

**Notice to responsible entity pursuant to ss 252L and 252N of the Corporations Act 2001 (CA)**

I/we ..... [name of 'securityholder']

of .....

..... [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN)  
..... [HIN or SRN]

in respect of any holding of the securityholder's APA Group ('APA' or 'the registered scheme')  
ordinary fully paid securities;

hereby give notice to the responsible entity in accordance with sections 252L and 252N of the CA of: the following resolutions (1: Amendment to the Constitution of APA Infrastructure Trust, 2: Amendment to the Constitution of APA Investment Trust 3: Climate Risk Safeguarding) the securityholder proposes to move at an annual meeting of members; and request in accordance with section 252N of the CA that the responsible entity give to all members each of the Supporting Statements following the resolutions.

**SIGNED**

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.....

(Signature of individual Securityholder <sup>†</sup> /company director)	(Signature of second securityholder in a joint holding/for a company second director or company secretary)
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† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all securityholders must sign)

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**Proposed Resolution 1**

To amend the constitution of APA Infrastructure Trust to insert the following new clause 12 in the schedule to the Constitution:

"The Holders in a Meeting may by special or extraordinary resolution express an opinion or request information about the way in which a power of the Trustee partially or exclusively vested in the directors of the Trustee has been or should be exercised. Such a resolution must relate to a material risk identified by the directors or the Trustee and cannot advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the Trustee."

## Proposed Resolution 2

To amend the constitution of APA Investment Trust to insert the following new clause 12 in the Schedule to the constitution:

“The Holders in a Meeting may by special or extraordinary resolution express an opinion or request information about the way in which a power of the Trustee partially or exclusively vested in the directors of the Trustee has been or should be exercised. Such a resolution must relate to a material risk identified by the directors or the Trustee and cannot advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the Trustee”.

## Proposed Resolution 3

Securityholders note APA Group’s position that the Paris Agreement’s climate goals are “fundamental to reducing the adverse impacts of climate change” and its commitment to “being part of the successful transition to a Net Zero economy”.<sup>1</sup> Securityholders also note APA Group’s position that its Climate Transition Plan is “aligned with the Paris Agreement.”<sup>2</sup>

Securityholders therefore request APA Group Limited, in its capacity as responsible entity, to prepare and publish a report analysing the consistency of APA Group’s planned capital expenditure with its own climate commitments and a Paris-aligned scenario in which global energy emissions reach net zero by 2050. This disclosure will enhance securityholders' ability to adequately manage their own net zero portfolio emissions ambitions.

The report should include disclosure of the APA Group’s plans to manage emissions from new gas infrastructure including potential Beetaloo basin pipelines and how these new assets are compatible with the APA Group’s existing climate commitments. Specific items to be addressed include:

1. Estimates of the scope 1, 2 and 3 emissions that would be added to the APA Group’s total emissions if it proceeds with the construction and operation of large full-scale Beetaloo pipelines under consideration for Empire Energy<sup>3</sup> and Tamboran Resources.<sup>4</sup>
2. Disclosure of how any additional emissions would be compatible with the APA Group’s existing gas infrastructure emissions reduction targets/goals, including its methane emissions reduction target.
3. Discussion of how the APA Group plans to abate or avoid any additional Beetaloo

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<sup>1</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/apa-policy---climate-change.pdf>

<sup>2</sup> <https://www.apa.com.au/globalassets/asx-releases/2023/november/apa-lodgement-of-offering-circular-for-hybrid-capital-securities.pdf> 9

<sup>3</sup> <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02788738-2A1513833>

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<sup>4</sup> <https://www.investi.com.au/api/announcements/tbn/a95f035f-c68.pdf> 3

pipeline emissions, including estimates of the expected cost of these abatements considering the scale of the proposed pipelines.

4. Disclosure of the level of offsets the APA Group expects to use to manage any additional Beetaloo emissions in order to meet its existing emissions reduction targets.
5. Estimate the end-user emissions these pipelines would enable.

The report should be overseen by a committee of independent directors of the responsible entity, omit proprietary information, and be prepared and published at reasonable cost by the end of June 2025.

### **Supporting Statement 1**

Member resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian investors cannot follow the example of their UK, US, New Zealand or Canadian counterparts in this respect.

A board of directors is a steward for members and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In some situations the appropriate course of action for members dissatisfied with the conduct or performance of the board is to seek to remove directors individually. However, in many situations a better course of action is to formally and publicly allow members the opportunity at annual meetings to alert board members that the members seek more information or favour a particular approach to corporate policy.

The constitutions of APA Infrastructure Trust and APA Investment Trust are not conducive to the rights of members to place resolutions on the agenda of an annual meeting of members. This is contrary to the long-term interests of the APA Group, its board and members.

Passage of this resolution – to amend the Trust constitutions – will simply put APA Group in a similar position in regard to member resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage members to vote in favour of this resolution.

### **Supporting Statement 2**

APA Group (APA) “acknowledges the impact of human-induced climate change” and recognises that the science of climate change is “unequivocal”.<sup>5</sup> APA has also stated its

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<sup>5</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/apa-policy---climate-change.pdf>

Climate Transition Plan is “aligned with the Paris Agreement”.<sup>6</sup> Members have already voiced significant discontent with this climate transition plan, with 21% voting against it in 2022.<sup>7</sup>

Considering APA’s commitment to Paris alignment, members are concerned about APA’s ongoing discussions with Tamboran Resources<sup>8</sup> (Tamboran) and Empire Energy<sup>9</sup> (Empire) regarding the development of large gas pipelines connecting unconventional gas projects in the Beetaloo Sub-basin to Darwin and the East Coast gas market (referred to hereafter as the Beetaloo pipelines). These are:

Tamboran:

- Proposed 1600 km Beetaloo to East Coast pipeline with capacity of 500 million cubic feet per day (mmcf/d) “or more”, connecting into APA’s South West Queensland Pipeline<sup>10 11</sup>
- Proposed ~480 km Beetaloo to Darwin pipeline of ~1,000 TJ/d (terajoules per day; ~980 mmcf/d)<sup>12 13</sup>

Empire:

- Proposed ~770 km Beetaloo to East Coast pipeline “in excess of” 476 mmcf/d connecting into APA’s Carpentaria Gas Pipeline<sup>14 15</sup>

These would be significant undertakings for APA. The Australian government estimates an average pipeline construction cost of \$1.53 million per kilometre.<sup>16</sup> Using this estimate, which is pre-cost inflation, the pipelines would cost APA \$4.4bn, more than the last seven years of APA’s combined free cash flow.<sup>17</sup>

The scale of the volumes added to the east coast grid could also mean a need to upgrade the Carpentaria Pipeline, South West Queensland Pipeline, Moomba Sydney Pipeline and potentially the Victorian Transmission System, adding further cost.

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<sup>6</sup> <https://www.apa.com.au/globalassets/asx-releases/2023/november/apa-lodgement-of-offering-circular-for-hybrid-capital-securities.pdf> 9

<sup>7</sup> <https://www.apa.com.au/globalassets/asx-releases/2022/apa-group-annual-meeting-results-2022.pdf>

<sup>8</sup> <https://www.investi.com.au/api/announcements/tbn/a95f035f-c68.pdf>

<sup>9</sup> <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02788738-2A1513833-26>

<sup>10</sup> <https://www.investi.com.au/api/announcements/tbn/dbcba218-e9a.pdf>

<sup>11</sup> <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02818230-2A1529494> 6

<sup>12</sup> <https://www.investi.com.au/api/announcements/tbn/a95f035f-c68.pdf>

<sup>13</sup> <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02818230-2A1529494> 1

<sup>14</sup> <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02788738-2A1513833> 26

<sup>15</sup> Distance estimated as a straight line from Empire’s Beetaloo acreage to Mount Isa.

<sup>16</sup> <https://www.industry.gov.au/sites/default/files/2024-05/future-gas-strategy-analytical-report.pdf> 90

<sup>17</sup> Data from Bloomberg.

### **Beetaloo pipelines would drastically increase APA's emissions**

The scale of the Beetaloo pipelines raises serious concerns about their incompatibility with APA's existing emissions reduction commitments. Using APA's current pipeline emissions intensity, annual scope 1 and 2 emissions from transporting Beetaloo gas would reach ~440kt CO<sub>2</sub>-e by 2030. This would cancel out the abatement implied by APA's 2030 30% gas infrastructure emissions reduction target (166kt CO<sub>2</sub>-e) nearly three times over.

APA's ability to build these pipelines while meeting its emissions targets therefore depends on its ability to avoid or abate additional scope 1 and 2 emissions through various technological solutions. However, APA has not yet shown it can credibly implement these even on its existing portfolio of pipelines.

### **Existing abatement levers are already challenged**

APA has flagged issues with its compressor electrification projects, meant to account for up to 20% of its 2030 gas infrastructure emissions reductions, due to "infrastructure costs related to establishing renewable energy microgrids and complex, long-distance grid connections".<sup>18</sup> APA has further said "it is likely that remote compressor sites which are not close to an electricity grid will not be commercially viable to electrify".<sup>19</sup> APA's proposed east coast pipeline for Tamboran would be among its longest to date, and both the Tamboran and Empire east coast pipelines would run entirely through areas classified as the highest level of remoteness ("very remote") by the Australian Bureau of Statistics.<sup>20</sup>

APA has also flagged potential complexities and the need for significant resources for methane measurement and reporting, meant to account for up to 40% of its 2030 emissions cuts.<sup>21</sup> The remote location and sheer scale of the Beetaloo pipelines would make it technically challenging for APA to adequately manage its methane emissions in line with its emissions targets.

### **Reliance on problematic carbon offsets is too high**

APA currently expects as much as 45% of its 2030 gas infrastructure emissions reductions to come from "opportunities yet to be evaluated and offsets".<sup>22</sup> APA claims to use "high-quality carbon offsets"<sup>23</sup> that "represent genuine abatement."<sup>24</sup>

Peer-reviewed academic research seriously questions these claims. A study by Macintosh, Butler, Larraondo et al analysed 182 afforestation projects registered as Australian Carbon

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<sup>18</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/climate-report-2023.pdf> 16

<sup>19</sup> Ibid 33

<sup>20</sup> <https://www.abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/remoteness-structure/remoteness-areas>

<sup>21</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/climate-report-2023.pdf> 16

<sup>22</sup> Ibid

<sup>23</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/apa-policy---climate-change.pdf>

<sup>24</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/climate-report-2023.pdf> 20

Credit Units (ACCU). The study found that 41% showed negligible increases in forest cover over the period analysed, while over 42% lost forest cover.<sup>25 26</sup>

None of the 36,300 tonnes of offsets retired by APA for its gas infrastructure target in FY22 and FY23 were associated with projects that showed increases in forest growth cover.<sup>27</sup> This means that *none of APA's relevant offsets have been shown to represent genuine abatement.*

In light of these revelations, members are concerned with APA's planned reliance on offsets to meet its emissions reduction targets, which would likely increase if the Beetaloo pipelines are built.

### **Beetaloo would result in unacceptable end user emissions**

APA takes a "whole-of-economy perspective to lower emissions"<sup>28</sup>, as have APA's members in already requesting a scope 3 emissions reduction target that is inclusive of end-user emissions.<sup>29</sup> Market Forces estimates based on Empire and Tamboran's initial production forecasts that these pipelines could enable the release of 1.1 billion tonnes of CO<sub>2</sub>-e in end-user emissions over the projects' lifetimes.<sup>30</sup> In 2030 alone the three pipelines would enable over 47 million tonnes CO<sub>2</sub> equivalent (mtCO<sub>2</sub>-e) of end user emissions, representing a 76% increase on APA's group-wide end-user emissions of 62 mtCO<sub>2</sub>-e in FY23.

Modelling by the International Energy Agency shows that to meet the 1.5°C goal set out in the Paris Agreement, which APA claims to be aligned with, global emissions from gas use need to fall 23% by 2030.<sup>31</sup> Members thus request an assessment of the end-user emissions the Beetaloo pipelines would enable.

The Beetaloo pipelines present a serious threat to APA's climate commitments, and by extension those of its major securityholders. To allay these concerns and to justify its claimed Paris alignment, the scheme must present a credible plan to avoid or abate the significant emissions associated with these pipelines. We encourage members to vote in favour of this resolution.

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<sup>25</sup> <https://www.nature.com/articles/s43247-024-01313-x#:~:text=Introduction-.Carbon%20offsets%20are%20a%20widely%20used%20climate%20policy%20instrument%20that,others%20to%20offset%20their%20emissions.>

<sup>26</sup> [https://figshare.com/articles/dataset/HIR\\_Project\\_Data\\_Summary/25199786](https://figshare.com/articles/dataset/HIR_Project_Data_Summary/25199786)

<sup>27</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/fy23-climate-data-book.xlsx>

<sup>28</sup> <https://www.apa.com.au/globalassets/asx-releases/2022/climate-transition-plan-2022> 4

<sup>29</sup> <https://www.apa.com.au/globalassets/about-apa/sustainability/climate-report-2023.pdf> 14

<sup>30</sup> <https://www.marketforces.org.au/campaigns/companies/apa-group/>

<sup>31</sup> <https://www.iea.org/reports/world-energy-outlook-2023>