the majority of these investments in addition to its ownership interest. Each investment is equity accounted. APA also provides asset management services to some of these investments. See “— *Asset Management — Services to Assets Partly Owned by APA*” above.

SEA Gas

APA owns 50% of SEA Gas along with Rest Super (50%). SEA Gas owns the Port Campbell to Adelaide pipeline (“PCA”), an unregulated 687-km pipeline that commenced commercial operations in January 2004. The PCA transports natural gas from Port Campbell and Iona in Victoria to Adelaide and other regional markets in South Australia and Victoria. It is the only pipeline connecting Victoria’s gas fields to South Australia. It also connects into the SESA Pipeline, the VTS and the EnergyAustralia Underground Storage facility at Port Campbell, Victoria.

SEA Gas has multiple agreements with major users and retailers for the transportation of gas to South Australia and Victoria.

Mortlake Pipeline

In August 2016, in partnership with Rest Super (50%), APA acquired a 50% interest in the Mortlake Pipeline via a stake in the newly established SEA Gas (Mortlake) Partnership. The 83-km pipeline was commissioned in January 2011 and provides gas from Otway Gas Plant, near Port Campbell, Victoria, to the 550 MW open-cycle gas turbines at Mortlake Power Station. SEA Gas (Mortlake) Partnership and Origin Energy have entered into long term contracts for transmission and storage services on the pipeline.

Energy Infrastructure Investments

APA owns a 19.9% interest in EII along with Marubeni Corporation (49.9%) and Osaka Gas Co., Ltd (30.2%). APA also manages the assets owned by EII.

The assets transferred into EII comprise:

- electricity interconnectors: Murraylink (VIC-SA) and Directlink (NSW-QLD);
- coal seam gas processing plant: Kogan North (QLD); and
- gas pipelines: Telfer/Nifty Gas Pipeline (WA), BGP and Wickham Point Pipeline (NT).

EII 2

In October 2009, a consortium including APA (the “**EII 2 Consortium**”) purchased the North Brown Hill Wind Farm project from AGL Energy. The wind farm commenced with a long term (25 years) offtake arrangement with AGL Energy for both the electricity generated and the renewable energy credits produced. The North Brown Hill Wind Farm is connected to the south eastern Australian electricity grid and commenced generation in December 2010. The wind farm has 63 wind turbines with a total wind generation capacity of 132 MW. APA has a 20.2% interest in the EII 2 Consortium as at 30 June 2023, with Marubeni Corporation holding a 39.9% interest and Infrastructure Capital Group holding a 39.9% interest.

GDI (EII) Pty Limited

On 16 December 2011, APA sold the Allgas Gas Network to GDI for A\$475.7 million. As part of the transaction, APA acquired 20% ownership of GDI with the remaining stake now shared between Marubeni Corporation (40%) and SAS Trustee Corporation (40%). APA continues to operate Allgas under an asset management contract.

Allgas is a non-scheme asset. It is one of two gas distribution businesses in South-East Queensland, servicing strong population growth centres. The network includes approximately 3,900 km of distribution mains supplying around 114,000 connections. The network is also physically connected to APA’s RBP at Oakey, Toowoomba and Brisbane.

Sustainability at APA

APA is united behind a singular purpose to strengthen communities through responsible energy and is committed to act responsibly across all of APA’s business activities. In FY2021, APA conducted a stakeholder-centric materiality assessment to identify the core sustainability-related issues that APA should focus on, which informed the development of its three-year Sustainability Roadmap.

APA’s Sustainability Roadmap categorises the core issue areas into three groups: Build, Accelerate and Maintain and Evolve. It provides the foundations for APA to develop key strategic sustainability initiatives and deliver on them in a prioritised way. Over the last two years APA’s main areas of focus have been on the ‘build’ and ‘accelerate’ pillars of its Sustainability Roadmap. These pillars identify fundamental focus areas that require growth and/or strengthening. The diagram below highlights APA’s progress against the Sustainability Roadmap in FY2023.

FY23 PROGRESS AGAINST APA'S SUSTAINABILITY ROADMAP

 <p>BUILD Priority issues to be built into strengths</p>	 <p>ACCELERATE Fundamental issues which require strengthening</p>	 <p>MAINTAIN AND EVOLVE Existing plans and processes to evolve via ESG lens</p>
<ul style="list-style-type: none"> ✔ Climate change transition and risk ✔ Community and social performance ✔ First Nations Peoples 	<ul style="list-style-type: none"> ✔ Environmental management including heritage management 	<ul style="list-style-type: none"> ✔ Safety, health and wellbeing ✔ Inclusion and diversity ✔ People and culture ✔ Governance and risk management
<ul style="list-style-type: none"> • Progressed CTP actions in line with FY23 commitments. • Established a dedicated Community and Social Performance (CSP) team to deliver CSP strategy and social investment framework. • Hosted workshops with our five corporate partners to understand new and meaningful ways to collaborate together • Contributed \$1.2 million through discretionary social investment to communities via targeted community grants programs, corporate partnerships with charitable organisations and local sponsorships and donations. • Prepared APA's Reconciliation Action Plan (RAP) under the guidance of a newly established cross-functional RAP Working Group. 	<ul style="list-style-type: none"> • Progressed our four year Environment Improvement Program in line with the HSEH Strategy schedule. Processes, tools and templates for 3 of 8 environment risks areas have now been developed/refined, integrated and implemented across the business. • Scoped environment data uplift opportunities across the waste, water and contaminated land risk areas. • Uplifted our heritage practices at targeted assets and recruited additional Heritage Specialist. • Ongoing delivery of our three-year weed survey program. • Delivered 15 environment audits. • Refreshed our HSEH Policy. 	<ul style="list-style-type: none"> • Prepared, approved and initiated our five-year HSEH strategy with strategic pillars centred on safety performance, leadership and innovation. • Introduction of the Board Safety and Sustainability Committee. • Prepared an ESG Risk Register tracking and monitoring our business-wide ESG risks. • Revised our Inclusion and Diversity (I&D) Plan and refreshed our Policy to focus on facilitating an inclusive culture, including the launch of our Respect@Work Procedure and e-module and completing a gender pay review. • Established gender-neutral parental leave benefits. • Uplifted leadership training and capability including the introduction of the INSEAD Curriculum.

Refer to APA's [FY23 Sustainability Data Book](#) for further information about our FY23 sustainability performance.

With the Sustainability Roadmap due to complete in June 2024, work is underway to prepare a refreshed roadmap.

APA also continues to support the delivery of the 17 United Nations Sustainable Development Goals (SDGs) and have mapped goals to the three areas of its Sustainability Roadmap and indicated where each goal is connected to its performance and priorities

Climate Change Transition and Risk

As a leading Australian owned and listed energy infrastructure business, APA recognises that it has a critical role to play in Australia's energy transition, consistent with the objectives of the Paris Agreement.

In August 2022, APA published its first Climate Transition Plan that set out its climate-related targets, goals and commitments that will guide its actions as it pursues its strategy to be the partner of choice in delivering infrastructure solutions for the energy transition. The Climate Transition Plan was approved in a non-binding securityholder vote in October 2022, receiving a 79% vote in support from securityholders. APA's Climate Transition Plan will be refreshed every three years, with the next update in 2025.

The overarching goals of APA's Climate Transition Plan are to reach net zero operational emissions for its gas infrastructure assets by 2050, and for its power generation and electricity transmission infrastructure assets by 2040. APA's interim 2030 commitments, assessed to be consistent with the Paris Agreement objective to limit warming to well below two degrees Celsius, are:

- to reduce net gas infrastructure emissions by 30% from FY2021 levels by 2030; and

- to reduce the emissions intensity of its power generation and electricity transmission infrastructure assets by 35% by 2030 (relative to FY2021).

In FY2023, APA also established a methane reduction target to reduce operational methane emissions by at least 30% by 2030 (compared with its FY2021 base year). This new target aligns with Australia's commitments as a signatory to the Global Methane Pledge, which aims for a 30% reduction in global methane emission levels by 2030 (compared with 2020).

In September 2023, APA published its first Climate Report, demonstrating the progress it has made towards the delivery of its 2030 interim targets and goals. The Climate Report is aligned with the Financial Stability Board's Taskforce on Climate-related Financial Disclosures. Highlights over the last 12 months include:

- a 6.7% net reduction in gas infrastructure emissions compared to APA's FY2021 base year;
- a 5.3% reduction in power generation emissions intensity compared to APA's FY2021 base year;
- the commissioning of the Dugald River Solar Farm, an 88 MW remote-grid solar farm (outside the NEM and WEM), supporting APA's goal to reduce the operational emissions intensity of its power generation infrastructure;
- completion of a nationwide compressor electrification study and commencement of a business case for the electrification of its Wallumbilla compressor, as well as efficiency optimisation initiatives for select other compressors;
- procuring 100% renewable electricity from FY2023;
- investing in APA's net zero emissions reduction initiatives with a committed investment of A\$150 million to A\$170 million between FY2023-2030;
- applying APA's Offset Criteria where offsets are required. APA's approach is to procure a diverse portfolio of offsets and to invest in projects with broader social and ecological benefit (co-benefits);
- completing a physical climate risk screening assessment of all majority owned assets;
- establishing a target to reduce operational methane emissions by at least 30% by FY2030, compared to APA's FY2021 base year;
- deploying leading-edge aerial methane detection technology on three major pipelines;
- initiating a strategy and leasing of electric vehicles, for APA's goal to achieve a 100% zero direct emissions vehicle fleet by 2030; and
- enhancing APA's Scope 3 emissions inventory and identifying priority emissions reduction pathways in line with the commitment to introduce a Scope 3 reduction goal in 2025.

APA is also supporting a lower carbon future and the energy transition by investing in future fuels through its Pathfinder Program, established in FY2021. In May 2023, its landmark PGP conversion project in Western Australia confirmed the technical feasibility of converting a 43km section of the PGP to carry 100% hydrogen. In addition, Pathfinder is investigating other hydrogen and Carbon Capture and Storage (CCS) project opportunities where APA can bring its market-leading energy infrastructure expertise and experience to large-scale projects.

Community and Social Performance

Driven by its purpose to strengthen communities through responsible energy, APA is committed to outstanding performance in its interactions with communities. APA works to understand the needs and aspirations of its host

communities and contribute to their sustainable development. APA seeks respectful and mutually valuable relationships with its stakeholders. Highlights over the last twelve months include:

- supporting more than 84 organisations through its social investment programmes;
- launching the Mount Isa and Cloncurry Community Grants Program; and
- 11,271 landholder contact visits through its Landholder Contact Program.

First Nations Peoples

APA's Sustainability Roadmap identifies First Nations Peoples as a priority area to build organisational capability. Highlights over the last twelve months include:

- consultation with more than 700 employees to develop its first Reconciliation Action Plan, which APA launched in the first half of FY2024;
- held its inaugural National Reconciliation Week discussion panel event, joined by over 500 APA employees;
- launched its new online cultural awareness training module as part of APA's First Nations Workforce Strategy; and
- A\$2.67 million spend on goods and services with 24 directly engaged First Nations suppliers in FY2023.

Environment and Heritage

APA performs an extensive range of activities across a diverse range of environments and is committed to managing its risks and protecting the environment across all areas of its business. Highlights over the last twelve months include:

- preparing and releasing updated environmental procedures for Contaminated Site Management and Spill Preparation and Response, including tools, templates and guidelines;
- developing a framework to assess site contamination hazards associated with chemical and hazardous substance storage on APA sites; and
- embedding heritage management by launching a "Being Heritage Aware" training module across the business.

People & Culture

APA is committed to being a responsible energy company where people are proud to work and is striving to create a healthy, safe, inclusive and diverse workplace.

During FY2023, APA had a workforce of around 2,400 employees, and continued to build on its Inclusion and Diversity Strategy 2020 to 2025 (with the four pillars of Gender Equity, Flexibility, Inclusive Culture and Inclusive Leadership) and refreshed its Inclusion and Diversity Policy. Highlights over the last 12 months include:

- completing a comprehensive Gender Pay Equity Review, with all identified gaps resolved immediately;
- launching APA's Respect@Work procedure, which aligns with the refreshed Inclusion and Diversity Policy and the APA Code of Conduct;
- under APA's Gender Target Action Plan, female representation among total employees increased to 31.8%, up from 29.5% in FY2022. Senior Leader female representation increased to 31.4%, up from

30.4%, with female representation in the Executive Leadership Team increasing from 29% in FY2022 to 44% in FY2023; and

- establishing gender-neutral parental leave benefits.

Safety, Health and Wellbeing

In FY2023, APA launched a new health, safety, environment and heritage (“HSEH”) Strategy, with all initiatives delivered in line with the schedule. Highlights over the last 12 months include:

- 4,334 HSEH Interactions completed by APA’s leaders. This was a 13% increase from FY2022, reflecting a consistent effort by leadership across the organisation to actively engage in meaningful conversations;
- a 76% Health and Safety Survey Score, 1% above the industry benchmark;
- partnered with Sonder a technology-enabled platform which assists APA employees, contingent workers and their families across all aspects of health.

Customers and Suppliers

APA is focused on being the partner of choice in delivering infrastructure solutions for the energy transition, across four customer segments: Resource Industry; Energy Supply & Wholesale; Government; and Large Commercial & Industrial.

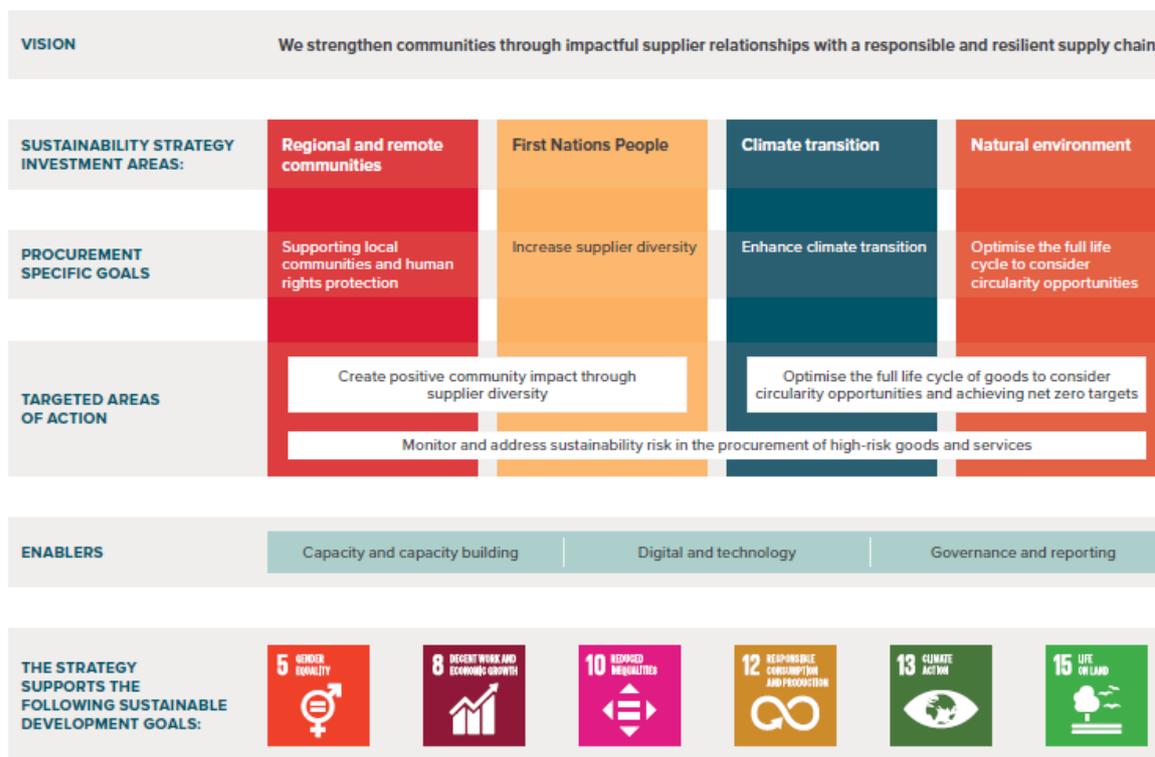
APA has over 100 direct customers, often very large businesses, using the assets APA owns. However, APA has a much broader impact in terms of APA’s customers’ customers and the energy-related services APA provides across gas pipelines and networks, and electricity transmission and generation including a growing renewables portfolio. Striving to be the energy solutions partner of choice, APA is customer-led, listening to APA’s customers to deliver reliable, affordable, and lower emission solutions that meet their needs.

With the conclusion of pandemic restrictions, APA continued to prioritise customer engagement and communications, innovation and customer experience. APA continued to take a customer-led approach to the development of new offers, working to meet its customers’ needs by delivering reliable, affordable and lower emissions solutions. APA sought to better inform its customers to help them deal with the volatility of peak winter/summer markets as well as new regulatory requirements that might affect day-to-day operations. APA also worked to ensure it supported its customers where they faced temporary hardships through natural disasters.

APA is a founding member of the Energy Charter whose purpose is to meet community expectations of the energy sector through delivery of a more affordable, reliable and sustainable energy system. In September 2023, APA released its fourth disclosure report under the Energy Charter, which details the actions, investments, partnerships and programs that have been delivered and demonstrates APA’s alignment to the five Energy Charter Principles:

- customer at the centre;
- improve energy affordability for customers;
- safe, reliable and sustainable energy;
- customer experience; and
- supporting customers in vulnerable circumstances.

APA also developed and launched its first Responsible Procurement Strategy during FY2023, outlined below, which supports the execution of APA's Sustainable Development Investment Program by aligning to priority investment areas.



Additionally, as part of the continuous improvement approach to APA's Modern Slavery Program, a number of initiatives to reduce the risk of modern slavery in its supply chain were progressed through the year. APA was awarded the Chartered Institute of Procurement and Supply Corporate Ethics Mark during the year. The Ethics Mark is a global commitment to ethical procurement practices and it must be renewed annually to demonstrate ongoing commitment.

Employees

In FY2023, APA had more than 2,400 employees spread across every Australian mainland state and territory, managing and operating the majority of its assets and undertaking corporate, financial, accounting, human resource, commercial and regulatory activities for the business. APA has a national focus on the management and operation of its business, with teams working across assets and functional lines to generate further value from the business.

The salary arrangements for approximately 24% of APA's employees at any point in time are covered by enterprise bargaining agreements negotiated with the employees, with union involvement, however not all operational and field staff are covered by an enterprise bargaining agreement. All of APA's enterprise bargaining agreements are in place, with two being approved by the Fair Work Commission this year and two more currently in the middle of bargaining. The final two agreements are not due to expire until July 2025 and June 2026 respectively. APA has not experienced any material disruptions to its operations as a result of industrial action since listing in June 2000.

Credit Support Requirements

APA assesses customer creditworthiness in accordance with its Credit Support Requirements and determines the required credit support depending on the nature of the customer's agreement with APA. The factors which APA considers in determining credit support include:

- the nature of services sought (e.g., transmission services, building new facilities, extensions, etc.);
- the relevant shipper's creditworthiness (including credit rating);
- the amount of capital outlay required by APA to deliver the services; and
- the risks to APA in providing the relevant services.

As part of its Standard Gas Transportation Agreement, where the counterparty does not have an investment grade credit rating from either S&P or Moody's, APA will normally require either a bank guarantee for six months' worth of charges or a guarantee from the parent company of the counterparty, where the parent company has an investment grade credit rating.

Insurance

APA carries insurance against insurable events which have the potential to cause damage to its assets (including associated loss of earnings and costs of repair) and certain legal liabilities APA may incur to third parties. With advice from professional insurance brokers, these insurances are placed with insurers of good reputation and credit rating for limits of liability that APA believes reflect both its potential exposures and prudent industry practice where commercially available. Such insurances are generally subject to industry standard policy exclusions and other terms and conditions. APA may elect to self-insure and/or carry larger deductibles for some risks.

APA believes that its insurance policies are appropriate and adequate to protect against major operating and other identified risks where commercially available. However, not all risks and liabilities are insurable or insured, and the insurance coverage it maintains may not extend to cover all insurable liabilities and losses.

Litigation and disputes

As of the date of this Offering Circular there are no legal or arbitration proceedings pending or known to be contemplated that may in the future have or have had, in the 12 months preceding the date of this Offering Circular, a material effect on the financial position or profitability of the Issuer or any member of APA. APA is party to a number of litigation matters in the ordinary course of business. APA believes that any ultimate liability in those litigation matters will not be material to its financial position, results of operations or cash flows.

Environmental management

The operation, construction and maintenance of APA's assets are subject to licences and other approvals issued pursuant to various Australian federal, state and territory legislation. For pipelines, these assets require compliance with AS2885, the Pipelines Gas and Liquid Petroleum Standard (the "**Standard**"). The Standard details requirements for the management of the environmental matters associated with all aspects of the high-pressure pipeline industry, with which APA must comply.

APA has environmental management plans in place to help it manage environmental compliance and risk for APA's assets and projects. Environmental management plans are prepared and independently audited for construction activities and, in accordance with the relevant standards, environmental management plans are in place and are managed in accordance with its contracts and the terms and conditions of the licences that have been issued to APA.

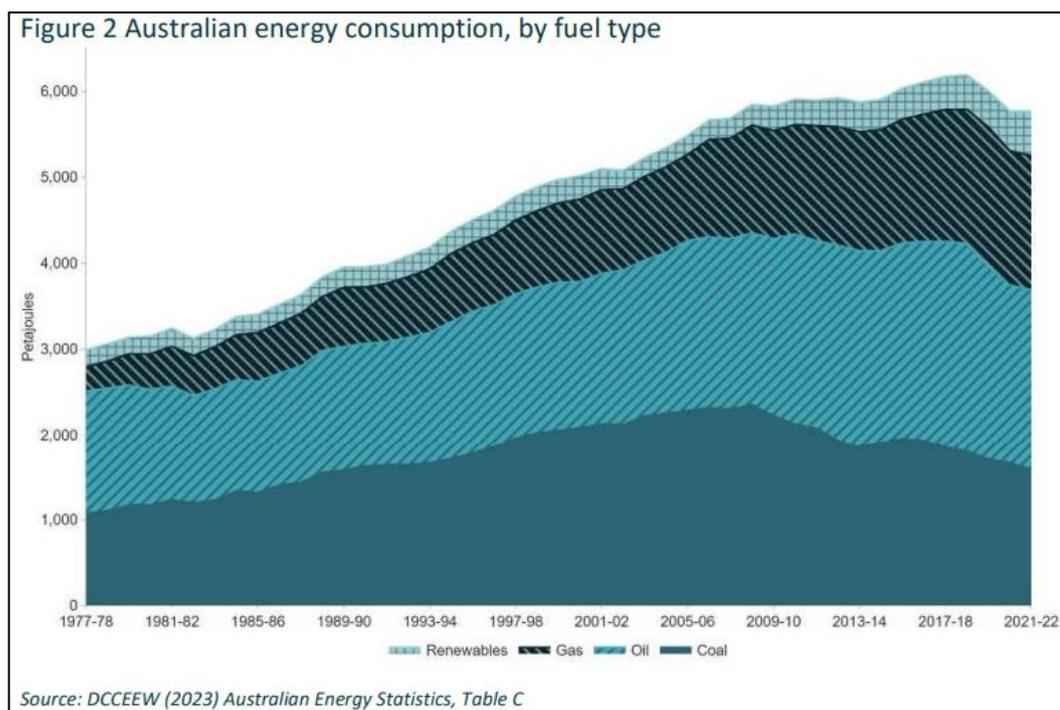
Senior management reviews external audit reports and internal reports which are prepared relating to environmental issues and material breaches, if they were to occur, are reported to the APA board of directors. APA has not breached any material legislation or regulation. APA is in material compliance with the environmental management plans that are in place and with the terms of the licences issued to it and the relevant legislation, including the Standard.

INDUSTRY OVERVIEW

Australian Energy Trends

Electricity produced in Australia is generated predominantly from non-renewable fuels and, while coal accounted for 47.2% of Australian electricity generation in FY2022, the DCCEEW Australian Energy Update estimates that electricity generated from natural gas accounted for 18.8% of Australian electricity generation in FY2022²⁴. According to the DCCEEW, from FY2008 to FY2022, the total electricity generated from natural gas has increased at a compound annual growth rate of 2.5% per annum, compared with (i) a decline of 2.3% per annum for coal, (ii) an increase of 1.0% per annum for oil products, and (iii) an increase of 10.8% per annum for renewable energy sources²⁵.

According to the DCCEEW, from FY2008 to FY2022, natural gas production has increased at a compound annual growth rate of 8.9% per annum, compared with a compound annual growth rate increase of 1.9% for black coal, decrease of 4.0% for brown coal, and an increase of 4.8% for renewable generation (i.e., wood-, bagasse-, biogas-, solar-, wind- and hydro- produced electricity)²⁶. The DCCEEW estimates that from FY2018 to FY2022, Australia's gas production increased by 28.4% from 4,731.2 PJ to 6,076.0 PJ²⁷. Western Australia remained Australia's largest producer of natural gas, producing 61.4% of Australia's total gas supply in FY2022, and was followed by Queensland, the second largest producer in Australia, at 25.4%²⁸. There is no assurance that the foregoing trends will continue.



Source: Australian Energy Update, 2023

²⁴ DCCEEW, Australian Energy Update, Table O & Figure 17, September 2023.

²⁵ DCCEEW, Australian Energy Update, Table O1.1, September 2023.

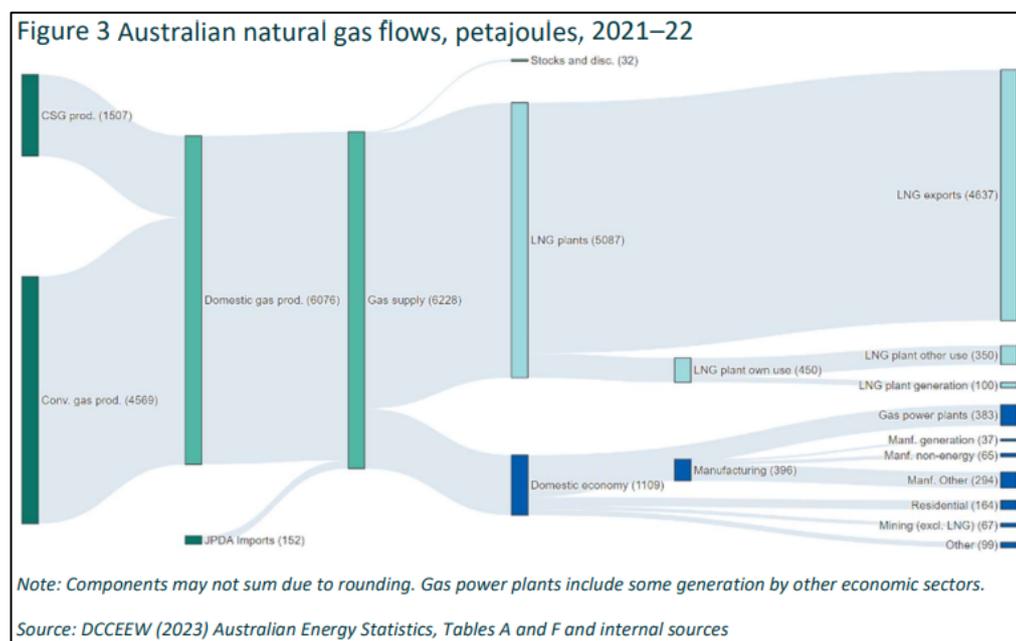
²⁶ DCCEEW, Australian Energy Update 2023, Table J, September 2023.

²⁷ DCCEEW, Australian Energy Update 2023, Table J, September 2023.

²⁸ DCCEEW, Australian Energy Update 2023, Figure 14 (supporting text below figure), September 2023.

The Australian Natural Gas Market

Natural gas produced in Australia is consumed either domestically or exported as LNG, predominantly to Asian markets²⁹. The diagram below illustrates how Australia’s total natural gas production was consumed during FY2022.



Source: Australian Energy Update, 2023

According to the DCCEEW³⁰, the largest consumer of energy is the electricity generation and transport sectors (each 25% of total energy use), followed by manufacturing (18%) and mining (15%). The major consumers of gas in Australia for domestic economy are electricity generation, manufacturing, residential and mining sectors. The DCCEEW reports that gas-fired generation by industry including generation at smelters, refineries and mines as well as unprocessed natural gas to generate electricity during the gas production process, are the other material areas of consumption.

The Australian domestic gas market to date has consisted of three distinct regional markets. The largest of these is the Australian East Coast market, which accounted for approximately 75.6% of domestic gas consumption in FY2022, according to the DCCEEW³¹. The Australian East Coast market consists of Queensland, New South Wales, Victoria, South Australia, the Australian Capital Territory and Tasmania. The two other markets are the Western Australian market and the Northern Territory market, which accounted for approximately 21.8% and 2.6% of domestic gas consumption in FY2022, respectively, according to the DCCEEW. Western Australia and Australia’s East Coast market are geographically isolated from one another, making transmission of gas between these two markets uneconomic at present. The Northern Gas Pipeline connects Northern Territory to Queensland and commenced operations in January 2019.

The natural gas industry in Australia comprises the physical supply chain and the marketing chain. The physical supply chain comprises:

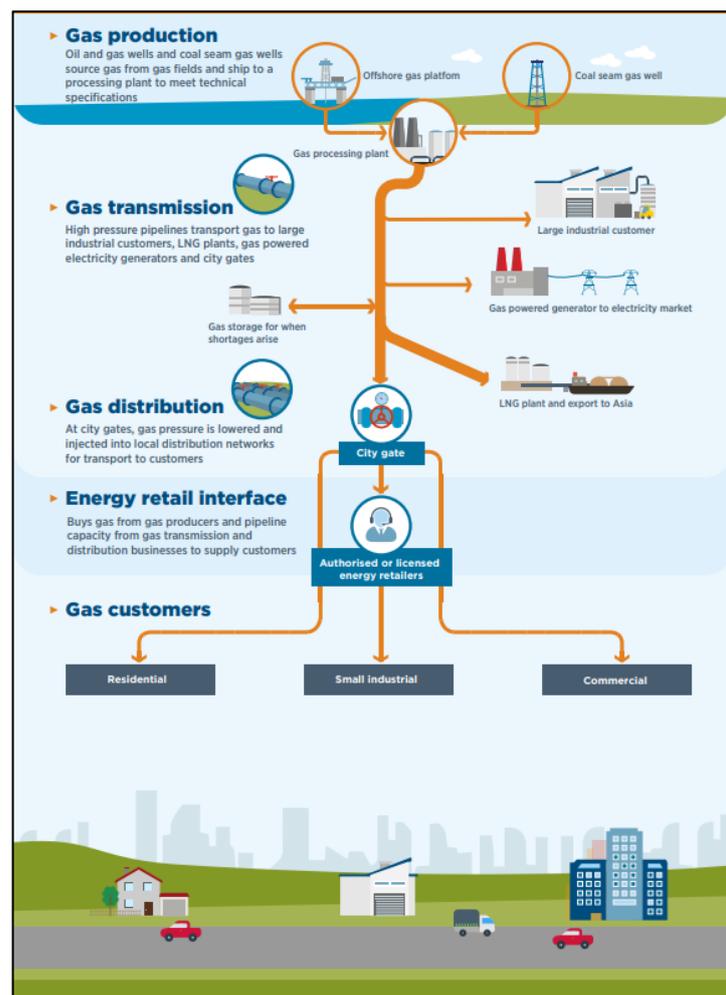
²⁹ Marwa Rashad (Reuters), *How would a strike at Australian LNG facilities affect gas markets?*, August 2023.

³⁰ DCCEEW, Australian Energy Update 2023, Page 2, September 2023.

³¹ DCCEEW, Australian Energy Update 2023, Table 11, September 2023.

- Production: extracting the gas from the conventional reservoirs or coal seams and treatment to sales quality;
- Transmission: encompasses the transportation of sales quality gas at high pressure, generally over long distances; and
- Distribution: involves reticulation of the sales quality gas through a network of low pressure, smaller diameter pipelines to end-users — industrial, commercial and residential customers. For larger industrial customers and power generators, sales quality gas is often delivered at higher pressure directly from the transmission pipeline.

The image below depicts the supply chain of the Australian gas industry and how the physical supply and marketing chains interact.



Source: State of the Energy Market 2022

Marketing of natural gas occurs at a number of levels, related principally to the size of the transactions. Natural gas producers market gas in wholesale quantities to large industrial and power generation customers and energy retailers. Energy retailers deal in both wholesale and retail quantities, selling to industrial, commercial and residential customers. Vertical integration in the energy market results in some energy retailers and electricity generators also being natural gas producers.

In Australia, gas transmission and distribution pipeline owners may have transportation agreements with producers, retailers, aggregators, large industrial customers and power generators. The gas transmission and

pipeline owners are paid a tariff for pipeline capacity and other gas transportation services (e.g., storage services) by whichever party in the marketing chain has the transportation agreement. The table below illustrates key participants in each sector of the natural gas market in Australia.

Production	Transmission	Distribution	Retail
<ul style="list-style-type: none"> • Arrow • Australia Pacific LNG (Origin Energy, ConocoPhillips, Sinopec) • Beach Energy • BHP Group • BP • Chevron • CNOOC • ConocoPhillips • ExxonMobil • Gladstone LNG (Santos, Petronas, Total, Kogas) • Ichthys Project (Inpex Corp, Total Global) • Inpex Corp • KUFPEC • MIMI • Origin Energy • PetroChina • Queensland Curtis LNG (BG Group, CNOOC) • Santos • Shell • Sinopec • Woodside Petroleum • Other LNG projects include Wheatstone, Gorgon (Chevron), North West Shelf Venture, Pluto, 	<ul style="list-style-type: none"> • APA Group • Australian Gas Infrastructure Group • Australia Pacific LNG Pipeline (Origin Energy, ConocoPhillips, Sinopec) • Energy Infrastructure Investments • Gladstone LNG Pipeline (Santos, Petronas, Total, Kogas) • Jemena (State Grid Corporation of China and Singapore Power International) • Palisade Investment Partners • QIC Global Infrastructure 	<ul style="list-style-type: none"> • Australian Gas Infrastructure Group • Allgas Energy • AusNet Services • Evoenergy • Jemena (State Grid Corporation of China and Singapore Power International) 	<ul style="list-style-type: none"> • AGL Energy • Alinta Energy • EnergyAustralia • Ergon Energy • Lumo Energy • Momentum Energy • M2 Energy • Origin • Powershop • Red Energy • Simply Energy

Production	Transmission	Distribution	Retail
Darwin LNG, Prelude, Gippsland JV, Cooper)			

Source: State of the Energy Market AER, 2023;

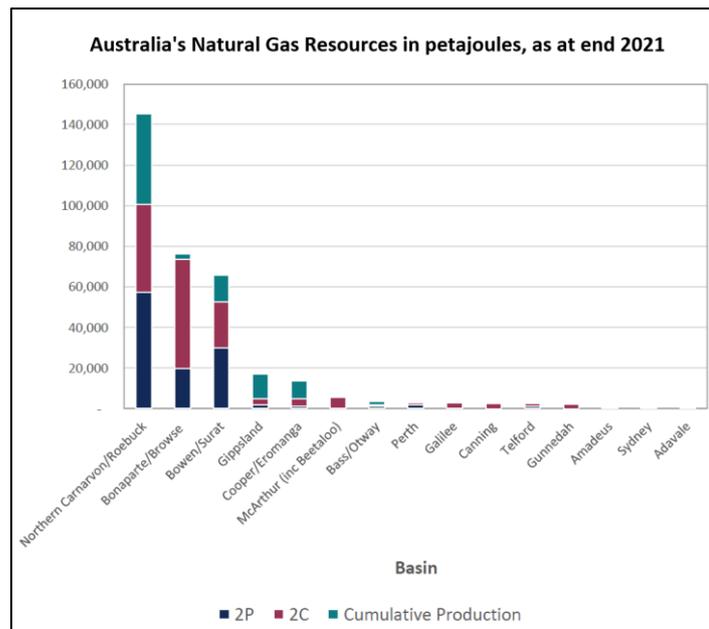
Natural Gas Production

The exploration, production, transmission, distribution and marketing of natural gas are major economic activities in Australia, with gas being Australia’s third largest non-renewable energy resource after coal and uranium. Australia has approximately 103,540 PJ of proven and probable reserves of conventional natural gas, coal seam gas and ethane as at August 2023, according to EnergyQuest.

According to EnergyQuest, approximately 69.0% of Australian natural gas and ethane reserves (proved and probable) are located off the west and north-west coast of Australia. Australia also has significant unconventional gas resources in the form of coal seam gas, tight gas and shale gas. In eastern Australia, gas reserves are dominated by the large coal seam gas resources which exist predominantly in the Queensland coal basins. EnergyQuest estimates that the proved and probable reserves of coal seam gas were approximately 28,548 PJ as at August 2023.

The largest remaining gas reserves are in Western Australia, Queensland and the Northern Territory. Factors influencing any future development of these reserves include:

- customer and investor preferences;
- production costs;
- access to existing infrastructure;
- the emissions-intensity of the resource;
- local social and environmental impacts and acceptance; and
- regulations applicable to the reserve.



Source: Geoscience Australia, Australia’s Energy Commodity Resources, 2023

At current production rates, Australia's identified reserves will be depleted in about 18 years. Responsible resource management is critical for securing a stable energy supply and fostering economic growth while aligning with Australia's emissions reduction targets.

In AEMO's 2023 Gas Statement of Opportunities ("GSOO") Report³², which contains their most recent forecasts for the adequacy of gas supplies in Australian jurisdictions other than Western Australia, AEMO projects that gas supply in southern Australia is declining faster than projected demand, hence a risk of peak day gas supply shortfalls and long-term domestic gas supply gaps arising remain. This gas supply adequacy challenge is being driven by:

- the continued decline of traditional supply from the Gippsland region;
- limitations on the Moomba to Sydney Pipeline (MSP) and Southwest Queensland Pipeline (SWQP) capacity to transport gas from Queensland (where physical surplus production capacity remains) to the southern states (where shortfalls are forecast); and
- changing production and flow dynamics which mean that all southern regions (New South Wales, the Australian Capital Territory, Victoria, South Australia and Tasmania) share shortfall risks.

On the demand side, the key driver of the sustained level of demand is gas consumption for electricity generation. Australia's gas-fired generators consumed around 380 petajoules (PJ) in 2020-2021, which produced around 5.7% of Australia's greenhouse gas emissions. The extent to which gas-fired generators are used in any given year depends on several factors, including the coldness of the winter and the cost-competitiveness of alternatives.

In 2022, the domestic economy in eastern Australia used around 590 PJ of gas. These customers included industrial businesses, electricity generators, commercial businesses and households.

Industrial customers consumed 44% of gas sold to the domestic market in eastern Australia. Gas is used as an input to manufacture pulp and paper, metals, chemicals, stone, clay, glass and processed foods. Gas is also a major feedstock in ammonia production for fertilisers and explosives.

Residential and commercial customers accounted for 33% of domestic gas demand in eastern Australia, but this share varies from state to state. For example, in Victoria more than 60% of gas is consumed by small residential and commercial customers, who use gas mostly for heating and cooking. In Queensland, where much fewer households are connected to a gas network, the share of gas consumed by residential and commercial customers falls to 4%.

The electricity sector is another major source of gas demand, accounting for 23% of eastern Australian domestic gas use in 2022, down from 29% in 2017. South Australia and Queensland used the most gas-powered generation ("GPG") in 2022 (each on par using 31% of GPG in the NEM). The rapid responsiveness of gas-powered generators makes them suitable for meeting peak electricity demand and managing variable wind and solar generation. Consequently, the volume of gas used for electricity generation fluctuates with electricity market conditions. Long-term forecasting of expected usage for GPG in the NEM is difficult due to the unpredictability of factors, including unforeseen events.

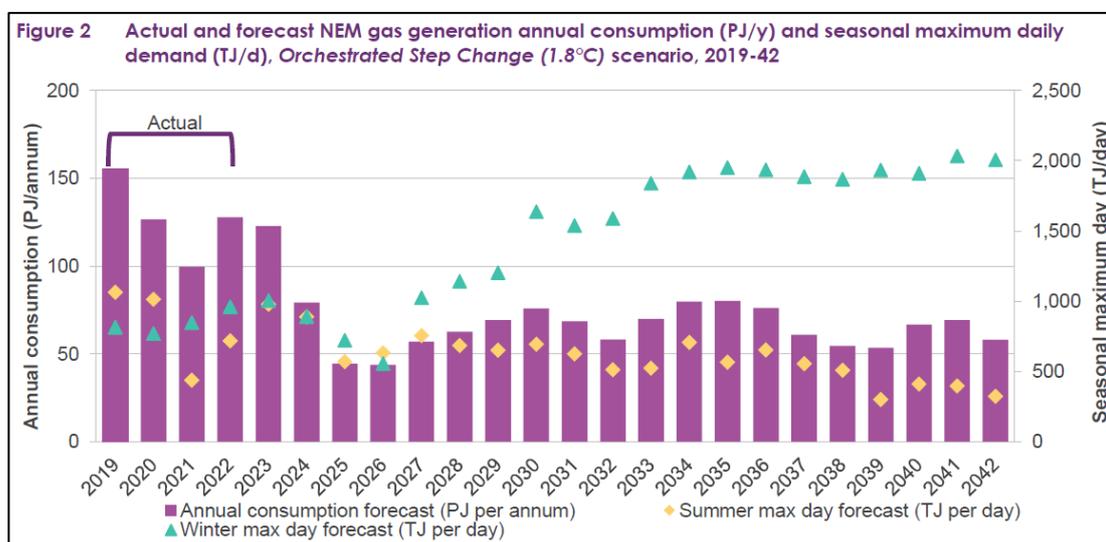
Gas is expected to play a key role as the electricity sector moves to renewable energy sources. Gas, alongside electricity storage, will support electricity grid firming. Grid firming means the ability to keep the electricity grid stable when energy from other sources, such as renewables, becomes intermittent. The Australian Energy Market Operator (AEMO) 2022 Integrated System Plan finds that peaking gas-fired generators are expected to

³² AEMO, Gas Statement of Opportunities, March 2023.

play a crucial role as significant coal fired generation retires, as an on-demand fuel source during extended periods of low renewable energy output, and to provide power system services for grid security and stability.

In electricity grids, rapid changes in power output from variable renewable energy generation (solar and wind) and unplanned outages of ageing and increasingly unreliable coal generators need to be balanced with generation technology that can quickly increase (ramp up) or decrease (ramp down) power output. This firming service becomes more important as the share of renewable generation in the system increases. Unlike some other forms of generation, gas-fired generators can ‘fast ramp’, rapidly adjusting their power output to meet fluctuating electricity demand and supply. In addition, gas-fired generators can provide system services that make the electricity system more stable. Other stored energy, such as batteries, pumped hydroelectricity and possibly hydrogen can also provide these electricity system services.

In Australia’s National Electricity Market (which does not include Western Australia or the Northern Territory) the system services gas generation provide are crucial. But its overall contribution to the energy mix is anticipated to decrease over the coming decades, in absolute terms and as a percentage of total energy production. In contrast, peak gas generation is projected to rise, particularly during winter. This is because less direct sunlight and wind causes lower renewable energy generation.



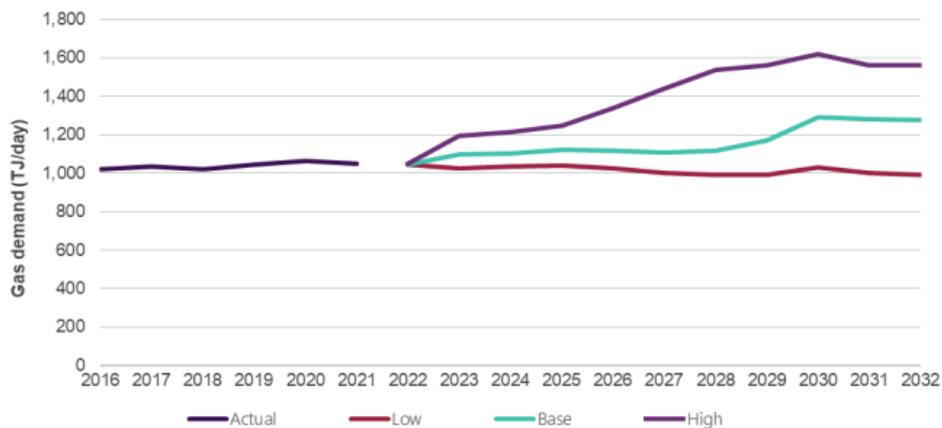
Source: Gas Statement of Opportunities, March 2023

AEMO’s 2022 Western Australia Gas Statement of Opportunities (“WA GSOO”) Report³³, highlights that the domestic Western Australian gas market is facing a tight supply demand balance between 2023 and 2029, with demand up to 5% higher than potential supply. Supply is forecast to slightly exceed demand between 2027 and 2029, as Scarborough is expected to be brought onstream at 180 TJ/day from mid-2027. However, from 2030 onwards, the gas market is forecast to move into a larger deficit, with shortfalls over 200 TJ/day between 2030 and 2032. Planned coal retirements will increase the need for gas generation.

Domestic gas demand in WA is largely driven by six committed resource projects (4 gold, 2 lithium) that will add 43 TJ/day to gas demand by 2026. Additionally, demand for gas generation of electricity in the South West Interconnected System (“SWIS”) is anticipated to remain high, with forecasts suggesting that gas demand will grow at an average annual rate of 10% from 127 TJ/day in 2023 to 304 TJ/day in 2032. AEMO’s forecasts suggest that increasing renewables penetration will be insufficient to fully compensate for the loss of coal-fired baseload power, thereby increasing the need for gas generation for baseload power and overall system security.

³³ AEMO, 2022 Western Australia Gas Statement of Opportunities, December 2022.

Figure 7 Domestic gas demand – actual data from 2016 to 2021 and forecast under three growth scenarios from 2022 to 2032



Source: 2022 Western Australia Gas Statement of Opportunities, December 2022

As per the figure above, total domestic WA gas demand is forecast to grow at an average annual rate of 1.7% in the base scenario. This is largely driven by growth in electricity generation (7.7%) but is partially offset by declining demand in the mining sector (-2.0%) as companies, particularly in the iron ore sector, seek to achieve medium-term decarbonization targets.

Natural Gas Transmission

In Australia, the majority of gas producing fields are located in remote areas. In contrast, the principal domestic gas markets are generally concentrated around the major population centres. The majority of gas consumed in Australia is consequently transported through transmission pipelines over relatively long distances.

For the most part, these transmission pipelines connect one source of supply with one market. Historically, there has been little interconnection between Australia’s discrete pipeline systems. However, in Australia’s east there has been growth in interconnected pipelines, enabling greater flexibility in the transport of gas from multiple gas sources to multiple markets. In November 2020, APA announced an investment of up to A\$460 million to construct the NGI, a new 580 km, 12-inch pipeline in Western Australia to connect emerging gas fields in the Perth Basin to the Goldfields region, to create an interconnected gas pipeline system covering approximately 2,690 km in Western Australia from north to south and west to east across the state. In July 2023, APA announced the official opening of the NGI, which was commissioned a month prior in June 2023 ³⁴.

The majority of the early pipelines constructed in Australia were initially government-owned. Until 1994, only Queensland and the Northern Territory had predominantly privately owned transmission pipeline infrastructure.

In 1994, the Commonwealth of Australia sold the MSP and associated laterals to East Australian Pipeline Limited. The privatisation trend continued such that by the end of 1999 all major transmission pipelines in Australia were privately held.

Pipelines and other infrastructure continue to be an important means to deliver supply where it is needed, particularly as southern production in Eastern Australia declines. Committed upgrades to the Moomba to Sydney Pipeline (MSP), South West Queensland Pipeline (SWQP) and the Western Outer Ring Main (WORM) will increase the system’s capacity to deliver gas to consumers in the southern regions of New South Wales (including the Australian Capital Territory), Victoria and Tasmania, including improving the capability to use the Iona underground gas storage (UGS) facility to supply Melbourne.

³⁴ APA, Northern Goldfields Interconnect Pipeline Officially Opened, July 2023.

Proposed LNG import terminals represent an alternative way to supply gas to consumers as gas production declines. According to the 2023 GSOO, all floating storage and regasification units (“**FSRUs**”) at Australian LNG import terminals, other than PKET, are yet to sign charter deals or other contractual arrangements for an FSRU, or commence construction of onshore infrastructure. Newcastle FSRU, Crib Point FSRU and Longford have all been cancelled due to environmental and/or economic concerns. Consequently, the 2023 GSOO no longer includes import terminals as part of its base case. PKET, despite making the most progress, is excluded from the 2023 GSOO due to insufficient contracted capacity from prospective buyers, or the operator’s own demand, to commit to locating the FSRU at the import terminal.

Natural Gas Distribution

Many gas distribution businesses began in Australian capital cities during the 19th century, supplying manufactured gas. With the development of natural gas fields and associated construction of transmission pipelines, the existing gas distribution networks were converted to natural gas and expanded to include regional centres. Gas distribution networks continue to expand with population growth, with gas networks extended into new residential housing and commercial developments.

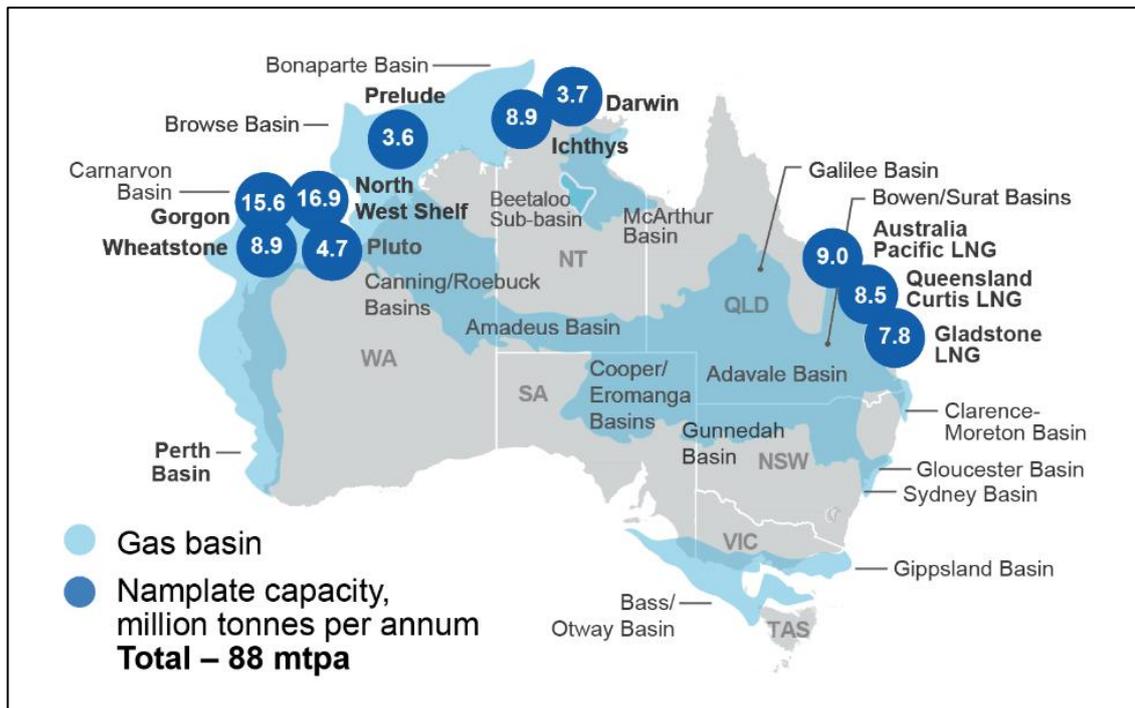
Liquefied Natural Gas Industry

Liquefied Natural Gas (“**LNG**”) is produced by converting natural gas to a liquid form for ease and safety of non-pressurised storage or transport. According to the Australian Department of Foreign Affairs and Trade, the value of Australia’s LNG exports is estimated to have risen from A\$2.2 billion in FY2004 to A\$70.5 billion in FY2022, becoming Australia’s third largest commodity export after iron ore and coal³⁵.

The development of an LNG export facility requires large amounts of upfront capital investment in purchasing or building processing plants, ports and shipping facilities. Currently, Australia’s LNG export projects are principally located in Western Australia’s North West Shelf, Gladstone in Queensland and Darwin in the Northern Territory. Western Australia’s LNG nameplate capacity is 49.9 million tonnes per annum (“**Mtpa**”) or 2,433 PJ across its 5 LNG projects. This represents 57% of Australia’s total LNG capacity. Queensland has 25.3 Mtpa (1,233.6 PJ) across 3 LNG projects. The Northern Territory’s 2 projects have a capacity of 12.6 Mtpa (614.3 PJ).

Australia’s LNG recorded its highest export volumes in CY2022, reaching 81.5 million tonnes (“**Mt**”) (up 0.5% from 2021). The strong result was driven by record-high utilisation rates on Australia’s west coast facilities. This was amid high international LNG demand, driven in large part by Russia’s invasion of Ukraine. For example, Wheatstone, Gorgon, and Pluto LNG (one-third of Australia’s total LNG capacity) are estimated to have operated at a combined utilisation rate of 110% in 2022.

³⁵ DFAT, Australia’s Top 25 Exports, Page 1, 2023.



Source: DISER, Future Gas Strategy Consultation Paper, October 2023

LNG projects in the North West Shelf include the Gorgon LNG project (producing since March 2016 and has production nameplate capacity of 15.6 mtpa), Wheatstone LNG project (producing since October 2017 and has nameplate production capacity of 8.9 mtpa), Pluto (producing since April 2012 and has production capacity of 4.9 mtpa) as well as the North West Shelf Venture, Australia’s first LNG project, which began shipping cargoes in 1989 and has grown to include five production trains, and produces up to 16.3 mtpa.³⁶ Additionally, the Prelude LNG Project, sponsored by Shell, Inpex, CPC and Kogas, shipped its first LNG cargo in June 2019. Its production capacity is at least 5.3 mtpa of liquids, 3.6 mtpa of LNG, 1.3 mtpa of condensate and 0.4 mtpa of LPG at plateau.

The QCLNG Project was developed by BG Group (now owned by Shell) and CNOOC and has a nameplate production capacity of 8.5mtpa. APA’s WGP is a key component of the QCLNG Project because it transports coal seam gas from the Surat Basin to the Queensland Curtis LNG Plant. The APLNG Project was developed by Origin Energy, ConocoPhillips and Sinopec as joint venture partners and has a nameplate production capacity of 9 mtpa. The GLNG Project which was developed by Santos, Petronas, Total and Kogas as joint venture partners, has a nameplate production capacity of 7.8 mtpa.

The APLNG Project and QCLNG Project are investing in existing facilities to maintain gas production, supplying their LNG plants and domestic contracts. WoodMackenzie estimates that a further U.S.\$875 million will be invested in upgrading APLNG facilities over 2023 and 2024 to increase production throughput, with US\$1.2mm to be spent per well at QCLNG. Additionally, the GLNG Project is investing a further U.S.\$1.3 billion between 2023 and 2027 at its Roma facility and Roma East area, with estimates suggesting that an additional 150 TJ/d of export capacity is needed at the Roma facility by 2030. GLNG is developing new capacity subject to reliance, in part, on the existing gas fields that previously were meeting domestic demand.

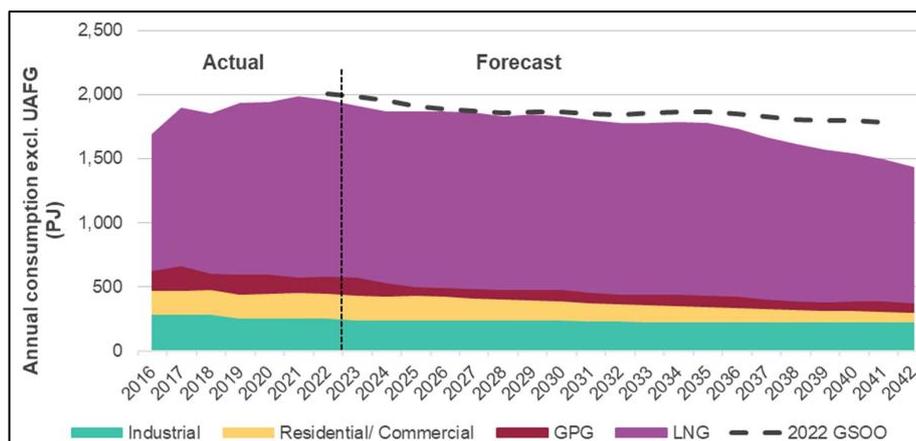
In addition to being the means to transport gas for the QCLNG Project, the WGP connects to the gas transmission pipelines for the APLNG Project and GLNG Project. APA acquired the WGP from BG Group

³⁶ GIINGL Annual Report 2023, Page 52

(sponsor of QCLNG project) in June 2015. It expects the need for gas transmission pipelines to supply the LNG projects around Gladstone will remain robust over the coming years, particularly from the expected significant growth in Asia-Pacific gas demand (including from China). APA believes the WGP is well-positioned to benefit from these LNG market dynamics.

Driven by both lower supply and lower prices, Australian LNG exports are expected to fall to A\$60 billion in FY2025³⁷.

The below chart illustrates AEMO’s Orchestrated Step Change scenario gas consumption forecast for Eastern Australia from its 2023 GSOO Report.



Source: Gas Statement of Opportunities, March 2023

The relative reduction in the 2023 GSOO Orchestrated Step Change forecasts is driven predominantly by lower forecasts for LNG exports from Gladstone, decreased consumption for gas generation and residential and commercial consumption across the outlook period. Residential and commercial consumption forecasts have increased relative to the 2022 GSOO largely due to a slower pace of electrification being evident than was previously forecast.³⁸

³⁷ Resources and Energy Quarterly June 2023; Table 1.2: Australia’s resource and energy exports, selected commodities.

³⁸ AEMO, Gas Statement of Opportunities, Figure 7, March 2023.

REGULATORY ENVIRONMENT

Australia's economic regulatory regime for gas pipelines, which is referred to as the National Gas Access Regime (the ("NGAR")), is set out in the NGL and the NGR. The NGAR is administered in Western Australia by the ERA, a state-based regulator, and in all other states and territories by the AER.

Changes to pipeline regulation in all States and Territories excluding Western Australia

The regulatory regime was amended for all States and Territories except Western Australia following legislative changes that came into force in March 2023. The new law requires that all pipelines (subject to certain exceptions):

- provide third party access to pipeline services and are prohibited from preventing or hindering access;
- comply with the information disclosure, ring fencing and access negotiation frameworks;
- comply with interconnection principles (with the exception of the declared Victorian transmission system); and
- comply with prohibitions against increasing charges to subsidise development of extensions or expansions of pipeline capacity.

In respect of existing pipelines, unless an exemption applies, there are now two tiers of pipeline regulation in Australia under the NGAR:

1. "Scheme Pipelines" that are subject to "full regulation" are required to submit an access arrangement for regulator approval and are subject to a regulatory-oriented access dispute resolution process. The AER approves an access arrangement, including reference tariffs based on a determination of the value of invested capital, a return on that capital and operating costs amongst other factors, and are also subject to the information disclosure and access dispute resolution regime under the NGR.
2. "Non-Scheme Pipelines" that are not subject to "full regulation" are not required to submit an access arrangement to the regulator for approval. However, Non-Scheme Pipelines, unless exempted, are subject to an information disclosure and arbitration regime under the NGR, in which prices are negotiated between the customer and the pipeline operator, subject to commercial arbitration in the event of failure to reach a negotiated outcome. Prohibitions against preventing or hindering access and bundling services, and requirements to comply with queueing provisions, now also apply to Non-Scheme pipelines.

The NGL includes criteria and a process whereby a pipeline can become a "scheme pipeline" (i.e. subject to full regulation). Under the NGL, any person (including customers seeking access to a pipeline) may make an application that a pipeline become a "scheme pipeline" and therefore subject to full regulation. If such an application was made, and certain statutory criteria satisfied, the relevant pipeline could become a "Scheme Pipeline" subjected to economic regulation. The AER may also determine that a pipeline is a "scheme pipeline" on its own initiative without an application.

The new regulation retains an amended greenfield development incentive, which are available for new pipeline constructions or existing pipeline expansions under certain conditions, which prevents the pipeline from becoming a Scheme Pipeline for up to 15 years from commissioning.

Pipeline regulation in Western Australia

The March 2023 reforms have not been implemented in Western Australia, which continues to apply the pre-amended NGL and NGR, including Part 23 of the NGR. In Western Australia there are four tiers of pipeline regulation:

1. Scheme Pipelines that are subject to “full regulation” in which the ERA approves an access arrangement, including reference tariffs based on a determination of the value of invested capital, a return on that capital and operating costs amongst other factors.
2. Scheme Pipelines that are subject to “light regulation” in which prices are negotiated between the customer and the pipeline operator, subject to arbitration by the ERA, in the event of failure to reach a negotiated outcome. Typically, “light regulation” pipelines are those considered to exhibit some natural monopoly characteristics but which do not have sufficient market power to warrant full regulation but nonetheless the benefits of regulation are assessed to outweigh the costs. For assets subject to “light regulation”, contractual terms including price are negotiated between the asset owner and customers/shippers. There is no tariff established by the regulator for “light regulation” pipelines. The regulator becomes involved as the binding arbitrator only where there is a dispute and the contractual terms cannot be agreed.
3. Non-Scheme Pipelines that are subject to an information disclosure and arbitration regime under Part 23 of the pre-amended NGR, in which prices are negotiated between the customer and the pipeline operator, subject to commercial arbitration in the event of failure to reach a negotiated outcome.
4. Non-Scheme Pipelines that are exempt from either the information disclosure or both the information and arbitration regime under Part 23 of the pre-amended NGR, including by virtue of their small size or lack of third party access.

Scheme Pipeline Regulation

Pipelines which are regarded as having a degree of market power such that regulated access will significantly increase competition in a dependent market are typically subject to full regulation. Some of APA’s pipelines have been covered by the NGAR and subject to full regulation since it was introduced in the 1990s establishing regulator-approved reference tariffs. The NGL and NGR contain principles which are applied in regulating third party access to natural gas transmission pipelines and distribution networks throughout Australia. They establish the rights and obligations of asset owners and users in relation to third party access to natural gas transmission and distribution. They provide a degree of predictability as to the terms and conditions of access to the services of specific gas infrastructure facilities, while preserving the role of commercial negotiation. APA has managed numerous price reviews since the original third party access regime commenced in 1998.

The following are core principles of the NGL and the NGR for price regulated assets:

- Reference Tariffs are applicable for standard services termed “Reference Services”. Reference Services for each asset are specified in an access arrangement approved by the regulator. The owner is required to provide the Reference Service to users at the Reference Tariff where there is available capacity except where it is not possible to do so safely;
- A user can accept a Reference Service at the Reference Tariff or seek to negotiate with the owner for a different service at a different tariff;
- The owner is able to offer discounts on its Reference Tariffs and the regulator may take account of this in subsequent tariff determinations where the discount provides benefits to other users of the pipeline (by, for example, avoiding inefficient bypass of the pipeline); and
- Disputes about access to regulated pipeline services may be resolved by the relevant regulator (AER or, for WA, the ERA).

Reference Tariffs

Reference Tariffs are approved by the relevant regulator. Reference Tariffs are designed to provide a revenue stream to the owner sufficient to recover the following over the economic life of the asset:

- Return of the prudent and efficient capital invested (indexed for inflation);
- A rate of return on the capital invested (Weighted Average Cost of Capital or WACC) and tax thereon; and
- An efficient level of operating costs.

Some regulated assets are also subject to incentive schemes for capital and operating expenditure, which reward (or penalise) the pipeline owner by reference to its actual cost performance compared to approved forecasts. For pipelines subject to such a scheme, these rewards (or penalties) make up an additional element of the revenue building blocks.

The standard calculation of target revenue for the purposes of determining the Reference Tariffs is set out below:

$$\begin{aligned} \text{Target revenue} &= (\text{RAB} \times \text{WACC}) + \text{Opex} + \text{Regulatory depreciation} + \text{Regulatory taxation} \\ \text{RAB} &= \text{Opening value of assets} - \text{Regulatory depreciation over period} + \text{Approved capex} - \text{Asset disposals} \end{aligned}$$

Source: APA

For APA's existing price regulated assets, the key regulatory risk is the rate of return. The regulator sets a binding rate of return instrument for a defined interval of four years. Key methods and parameter values are fixed in the rate of return instrument, but the methods allow for variation in some market determined rates (for example, long term cost of debt) over time. The binding rate instrument in force at the time of a regulatory decision to reset tariffs is to be applied. AER's binding rate of return instrument came into effect on February 2023, with an updated instrument published on 2 August 2023, which was required due to the unavailability of the RBA F16 data series. The ERA's rate of return guidelines were published on 16 December 2022, with an updated instrument published on 12 September 2023.

The instruments of the AER and ERA set the rate of return as a weighted average of a rate of return on equity and a rate of return on debt. The weighting uses an assumed gearing (ratio of debt to total assets) which is fixed in the instrument (currently 0.6 in the AER instrument; 0.55 in Western Australia). The return on equity must be calculated using the Capital Asset Pricing Model, using parameters for that model – beta (β) and the market risk premium (MRP) – which are specified in the instrument ($\beta = 0.6$, MRP = 6.2% in the AER instrument; $\beta = 0.7$, MRP = 6.1% in Western Australia). The risk free rate of the Capital Asset Pricing Model must be calculated, using the method set out in the instrument, from long term government bond rates at the time a regulatory decision is made (10-year Commonwealth Government bonds in the AER instrument; 10-year Commonwealth Government bonds in Western Australia). In the AER instrument, the rate of return on debt is to be a 10-year moving average of the cost of debt with term to maturity of 10 years for a business with a BBB+ credit rating, calculated using the methods set out in the instrument (which currently provide for a transition into the moving average). A different approach applies in Western Australia. The rate of return on debt must be calculated, using the methods set out in the instrument, as the 5-year interest rate swap rate at the time the regulatory decision is made, plus a 10-year moving average of the premium above the 10-year swap rate for debt with term to maturity of 10 years for a business with a BBB+ credit rating.

Tariffs are typically set for a period of five years, but can vary during that period in accordance with an adjustment mechanism approved by the regulator. The adjustment mechanism must provide for tariff variation as the rate of return on debt (but not the rate of return on equity), calculated using the method set out in the binding instrument, and varies during the period of five years. The adjustment mechanism will also usually provide for inflation adjustment of the tariff using a CPI-X formula, where CPI is inflation measured by the CPI, and X represents a productivity factor.

Regulatory resets

During FY2023, approximately 7.8% of APA’s Energy Infrastructure revenues were derived from regulated tariffs assets under approved access arrangements with remaining revenues being primarily derived from medium-to-long term contracts and under light or no regulation. Regulatory resets of Reference Tariffs generally occur every five years. The diagram below outlines the scheduled regulatory reset dates for pipelines owned and operated by APA.

Current regulatory period	2023	2024	2025	2026	2027	2028
Vic Transmission System ⁽¹⁾						
Goldfields Gas Pipeline						
Amadeus Gas Pipeline						
Roma Brisbane Pipeline ⁽²⁾						

Goldfields Gas Pipelines 2025 access arrangement

On 21 December 2022, APA submitted a reference service proposal for the forthcoming review of GGP’s access arrangement. The revised access arrangement is due to commence on 1 January 2025.

The ERA published the Reference Service Proposal for GGP for consultation on 10 February 2023, and received a submission from GGT.

On 21 June 2023, the ERA made a decision to retain the firm transportation service as the single reference service for the GGP for the access period. APA is due to submit an access arrangement proposal to the ERA by 1 January 2024.

Information disclosure and commercial price arbitration regime

Under the new Part 10 regime applicable to east coast and central region assets, pipeline operators are required to publish their pricing methodologies for services and individual pipeline financial statements, including application of the prescribed recovered capital methodology. As referred to above, the NGR sets out the information disclosure and commercial arbitration regimes which apply to APA’s pipelines outside Western Australia, except for certain pipelines that are exempt. APA has published information on its website for its gas transmission assets in the East Coast and Central Region in accordance with these rules. This information includes its pricing methodology and other information in relation to pipeline services and tariffs for these assets consistent with the requirements of the NGR. The published tariffs are consistent with tariffs that APA has agreed with its customers over a number of years and with competitive outcomes.

Western Australia continues to apply the information disclosure and commercial price arbitration regime of Part 23 of the pre-amended NGR which is similar to the current version of the NGR. The information for its Western Australia gas transmission assets was first published in June 2018. Additional disclosure provisions of individual pipeline financial statements, application of the prescribed recovered capital methodology, and average prices was published in October 2018.

This disclosure supports negotiation of prices between the customer and the pipeline operator. If a customer and a pipeline operator cannot come to an agreement regarding pricing for services for a pipeline, the NGR

provides an option to access an arbitrator to determine a commercial outcome that would occur in a workably competitive market.

Rolling out of information disclosure compliance

In November 2022, APA published financial statements and associated information as was required under the (now repealed) Part 23 of the NGR. prospective pipeline users now have available a broad range of information to enable enhanced assessment of pipeline service offers. APA has continued to work with its customers to negotiate commercial terms that are acceptable and beneficial for all parties. No access requests have led to arbitration since that formal process was introduced in August 2017.

Part 10 of the NGR requires additional information to be published, with those obligations taking effect in March 2023.

APA continues to work with its gas transportation customers to develop commercial arrangements that are mutually beneficial and satisfactory to all parties.

Part 24 and 25 capacity trading and auction

APA undertook extensive business system developments to ensure the successful implementation on 1 March 2019 of both a Capacity Trading Platform for the secondary trade of pipeline capacity, and a daily auction facility of firm contracted but un-nominated pipeline capacity. Both facilities are being run by the AEMO.

Gas Policy developments

Regulatory reforms to increase transparency Eastern and Northern Australian Gas markets

In June 2022, legislative reforms were enacted to improve transparency in Eastern and Northern Australian Gas markets. Complying with relevant additional requirements introduced by these changes could increase APA's compliance costs and require it to disclose certain information it has not historically disclosed, which may have an adverse impact on APA's financial position and/or performance.

Security of Critical Infrastructure

The Federal Government introduced the Security of Critical Infrastructure Act in 2018 with the objective of providing a framework for managing risks to national security from foreign involvement in Australia's critical infrastructure. All required information on APA's assets and investment assets which met the threshold criteria under the legislation was submitted during the period to the Critical Infrastructure Register, maintained by the Critical Infrastructure Centre. This included information on pipelines, gas storage facilities, power stations and electricity interconnectors. APA has responded to enquiries received from the Critical Infrastructure Centre and continued to provide updates to the Critical Infrastructure Register to maintain completeness and accuracy of information.

GLOSSARY

A\$	Australian currency (dollars).
AAS	Australian Accounting Standards as published by the Australian Accounting Standards Board, including the Australian Accounting Interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act.
AASB	Australian Accounting Standards Board
ABN	Australian Business Number.
ACCC	Australian Competition and Consumer Commission.
access arrangement	An arrangement for access to a price regulated pipeline or distribution network covered by the NGL and NGR (setting out the terms and conditions, including price, at which third parties can acquire services on the pipeline or network).
ACN	Australian Company Number.
ACT	Australian Capital Territory, Australia.
AEMO	Australian Energy Market Operator.
AER	Australian Energy Regulator.
AGL Energy	AGL Energy Limited (ABN 74 115 061 375).
AGN	Australian Gas Networks Limited (formerly Envestra Limited).
AGP	Amadeus Basin to Darwin gas pipeline, Northern Territory.
Allgas or Allgas Gas Network	Gas distribution network located in Queensland owned by GDI.
Alinta Energy Pilbara	Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd, Western Australia.
APA Group or APA	The registered business name of APA Infra and APA Invest, the units of which trade on the ASX under the ticker symbol “APA” as a single “stapled” security. References in this Offering Circular to APA are also made generally in the context of the business of APA in its entirety, including the respective businesses of the Issuer, the Guarantor and their controlled entities.
APA Infrastructure Limited or Issuer	APA Infrastructure Limited (ABN 89 009 666 700).
APAGL or Guarantor	APA Group Limited (ABN 99 091 344 704).
APLNG Project	The Australia Pacific LNG project, Queensland.
APA Infra	APA Infrastructure Trust (ARSN 091 678 778).
APA Invest	APA Investment Trust (ARSN 115 585 441).
Arrow	Arrow Energy Holdings Pty Ltd.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691), the Australian Securities Exchange.

Basslink	Basslink Pty Ltd (ABN 52 090 996 231) and its subsidiary Basslink Telecoms Pty Ltd (ABN 45 129 550 563).
BESS	Battery Energy Storage Systems.
BG Group	BG Group plc.
BGP	Bonaparte Gas Pipeline.
BHP or BHP Group	BHP Group Limited and its controlled entities.
Board	The Board of Directors of APAGL or the Issuer (as the context requires), unless otherwise indicated.
BP	BP Plc.
BWP	Berwyndale Wallumbilla Pipeline, Queensland.
capacity	The maximum quantity of gas which a pipeline can transport from a receipt point to a delivery point under normal operating conditions and as currently configured.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CGP	Carpentaria Gas Pipeline, Queensland.
CNOOC	China National Offshore Oil Corporation.
Commonwealth	Commonwealth of Australia and where the context so permits, includes the Federal Government of Australia.
compression	Whereby the pressure of the gas flowing through the pipeline is raised, enabling higher throughput.
Corporations Act	Australian Corporations Act 2001 (Cth).
CPI	Consumer Price Index, a general measure of Australian household price inflation.
CRN	Central Ranges Network, New South Wales.
CRP	Central Ranges Pipeline, New South Wales.
CWP	Central West Pipeline, New South Wales.
CY	Calendar year from 1 January to 31 December.
Darwin LNG Project	Darwin LNG Project, Northern Territory.
DBNGP	Dampier to Bunbury Natural Gas Pipeline, Western Australia.
DDSF	Darling Downs Solar Farms, Queensland.
Directlink	An electricity interconnector asset, owned by EII.
Directors	Directors of APAGL or the Issuer (as the context requires), unless otherwise indicated.
DISER	Australia Department of Industry, Science, Energy and Resources.
East Coast Grid	APA's East Coast Grid mainly comprises CGP, SWQP, WGP, RBP, MSP and VTS.
EBITDA	Earnings before interest, income tax, depreciation and amortisation.

ECMC	Energy and Climate Change Ministerial Council.
EGP	Eastern Gas Pipeline, New South Wales.
EII	Energy Infrastructure Investments Pty Limited (ACN 104 348 852).
EII2	EII 2 Pty Ltd (ACN 139 673 215).
EIS	Environmental Impact Statement.
EMTN	Euro Medium Term Note.
ENCRC	The Energy National Cabinet Reform Committee. Certain references in this Offering Circular to the ENCRC or Energy National Cabinet Reform Committee include references to the Council of Australian Governments Energy Council.
EnergyQuest	EnergyQuest, an Australian-based energy advisory firm, which specialises in market analysis and strategy for energy companies, buyers, investors and governments.
Envestra	Envestra Limited (ACN 078 551 685) (now known as AGN).
EPRP	Energy Price Relief Plan.
ERA	Economic Regulation Authority of Western Australia.
Ethane Pipeline	Moomba to Port Botany Ethane Pipeline.
Excluded Subsidiaries	Certain subsidiaries that are excluded from the requirement to provide a guarantee under the Issuer's bank debt facilities, being Goldfields Gas Transmission Pty Ltd (ABN 87 004 273 241), APT SPV2 Pty Ltd, APT SPV3 Pty Ltd, APT SEA Gas Holdings Pty Limited (ACN 124 754 767), APA Sea Gas (Mortlake) Holdings Pty Ltd (ABN 56 612 184 684), and APA Sea Gas (Mortlake) Pty Ltd (ABN 24 612 185 734), Alinta Energy Pilbara Finance Pty Ltd (ABN 23 623 389 293), Alinta Energy (Chichester) Pty Ltd (ABN 95 623 412 626) and Alinta Energy Transmission (Chichester) Pty Ltd (ABN 97 623 412 635) and (in summary) any direct or indirect subsidiary of a Parent Guarantor party to certain limited recourse borrowing arrangements.
FFO to Net Debt Ratio	FFO divided by the sum of current and noncurrent borrowings and operating lease liabilities and unamortised borrowing costs, minus cash and cash equivalents and 50% reclassification of any hybrid issuances as defined by the credit rating agencies, and including derivatives at fair value. Calculated on a rolling 12 month basis.
FFO to Interest Ratio	FFO plus finance costs and any amount of interest expense included in the cost of qualifying assets, minus 50% reclassification of any interest on hybrid issuances as defined by the credit rating agencies divided by interest and other costs of finance paid as disclosed in the statement of cash flows plus any amount of interest expense included in the cost of qualifying assets. Calculated on a rolling 12-month basis. The FFO to

	Interest ratio calculations do not take into account the Excluded Subsidiaries of APA.
FFO or Funds From Operations	EBITDA minus finance costs, current income tax expense, the amount of interest expense included in the cost of qualifying assets, the share of net profits of associates and joint ventures using the equity method, plus cash distributions from associates and joint ventures using the equity method.
FSRU	Floating storage and regasification units.
FY	Financial year from 1 July to 30 June.
GDI	GDI (EII) Pty Limited (ABN 96 154 766 524).
Gearing Ratio	Calculated in accordance with the covenants in APA's bank debt facilities and U.S. private placement notes, is (in summary) the ratio of net debt (being the total of certain indebtedness less cash and cash equivalents as calculated in APA's bank debt facilities and U.S. private placement notes) 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 the APA Group.
GGP	Goldfields Gas Pipeline, Western Australia.
GLNG Project	The Gladstone LNG Project, Queensland.
GPG	Gas-powered generation.
Gruyere Power Station	Gruyere Power Station, Western Australia.
GSOO	Gas Statement of Opportunities.
GST	Australian Goods and Services Tax.
Gorgon LNG Project	The Gorgon Gas Project, Western Australia.
GTA	Gas Transportation Agreement.
HDF	Hastings Diversified Utilities Fund.
HSEH	Health, Safety, Environment and Heritage.
HVDC	High Voltage Direct Current.
Ichthys Project	Ichthys LNG Project, Northern Territory.
IFRS	International Financial Reporting Standards.
IOC	Integrated Operations Centre.
Inpex	INPEX Corporation.
Interconnect or Interconnector	A section of pipeline or electricity infrastructure allowing bi-directional energy flow between states and territories of Australia or distinct networks.
IT	Information Technology.
Jemena	SGSP (Australia) Assets Pty Ltd (SGSPAA), trading as Jemena, is owned 60% by State Grid Corporation of China and 40% by Singapore Power International.
joule or J	The main SI unit for measuring all forms of energy is the joule.

km	Kilometres.
Kogas	Korea Gas Corporation.
lateral	A branch pipeline linking a main pipeline to a market or end-user or other pipeline.
LNG	Liquefied natural gas.
LNG Shipper GTA	Queensland Curtis LNG Plant, Queensland.
looping	Increasing the capacity of a pipeline by installation of an additional pipeline (in sections or entirely), parallel to and joined with the original pipeline(s).
MAPS	Moomba to Adelaide Pipeline System, South Australia.
MDQ	Maximum daily quantity.
Moody's	Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.
MSP	Moomba Sydney Pipeline system in New South Wales, including laterals and the NSW-VIC Interconnect.
mtpa	Million tonnes per annum.
MTN	Medium Term Note.
Murraylink	An electricity interconnector asset owned by EII.
MW	Megawatt. 1 MW = 10 ⁶ watts.
NGAR	National Gas Access Regime.
NGI	Northern Goldfields Interconnect.
NGL	National Gas Law.
NGR	National Gas Rules.
North West Shelf Venture	North West Shelf LNG Project, Western Australia.
NSW	New South Wales, Australia.
NT	Northern Territory, Australia.
Origin Energy	Origin Energy Limited (ABN 30 000 051 696) and its relevant controlled entities.
Paris Agreement	The Paris Agreement on Climate Change
pass-through revenue	Revenue which passes through APA's accounts but upon which no margin is earned such as, in some cases, reimbursements of construction or other costs which were incurred for customers.
PCA	Port Campbell to Adelaide Pipeline.
PEPL	Pilbara Energy Pipeline, Western Australia.
Petronas	Petronas Australia Pty Ltd and its Australian subsidiaries.
PGP	Parmelia Gas Pipeline, Western Australia.
PJ	Petajoule. 1 PJ = 10 ¹⁵ joules.
Pluto	Pluto LNG Project, Western Australia
PPA	Power purchase agreement

PPI	Producer Price Index
PPS	Pilbara Pipeline System, Western Australia.
Prelude LNG Project	The Prelude FLNG facility, Western Australia
PWC	The Power and Water Corporation, a Northern Territory of Australia Government owned utility. Also known as Power and Water.
QCLNG Project	Queensland Curtis LNG Project, Queensland.
QLD	Queensland, Australia.
RBP	Roma Brisbane Pipeline, Queensland.
regulated asset base	The regulatory value of assets regulated under the NGL or the National Electricity Law.
RCWP	Reedy Creek Wallumbilla Pipeline.
Reference Service	A service specified in an Access Arrangement and in respect of which a Reference Tariff has been specified in that access arrangement.
Reference Tariff	Pipeline tariff for a Reference Service specified in an access arrangement approved by a regulator according to pricing principles detailed in the NGR and NGL.
Responsible Entity	Australian Pipeline Limited (ACN 091 344 704) and, generally in Australia, a licensed entity or body that operates a registered managed investment scheme.
SA	South Australia, Australia.
S&P	Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.
SEA Gas	South East Australia Gas Pty Ltd.
securityholder	The registered holder of ordinary stapled securities in APA Infra and APA Invest.
SESA Pipeline	South East South Australia Pipeline.
SGX-ST	Singapore Exchange Securities Trading Limited.
Shell	Royal Dutch Shell plc.
Standard	AS2885, the Gas and Liquid Petroleum pipelines standard.
SWQP	South West Queensland pipeline.
TJ	Terajoule. 1 TJ = 10 ¹² joules.
TJ/d	Terajoule per day.
Total	Total SA.
VIC	Victoria, Australia.
VTS	Victorian Transmission System.
WA	Western Australia, Australia.

WACC	Weighted Average Cost of Capital, which refers to the weighted average of the cost at which an entity can borrow debt and the cost at which it can raise equity.
watt or W	Particularly for electricity, the basic SI unit of power is the watt and a commonly used unit is the kilowatt (1,000 watts).
WGP	Wallumbilla Gladstone Pipeline, formerly the QCLNG Pipeline, Queensland.
WORM	Western Outer Ring Main Project.
YGP	Yamarna Gas Pipeline, Western Australia.

TAXATION

The following is a general summary of the taxation treatment under the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (the “**Tax Act**”), at the date of this Offering Circular, of payments of interest (as defined in the Tax Act) on the Subordinated Notes and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the Subordinated Notes (including dealers in securities, custodians or other third parties who hold the Subordinated Notes on behalf of any absolute beneficial holders of the Subordinated Notes). The following is a general guide only and should be treated with appropriate caution. Prospective holders of the Subordinated Notes should consult their professional advisers on the tax implications of an investment in the Subordinated Notes for their particular circumstances.

Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Tax Act (“**IWT**”) is available in respect of the Subordinated Notes under section 128F of the Tax Act if all the following conditions are satisfied:

- the Issuer is a resident of Australia when it issues the Subordinated Notes;
- the Issuer is a resident of Australia when interest (as defined in section 128A(1AB) of the Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- the Subordinated Notes are issued in a manner which satisfies the “public offer test” as outlined in section 128F(3) of the Tax Act. The “public offer test” should be satisfied where the Subordinated Notes (whether in global form or otherwise) are offered for issue:
 - to 10 or more persons who are carrying on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets who are not “associates” of each other for the purposes of section 128F(9) of the Tax Act; or
 - to at least 100 investors who have acquired debentures in the past or are likely to be interested in acquiring debentures; or
 - as a result of being accepted for listing on a stock exchange under an agreement requiring listing; or
 - publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; or
 - to a dealer, manager or underwriter who, under an agreement with the Issuer, offers to sell the Subordinated Notes within 30 days by one of the preceding methods;
- the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Subordinated Notes or interests in the Subordinated Notes were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Tax Act; and
- at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Tax Act.

Associates

An “associate” of the Issuer for the purposes of section 128F of the Tax Act refers to entities such as natural persons, companies, trustees and partnerships that by reason of a family or business connection are regarded as associates of a particular entity. The associate test operates to determine whether an entity is an associate of the Issuer. The associate test also considers whether the potential holders of the Subordinated Notes are themselves associated with each other.

Where the Issuer and holders of the Subordinated Notes are companies, associates of the Issuer/holder of the Subordinated Notes will broadly include:

- an entity who (together with its associates) holds a majority voting interest in the Issuer/holder of the Subordinated Notes;
- an entity who (together with its associates) sufficiently influences the Issuer/holder of the Subordinated Notes;
- an entity who is controlled by the Issuer/holder of the Subordinated Notes (and its associates) through a majority voting interest; or
- an entity that is “sufficiently influenced” by the Issuer/holder of the Subordinated Notes (and its associates).

Subsection 318(6) of the Tax Act provides that:

“a company is sufficiently influenced by an entity or entities if the company, or its directors, are accustomed or under an obligation (whether formal or informal), or might reasonably be expected, to act in accordance with the directions, instructions or wishes of the entity or entities (whether those directions, instructions or wishes are, or might reasonably be expected to be, communicated directly or through interposed companies, partnerships or trusts).”

Where the Issuer/holder of the Subordinated Notes is capable of benefiting (whether directly or indirectly) under a trust, associates of the Issuer/holder of the Subordinated Notes will include the trustee of such trusts.

Where the Issuer/holder of the Subordinated Notes is a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under any of the foregoing then they will be associates for the purposes of section 128F(9) of the Tax Act.

However, for the purposes of sections 128F(5) and (6) of the Tax Act (see the fourth and fifth bullet points under “Interest withholding tax” above), “associate” does not include:

- onshore associates (i.e., Australian resident associates who do not hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- offshore associates (i.e., Australian resident associates who hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Subordinated Notes in the course of carrying on business through a permanent establishment in Australia) who are acting in the capacity of:
 - in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the Subordinated Notes, a clearing house, custodian, funds manager or responsible entity of a registered scheme; or

- in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

(being an “**Offshore Associate**”).

Compliance with section 128F of the Tax Act

The Issuer intends to issue the Subordinated Notes in a manner that satisfies the requirements of the exemption from IWT as outlined above.

Pursuant to the Subscription Agreement entered into between the Managers and the Issuer, the Managers must not, as part of the primary distribution of any Subordinated Notes, sell any relevant Subordinated Notes to any person that the employees of the Managers directly involved in the sale of the Subordinated Notes actually know or have reasonable grounds to suspect is an Offshore Associate of the Issuer.

On the basis that the Subordinated Notes are issued in compliance with section 128F, no deduction or withholding in respect of Australian IWT should be required to be made from any payment of principal or interest made by the Issuer in respect of the Subordinated Notes.

Other Tax Matters

Under Australian laws as presently in effect:

- *income tax* — offshore holders of the Subordinated Notes — assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Subordinated Notes, payments of interest (as defined in section 128A(1AB) of the Tax Act and which includes certain amounts which are deemed to be interest— for example, a discount on a Subordinated Notes) to a holder of the Subordinated Notes who is a non-resident of Australia and who, during the taxable year, does not hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and
- *gains on disposal of Subordinated Notes* — offshore holders of the Subordinated Notes — a holder of the Subordinated Notes who is a non-resident of Australia and who, during the taxable year, does not hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Subordinated Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Subordinated Notes by a non-Australian resident holder to another non-Australian resident where Subordinated Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source; and
- *death duties* — no Subordinated Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- *stamp duty and other taxes* — no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Subordinated Notes subject to the Subordinated Note issued being ‘debt interests’ as described below; and
- *other withholding taxes on payments in respect of Subordinated Notes* — section 12-140 of Schedule 1 of the Taxation Administration Act 1953 (the “**Taxation Administration Act**”) imposes a type of withholding tax at the rate of 47% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”) (in certain circumstances), an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). Assuming the

requirements of section 128F of the Tax Act are satisfied with respect to the Subordinated Notes, then the requirements of section 12-140 do not apply to payments to a holder of the Subordinated Notes in registered form who is not a resident of Australia and not holding those Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of the Subordinated Notes in registered form may be subject to a withholding where the holder of the Subordinated Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- *supply withholding tax* — payments in respect of the Subordinated Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 of the Taxation Administration Act; and
- *goods and services tax (“GST”)* — neither the issue nor receipt of the Subordinated Notes will give rise to a liability for GST in Australia on the basis that the supply of the Subordinated Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of Subordinated Notes, would give rise to any GST liability in Australia; and
- *direction by the Commissioner* — the Commissioner of Taxation may give a direction under section 255 of the Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 or any similar provision requiring the relevant Issuer to deduct from any payment to any other party (including a holder of Subordinated Notes) any amount in respect of tax payable by that other party; and
- *debt/equity rules* — Division 974 of the Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Issuer intends to issue Subordinated Notes which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the Subordinated Notes are to be “interest” for the purpose of section 128F of the Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of the Subordinated Notes in an unintended way; and
- *additional withholdings from certain payments to non-residents* — section 12-315 of the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Offering Circular are not relevant to any payments in respect of the Subordinated Notes. Any further regulations should also not apply to repayments of principal under the Subordinated Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Subordinated Notes will need to be monitored; and
- *taxation of foreign exchange gains and losses* — Divisions 230, 775 and 960 of the Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any holders of the Subordinated Notes who are Australian residents or non-residents that hold the Subordinated Notes in the course of carrying on business at or through a permanent establishment in Australia. Any such holder of the Subordinated Notes should consult their professional advisers for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of the Subordinated Notes.

Taxation of Financial Arrangements

Division 230 of the Act contains a regime for the taxation of financial arrangements issued, or held, by Australian residents (or non-residents who make gains from financial arrangements that are Australian sourced) (the “**TOFA regime**”). Where it applies, the TOFA regime may impact upon the tax character and tax timing of gains and losses arising from those financial arrangements. The TOFA regime does not contain any measures that would override the exemption from Australian IWT available under section 128F of the Tax Act.

Payments under the Guarantee

It is unclear whether or not any payment by the Guarantor under the Guarantee of amounts in respect of interest on the Subordinated Notes would be subject to IWT or whether or not, if the payment would otherwise be subject to IWT, the payment would be exempt from IWT to the same extent that the payment of interest on the Subordinated Notes to which it relates would be exempt from IWT under section 128F of the Tax Act. However, the Australian Taxation Office has released a Taxation Determination concluding that payments by a guarantor in respect of interest on debentures (such as the Subordinated Notes) should be regarded as interest subject to IWT but that such payments should be entitled to the benefit of the exemption contained in section 128F of the Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from IWT under section 128F of the Tax Act.

Interest on bearer securities

Pursuant to section 126 of the Tax Act, payments of interest in respect of Subordinated Notes may be subject to withholding on account of Australian tax at a rate of 45% if the Subordinated Notes are in bearer form and the Issuer does not provide the names and addresses of the holders of the Subordinated Notes to the Commissioner of Taxation. No such tax is imposed if the Subordinated Notes are held by non-resident holders (that do not hold the Subordinated Notes in the course of carrying on a business at or through a permanent establishment in Australia) where the exemption provided by section 128F of the Tax Act is available or if Australian IWT is payable. However, section 126 of the Tax Act will apply to resident holders. The Issuer intends to treat operators of clearing systems as the holders of the Subordinated Notes for these purposes (consistent with Taxation Determination TD 2001/19).

Payment of additional amounts

If an amount of Australian withholding tax is required to be deducted or withheld by the Issuer (or the Guarantor) from payments of interest in relation to the Subordinated Notes, then the Issuer or the Guarantor (as the case may be) must, subject to certain exceptions set out in Condition 9 of the Subordinated Notes, pay an additional amount that would result in the holders of the Subordinated Notes receiving an amount equal to that which they would have received had no such deduction or withholding been made. In such circumstances and subject to the Terms and Conditions, the Issuer may redeem the Subordinated Notes.

Australian Resident Holders

The income received by Australian resident holders in respect of the Subordinated Notes will be included in the assessable income of those holders for Australian income tax purposes. Australian resident holders that derive a gain on a sale or redemption of Subordinated Notes will be subject to Australian tax on such gain.

Specified Countries Resident Holders of Subordinated Notes

Australia has signed a number of amended double tax conventions (“**Treaties**”) with the Specified Countries. The Treaties apply to interest derived by a resident of a Specified Country. The Treaties effectively exempt IWT from applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and

- certain unrelated financial institutions resident in a Specified Country which substantially derive their profits by carrying on a business of raising and providing finance.

The availability of this IWT exemption is subject to certain exceptions.

Under the Treaties, interest paid in respect of arrangements involving back-to-back loans and economically equivalent arrangements would still be subject to the 10% IWT rate. In addition, the anti-avoidance provisions in the Tax Act may apply.

Specified Countries include the United States of America, France and the United Kingdom.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold U.S. tax on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. Under proposed U.S. Treasury Regulations, however, such withholding on foreign passthru payments will not apply to payments made before the date that is two years after the date on which applicable final regulations that define foreign passthru payments are published. Further, obligations, such as the Subordinated Notes, issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are filed generally would be “grandfathered” and would not be subject to withholding unless they are characterised as equity for U.S. federal income tax purposes or they are materially modified after such date. As of the date hereof, no such regulations have been issued. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Subordinated Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Subordinated Notes, there generally will be no additional amounts payable to compensate for the withheld amount; however, APA does not expect to withhold any U.S. tax pursuant to FATCA with respect to the Subordinated Notes.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS.

A jurisdiction that has signed the CRS Competent Authority Agreement, which includes Australia, may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Managers dated 3 November 2023 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to each Managers, and each Manager has agreed to subscribe and pay for the aggregate principal amount of Subordinated Notes set out opposite its name below:

Names of the Managers	Principal Amount of the Subordinated Notes
BNP Paribas	€166,700,000
J.P. Morgan Securities plc	€166,700,000
Merrill Lynch International	€166,600,000
Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).....	€0
Mizuho International plc	€0
Westpac Banking Corporation (ABN 33 007 457 141).....	€0
Total	€500,000,000

The Issuer will pay the Managers a commission as agreed between them in respect of Subordinated Notes subscribed by it. The Issuer has agreed to reimburse the Managers for certain of its expenses incurred in connection with the issuance of the Subordinated Notes and for certain of the Managers’ activities in connection with the Subordinated Notes.

The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of any Subordinated Notes. The Subscription Agreement entitles the Managers to terminate any agreement that they make to subscribe Subordinated Notes in certain circumstances prior to payment for such Subordinated Notes being made to the Issuer.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, such various banking services or transactions with the Issuer and the Guarantor for which they have received, or will receive, fees and expenses.

In connection with the offering of the Subordinated Notes, the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Subordinated Notes for their own account and such orders, allocations or trading of the Subordinated Notes may be material. Such entities may hold or sell such Subordinated Notes or purchase further Subordinated Notes for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Subordinated Notes or other securities otherwise than in connection with the offering of the Subordinated Notes. Accordingly, references herein to the offering of the Subordinated Notes should be read as including any offering of the Subordinated Notes to the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Subordinated Notes may be impacted.

Furthermore, it is possible that a significant proportion of the Subordinated Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Subordinated Notes may be constrained. The Issuer, the Guarantor and the Managers are under no obligation to disclose the extent of the distribution of the Subordinated Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Subordinated Notes and could adversely affect the trading price and liquidity of the Subordinated Notes. The Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Subordinated Notes or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Subordinated Notes or other financial instruments of the Issuer or the Guarantor.

United States

The Subordinated Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has represented, warranted and agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Subordinated Notes and the Guarantee (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons. Each Manager has further agreed that it will have sent to each dealer to which it sells the Subordinated Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Subordinated Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Subordinated Notes and the Guarantee are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering the Subordinated Notes and the Guarantee, an offer or sale of the Subordinated Notes and the Guarantee within the United States by any dealer may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Subordinated Notes to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Subordinated Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Subordinated Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Subordinated Notes in, from or otherwise involving the United Kingdom.

Japan

The Subordinated Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and each Manager has represented and agreed that it has not directly or indirectly, offered or sold and will not directly or indirectly offer or sell any Subordinated Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations of Japan.

Hong Kong

Each Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Subordinated Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Subordinated Notes, which 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 Subordinated Notes which are or are intended to be

disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Subordinated Notes or caused the Subordinated Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Subordinated Notes or cause the Subordinated Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Subordinated Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Subordinated Notes are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

‘securities’ or ‘securities-based derivatives contracts’ (each term as defined in section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Subordinated Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

SINGAPORE SFA PRODUCT CLASSIFICATION—*In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Subordinated Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Subordinated Notes has been, or will be, lodged with the ASIC. Each Manager represents and agrees that it:

- (a) has not (directly or indirectly) made or invited, and will not make or invite, an offer of the Subordinated Notes for issue or sale in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Subordinated Notes in Australia,

unless (a) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates (as defined in the Corporations Act)) or the offer or invitation otherwise does not (other than by reason of section 708(14) or section 708A of the Corporations Act) require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act, (b) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (c) such action does not require any document to be lodged with ASIC and (d) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act.

General

Each Manager understands that no action has been taken in any jurisdiction that would permit a public offering of the Subordinated Notes or possession or distribution of the Offering Circular or any other document, in any country or jurisdiction where action for that purpose is required.

Each Manager has agreed that it will only offer any Subordinated Note for issue or sale or invite offers to subscribe for or purchase any Subordinated Note or deliver any Subordinated Note or possess or distribute the Offering Circular or other material in relation to the Subordinated Notes in circumstances which, to the best of its knowledge and belief, comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Subordinated Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Subordinated Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor, the Trustee nor the Managers shall have any responsibility therefor.

None of the Issuer, the Guarantor, the Trustee and the Managers represents that Subordinated Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

For the purposes of these selling restrictions, the Subordinated Notes include interests or rights in Subordinated Notes held in Euroclear or Clearstream or any other clearing system.

GENERAL INFORMATION

Authorisation

The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in Australia in order to issue of the Subordinated Notes and give the Guarantee. The issuance of the Subordinated Notes was duly authorised by resolutions passed by the Board of Directors of the Issuer on 25 October 2023. The giving of the Guarantee was duly authorised by resolutions passed by the Board of Directors of the Guarantor on 25 October 2023.

Listing

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Subordinated Notes on the Official List of the SGX-ST.

The Subordinated Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Subordinated Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Subordinated Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Subordinated Notes may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for Definitive Certificate(s). In addition, in the event that a Global Certificate is exchanged for Definitive Certificate(s), an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificate(s), including details of the paying agent in Singapore.

Documents Available

For so long as any Subordinated Notes remain outstanding, copies of the following documents will be available for inspection from the registered office of the Issuer:

- (a) the constitutional documents of the Issuer and the constitutional documents of the Guarantor;
- (b) the audited consolidated financial statements of the APA Group in respect of the financial years ended 30 June 2023 and 30 June 2022 together with the audit report prepared in connection therewith. The APA Group currently prepares audited consolidated accounts on an annual basis;
- (c) the Trust Deed (which includes the forms of the Global Certificate and the Definitive Certificate) and the Agency Agreement;
- (d) a copy of this Offering Circular; and
- (e) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular and any other documents incorporated herein or therein by reference.

For so long as any Subordinated Notes remain outstanding, upon prior written request and proof of holding satisfactory to the Trustee, the Trust Deed and Agency Agreement will be available during normal business hours (being between 9.00 a.m. and 3.00 p.m. Monday to Friday, other than public holidays) to Noteholders (i) from the specified office of the Trustee from time to time; or (ii) electronically via e-mail from the Trustee; in each case, provided the Trustee has been supplied with the relevant documents by the Issuer.

Clearing Systems

The Legal Entity Identifier of the Issuer is 261700SS80EHDOCOUJ33.

The Subordinated Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records) under Common Code 271180128 and the ISIN XS2711801287.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the APA Group since 30 June 2023 and there has been no material adverse change in the financial position or prospects of the Issuer or the APA Group since 30 June 2023.

Litigation

There are no legal or arbitration proceedings pending or known to be contemplated that may in the future have or have had, in the 12 months preceding the date of this Offering Circular, a material effect on the financial position or profitability of the Issuer or any other member of the APA Group. Members of the APA Group are party to a number of litigation matters in the ordinary course of business. APA believes that any ultimate liability in those other litigation matters will not be material to APA's financial position, results of operations or cash flows.

Auditors

The auditors of the APA Group are Deloitte Touche Tohmatsu, who have audited the APA Group's accounts, without qualification, in accordance with Australian Auditing Standards for each of the financial years ended on 30 June 2023 and 30 June 2022. The auditors of the APA Group have no material interest in any entity which forms part of the APA Group.

The reports of the auditors of the APA Group are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

Parties Transacting with the Issuer and the Guarantor

Certain of the Managers, the Trustee, the Agents and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer, the Guarantor and other APA Group entities in the ordinary course of business.

REGISTERED OFFICE OF THE ISSUER**APA Infrastructure Limited**

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REGISTERED OFFICE OF THE GUARANTOR**APA Group Limited**

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160 Queen Victoria Street
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United Kingdom

PRINCIPAL PAYING AGENT**The Bank of New York Mellon, London Branch**

160 Queen Victoria Street
London EC4V 4LA
United Kingdom

REGISTRAR AND TRANSFER AGENT**The Bank of New York Mellon SA/NV, Dublin Branch**

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JOINT LEAD MANAGERS**J.P. Morgan Securities plc**

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To the Trustee as to English law

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AUDITORS**Deloitte Touche Tohmatsu**

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