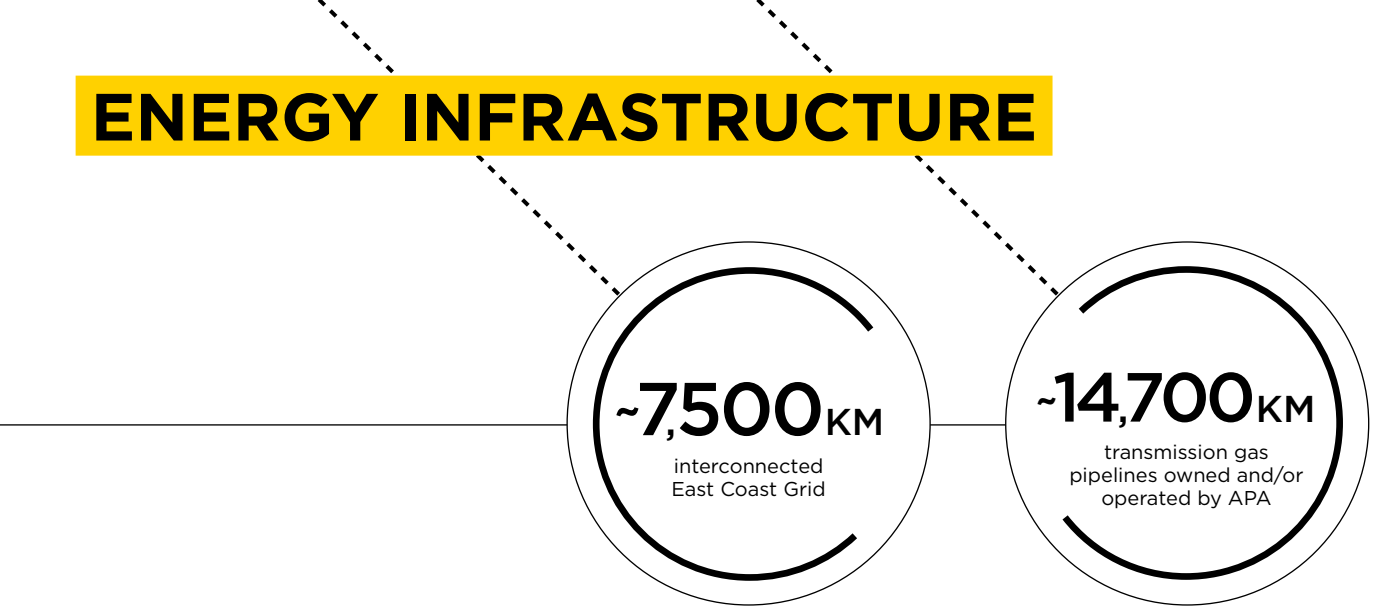
ENERGY INFRASTRUCTURE



Energy Infrastructure is at the core of APA, housing our key gas infrastructure assets including gas transmission pipelines, compression facilities and storage facilities. Our national and interconnected portfolio of assets enables APA to provide various infrastructure services to our customers, including transportation, storage, compression or metering.

Over the last 15 years, APA has extended its infrastructure footprint so gas can be seamlessly transported to the various markets where it is required from every major gas supply source in Australia. And we continue to invest in our interconnected gas infrastructure grids across the country that connects resources to markets and markets to resources. In doing so, we are contributing to the energy security of Australia's economy and assisting the domestic market to adapt to the dynamic times that have developed with the onset of east coast LNG exports.

We now own and/or operate over 14,700 kilometres of gas transmission pipelines as well as a substantial portfolio of energy-related infrastructure assets. To achieve this sustainable growth, we listen to our customers and work with them, leveraging APA's diversified assets and know-how to solve their logistical challenges. Our strategy of expansion and enhancement of our portfolio has remained consistent since we listed in 2000, developing organic growth opportunities surrounding our assets and prudent acquisitions. From 2006, when we acquired the asset management business, we have also become skilled operators. Now we own and/or operate around $19 billion of assets when we include APA's latest and largest acquisition, the Wallumbilla Gladstone Pipeline ("WGP", renamed by APA from the Queensland Curtis LNG Pipeline post completion of the acquisition).

SOLUTIONS DELIVERY

APA has been busy working with our customers to provide more flexible and value-add services across this extensive infrastructure portfolio. Pipelines worldwide, including Australia, were originally built to deliver gas from one point to another. But APA has rewritten the guidelines of tradition by developing an interconnected grid and flexible solutions. Our East Coast Grid has now become a 7,500 kilometre gas superhighway, with customers able to take advantage of the many service offerings along its routes.

It is our technical and commercial 'smarts' that APA applies to our assets that transforms their functionality and capabilities from simple point to point pipelines to an interconnected gas grid. Our customers continually respond to the current dynamic energy markets and associated demand and supply movements, as well as seek to take advantage of short term price differentials across the gas market. By listening to our customers, APA can now seamlessly manage their gas transportation requirements, providing park and loan services, storage services and bi-directional services across our connected gas grids. We can now offer additional services such as capacity and in-pipe trading that enables customers to more efficiently and effectively manage their energy needs.

APA's various teams across commercial, engineering and operational disciplines have always worked together to deliver solutions to our customers' needs. And now with the opening of the Integrated Operations Centre ("IOC") in April 2015, APA expects that our coordinated solutions approach will be further enhanced, and our service delivery even more responsive to changes in operations and gas markets. The IOC currently services APA's infrastructure assets in Queensland, New South Wales, the Northern Territory and the Pilbara Pipeline System in Western Australia with further assets transitioning to the IOC during FY2016. By integrating the service teams we aim to maximise commercial opportunities and minimise operational impact.

2005

2005-2001
Period of acquisition of minority interests in major APA pipelines consolidating our ownership positions across Australia.

FEB 2005
Acquired the remaining 30% interest in the Carpentaria Gas Pipeline.

30 JUNE 2005
MARKET CAP
$1.0B
SECURITY PRICE
$3.45

2004

AUG 2004
Goldfields Gas Pipeline interest increased to 88.2%.

"We are very pleased that APA Group, as one of the most experienced owners and operators of pipeline infrastructure in Australia, has purchased the QCLNG Pipeline.

The newly-named Wallumbilla Gladstone Pipeline is a critical piece of infrastructure connecting our upstream CSG wells to our LNG plant on Curtis Island. APA Group has been an important partner as we have started up and commissioned the world's first integrated, large-scale CSG-to-LNG project – partnering with us on key commercial arrangements; being a pragmatic and highly responsive counterparty; and a first-rate operator of an extensive pipeline network.

APA Group has demonstrated that it is deeply invested in supporting the success of the QCLNG Project - this was evident even before we completed the pipeline sale and we look forward to deepening our relationship with APA Group even further over the next 20 years and beyond."

QGC
A BG Group business

TONY NUNAN
Managing Director
QGC

EAST COAST GRID

Three years ago, APA created the East Coast Grid by interconnecting the majority of our existing assets in eastern Australia through the acquisition of the South West Queensland Pipeline. This has allowed our customers on the east coast of Australia to move gas seamlessly between different markets and states, enabling them to manage their energy portfolios with a high degree of flexibility. This year, we added some 500 kilometres to the East Coast Grid as well as a gateway to the LNG export market at Gladstone through the acquisition of the WGP.

The acquisition of the WGP is the largest pipeline transaction in Australia. But more impressive than the size of the transaction is the strategic value it adds to our East Coast Grid, adding a delivery point at Gladstone, extending our strong customer base with the addition of two international customers in BG Group and China National Offshore Oil Corporation and enhancing APA's ability to capture further opportunities for the growing LNG export market as it connects with the other two LNG transmission pipelines due to come online in FY2016. These connections, together with other potential connections that we may develop in the future, provide us with opportunities for additional enhancements of the Wallumbilla Gladstone Pipeline, be they for the foundation shippers or new shippers.

The WGP transports gas to BG's Queensland Curtis LNG export facility on Curtis Island, just off Gladstone, from the Surat Basin, and is fully contracted in the form of long term take-or-pay gas transportation agreements. After the first twenty years, the shippers have two options to extend the contracts by a further ten years. So APA has 20 years of guaranteed revenues and potentially up to forty, with the extensions clearly designed for the shippers to take advantage of the technical life of the pipeline. We will earn a return on capital spent to ensure the pipeline operates for that additional 20 years.

This acquisition is consistent with the strategy that has created value for our investors and underpinned our growth for years. That is, it leverages our core skills in gas infrastructure assets to deliver appropriate commercial returns. The existing contracts provide that return, and the potential enhancements that come from our ownership and integration with our existing platform give further commercial opportunities.

Following commissioning of the pipeline in 2014, QGC Pty Limited, an Australian subsidiary of BG Group will continue to operate the WGP for the next 12 or so months after which APA has the option to take over the operatorship (from June 2016). As we're first and foremost a pipeline operator, we're likely to do so when that time arrives and we are comfortable that all the usual issues around commissioning have been settled.

APA'S EAST COAST GRID

2001

AUG 2004
Acquired Mondarra Gas Storage Facility, along with the Parmelia Gas Pipeline.

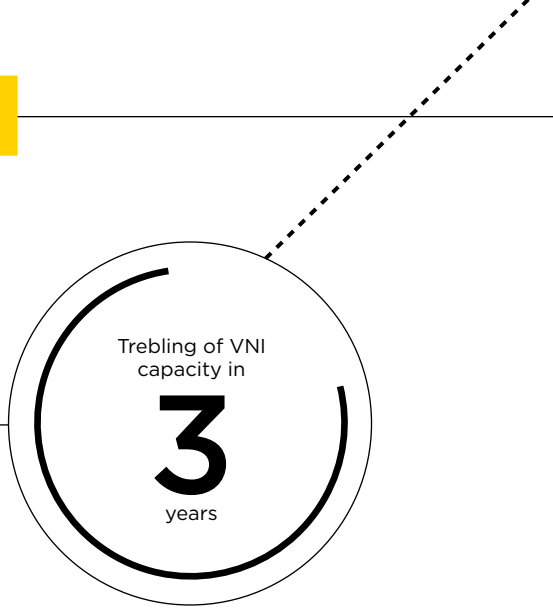
FEB 2001
Acquired the remaining 15% interest in the Roma Brisbane Pipeline.

2000

30 JUNE 2000
MARKET CAP
$0.5B
SECURITY PRICE
$2.10

13 JUNE 2000
APA was listed on the Australian Stock Exchange. Foundation contract was on the only 100% owned Moomba Sydney Pipeline.

ENERGY INFRASTRUCTURE



MORE CAPACITY

The network of our pipelines is not just getting bigger in length and reach, but we are also expanding the capacity of our pipelines – where that capacity is required. During the year, our Infrastructure Development team completed an expansion of the connection between Victoria and New South Wales (the Victoria-New South Wales Interconnect, "VNI") that has increased the asset's capacity by 145 per cent to nearly 120 terajoules per day. This involved looping around 60 per cent of the pipeline as well as increasing capacity at Culcairn in southern New South Wales.

APA has recently signed a fourth contract that will support 30 terajoules per day of further capacity expansion. On completion of this project, the capacity of the VNI will have trebled in three years, by responding to our customers' needs to transport more gas from southern gas resource basins into northern markets with the benefit of APA's flexible and seamless services. Also in Victoria, new compression facilities were completed at Winchelsea on APA's South West Pipeline which connects to the Victorian Transmission System.

Major capital works were also undertaken and completed at both Moomba in South Australia and Wallumbilla in Queensland with the commissioning of three Solar Mars compressors at each location to enhance the overall capacity of the South West Queensland Pipeline in the LNG ramp up. In Western Australia on the Goldfields Gas Pipeline, additional compression capacity was also increased. All of these expansion projects were underwritten by long term agreements with our customers.

BENEFIT TO LOCAL COMMUNITIES

As APA grows, we're able to bring an economic boost to the local communities where our expansion projects are taking place. We understand that we are long term members of the communities in which our assets and operations exist and therefore where possible, we utilise the services and skills of those regional communities. It is very pleasing to get feedback such as was reported in the Euroa Gazette 17 December 2014 during the VNI expansion project works:

Gas pipe workers bring economic boost – Euroa benefiting economically from gas pipe construction

Shoppers in Euroa will have noticed a sea of flouro yellow work shirts when they've gone to buy their bread or café lattes. The town is in the grip of a mini economic boom thanks to the influx of hundreds of workers who are stationed at the gas pipe site outside Euroa. Almost 300 people are working on a project to construct a gas pipeline which will run 119 kilometres from Mangalore to Glenrowan.

Euroa Hot Bread owner David Mawson said many local businesses had extended their trading hours to accommodate the workers. "It's brought a lot of money into the town, whether it's the take-away shops or the petrol stations because they're buying all their fuel locally."

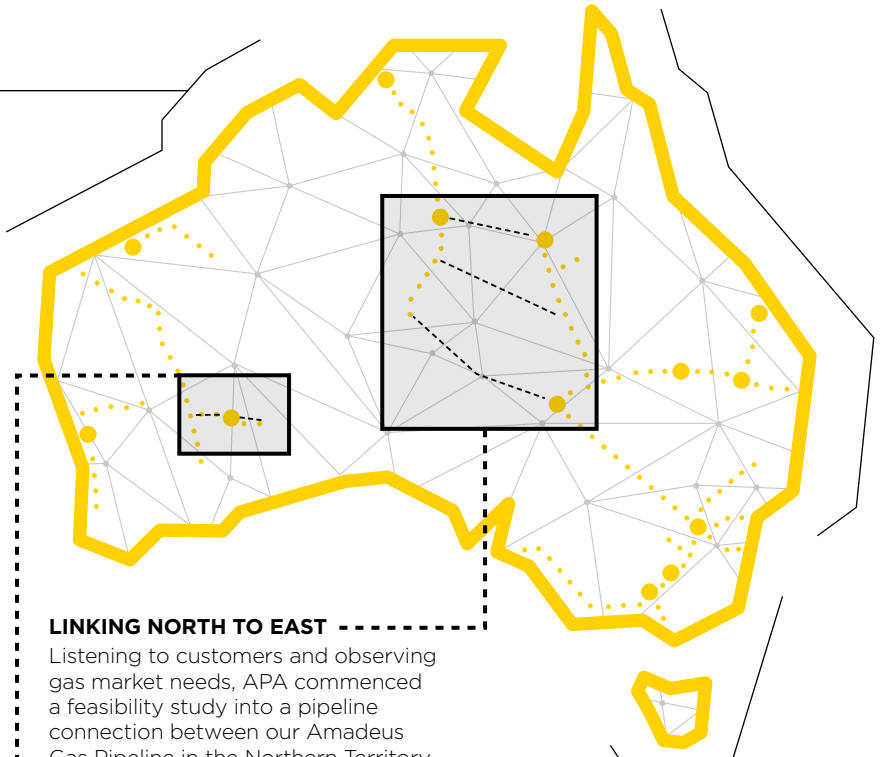
BOTH DIRECTIONS

Not only are our pipelines expanding in length and capacity, but we're changing their flow direction capability as well which increases the flexibility of services we can offer to customers. Today, the majority of APA's key pipelines have bi-directional capabilities allowing gas to flow in both directions rather than simply point to point. We achieve this with a combination of additional compression capacity as well as installation of flow redirection skids.

In addition to the extra compression capacity installed at Moomba and Wallumbilla this year, both the South West Queensland Pipeline and the Berwyndale Wallumbilla Pipeline underwent bi-directional transformation. Currently works are underway on both the Roma Brisbane Pipeline and Moomba Sydney Pipeline to convert to bi-directional capability which are due for completion early FY2016.

Preparing to weld the new pipeline looping sections on the VNI

Ben Tibenszky, APA Project Engineer, with one of the flow redirection skids installed at Wallumbilla



WEST COAST GRID

A grid is roughly defined as a network of horizontal and perpendicular lines and the Goldfields Gas Pipeline in Western Australia with all its expansions over the years in response to mining customer requirements has certainly seen it emerge as a key asset of APA's West Coast Grid. Together with APA's other assets and investments notably the Pilbara Pipeline System, Telfer and Nifty Pipelines, the Parmelia Gas Pipeline, Mid-West Pipeline and the Mondarra Gas Storage Facility, Western Australia is becoming an interconnected gas market.

The latest adjunct to the Goldfields Gas Pipeline is the 293 kilometre Eastern Goldfields Pipeline, APA's latest greenfield project. In mid-2014, we were able to announce construction of the new pipeline on the back of two gas transportation agreements signed with AngloGold Ashanti, who took a long term view about energy supply and appreciated the reliability and cost stability that gas offered.

Once completed, APA will deliver gas from north-west of Western Australia to mines in the eastern Goldfields region via three of its interconnected pipelines spanning 1,500 kilometres – the Goldfields Gas Pipeline, the Murrin Murrin Lateral and the Eastern Goldfields Pipeline. Construction is expected to involve laying approximately 16,500 18-metre lengths of carbon steel pipe. The construction is well under way with completion prior to January 2016.

LINKING NORTH TO EAST

Listening to customers and observing gas market needs, APA commenced a feasibility study into a pipeline connection between our Amadeus Gas Pipeline in the Northern Territory and the East Coast Grid in early 2014 ("NT Link"). The study has been ongoing during this financial year.

APA has been short listed as one of four bidders to the Northern Territory Government's process, the North East Gas Interconnect ("NEGI"), which was launched in late 2014 with final bids due in September 2015. Our feasibility work has gone into formulating our bid for this process.

The genesis of the NT Link concept was to address the supply dynamics in the eastern Australia gas market, given the development of the LNG projects around Gladstone. By connecting the Northern Territory with the east coast, those markets will effectively have additional gas basins to source their gas from and, conversely, the gas fields will have new markets they can access. This is another example of APA connecting more resources with more markets.

293KM

new pipeline under construction in Western Australia

Jo Davis, APA's Health and Safety Advisor on the Eastern Goldfields Pipeline project

ASSET MANAGEMENT

349KM
new distribution pipelines

541KM
pipelines replaced

At APA, the diversity and depth of our skills and thinking sets us apart from our peers and therefore our expertise is sought after by asset owners. Under long term agreements, APA provides asset management and operational services to the majority of its energy investments and to a number of third parties.

Our main customers are Australian Gas Networks Limited ("AGN", formerly Envestra Limited), Ethane Pipeline Income Fund, Energy Infrastructure Investments and GDI (EII) Pty Ltd ("GDI"). In August 2014, APA sold its 33.05 per cent interest in AGN. APA retained its operation and management agreements with AGN which run to 2027. Contracts with other customers to provide operational, management and/or corporate support services range from 5 to 20 years.

GROWING OUR CUSTOMERS' BUSINESSES

It has been a busy year for APA's 550 Network employees and 950 contractors. A number of growth projects commenced or continued during FY2015 have required new connections for homes and businesses throughout eastern Australia. Currently, the total new customer connection potential is almost 140,000 homes and businesses in future years. APA works closely with customers, developers and government bodies to promote natural gas as the preferred choice of energy, thereby increasing the utilisation of our customers' networks. In FY2015, over 28,000 new connections were added to existing networks.

Two of the most recent growth project approvals include North Harbour near Caboolture Queensland and McLaren Vale in South Australia. As capital cities become more crowded and expensive to live in, combined with improved transport links, high speed internet technology and flexible work options, new growth corridors centred around lifestyle, community and affordable housing are being developed, providing opportunities for APA to organically grow its business.

The North Harbour development located in the corridor between Brisbane and the Sunshine Coast includes a 2,200 residential lot housing estate and a marina with associated facilities, a neighbourhood shopping centre and lifestyle amenities. There are 400 residential lots for the development of apartments and townhouses and a 170 hectare business park development with a mix of industrial and commercial lots.

McLaren Vale, located 35 kilometres south of Adelaide, is an important centre for the tourism, wine and food production industries, that is very similar to Tanunda, also in South Australia, which APA connected to natural gas during the year. APA has commenced activities to construct the six kilometre high pressure gas supply main to bring reticulated natural gas to McLaren Vale, with an estimated 1,500 to 2,000 connections expected in future years.

North Harbour development, Queensland

"On behalf of Australian Gas Networks, I would like to acknowledge APA for its excellent performance during the interruption to gas supplies in Port Pirie and Whyalla in April. The APA teams at Kidman Park and on site showed outstanding commitment and professionalism throughout the incident period and the efforts to keep the two hospitals supplied with compressed natural gas and LNG and to provide hot showers and food to the community are to be commended."

BEN WILSON
Chief Executive Officer
Australian Gas Networks

Australian Gas Networks

MAKING IMPORTANT CONNECTIONS

During the financial year, APA also completed connecting natural gas to Adelaide's new state of the art Royal Adelaide Hospital, due to open in 2016. One of the design features is natural gas supply connections from two different locations on the gas network to mitigate the risk of interruption to the supply of gas which is an essential energy source for the functioning of the hospital.

We have also commenced the pre-work for providing connection facilities for the Parklands Project, which will be utilised as the Commonwealth Games Village during the Gold Coast 2018 Commonwealth Games. The redevelopment of the Parklands precinct in Southport is one of the largest urban renewal projects ever undertaken on the Gold Coast. Natural gas is being used to supply bulk hot water and cooking to apartments, pool heating and catering. Once the Commonwealth Games are finished, the site will form the key residential, commercial and retail sector of the Gold Coast Health and Knowledge Precinct.

RELIABLE SUPPLY

Maintaining a safe and reliable supply for customers is one of our key operational objectives. APA is able to access and utilise all of its business units and capabilities across Australia from transmission and network services, LNG supply and vaporisation plants, storage and compression capacity and compliance and communication specialists, which is particularly critical during emergency response events.

During the year, APA responded to a major disruption of gas supply to the cities of Port Pirie and Whyalla in South Australia caused by a rupture on the Moomba Adelaide transmission pipeline. APA operates and maintains the South Australian natural gas network, which is connected to this pipeline, on behalf of Australian Gas Networks. With APA's experience and quick response, some gas was able to be preserved in the network to continue an emergency supply to both cities' hospitals. Furthermore, APA's Asset Management team was able to call on help from other APA teams to assist with managing the crisis. APA organised LNG supplies from its Dandenong storage facility to be transported across the border by tanker and injected into the network so that basic needs could be maintained for the communities during the week long disruption. APA transmission services also provided support to the operator of the Moomba Adelaide Pipeline, assisting with repairing the ruptured section. As a fully integrated business, we are able to add-value to the individual services we provide to customers.

Injecting LNG into the network during the Port Pirie and Whyalla gas disruption

NETWORK ASSETS OWNED AND/ OR OPERATED BY APA

NETWORK STATS

Gas Consumers

New Connections	28,535
Total Connections	1,317,323

Natural Gas Distribution Networks:

New Pipelines	349 km
Replacement Pipelines	541 km
Total Pipelines Managed	28,413 km
Gas Transported	120 PJ

ENERGY INVESTMENTS

The Coomandook compressor station on the SEA Gas Pipeline, South Australia

As Australia's largest energy infrastructure business, we also have an interest in a number of complementary energy investments across Australia, in addition to the assets we own.

These investments are diverse in both functionality and geographical spread which reduces risks, yet aggregated so that we can apply APA's considerable expertise in managing and operating energy assets.

In addition to ownership interests, APA also holds a number of roles in respect of our investment businesses be it operational, management and/or corporate services. All investments are equity accounted, with the exception of APA's interest in Ethane Pipeline Income Fund.

In August 2014, APA divested its 33.05 per cent interest in Australian Gas Networks Limited ("AGN", formerly Envestra Limited) receiving $784 million in consideration in addition to $21 million we received as a final dividend in July 2014. As a result of the divestment, there was no contribution from AGN to the FY2015 results, however APA retains the operations and management agreement on the AGN assets until 2027.

EBITDA from continuing investments increased by 20.9 per cent to $21.8 million (2014: $18.0 million), driven by increased contributions from GDI, EII2 and the SEA Gas Pipeline, in particular.

HARNESSING EXPERTISE

During the financial year, Diamantina and Leichhardt Power Stations (collectively "DPS") were completed and commenced operations contributing to approximately six months of the 2015 financial year. The greenfield joint venture project was announced in 2011 and construction commenced in early 2012.

As project partners, APA and AGL Energy harnessed the expertise of both companies to deliver a total energy solution for North West Queensland that will reliably supply the energy needs of this mineral rich area now and into the future. DPS consists of the 242 megawatt Diamantina combined cycle power station and the 60 megawatt open cycle Leichhardt power station. The site is adjacent to APA's Carpentaria Gas Pipeline and metering station which supplies gas to the power station precinct.

In line with our strategy, APA will continue to grow our ownership interests in energy infrastructure that complements our existing portfolio and leverages our operational and management capabilities.

ASSET

- SEA GAS PIPELINE
- ETHANE PIPELINE INCOME FUND
- EII2
- GDI (EII)
- DIAMANTINA POWER STATION JOINT VENTURE
- ENERGY INFRASTRUCTURE INVESTMENTS

Diamantina Power Station commenced supplying gas-fired power to North west Queensland in FY2015

OWNERSHIP INTEREST	ASSET DETAILS	PARTNERS	APA SERVICES
50%	680 km gas pipeline from Iona and Port Campbell in Victoria to Adelaide	REST	MAINTENANCE
6.1%	1,375 km ethane pipeline from Moomba to Port Botany, Sydney	LISTED ENTITY "EPX"	OPERATIONAL MANAGEMENT CORPORATE SUPPORT
20.2%	132 MW North Brown Hill wind farm in South Australia	INFRASTRUCTURE CAPITAL GROUP OSAKA GAS COMPANY LTD	CORPORATE SUPPORT
20%	3,214 km Allgas gas distribution network in Queensland with 96,045 connections	MARUBENI CORPORATION DEUTSCHE AWM	OPERATIONAL MANAGEMENT CORPORATE SUPPORT
50%	Two gas-fired power stations in Mount Isa with a combined gas fired power generation of 302 MW	AGL ENERGY LTD	CORPORATE SUPPORT
19.9%	Gas-fired power generation 71 MW Gas processing facilities 41 TJ/day Electricity transmission cables 244 km Three gas pipelines totaling 787 km	MARUBENI CORPORATION OSAKA GAS	OPERATIONAL MANAGEMENT CORPORATE SUPPORT