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ASX ANNOUNCEMENT

APA Group (ASX: APA)

Also for release to APA Infrastructure Limited (ASX: AP2)

FIVE-YEAR EAST COAST GAS GRID EXPANSION PLAN TO DELIVER ~24% MORE NORTH-TO-SOUTH TRANSPORT CAPACITY AND NEW SOUTHERN MARKETS STORAGE

APA Group (ASX:APA) today announces a five-year East Coast Gas Grid (ECGG) Expansion Plan to deliver a ~24% increase in north-to-south gas transport capacity¹ and new southern markets storage² to help ensure lower cost and lower emissions domestic gas³ is available to meet East Coast gas demand and to support the delivery of new gas-powered generation.

The Plan will support ongoing earnings growth from APA's core gas transmission business and build on APA's ~\$700 million investment over the last four years in Stages 1 and 2 which have already added ~25% capacity to the grid. The Expansion Plan's initial investment of ~\$75 million over the next two years has been committed, including ~\$40 million to immediately deliver two enhancements to the ECGG that have reached Final Investment Decision (FID).

The remaining ~\$35 million will fund early works on Stages 3, 4, and 5 of the Plan, to support the development of new ECGG expansion and storage projects that will be developed over the medium-term.

The two immediate enhancements that have reached FID will add new north-to-south gas transport capacity in 2025 and 2026:

- The Moomba to Sydney Ethane Pipeline (MSEP) conversion project, targeting completion in 2025. APA will invest ~\$25 million to deliver this project to provide an additional ~20 TJ/day from Moomba to Victoria or ~25 TJ/day to Sydney. After conversion to natural gas, the incremental MSEP capacity will increase the total southbound capacity from Moomba to Sydney from 565 TJ/day to 590 TJ/day.
- The MSP off-peak capacity expansion project, which will deliver two pressure regulation skids to increase capacity in summer months when pipeline maintenance is being undertaken. APA will invest ~\$15 million to deliver this project, with new capacity to come online in summer 2025 and 2026. Total new MSP summer capacity on completion will be 80-120 TJ/day, delivering additional earnings in off-peak months and supporting storage refill ahead of peak winter months.

¹ 24% total capacity increase based on increased capacity at Young, NSW, from which gas can be delivered to southern market demand centres in NSW and Victoria, if plan delivered in full compared to existing capacity in APA's gas network.

² Proposed Stage 4 would add up to ~200TJ of storage could be delivered as early as 2028, with the potential to expand to ~500 TJ in 2029, supporting the need for more peaking gas-powered generation.

³ Frontier Economics, *LNG Imports on End User Prices* May, 2024 (commissioned by APA) <https://www.apa.com.au/news/asx-and-media-releases/new-frontier-economics-research-shows-imported-lng-will-be-significantly-more-expensive-than-domestic-gas> / DomGas Alliance, *Carbon Lifecycle of LNG and Domestic Gas Supply*, March 2009

The medium-term projects that are progressing with early works will add material further north-to-south gas transport capacity and storage:

- Stage 3 (expansion) focusses on building capacity to move ~24% more gas between northern basins and southern markets. This includes the proposed delivery of the Bulloo Interlink, a new 380km, 28-inch pipeline connecting the South West Queensland Pipeline (SWQP) to the MSP, and two new compressors on the MSP.

The Bulloo Interlink is designed to transport gas from northern basins such as the Surat in Queensland and the Beetaloo in the Northern Territory, amongst others. Engineering design and planning, along with long lead item procurement, is progressing as part of committed early works funding.

The project would progressively increase MSP capacity from 590 TJ/day to 700 TJ/day. SWQP capacity would increase from 512 TJ/day to 605 TJ/day and capacity between Young and Melbourne would increase from 190 TJ/day to 229 TJ/day.

- Stage 4 (storage) focusses on delivering new southern market gas storage to support AEMO's forecast need for peaking gas-powered generation, as more variable renewable energy is added to the National Electricity Market.⁴

Stage 4 involves the delivery of the proposed new Riverina Storage Pipeline (RSP) in New South Wales (NSW), along with new compression and pipeline infrastructure. Access and approvals and concept design is progressing as part of early works funding.

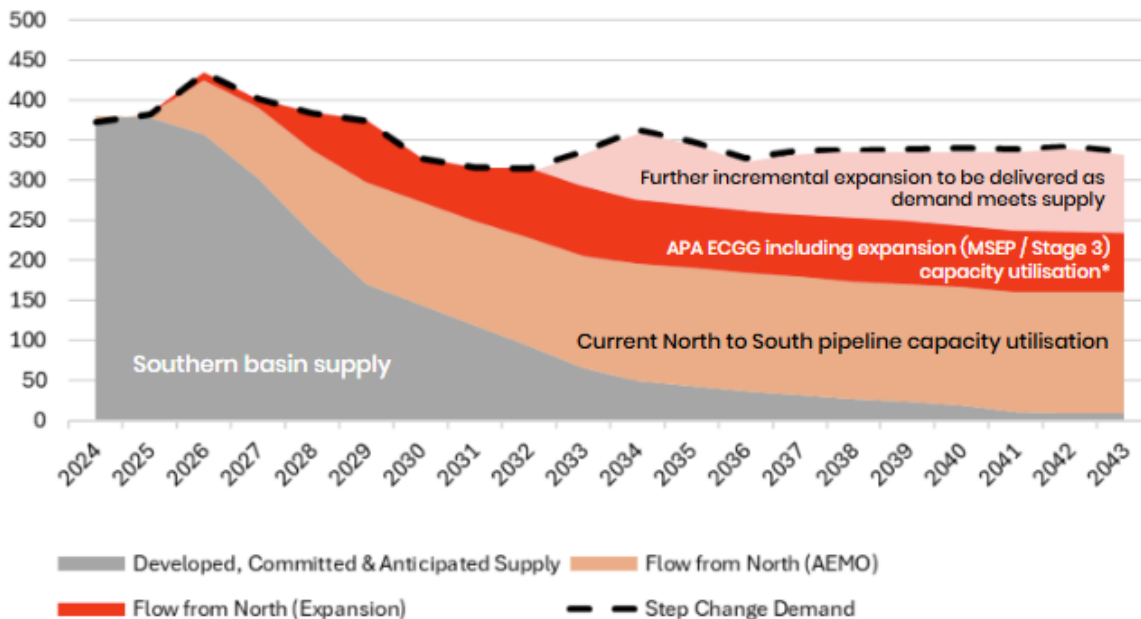
If progressed, Stage 4 would add new storage capacity in winter 2028 and 2029. The storage project can be delivered in stages, with ~200TJ of storage online as early as 2028, with the potential to expand to ~500 TJ as early as 2029.

- Stage 5 (expansion) adds flexibility and amplifies the investments made in Stages 3 and 4, delivering capacity upgrades into the Victorian Transmission System (VTS). The potential project will expand APA's MSP and VTS systems to 350 TJ/day from Young, NSW to Wollert, Victoria through the addition of new compressors, reconfiguration works and new metering and pressure regulation infrastructure.

The ~84% increase in transport capacity into Wollert, Victoria could be delivered as early as winter 2029 as the Victorian market becomes more reliant on northern gas basins.

⁴ AEMO, 2024 Integrated System Plan (ISP), <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2024-integrated-system-plan-isp>

The Plan is designed to ensure there is sufficient capacity for domestic gas to supply southern market demand, to avoid the market shortfalls otherwise forecast by AEMO and the ACCC. Modelling (below) shows demand would be addressed to 2032, with the capacity to deliver further incremental expansion. Importantly, the Plan can be delivered in stages, incrementally satisfying demand to minimise costs to consumers.



Source: AEMO Gas Statement of Opportunities, June 2024; APA internal modelling

The initial investment and the early works funding form part of APA’s ~\$1.8 billion development pipeline and will be funded from APA’s existing balance sheet. Project FID for Stage 3, 4 and 5, will be conditional on early customer support, APA Board approval and any required regulatory approvals. The costs to deliver Stages 3, 4 and 5, along with funding arrangements, will be disclosed once these conditions have been met and FID taken.

APA Group CEO and Managing Director Adam Watson comments

“These are critical projects in the national interest to help secure Australia’s energy future and support a more affordable and lower emissions energy system. Australia will need gas out to 2050 and beyond as a critical backup to renewables and to support many of Australia’s key manufacturing and industrial sectors.⁵

“These investments will help the Australian economy avoid the disastrous option of importing higher cost, higher emissions LNG, which will undermine domestic energy security and expose Australia’s energy market to global supply chains and prices.

⁵ Australian Government, *Future Gas Strategy*, <https://www.industry.gov.au/publications/future-gas-strategy>

"In contrast, APA's investment will further support the development and commercialisation of Australia's domestic gas industry, delivering critical security of supply and economic and employment benefits.

"More than 90% of the east coast's identified gas reserves are located in the north of Australia, including over 31,000 petajoules in the Surat and Bowen basins.⁶ The Northern Territory Government estimates that there are over 200,000 petajoules of gas in place in the Beetaloo,⁷ which can be unlocked and moved south to meet projected demand.

"The Australian Government's Future Gas Strategy estimates cost of production and delivery to Melbourne from Surat, Narrabri and Beetaloo to be around \$9 to \$13 per gigajoule.⁸ This compares to an average 2024 Australian winter Asian LNG spot price of \$17.81 per gigajoule⁹ and an average Australian summer price of \$21.58 per gigajoule.¹⁰ These imported LNG prices do not include regasification costs and terminal fees paid to import terminal owners and required transport to local Australian markets, adding further cost to Australian consumers and industry.

"Today's announcement builds on APA's long track record of delivering for customers, government and Australian consumers. Over the last four years, we have invested more than ~\$700 million in our East Coast Gas Grid including in our Stage 1 and 2 ECGG expansion projects, ensuring ~25% more gas has flowed to southern markets when needed. With customer support, this new plan can deliver the next material expansion to meet projected east coast demand out to 2032.

"As we progress early works on these projects, we will continue to engage customers, communities and government, with the aim to achieve the necessary commercial agreements, approvals and regulatory settings."

-ENDS-

⁶ Australian Government, *Australia's Energy Commodity Resources 2024 – Gas*, <https://www.ga.gov.au/aecr2024/gas>

⁷ Australian Government, Beetaloo gas resources, [Beetaloo gas resources | Beetaloo Strategic Basin Plan | Department of Industry Science and Resources](#)

⁸ Australian Government, Future Gas Strategy, Analytical Report, <https://www.industry.gov.au/sites/default/files/2024-05/future-gas-strategy-analytical-report.pdf>

⁹ Argus Media, *Asian LNG spot price averages*, 3 June 2024 – 30 August 2024

¹⁰ Argus Media, *Asian LNG spot price averages*, 13 November 2024 – 12 February 2025

This announcement contains certain forward looking statements and information, including statements about APA Group's future strategies and potential expenditure, and statements regarding the future gas market, potential demand and pricing. This information is based on assumptions and contingencies which are subject to change. APA Group assumes no obligation to update or revise this forward looking information and to the maximum extent permitted by law, APA Group, its officers, employees and agents do not accept any liability for any loss arising from the use of such information.

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. As Australia's energy infrastructure partner, we own and/or manage and operate a diverse, \$27 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose, securing Australia's energy future, we deliver around half of the nation's domestic gas through 15,000 kilometres of gas pipelines that we own, operate and maintain. Through our investments in electricity transmission assets, we connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland, providing vital flexibility and support for the grid. We also own and operate power generation assets, including gas powered, wind and solar assets across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.

Appendix 1 – East Coast Grid Expansion Plan Map

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| <ul style="list-style-type: none"> 1 Young - New Pressure Regulation Skid (Short-term enhancements) 2 Milne - New Pressure Regulation Skid (Short-term enhancements) 3 Gilgunnia - New Compressor (Stage 3) 4 Uranquinty - 3 New EMD Compressors (Stage 3, 4) <ul style="list-style-type: none"> Moomba to Sydney Ethane Pipeline (Short-term enhancements) Bulloo Interlink Pipeline (Stage 3) | <ul style="list-style-type: none"> Riverina Storage Bottle (Stage 4) VTS Upgrades (Stage 5) Other Pipelines (APA owned/operated and non-owned) Moomba to Sydney Pipeline Jemena - Eastern Gas Pipeline Epic Energy - Moomba to Adelaide Pipeline System |
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