



The criticality of pipeline infrastructure

John Jamieson

Markets & Risk Manager

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About APA Group

APA is Australia’s largest gas infrastructure business

APA is an integrated operating business with direct management and operational control over its assets and investments

Core business areas:

- **Gas transmission pipelines and storage**
 - Owning and operating two thirds of Australia’s onshore pipelines
 - Interconnected pipeline networks
 - Transporting approximately half the gas used domestically
- **Gas distribution networks**
 - Operating approximately a third of the nation’s gas distribution networks
- **Other related energy infrastructure**
 - APA has developed and acquired complementary energy infrastructure, including gas and wind electricity generation, gas processing and electricity transmission

APA (27 February 2015)

Market capitalisation	A\$10.2 billion S&P/ASX 50 MSCI All World Index; FTSE All World Index
Assets owned/operated	Over \$12 billion ⁽¹⁾ Gas transmission 14,100 km ⁽¹⁾ transmission pipelines Underground and LNG gas storage Gas distribution 27,100 km gas network pipelines 1.3 million gas consumers Other energy infrastructure 586 MW power generation 244 km HV electricity transmission Gas processing plants
Employees	More than 1,600
Operator	Operator of APA’s assets and investments

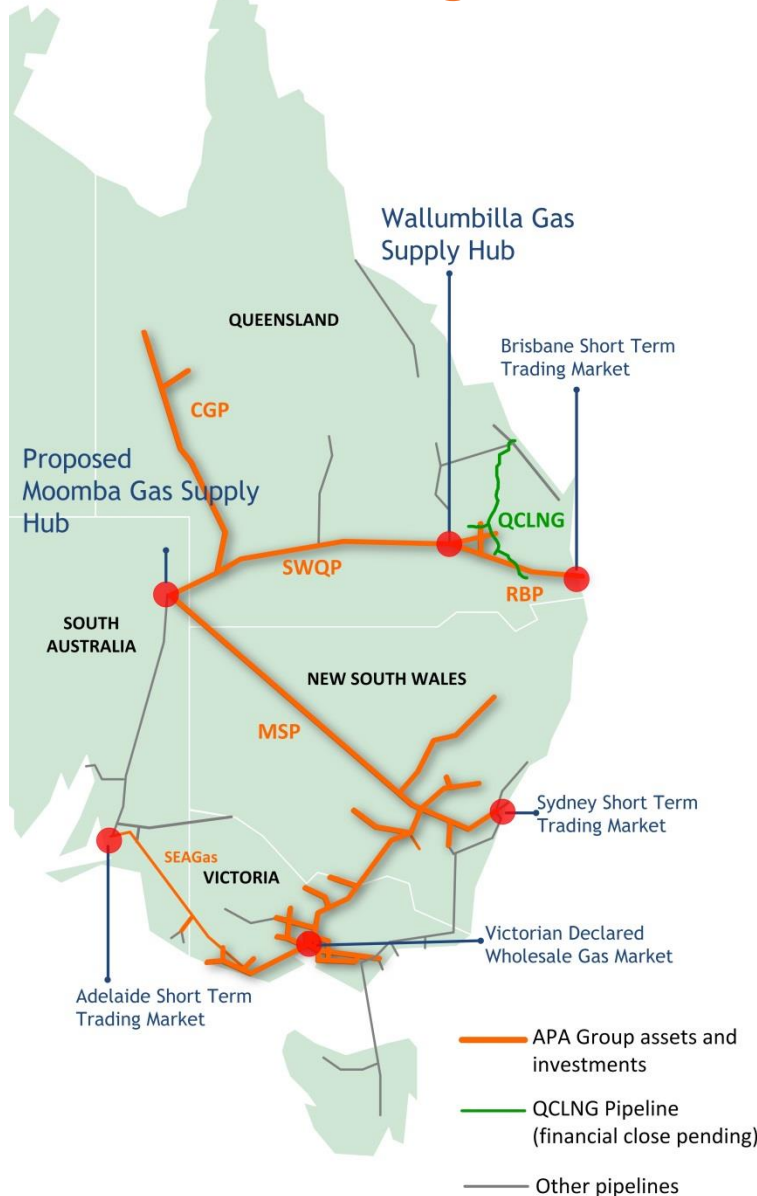
(1) Does not yet include 543 km QCLNG Pipeline acquisition as financial close is expected Q2 CY2015

APA's transmission business



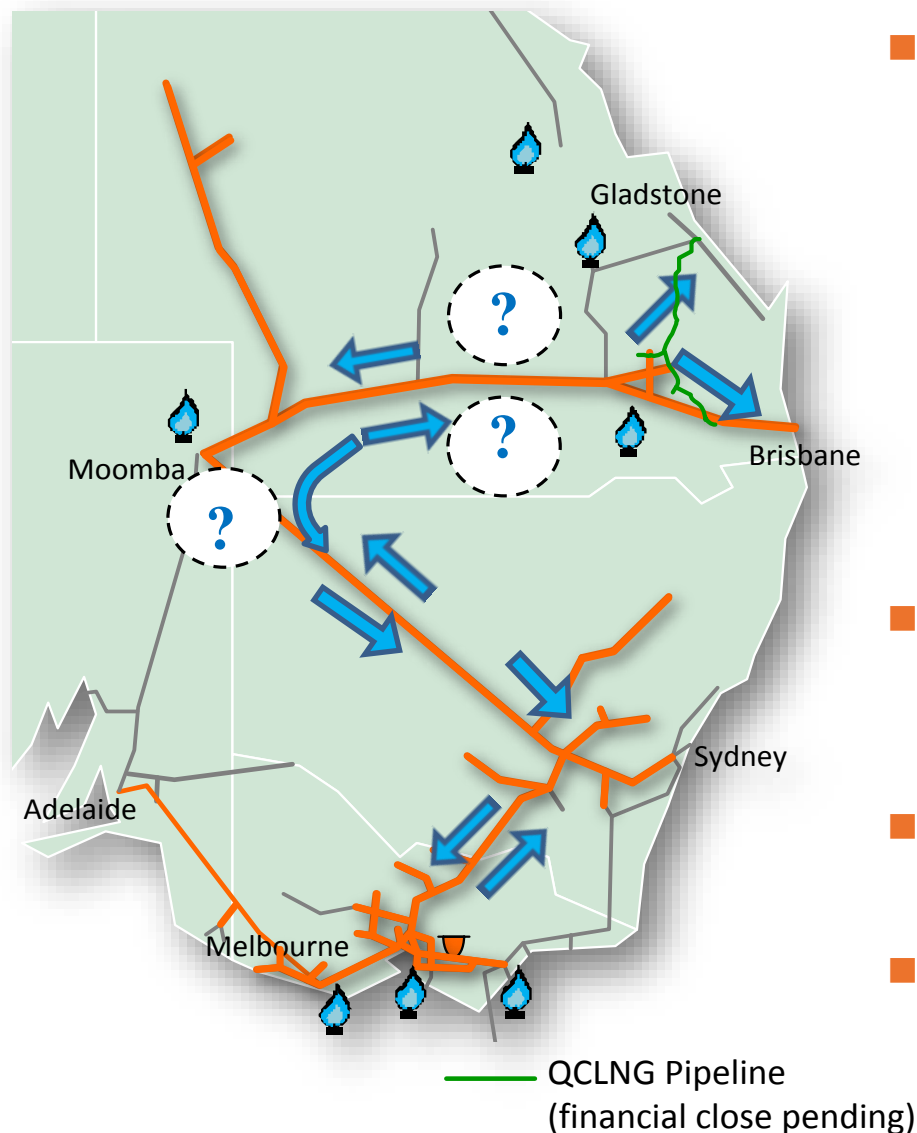
Facilitating the market through provision of tailored services

APA's east coast grid



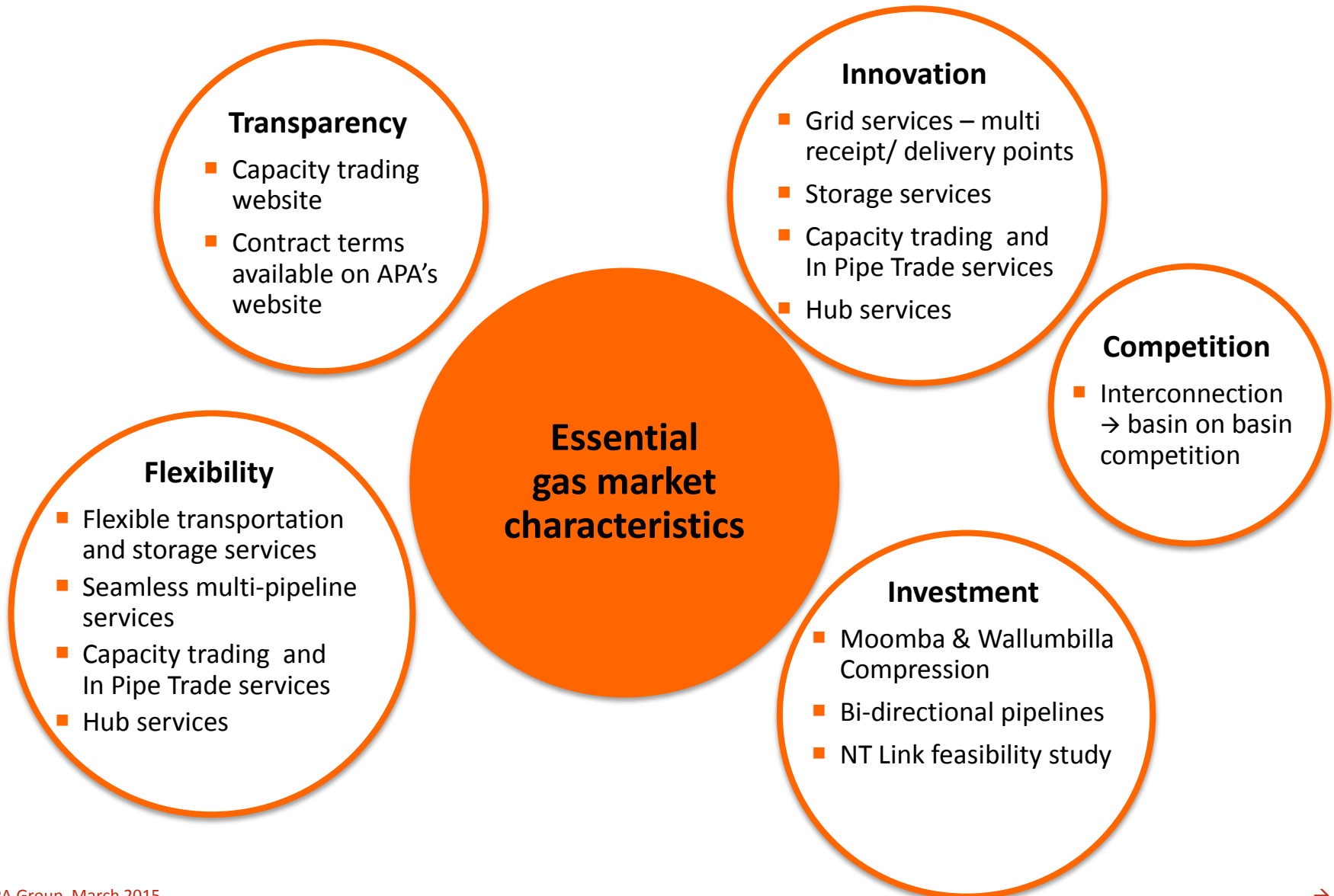
- > 7,000 km across 5 states and territories
- Configuration
 - 5 interconnected APA Pipelines
 - 98 Delivery Points
 - 30 Receipt Points
- Bi-directional flow
 - Vic NSW interconnect
 - SWQP, BWP
 - MSP, RBP - under construction
- Configuring pipelines to operate as a grid
 - Providing shippers more flexibility

Gas market - changing dynamics



- Significant changes happening in the market right now
 - Increased LNG demand
 - Changing/variable sources of gas
 - Shorter gas sales agreements
 - Market trade and arbitrage opportunities for shippers arising from new trading hub
- Gas transmission sector has responded rapidly to meet (and pre-empt) changing customer needs
- New services are being offered by pipeline businesses
- New supply sources/pipelines under active consideration

Current APA activities and services



Transparency

- Capacity trading website publishes the following about key APA pipelines
 - Nameplate Capacity
 - Daily Capacity
 - Contracted Capacity
 - Daily Nominations
 - Daily Utilisation %
 - Terms and Conditions
 - Details of short term offers

The screenshot displays the APA Group Pipeline Capacity Trading website. At the top, there is a navigation menu with links: Home, APA Grid, Fact Sheet, Pipeline Utilisation, Pipeline Information, Standard T&Cs, Contact Us, and APA Group Pipeline Capacity Trading. Below the navigation is a 'Trading Summary Information' section with search filters for Start Date (24/02/2015) and End Date (24/02/2015), and buttons for Search, Clear, and Export To Excel. The main data is presented in a table with the following columns: Pipeline, Gas Day, Nameplate Capacity (GJ), Daily Capacity (GJ), Contracted Capacity (GJ), Daily Nominations (GJ), Daily Utilisation %, Available Capacity (GJ), Capacity On Offer (GJ), Daily Capacity Traded (GJ), and Average Annual Capacity Traded (GJ). Below this is a 'Bid & Offer Summary' table with columns: Pipeline, Buy/Sell, Qty. GJ/D MDQ, Price GJ/D MDQ, Start Date, End Date, Receipt Point, Delivery Point, Contact Name, and Contact Number.

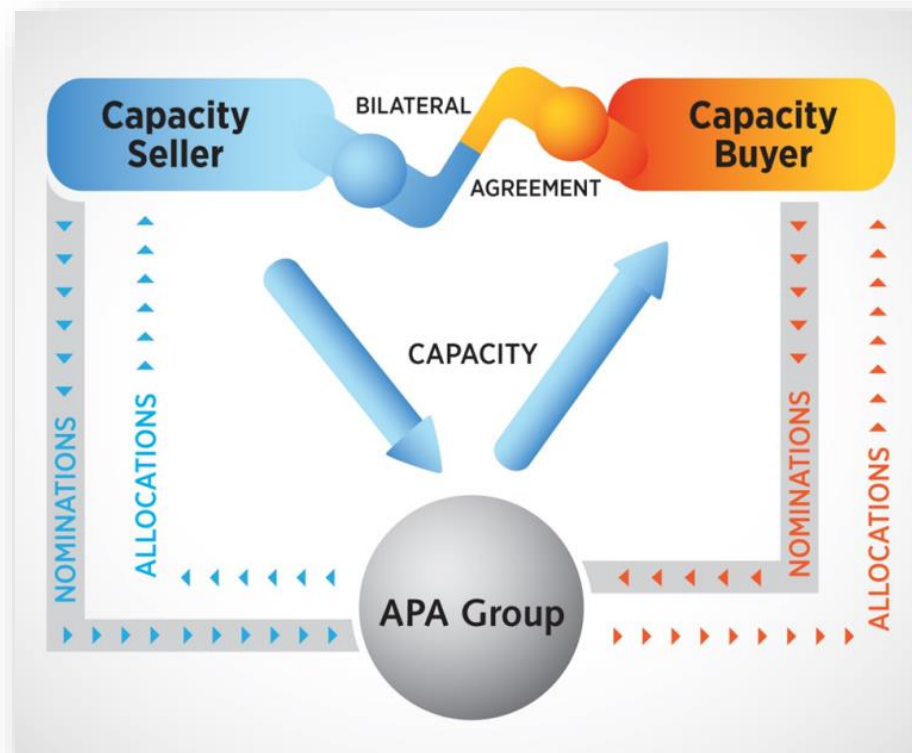
Pipeline	Gas Day	Nameplate Capacity (GJ)	Daily Capacity (GJ)	Contracted Capacity (GJ)	Daily Nominations (GJ)	Daily Utilisation %	Available Capacity (GJ)	Capacity On Offer (GJ)	Daily Capacity Traded (GJ)	Average Annual Capacity Traded (GJ)
CGP	24/02/2015	119,000	119,000	112,000	92,890	78	26,310	00	00	0.00
MSP	24/02/2015	439,000	282,000	489,000	162,388	58	119,612	00	00	0.00
RBP	24/02/2015	233,000	197,000	233,000	118,009	60	78,991	10,000	3,000	452.05
SWQP	24/02/2015	384,000	384,000	384,000	418,200	109	-34,200	5,000	00	0.00

Pipeline	Buy / Sell	Qty. GJ/D MDQ	Price GJ/D MDQ	Start Date	End Date	Receipt Point	Delivery Point	Contact Name	Contact Number
RBP	Sell	5000	\$0.95	18/02/2015	24/02/2015	Wallumbilla3 Delivery Stream	Oakey PS Delivery Stream	Paul Alexander	07 3325 6051
RBP	Sell	5000	\$0.95	18/02/2015	24/02/2015	Wallumbilla3 Delivery Stream	Braemar PS Delivery Stream	Paul Alexander	07 3325 6051
SWQP	Sell	5000	\$1.14	18/02/2015	24/02/2015	SWQP Fa Inle w Delivery Stream	SWQPMSP Delivery Stream	Tracey Roberts	08 8626 8427
RBP	Sell	5000	\$0.95	25/02/2015	05/05/2015	Wallumbilla3 Delivery Stream	Oakey PS Delivery Stream	Kim Dore	07 3325 6127
RBP	Sell	5000	\$0.95	25/02/2015	05/05/2015	Wallumbilla3 Delivery Stream	Braemar PS Delivery Stream	Kim Dore	07 3325 6127
SWQP	Sell	5000	\$1.14	25/02/2015	05/05/2015	SWQP Fa Inle w Delivery Stream	SWQPMSP Delivery Stream	Tracey Roberts	08 8626 8427
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RBP	Sell	5000	\$0.95	04/05/2015	10/05/2015	Wallumbilla3 Delivery Stream	Braemar PS Delivery Stream	Kim Dore	07 3325 6127

<http://capacitytrading.apa.com.au>

Innovation - Pipeline Capacity Trading

- Capacity traditionally transferred via Bare Transfers or Assignments
- Secondary trading of capacity is now facilitated by APA
- This facilitates trading of unutilised contracted pipeline capacity
- Publication of bids / offers and trading volumes on APA website
- Capacity Trading Website
<http://capacitytrading.apa.com.au>



Flexibility - Seamless services across multiple assets

- Significant benefits for customers
- Reduced complexity
- More efficient management of services
- Increased flexibility to manage supply portfolios
- Bi-directional flow of key pipelines



Investment - Moomba and Wallumbilla Hubs



Moomba SA, compression expansion

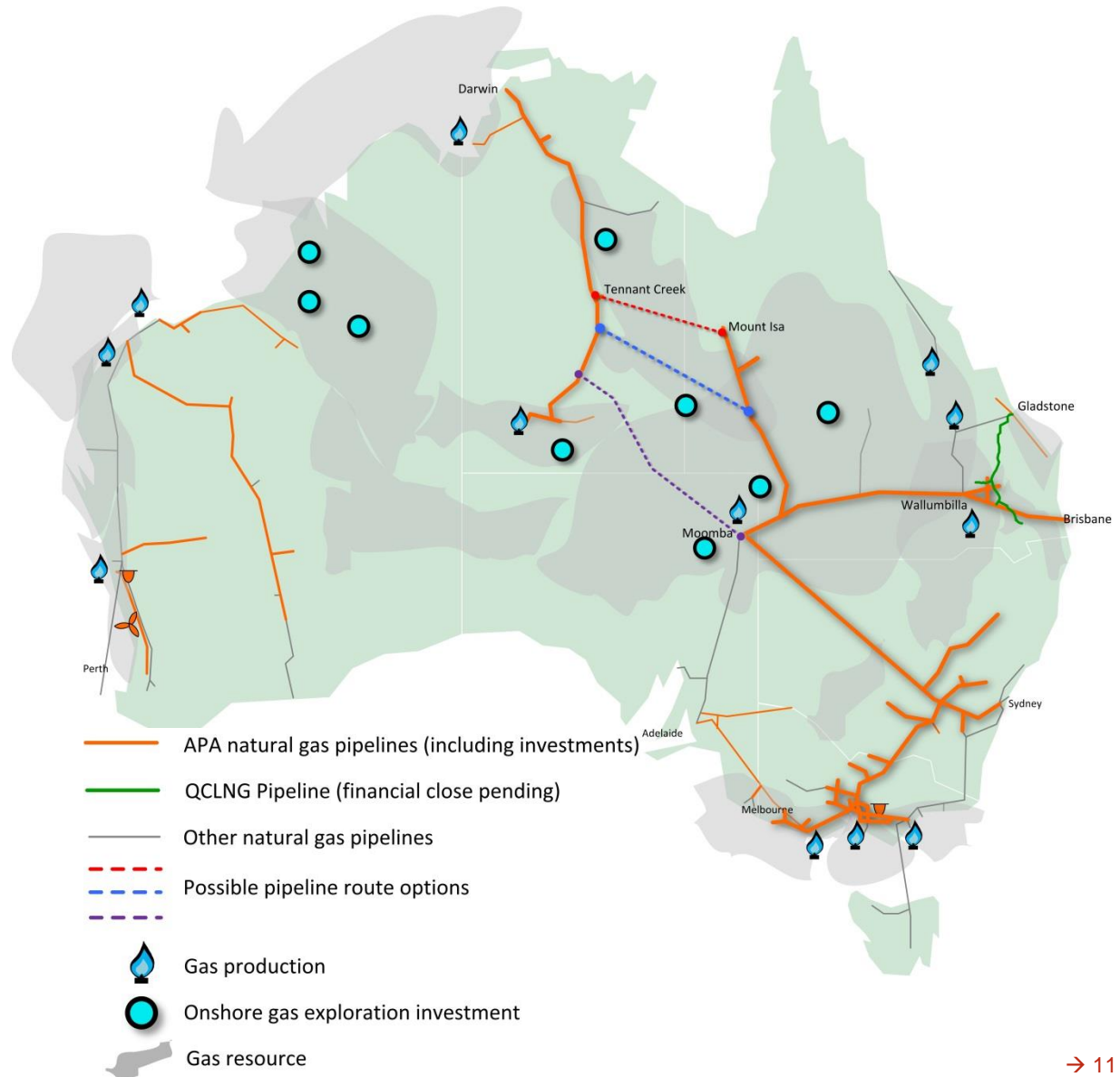
... innovation and investment ...



Wallumbilla QLD, compression expansion

Investment - NT Link

- East coast grid pipeline link
- Feasibility study continues
- APA participating in NT Government process
- APA solution offers a seamless service between Bonaparte Gulf and Bass Strait.



Conclusion

- Dynamic Australian gas market
- Significant drivers of future change & growth
- Existing infrastructure in place to deliver gas to all major markets
- Further capacity expansion in line with customer demand
- APA is responding to market changes with
 - innovative services
 - Significant infrastructure investment, and
 - greater information transparency

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