

7 November 2023

ASX ANNOUNCEMENT

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

APA REACHES FINAL INVESTMENT DECISION ON KURRI KURRI LATERAL PIPELINE

Leading Australian energy infrastructure business, APA Group (ASX: APA), has reached a final investment decision (FID) to build the Kurri Kurri Lateral Pipeline, connecting the Hunter Power Project to the existing Sydney to Newcastle Pipeline.

APA previously executed a 30-year Gas Transportation and Storage Agreement with Snowy Hydro Limited (Snowy Hydro) on 20 June 2022. Snowy Hydro may extend the Gas Transportation and Storage Agreement for a further 10 years.

Under the agreement, APA will build, own and operate the Kurri Kurri Lateral Pipeline, a gas transmission pipeline approximately 20 km in length and a 70 TJ gas storage facility to service the Hunter Power Project.

The NSW Government granted the Pipeline Licence in September 2023. Following the recent commencement of early works, major construction will now start with all third-party approvals and development matters now finalised and agreed with Snowy Hydro, including APA's total capex costs of approximately \$450 million. This follows completion of detailed engineering and design and approvals work.

Approximately \$120 million of the total capex cost was spent in FY23 largely to procure some key project materials.

Revenue will be linked to CPI with returns reflecting the long-term nature of the contract with a government owned counterparty.

APA has engaged the principal construction contractors on predominantly fixed cost arrangements and works remain on track to be delivered in time for the completion of the Hunter Power Project timeline. The pipeline will include electric compressors to minimise its operational emissions.

APA estimates construction jobs will peak at almost 400 workers when construction of the pipeline connection, storage and compressor station overlaps.

APA CEO and Managing Director Adam Watson said the Hunter Power Project will be essential to ensure grid stability and support the growth of renewables as coal fired generation is withdrawn across the National Electricity Market.

"Through investments like the Kurri Kurri Lateral Pipeline, APA is focussed on ensuring that the lights stay on across Australia – at our schools, our hospitals, in our homes and to support industry – in the most efficient, sustainable way, while we keep driving towards a renewable dominated future," Mr Watson said.

"Natural gas and projects like the Hunter Power Project will be essential for delivering energy security and ensuring we meet our energy targets in an affordable, fair, reliable and sustainable way.

"The fastest way for our economy to decarbonise is through the continued, accelerated, exit of coal generation and the accelerated ramp up of renewables. That's why we believe renewable energy, bundled with firmed gas, is the most credible pathway to support the exit of coal out of our energy system."

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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.