

21 February 2022

ASX ANNOUNCEMENT

APA Group (ASX: APA)

APA HAS RIGHTS TO ACQUIRE 100% OF BASSLINK DEBT

Leading Australian energy infrastructure business, APA Group (ASX: APA), today announced it has entered into agreements that give APA rights to acquire further interests in the senior secured bank debt of Nexus Australia Management Pty Ltd (Administrators Appointed) (Receivers & Managers Appointed) (**Nexus**), subject to the satisfaction of certain conditions (the **Agreements**). Nexus is the borrowing entity for Basslink Pty Ltd (Administrators Appointed) (Receivers & Managers Appointed) (**Basslink Pty Ltd**) which owns and operates the 370km high voltage direct current (**HVDC**) electricity interconnector between Victoria and Tasmania, known as Basslink.

These Agreements mean APA now has rights to acquire a total of 100% of Nexus' senior secured bank debt.

Basslink is the electricity interconnector between Tasmania and mainland Australia and provides two-way access to 500MW of electricity.

The face value of the debt the subject of the Agreements is approximately \$526 million. APA's ultimate acquisition of this debt (at a discount to face value) is subject to certain procedural conditions precedent, which APA reasonably expects to be satisfied in the ordinary course. APA intends to fund the further debt acquisition from APA's cash and debt facilities.

On 12 November 2021, receivers and managers were appointed to Basslink and its related entities (including Nexus) and assumed day to day control of Basslink's operations. The receivers also commenced a sale process and appointed a financial adviser. On 10 February 2022, Hydro Tasmania announced its decision to terminate the Basslink Services Agreement (**BSA**), and its preparedness to discuss with the receivers an alternative commercial model that could include key elements of the BSA, which would provide funding during the receivership and help transition the asset to an alternative commercial model.

APA intends to engage with the receivers in relation to these matters and determine their ongoing role. APA will progress discussions with Hydro Tasmania and the State of Tasmania on their objectives for Basslink and the ongoing development of Tasmania's energy market.

APA Group CEO & Managing Director Rob Wheals said, "APA remains interested in acquiring Basslink and is committed to working with all stakeholders to put Basslink on a sustainable footing."

If APA is successful in acquiring Basslink, APA will work with Hydro Tasmania, the State of Tasmania, the Australian Energy Regulator and other key stakeholders to convert Basslink to a regulated asset.

About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country. APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.



Authorised for release by Amanda Cheney

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