Acquisition of Alinta Energy Pilbara and equity raising

23 August 2023

Disclaimer

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This presentation

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This Presentation has been prepared in relation to an equity capital raising by APA comprising an underwritten institutional placement of new APA stapled securities (**New Securities**) (**Placement**) and a security purchase plan offering eligible securityholders the opportunity to acquire New Securities (**SPP**, and together with the Placement, the **Offer**).

The funds raised under the Offer will be used to help fund APA's proposed acquisition of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (**Target** or **Alinta Energy Pilbara**) (**Acquisition**).

Target information

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Information

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(1) For further details regarding the nature of the underwriting arrangements, please see the underwriting risk in Appendix 2

Disclaimer

Future performance (cont.)

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Acknowledgement of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia.

We acknowledge their connections to land, sea and community.

We pay our respects to their Elders past and present, and commit to ensuring APA operates in a fair and ethical manner that respects First Nations peoples' rights and interests.

Transaction overview

Adam Watson
CEO & Managing Director

Dugald River Solar Farm

Alinta Energy Pilbara provides a significant platform for future growth

Consistent with APA's strategy, we have acquired a trusted independent operator and developer of energy infrastructure in the Pilbara region, with strong existing cash flows and strong relationships with key resources customers

>$3 billion renewables-focused development pipeline and experienced capability within the business provides a significant growth platform to develop and operate remote-grid energy solutions for Australia's resources industry[(1),(2)]

Acquisition is expected to be Free Cash Flow accretive in its first full financial year of ownership[(3)] and value accretive.[(4)] APA's FY24 Distribution Per Security (**DPS**) guidance of 56 cents per security remains unchanged inclusive of the additional securities on issue as a result of the equity raising.[(5)]

(1) Based on forecast capex requirements of development pipeline projects provided by Alinta Energy management, in real 2023 dollars.
(2) See slides 22 and 65 for additional details on the development pipeline.
(3) Expected to be Free Cash Flow accretive per security (inclusive of new securities issued under the Placement and SPP) to APA's forecast Free Cash Flow per security in the first full year of APA's ownership being FY25. Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (**SIB**) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Future Free Cash Flow accretion could be influenced by a range of factors including timing of growth projects, SIB capex and the underlying operating performance of the business.
(4) The Acquisition is expected to deliver a projected internal rate of return greater than APA's corporate weighted average cost of capital. The Acquisition and the potential rate of return from it, are subject to the Key Risks set out in Appendix 2.
(5) Distribution guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the discretion of the Board at the time.

Summary of the transaction announced today

Acquisition of Alinta Energy Pilbara	→ APA has entered into a Share Sale Agreement with Alinta Power Cat Pty Ltd and Alinta Energy Development Pty Ltd to acquire 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together, the **Target** or **Alinta Energy Pilbara**) (the **Acquisition**). Completion remains subject to certain conditions precedent, including in respect of the change of control of Alinta Energy Pilbara under certain of its contracts → APA has received an ACCC pre-assessment and ACCC approval is not a condition of the transaction → Completion is expected to occur in Q4 2023 → Alinta Energy Pilbara FY23 revenue of $235 million and EBITDA of $124 million(1) → Alinta Energy Pilbara team of approximately 60 FTEs will be transitioned to APA. Alinta Energy will continue to provide certain services to Alinta Energy Pilbara (e.g. IT, and other corporate services) under a Transitional Services Agreement for a limited period following Completion. APA intends to fully integrate Alinta Energy Pilbara into its existing organisational structure during this period
Purchase Price	→ Enterprise Value of $1,722 million(2), plus stamp duty and transaction costs estimated to be $86 million → Implied Enterprise Value(2) multiple of 12.9 times the Target's forecast FY24 EBITDA
Funding	→ APA to raise approximately $750 million of equity as part of its Acquisition funding plan(3) → Purchase price, stamp duty and transaction costs will be funded through a combination of new equity ($750 million) and new debt facilities established in connection with the Acquisition of $993 million → New short-term debt facilities have been put in place in connection with the Acquisition. These will be replaced with term funding from global debt capital markets over time → APA's credit ratings expected to remain unchanged as a result of the Acquisition

(1) FY23 revenue and EBITDA are based on unaudited management accounts prepared by Alinta Energy Pilbara.
(2) Enterprise Value is the sum of the purchase price (excluding stamp duty and transaction costs) and existing net debt of $65 million held by Alinta Energy Pilbara.
(3) See slide 32 for further details on the equity raising. For further details regarding the nature of the underwriting arrangements, please see the underwriting risk in Appendix 2.

Summary of the transaction announced today (cont'd)

Equity raise	→ $675 million equity raise through a fully underwritten 'pro-rata' institutional placement of new securities to eligible institutional investors[1] → New securities will be issued at $8.50 per security (**Placement Price**), which represents: → an 8.2% discount to APA's closing price of $9.26 on 22 August 2023; and → an 8.7% discount to APA's 5-day VWAP of $9.31 up to, and including, 22 August 2023 → APA is also undertaking a non-underwritten Security Purchase Plan (**SPP**) for eligible securityholders to raise $75 million[2] → New securities under the SPP will be issued at the lower of the Placement Price and a 2% discount to the 5 day VWAP of APA securities up to the SPP closing date → New securities under the Placement and SPP will rank equally with existing APA securities from the date of issue
Financial Impact	→ Acquisition is expected to be Free Cash Flow accretive in its first full financial year of ownership[3] and value accretive[4] → FY24 distribution guidance reconfirmed at 56cps[5] → APA's identified pipeline of growth capex opportunities (FY24-26) grows from >$1.4 billion to >$1.8 billion[6] as a result of the Acquisition

(1) See slide 32 for further details on the equity raising, including further details on the 'pro-rata' nature of the placement. For further details regarding the nature of the underwriting arrangements, please see the underwriting risk in Appendix 2.
(2) APA may, in its absolute discretion, scale back applications over this amount or apply a higher cap to the SPP (and either accept applications in full or scale back applications over the higher cap)
(3) Expected to be Free Cash Flow accretive per security (inclusive of new securities issued under the Placement and SPP) to APA's forecast Free Cash Flow per security in the first full year of APA's ownership being FY25. Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (**SIB**) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Future Free Cash Flow accretion could be influenced by a range of factors including timing of growth projects, SIB capex and the underlying operating performance of the business.
(4) The Acquisition is expected to deliver a projected internal rate of return greater than APA's corporate weighted average cost of capital. The Acquisition and the potential rate of return from it, are subject to the Key Risks set out in Appendix 2.
(5) Inclusive of new securities issued under the Placement and SPP. Distribution guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the discretion of the Board at the time.
(6) Based on APA's identified pipeline of growth capex opportunities (FY24-26) noted in the FY23 results presentation, plus forecast FY24-26 growth capex at Port Hedland Solar Farm, Port Hedland Solar Farm Expansion, Port Hedland Battery, Port Hedland Battery Expansion, Port Hedland Reciprocating Engines Expansion and East Pilbara Network Stage 1. See slides 22 and 65 for additional details on the development pipeline.

Diverse portfolio of existing assets and decarbonisation developments

Contracted Renewables

60MW operating solar, **35MW operating battery** and **~1GW+ development pipeline** of wind, solar and battery storage(1),(2),(3)

Gas Generation

442MW operating gas generation, with an additional **60MW development pipeline**(1),(2)

Electricity Transmission

> 200km operating transmission lines with an additional > **600km development pipeline**(1),(2)

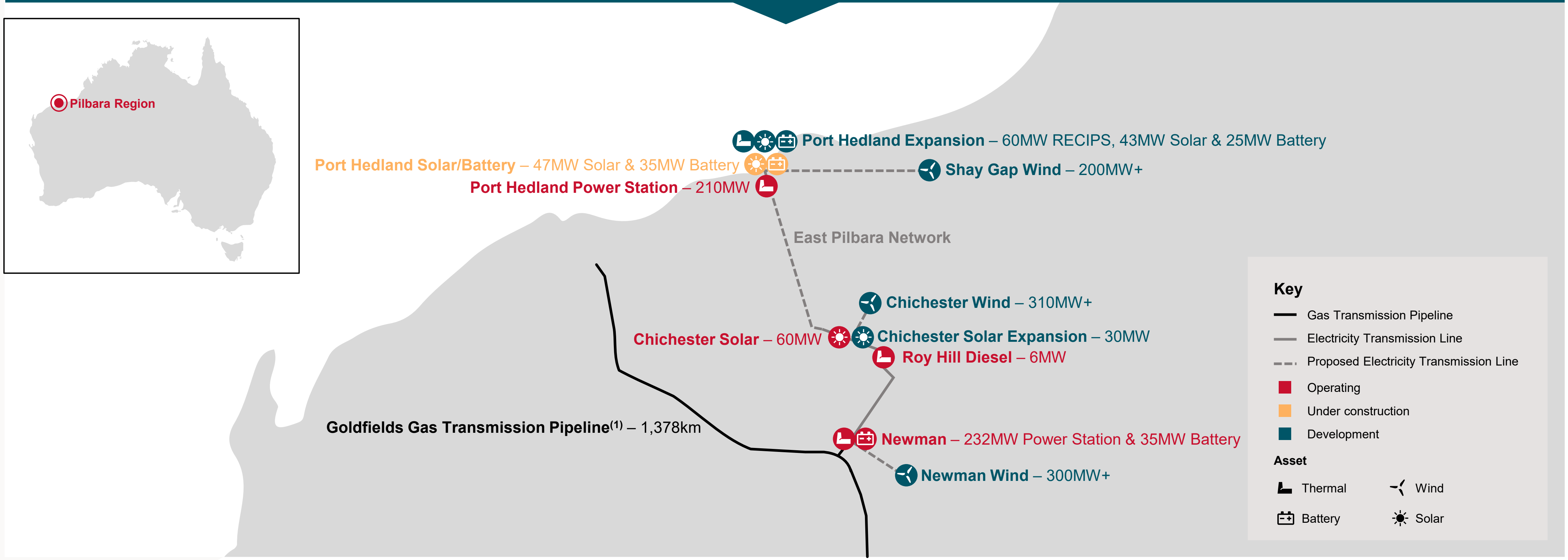
Gas Transportation

Remaining 11.8% of **203 TJ/d**(4) **Goldfields Gas Transmission Pipeline** (**GGTP**) not already owned by APA

(1) Development pipeline capacities based on current project design, subject to change up until final investment decision, see slide 65 in Appendix 4 for more detail on development pipeline status.
(2) Based on information provided by Alinta Energy, see disclaimer for more detail on the review of Target information.
(3) Development pipeline includes 47MW Port Hedland Solar and 35MW Port Hedland Battery which are currently under construction.
(4) Reflects 11.843% of the GGTP not already owned by APA. Following completion of the Acquisition, APA will own 100% of the GGTP.

Supporting some of Australia's largest resources companies in the Pilbara including BHP, Roy Hill and FMG

Alinta Energy Pilbara has a widespread operational footprint and an extensive development pipeline



* Map not to scale, for illustrative purposes only

(1) Reflects 11.843% of the GGTP not already owned by APA. Following completion of the Acquisition, APA will own 100% of the GGTP.

Alinta Energy Pilbara's predictable earnings and strong operating credentials provide APA with a platform for ongoing capital investment in the region

Predictable earnings and cash flows

$124m FY23 EBITDA, underpinned by inflation linked contracts with leading Pilbara iron ore producers(1)

7 years weighted average contract life(2), strong track record of recontracting with key customers

Strong operating and development capabilities

Workforce of approximately 60 FTEs

Proven track record of development, construction and operations

Developed Chichester Solar Farm, the largest operational renewable power plant in the region

Strong relationships with key customers

Trusted independent operator and developer of energy assets in the Pilbara, operating in the region for ~20 years

Working collaboratively to help customers achieve their decarbonisation goals

Attractive pipeline of potential decarbonisation opportunities

~1GW+(3) renewables-focused development pipeline, including near-term actionable projects with strong wind and solar resources in highly sought after strategic locations with strong interconnectivity to existing assets

Decarbonisation opportunities aligned to Climate Transition Plan

Ongoing investment in the renewables-focused development pipeline will support APA's Climate Transition Plan goals over time

Exposure to growing energy market in the Pilbara

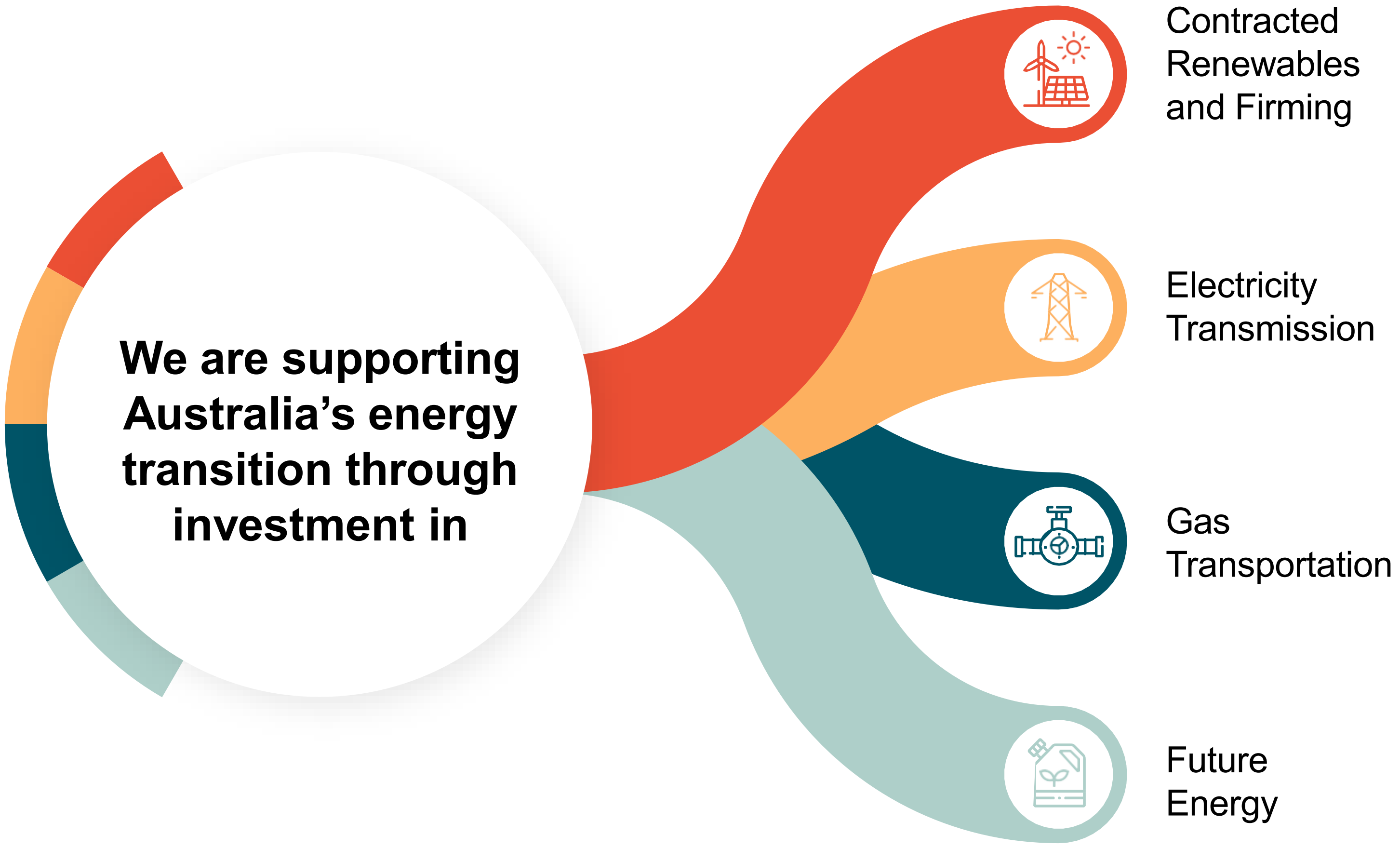
In excess of ~$15 billion(4) investment in renewables and gas generation infrastructure expected to be required to transition the Pilbara energy system

(1) FY23 EBITDA is based on unaudited management accounts prepared by Alinta Energy.
(2) Weighted average contract life based on % revenue contribution of each revenue contract across the portfolio and remaining tenors on contracts (excluding GGTP and contract extension options).
(3) See slides 22 and 65 for additional details on the development pipeline.
(4) Real 2022-23 Australian dollars, based on 2.5GW wind (at $3.2 million per MW), 2.5GW solar (at $1.7 million per MW) and 1.8GW gas firming (reciprocating engines at $2.7m per MW). Costs per MW based on CSIRO 2022-23 GenCost estimates under the 'current policies' scenario (average of 2023-2040), scaled up by 60% to account for increased cost of project delivery in the Pilbara.

APA's strategy is to be the partner of choice in delivering infrastructure solutions for the energy transition

An effective transition requires energy that is

- Reliable
- Affordable
- Low emissions



Alinta Energy Pilbara is consistent with APA's strategic objectives, leverages our existing capability in energy infrastructure and provides a platform for growth

Alinta Energy Pilbara will establish a market-leading position for APA as an independent power provider in Australia's leading mining geography

>900Mt[(1)]

2022 Pilbara iron ore volumes, with Australian seaborne iron ore export volumes forecast to continue to be the largest globally to 2050[(1)]

Net Zero

Decarbonisation commitments expected to drive diesel displacement and renewable energy demand from major iron ore producers

>$15bn[(2)]

Market opportunity for Pilbara renewables and gas generation infrastructure, representing the largest market within the broader ~$25bn+ Australian remote-grid market

APA's competitive advantage in delivering energy solutions to the resources industry

- → Strong track record in developing, delivering and operating reliable and cost effective integrated energy solutions (e.g. at Mount Isa and Gruyere)
- → Trusted and competent operator with field support crews spread nationally
- → Ability to bundle solutions, supported by an extensive pipeline network
- → Existing relationships with resource customers and communities

(1) Wood Mackenzie - Pilbara catchment study, see slide 16 for more details.
(2) Real 2022-23 Australian dollars, based on 2.5GW wind (at $3.2 million per MW), 2.5GW solar (at $1.7 million per MW) and 1.8GW gas firming (reciprocating engines at $2.7m per MW). Costs per MW based on CSIRO 2022-23 GenCost estimates under the 'current policies' scenario (average of 2023-2040), scaled up by 60% to account for increased cost of project delivery in the Pilbara.

Positioning APA to play a leading role in the energy transition

Darren Rogers
Group Executive, Energy Solutions

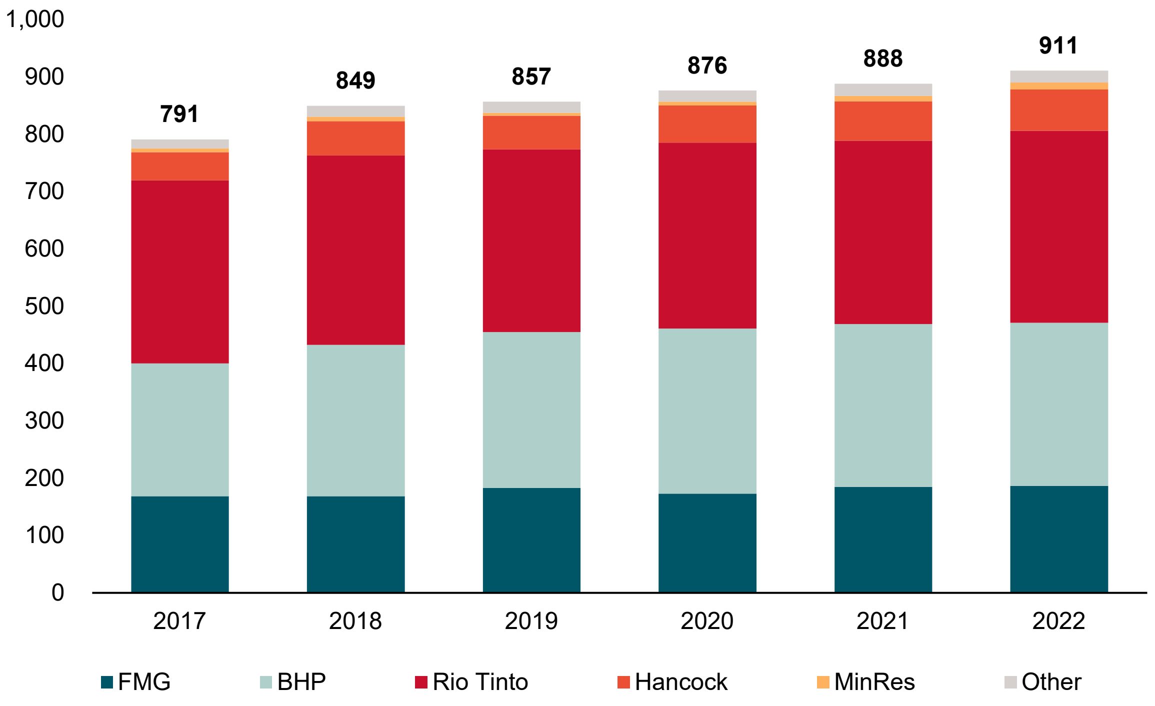
Diamantina Power Station

Pilbara – a premier global mining geography

The Pilbara is a globally significant iron ore export region, with many of its mines boasting low production costs and material reserves

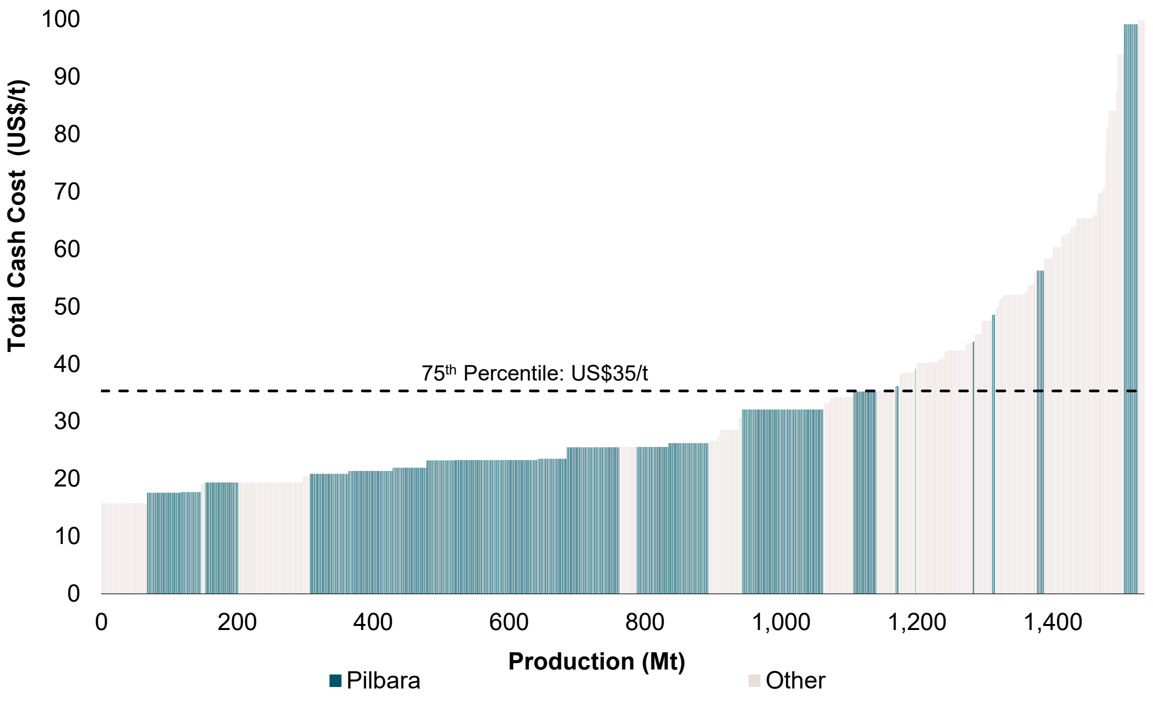
Pilbara iron ore volumes (million tonnes)[1]

Over 95% of Western Australia's iron ore exports are from the Pilbara and volumes have continued to grow over the last 5 years[1].



Iron ore cost curve[1],[2]

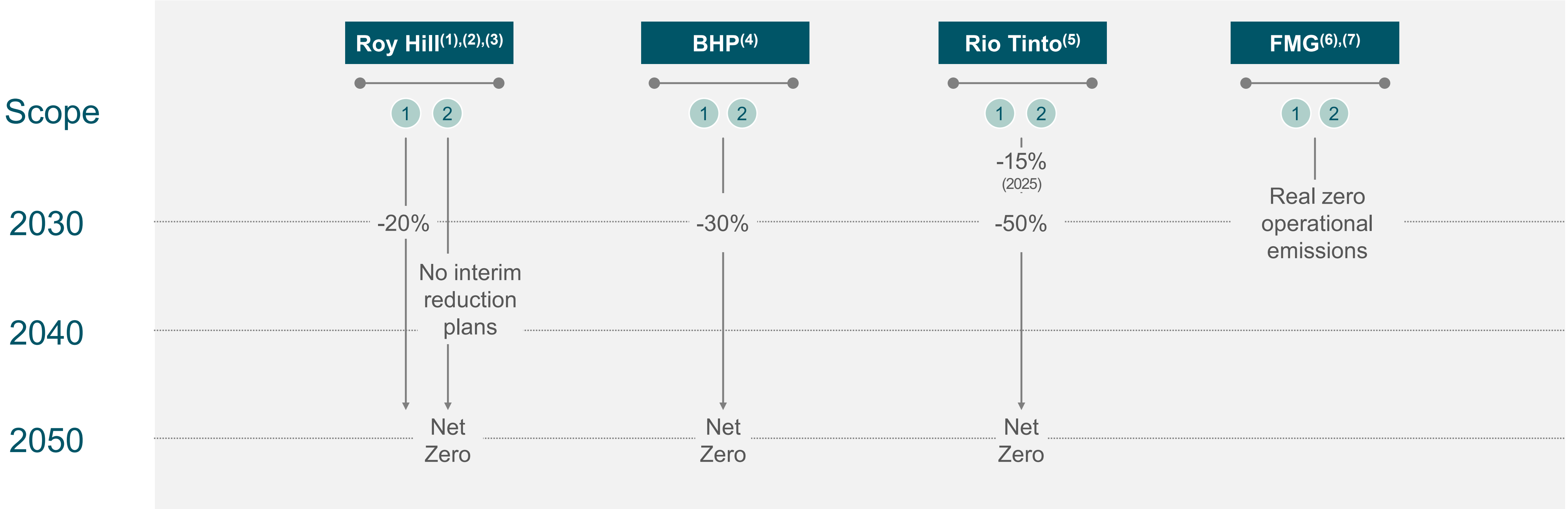
The Pilbara region is known for its vast iron ore resources, with geographical proximity to high-demand Asian markets. Many of its mines are favourably positioned on the cost curve.



(1) Wood Mackenzie - Pilbara catchment study.
(2) Presented on a Total Cash Cost basis reflecting underlying mine production and costs.

Iron ore producers are committed to decarbonisation targets

Significant emissions reduction still required by major miners to meet 2030 emissions reduction targets, which is expected to be driven by reducing reliance on diesel



Source: BCG analysis.
(1) Roy Hill has not announced any targets; 20% is based on the 2030 average of the five-year GHG emissions limit included in the Environmental Protection Authority (**EPA**) acceptance of Roy Hill's Revised Proposal for the Roy Hill Iron Ore Mine (October 2021).
(2) 20% reduction by 2030 includes the ability to use offsets.
(3) Roy Hill's revised proposal to the EPA is net zero in 2050 by virtue of proposing that production will cease prior to 2050.
(4) BHP – Climate Transition Action Plan (September 2021).
(5) Rio Tinto – Rio Tinto to strengthen performance, decarbonise and grow (October 2021).
(6) FMG – Execution Plan for Industry Leading Decarbonisation (September 2022).
(7) Offsets are only used as a temporary solution while the technology or innovation required to completely decarbonise is developed.

Decarbonisation will require large-scale diesel displacement

Iron Ore Mining Stage	Energy Demand[1]	2023 Relative Pilbara Forecast Electricity Demand (% of total value chain)[1]	2050 Relative Pilbara Forecast Electricity Demand (% of total value chain)[1]
Drill & Blast	Drill rigs and excavators	~0% *(Currently, mainly Diesel fuel)*	~55%
Ore Mining & Transport to Crusher	Haul trucks		
Ore Processing	Stationary mine operations	~80%	~30%
Train Loading			
Rail Transport	Locomotives	~0% *(Currently, mainly Diesel fuel)*	~10%
Ship Loading	Port operations	~20%	~5%

(1) BCG analysis - Forecast includes the NWIS (incl. Rio Tinto's Pilbara Iron network), FMG's Pilbara Energy Connect network, and BHP/Alinta's Newman network, and excludes isolated power stations servicing isolated mines and towns east of the NWIS, and isolated power stations servicing mines, towns and associated infrastructure to the west of the NWIS. Extent and timing of displacement will be subject to miner decarbonisation ambitions and technology evolution.
(2) Heavy Mobile Equipment (**HME**) includes ancillary vehicles, excavators, drills, shovels and draglines.

> "Each year, our Australian operations use roughly 1,500 mega litres of diesel in over 1,000 pieces of equipment...over half of this is used in our truck fleets. Electrification is our preferred pathway to eliminate this diesel"

BHP – Operational Decarbonisation Investor Briefing
(June 2023)

~65% of forecast 2050 Pilbara electricity demand primarily results from the transition away from diesel fuel[1]

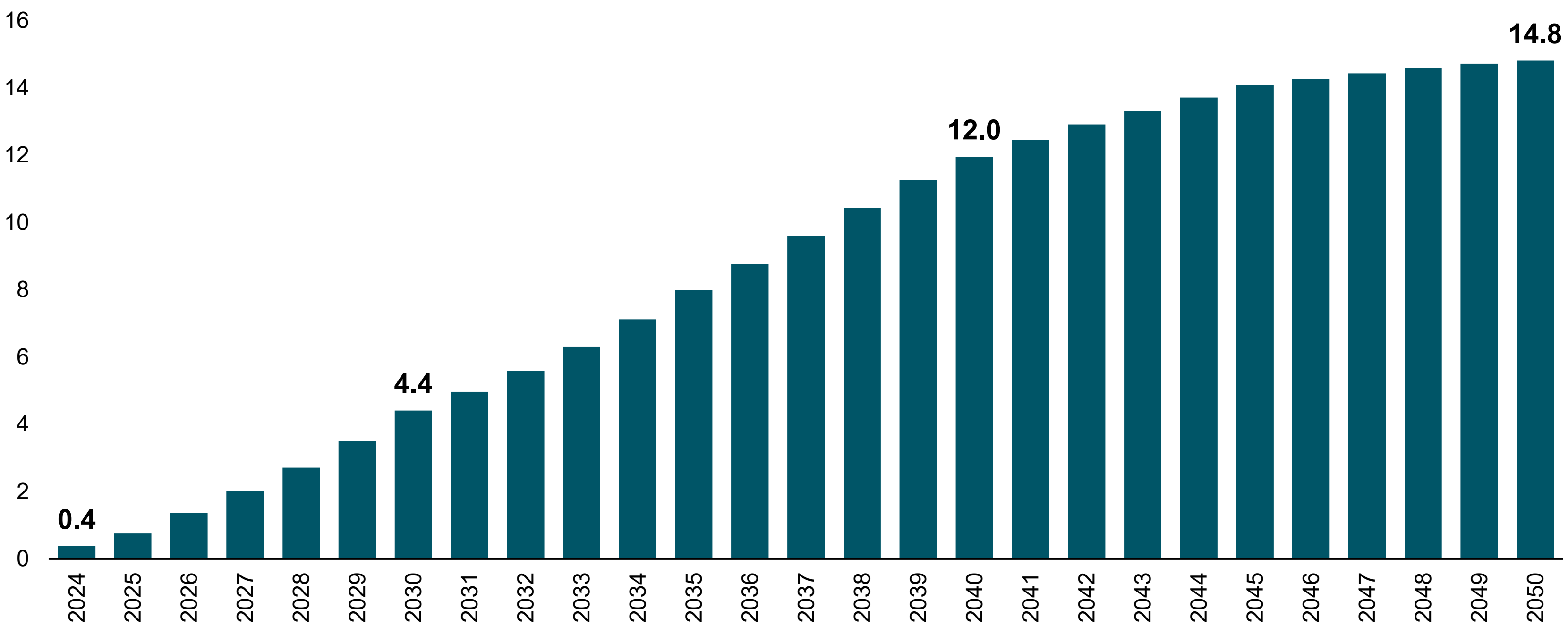
~2,500 ML of diesel consumed in 2023 for Haul, HME[2] and Rail across all Pilbara mines, requiring displacement to enable miner decarbonisation goals.[1]

Decarbonisation expected to drive renewable electricity demand

The decarbonisation horizon to 2050 is expected to facilitate considerable growth in the use of renewables, with green electricity and gas firming expected to play key roles in this transition

Renewable energy generation expected to be required (TWh)(1)

Renewables electricity generation in the Pilbara expected to increase by ~30x from 2024 to 2040



Commentary

- → Decarbonisation supporting **new sources of renewable generation and interconnection** for the region (solar, wind, battery, transmission and green hydrogen)
- → **Gas power generation to play ongoing role in providing firming and reserve capacity(2)**
- → Miners will need to transition energy supply to renewable sources **within the next decade** to meet net zero targets
- → Future electricity demand to be underpinned by **decarbonisation of haul trucks, heavy machinery and locomotives**

(1) BCG analysis – Forecast includes the NWIS (incl. Rio Tinto's Pilbara Iron network), FMG's Pilbara Energy Connect network, and BHP/Alinta's Newman network, and excludes isolated power stations servicing isolated mines and towns east of the NWIS, and isolated power stations servicing mines, towns and associated infrastructure to the west of the NWIS. Expectations relating to Pilbara electricity supply and demand are based on a number of key assumptions including, but not limited to, iron ore production rates, electricity supply generation mix, miners' achievement of decarbonsiation goals, miners' preferences for security of electricity supply, future technology costs and advancements, and the ability to secure required project approvals. There can be no assurance that these projections are accurate and actual outcomes may differ materially from such projections because events and actual circumstances frequently do not occur as projected. See the Key risks at Appendix 2 for further information.

(2) Gas capacity forecast provided in Appendix 4, slide 67.

Future demand for gas firming capacity in the Pilbara

Concurrent with the build-out of renewables, gas power generation is expected to play a key ongoing role in providing 'firm' power in the Pilbara, critical to the 24-7 nature of the miners' operations

The need for firm power in the Pilbara

- Given major miners' 24/7/365 operations, **access to firm power is critical** to operational performance
- Firm power **can supply the shortfall from renewable energy** when required. Need for firm power can vary from **short periods daily to infrequent but lengthy periods**(1)
- Three main contenders to fulfil the firming role are variable gas, batteries and other long-duration energy storage. **Gas is expected to remain the leading source of firm power in the Pilbara, complemented by BESS projects**

Variable gas	**Highly flexible** on demand rapid natural gas power generation	**Highly reliable** given lack of dependency on weather
Batteries	**BESS is likely to become more cost competitive and form part of Pilbara energy solutions.** BESS assets can release stored renewable energy when required	**Limited by capacity to discharge over long periods**, expected to be complemented by gas to ensure 24/7 firm power during renewable energy droughts
Other long duration energy storage (LDES)	**LDES technologies are early stage and unproven** (e.g. flow, thermal or mechanical)	**Theoretically, LDES could provide firm power for durations beyond 8 hours**, however, application in the harsh operating environment of the Pilbara is uncertain

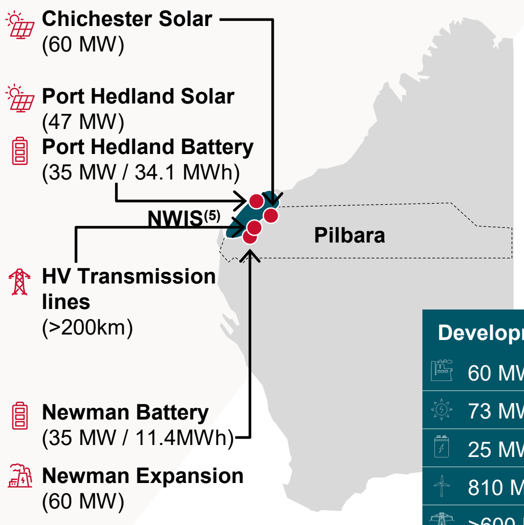
(1) BCG analysis – Renewable energy droughts (defined as less than 10% renewable energy capacity factors, not accounting for reliability factors) of more than 8 hours occurred in the Pilbara ~101 times per year on average over the last 11 years.

Alinta Energy Pilbara's operating history positions the business as the leading independent developer of renewables and transmission in the region

Alinta Energy Pilbara has a proven track record of operation and development of renewables and transmission assets. ~70% of contracted revenues are periodically adjusted for inflation[1]. The portfolio's operations are analogous to APA's existing remote-grid power systems at Mount Isa and Gruyere[2]

Alinta Energy Pilbara developed projects

Projects delivered across wind, solar, storage and transmission



Development Pipeline[6]

- 60 MW
- 73 MW
- 25 MW
- 810 MW
- >600 km

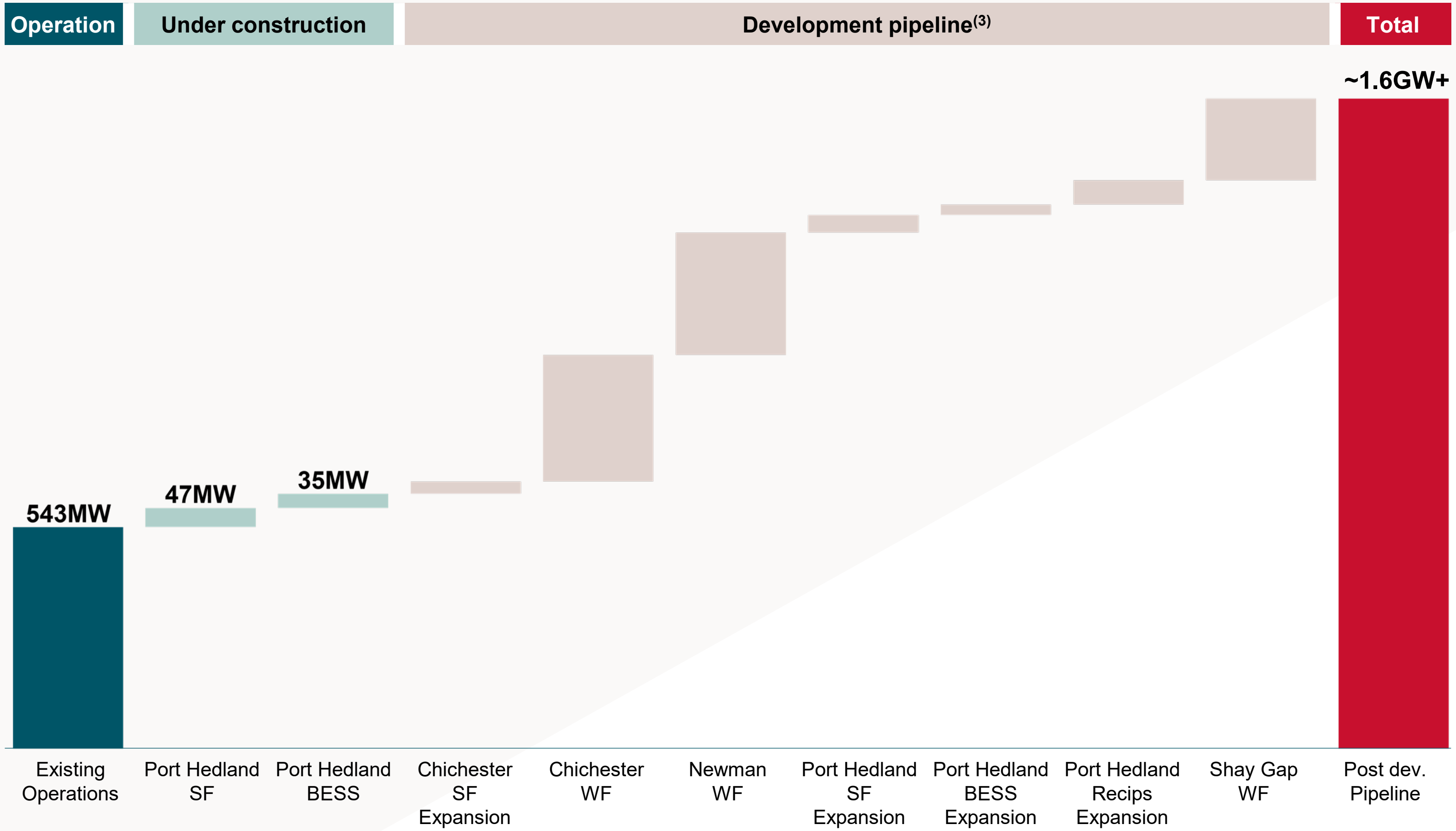
Operating and under construction portfolio

	Asset	Type	Capacity	Customers
Operating	Port Hedland Power Station		210MW	BHP, FMG
	Port Hedland Transmission Line		25km – 66kV line	BHP, FMG
	Chichester Solar Farm		60MW	FMG
	Newman Power Station		232MW	Roy Hill, FMG
	Newman Battery		35MW	Roy Hill, FMG
	HV Transmission Lines – Newman to Roy Hill and Chichester[3]		186km – 220kV line	Roy Hill, FMG
	Goldfields Gas Transmission Pipeline (**GGTP**)[4]		1,378km	Numerous
Under construction	Port Hedland Solar		47MW	BHP
	Port Hedland Battery		35MW	BHP

(1) Based on information provided by Alinta Energy management.
(2) See slide 68 in Appendix 4 for Mount Isa and Gruyere case studies.
(3) 6MW diesel power station at the Roy Hill mine site also installed.
(4) 11.843% not owned by APA.
(5) NWIS - North West Interconnected System.
(6) See slides 22 and 65 for additional details on the development pipeline.

Alinta Energy Pilbara's extensive >$3 billion(1) development pipeline

The construction and development pipeline includes ~1GW+ of capacity, with a rapid transition towards a renewables focused portfolio(2),(3)



1 Significant construction and development pipeline of ~1GW+

2 Demand supported by the electrification and decarbonisation efforts of miners in the Pilbara region

3 FY24-25 committed capex of ~$150m(4) on projects currently under construction

4 Strategic sites and approvals secured for key growth projects

5 Projects to leverage existing, long-term contractual relationships with leading Pilbara miners

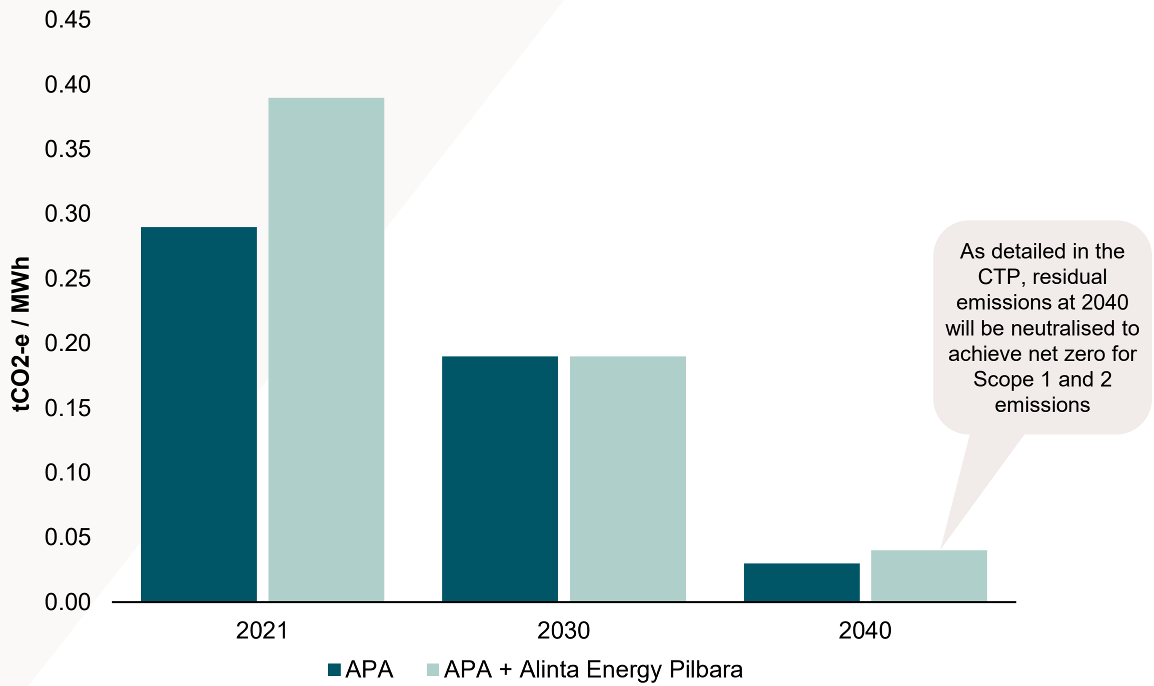
(1) Based on forecast capex requirements of development pipeline projects (listed above) provided by Alinta Energy management, in real 2023 dollars.
(2) See slide 65 in Appendix 4 for additional information on Alinta Energy Pilbara's development pipeline.
(3) Illustrative capacities are based on current project design and are subject to change up until final investment decision, including for potential expansion options.
(4) Based on forecast FY24-25 capital expenditure at Port Hedland Solar Farm and Port Hedland BESS, in line with relevant contractual arrangements.

Ongoing investment in renewables will support APA's Climate Transition Plan goals over time

Due to the Acquisition, APA's baseline emissions for its CTP goals will be reset in accordance with re-baselining principles detailed in the CTP.

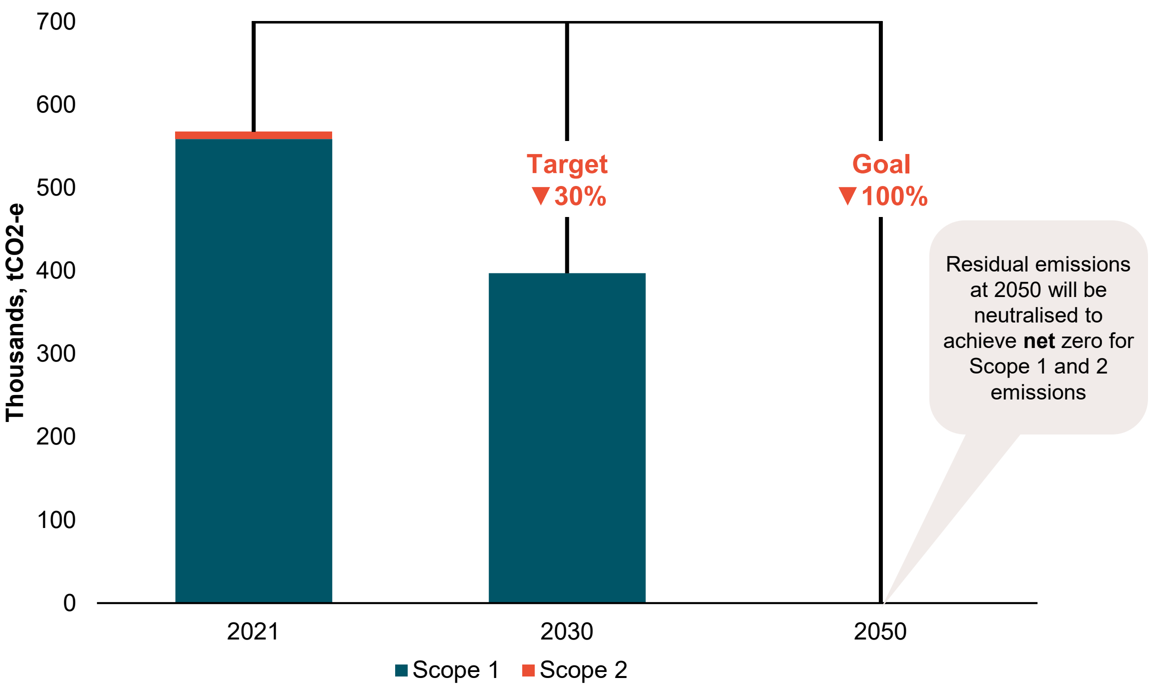
Power generation gross emissions intensity (Scope 1 and 2) CTP goals[(1),(2)]

2030 and 2040 reduction goals maintained



APA gas infrastructure net emissions (Scope 1 and 2) CTP goals[(1),(2)]

Acquisition has no impact on goals



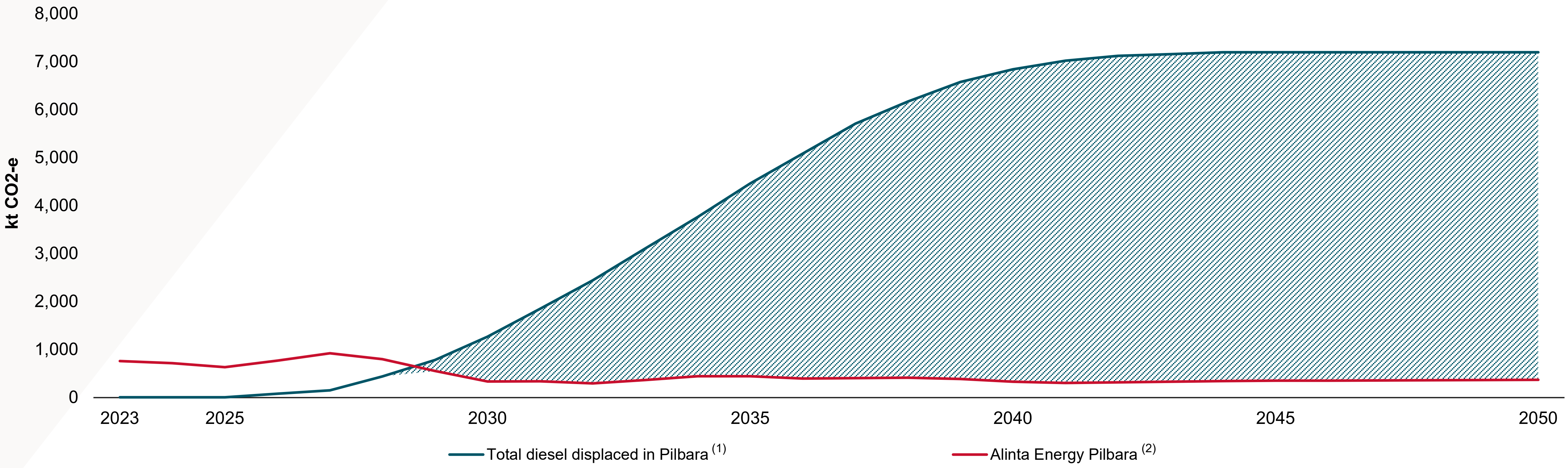
(1) APA CTP August 2022
(2) APA's emissions reductions are subject to various risks, including that development projects (including renewable generation assets) are delayed or not delivered on time.

Investment in the development pipeline will assist to decarbonise the Pilbara

Despite the increase in APA's total emissions that arises from the Acquisition, the displacement of diesel arising from the Pilbara energy transition is critical to the overall decarbonisation of the region

Expected Alinta Energy Pilbara emissions vs. expected diesel emissions displaced in the Pilbara

Diesel displacement from iron ore producers expected to decrease emissions by ~7,195 ktCO2e p.a. by 2050[(1)], ~20 times Alinta Energy Pilbara's forecast emissions in 2050



(1) BCG analysis – Forecast includes the NWIS (incl. Rio Tinto's Pilbara Iron network), FMG's Pilbara Energy Connect network, and BHP/Alinta's Newman network, and excludes isolated power stations servicing isolated mines and towns east of the NWIS, and isolated power stations servicing mines, towns and associated infrastructure to the west of the NWIS. Diesel displacement forecast across the Pilbara energy system (which may result from Alinta Energy Pilbara projects or otherwise), adjusted for assumed emissions saving of 2.7 kg CO2 per L of diesel.
(2) Excludes the GGTP. Based on internal APA modelling and information provided by Alinta Energy management. Emissions reductions are subject to various risks, including that development projects (including renewable generation assets) are delayed or not delivered on time.

Alinta Energy Pilbara positions APA to be the leading independent energy solutions provider in the Pilbara

Alinta Energy Pilbara is aligned with APA's strategy

- The Pilbara is a globally significant iron ore export region with proximity to the world's largest iron ore import markets, and with many of its mines boasting low production costs. This provides APA with the confidence to invest and to support these customers with the right energy solutions.
- Significant growth platform to develop and operate remote-grid energy solutions through the attractive development pipeline, including near-term actionable projects.[1]
- The Acquisition capitalises on APA's existing capabilities in energy infrastructure and positions the business to be the leading independent energy solutions provider in the Pilbara.

(1) See slides 22 and 65 for additional details on the development pipeline.

Acquisition financial impacts and funding

Kynwynn Strong
Acting Chief Financial Officer

03

Gruyere Solar Farm

Financial outcomes for APA securityholders

Predictable earnings and cash flows

Low-risk, with a high level of contracted cash flows

7 years weighted average contract life[(1)]

Increases our exposure to the key WA mining region

Provides a platform to participate more broadly in Australia's energy transition

Expected to be Free Cash Flow accretive per security

Acquisition is expected to be Free Cash Flow accretive per security in its first full financial year of ownership[(2)]

FY24 distribution guidance reconfirmed at 56cps[(3)]

Expected to be value accretive for APA's securityholders

Acquisition is expected to deliver a projected internal rate of return that exceeds APA's corporate weighted average cost of capital[(4)]

Appropriately funded

Acquisition to be funded through a mixture of debt and equity

APA credit ratings expected to remain unchanged as a result of the transaction

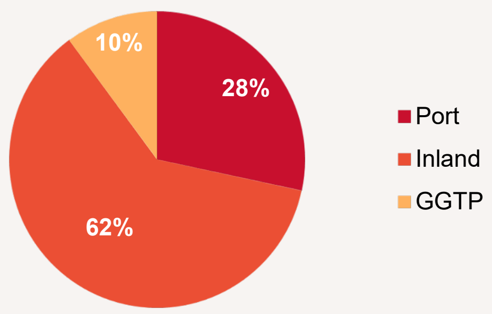
(1) Weighted average contract life based on % revenue contribution of each revenue contract across the portfolio and remaining tenor (excluding GGTP and contract extension options).
(2) Expected to be Free Cash Flow accretive per security (inclusive of new securities issued under the Placement and SPP) to APA's forecast Free Cash Flow per security in the first full year of APA's ownership being FY25. Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (**SIB**) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Future Free Cash Flow accretion could be influenced by a range of factors including timing of growth projects, SIB capex and the underlying operating performance of the business.
(3) Inclusive of new securities issued under the Placement and SPP. Distribution guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the discretion of the Board at the time.
(4) The Acquisition and the potential rate of return from it, are subject to the Key Risks set out in Appendix 2.

Alinta Energy Pilbara assets' predictable EBITDA and cash flows

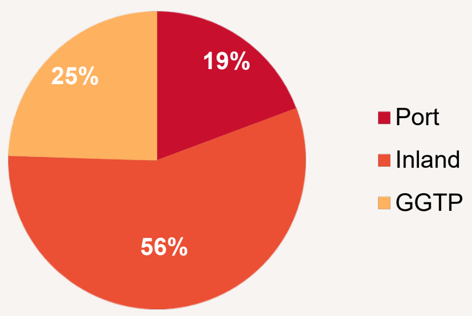
Alinta Energy Pilbara Historical financials[1]

$m	FY20	FY21	FY22	FY23
Revenue	**149**	**154**	**195**	**235**
% Growth	-	*3%*	*27%*	*21%*
EBITDA	**84**	**83**	**99**	**124**
% Growth	-	*(1%)*	*19%*	*25%*
Capex	**117**	**185**	**53**	**60**
% Change	-	*58%*	*(71%)*	*13%*

FY23 Revenue by Asset Location



FY23 EBITDA by Asset Location



Pro-forma financials (combined APA and Alinta Energy Pilbara)[1]

$m	FY22	FY23
Statutory Revenue	**2,924**	**3,145**
% Growth	*6%*	*8%*
Underlying EBITDA	**1,791**	**1,849**
% Growth	*5%*	*3%*
Capex	**742**	**1,130**
% Change	*20%*	*52%*

Commentary

- Alinta Energy Pilbara has experienced significant revenue and EBITDA growth since FY21, as recently constructed projects have become operational (e.g. Chichester Solar Farm and Newman Battery)
- Revenue and EBITDA growth is expected to continue following completion of the Port Hedland Solar Farm and Port Hedland Battery projects which are currently under construction
- APA's identified pipeline of organic growth capex opportunities (FY24-26) grows from >$1.4 billion to >$1.8 billion as a result of the Acquisition[2]

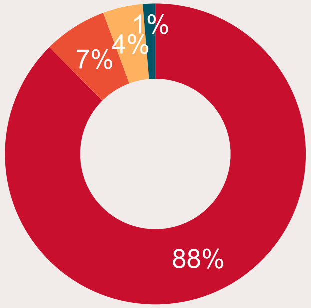
(1) See slide 59 in Appendix 3 for further information of the basis of preparation of financial information contained in this Presentation.
(2) Based on APA's identified pipeline of growth capex opportunities (FY24-26) noted in the FY23 results presentation, plus forecast FY24-26 growth capex at Port Hedland Solar Farm, Port Hedland Solar Farm Expansion, Port Hedland Battery, Port Hedland Battery Expansion, Port Hedland Reciprocating Engines Expansion and East Pilbara Network Stage 1. See slides 22 and 65 for additional details on the development pipeline.

Diversification of APA's FY23 EBITDA and revenue composition

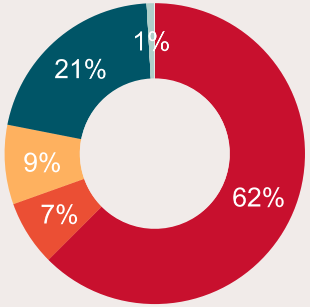
by source

by state

FY23 Energy Infrastructure EBITDA
PRE-ACQUISITION

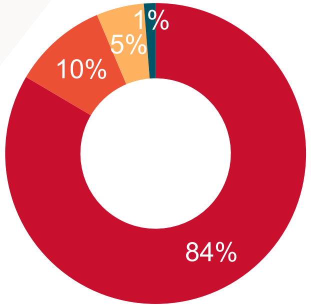


Power Generation (combined gas and renewables) EBITDA increases by 47%. Renewables EBITDA contribution expected to increase as pipeline develops[(1)]

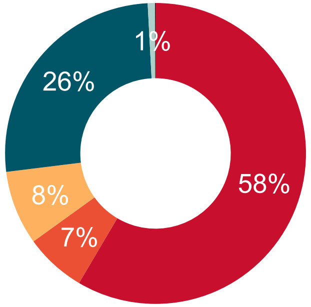


EBITDA from WA increases by 33%

FY23 Energy Infrastructure EBITDA[(1)]
POST-ACQUISITION



■ Gas Transmission, Storage & Processing
■ Power Generation - Gas
■ Power Generation - Renewables
■ Electricity Transmission

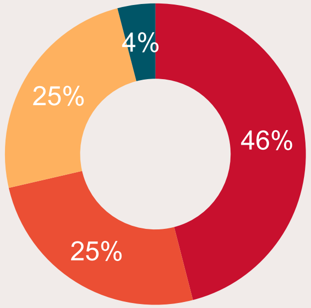


■ QLD ■ NSW ■ VIC
■ WA ■ NT ■ SA

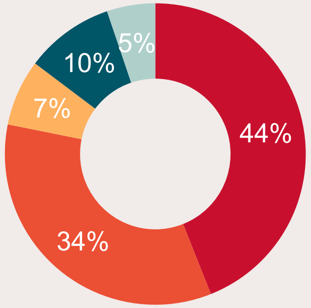
by customer industry

by counterparty credit rating

FY23 Energy Infrastructure Revenue
PRE-ACQUISITION

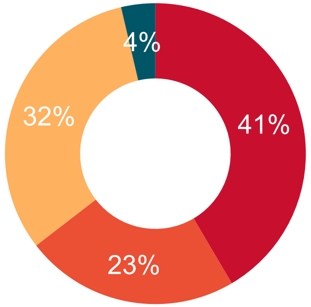


Revenue from the Resources sector increases by 43%

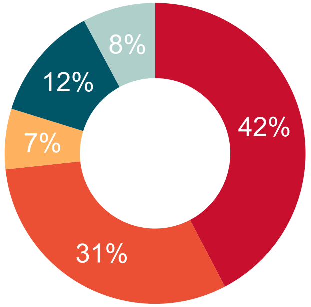


No significant change to average credit profile of APA's customers expected as a result of Acquisition

FY23 Energy Infrastructure Revenue[(1)]
POST-ACQUISITION



■ Energy ■ Utility
■ Resources ■ Industrial / Other



■ A- rated or better
■ BBB to BBB+ rated
■ Investment Grade
■ Not rated
■ Sub-investment grade

(1) See slide 59 in Appendix 3 for further information of the basis of preparation of financial information contained in this Presentation. Target information based on unaudited management accounts prepared by Alinta Energy.

Prudent acquisition funding structure maintains APA's solid balance sheet

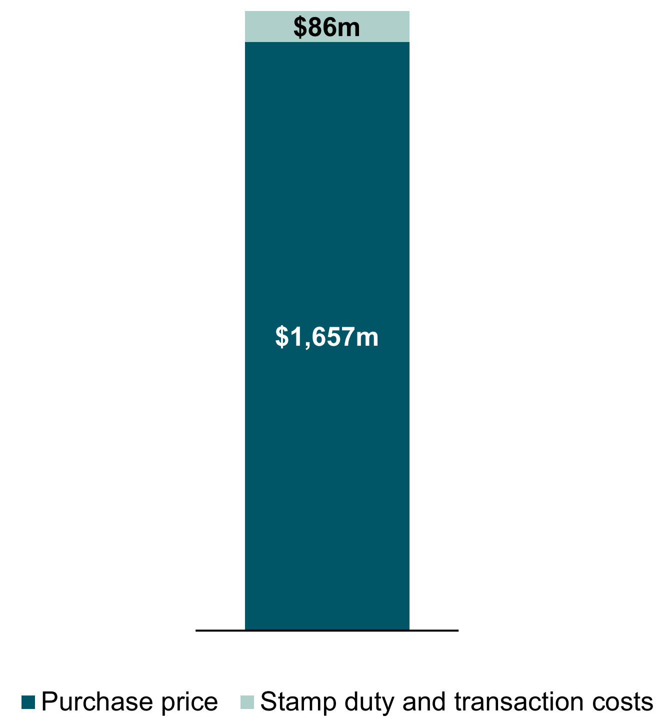
Acquisition funding

- Fully underwritten $675 million 'pro-rata, institutional placement and a $75 million SPP(1)
- $993 million of the Acquisition funded by new debt facilities

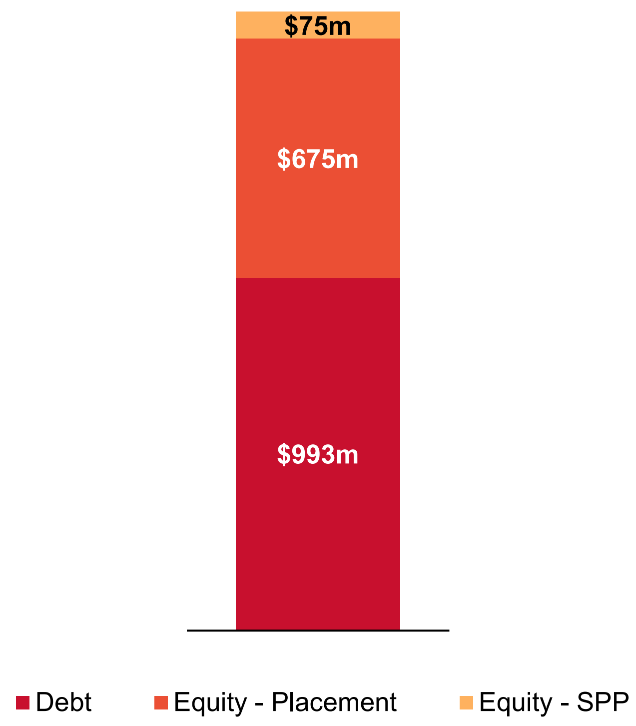
Balance sheet and financial flexibility

- APA is committed to retaining its credit ratings following the Acquisition
- Alinta Energy Pilbara existing debt facilities provided by NAIF and ARENA of $107 million expected to remain in place following Acquisition(2)

Total Uses(3)



Total Sources



(1) For further details regarding the nature of the underwriting arrangements, please see underwriting risk in Appendix 2.
(2) Northern Australia Infrastructure Facility (**NAIF**); Australian Renewable Energy Agency (**ARENA**)
(3) $1,657m is the expected purchase price at the assumed financial close of 30 September 2023. The differences from 30 June 2023 (outlined in the pro-forma balance sheet, Appendix 3) relate to movements in net debt.

apa

Equity raising overview

Kynwynn Strong
Acting Chief Financial Officer

04

Mondarra Gas Storage and Processing Facility

Equity raising details

Offer structure	→ Fully underwritten 'pro-rata' institutional placement (**Placement**) to raise $675 million or 6.7% of total securities outstanding → It is intended that eligible institutional security holders who bid for up to their 'pro-rata' share of new securities under the Placement will be allocated their full bid, on a best endeavours basis[(1),(2)]
Offer price	→ Placement price of $8.50 per new security → 8.2% discount to APA's closing price of $9.26 on 22 August 2023
Use of proceeds	→ Part funding of APA's proposed Acquisition
Underwriting	→ The Placement is fully underwritten. For further details regarding the nature of the underwriting arrangements, please see the underwriting risk in Appendix 2
Ranking	→ New Securities issued under the Placement will rank equally with existing APA securities from the date of issue. New securities will not be entitled to the FY23 final distribution because the record date for that distribution has passed
Security Purchase Plan	→ Eligible security holders[(3)] will be invited to subscribe for up to $30,000 of new securities per security holder, free of transaction and brokerage costs. Final allocations are subject to scale back at APA's discretion → The non-underwritten SPP is to raise $75 million[(4)] → New securities under the SPP will be issued at the lower of the Placement price and a 2% discount to the 5 day VWAP of APA securities up to the SPP closing date → New securities issued under the SPP will rank equally with existing APA securities from the date of issue. New securities will not be entitled to the FY23 final distribution because the record date for that distribution has passed → Further information in relation to the SPP will be made available on or around 31 August 2023
SPP Record date	→ 7:00pm AEST 22 August 2023

(1) For this purpose, an eligible institutional security holder's 'pro-rata' share will be estimated by reference to APA's beneficial register on 18 August 2023, but without undertaking any reconciliation and ignoring securities that may be issued under the SPP. Accordingly, unlike in a rights issue, this may not truly reflect the participating security holder's actual pro-rata share. Nothing in this presentation gives a security holder a right or entitlement to participate in the Placement and APA has no obligation to reconcile assumed holdings (eg for recent trading or swap positions) when determining a security holder's 'pro-rata' share. Institutional security holders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. See slides 37 to 41 for the eligible jurisdictions and selling restrictions relevant to these jurisdictions. APA and the underwriters disclaim any duty or liability (including for negligence) in respect of the determination of a security holder's 'pro-rata' share
(2) Eligible institutional security holders who bid in excess of their 'pro-rata' share determined by APA and the underwriters will, at a minimum, be allocated their 'pro-rata' share on a best endeavours basis as set out in footnote 1 above, and any excess may be subject to scale back
(3) Eligible security holders are holders of APA securities as at 7:00pm (AEST) on 22 August 2023, who have a registered address in Australia or New Zealand and who meet certain other eligibility criteria.
(4) APA may, in its absolute discretion, scale back applications over this amount or apply a higher cap to the SPP (and either accept applications in full or scale back applications over the higher cap)

Placement and SPP timetable

Event	Date[1]
Record date for SPP (7:00pm)	Tuesday, 22 August 2023
Trading halt, announcement of FY23 results and Placement	Wednesday, 23 August 2023
Placement bookbuild	Wednesday, 23 August 2023
Announcement of the completion of the Placement	Thursday, 24 August 2023
Trading halt lifted	Thursday, 24 August 2023
Settlement of new securities issued under the Placement	Monday, 28 August 2023
Allotment and normal trading of new securities issued under the Placement	Tuesday, 29 August 2023
Expected SPP offer opening date (9:00am)	Thursday, 31 August 2023
Expected SPP offer closing date (5:00pm)	Friday, 15 September 2023
Issue and allotment of new securities under the SPP	Friday, 22 September 2023
SPP holding statements dispatched and trading of new securities issued under the SPP commences	Monday, 25 September 2023

(1) The above timetable and all dates are indicative only and subject to change. The commencement and quotation of New Securities is subject to confirmation from the ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, APA reserves the right to amend this timetable at any time without notice, including extending the period for the SPP, either generally or in particular cases, or to withdraw or vary any part, or all, of the offer of securities in its absolute discretion. All references to time are to Australian Eastern Standard Time.

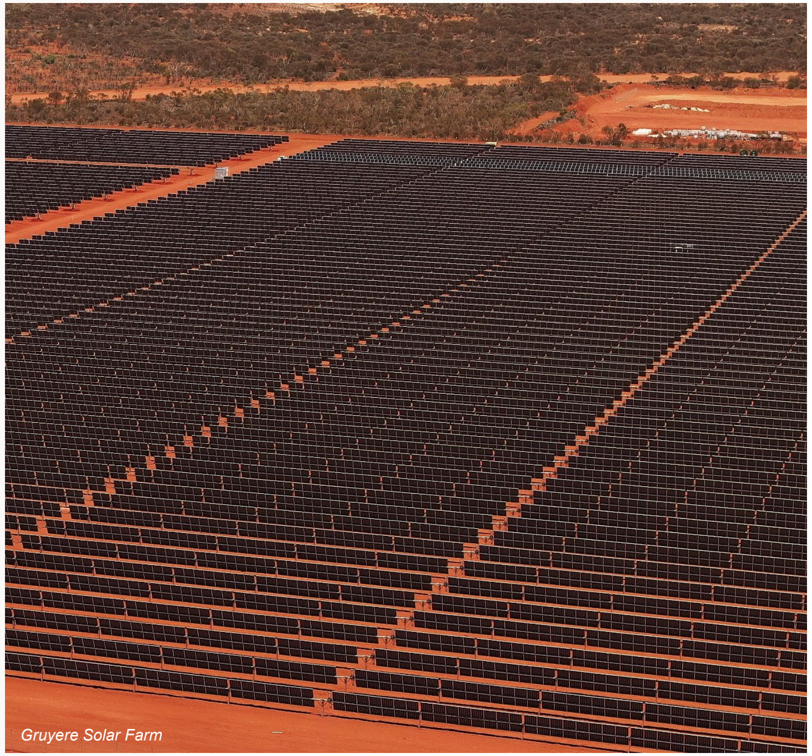
Conclusion

Adam Watson
CEO & Managing Director

Diamantina Power Station

05

Alinta Energy Pilbara's predictable earnings, strong operating credentials and extensive development pipeline provide a platform for future growth in remote-grid energy solutions in the Pilbara and across Australia


Gruyere Solar Farm

Consistent with APA's strategy, we have acquired a trusted independent operator and developer of energy infrastructure in the Pilbara region, with strong existing cash flows and strong relationships with key resources customers

>$3 billion renewables-focused development pipeline and experienced capability within the business provides a significant growth platform to develop and operate remote-grid energy solutions for Australia's resources industry[(1),(2)]

Acquisition is expected to be Free Cash Flow accretive in its first full financial year of ownership[(3)] and value accretive.[(4)] APA's FY24 Distribution Per Security (**DPS**) guidance of 56 cents per security remains unchanged inclusive of the additional securities on issue as a result of the equity raising.[(5)]

(1) Based on forecast capex requirements of development pipeline projects provided by Alinta Energy management, in real 2023 dollars.
(2) See slides 22 and 65 for additional details on the development pipeline.
(3) Expected to be Free Cash Flow accretive per security (inclusive of new securities issued under the Placement and SPP) to APA's forecast Free Cash Flow per security in the first full year of APA's ownership being FY25. Free Cash Flow is Operating Cash Flow adjusted for strategically significant transformation projects, less stay-in-business (**SIB**) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Future Free Cash Flow accretion could be influenced by a range of factors including timing of growth projects, SIB capex and the underlying operating performance of the business.
(4) The Acquisition is expected to deliver a projected internal rate of return greater than APA's corporate weighted average cost of capital. The Acquisition and the potential rate of return from it, are subject to the Key Risks set out in Appendix 2.
(5) Distribution guidance is subject to asset performance, macroeconomic factors, regulatory changes as well as timing of distributions from non-100% owned assets, with distributions to be determined at the discretion of the Board at the time.

International offer restrictions

Badgingarra Wind Farm

APPENDIX
01

International Offer Restrictions

This document does not constitute an offer of new stapled securities (**New Securities**) of APA in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

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Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

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Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

International Offer Restrictions

Cayman Islands

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Hong Kong

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International Offer Restrictions

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

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International Offer Restrictions

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United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Securities.

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In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

International Offer Restrictions

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Key risks

Diamantina Power Station

APPENDIX
02

Key business risks

Investors should be aware that there are risks associated with an investment in APA and the Acquisition. Some of the key risks that may, either individually or in combination, affect the future operating and financial performance of APA and the value of APA securities (before and after the completion of the Acquisition) are detailed in this section. Some are specific to an investment in APA or the Acquisition, and others are of a more general nature.

The summary of key risks below is not exhaustive and does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties that APA is unaware of, or that it considers to be immaterial, may also become important factors that adversely affect APA's operating and financial performance. Therefore, before participating in the Offer or investing in APA, it is important that you read and understand this Presentation and consider these risks and uncertainties clearly. You should also have regard to your own investment objectives and should seek advice from a professional adviser, who is licensed to give that advice, before deciding whether or not to participate in the Offer or invest in APA.

1. Regulatory risks

1.1. The businesses of APA and the Target include regulated assets. A number of APA's assets are subject to economic regulation, including regulation of the prices that APA is permitted to charge as determined by the independent national energy regulator, the Australian Energy Regulator (**AER**), and the Economic Regulation Authority of Western Australia (**ERA**). In FY2023 and FY2022 7.8% and 8.2%, respectively, of APA's Energy Infrastructure segment revenue (excluding pass-through revenue) was derived from regulated tariffs under regulatory determination (which does not include revenue from APA's assets subject to an information disclosure and arbitration regime under the National Gas Rules (**NGR**), discussed below). APA is also in the process of seeking a conversion of Basslink into a regulated asset, which would then be subject to pricing regulation under the National Electricity Rules (**NER**).

Regulatory determination periods generally run for five years and reflect the regulator's determination, amongst other matters, of APA's opening regulated asset base, demand forecasts and projected operating expenditure, capital expenditure, regulatory depreciation, regulatory tax payable and weighted average cost of capital. However, costs can change materially within a regulatory pricing period. Consequently, if APA is unable to efficiently manage the operating costs and capital expenditures within the regulatory allowance or the incentive mechanisms for a regulated asset, or if the regulator's projection of the operating costs, capital costs, taxation or weighted average costs of capital at the beginning of a pricing period are insufficient to meet the actual costs incurred, APA's business, operations, financial position and/or performance may be adversely affected. There is no certainty that APA will be able to recover the amount of capital or operating expenditure required to operate its price-regulated businesses. In respect of gas transmission assets, there is an additional risk associated with the forecast gas demand – if the demand is forecast to be higher than eventuates, there is some revenue risk.

The price regulation outcomes determined by the AER and the ERA under regulatory determinations for a fully regulated asset may adversely affect APA's revenue in respect of that asset. Note that in respect of gas transmission assets, this risk can be mitigated to the extent revenue is derived from a haulage contract that has its terms and conditions, including price, agreed with a customer and set for the period of the contract.

AER and ERA decisions may be challenged in court on judicial review grounds. If either the AER or the ERA makes an adverse determination with respect to the price regulation of one or more of APA's assets, its ability to successfully challenge such a determination would be limited, and its business, operations, financial position and/or performance could be adversely affected.

Further, APA's and the Target's pipeline assets that are not subject to full regulation are subject to an information disclosure and arbitration regime under Parts 10 - 12 of the NGR (Part 23 of the NGR as it applies in WA) in which prices negotiated between the customer and the pipeline operator are subject to commercial arbitration in the event of failure to reach a negotiated outcome. Any decisions regarding APA's assets subject to light regulation or the information disclosure and arbitration regime under the NGR resulting from such arbitration, may adversely affect its business, operations, financial position and/or performance.

In addition to economic regulation, the natural gas industry in Australia is regulated from an operational and technical perspective. All pipeline, distribution, gas processing, storage and power generation assets owned and/or operated by APA and the Target require compliance with relevant federal, state and territory laws, regulations, licenses and policies. Changes in any such laws, regulations, licenses or policies may adversely affect APA's and the Target's pricing, costs or compliance regimes. APA and the Target are directly or indirectly subject to a range of regulatory requirements such as environmental laws and regulations, occupational health and safety requirements and technical and safety standards, including those contained in pipeline licenses. Failure to properly comply with regulatory obligations, including price regulation, may result in APA and the Target incurring losses, including losses arising from penalties, customer and third party damages claims, reputational damage (including injury to relationships with customers, third parties and regulators) and/or revocation of a pipeline license or other licenses, including APA's Australian Financial Services License.

1.2 Risk of changes in regulatory treatment of APA's existing assets. Under the National Gas Law (**NGL**) , any person (including customers seeking access to a pipeline) may make an application that an unregulated pipeline become a "scheme pipeline" and therefore subject to full economic regulation. The AER may also make a scheme pipeline determination on its own initiative. If the AER were to make a scheme pipeline determination, the relevant pipeline could become subject to economic regulation. The additional costs, pricing regulation and risks associated with such a change may adversely affect APA's business, operations, financial position and/or performance. Note also that the regulatory regime that currently applies to the Target's Pilbara assets would be impacted by any change to the relevant regulatory regime.

1.3 Risk of changes to required authorisations. In some instances, the operation of APA's and the Target's assets is dependent on the granting and maintenance of appropriate licenses, permits or regulatory consents. Although these authorisations may be granted or renewed following expiry (as the case may be), there can be no guarantee that authorisations will be renewed, granted or continued, or that more onerous terms will not be imposed on such authorisations. These authorisations may be subject to loss or forfeiture in the event of material non-compliance. Any failure to obtain or maintain necessary authorisations may adversely affect APA's business, operations, financial position and/or performance.

Key business risks

1. Regulatory risks

1.4 Risk of changes to the regulatory environment governing APA’s existing (and post-Acquisition) activities. As the regulatory environment applicable to APA evolves, new and amended laws and regulations that impact APA's operations may be implemented, regulatory authorities may impose new requirements on the exercise of discretionary power, or existing laws or regulations may be subject to new interpretations. These and any other changes to laws and the regulatory environment may give rise to pricing, cost, compliance and other pressures and may adversely affect APA's business, operations, financial position and/or performance.

The Energy and Climate Change Ministerial Council (the **ECMC**) (formerly the Energy National Cabinet Reform Committee (the **ENCRC**), prior to September 2022) develops government policy in relation to the Australian domestic gas and electricity market. Recent regulatory reforms implemented through the ECMC include: (A) introduction of new powers for the Australian Energy Market Operator (**AEMO**) to manage gas supply adequacy and reliability risks; (B) changes to the gas pipeline regulatory framework, including new powers for the regulator to make “scheme pipeline” determinations (discussed at 1.2 above); and (C) changes to the national energy objectives (in the national energy laws) to include reference to emissions reduction targets. Reforms have also been introduced in relation to the development of: (A) a capacity trading platform for trading secondary capacity; (B) a day-ahead auction of contracted but un-nominated capacity; (C) standards for key contract terms in primary, secondary and operational transportation agreements; and (D) a reporting framework for secondary capacity trades that provides for the publication of the price and other related information on secondary trades. These reforms may adversely impact the quantity and pricing of APA’s sales of pipeline services in the primary market and, therefore, its business, operations, financial position and/or performance.

The Federal Government has recognised the critical role gas plays and has noted that it will be an important part of Australia’s energy mix during the market transition period. A key challenge for APA in bringing new gas sources to market will be how long, uncertain and expensive the government approval process will be. This uncertainty may have an adverse impact on APA’s future planning and growth, and therefore its prospects.

The Australian Competition and Consumer Commission (“ACCC”) has the primary responsibility for enforcement of Australia’s federal competition and consumer protection laws, including in relation to anticompetitive mergers and acquisitions, anticompetitive conduct and the misuse of market power. Acquisitions that may substantially lessen competition are subject to review by the ACCC. In August 2021, the ACCC proposed significant reforms to Australia’s merger control regime, including mandatory notification thresholds and deeming acquisitions which would entrench the substantial market power of the acquirer as substantially lessening competition. In April 2023, the ACCC renewed its calls for merger law reform. The proposed reforms, if enacted, and any adverse review, actions or decisions by the ACCC under the current or future competition laws may prevent or limit APA’s ability to pursue certain acquisitions.

In April 2017, the Australian Government directed the ACCC to conduct a wide-ranging inquiry into the supply of and demand for wholesale gas in the East Coast gas market in Australia, as well as to publish regular information on the supply and pricing of gas for the next three years. In July 2019, the Australian Government extended the inquiry until December 2025. In October 2022, the inquiry was further extended until 2030. The inquiry covers the full supply chain, including pipelines. As well as publishing regular reports, the ACCC will make recommendations on longer term transparency measures. Any reforms arising from the ACCC’s reports and/ or recommendations may adversely affect APA's business, operations, financial position and/or performance.

APA will continue to face a range of regulatory risks, which would include the risk that it is considered by the relevant regulators to have market power in certain markets. A company with substantial market power is prohibited from engaging in conduct that has the purpose, effect or likely effect of substantially lessening competition. In the event APA is considered to have substantial market power, by virtue of ownership of certain natural monopoly assets or otherwise, APA may face competition claims . If APA is found to have contravened Australia’s competition laws, APA may be subject to fines and other penalties which may impact its financial performance and business.

1.5 Regulatory risks for APA associated specifically with decarbonisation. There have been a number of legislative and regulatory initiatives proposed and implemented in recent years in an attempt to control or limit the effects of climate change, including greenhouse gas emissions. The adoption of climate change legislation, in particular, in Australia, mandating a reduction in greenhouse gas emissions in the future may result in increased compliance costs for APA and its customers and additional operating restrictions on APA’s businesses and the businesses of its customers, which may affect the demand for natural gas or impact the prices APA charges its customers, which may adversely impact APA’s future business, operations, financial position and/or performance. APA addresses the risks it faces associated with climate change, its related policies and Climate Transition Plan, each of which can be found on its website at www.apa.com.au.

There is a risk that consumers develop a negative public sentiment towards the consumption of natural gas due to concerns about the potential effects on climate change. To the extent that consumers view natural gas as an unacceptable source of energy and, as a result, demand for natural gas decreases, each of the Target’s and APA’s revenue and the carrying value of its respective assets may be adversely affected.

2. Customer related risks

The performance of APA’s businesses is affected by the volume of gas transported through its pipeline networks. In addition to gas supply, APA’s businesses are dependent on end-user demand. End-user demand is subject to a range of variables, including a downturn in the resources industry or the economy more broadly. The relative price of gas and its competitive position with other energy sources (including electricity, coal, fuel oils, solar and wind) may reduce demand levels for services on APA’s assets.

A reduction in demand for APA’s gas transmission services may also arise if the use of gas swap contracts by customers increases. Gas swap contracts involve customers “swapping” gas at specified delivery points so as to reduce the distance gas needs to be transported. Increased usage of such contracts may adversely affect APA’s business, operations, financial position and/or performance. Further, if there is increased use of gas storage facilities, the demand for peak gas transmission and storage services on APA’s assets may decline.

Key business risks

2. Customer related risks (cont.)

The competitive position of gas and the actions of APA's customers cannot be predicted with certainty. If the demand for gas weakens or if customer behaviour changes, consumption and growth may be affected and therefore APA's business, operations, financial position and/or performance may be adversely impacted. If a reduction in demand for gas means that certain of APA's regulated assets cease to contribute to the provision of services by APA, a regulator might require that the regulatory value of such assets be removed from the relevant regulated asset base until such assets again contribute to the provision of services. This may impact the level of APA's regulated tariffs and may adversely affect APA's business, operations, financial position and/or performance.

A substantial portion of APA gas transmission revenues are from long-term pipeline capacity contracts with customers. Under such long-term contracts, it is possible that costs incurred by APA to perform the contractual services could equal or exceed the revenues APA collects for such services. Such imbalance between those revenues and costs could significantly impair APA's business, operations, financial position and/or performance, especially if the imbalance was protracted over a period of months or years. APA also face substantial market risks at the time of expiration of APA's long-term contracts. Due to a variety of factors, such as the amount of competition in the gas pipeline market, the demand or lack thereof for gas and the market's bias for or against long-term contracts, many of which are beyond APA's control, APA could be compelled to enter into long-term contracts on less favourable terms than previously obtained. Alternatively, APA could be unable to enter into new long-term contracts entirely, thereby subjecting APA's businesses to more frequent contract negotiations and lessened long-term stability. These may have a negative impact on APA's business, operations, financial position and/or performance.

Approximately 72% and 72% of APA's Energy Infrastructure segment revenue for FY2023 and FY2022 was derived from its top ten customers. There can be no assurance that contracts with significant customers will continue or be renewed on their current terms and conditions or at all. If any significant customer terminates their contract, and APA is only able to renew such contract on less favourable terms or if APA is unable to obtain substitute contracts with new customers on comparable terms, there may be a negative impact on APA's business, operations, financial position and/or performance. In addition, 96% and 96% of the revenue from APA's assets in FY2023 and FY2022, respectively, was with counterparties in the energy, utilities and resources sectors. While APA's exposure is representative of the concentrated nature of Australia's utility customer base, any downturn in these sectors or the economy or any reduction in energy demand more broadly could adversely affect the performance and financial condition of such counterparties, which could reduce their ability to conduct business with APA and therefore have a negative impact on APA's business, operations, financial position and/or performance.

Similarly, the Target's three largest customers account for approximately $223m of revenue in FY23 representing 95% of the Target's revenue for FY23. There can be no assurance that contracts with the Target's three largest customers will continue or be renewed on their current terms and conditions or at all. If any significant customer terminates their contract, and the Target is only able to renew such contract on less favourable terms or if the Target is unable to obtain substitute contracts with new customers on comparable terms, there may be a negative impact on the Target's business, operations, financial position and/or performance.

In order for APA to remain competitive, it will need to continue to diversify its business (including across multiple asset types) as well as invest in new energy technologies at the rate required to meet the evolving needs of its current and future customers. If APA does not invest enough in diversifying its business (including across multiple asset types) or developing these new energy technologies, or is not successful in doing either, APA may lose customers or have to reduce pricing, which may adversely affect APA's business, operations, financial position and performance.

3. Bypass and competitive risk

Bypass and competitive risk occurs in APA's gas transmission business when a new or existing gas transmission pipeline offers gas transportation services to the same end market serviced by existing APA pipelines, or otherwise alters flow configurations, to the financial detriment of existing APA pipelines. This risk is particularly applicable to the South West Queensland Pipeline (100% owned by APA), Moomba Sydney Pipeline (100% owned by APA), the Parmelia Gas Pipeline (100% owned by APA) and the SEA Gas Pipeline (50% owned by APA). For example, the Moomba to Adelaide Pipeline System (not owned by APA) is a competitive pipeline to the SEA Gas Pipeline, transporting gas to the Adelaide market.

Additionally, there is the potential for new gas development projects that principally supply export markets to directly compete with domestic markets for the supply of gas. For example, LNG supply projects directly linked to gas resources currently connected to APA's gas transmission assets could result in a reduction in the quantities of gas available for domestic markets, thereby reducing the demand for APA's domestically focussed pipeline transportation services within Australia.

In addition, LNG import facilities, the extension of electricity transmission lines, the use of alternative fuels and the growth of renewable power generation may lead to increased bypass or competitive risk for APA's gas transmission business.

If bypass and/or competitive risks increase, and customers choose alternatives instead of contracting for services on APA's pipelines, APA's business, operations, financial position and/or performance may be adversely affected.

Further, APA's asset management business operates in a competitive market that is subject to changes in market conditions, new market entrants and competitive cost pressure. These factors could impact APA's relationships with its asset management customers and may adversely affect APA's business, operations, financial position and/or performance.

Changes in market conditions, new market entrants and increased competitive cost pressure could impact the Target's and APA's relationships with customers and have an adverse effect on the Target's and APA's business, operations, financial position and/or performance.

Key business risks

4. Gas supply risk

The availability of competitively priced gas (as compared with other energy sources including electricity generated from coal, fuel oils, solar, wind, hydro and other alternative energy sources) is essential for APA's customers' ongoing use of gas transmission pipelines and distribution networks. Certain factors such as gas reserve depletion, gas price volatility flowing from macro-economic factors (for example, oil price shocks), allocation of gas to other markets (such as LNG export markets), and changes in Government policy (including regulatory restrictions on gas production and the Australian Domestic Gas Security Mechanism) may impact the availability of gas supply to meet market demand.

Within the Australian market, there are concerns of a potential shortfall of affordable gas available for domestic use, as increasing volumes of gas are contracted for the LNG export market. This has been compounded by delays in removing gas production moratoria (in whole or in part) in Victoria, New South Wales and South Australia. Any interruptions in gas supply may place upward pricing pressure on gas domestically, which may adversely affect the amount of gas contracted in the domestic market. If there is a shortage of competitively priced gas for customers to transport through APA's gas pipelines, this may adversely affect APA's business, operations, financial position and/or performance.

5. Counterparty risk

As part of its ongoing commercial activities, APA enters into gas transportation, gas processing and storage, electricity supply and asset management agreements with various third parties. If a counterparty to such an agreement is unable to meet its commitments to APA, whether in whole or in part, there is a risk that future anticipated revenue would reduce unless and until APA is able to secure an alternative customer. Counterparty risk also arises when contracts are entered into for derivatives (such as cross-currency swaps, forward exchange contract or fixed to floating rate swaps) with financial institutions. APA is also party to insurance contracts and is exposed to the risk of non-performance of an insurer should a claim arise.

APA is unable to predict whether counterparties will maintain their current levels of credit standing in the future, or otherwise default on their contractual obligations. The failure of a counterparty to a transportation, electricity supply, gas processing, asset management or derivative contract may adversely affect APA's business, operations, financial position and/or performance.

In addition, in the ordinary course, APA enters into contracts with its customers and other counterparties which give the counterparty rights to terminate the contracts if APA defaults on its obligations, or if certain 'trigger' events occur. If APA's contracts are terminated by its counterparties, this may adversely affect APA's business, operations, financial position and/or performance.

Further, APA has certain customer contracts as which allow the customer to call "force majeure" if an unforeseeable event occurs (including failure of gas reserves). If the force majeure event persists for a prolonged period, the customer may have the right to terminate its contract with APA and this may adversely affect APA's business, operations, financial position and/or performance.

6. Long-term contract risk

A large part of APA's and the Target's revenue is the subject of long-term negotiated contracts with end customers. Due to a range of factors including bypass and competitive risk, customer demand risk, gas supply risk and counterparty risk, APA or the Target (as applicable) may not be successful in recontracting the available pipeline and electricity generation capacity when it comes due for contract renewal, or APA or the Target (as applicable) may recontract on less favourable terms than previously obtained. Capacity may also be recontracted for a shorter-term, which could require more frequent contract negotiations, and lessen long term stability for APA, along with increasing the likelihood of renewing contracts on less favourable terms. In addition, for pipelines not subject to price regulation, customers may seek commercial arbitration under the NGR as a means of determining price and other terms and conditions under information disclosure and commercial price arbitration regime. If APA or the Target (as applicable) is unable to recontract the infrastructure capacity or recontract it on less favourable terms than previously obtained, APA's business, operations, financial position and/or performance may be adversely affected.

7. Reliance on third party service providers risk

APA outsources a number of its business operations, including network repair and replacement, construction of new facilities, specialised maintenance and inspection activities, operation of APA's security register and specialised advisory services. Third party service providers may fail to supply or manage business operations in accordance with contractual obligations, applicable laws and regulations and APA's expectations. Additionally, delayed communications, miscommunications and other human errors between APA and its third party service providers may have unintended adverse impacts on APA, especially considering the highly technical nature of its gas transmission, distribution network, power stations and gas processing facilities. APA's use of outsourcing thereby exposes it to risk to its business, operations, profits and/or financial position.

8. Climate change

APA's businesses, and the businesses of its customers, may be adversely impacted by climate change and other environmental changes. To the extent climate change results in increases in temperature, sea levels and the frequency and intensity of adverse climatic events including fires, storms, cyclones, floods and droughts, APA's business operations and financial results may be adversely affected including through impact of extreme weather events on assets and operations as well as through lower gas volumes and revenues.

Key business risks

8. Climate change (cont.)

APA may also be subject to increased insurance premiums, operating expenditure and capital expenditure as a result, which may have an adverse impact on its business, operations, financial position and/or performance.

In 2022, APA announced its Climate Transition Plan which includes targets and goals aimed at reducing APA's emissions over time. It is possible that these targets and goals may conflict with business growth opportunities for APA, which may have an adverse impact on its business, operations, financial position and/or performance.

If the assets of the Target are adversely affected by changes in their external environment (e.g. higher temperatures, bushfires, storm damage, flood damage, cyclones and other extreme events), then this may cause business interruption, disruption to supply, service disruption to customers and/or reputational damage or otherwise have an impact on the Target's capital expenditure and operating costs, with a resulting impact on APA post-Acquisition.

9. Public acceptance of the development and transmission of gas and power generation infrastructure

APA's business, and the construction of its pipelines, power generation and other energy infrastructure, and the Target's business (for example, development of renewable generation assets in the Pilbara), may generate negative public sentiment with certain stakeholder groups and result in negative publicity. In particular, effective consultation with Traditional Owners is critically important in the successful development of new energy infrastructure projects.

In recent years, there has been an increased focus on the importance of corporate social responsibility and a social license to operate. Negative public sentiment, any resulting community action and related publicity may result in federal or state governments implementing political measures that may adversely affect APA's and the Target's (as applicable) reputation, business, operations, financial position and/or performance.

10. Interest rates, access to capital markets and refinancing risks

APA finances its activities and operations through a combination of borrowings (which may bear interest at floating or fixed rates), equity and cash from operations. APA is exposed to movements in interest rates where funds are borrowed at a floating interest rate and are not effectively hedged, or where fixed rate debt is being refinanced. There is a risk that adverse interest rate movements may affect APA's earnings, both directly (through increased interest payments) and indirectly (through the impact on asset carrying values). Any increase in applicable interest rates will affect APA's costs of servicing unhedged borrowings and APA's hedges may prove ineffective, either of which circumstances may adversely affect APA's business, operations, financial position and/or performance.

APA's funding requirements may be met by way of additional debt financing. The terms of such debt financing may include restrictions which may: (i) increase APA's vulnerability to general adverse economic and industry conditions; (ii) limit APA's ability to pursue its growth plans (including acquisitions and construction); (iii) require APA to dedicate a substantial portion of its cash flow from operations to payments on debt, thereby reducing the availability of APA cash flow to fund capital and operating expenditures, working capital requirements and other general corporate purposes; (iv) limit APA's flexibility in planning for, or reacting to, changes in APA's businesses and its industry; and/or (v) place APA at a competitive disadvantage compared to its competitors with less debt.

APA covers its liquidity needs through the use of credit lines with banks, including refinancing of maturing loan facilities. In this context, APA depends on the willingness of banks to provide credit lines. Structural changes in the banking and financial markets may impact the willingness or ability of banks to provide credit lines to APA on commercially acceptable terms.

In addition to bank credit facilities, APA finances its activities and operations from time to time by the issuance of debt, principally in the global and domestic debt capital markets. Therefore, APA is dependent on access to these capital markets and investors. Changes in demand for and supply of debt instruments in global or domestic debt capital markets could limit APA's ability to fund its activities and operations (including APA's capacity to acquire other entities or assets) on commercially acceptable terms.

APA's borrowings extend through to 2036. Access to continuing financing sources to extend and/or refinance debt facilities will be important and will be dependent on, among other things, APA's credit rating (see risk 11 below) and market conditions. An inability to extend or secure new debt facilities or to access capital markets at a similar quantum and cost to existing debt facilities may adversely affect APA's business, operations, financial position and/or performance.

APA's international debt market issuances will involve hedging of cross-currency risks. The availability and pricing of any hedging arrangements will be dependent on, among other things, APA's credit rating (see risk 11 below) and market conditions (see risk 12 below regarding the potential adverse impacts of these foreign exchange risks and see the above for interest rate risks).

In addition, APA's ability to service its debt depends upon a variety of factors, including its future financial and operating performance, which are directly and indirectly affected by current economic, financial, business and regulatory conditions. Many of these conditions are beyond APA's control. If APA's operating results are insufficient to service its debt, APA may be forced to take remedial actions, such as reducing distributions, reducing or delaying its business activities (including acquisitions, investments and capital expenditures), selling assets or seeking additional debt or equity capital. APA may be unable to undertake these remedial actions on favourable terms or at all.

Key business risks

11. Credit rating or security risks

Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. There is no assurance that any credit or security rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgement, circumstances warrant or a different methodology is applied to derive that rating. APA assumes no responsibility for verifying or updating information regarding such ratings should they change over time.

The statements included in this presentation about APA's expectations about the impact of the acquisition of the Target (and any associated debt funding) are not based on confirmations provided by the relevant ratings agencies and may not necessarily be realised. It is possible that APA's assessment regarding its likely credit rating post-Acquisition could be incorrect and that, among other things, APA's credit rating could be downgraded.

Any downgrade in APA's credit rating could harm its ability to obtain financing, could trigger a coupon step up (and therefore increased interest payments) or could increase its financing costs. A downgrade could also cause the instruments governing APA's future debt to contain more restrictive covenants, which in turn could limit APA's ability to obtain additional financing or to respond to changes in business, economic or market conditions. It could also reduce access to certain investors or markets and result in an increase in the debt margins/coupon that APA would need to pay on its debt. APA will be exposed to refinancing risk if it is unable to replace an existing loan with a new one at its maturity date.

12. Foreign exchange risks

APA is subject to currency fluctuations in relation to the purchase, supply and installation of goods and services, and borrowings, in a currency other than Australian dollars and borrowings that are denominated in a currency other than Australian dollars. For instance, APA's outstanding 2012 and 2017 Rule 144A Notes were issued in U.S. dollars and have been swapped into fixed rate Australian dollar obligations. There can be no assurance that APA will be able to effectively hedge its foreign currency exposure, particularly in periods of significant currency volatility and/or that APA's hedges will prove effective. These risks may adversely affect APA's business, operations, financial position and/or performance.

Further, APA's revenues earned on the Wallumbilla Gladstone Pipeline (**WGP**) are denominated in U.S. dollars, which, if not designated in an effective hedge relationship, exposes APA to movements in foreign exchange rates and there is a risk that adverse US$/A$ exchange rate movements may affect its reported earnings.

There can be no assurance that APA will be able to effectively hedge foreign currency exposures, particularly in periods of currency volatility, and /or that APA's hedges will prove effective. These risks may adversely impact APA's business, operations, financial position and/or performance.

13. Investment risk

APA may acquire infrastructure and related assets or undertake additional or incremental investment in its existing assets. Any final investment decision in respect of such investment places considerable reliance on many assumptions.

There is a risk that the assumptions and forecasts relied on by APA in making investment decisions (some of which may relate to time periods many years away) may not be realised. This may adversely affect the outcome of APA's investments and may adversely affect APA's business, operations, financial position and/or performance. There is also a risk that APA may be unable to secure further appropriate infrastructure investments on suitable terms, thereby limiting its growth.

14. Acquisition and integration risks

Where clear from their context, the risks discussed in this section also apply to the acquisition of the Target, as well as to APA's acquisition strategy more generally.

APA seeks to expand its portfolio through significant acquisitions of pipelines and other energy infrastructure assets or businesses. APA also seeks to expand its portfolio through development of existing assets, such as the construction of the 88MW Dugald River Solar Farm, which commenced operations in 2023. Integrating these various assets into APA's business could be impacted by unexpected events (see further below).

APA may fail to identify and/or successfully complete prudent acquisition opportunities or mitigate all risks which may arise from an acquisition. This could prevent APA from obtaining anticipated operating advantages and cost savings (such as the redundancies), thereby adversely affecting APA's business, operations, financial position and/or performance. APA may also fail to consider the appropriate risks and potential costs associated with certain acquired assets that are not part of APA's traditional gas infrastructure business. In addition, certain regulators, such as the ACCC, may prevent or limit APA's ability to pursue further acquisitions.

APA conducts due diligence investigations in connection with any acquisition and may rely on employees or third parties it engages as part of the due diligence process to conduct such due diligence investigations. APA may also rely on information provided by or on behalf of the seller or third parties it engages, and may not able to verify the accuracy, reliability or completeness of such information. To the extent that any investigation by APA's employees or third parties, or that any information provided by or on behalf of the seller or third parties it engages, is incomplete, incorrect, inaccurate or misleading, the actual performance of an acquired asset may be materially different than expected, which may have an adverse impact on APA's business, operations, financial position and/or performance. APA undertook a due diligence process in respect of the acquisition of the Target, which relied information supplied by the Vendor, regarding its assets, businesses, liabilities and prospects.

Key business risks

14. Acquisition and integration risks (cont.)

Additionally, it is possible that the analysis APA undertakes in connection with an acquisition results in conclusions and forecasts which are inaccurate or which are not realised in due course, whether because of flawed methodology, misinterpretation of economic circumstances or otherwise. To the extent that the actual results achieved by the acquisition are weaker than those indicated by APA's analysis, there may be an adverse impact on APA's business, operations, financial position and/or performance. Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately. Therefore, there is a risk that issues arise which will also have a material impact on APA (for example, APA may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for APA). This could adversely affect the operations, financial performance or position of APA.

Moreover, after APA acquires an asset or business, there is a risk that the integration of that asset into APA's operations may encounter unexpected challenges. In particular, the integration of information systems (including cyber-security systems) and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing APA's business. There is a risk that cash flows or operations could be disrupted or that costs associated with the integration may be greater than expected, which could adversely affect APA's financial condition and results of operation. There is a risk that the success and profitability anticipated by the Acquisition could not be fully realised if the Target is not integrated effectively. There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, or that anticipated benefits and synergies of the integration may be less than estimated. In respect of the Acquisition, potential integration risks and complexities include: (i) inability to retain key management personnel overseeing the Target (with a subsequent loss of corporate and market knowledge, customer and stakeholder relationships and workplace culture); (ii) adverse tax consequences; (iii) differences in corporate culture between businesses being integrated; (iv) lack of capability and talent to deliver integration, particularly relating to IT and HR matters; (v) unanticipated or higher than expected costs, delays or failures to integration of businesses, support operations, accounting or other systems; (vi) unanticipated or higher than expected costs or extensive delays in integration of information technology systems and platforms (see risk 28 below); and (vii) failure to derive the expected benefits of the strategic growth initiatives.

In considering an acquisition, APA makes assumptions and take positions in relation to the income tax and stamp duty consequences of the acquisition. In the event that the actual outcomes are different from those assumptions or they are not accepted by the relevant tax authorities, there may be an adverse impact on APA's business, operations, financial position and/or performance.

15. Construction and development risk

APA's and/or the Target's business strategy includes the development of new pipeline capacity, renewable and gas-fired generation plants, battery storage, electricity transmissions assets, and gas storage facilities. Development of APA's and the Target's assets involves a number of typical development and construction risks including the possibility of failure to obtain necessary approvals (including from traditional owners), employee or equipment shortages, higher than budgeted construction costs, insolvency events in service and equipment providers and project delays. There is also a risk of inadequate project development at the front end, for example errors or inadequacies in the concept design and planning phase. Accordingly, APA may not be able to implement current and future development and construction projects or implement them in the manner or within the timeframe and budget expected. A failure to deliver development and construction projects at all, or within the timeframe or budget expected, may adversely impact APA's business, operations, financial position and/or performance.

16. Operational risks

APA is exposed to certain material operational risks and major hazards, including poor or inadequate data including environmental, inadequate management of sustainability risk, inadequate third party, contract and supplier management, cyber security risk, severe weather, operational technology risk, major loss of containment or a gas explosion at a facility or of a pipeline; major electrical or equipment failure, curtailments or a terrorist attack. Although APA has action plans in place to minimise the risk of any of these events happening, if they were to occur, they could have an adverse impact on APA's reputation, business, operations, financial position and/or performance.

APA's energy infrastructure is exposed to a number of risks and hazards typically associated with such operations, such as equipment failures, rupture of pipelines (including as a result of corrosion or loss of containment) with a risk of explosion, employee or equipment shortages, human error and unplanned interruptions caused by industrial disputes, damage by third parties and unforeseen accidents. Operational disruption, the cost of repairing or replacing damaged assets and the risk of claims by customers following an operational disruption, may adversely affect APA's reputation, business, operations, financial position and/or performance.

The Target faces similar risks.

17. Environmental risks

National, state and territory environmental laws and regulations in Australia affect the operations of APA's and the Target's assets and apply to the sites, easements and facilities of APA's and the Target's operations. These laws and regulations: (i) create obligations to obtain and comply with approvals, including planning approvals; (ii) set standards relating to environmental compliance practices, processes and quality of assets; (iii) provide for penalties and other liabilities for the violation of approvals and such standards; and (iv) may establish certain obligations to clean up or remediate facilities and locations where operations are, or were, previously conducted.

Key business risks

17. Environmental risks (cont.)

The costs and operational impacts associated with complying with these approvals, laws and regulations could increase as a result of obtaining new approvals, new or heightened environmental concerns or if APA fails to comply with any of its environmental obligations. Increased costs associated with approval or regulatory compliance may adversely affect APA's business, operations, financial position and/or performance.

APA may also experience increased costs for any failure to comply with environmental or cultural heritage laws. Specifically, APA may be liable for the discharge of prohibited substances into the environment or environmental damage caused by it (including its officers, employees, consultants or contractors) or previous owners of property or assets acquired by APA. APA's liability may include fines, orders, clean-up costs, damages, remediation costs and orders, enforceable undertakings, civil and/or criminal sanctions and interruptions in operations. Such costs are challenging to estimate and could stretch over many years for a single violation. Increased costs associated with failure to comply with environmental or culture heritage laws may adversely affect APA's business, operations, financial position and/or performance. Breaches may also result in the cancellation of some approvals, or in the imposition of more onerous operating conditions. Although APA currently does not have any material remediation projects, construction and/or maintenance may be necessary in heritage listed or environmentally sensitive locations.

Even if APA is compliant with applicable environmental laws, regulations, approvals, standards or other requirements, it is possible that APA's construction projects may be subject to delays and/or be discontinued as a result of environmental disputes, environmental impact assessments and consultation processes, or the need to obtain necessary environmental approvals, which may adversely affect APA's business, operations, financial position and/or performance. APA has policies and control measures in place to mitigate Environment and Heritage risk.

The Target faces similar risks.

18. Land tenure

APA's gas pipeline assets and other energy infrastructure assets are primarily constructed and operated on land over which APA has easements, leases or statutory or other land tenure. APA may lose land tenure rights or otherwise be required to relocate its pipelines. Further, land access costs may increase, including through rental increases, renewals of expiring agreements, prevention of easement encroachments or enforcement of APA's current land access rights. This may adversely affect APA's operations, business, financial position and/or performance.

The Target faces similar risks.

19. Health and safety risks

Occupational health and safety is a key risk area in the operation and maintenance of APA's assets. The risk of operational hazards, as well as the inherently hazardous nature of maintenance and construction work involving gas transmission, power generation and gas distribution facilities could result in serious injury and loss of human life, both to APA's employees and third parties. APA's internal policy decisions on safety and the training provided to employees relating to hazard identification, risk assessments and incident prevention and awareness are in place to mitigate risk, however cannot eliminate the risks of accidents or long term health impacts. Consequently, APA may receive employee, customer or public claims for health and safety related issues from time to time. Such claims may adversely affect APA's business, operations, financial position and/or performance.

APA is subject to Australian health and safety regimes and is required to comply with their respective legislation concerning the protection of the health and welfare of employees, contractors and other parties (including, but not limited to, the public). APA will incur compliance costs related to these obligations, and any failure or lapses in its compliance may result in it being exposed to fines, damages and criminal or civil sanctions. If significant health and safety consequences occur APA could become subject to additional and unanticipated compliance costs. These may adversely affect APA's business, operations, financial position and/or performance. APA has policies and control measures in place to mitigate Health and Safety risk.

The Target faces similar risks.

20. Reliability of key assets

APA's business is materially dependent on the reliability of its pipeline network. In order to maintain the pipeline system operations, repairs and maintenance are necessary. In some cases, such repairs and maintenance may be expensive and capital intensive and may adversely affect APA's business, operations, financial position and/or performance going forward. For example, the Moomba Sydney Pipeline has experienced stress corrosion cracking since 1982, which has resulted in on-going management and significant repair costs for almost three decades due to coating degradation. APA cannot predict whether other unforeseen maintenance and repair issues may arise. If they do, such issues could cause APA to incur substantial capital expenditure and could have an adverse effect on its business, operations, financial position and/or performance.

APA expects the Target faces similar risks. In particular, the Target's business is materially dependent on its key assets, including the Port Headland Power Station and the Newman Power Station. These Power Stations are expected to operate until 2050, beyond their initial expected asset life. The Target has in place maintenance and operational expenditure programs in connection with its key assets, but APA cannot predict whether unforeseen issues may arise in respect of those assets. If they do, such issues could cause APA to incur substantial capital expenditure and could have an adverse effect on its business, operations, financial position and/or performance.

Key business risks

20. Reliability of key assets (cont.)

Also, as a result of urban encroachment and the size of APA's energy network, many of APA's assets are located close to populated areas. If these assets are exposed to interference, injury to persons or damage to property or the environment may occur and APA may be obligated to pay significant costs in addition to any related capital expenditure costs which may adversely affect APA's business, operations, financial position and/or performance.

21. Risks of extreme weather events, sabotage and terrorist acts

APA is subject to the risk of accidents and incidents in respect of its energy infrastructure assets and adjacent sites, as well as to weather conditions, natural phenomena, natural disasters, vandalism and acts of terrorism. Any of these events may impact APA's operations and could result in unplanned outages of its assets. These risks may result in a failure by APA to supply its customers, which may adversely affect APA's business, operations, financial position, and/or performance.

Extreme weather events may inhibit APA's operations by causing damage to its assets, disrupting gas suppliers and its ability to supply gas to APA's pipelines, delaying project construction and commissioning schedules and damaging or destroying the facilities of APA's customers. Such extreme weather events, whether affecting APA's services, its suppliers or customers, could have an adverse effect on APA's business, operations, financial position and/or performance.

Sabotage of, and terrorist acts on, APA's assets (whether physically or through cyber-attacks) may adversely affect APA's ability to provide APA's contracted services to its customers and could damage a third party's property. Repairs to correct any damage to assets or any information technology systems could be costly and time-consuming and may result in substantial lost revenues during the period of such repairs. In addition, any service interruption or physical damage may cause loss or damage to customers or third parties who may seek to recover damages from APA, adversely affecting APA's business, operations, financial position and/or performance.

Any delay in the availability of supplies, equipment or personnel necessary to remedy outages stemming from natural disasters, sabotage and terrorist attacks could compound the adverse effects on APA's business, reputation and operations.

The Target faces similar risks. In particular, the Target's key assets are located in cyclone prone areas and are subject to extreme temperatures that could result in damage to those assets. Any such damage or costs in repairing the Target's key assets could adversely affect APA's business, operations, financial position and/or performance.

22. Disputes and litigation risks

Litigation risks made by or against APA include, but are not limited to, commercial claims, contractual claims, customer claims, injury claims, native title claims, tenure disputes, environmental claims and prosecutions, claims related to compensation on easements and other land access issues, occupational health and safety claims, employee claims, and regulatory disputes. Even if APA is ultimately successful in defending claims against it (or in pursuing claims made by it), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties.

The Target faces similar risks.

23. Insurance

APA believes that its insurance policies are appropriate and adequate to protect against major operating and other identified risks. However, not all risks and liabilities are insurable or insured, and APA may elect to not insure or maintain insurance coverage for certain risks on account of high premium costs or otherwise. In addition, the insurance coverage APA maintains may not extend or be adequate to cover all insurable liabilities and losses. Combined with changeable insurance market conditions, APA cannot be certain that insurance cover for all potential liabilities and losses will be available in the future on commercially viable terms. APA may also elect to self-insure and/or carry larger deductibles. In the event APA experiences a loss or liability to third parties in the future, the proceeds of an applicable insurance policy may not respond to cover the full actual loss incurred or related liabilities to third parties.

The Target is subject to similar insurance-related risks as APA.

24. People risk

APA's continued success is dependent on its ability to attract, engage, develop and retain talent, including in some geographically dispersed markets across Australia where there is a varying supply of skilled workers. Attraction and retention of skilled employees in regional and remote locations presents a specific challenge for APA. When APA's operations expand or current employees leave, labour costs may increase and APA is required to compete in some challenging markets to attract new employees. This presents a risk that APA is unable to recruit replacement employees in a timely manner or at all in some markets which may adversely affect APA's operational and financial performance. APA also relies on the expertise and continued service of particular key executives but cannot guarantee the retention of these executives. These key executives possess highly valuable institutional knowledge, without which APA's business, operations, financial position and/or performance may be adversely affected. APA relies on workforce planning and other key people measures to mitigate people risks but cannot eliminate these risks altogether.

The Target faces similar risks.

Key business risks

25. Fraudulent behaviour of employees

APA is exposed to risks associated with fraudulent behaviour of its officers, employees, consultants, contractors and contractual counterparties. The occurrence of such behaviour may adversely affect APA's business, operations, financial position and/or performance. APA has policies and control measures in place to mitigate the risk of fraudulent behaviour but cannot eliminate the risk entirely.

The Target faces similar risks.

26. Unionised workforce

Currently, the salary arrangements for approximately 23% of APA's employees are covered by six enterprise bargaining agreements negotiated with employees who are predominantly represented by unions in the negotiation process. Employee union membership numbers is unknown as this information is not held by APA and employees are not required to inform APA of their membership. APA's partly unionised workforce could expose it to labour activism and unrest. APA recently had three of its enterprise bargaining agreements approved by the Fair Work Commission. APA is currently in the middle of bargaining in relation to two other enterprise bargaining agreements which it expects will be finalised in the next couple of months. The remaining agreement will expire in July 2025. APA is expecting each of the negotiations to be resolved in a timely manner. Protected industrial action, including strikes and work bans, are lawful during the enterprise bargaining period. Labour activism and unrest could increase during current or future renegotiation of enterprise bargaining agreements. Labour activism and unrest, if undertaken by APA's employees, could disrupt its operations and may adversely affect its financial performance and operating results. However, APA takes proactive steps to manage resourcing requirements in the event of employees taking protected industrial action to minimise disruption to operations.

27. Legacy retirement benefit funds

APA has three legacy defined benefit superannuation plans that are funded through a combination of employer and employee contributions, which are invested by third party/external superannuation fund managers into equities, bonds and other external assets. The value of such assets are dependent on, amongst other things, the performance of the equity and debt markets. Any shortfall in the funding obligations for the plans will require additional funding from relevant APA employing entities thus increasing APA's liabilities. Note, there are only a small number of employees in APA's three legacy defined benefit superannuation plans: 84 members and 42 pensioners. It was identified in June 2023 that two of the three defined benefit superannuation plans had fallen below APA's targeted funding levels. However, APA has developed a rectification plan of increased contributions to restore the funding.

28. Information technology, business processes and cyber risk

APA's operations rely on a number of information technology systems, applications and business processes utilised in the delivery of business functions, including APA's customer management system, enterprise project infrastructure, payroll and financial management, grid network and integrated operations centre. APA's operating businesses depend on computer systems and network infrastructure. System interruptions may occur due to the replacement of systems, equipment failure, human error, natural disasters, sabotage (including cyber-attacks) and power outages. Interruptions may result in the unavailability of services, erroneous processing of third party instructions, and may reduce the relevant businesses' ability to maintain efficient operations and impact relationships with customers. Further, interruptions to APA's information technology systems and any lack of availability of backup facilities may adversely affect APA's business, operations, financial position and/or performance.

Moreover, the impact of cyber incidents on privacy has been widely publicised recently through incidents involving large corporate organisations. The exposure of personal data leads to malicious activities such as extortion, targeted phishing and identity theft. The increasing rate of technology advancement and dependency on it, as well as greater accessibility, has resulted in greater actual and potential negative impacts on organisations and individuals. The growing volume and sophistication of cyber threats, both locally and globally, is increasing the likelihood of compromised data and creates a risk for APA. Any cyber security incident may adversely affect APA's business, operations, financial position and/or performance.

APA continually invests in improving its IT systems, applications and business processes to protect the confidentiality, integrity and availability of its information, the delivery of business functions and its computer systems and network infrastructure. It also does this to improve its ability to identify and remediate IT risks and issues as they become known and to respond to the requirements of Security of Critical Infrastructure Act (**SOCI**).

In addition, APA will as part of its integration planning, critically assess the systems in place to determine the optimal approach for managing any cyber security risks associated, including putting in place additional compliance arrangements if APA considers this necessary to meet legal obligations concerning data privacy or that it is otherwise prudent to do so. APA cannot guarantee that any efforts to improve its IT systems, applications and business processes will be effective or that APA's security measures can provide absolute security or that it will be able to identify or remediate risks or issues with its IT systems, applications and business processes effectively or in a timely manner. In particular, APA's technologies, systems and networks have been subject to, and/or may continue to be the target of, cyber-attacks, computer viruses, malicious code, phishing attacks or information security breaches that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of APA, its employees or customers, or otherwise disrupt APA or its customers' or other third parties' business operations. Although to date APA has not experienced any revenue loss relating to cyber-attacks or other information security breaches, there can be no assurance that APA will not suffer such losses in the future.

Key business risks

29. Joint venture risk
APA holds a number of interests in companies together with joint venture partners through equity or other joint ventures. Certain decisions require approval of the other shareholders of the joint venture or their representatives. Therefore, irrespective of APA's proportional interest in the joint venture, APA may not be able to unilaterally control all decision-making processes of a joint venture, including decisions in respect of distributions. The joint venture partners in these projects may have economic or business interests or objectives that are different to those of APA, may be unable or unwilling to fulfil their obligations under the relevant joint venture contracts or may experience financial or other difficulties, which may threaten the viability of the joint venture or cause APA to incur additional costs. In addition, APA's reputation and its relationships with governments and other stakeholders may be adversely affected through association with a partner that has engaged in misconduct or has been negligent in connection with a project. These risks could disrupt the operations of the joint venture and negatively impact APA's investment in, and returns from, the joint venture. This may adversely affect APA's business, operations, financial position and/or performance.
30. Reputation risk
APA relies on a level of public acceptance of the development and transmission of gas and power generation infrastructure. APA's business, and the construction of its pipelines and other related infrastructure, may generate negative public sentiment with certain stakeholder groups and result in negative publicity for APA. Negative public sentiment, any resulting community action and related publicity may result in federal and state government policy and / or regulatory changes that may adversely affect APA's business, operations, financial position and/or performance.
31. Operating multiple asset types and partnering across multiple stakeholder groups
APA’s strategy is dependent on its ability to transition to, and ability to execute across, multiple asset types. APA’s non-pipeline assets currently represent only a small portion of APA’s assets. Additionally, APA’s strategy is dependent on its ability to effectively engage with stakeholders including State and Federal Government agencies, community, landholders, customers, suppliers, investors, and employees. If APA fails to demonstrate that it can effectively execute across multiple asset types and effectively engage across multiple stakeholder groups, APA may not succeed in building a market reputation as a trusted partner in delivering infrastructure solutions for the energy transition. This may adversely affect APA’s business, operations, financial position and/or performance.

Additional risks specific to the Acquisition

32. Completion risk

Completion of the Acquisition is subject to certain conditions precedent, including in respect of the change of control of Alinta Energy Pilbara under certain of its contracts.

If the Acquisition does not complete as a result of a failure to satisfy the conditions precedent or for any other reason, APA will need to consider alternative uses for the proceeds of the Offer, or ways to return such proceeds to securityholders if suitable alternatives cannot be identified. If completion of the Acquisition is delayed, APA may incur additional costs and it may take longer than anticipated for APA to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition could materially and adversely affect APA's operational and financial performance and the price of its securities.

33. Historical liabilities

If the Acquisition completes, APA may become directly or indirectly exposed to certain liabilities relating to the Target. Such liabilities may be greater than anticipated and therefore may adversely affect the financial performance or position of APA after the Acquisition.

34. Future earnings, acquisition accounting and tax risk

In accounting for the Acquisition in the pro forma combined balance sheet, APA has not performed an assessment of all of the assets, liabilities and contingent liabilities of the Target. APA will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of the Target post-completion, which may give rise to a materially different fair value allocation to that used for the purposes of the pro forma financial information set out in this presentation. Such a scenario will result in a reallocation of the fair value of assets and liabilities acquired to or from goodwill and also an increase or decrease in depreciation and amortisation charges in the combined APA / the Target income statement (and a respective increase or decrease in net profit after tax).

If the Acquisition reaches completion, APA expects that the combination will result in goodwill being booked which, together with the Target's other assets, will be subject to carrying value reviews that take into account forecasts of uncertain future cash flows, discount rates and other matters. This could result in APA having to make an impairment of the goodwill and other assets in its accounts, which may have an adverse impact on its business, operations, financial position and/or performance.

If the Acquisition reaches completion, the Target will enter the APA tax consolidated group, meaning that the tax cost base of assets (including depreciable assets) will likely be reset. There may also be in certain prescribed circumstances a tax consolidation step up on depreciable assets post-Acquisition. As at the date of this presentation, APA is not yet able to assess exactly what the impact of tax consolidation will be. If APA has miscalculated what it expects the impact to be, this may have an adverse impact on APA's tax liabilities and therefore its financial position.

35. Underwriting risk

APA has entered into an underwriting agreement under which two underwriters have agreed to fully underwrite the Placement, subject to the terms and conditions of the underwriting agreement between the parties.

Under the underwriting agreement, the underwriters' obligation to underwrite the Placement is conditional on the Share Sale Agreement in relation to the Acquisition not being terminated and certain other customary matters, including APA delivering certain certificates, sign-offs and opinions to the underwriters. Additionally, if certain events occur, the underwriters have the ability to terminate the underwriting agreement. If the underwriting agreement is terminated, it would have an adverse impact on the proceeds raised under the Placement and APA would likely need to source alternative funds to meet its funding obligations in connection with the Acquisition. There is no certainty that APA could obtain alternative equity or debt funding on acceptable terms or at all. Were APA to use its existing cash or debt facilities, or obtain a new debt facility, to meet its funding obligations in connection with the Acquisition, that could have an adverse impact on APA's credit ratings and its financial condition.

The events which may trigger termination of the underwriting agreement before settlement of the Placement include where:

a) the Share Sale Agreement in relation to the Acquisition is materially breached, terminated or varied in a material and adverse respect;
b) APA is delisted or suspended from the official list of the ASX or its stapled securities are delisted or suspended from quotation (other than in connection with the Placement);
c) APA alters its capital structure without the consent of the underwriters;
d) APA is or becomes insolvent;
e) APA's CEO has their employment terminated for cause;
f) APA contravenes its constituent documents, the Corporations Act, the ASX Listing Rules or other applicable law;

Additional risks specific to the Acquisition

35. Underwriting risk

g) APA or any of its directors engage in fraud or commit certain offences;

h) the Placement, or any of the offer documents, do not comply with applicable law; or

i) an event occurs which makes it illegal for the underwriters to satisfy their obligations under the underwriting agreement or to market, promote, underwrite or settle the Placement.

The ability of the underwriters to terminate the underwriting agreement in respect of some events outlined above will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Placement, the value of the New Securities, or the willingness of investors to subscribe for New Securities, or where they may give rise to liability for the underwriters.

In addition to those termination events, the occurrence of certain other events (including, but not limited to, changes in law, market or trading disruptions, hostilities, regulatory action, or other circumstances that render certain information or disclosures false, misleading or deceptive) before settlement of the Placement may affect the underwriters' obligation to underwrite the Placement at the price set out in this presentation. If any such event occurs, the underwriters and APA may be required to work together in good faith to agree amendments to the underwriting agreement to implement an alternative equity raising that enables APA to fund the purchase price for the Acquisition. In such circumstances, there is no guarantee that the underwriters will agree appropriate and timely amendments to the underwriting agreement, which may adversely impact the timing and success of the Placement (or any other capital raising), the proceeds raised by APA and APA's funding for the Acquisition.

Equity raising and general risks

36. Allocation of New Securities under the Placement and SPP

It is intended that eligible institutional security holders who bid for up to their 'pro-rata' share of New Securities under the Placement will be allocated their full bid, on a best endeavours basis. For this purpose, an eligible institutional security holder's 'pro-rata' share will be estimated by reference to APA's beneficial register on 18 August 2023 but without undertaking any reconciliation processes and ignoring any New Securities that may be issued under the SPP. Accordingly, unlike in an entitlement offer, this may not fully reflect the participating security holder's actual 'pro-rata' share. Nothing in this Presentation gives a security holder a right or entitlement to participate in the Placement and APA has no obligation to reconcile assumed holdings (e.g., recent trading or swap positions) when determining a security holder's 'pro-rata' share. An eligible institutional security holder may therefore not receive an allocation under the Placement which is truly reflective of their pro-rata share, or may receive no allocation.

Institutional security holders who do not reside in an eligible jurisdiction will not be able to participate in the Placement, and APA and the underwriters disclaim all liability (including for negligence) in the determination of a security holders pro-rata share of New Securities.

There is also a risk that participants in the SPP may have their application for New Securities scaled-back at APA's absolute discretion where APA receives applications in excess of the amount it proposes to raise under the SPP.

37. Dilution risk

Existing security holders who do not participate in the Placement or the SPP will have their percentage security holding in APA diluted. Depending on the size of a security holder's existing holding, a participating security holder may still be diluted even though they participate in the Placement or the SPP depending on the number of New Securities allocated to them.

38. Market generally

The price of Securities (including the New Securities to be issued pursuant to the Offer) on ASX will be affected by the financial performance of APA and may rise or fall due to numerous often unpredictable factors, including: (i) Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates and currency exchange rates; (ii) tensions and acts of terrorism in Australia and around the world; (iii) investor perceptions in the local and global markets for listed stocks; and (iv) changes in the supply and demand of infrastructure securities.

Securities (including the New Securities to be issued pursuant to the Offer) may trade at higher or lower prices than the price at the time of this presentation and no assurances can be given that APA's market performance will not be adversely affected by any such market fluctuations or factors. No member of APA, nor any of their directors nor any other person guarantees APA's market performance.

39. Economic risks

Changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity and debt markets may affect the trading price of Securities on ASX. One or more of these factors may cause Securities to trade below current prices and may adversely affect APA's business, operations, financial position and/or performance. In addition, changes in the value of Securities may be unrelated or disproportionate to the actual operating performance of APA.

40. Economic conditions

The operating and financial performance of APA is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in demand, could adversely affect APA's business, operations, financial position and/or performance.

41. Asset impairment

Where the value of an asset is assessed to be less than its carrying value, APA is obliged to recognise an impairment charge in its profit and loss account.

Asset impairment charges may result from the occurrence of unexpected adverse events that impact APA's expected performance. Assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that may be significant and may adversely affect APA's business, operations, financial position and/or performance.

Equity raising and general risks

42. Changes to accounting standards
Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act may adversely affect APA's reported results of operations in any given period or APA's business, operations, financial position and/or performance.
43. Adverse tax developments
APA comprises two trusts, APA Infra and APA Invest, which are registered managed investment schemes regulated by the Corporations Act. APA Infra Units are "stapled" to APA Invest Units on a one-to-one basis so that one APA Infra unit and one APA Invest unit form a single stapled security which trades on ASX. Australian taxation laws apply to each of these entities separately. APA has made assumptions and taken positions in relation to its liability for income tax, stamp duty and goods and services tax across its businesses. In the event that the actual outcomes are different from expectations or they are not accepted by the relevant tax authorities, this may adversely affect APA's business, operations, financial position and/or performance. Adverse changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation to APA or its entities, may increase APA's tax liabilities. If APA Infra fails the loss recoupment tests, tax losses otherwise available to APA Infra may be forfeited which could result in tax payable, together with the generation of franking credits. APA Invest and its subsidiary trusts are generally not liable for Australian income tax, provided that all income is distributed. If applicable tax regimes change or the activities of APA result in APA Invest or its subsidiary trusts becoming subject to a different tax regime, this could result in tax liabilities and may adversely affect APA's financial performance and/or position. In addition, an investment in securities involves tax considerations which may differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in APA.
44. Pandemic
APA's business and operations, and those of its suppliers and contractors, as well as its customers, may be adversely affected by a future pandemic. As evidenced through the COVID-19 pandemic, a future pandemic may result in federal, state and local governments in Australia implementing a number of measures and recommendations, including significant restrictions on movement and activity to slow or stop the spread of the pandemic. Those measures and recommendations, along with potential changes in the way APA's employees and customer's behave, may adversely affect APA's business, operations, financial position and/or performance. In addition, a future pandemic may require many of APA's employees to work from home, which may necessitate a reassessment of some work flows and procedures. Addressing the disruptions a pandemic may cause may also require APA's senior management team and staff to devote time and resources to address the impact of the pandemic on APA's business, which may negatively affect their ability to implement APA's business plans and respond to other issues and opportunities. Government measures or actions could also negatively impact APA's contractors' ability to perform their contracts with APA, including APA's construction contractors, which could have a material adverse effect on APA's business, operations, financial position and/or performance. The extent to which a future pandemic will impact APA will depend on the nature of the pandemic, which cannot be predicted, including the geographic spread, severity and duration of the pandemic; the actions taken by federal and state or local governmental authorities in response to the pandemic, the impact of the pandemic on contracts and agreements to which APA is a party and the impact of the pandemic on the economy generally. Uncertainty about the effects of any future pandemic may also result in significant disruption to credit and capital markets, which may affect APA's ability to raise new financing and refinance its existing and future indebtedness.
45. Other external factors
Other external factors may impact APA's performance, including changes or disruptions to political, regulatory, legal or economic conditions or to national and international markets.
46. Geopolitical
Geopolitical factors could materially increase economic disruption. In particular, continuing tensions between countries and policy uncertainty could result in further downturns to the domestic and global economies. This could adversely affect APA's business, operations, financial position and/or performance.

Pro forma financials

Diamantina Power Station

APPENDIX
03

Pro-Forma historical balance sheet (FY23)

	APA Balance Sheet	Alinta Energy Pilbara Balance Sheet	Pro-Forma Debt/Equity Raising	Pro Forma Acquisition Adjustments	Pro-Forma Transaction costs	Remeasurement of APA's existing interest in GGTP	Combined Pro-Forma Historical Balance Sheet
Assets ($m)							
Cash and cash equivalents	513	37	1,743	(1,654)	(83)	-	556
Current assets	520	32	-	-	-	-	552
Property, plant & equipment(1)	10,755	755	-	70	-	282	11,862
Goodwill and other intangible assets(1)	3,314	309	-	833	-	932	5,388
Other non-current assets	764	78	-	(78)	-	-	764
Total assets	**15,866**	**1,211**	**1,743**	**(829)**	**(83)**	**1,214**	**19,122**
Liabilities ($m)							
Current debt	202	2	-	-	-	-	204
Other current liabilities	866	74	-	(31)	-	-	909
Total current liabilities	**1,068**	**76**	**-**	**(31)**	**-**	**-**	**1,113**
Long term debt(2),(3)	11,321	62	993	9	(11)	-	12,374
Other long-term liabilities	1,567	146	-	120	(3)	247	2,077
Total long-term liabilities	**12,888**	**208**	**993**	**129**	**(14)**	**247**	**14,451**
Total liabilities	**13,956**	**284**	**993**	**98**	**(14)**	**247**	**15,564**
Net assets	**1,910**	**927**	**750**	**(927)**	**(69)**	**967**	**3,558**
Equity ($m)							
Issued capital	2,519	1,138	750	(1,138)	(7)	-	3,262
Reserves	(700)	(99)	-	99	-	-	(700)
Retained earnings/(loss)	91	(112)	-	112	(62)	967	996
Equity attributable to securityholders	**1,910**	**927**	**750**	**(927)**	**(69)**	**967**	**3,558**

Basis of Preparation

- APA financials have been extracted from APA's audited financial statements as at 30 June 2023.
- Alinta Energy Pilbara's financials have been extracted from unaudited management accounts as at 30 June 2023.
- Pro-Forma balance sheet adjustments reflect a preliminary assessment of the fair value of the assets and liabilities arising from the Acquisition of Alinta Energy Pilbara, including the related remeasurement of APA's existing interest in GGTP in accordance with *AASB 3 Business Combinations*. The final determination of fair value of the assets and liabilities of Alinta Energy Pilbara and the related remeasurement of APA's existing interest in GGTP, including measurement of deferred tax assets or liabilities, is subject to APA finalising its fair value assessment which will occur in the 12 months post Acquisition and hence will not be completed prior to the Placement and SPP. Consequently, the final fair value assessment may be materially different from the preliminary fair value assessment which may materially impact future earnings.

(1) The allocation of the purchase price between Property, plant and equipment and Goodwill and other intangible assets (including contract intangibles) is subject to significant judgement and estimation uncertainty which will be finalised as part of business combination accounting. As a result of the Acquisition, annual depreciation and amortisation expense (including for the remeasurement of GGTP) is currently estimated to increase by ~$150-$200m.
(2) Includes a fair value adjustment to recognise the below market interest rates on the existing Alinta Energy Pilbara debt facilities provided by NAIF and ARENA of $107 million which are expected to remain in place following acquisition.
(3) The Acquisition will be funded by the Offer and new debt facilities established in connection with the Acquisition. New short-term committed undrawn bank facilities of $1.0 billion have been entered into subsequent to 30 June 2023. These short-term facilities are expected to be replaced with long-term debt by 30 June 2024.

Supplementary information

Emu Downs Wind Farm

APPENDIX
04

Alinta Energy Pilbara: Port Hedland Power Station overview

Asset overview

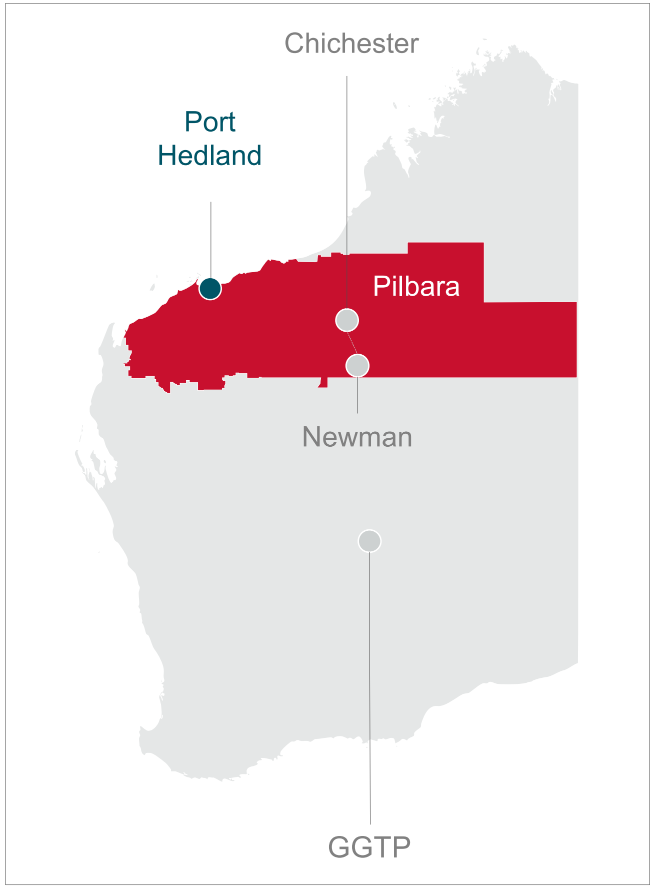
The Port Hedland Power Station is located in the Shire of Port Hedland, 1,640km north of Perth and 6km south of South Hedland.

The facility comprises two separate sites, the Port Hedland main site and the Boodarie satellite site, which are interconnected via approximately 10km of dedicated 66kV overhead transmission line and dispatched as a single facility.

Port Hedland supplies electricity to the port facilities of BHP and FMG under long-term PPAs.

Port Hedland is a load-following station, meaning it meets instantaneous customer demand – the LM6000 is dispatched in priority and the Frame units dispatched to make the best use of hours allocated within each maintenance period.

Site location



Key figures

Commissioned	1995 Main site 1998 Boodarie 2018 LM6000
Capacity	210 MW
Fuel	Gas/diesel Gas only (Boodarie)
Contracted	FMG / BHP

Source: Alinta Energy management.

Alinta Energy Pilbara: Newman Power Station overview

Asset overview

Newman is located in the Pilbara region, 450km southeast of Port Hedland.

The Newman Power Station was originally constructed in 1996 by BHP to supply power to its iron ore mining operations. Through a series of acquisitions, the assets are now owned and operated Alinta's Pilbara business.

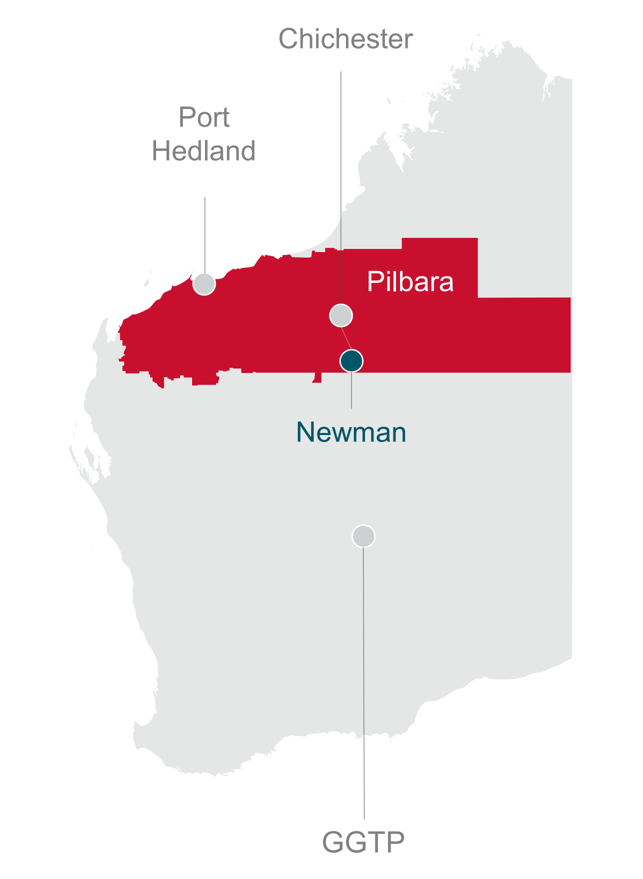
Today, Newman supplies electricity to Roy Hill and FMG under long-term PPAs.

The site has two 600kl diesel fuel tanks to supply backup distillate fuel in the event of natural gas supply disruptions.

A 35MW battery storage system provides a flexible power supply helping to minimise the amount of gas and costs associated with maintaining thermal spinning reserve whilst improving supply reliability.

Alinta added 60MW of new high efficiency reciprocating engines in 2022.

Site location



Key figures

Commissioned	1996 (Frame), 2009 (Trent), 2018 (BESS), 2022 (Recips)
Capacity	232 MW
Storage	35 MW / 11.4 MWh Battery
Fuel	Gas/diesel (Frame) Gas only (Trent and Recips)
Contracted	FMG / Roy Hill

Source: Alinta Energy management.

Alinta Energy Pilbara: Chichester overview

Asset overview

The Chichester Solar Farm is located adjacent to the Christmas Creek mine in the East Pilbara region of Western Australia (~135 km north of Newman and ~390km south-east of Port Hedland).

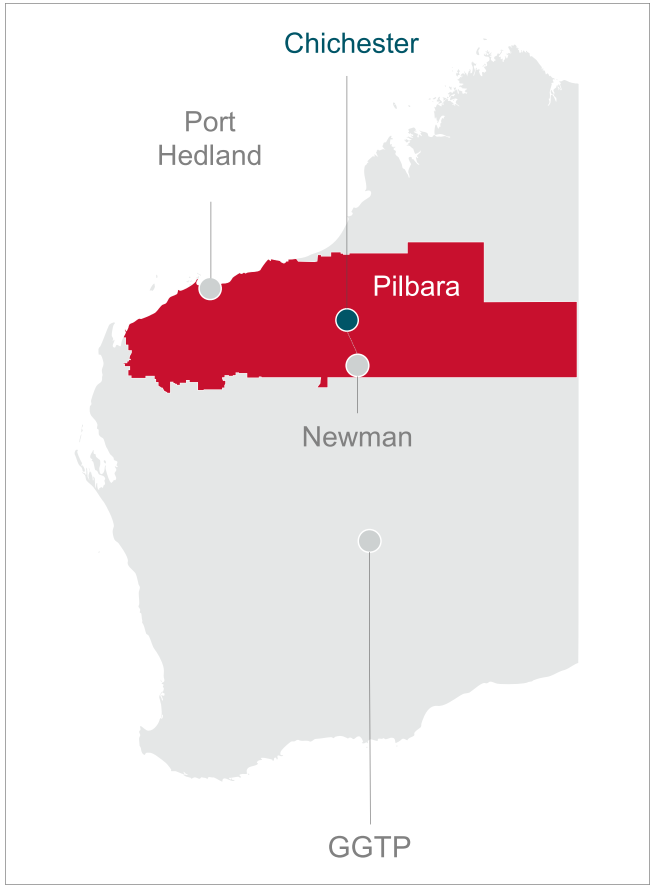
The facility comprises of approximately 167,000 solar PV panels over an area of ~150 ha.

Recipient of government funding – A$107m debt from Northern Australia Infrastructure Facility (**NAIF**) and from Australian Renewable Energy Agency (**ARENA**).

The Chichester Solar Farm provides up to 100% of FMG daytime energy to FMG's Chichester Hub mining operations and firming energy is provided by the Newman Power Station.

Commercial operations since December 2021.

Site location



Key figures

Commissioned	2021
Capacity	60 MW
Facility area	150 ha
Contracted	FMG

Source: Alinta Energy management.

Alinta Energy Pilbara: GGTP overview

Asset overview

Alinta Energy Pilbara owns an 11.843% interest in the Goldfields Gas Transmission Pipeline (**GGTP**), an essential gas transmission pipeline servicing the major iron ore, gold and nickel mining regions of WA.

The transmission line runs for 1,378 km, from Yarraloola to Kalgoorlie, and is contracted to a number of leading resources and energy customers on long-term contracts.

Transports Carnarvon Basin gas to mining and minerals processing operations in the Pilbara region.

APA is the owner of the remaining 88.157% interest in, and is the operator of, the GGTP.

Site location

Key figures

Alinta Energy Pilbara Ownership	11.843%
Commissioned	1996
Capacity	203 TJ/Day
Fuel	NA
Transmission line length	1,378 km
Contracted	Various including BHP, FMG, Glencore, Rio Tinto and Roy Hill

Source: Alinta Energy management.

Alinta Energy Pilbara construction and development pipeline overview

The construction and development pipeline includes ~1GW+ of capacity, with a rapid transition towards a renewables focused portfolio[(1)]

	Type	Capacity (MW)[(1)]	Proposed connection details	Status
Port Hedland Solar		47	33kV switch room to the 66kV Port Hedland Power Station switchyard	Under construction
Port Hedland Solar Expansion		43		Development and Environmental approvals secured as part of Stage 1
Port Hedland Battery		35	33kV switch room to the 66kV Port Hedland Power Station switchyard	Under construction
Port Hedland Battery – Expansion		25		Development Approval (**DA**) secured as part of Stage 1. EPA Referral submitted.
Port Hedland Recips Expansion		60	66kV Port Hedland Power Station switchyard	DA application and EPA Referral submitted
Chichester Solar Farm – Expansion		30	220kV Chichester switchyard	Early stage
Chichester Wind Farm – North		250+	220kV Christmas Creek substation	Early stage
Chichester Wind Farm – South		60+		Early stage
Newman Wind – Stage 1		100+	66kV Newman Power Station switchyard	Early stage
Newman Wind – Stage 2		200+		Early stage
Shay Gap Wind – Stage 1		40+	Horizon Power 66kV network at Goldsworthy Dedicated 220kV required for Stage 2	Early stage
Shay Gap Wind – Stage 2		160+		Early stage
East Pilbara Network		n.a.	n.a.	Early works agreement in place (Stage 1)
		1,050+		

Source: Information provided by Alinta Energy management.
(1) Capacities are based on current project design and are subject to change up until final investment decision, including for potential expansion options

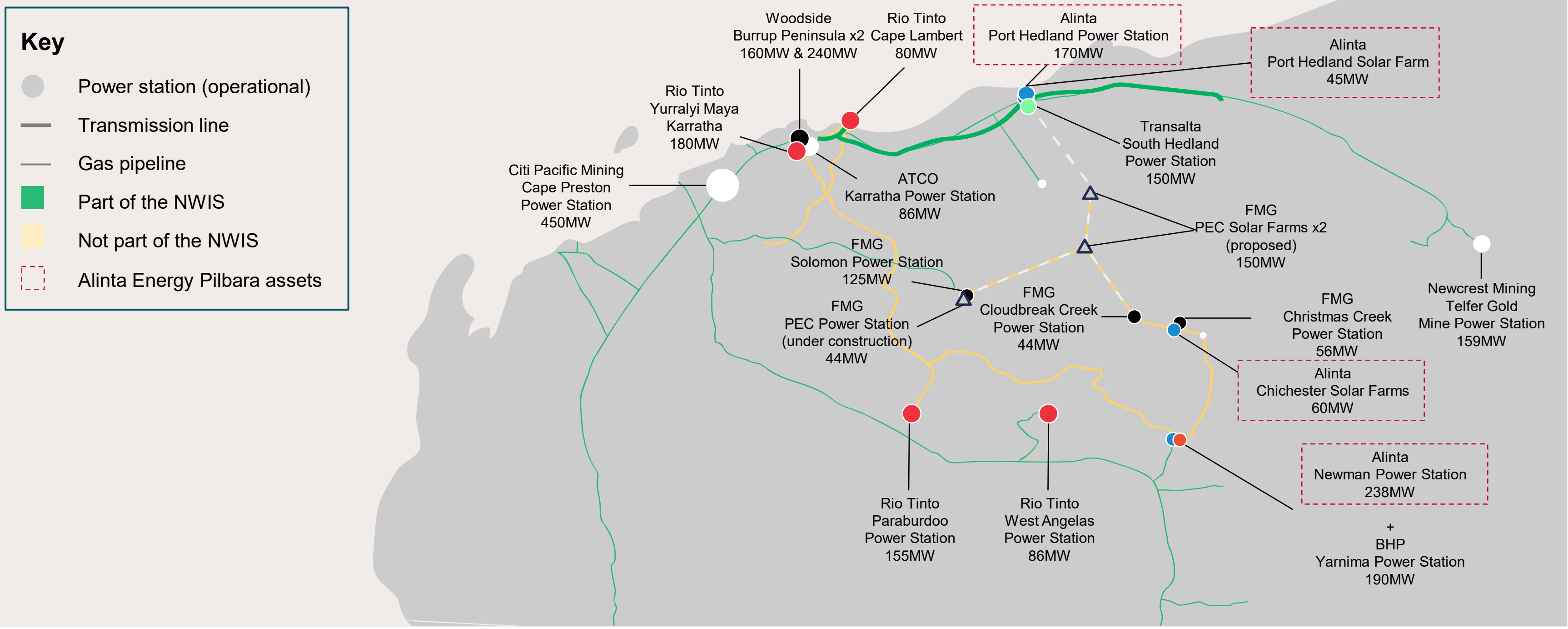
Pilbara region: generation and transmission

There are 24 power stations operating in the Pilbara. The generation and transmission assets are mostly physically connected, though they are largely private, and run independently

Overview

- The **24 power stations** operating in the Pilbara region have a combined nameplate capacity of **2.7GW**
- The electricity transmission and distribution network is a mixture of various voltages, ranging from **33kV lines to 220kV lines**
- Alinta Energy Pilbara's Chichester Solar Farm is the **largest operational renewable power plant** in the region

Power generation, transmission and gas pipeline infrastructure in the Pilbara[1]



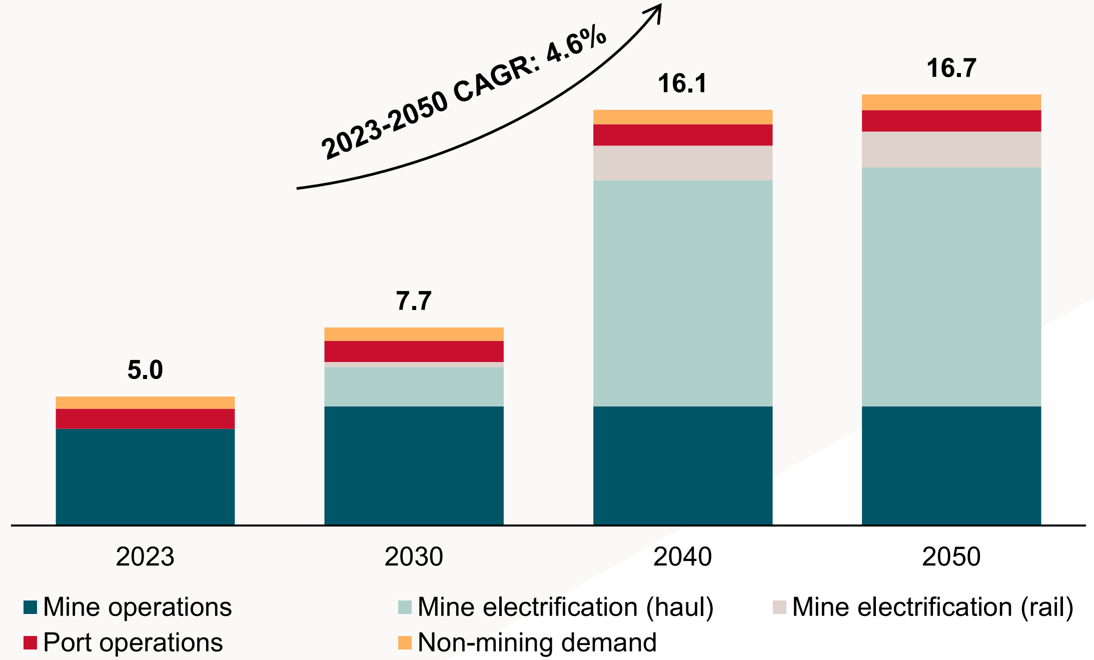
Source: WA Government, DMIRS MINEDEX database, Geoscience Australia, Pilbara Development Commission, Alinta Energy management.
(1) BCG research and analysis.

Pilbara region: forecast electricity demand and capacity

Forecast increase in electricity demand and renewables capacity to 17TWh and ~5.1GW respectively by 2050, with supply expected to transition to become ~89% renewables and ~11% gas by 2050, with gas serving a critical firming and reserve capacity role. (1)

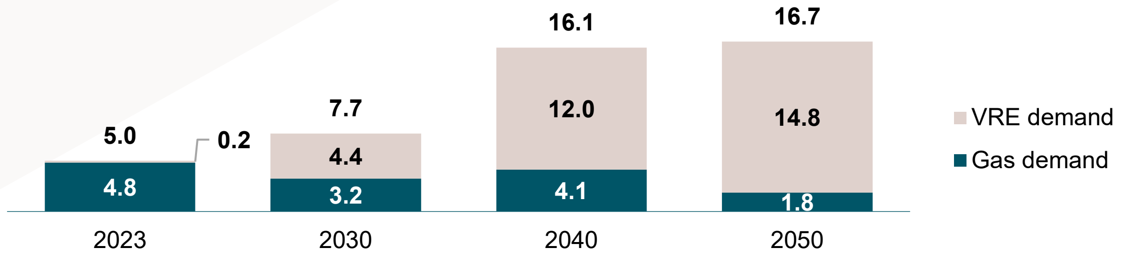
Expected electricity demand (TWh)(1)

Miner decarbonisation targets expected to drive strong growth in electricity demand



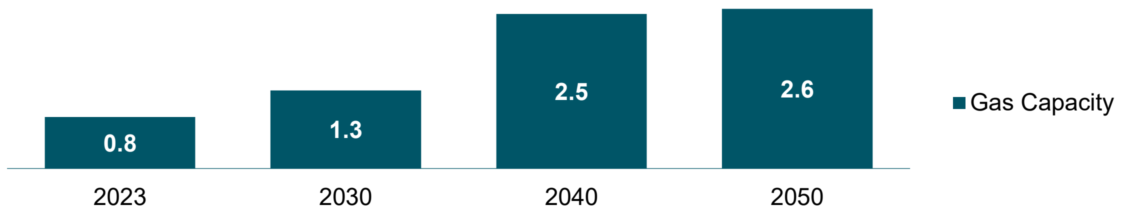
Expected electricity supply (TWh)(1)

Significant growth expected in the supply of renewables while gas power generation transitions to a firming and reserve capacity role



Gas capacity forecast (GW)(1),(2)

Gas capacity forecast to increase to ensure security of supply for miners



(1) BCG research and analysis - Forecast includes the NWIS (incl. Rio Tinto's Pilbara Iron network), FMG's Pilbara Energy Connect network, and BHP/Alinta's Newman network, and excludes isolated power stations servicing isolated mines and towns east of the NWIS, and isolated power stations servicing mines, towns and associated infrastructure to the west of the NWIS. Forecasts represent indicative thermal and VRE mix through to 2050, but remain subject to technology evolution and miner strategy, and annual variances. Expectations relating to Pilbara electricity supply and demand are based on a number of key assumptions including, but not limited to, iron ore production rates, electricity supply generation mix, miners' achievement of decarbonisation goals, miners' preferences for security of electricity supply, future technology costs and advancements, and the ability to secure required project approvals. There can be no assurance that these projections are accurate and actual outcomes may differ materially from such projections because events and actual circumstances frequently do not occur as projected. See the Key risks for further information.

(2) Gas capacity forecast assumes miners' peak power requirement is equivalent to the gas capacity requirement, without allowing for contingency

Case study of existing APA remote-grid development: Gruyere and Queensland North West Power System Projects

Completed project

Gruyere Gold Mine Hybrid Power Station and Pipeline Lateral

~$218m
invested

13MW
solar capacity

4MW
BESS

47MW
gas power generation

198km
gas pipeline

Completed project

Queensland North West Power System

>$1bn
invested

88MW
solar capacity

Transmission

324MW
gas power generation

Lateral gas pipeline


Diamantina Power Station


Gruyere Solar Farm

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