



31 January 2017

ASX ANNOUNCEMENT

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

APA'S AGREEMENT TO DELIVER POTENTIAL NEW SOURCE OF GAS FOR EAST COAST MARKETS

APA Group (ASX:APA), Australia's largest natural gas infrastructure business, has contracted with a subsidiary of Santos Limited to commence the development of a new circa 450 kilometre pipeline (the Western Slopes Pipeline ("WSP")) from Santos' proposed Narrabri Gas Project to connect to the existing APA owned East Coast Grid through the Moomba Sydney Pipeline at the Bundure mainline valve station, approximately 100km west of Condobolin. APA will build and own the pipeline, at a total construction cost of around \$500 million, subject to various approvals including a Final Investment Decision by Santos of the Narrabri Gas Project and execution of an agreed form gas transportation agreement.

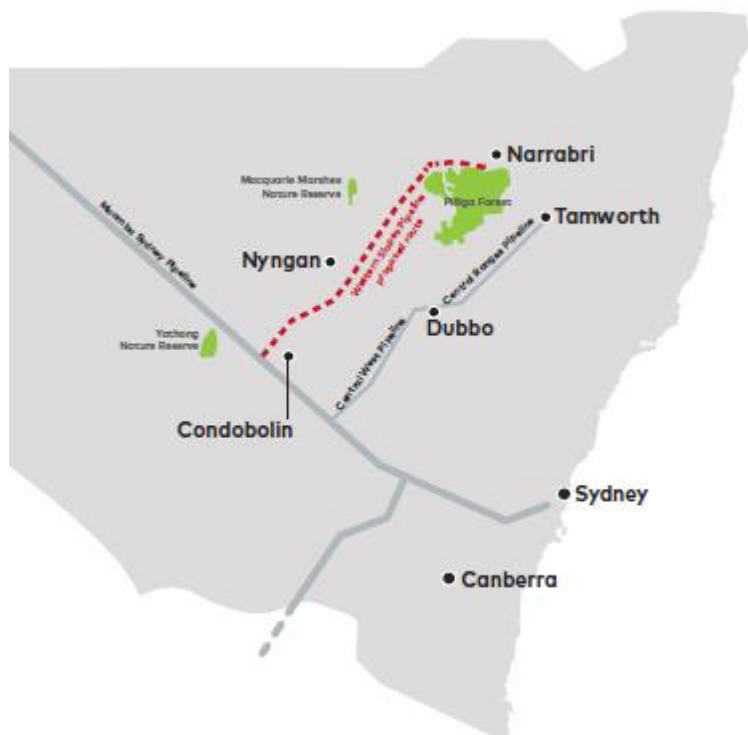
APA will soon commence a comprehensive regulatory approval process with the submission of a Preliminary Environmental Assessment (PEA) to the NSW Department of Planning and Environment. The PEA will include details of a proposed pipeline corridor, located west of the existing Central West Pipeline which preliminary studies identified as the most suitable for construction. A range of factors were taken into account in selecting the proposed pipeline corridor including environmentally sensitive areas, the complexity of terrain, the number of land parcels and landowners along the proposed pipeline route, and current and future land use considerations.

Further steps in the design and construction of the WSP are subject to a series of staged regulatory approval requirements that will be informed by extensive landholder and community consultation, detailed environmental studies and public comment.

APA Group CEO and Managing Director, Mr Mick McCormack said, "This agreement is another example of APA developing pipelines to connect new sources of natural gas with Australian markets. This is an important agreement in terms of its potential to significantly increase the supply of natural gas to the eastern Australian market in the medium to long-term, particularly for New South Wales."

"APA looks forward to continuing our long and successful record of working with communities in NSW to deliver infrastructure that safely and reliably services the needs of our customers, as well as residential, business and industrial gas users."

Location and proposed route of the Western Slopes Pipeline



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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