

31 March 2026

Australian Securities and Investments Commission
Level 5, 100 Market Street
Sydney NSW 2000

Attention:

Claire LaBouchardiere, Senior Executive Leader, Sustainability, Financial Reporting and Audit
Marita Hogan, Senior Executive Leader, Investigations
Mel Smith, Senior Manager, ESG & Greenwashing Enforcement
Ben Phillips, Senior Specialist, Sustainable Finance, Companies and Small Business

By email: [REDACTED]
[REDACTED]

Dear Australian Securities and Investments Commission

Complaint about potentially misleading statements by APA Group

1. We act for **Market Forces** Ltd, a not-for-profit advocacy group which focuses on the conduct of institutions with financial ties to environmentally damaging projects. A core concern of our client's is to ensure that investors in such institutions are protected from misleading conduct that may undermine market integrity.
2. This letter concerns conduct of **APA** Group (ASX: APA) in its Financial Year (**FY**) 2025 Results **Presentation** dated 20 August 2025¹ and **Investor Conference** call held on 19 August 2025 discussing its FY 2025 results.² In these, APA provided estimates of the Beetaloo Basin's: i) production costs; and ii) resources. Our client is concerned that these estimates are presented in a way that is likely to mislead investors or potential investors about the true production costs and resource size of the Beetaloo Basin relative to other domestic projects.

¹ APA, *FY 2025 Results Presentation* (20 August 2025), available [here](#).

² APA, *Investor Conference Call Transcript* (19 August 2025), see Annex A.

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3. In short, that is because our client considers that:
 - (a) APA does not compare the estimated production costs of the Beetaloo Basin and other domestic projects on a “like-for-like” basis; and
 - (b) APA uses outdated resource size estimates for the Beetaloo Basin which do not demarcate other substantial resources.
4. After engagement from our client, APA has published its Half-Yearly Results Presentation for 2026 (**Half-Yearly Presentation**),³ which dramatically alters its representations to the market on this issue (outlined further below). Our client considers the fact that APA’s presentation of these key matters has varied so significantly in a 6-month period indicates it is an issue that warrants further regulatory investigation. Our client further considers that the Half-Yearly Presentation would not effectively correct any misleading representations conveyed by the Presentation and Investor Conference; and the Half-Yearly Presentation still fails to present to investors an accurate picture of the Beetaloo Basin as compared to other domestic basins.
5. The economics of developing the Beetaloo Basin is a matter of significance to all investors and potential investors in APA. If, as our client believes, APA has misled the market about this matter, it has the potential to distort the market for APA securities, thereby damaging market integrity: see ASIC’s *Compliance and Enforcement Priorities for 2026*, which include the enduring priority of “*misconduct damaging market integrity*”.⁴
6. Our client also believes that APA’s conduct is representative of a broader pattern of conduct whereby companies overstate the economic value of developing new extractive fossil fuel projects, potentially causing real harm to investors and potential investors in those companies.
7. Accordingly, our client requests the Australian Securities and Investments Commission (**ASIC**) investigate whether APA has breached sections 12DA and 12DB of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**), sections 1041H, 1041E and 1309 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and sections 18 and 29 of the Australian Consumer Law (**ACL**), and take any other action it thinks appropriate.

³ APA, *FY 2026 Half-Yearly Results Presentation (Half-Yearly Presentation)* (19 February 2026), available [here](#).

⁴ ASIC, *ASIC Enforcement Priorities - 2026 Priorities*, available [here](#).

8. Our client wrote to APA on 15 September and 7 November 2025 to raise its concerns; these letters, and APA's responses dated 18 September and 26 November 2025 (which, in our client's view, are inadequate), are annexed to this letter (see Annexes B-E).
9. The remainder of this letter sets out:
 - (a) the significance of the issues raised;
 - (b) APA's representations;
 - (c) why these representations might be misleading; and
 - (d) our client's request for ASIC to investigate the matters raised in this letter.

Significance of the conduct

APA's investors and potential investors

10. The Beetaloo Basin is located 500km from Darwin in the Northern Territory. APA plans to construct several pipelines for Beetaloo Energy Australia (formerly **Empire** Energy) and Tamboran Resources to support fracking in the Beetaloo Basin.⁵
11. Development of the Beetaloo Basin is a key component of APA's growth strategy. As detailed in the Presentation, APA plans to "[f]ocus on growth in markets where APA has competitive advantages and can generate strong securityholder returns", including the "Beetaloo Basin", which APA claims would bring "critical new gas supply to the Northern Territory and the east coast".⁶ In the Investor Conference, APA's CEO and Managing Director reiterates that the Beetaloo Basin is one of APA's "growth projects".⁷ As such, the economic case for developing the Beetaloo Basin is important to investors and potential investors so they can assess APA's future outlook.
12. As will be further detailed, our client is concerned that APA has misleadingly represented that development of the Beetaloo Basin is cheaper and of a larger scale than alternative projects, providing "the lowest cost options to meet demand".⁸ On this basis, APA has touted the Beetaloo Basin as a "significant project that will further strengthen domestic

⁵ For more information on APA's plans to construct pipelines linking the Beetaloo Basin and their progress, see APA, *FY25 Half Year Results* (24 February 2025), available [here](#), page 28. See also Market Forces, *Investor Briefing Slides 2025*, available [here](#), slide 3.

⁶ APA, *Presentation*, slide 24, available [here](#).

⁷ APA, *Investor Conference*, Annex A, page 3. See also Adam Watson, *Beetaloo the Pipeline to the Territory's Future* (4 September 2025), available [here](#).

⁸ APA, *Investor Conference*, Annex A, page 6.

*security of supply and provide significant economic benefit to all Australians, via low-cost domestic gas and a thriving LNG [liquefied natural gas (LNG)] export market”.*⁹

13. Notwithstanding APA’s depiction of the financial viability of the Beetaloo Basin, our client notes its development has been subject to intense scrutiny. A study conducted by the Institute for Energy Economics and Financial Analysis, a global think tank that analyses energy markets, found that, as a highly capital intensive project set to enter an oversupplied global LNG market, gas from the Beetaloo Basin is unlikely to be commercially competitive, exposing both project proponents and their financiers to significant financial risk.¹⁰ Likewise, analysis from Rystad Energy Advisory, a leading energy consultancy firm, also estimates that the cost of producing and transporting gas from the Beetaloo Basin could range from \$14 to \$18 per gigajoule (GJ).¹¹ In our client’s view, it is therefore crucial that there is sufficient regulatory scrutiny of APA’s representations about the financial prospects of development of the Beetaloo Basin.

Investors and potential investors in companies working in the fossil fuel sector generally

14. Our client considers that APA’s conduct is both of great significance to its investors and reflects a pattern of conduct amongst companies working in the fossil fuel sector misleadingly overstating the financial viability of future fossil fuel extraction projects.
15. For example, in March 2025, our client filed a complaint with ASIC requesting it investigate oil and gas company, **Woodside** Energy Group Limited, over oil demand forecasts used to justify its investment in the Trion project, a 479-million-barrel oil project off the coast of Mexico. Our client was concerned these estimates were based on outdated and inaccurate data and therefore misleading and deceptive to investors or potential investors in Woodside.¹²
16. Likewise, in May 2025, our client filed a complaint with ASIC alleging gas fracking company, Empire, was engaging in misleading and deceptive conduct in a capital raise presentation for investors by relying on outdated modelling to justify a claim that global LNG will outstrip

⁹ See APA, *Address to the Australian Domestic Gas Outlook Conference 2025* (1 April 2025), available [here](#).

¹⁰ Institute for Energy Economics and Financial Analysis, *Beetaloo a \$10bn Pipe Dream for Gas Producers* (March 2024), available [here](#).

¹¹ Rystad Energy Advisory, *Competitiveness of LNG Imports* (May 2025), available [here](#), slide 9.

¹² Australian Financial Review, *Woodside Targeted by Activist Complaint to ASIC Over Oil Forecasts* (5 March 2025), available [here](#).

supply in the near future. Our client was concerned an update to that modelling, which was available at the time, projected significantly less favourable market dynamics.¹³

APA's representations

17. On 20 August 2025, APA published its Presentation. At various points, APA refers to Australian Energy Market Operator's (**AEMO**) 2025 Gas Statement of Opportunities (**2025 GSOO**), most notably at slide 25 to support the claim that "[r]esilient long term gas market fundamentals support investment in gas pipeline and storage infrastructure for the East Coast".¹⁴
18. Slide 27, the core subject of our client's concerns, is titled "*Domestic gas supply remains sufficient to meet rising East Coast demand, with Northern basins providing the lowest-cost, lowest-emissions option*". The slide contains a graphic based on data from AEMO's earlier 2024 Gas Statement of Opportunities (**2024 GSOO**).¹⁵
19. The graphic is segmented according to the "2C" resources size of each basin. The term "2C resources" refers to a best estimate of gas volumes of projects that are uncertain, requiring further appraisal and investment.¹⁶ For the purposes of this letter, we simply refer to each basin's "resources". Each segment also provides the "*production costs*" associated with a basin's "resources". "*Production costs*" refers to the costs of a project producing gas up to the point of sale into a transmission pipeline i.e. it reflects the cost of supply to the pipeline inlet only and excludes transport beyond the pipeline and the gas sale price.¹⁷ As can be seen below, the graphic on slide 27 of the Presentation represents the Beetaloo Basin as approximately joint largest with the Surat/Bowen Basin and the cheapest compared to other domestic basins.

¹³ Market Forces, *Empire Energy Accused of Misleading Investors Over Australia's Biggest Gas Fracking* (29 May 2025), available [here](#).

¹⁴ For other references to 2025 GSOO, see APA, *Presentation*, available [here](#), slides 28, 29.

¹⁵ AEMO, *2024 Gas Statement of Opportunities (2024 GSOO)*, available [here](#). For access to the data underpinning the 2024 GSOO, download *2024 Gas Statement of Opportunities Supply Data (2024 GSOO Supply Data)*, available [here](#).

¹⁶ APA has only presented 2C resources, despite having access to GSOO data on both 2P reserves and 2C resources. "2P reserves" refers to gas expected to be commercially recovered from a known accumulation. They are generally associated with existing, committed and anticipated production projects. Our client considers that omission of information on 2P reserves contributes to the incomplete picture presented by APA to investors of the commercial viability of gas from the Beetaloo Basin.

¹⁷ For further information, see the explanation in AEMO, *2024 GSOO Supply Data*, available to download [here](#), 'Production Costs' tab, footnote 1; and AEMO, *2025 Gas Statement of Opportunities Supply Data (2025 GSOO Supply Data)*, available to download [here](#), 'Production Costs' tab, footnote 1.

Domestic gas supply remains sufficient to meet rising East Coast demand, with Northern basins providing the lowest-cost, lowest-emissions option

AEMO 2024 GSOO 2C resource size by basin and supply cost²⁸



20. In APA's Investor Conference, APA's CEO elaborated on slide 27:¹⁸

Slide 27 shows the volumes of domestic gas available in Australia and their relative wellhead prices. It suggests that our northern basins including the Surat and the Beetaloo, will provide lowest cost options to meet demand. Most notably, the forecasted production cost of Beetaloo Gas were \$5.67 per gigajoule demonstrates its long-term potential as an affordable source of supply. Again, domestic gas is not a constraint.

21. Further, APA's CEO claimed the Beetaloo Basin is "producing incredible well results at the moment at \$5.67 per gigajoule. That is low cost".¹⁹

22. In our client's view, the above statements conveyed the following representations (**Representations**); namely that, compared to other domestic basins, development of the Beetaloo Basin will:

- (a) have the cheapest production costs; and
- (b) be about the joint largest with the Surat/Bowen Basin.

¹⁸ APA, *Investor Conference*, Annex A, page 6.

¹⁹ APA, *Investor Conference*, Annex A, page 17.

Why the Representations are potentially misleading

23. In our client's view, the Representations are likely to mislead investors because APA has presented them in a way which conveys a "like-for-like" comparison of the Beetaloo Basin with other domestic basins, when this might not be the case.²⁰
24. The estimates in slide 27 of the Presentation use the 2024 GSOO figures which include assumptions about the Beetaloo Basin that have not been made for all other comparator basins. APA does not disclose these differing underlying assumptions. The upshot of APA's portrayal of the figures on slide 27 is that it suggests developing the Beetaloo Basin is the cheapest and equal largest resource compared to other basins, supporting APA's growth strategy.

Production costs: Not all basins have been calculated on the assumption that they are "developed"

25. Slide 27 of the Presentation includes, as comparators, production costs for other basins:

Domestic gas supply remains sufficient to meet rising East Coast demand, with Northern basins providing the lowest-cost, lowest-emissions option

AEMO 2024 GSOO 2C resource size by basin and supply cost²⁸



26. As explained above, our client considers that, based on how the graphic is presented, investors would assume that production costs have been calculated using the same baseline assumptions such that the comparison is made on a like-for-like basis.

²⁰ See, for example, *Trivago N.V. v Australian Competition and Consumer Commission* (2020) 384 ALR 496; [2020] FCAF 185 at [257] (Middleton, McKerracher and Jackson JJ).

27. Broadly speaking, production costs can be calculated on a “developed” or “undeveloped” basis. Production costs on a “developed” basis exclude drilling costs and gas processing plant costs,²¹ and also assume reductions in well costs.²² Accordingly, “developed” production costs are typically significantly lower than “undeveloped” production costs.
28. Slide 27 of the Presentation uses a “developed” production costs estimate for the Beetaloo Basin of \$5.67/GJ. That figure is taken from the 2024 GSOO. (According to the 2025 GSOO, the “undeveloped” production costs estimate of the Beetaloo Basin is \$9.33/GJ.)
29. However, critically, our client understands that, based on public GSOO data and APA’s correspondence with our client, the production costs estimate of at least four of the other basins depicted in slide 27 are assumed to be “undeveloped”. Specifically, the Surat/Bowen, Cooper, Gippsland and Otway Basins.²³
30. Thus, our client’s concern with APA’s graphic is that, despite how it appears, APA is not comparing “apples with apples” when it portrays the development of the Beetaloo Basin as offering the cheapest resource.²⁴
31. It is not the case, contrary to APA’s suggestion in its email dated 26 November 2025, that it would be obvious to investors that “*the Beetaloo Basin is yet to be developed*” and consequently that investors would know that the financial estimates provided by APA for the Beetaloo Basin assume it is “developed”.²⁵ Our client considers that, if APA’s presumption is accepted that investors would know the Beetaloo is currently undeveloped, then the opposite is true: investors would likely assume the figures in slide 27 reflect its undeveloped status.

²¹ See AEMO, 2024 GSOO Supply Data, available to download [here](#), ‘Production Costs’ tab, footnote 1: “Production costs are the marginal cost of producing a GJ of sales gas to the point of sale into a transmission pipeline (inlet flange) and thus exclude transport cost ... Importantly they are not intended to reflect gas sale prices, only the marginal cost of actually supplying the gas. For developed reserves production costs include largely marginal operating costs, royalties and tax. For undeveloped reserves, marginal costs also include the cost of drilling and completion and marginal gas processing plant costs.”

²² See AEMO, 2025 GSOO Supply Data, available to download [here](#), ‘Production Costs’ tab, footnote 2: “[t]he Beetaloo production costs [in the 2025 GSOO] reflect the current well costs, as opposed to the well costs incorporating assumed well cost reductions as provided in the 2024 GSOO”.

²³ APA’s email to our client dated 26 November 2025 states that the graphic on slide 27 of the Presentation depicted “*the production costs of all the basins on either a “developed basis” (i.e. past pilot stage) [Beetaloo or Narrabri] or operating basis exclusive of historical development costs [all other basins]*”. Our client understands that “all other basins” in this instance, refers to the Surat/Bowen, Cooper, Gippsland and Otway Basins: APA, *Email to Market Forces* (26 November 2025), Annex E, page 24.

²⁴ Market Forces, *Letter to APA* (7 November), Annex D, page 22.

²⁵ APA, *Email to Market Forces* (26 November 2025), Annex E, page 24.

32. That is particularly so in the context of statements made elsewhere by APA. APA's statements extracted above (at paragraphs 20 and 21) use the present tense: the Northern Basins are "*providing the lowest-cost, lowest-emissions option*"²⁶; and the Beetaloo Basin is "*producing incredible well results at the moment at \$5.67 per gigajoule*"²⁷. Our client believes APA's wording here implies that the production costs estimate is based on the Beetaloo Basin's current status i.e. undeveloped.
33. As noted above, the latest 2025 GSOO data (updated from the 2024 GSOO data used in slide 27) provides an "*undeveloped*" production cost estimate for the Beetaloo Basin. That is, it was available to APA to draw on data that would allow it to make a like-for-like comparison of production costs in slide 27 of the Presentation (or, alternatively, to disclose the fact that the comparison was not like-for-like). APA refers to the more recent 2025 GSOO elsewhere in its Presentation,²⁸ as well as in its 2025 Annual Report and Climate Transition Plan (published the same day).²⁹
34. If APA had made a like-for-like comparison of production cost estimates (i.e. all on an "*undeveloped*" basis), our client understands that the Beetaloo Basin would not have been the cheapest. For example, the Beetaloo Basin's production costs would have been approximately **53% higher** than the Surat/Bowen Basin's production costs. The productions costs would have been as follows: Beetaloo (\$9.33), Surat/Bowen (\$6.10), Cooper (\$9.19), Gippsland (\$11.51), and Otway (\$12.51).³⁰

Resource estimates: Global figure used for the Beetaloo Basin includes other resources

35. Slide 27 of the Presentation presents the resource size of the Beetaloo Basin as being comparable to the Surat/Bowen Basin. The 2024 GSOO estimate, on which slide 27 is based, was 23,017 petajoules (**PJ**).
36. The more recent 2025 GSOO estimate of the resource size of the Beetaloo Basin is 5,109 PJ. The 2025 GSOO estimate of the resource size of Surat/Bowen Basin is 22,546 PJ.

²⁶ APA, *Presentation*, available [here](#), slide 24.

²⁷ APA, *Investor Conference*, Annex A, page 17.

²⁸ See, for example, APA, *Presentation*, available [here](#), slides 25, 28, 29.

²⁹ See APA, *2025 Annual Report*, available [here](#), page 87; APA, *2025 Climate Transition Plan*, available [here](#), pages 15, 16, 47.

³⁰ See AEMO, *2025 GSOO Supply Data*, available to download [here](#), 'Production Costs' tab. As stated above at paragraph 29, our client understands that the production costs estimate of the Surat/Bowen, Cooper, Gippsland and Otway Basins are assumed to be "*undeveloped*" in both the 2024 and 2025 GSOO.

That is over 4 times the size of the Beetaloo Basin. Again, that most recent information was available to APA at the time of the Presentation.

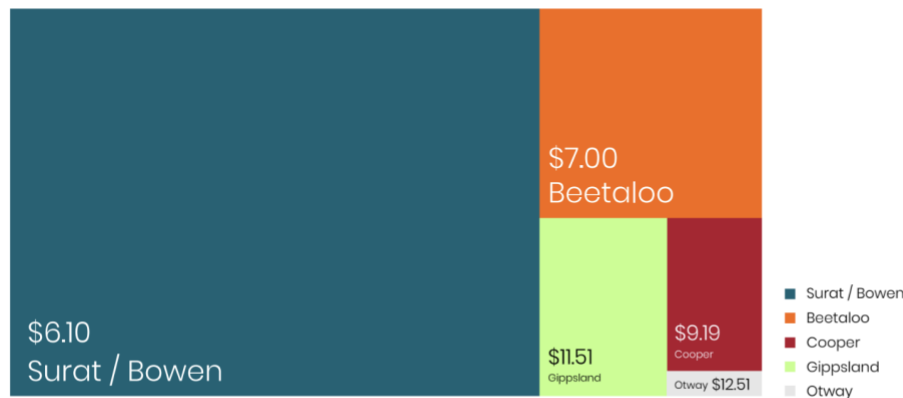
37. Our client understands that the reason for the difference between the older 2024 GSOO figures and the more recent 2025 GSOO figures is that the latter relates to the Beetaloo Basin alone, whereas the former refers to both the Beetaloo and Georgina basins and “includes McArthur basin reserves as part of the Beetaloo/Georgina basin.”³¹
38. APA has not provided, in its investor material or in correspondence with our client (**annexed** to this letter), any cogent explanation as to why it preferred to include in the Presentation the outdated GSOO 2024 resource size rather than the more recent and specific GSOO 2025 resource size.

APA’s Half-Yearly Presentation does not correct misleading impressions in slide 27 of the Presentation

39. On 19 February 2026, APA released its Half-Yearly Presentation.³² Slide 43 of the Half-Yearly Presentation provides an updated graphic comparing the production costs and resource size of domestic basins:

Domestic gas supply remains sufficient to meet rising East Coast demand, with Northern basins providing the lowest-cost, lowest-emissions option

AEMO 2025 GSOO 2C resource size by basin and supply cost³³



³¹ See AEMO, *2024 GSOO Supply Data*, available to download [here](#), ‘Reserves and Resources’ tab, footnote 2.

³² APA, *Half-Yearly Presentation* (19 February 2026), available [here](#).

40. This graphic differs remarkably from the equivalent graphic of only 6 months ago (being slide 27 of the Presentation referred to above). The updated graphic dramatically reduces the relative resource size of the Beetaloo Basin and no longer presents the Beetaloo Basin as the lowest cost option.
41. It is doubtful whether the true position as to the resource size and production cost of the Beetaloo Basin has in fact changed this substantially in the 6 months since publication of the Presentation. More likely, in our client's view, is that our client's engagement with APA has prompted them to attempt to address the misleading Representations in the Presentation and Investor Conference. However, our client considers that two key issues persist.
42. First, nowhere has APA prominently and explicitly conveyed a correction to the Representations. It is not enough for APA to quietly update later representations while the earlier misleading representations remain uncorrected and available for viewing on the ASX and APA websites.³³
43. Second, our client is concerned that the Half-Yearly Presentation suffers the same issues as the Presentation, as it does not compare the Beetaloo Basin on a like-for-like basis with other domestic basins. Our client considers that, based on the **Title** to the graphic ("**AEMO 2025 GSOO 2C resource size by basin and supply cost**"³⁴), investors would understand that all basins reflect 2025 GSOO data. The GSOO is widely relied upon by investors in industry as an authoritative source of resource size and supply cost.
44. While the Title does include a superscript footnote 53, the body of this footnote is only found several pages later.³⁵ This footnote (which our client notes is written in vague terms) explains that the graphic on slide 43 uses 2025 GSOO data for all the basins, *except* for the Beetaloo Basin:

The Beetaloo resource size and Production Cost referenced in the 2025 GSOO represents the pilot projects only. APA estimates the resource base to be a significantly larger scale development, which in turn is expected to reduce the Production Cost.

³³ See, for example, *Mobileciti Pty Ltd v Vodafone Pty Ltd* [2011] NSWCA 52 at [37] (Giles JA).

³⁴ Our emphasis in bold.

³⁵ See APA, *Half-Yearly Presentation*, available [here](#), p 48, fn 53.

45. This vaguely expressed endnote is insufficient to correct the impression conveyed by the Title. It also does not disclose the source of the \$7/GJ figure that APA uses for the Beetaloo Basin's production costs. As discussed above, the 2025 GSOO reflects a less favourable position for APA's growth strategy, which projects the production costs for the Beetaloo Basin to be \$9.33/GJ.
46. Accordingly, our client considers that APA continues to not make clear to investors that its comparisons of the Beetaloo Basin with other domestic basins are not on a like-for-like basis. Nor has APA formally corrected the Representations in its Presentation and Investor Conference. As such, our client is concerned that APA's conduct – in both August 2025 and February 2026 – continues to mislead investors.

Request to investigate

47. For the reasons set out above, our client is concerned that the Representations made by APA are likely to mislead or deceive investors or potential investors in APA and, accordingly, that APA may have contravened sections 12DA and 12DB of the ASIC Act, sections 1041H, 1041E and 1309 of the Corporations Act, sections 18 and 29 of the ACL, and/or any other provisions ASIC considers to be relevant.
48. Our client requests that ASIC take such further action as it considers appropriate, including any action under ASIC's information gathering and enforcement powers. Our client does not consider that APA has adequately justified its conduct in its correspondence with our client (**annexed** to this letter), and respectfully requests that ASIC seek further information and substantiation from APA in relation to these matters.
49. We would be happy to discuss the matter further if that would be of assistance.
50. We look forward to your response to the matters raised above.

Yours sincerely



David Hertzberg
Principal Lawyer



Katie Schwarzmann
Senior Associate
(Admitted in England & Wales,
not admitted in Australia)

LSEG STREETEVENTS

EDITED TRANSCRIPT

FULL YEAR 2025 APA GROUP EARNINGS CALL

EVENT DATE/TIME: August 19, 2025 / 11:00PM UTC

CORPORATE PARTICIPANTS

- **Adam Watson** *APA Group - Chief Executive Officer, Managing Director, Executive Director*
- **Garrick Rollason** *APA Group - Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Tom Allen** *UBS AG - Analyst*
- **Rob Koh** *Morgan Stanley - Analyst*
- **Nathan Lead** *Morgans Corporate Ltd - Analyst*
- **Ian Myles** *Macquarie Research Ltd - Analyst*
- **Dale Koenders** *Barrenjoey Markets Pty Ltd - Analyst*
- **Gordon Ramsay** *RBC Capital Markets Inc - Analyst*
- **Nik Burns** *Jarden Group Ltd - Analyst*

PRESENTATION

Adam Watson *APA Group - Chief Executive Officer, Managing Director, Executive Director*

Thank you very much, and good morning, everyone. Thank you for joining us at today's FY25 results presentation. I'm joined by Garrick Rollason, our CFO; as well as our Investor Relations team. Let me start by wishing the Gadigal people of the Eora Nation, traditional custodians of the land in which I'm speaking. First Nations people have taken care of our lands and waterways for the past 60,000 years. We acknowledge and pay our respects to their elders past and present.

As always, I'll start today's presentation with a safety share on slide 4. In the Pilbara region of Western Australia, which is prone to cyclones, APA's Port Hedland Solar Farm battery project was built to withstand with speeds of up to 288 kilometers per hour, a 1 in 500-year event. In February 2025, cyclone Zelia brought destructive weather to the region. It was pleasing to see that notwithstanding these challenging conditions, APA's infrastructure enabled operational continuity for our customers and all of our people were safe.

Moving to slide 5. On June 13 this year, we marked 25 years since listing on the ASX. The photo on the top left is the day one management team, including the group's first CEO, the late Jim McDonald, as was Mick McCormack, who was our CEO for 14 years. This team set the pathway for growth and the generation of significant secured value. FY25 marked the 21st consecutive year of distribution growth for APA, and we believe APA is one of only two companies on the ASX to have achieved this.

Moving to slide 6. There are three key takeaways from today's results. First, we've delivered a strong financial and operating result and have a strong outlook for the year ahead. FY25 EBITDA is up 6.4% at the top end of guidance. EBITDA margins have increased. The midpoint of our FY26 EBITDA guidance would represent a 7.2% increase on FY25. And we've delivered and guided towards ongoing year-on-year distribution growth.

Second, we've taken steps over the last year to simplify our business. In FY25, we've delivered cost growth below inflation, and today, we have announced a cost-out target of approximately \$50 million for FY26. Yesterday, we announced the accretive sale of

our noncore Networks business. And we've addressed regulatory risks with positive outcomes for both the Southwest Queensland pipeline and Basslink.

Third, we have strong momentum executing our strategy. We've successfully commissioned a number of important construction projects. Our organic growth pipeline has increased from \$1.8 billion to \$2.1 billion. And our credit metrics improved from 10.1% to 10.4%, which means we can comfortably fund our organic growth pipeline from our existing balance sheet.

Moving now to slide 8. Suffice to say, we're very pleased with our financial results and for our outlook for FY26. FY25 underlying EBITDA, as I said, delivered growth of 6.4%, which is a great result. Underlying EBITDA margins increased, supported by the investments we've made in recent years in the foundations of our business, which have facilitated the delivery of our cost reduction initiatives.

Growth in our operating cash flow was strong. Free cash flow is marginally higher than last year, remembering that we are back to tax-paying status and that we continue to use our cash flows to fund investments. As mentioned, our FY25 distribution of \$0.57 per study is up \$0.01 on last year and in line with guidance.

Looking to the year ahead, our distribution guidance for FY26 is \$0.58 per security, up further \$0.01 in what will be our 22nd consecutive year of distribution growth. Our underlying EBITDA guidance for FY26 is between \$2.12 billion and \$2.2 billion, with the midpoint of this guidance, 7.2% higher than FY25. That means earnings growth for FY26 is expected to be even higher than FY25. And it also means we're continuing to deliver earnings growth ahead of inflation.

On slide 9, we call out the continued progress we're making with key nonfinancial metrics. While our safety performance was generally strong, we regrettably had one serious harm incident involving an all-terrain vehicle. This is a reminder that we must always be vigilant in our pursuit for safety excellence. We progressed a number of growth projects with our customers, completing construction of the Port Hedland Solar Farm and Battery Project, completing the Kurri Kurri lateral and delivering early works on the East Coast Gas Grid expansion and the Sturt Plateau Pipeline in the Beetaloo.

Employee engagement, as measured through our employee experience score was 70%, consistent with the previous year. We also delivered all commitments under our reflect reconciliation action plan and have now launched our Innovate RAP. And finally, on climate, we're delivering on our commitments and we've reaffirmed our headline 2030 targets and goals in our 2025 climate transition plan.

Slide 10 highlights our strong foundations for growth. We're being disciplined prioritizing growth projects that would deliver the highest returns for our security holders. We're confident about the need for new gas transmission infrastructure to support new gas fields such as the Beetaloo Basin and to transport gas north to south via our East Coast Gas Grid. We see strong growing demand for gas power generation. And we remain confident about the value creation to be delivered by our recent acquisitions, that is Pilbara Energy and Basslink.

Our balance sheet is strong with the ability to fund our \$2.1 billion organic growth pipeline from existing capacity. We've successfully addressed regulatory concerns, ensuring the Southwest Queensland pipeline avoids heavy regulation, which is key to ensuring we can continue to expand our East Coast Gas Grid. And we've made a positive step forward with Basslink having received confirmation that it will be regulated, assuming we can agree a reasonable regulated asset base over the coming months.

We've taken a number of steps to simplify our business and make it more efficient. Yesterday, we announced an agreement to divest our noncore networks business, as I mentioned earlier. We've exited the contract early which was due to expire in 2027 to ensure we're focused on our core business and growth pipeline, noting the transaction is also value accretive.

We recently made the tough decision to withdraw from the large East Coast electricity transmission projects to simplify our business, reduce costs and ensure our people are focused on our core growth markets that deliver the highest security holder returns. And we're simplifying our business through a comprehensive enterprise-wide cost reduction initiative that's now well underway.

I'll now hand it to Garrick for a deeper dive into our financial performance.

Garrick Rollason APA Group - Chief Financial Officer

Thanks, Adam, and good morning, everyone. I would like to make three key points today on our financial-year 2025 results. First, the business has delivered strong earnings growth, with underlying EBITDA up 6.4% to over \$2 billion. This is the first time APA has delivered annual earnings of over \$2 billion. Second, our balance sheet remains strong, and we are well positioned to fund growth, along with growing distributions to security holders. And finally, our inflation and the cash flows, strong customer demand, and

disciplined focus on reducing costs means we are well positioned to create value with the organic growth opportunities in front of us.

Moving to our headline financials on slide 12. The FY25 result delivers underlying EBITDA at the top end of guidance and continued growth in distributions. Pleasingly, underlying EBITDA margin has expanded to 74.2%, supported by the stronger operating result and corporate cost growth below inflation. Free cash flow was up by 1% to almost \$1.1 billion. This reflects higher underlying earnings, partially offset by increased funding costs and cash tax payments.

Moving to slide 13 and through the drivers of our 6.4% uplift in underlying EBITDA. On the East Coast, there was increased demand from customers for seasonal capacity, inflation and tariff escalations, and ongoing strong customer recontracting. Additionally, as disclosed at the half, we received \$13 million in insurance proceeds relating to the Moomba Sydney Pipeline.

In FY26, following the MSEP conversion, we expect to recommence revenue from this asset. On the West Coast, higher ownership of the Goldfields Gas Pipeline and increased customer demand on NGI contributed to higher earnings. The Pilbara Energy assets drove strong growth in contracted power generation earnings in line with expectations. And finally, corporate costs increased by 2.5%. Pleasingly, we delivered corporate cost growth below inflation. And as Adam mentioned, we have progressed work to optimize APA's cost base with targeted reduction initiatives. I'll have more to say on this later in the presentation.

Slide 14 summarizes the movement in free cash flow, which was up almost 1% to approximately \$1.1 billion. The benefit from the uplift in underlying EBITDA was partially offset by higher interest and cash tax paid. Higher interest costs reflect the new debt issuances, a full 12 months of interest on hybrid securities, and an overall increase in net debt to support our organic growth. Looking forward to FY26, increased underlying EBITDA will be offset by increased debt funding costs as we continue to invest in growth.

Slide 15 takes a look at statutory NPAT. Net profit after tax, excluding significant items of \$129 million is 8.4% higher than the corresponding period. This is despite an increase in depreciation and amortization due to the inclusion of the Pilbara Energy assets and increased net interest.

Moving to capital expenditure on slide 16. During the year, we invested in growth capital expenditure through the completion of both the Kurri Kurri lateral pipeline and the Port Hedland Solar and Battery Projects. These projects contributed earnings at the back end of the second half as expected. We also invested in the East Coast Gas Grid expansion, including the MSEP natural gas conversion and the MSP summer capacity expansion as well as the acquisition of the Atlas to Reedy Creek pipeline.

Foundational CapEx in FY25 was lower than expected as we work to efficiently reduce and defer these expenditures. We're expecting foundational CapEx of between \$100 million to \$120 million in FY26 and FY27. This will moderate to around \$80 million in FY28 and further moderate beyond FY28 with a principal focus on emissions reduction commitments.

It's important to note that our investment in foundational technology CapEx is now being leveraged to drive productivity improvements from data and AI. Stay-in business CapEx was slightly higher for the year than guided, but we expect to continue -- we continue to expect expenditure at around \$200 million to \$210 million per annum over the next three years. As Adam said previously, we've increased our organic growth CapEx pipeline from \$1.8 billion to approximately \$2.1 billion over the next three years, which we can fund from the existing balance sheet without ordinary equity raisings other than the DRP.

Turning now to our capital management and debt metrics on slide 17. We remain well positioned with a healthy spread of debt maturities and a significant amount of liquidity to support investment in growth. In the year, we undertook a number of capital management initiatives, which have further strengthened our balance sheet position. These included a very successful return to the US dollar bond market, where we raised USD1.25 billion with 10- and 20-year maturities. This enabled us to proactively repay the outstanding US dollar notes in September. We have no existing drawn maturities until March 2027.

As noted earlier, funds from operation to net debt at June was 10.4%, comfortably above our target of 9.5%. This implies debt capacity at the year-end of \$1.1 billion. This metric remains consistent with our BBB/Baa2 credit ratings and is in line with credit rating agency expectations. We remain committed to our current investment-grade credit ratings.

Moving to slide 18. I want to remind you of APA's capital allocation framework. This continues to be a key consideration for our decision-making as we assess our growth opportunities. The framework is designed to ensure we allocate our free cash flow to those initiatives that can create the most value for our security holders. To that point, I'll outline our approach to funding organic growth on slide 19.

We have existing balance sheet capacity to fund that \$2.1 billion organic growth pipeline over FY26 to FY28. Apart from the DRP, APA does not need any equity to fund the identified growth pipeline. The \$2.1 billion includes in-flight and probable growth projects across gas transmission and storage, GPG, and contracted remote power generation.

This strong position combined with active capital management and the predictable capacity-based inflation-linked tariffs we have highlighted today leaves us well positioned to deliver on our organic opportunities. By focusing on an efficient cost base and increasing free cash flow, our balance sheet capacity increases year-on-year. The inflation linkage on our tariffs, combined with participation in the DRP provide incrementally up to \$600 million of additional CapEx funding every year. This is before taking into account any funding benefits from cost optimizations and potential proceeds from asset recycling. In short, we are very confident in the funding flexibility we have to meet the attractive growth opportunities available to us.

This growth agenda brings me to our FY26 underlying EBITDA guidance on Page 20. Today, we are providing FY26 underlying EBITDA guidance of between \$2.12 billion and \$2.2 billion. At the midpoint, this represents a 7.2% growth year on year, even higher than the 6.4% growth we have delivered this year despite the loss of earnings following the sale of the Networks business. Key drivers of growth in earnings include inflation-linked tariff revenues and contributions from new assets. Cost reduction in 2Q are expected to contribute \$50 million in FY26, with full year of savings to come through in FY27.

The majority of cost benefits in FY26 will be realized in operating costs. Savings from the change in our electric transmission strategy will be reported in the operating cost for electricity transmission rather than corporate costs. And further savings in corporate costs will come through in FY27. These drivers of earnings growth are offset in part by the divestment of our Networks business as announced yesterday, which is expected to complete by the end of calendar year 2025.

Importantly, this will significantly simplify our operating business by reducing head count by approximately 725 people. The contract under which we provided these services to the asset owner was due to expire 2027. The asset sale will reduce FY26 earnings by about \$15 million and we expect a value accretive outcome from the sale, inclusive of the transition services agreement.

With regards to Basslink earnings, as you are aware, the AER announced in June its final decision to convert Basslink into a regulated asset. We expect that this will take effect from July next year, subject to the agreement of an acceptable RAB. In the interim, we will trade the asset in the spot market. Our earnings guidance for FY26 assumes Basslink contributes earnings in line with FY25. However, earnings for the asset may be subject to potentially material volatility and fluctuations.

My final slide is an update on our initiatives to enhance securityholder value. First, we have simplified the business by refining our electricity transmission strategy to focus on projects that complement our existing infrastructure and also signed an agreement to divest our Networks business as we move away from operating assets that we do not own.

Second, we are targeting material productivity and cost improvements across the business with an initial contribution of \$50 million uplift in underlying EBITDA in FY26 and further savings in FY27. And finally, we are pursuing organic growth opportunities of \$2.1 billion over the next three years to be funded from the existing balance sheet.

And with that, I'll hand back to Adam.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Thanks, Garrick. Slide 23 sets out our strategy, which is unchanged. Within this strategy, we've sharpened our focus, got strong momentum, and our balance sheet will support the delivery of strong securityholder returns.

Moving to slide 24. Our growth pipeline is centered around markets that are large in opportunity and where we have a competitive advantage. Gas Transmission and Storage has been the foundation of APA's growth over the last 25 years and will remain a core part of our growth story going forward. In February, we announced our East Coast Gas Grid expansion plan, which will play a vital role in avoiding Southern market gas shortfalls. We continue to progress work in the Beetaloo and we're supporting the required investment in GPG across the country with new lateral and gas storage infrastructure for customers such as CS Energy in Queensland.

The outlook for GPG is compelling. AEMO's 2024 step change scenario forecast the need for 13 gigawatts of new GPG investment in the NEM as coal retires. More recently, Elysis undertaken by Griffith University suggests around 20 gigawatts of new investment is required. The opportunities in the GPG market for APA are significant. APA is well positioned to support delivery of the new GPG capacity with strong existing capabilities in the delivery and operation of these assets. And we know energy demand growth through data centers and AI could provide additional opportunities for APA well above these current AEMO forecasts.

Remote contracted power generation also represents a significant addressable market where our capability is clear. Major mining customers continue to look for reliable, low cost and lower emissions energy. With a 4-gigawatt project pipeline in the Pilbara and other opportunities in places like Manheisser and Kalgoorlie, delivering bundled energy solutions for our customers in remote

locations remains a key part of our growth agenda.

While the timing of commitments from our mining customers has been impacted recently by commodity prices, we remain confident about the near- and longer-term demand for our infrastructure as our customers decarbonize. Importantly, our strategy more broadly, spans across a number of key energy markets, thereby avoiding exposure to any single market dynamic at any given time.

Slide 25 confirms the strong long-term demand for gas in Australia and the significant domestic supply available to service it. Strong demand is underpinned by industrial demand, and electrification as coal retires. This is evidenced by AEMO's long-term view of gas, which is presented on the left of the page. The chart on the right shows the significant volumes of domestic gas reserves and resources available to meet domestic demand and to underpin Australia's critically important LNG export market.

There are over 68,000 petajoules of 2P reserves and 2C resources available in Eastern Australia to an East Coast market that consumes around 500 petajoules of natural gas each year. The key point, domestic gas supply is not a constraint. Domestic supply can meet demand. The focus of government and industry must be to develop the necessary steps to unlock this domestic supply. We strongly believe that these domestic reserves and resources offer a lower cost and lower emissions option when compared with LNG import terminals.

As you can see on the left graph, there has only been a handful of days in the last few years where Asian LNG spot prices have been lower than domestic wholesale gas prices. Now I'll remind you that Asian LNG spot prices only accommodate pending unprocessed LNG into regions such as Japan. It doesn't include the additional transportation and processing costs, which are required to compare these spot prices to Australia's domestic wholesale gas costs.

The graph on the right highlights the significant additional costs imposed to land-imported LNG into Australia. With high spot prices and multiple cost inputs to process and land LNG into Australia, it's just ludicrous to think that LNG imports can be delivered into Australia at prices substantially lower than domestic gas.

Now from an APA perspective, we're agnostic to whether we transport domestic gas or imported LNG. The key message is that we want market certainty for our customers and consumers. We need to stop the distracting debate about supporting LNG import terminals and instead provides certainty for the development of low-cost, reliable domestic gas. We must support domestic gas. So we don't allow LNG imports to set the price of domestic energy as we've seen in places like the UK where consumers are suffering with some of the highest energy prices in the world.

Slide 27 shows the volumes of domestic gas available in Australia and their relative wellhead prices. It suggests that our northern basins including the Surat and the Beetaloo, will provide lowest cost options to meet demand. Most notably, the forecasted production cost of Beetaloo Gas were \$5.67 per gigajoule demonstrates its long-term potential as an affordable source of supply. Again, domestic gas is not a constraint.

Slide 28 is a reminder that pipeline capacity also isn't a constraint. The plan we outlined earlier this year for stages 3 to 5 of our East Coast Gas Grid expansion will play a vital role in avoiding southern market gas shortfalls. This is confirmed by AEMO's 2025 GSOO that identifies the pipelines expansions and upgrade scenario to be the only option where supply gaps are fully addressed out to 2044. We're moving forward with our expansion plans, including progressing delivery of our short-term enhancements.

This includes the MSEP conversion project and upgrades to boost year-round capacity on the MSP via compression. We're continuing to work with customers and progressing the next stages and with governments to implement the right regulatory and investment settings needed to unlock gas supply.

Moving now to slide 29. As significant new gas power generation capacity is essential to support Australia's energy transition, GPG already plays a critical firming role for our energy market. As more renewables come online and coal exits, GPG's role will become even more important. The demand for new GPG is compelling and presents a significant opportunity for APA. And the data on the slide doesn't yet accommodate in any material way the significant potential upside in demand for GPG to support data centers and AI.

Moving to slide 30. Contracted power generation in remote regions will also require significant investment. The Pilbara region alone is expected to see a 40-fold increase in electricity demand from 2024 and to 2050. APA's credentials and strategic advantages in this space are significant. We have a record of successful project delivery and operational reliability.

We've built our reputation as a trusted partner with our customers and we've established and continue to strengthen meaningful and lasting relationships with traditional owners. We remain confident about the growth prospects in our remote regions. We continue to progress projects across the Pilbara, Manisa, and Kalgoorlie, and we're making sure we have the best sites available for our customers' future demand.

Moving to slide 32. To wrap up, EBITDA is up 6.4% on last year, well above inflation and towards the top end of guidance. The midpoint of FY26 EBITDA guidance would represent 7.2% growth. We've expanded our EBITDA margins delivering cost growth below inflation and announced a \$50 million cost out target for FY26. Distributions are higher year-on-year and are expected to grow again in FY26. Our credit metrics have improved from 10.1% to 10.4%.

We've simplified APA through our cost-out initiatives and by divesting our noncore networks business. We've also successfully addressed regulatory risks. And finally, our organic growth pipeline has increased from \$1.8 billion to \$2.1 billion, and we have the balance sheet capacity to fund it. We've delivered a strong and our FY26 outlook is even stronger, which all form part of our compelling investment thesis.

Thank you for your time. Let's move now to Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Tom Allen, UBS.

Tom Allen UBS AG - Analyst

Adam, Garrick, and the broader team. Just picking up your comment, Adam, during the presentation that the growth strategy hasn't changed. You can certainly see a lot of elements there that haven't, but -- it appears that the East Coast electricity transmission is no longer on strategy. And just given that that asset class has made up near half the addressable market that APA had presented to in May, can you just expand a little bit more on the asset classes and specific opportunities that are expanding to fill the void in the growth outlook?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Thanks, Tom. And look, the strategy hasn't changed. Obviously, our core focus is to deliver energy infrastructure that is supported by long-term contracts that's inflation-linked and that can support the energy transition. So when you look at where we've focused, that still remains completely on track.

We've got a role to play in the energy transition, but we've also got a role to play for our security holders, and that's all about capital allocation and focusing our capital and focusing our people on those projects that deliver the best returns. So when we weigh up the opportunities and the opportunities are significant across the entire portfolio. So we were talking over \$100 billion worth of addressable market over the last couple of years. Even with the removal of our focus on the larger electricity transmission projects on the East Coast grid, we've got an addressable market in excess of \$100 billion.

So the addressable market is significant. And again, in those core areas of focus, gas transmission and storage, remote grids, GPG and then you can add to the longer term, the future fuels, there's more than enough opportunity there for us to create value for the security holders.

Tom Allen UBS AG - Analyst

And so on the reference there to the growth in gas transmission and storage for growth opportunities like Stages 3, 4, 5 of the East Coast Grid expansion and others, are your discussions with shippers indicating a willingness to sign 10-year-plus contracts that would underwrite APA's minimum return hurdle on these incremental expansions? Or should we expect that APA would need to take some underwriting risk on these types of expansions?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes, Tom, we said from the outset when we announced this back in February that we weren't expecting the market to be fully underwriting the projects like they were 20 years ago for 10, 20 years. That's -- their days gone by. And we've invested well over \$700 million in the first few stages of the East Coast grid taking on a level of market risk and the demand has been incredibly strong. We're fully contracted out through calendar 2027.

So the demand is there, and I think I've produced the relevant data as does AEMO and others that supports the demand for our services. We clearly want to work with our customers and work with the government to be able to get the right level that we need to have the confidence to make some of those bigger investments. We're already continuing on with projects like the MSEP conversion and the compression activity along a couple of our major pipelines. But for some of those bigger projects like the Bulloo Interlink, we want to work with our customers on that.

Look, the market is dynamic at the moment. And one of the reasons why we're hitting it pretty hard, just wanting to call out the need for certainty around regulatory and policy arrangements to support the supply of domestic gas is because the shippers are sitting there and basically looking at the market and trying to work out where they're going to be sourcing gas from.

It's not a matter of will there be gas to source. It's just where do they get that from. So we'll work through that. We're confident -- we've still got time up our sleeve. And again, AEMO made it very clear that the only way to achieve the supply requirements for the East was through the pipeline's expansion scenario and that's where we play a role.

Tom Allen UBS AG - Analyst

And do you expect that APA organic growth pipeline into the medium term can deliver the additional earnings that are required to offset the EBITDA decline ahead of the Wallumbilla Gladstone Pipeline capacity tariff expiring? Or if you think that organic growth doesn't solve that equation alone, can you outline some color on the types of inorganic opportunities that might fit the strategy, how you might fund it? And also just to comment on storage, you're really interested in how APA might get some leverage to some storage in southern markets.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. So we've been crystal clear that we are not trying to replace WGP earnings. We have made that clear, and I'll make that clear again. So we are not trying to replace dollar for dollar there. But what we are trying to do is to continue to grow the business as we have done for the past 25 years. And one of the things that we try to do, we've done it for 21 years consecutively is to deliver returns for our shareholders by way of distribution growth and obviously, by the allocation of capital that delivers returns well above our hurdle rate.

So we feel confident about that. We operate a portfolio of assets, and that enables us to move as the market moves, which is always going to be dynamic. We always know that the energy transition will be dynamic. Look, the opportunities in things like storage are really important.

One of the things that I call out regularly is as we transition away from coal, someone said to me the other day that the only thing that is meeting the energy transition timetable is the exit of coal, the coal fire pet generators. We need more gas-fired power generation coming into the market, and that gas-fired power generation capacity requires storage, which is best serviced through pipeline storage. So again, we think that there's a significant amount of opportunities on the horizon, and we're feeling very confident about the long-term growth outlook.

Operator

Rob Koh, Morgan Stanley.

Rob Koh Morgan Stanley - Analyst

Congratulations on the result, and good to hear Mr. Watson getting a bit fired up about the domestic gas debate. Great to see. I guess just drilling into the growth bucket of gas power generation. Just two questions on that.

Can you maybe give us a sense of where you sit in the queue for orders for turbines? Do you even have some ability to convert compressors into power? That's the first part of the question. And then the second part of the question is, how does the additional GPG fit into your electricity carbon intensity target? Is there like a megawatt of renewable that you would need to check in for every megawatt of gas, please?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Thanks, Rob. So look, from a GPG perspective, supply chain, really for all major electricity transmission equipment and for GPG power generation equipment is a challenge. One of the things that we're -- we've worked really hard on for a long period of time now is the relationships we have with our suppliers. I personally spend a lot of time traveling, meeting with suppliers and ensuring that we can provide them with the confidence that we're going to be there to meet their supply ambitions as well.

So obviously, that's something we've worked on and we feel confident about that. It is an important thing to remember that ordering this equipment is time consuming and you have to wait a couple of years for it to be delivered. So one of the things that we're doing with our customers is ensuring that we work with them and try and get those early orders in to ensure that we're not falling behind in the delivery of that equipment. So we're alive to it. I'm not going to suggest that it's not a challenge, but we feel very confident that with our scale and with the relationships that we have that we can manage that better than most.

Look, just generally around GPG and the emissions intensity. One of the things that we've said in our climate transition plan, and we've been very clear with this and really deep engagement with our shareholders on this is that we are really focused on supporting the energy transition and taking the economy-wide emissions down. If that means that we end up putting more GPG into the system, and that impacts our intensity targets, then we'll continue to monitor that and look at that.

We still feel confident that we will be bringing renewable power generation to market, particularly in the off-grid space. Again, timing of all of these things really is customer-led. So we'll continue to monitor that. But over the longer term, we're confident that we're going to be doing the right thing by taking broader economic commitments down, and if it means that we're putting more on our balance sheet, then we're being very open and candid that that could be the case.

Rob Koh Morgan Stanley - Analyst

Second question is just having a look at the annual report of the FX hedging. It looks like the FX hedging for Wallumbilla Gladstone has now come down to a rate of \$64.81. Is that the rate we should be using? And can you maybe just remind us about when the timing of that comes in, please?

Garrick Rollason APA Group - Chief Financial Officer

You mean the revenue hedging, Rob?

Rob Koh Morgan Stanley - Analyst

Yes.

Garrick Rollason APA Group - Chief Financial Officer

So we're fully hedged out for the next three years on the revenue associated with WGP. We've hedged that in '26 at about \$0.67, '27 about \$0.66 and '28 at about \$0.64. So they're the numbers you should use.

Rob Koh Morgan Stanley - Analyst

Excellent. That's even easier. I don't have to work it out. Last question for me, if I can. I noticed you submitted a greenfield exemption request for the Bulloo Interlink, which mentions an FID possibly as early as October this year. I wonder if you could just provide some color to that project and the timing, please.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Thanks, Rob. Look, that all forms part of the East Coast Gas Grid expansion. One of the really positive things about that expansion plan is that we've got multiple levers to pull to expand as required in support of not only demand and supply equation but what our customers want. So the initial focus is, as I said before, the conversion of the MSEP and also on some compression along a couple of our corridors.

The Bulloo Interlink, we think, is a really important transportation piece of infrastructure that will move gas from Northern gas fields to Southern gas fields. FY26 was our target FID. And look, these things can always change. Again, we just need to work with our customers on whether or not we continue to that timetable. It's not a matter of if, it's a matter of when, Rob. So we remain confident on FY26, nothing's changed. And we'll continue to monitor it as we work with our customers over the coming months.

Operator

Nathan Lead, Morgans.

Nathan Lead Morgans Corporate Ltd - Analyst

First question for me is to do with your asset construction, your PPE note. It looks like \$969 million of assets actually were commissioned during the year. Can you just provide that split between sustaining and growth CapEx, please?

Garrick Rollason APA Group - Chief Financial Officer

Thanks for the question, Nathan. Predominantly, the growth capital, about \$600 million of it related to the Kurri Kurri lateral pipeline, largely the balance is -- stay in business capital.

Nathan Lead Morgans Corporate Ltd - Analyst

Great. Second question is, I mean, you obviously this commitment to keeping your investment-grade credit ratings. But if we look out in time with the reduction in earnings that comes out of the Wallumbilla Gladstone Pipeline capacity charge decline 10 years out, you've obviously got to prepare your FFO-to-debt metric for that.

Can you talk through about where you need that metric to be in the year just before that actually occurs? And therefore, how much true capacity do you actually have in your balance sheet to fund growth with that coming up?

Garrick Rollason APA Group - Chief Financial Officer

Yes. So Nathan, thanks for the question. We obviously don't provide guidance on our metrics out 10 years. But I'd reiterate what Adam said, the focus for our business is on taking advantage of the growth opportunities in front of us given the large addressable market and ensuring that over that period of time, we continue to grow our distributions to security holders. And with the pipeline available to us, we see the ability to deliver that with the existing balance sheet credit metrics staying intact through the course of that time.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

And if I could just add, Nathan, we did say a couple of years ago, we effectively set the way that we go about distribution. So we moved away from quasi paying out distributions in line with free cash to a strategy, which is more about year-on-year distribution growth. We did a lot of work with our investors. And we spoke to every investor that we -- around their appetite for the different options.

That was the option that we had overwhelming effect on in terms of trying to continue to grow that distribution is what's pulling capital for growth. And the reality is then is that free cash that we generate will be used to support those credit metrics over time.

Nathan Lead Morgans Corporate Ltd - Analyst

Yes. Okay. And then just a final one for me. Your sustaining CapEx guidance to \$200 million to \$210 million. Could you just talk through about whether that includes the, I suppose, spike in CapEx that comes through when you have major overhauls of power stations?

Tom Allen UBS AG - Analyst

Yes. So obviously, same business CapEx is cyclical, particularly around power generation. But the guidance we've provided, obviously, is over 26% to 28%. So pretty comfortable that, that stay-in business CapEx will land across that. A lot of the same business CapEx as noted on page 16 does relate to integrity works on our pipelines as well as maintenance on Moomba to Sydney.

Nathan Lead Morgans Corporate Ltd - Analyst

Okay. So when is the next sort of major spike coming in in power station overhauls and imagining Mount Isa. And yes, if you could just sort of talk through that and what sort of size you expect that to be?

Garrick Rollason APA Group - Chief Financial Officer

Yes. So again, we're not going to provide detailed guidance beyond what we put on the page, but probably the next significant overhaul in the power generation space as the back end of this decade.

Operator

Ian Myles, Macquarie.

Ian Myles Macquarie Research Ltd - Analyst

Congratulations on the result. A couple of questions on the Bulloo expansion in that East Coast grid. How much of this is being delayed by the government calling for a gas reform or the review of all the different gas policies out there. So no one actually has that strategy yet.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Thanks, Ian. I'm trying not to laugh at the question. Look, firstly, we say that the government doing a review is a good thing. We do need policy certainty, and we're obviously participating in that review. So that's a positive. It goes back to what I said earlier is that what we're seeing with the shippers is that they are pausing on making commitments. Not all of them, by the way, but as a general rule, as you'd expect, they're sitting to -- sitting there and waiting to see what will come of all of this.

But ultimately, at the end of the day, it's all about supply. So demand is there and they're just trying to work out where the supply will come from. We're obviously advocating for stability in the market as are our customers, and we've seen a number of big customers come out quite publicly over the last couple of weeks advocating for that. You get announcements, for example, around capacity

coming -- potentially coming online in southern markets and along the Bass Strait.

At the end of the day, any supply or any domestic supplier, I should say, is good for the market. and we'll be transporting that along our pipeline. So look, again, there's no change at all as we sit here today in terms of the timing around our East Coast Grid expansion plans. And we remain confident that certainly, over the near term, we'll be delivering those in so far that we get to the right outcomes, which we're confident we will with our customers and with the government.

Ian Myles Macquarie Research Ltd - Analyst

Okay. You changed your CapEx from \$1.8 billion to \$2.1 billion, which is probably not surprising. But just interesting, is that reflective of more going into the hopper or derisking of the existing sort of projects all being changed smaller or becoming more probable?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Look, it's a bit of both. There's probably more going into the hopper though. So as you know, it's are probably weighted for want of a better term number. So there are a bunch of projects in there.

We've got obviously some that are already in flight. We've got some that are very high probability and some where we have to take a probability assessment. But particularly with the opportunities that are before us now and the East Coast Grid expansions that we just spoke about, has given us more confidence around a number of projects and hence, why it's increased.

Ian Myles Macquarie Research Ltd - Analyst

Okay. On a more mundane thing, Mount Isa in the second half had a really good performance. So I was sort of wondering is there some one-offs in there? And probably the second part that is we're hearing talk of Dongara potential at Glencore reviewing their plants out there. What's the implication for you as the major power supplier in that region?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. So just on the first one, it's more of a timing thing and we -- it's just timing of when our assets were available. When we started the Sabella solar farm there, we had a couple of issues with inverters and effectively, as we were doing that, we were supporting our customers with more gas than solar energy, and that cost us a little bit.

So it was really just a timing issue around that. So we would ask you to look at the full year number rather than trying to extrapolate anything from the second half. So that's that. I have just forgotten your second question. What was the second question, Ian.

Ian Myles Macquarie Research Ltd - Analyst

Half of Mount Isa might shut down. How are you actually sort of positioned?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Look, it's an interesting one, and there's a lot of -- the miners just generally are having a lot of public conversations with government at the moment around the viability of mining assets and requirements for support and so forth. So we obviously monitor that really closely.

Look, these assets that you know that Diamantina was always meant to move to more of a peaking operation in the middle of the next the middle of the next decade. A lot of these assets, if they were to close down would be closing down over time and continue to be supported by our assets. And there's also just new growth coming through in those markets.

So look, we're watching that with interest. I keep coming back to the fact that we've got a portfolio of energy opportunities. And if Mount Isa slows down, then Inevitably, what we see is there will be another part of the market which will offset that.

Ian Myles Macquarie Research Ltd - Analyst

And that's really the segue to Newman. BHP put out some say about the diesel program slowing down in terms of the conversion to electrification. Does that have ramifications for the time lines for wind farms and the needs for wind farms over there.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes, I watched it as well, Ian. And what they've said is -- and maybe I'll take a step back to what we've always said is when you look at -- and it's not -- as you know, our infrastructure in the Pilbara is not targeted to any single customer. It's about having multiple customers being able to use that infrastructure. And we've always said it was going to be in three stages, the electrification of the Pilbara.

Stage 1 was the stationary equipment, so conveyor belts, loaders, et cetera, that are effectively at the pits and at the port today. And obviously, to meet those decarbonization commitments, we're seeing that that's where the customers are focused first and foremost. The comment, I don't want to speak on behalf of BHP, but the comment that was made yesterday was about Stages 2 and 3, which was the electrification of trains and the electrification of their trucks. And that is what I heard, and we are hearing that from our customers in the market that that is being a little slower than expected.

And we're not saying that it's been pushed out by a decade, but it's been pushed out by a couple of years just as the technology is progressing. But when you look at our 4 gigawatts of opportunity in the Pilbara, it is based on the stationary equipment. It's based on Stage 1. So hence, why we continue to have confidence in that market. Customers will have capital allocation decisions being made and that may move timing around. And then I keep coming back. I'll be boring, but I keep coming back to lower we've got if we have one part of the portfolio a little slower, often what we're seeing is another part of the portfolio going faster. That actually suits us quite ironically.

Operator

Johann Mino, Barrenjoey.

Dale Koenders Barrenjoey Markets Pty Ltd - Analyst

Dale Koenders from Barrenjoey. Just building on Rob's questions around the shape of growth CapEx over the next three years. I'd be interested in -- is there a risk of a slowdown in transition that we see like, I guess, a back-ended way added of your growth CapEx in the \$2.1 billion.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

The thing that I know about infrastructure, Dale, and I've been in the industry for a very long time is that it's not a perfect science. Crystal balls in infrastructure are always foggy. And particularly because we're customer-led, we're not taking speculative risk building assets and hoping that our customers will come. We're working with our customers.

Look, we've got some really attractive projects that we're working on with our customers now that could come to market quite quickly. We would like to think that we can bring some projects to market during FY26. And then we have other assets that goes back to Ian's question before around the \$2.1 billion pipeline with probability weighting.

We have multiple projects that -- we're working with customers that may accelerate or they might push back by six months or a year. So we just have to work with that, but it is why we run a portfolio of projects. And again, my point about it being ironic around some opportunities slowing down is because as we've got some opportunities accelerating, it actually helps with our funding and the way that we deploy capital.

So the most important thing is that we've got the balance sheet to be able to fund that \$2.1 billion regardless of the timing of that. And ultimately, we'll deploy that capital at returns that are well above our hurdle rates. We're really confident about that. We're very

disciplined about that, and we'll continue to work with our customers to meet their demands.

Dale Koenders Barrenjoey Markets Pty Ltd - Analyst

Okay. In terms of Bass Link, thanks for giving the guidance, I guess, for FY26, but how should we think about the range of outcomes that you've assumed within your group EBITDA guidance?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Do you mean for FY26? Or do you mean the RAB longer term for FY26?

Dale Koenders Barrenjoey Markets Pty Ltd - Analyst

For FY26.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Look, we've positioned it so that we assume that we're effectively generating the same returns as FY25. And obviously, it's traded. So it can move around that. We'll obviously come out with our first half result to provide you with some guidance will provide you with the actual numbers, obviously, but provide you with some more clarity around expectations there. But I think in terms of the regulated asset base, you can see that we've made a submission to the AER on that, and you can back solve where you think that that will come out.

Dale Koenders Barrenjoey Markets Pty Ltd - Analyst

Should we assume though that the increased range in guidance for '26 versus what's historically been done is all Bass.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes, good yes, is a short answer. We've provided more range to accommodate a bit more volatility potentially from Basslink.

Dale Koenders Barrenjoey Markets Pty Ltd - Analyst

Okay. And then finally, any comments you'd give on sort of the outlook for D&A and interest expense, technology and items? Anything else sort of there as we're thinking about the outlook for profit to build on your EBITDA guidance?

Garrick Rollason APA Group - Chief Financial Officer

Yes. So we do expect, as I touched on the presentation, expect interest to increase, I mean, FY26. And probably the best reference point there is when you look at free cash flow, just interest offsetting some of the increase in underlying EBITDA. In terms of -- sorry, what was the other part of the question? The interest and --

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

D&A.

Garrick Rollason APA Group - Chief Financial Officer

I think there, no, we expect -- I don't expect any potentially material step-up in D&A over the next few years.

Dale Koenders Barrenjoey Markets Pty Ltd - Analyst

And then your technology costs that have been as items that have slowly been reducing over time, do they continue at the current level?

Garrick Rollason APA Group - Chief Financial Officer

Yes. So technology transformation probably is obviously the big step down from '24 to '25 was completion of the ERP program. We've also completed some of the other tech-focused program, including a data warehouse and the like. So going forward, I really see that focused on the ongoing SaaS cloud projects, which comes around \$20 million per annum.

The other big on the CapEx side -- of foundational CapEx side, the other big technology program is the Grid Solutions program. So that's a hydrocarbon accounting program. That will continue through the course of FY26 and FY27. And that's about \$30 million per annum, and then it will be complete thereafter.

Operator

Gordon Ramsay, RBC Goodale Markets.

Gordon Ramsay RBC Capital Markets Inc - Analyst

Thank you very much Adam, I'd like to comment about the withdrawal from our East Coast electricity projects and a refinement to work on projects that complement existing assets. It sounds like a lower risk strategy potentially better from a timing and funding perspective.

Just want to focus on GPG because you said the outlook for that is compelling. And I want to understand how APA is going to play that going forward. Clearly, you'll look at contracting structures, storage increase, pipeline capacity. Are there other aspects of the GPG opportunity that APA is prepared to look at and invest in.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Thanks, Gordon. Look, a couple of things. One, there hasn't been a lot of GPG built in Australia for the last decade. Obviously, the Hunter Power Project which now is building -- which effectively is our Kurri Kurri lateral project is the one in flight, and there were a couple of smaller ones that have been built years ago. So there hasn't been a lot built, but the demand, I think I've well articulated, is quite significant.

In terms of our capability, we are obviously already own GPG, particularly in regions like Manheisser and the Pilbara. So we've got the capability and the credibility there as an operator. We've developed these assets before, and we've got the capability, and we've worked really hard at making sure -- we've got the right people in our organization to be able to support our customers in the delivery of these projects.

I look at GPG as a network in and of itself. So for every GPG that needs to get built, it also needs a pipeline to connect that GPG to the pipeline transmission asset. It obviously needs storage, as I mentioned before, because when the GPG is required, you can't just call up APA and say, hey, I need some more volume. You've got to be able to have extra volume there through storage facilities. And you need a long-term GTA so that you can -- there's no point having an insurance there if you don't have the gas to be able to feed it.

So it's a really compelling thing for us that it creates its own network. And ultimately, in terms of the construct of the GPG itself, we obviously want to take low risk. We want long-term contracts. We want inflation-linked revenues.

So when we're working with our customer projects, which we're doing at the moment, we're working up models where effectively, they trade the asset and they take the trading risk of that asset, which suits them because most of the customers that we're working with want to operate the GPG as part of a broader portfolio of energy. So they would take effectively the trading risk or at least the vast majority of the trading risk and we would be there trying to take, think of it like a tolling arrangement, but a base fee effectively for the investment that we've made in the asset and the ongoing operations.

Gordon Ramsay RBC Capital Markets Inc - Analyst

Excellent. That's really good. And just one more for me. You said earlier that you're customer led, and I can't help but asking you, does that mean no more gas pipelines built without customer contracts, and I'm referring to the Northern Goldfields Pipeline. Obviously, you weren't running the company back then, but is -- I mean, are you basically saying, you were not going to do anything like that coming forward.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Yes. Look, it's a good point, Gordon. Look, we look at it through a risk lens. As I said, there will be some things which are complementary or adjacencies like the compression on the East Coast Gas Grid expansion. We didn't try and underwrite that. We took a level of risk. But when you look at the supply demand and the order book, we were so confident about the growth and hence, the conversion of the MSEP that we're doing now. And the additional compression that we're putting on the East Coast Gas Grid.

So one of our roles, too, that we see is that we've got to create stability in the market through the infrastructure that we provide because that creates the market to do some of the bigger projects as well. So one could argue that we're taking risk on that because we don't have those developments fully underwritten, but I think that risk is very low, and we've proven that.

For some of the bigger projects, yes, we do need a level of underwrite. It's just natural that we need to be able to get a level of support to be able to develop those. Again, the days of doing 15-, 20-year one customer underwrites are well behind Australia. But again, we're very confident that we can get levels of underwrite there. And it's just really for us to be able to look at that through a risk lens and then obviously a return lens as well.

And look, NGI, that will be a great long term investment for us. It's still above our cost of capital. It's going to deliver good returns for our security holders. Absolutely, it's been slower than what we would have liked. But we'll also reflect on the fact that the reason why we built the NGI is because the GGP was at capacity.

We had no more capacity for the market. And we also took advantage of the tax breaks that were provided during COVID to be able to effectively get an immediate tax write-off. So that always shielded us from a returns perspective. And we look at the GGP and that took four or five years to ramp up, we're confident that the NGI ramp up as well. So it is a timing matter. Again, it's a when, not an if question, and we remain confident about our infrastructure more broadly.

Operator

Nik Burns, Jarden Limited.

Nik Burns Jarden Group Ltd - Analyst

I just follow on from the question Gordon just asked. You've outlined a pretty compelling case for more gas from Queensland to meet decline in southern gas markets versus LNG imports. But I guess if you look, say, 10 years out, when Bass Strait has ceased production, it could be argued that there's room in the market for both increased supply from Queensland as well as the LNG imports.

And in the event one or more LNG import terminals are approved and do attract customers, how should we think about the impact on APA? And is the potential threat of LNG imports one of the reasons you're willing to take on more risk on side line capacity expansion then you might be otherwise willing to take?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes. Look, I need to be clear, we -- LNG imports are here. There's an LNG import terminal in Port Campbell that hasn't been able to sign a customer, but it's still there. So LNG imports are there, and they may play a role, whether or not the economics stack up for the developer is not a question that I need to worry about. It's somebody else to worry about.

But our point about LNG imports is you can't have a market like what has occurred in the UK as an example, where effectively LNG imports are setting the price of not just gas, but of energy. And I've spoken before around how the energy market has played out in the UK because of its reliance on LNG imports, which have effectively set the base price of electricity in that market. And again, when you look at the cost, yes, there might be a bit of trading if LNG imports get up, there might be a bit of trading that's done. But ultimately, if it's not sustainable for the customer. If it sets that price too high, you'll end up just having industry and consumers rejecting it because they can't afford it.

The real point is when you look at the abundance of supply that there is no issue about domestic supply in Australia. The only issue is making sure that there's the appropriate regulatory and policy settings to enable the producers to produce it. So the fact -- these views that there's not enough supply, it's just not right. We've demonstrated that. And then when you look at it from a pricing perspective, again, we've shown you costs there. And you look at things like the Beetaloo, which is producing incredible well results at the moment at \$5.67 per gigajoule. That is low cost.

And yes, you've got to transport it. But the land cost into Melbourne from a field like that will still be at or below the current government price cap, which is about 50% to 80%, even just at the spot price lower than LNG imports. And then when you take into account the processing and transport costs, I don't know how anyone can sit there and say that it makes any sense. And that's our whole point. We just want stability in the market.

Nik Burns Jarden Group Ltd - Analyst

That's great. And just a question on your organic growth pipeline, \$2.1 billion. I think again, you've been pretty clear on the reasons why you can't give too much granularity on that. But just focusing on FY26 and you talked -- made the point around the need to preorder long lead items. So in theory, most of your capital spend for FY26 should be locked in by now. Can you give us any indication about what we should be expecting from a growth CapEx perspective this year?

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Yes, I'll hand it to Garrick just to go through that in a moment. But just so that we're clear around these sort of things that are in the \$2.1 billion. So the \$2.1 billion includes some in-flight projects. We've got the Brigalow pipeline which we've already announced. We've got the Sturt Plateau pipeline for the Beetaloo which has already announced.

There is more, obviously, opportunities to bring more volume for the Beetaloo into the market. We're not talking the big Neep project yet, but there is further expansion opportunities there. Obviously, the East Coast Gas Grid, we've announced, which is a significant investment.

You've got opportunities in the remote grid space, and you've got opportunities in GPG. So I'm not -- as you said, I can't get into specifics for the projects that we haven't announced yet because they're customer projects that we're working through confidentially with them. But when we look at that list of projects, it's very real, and we feel very confident about that. But I'll hand it to Garrick in terms of what's in '26.

Garrick Rollason APA Group - Chief Financial Officer

Yes. So Adam has touched on it. The three key areas of in-flight projects that are being delivered in '26, which you know about, which is Sturt Plateau pipeline. The Brigalow pipeline and also the East Coast Grid expansion early works that we've talked about at half year. So those numbers are available per our announcement for the discussion at half year, additional or incremental CapEx related to that will come with further announcements as it relates to new customer works.

Operator

There are no further questions at this time. I'll now hand back to Mr. Watson for closing remarks.

Adam Watson APA Group - Chief Executive Officer, Managing Director, Executive Director

Great. Well, look, again, really appreciate everyone for being here today and for your questions. Again, just the key takeaways. EBITDA for FY25, up 6.4% top end of guidance. FY26 EBITDA guidance would represent a 7.2% increase on '25. So even higher than 25% growth. We've delivered year-on-year distribution growth in '25 and again, guide to an extra cent in FY26.

We've simplified our business. We're delivering cost growth below inflation in FY25 and announced cost-out targets in '26, simplifying the business through things such as the value-accretive sale of a noncore business in the networks, assets. We've addressed regulatory risks. Our organic growth pipeline increasing from \$1.8 billion to \$2.1 billion. Credit metrics improved from 10.1% to 10.4%, which means we can comfortably fund our organic growth pipeline from our existing balance sheets. So we think that a really positive outcome for APA and a really, really positive future ahead.

So with that, again, thank you for your time and we look forward to speaking with you soon.

To

██████████
Company Secretary
APA Group
Level 14/60 City Rd,
Southbank VIC 3006

Date: 15 September 2025

CC: ██████████, Head of Net Zero & Climate, Sustainability; ██████████ Manager,
Climate Change; ██████████ General Manager, Sustainability

Subject: Urgent clarification requested regarding APA's FY25 results presentation and related investor call

Dear ██████████,

We write to request that APA Group (**APA**) urgently corrects potentially misleading and deceptive representations made in APA's [FY25 Results Presentation](#), published to the ASX on 20 August 2025 (**Presentation**), and the [investor conference call](#) held on 19 August 2025 (**Investor Call**)¹.

Investors should be able to assume that APA, in its Presentation and Investor Call, is using the latest available information when providing production cost estimates. However, we believe APA has relied on outdated data to support claims that the development of natural gas resources in the Beetaloo is cheaper and of a larger scale than other domestic sources. More recent data, about which APA was aware at the time, do not support these claims.

Specifically, on slide 27 of the Presentation, under the heading '*Domestic gas supply remains sufficient to meet rising East Coast demand, with Northern basins providing the lowest-cost, lowest-emissions option*', APA references the outdated Australian Energy Market Operator (**AEMO**) [2024](#) Gas Statement of Opportunities (**GSSO**). On this basis, APA claims Beetaloo's supply costs are \$5.67/GJ and the lowest out of the five selected basins. Furthermore, the scale of Beetaloo gas resources was significantly reduced by more than 77% from 23,017 PJ in the 2024 GSOO referenced by APA to 5,109 PJ in the more recent 2025 GSOO.

The \$5.76/GJ figure was also repeatedly cited by APA's Chief Executive Officer and Managing Director, Adam Watson, in the Investor Call to support claims that Beetaloo has

¹ Transcript of Full Year 2025 APA Group Earnings Call, 19 August 2025, 11pm UTC (**Transcript**), LSEG.

'long-term potential as an affordable source of supply'², the fact Beetaloo 'is producing incredible well results' which are 'low cost'³ and that Beetaloo gas could be delivered to Melbourne for under the [price cap](#) (\$12/GJ).

In our view, it is unclear why APA has chosen to use the outdated 2024 GSSO figures when, at the time of the Presentation and Investor Call, APA was aware of the 2025 GSSO. Elsewhere in the Presentation, on slide 25, APA refers to 2025 GSSO figures. Similarly, APA references 2025 GSSO figures across its 2025 [Annual Report](#) and [Climate Transition Plan](#), which were both published on the same day as the Presentation.

We are concerned that the representations made by APA in its Presentation and Investor Call to financially justify its strategy of developing Beetaloo are based on outdated data, which APA knew to be outdated at the time of making the representations. We are therefore concerned that APA has engaged in misleading or deceptive conduct (section 12DA of the Australian Securities and Investments Commission Act 2001 (Cth)).

We request that APA publish a corrective statement and revision of its Presentation and Investor Call and any other contemporary documents in which the outdated figures have been used within 10 working days of this letter i.e. by 29 September 2025. The corrective statements should clarify that the 2024 GSSO forecasts are outdated and that the 2025 GSSO forecasts reflect the latest available information.

In an effort to pursue constructive dialogue, we are writing to APA first to resolve this matter amicably. However, if APA fails to make this corrective statement or otherwise provide a satisfactory explanation for its conduct within the requested timeframe, please accept this letter as notice that we will lodge a formal complaint with the Australian Securities and Investments Commission (**ASIC**) requesting further investigation of this matter.

We would be grateful if APA could please acknowledge receipt of this letter.

Kind regards,



Chief Executive
Market Forces

² Transcript, page 6.

³ Transcript, page 17.



RE: [EXT]: Urgent clarification requested

██████████ @apa.com.au 18 September 2025 at 11:28
To: ██████████ <██████████@marketforces.org.au>
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Dear ██████████

Thank you for your letter.

As you have identified, in our FY25 public disclosures and related investor presentation APA has used and referred to the following figures from the 2024 GSOO in respect of the Beetaloo Basin:

- a production cost estimate of \$5.67/GJ; and
- a reserves and resources estimate of 23,017 PJ.

The reason that APA used this production cost data was that it reflects production costs in the Beetaloo Basin on a "developed" basis, as compared to the 2025 GSOO which reflects current pilot projects. That is, the 2024 and 2025 figures are not directly comparable and the 2024 figures better align with APA's planning and expectations for the development of the Beetaloo Basin.

The two different bases for the data is referenced in the 2025 GSOO Supply Data spreadsheet titled 'G25 Reserves Costs assumptions' (available [here](#)). A footnote in the 'Production Costs' tab states "(2) *The Beetaloo production costs reflect the current well costs, as opposed to the well costs incorporating assumed well cost reductions as provided in the 2024 GSOO.*" A similar scenario applies to the reserves and resources estimate.

APA is confident that the representations made in our FY25 results presentation and the investor conference call (held on 19 August 2025) are based on appropriate data. Accordingly, APA rejects any claim that it has engaged in misleading or deceptive conduct.

We trust this explanation clarifies the approach that APA has taken and resolves your queries.

Regards

██████████

██████████
Company Secretary
APA Group
Level 14/60 City Rd,
Southbank VIC 3006

7 November 2025

CC: ██████████, Head of Net Zero & Climate, Sustainability; ██████████
Manager, Climate Change; ██████████ General Manager, Sustainability

Subject: Further clarification requested regarding APA's FY25 results presentation and related investor call

Dear ██████████

We refer to our letter dated 15 September 2025 and your response dated 18 September 2025.

Your response does not adequately resolve our concerns that APA has made misleading and deceptive statements in its Presentation and Investor Call. We detail our concerns with your response below. Absent a satisfactory explanation within two weeks i.e. by 21 November 2025, we will approach ASIC with our concerns.

Production costs estimate

You state that you used the cheaper production costs estimate from the [2024](#) GSOO of \$5.67/GJ as it reflects costs in the Beetaloo Basin on a "developed" basis.

Investors are entitled to understand any material assumptions underlying financial estimates presented to them, especially when they are key to supporting APA's claims that developing the Beetaloo is cheaper than other domestic sources. We are therefore concerned that you failed to disclose to investors that the Beetaloo production costs estimate provided does not straightforwardly reflect real costs, but instead assumes speculative well cost reductions. In our view, this material omission could mislead investors, who would be entitled to expect – absent explanation to the contrary – that APA's claimed production costs represent current production costs.

Slide 27 of the presentation includes, as comparators, production costs from other basins. We think investors would also be misled by the fact that, unlike for Beetaloo, these other basins' production costs are not calculated on a "developed" basis. That is, the slide does not compare apples with apples.

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Reserves and resources estimate

You have stated that a “similar scenario [to the production costs estimate] applies to the reserves and resources estimate” (i.e. that the Beetaloo 2024 GSOO estimates incorporate assumed well cost reductions) and that is why you have used the larger 2024 GSOO estimate of 23,017PJ.

The [2025](#) GSOO does not state that the change from the 2024 to 2025 GSOO reserves and resources estimate relates to a change in production cost estimates. Your response therefore does not deal with why you chose an older figure, which advantageously reflects a significantly larger size of reserves and resources for the Beetaloo.

Without satisfactory explanations to these two critical points, we remain concerned that APA has misleadingly used outdated data to justify its strategy of developing the Beetaloo to investors, contrary to section 12DA of the *Australian Securities and Investments Commission Act 2001* (Cth).

We look forward to receiving your response. Please kindly acknowledge receipt of this letter.

Yours sincerely,



Chief Executive
Market Forces

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RE: [EXT]: Urgent clarification requested

██████████ @apa.com.au 26 November 2025 at 18:43
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Dear ██████████

Thank you for your letter. We have considered the issues you have raised in your letter.

We reject your assertion that the disclosures in our Investor Presentation dated 20 August 2025 (and the associated investor call) are in any way misleading. We maintain that disclosure of our production costs on a “developed” basis remains the most appropriate way to reflect the expected potential economics of the basin once developed and operating at scale and, on that basis, informing APA investors about the rationale for our current strategy.

Regarding your specific queries:

1. The data appearing on slide 27 under the heading “*Domestic gas supply remains sufficient to meet rising East Coast demand, with Northern basins providing the lowest-cost, lowest-emissions option*” was prepared on a like-for-like basis as far as APA was able to reasonably estimate – which included showing the production costs of all the basins on either a “developed basis” (i.e. past pilot stage) [*Beetaloo and Narrabri*] or operating basis exclusive of historical development costs [*all other basins*]. It is well understood by APA’s investors that the Beetaloo basin is yet to be developed and we reject any assertion the disclosures could be misconstrued as current real costs for the undeveloped basin.
2. As outlined in our prior correspondence, APA understands that the 2024 Gas Statement of Opportunities (**GSOO**) included reserves and resources estimates on a “developed” basis (i.e. past pilot stage), whereas the 2025 GSOO provided estimates on a “pilot” basis. As noted above, APA maintains that presenting reserves and resources estimates on like-for-like basis is most meaningful for the purposes of informing APA investors regarding its strategy and the potential economics of the Beetaloo basin once developed and operating at scale. The lack of footnoting in the 2025 GSOO explaining AEMO’s methodology is a matter for AEMO.

We trust this resolves your concerns regarding the relevant disclosures.

Regards