

14 December 2016

ASX ANNOUNCEMENT

APA Group (ASX: APA)

(also for release to APT Pipelines Limited (ASX: AQH))

APA SUPPORTS VERTIGAN'S MARKET-DRIVEN SOLUTIONS

APA Group (ASX:APA), Australia's largest gas infrastructure business, today notes the release of the Council of Australian Governments ("COAG") Energy Council communique including the recommendations by Dr Michael Vertigan AC.

Notably, the decision to maintain the National Gas Law coverage test in its current form confirms the robustness of the existing coverage test for Australia's dynamic gas market and importantly provides certainty for the industry to move forward from the review process. APA also welcomes Dr Vertigan's recommendations as enhancing market-driven solutions.

APA Group Managing Director, Mr Mick McCormack, said, "APA's focus has always been on working with our customers and providing solutions to help grow and develop Australia's energy industry for the benefit of all Australians. We believe that commercial solutions should continue to incentivise investment and innovation."

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating around \$20 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds ownership interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, SEA Gas (Mortlake) Partnership, Energy Infrastructure Investments and GDI Allgas Gas Networks.

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

For more information visit APA's website, apa.com.au