

29 September 2021

ASX ANNOUNCEMENT

APA Group (ASX: APA)

Extension of Superior Proposal to AusNet Services

Leading Australian energy infrastructure business, APA Group (ASX: APA), refers to its non-binding indicative proposal to the Board of AusNet Services Ltd ("**AusNet**") (ASX: AST) to acquire all the issued shares in AusNet by way of a scheme of arrangement for \$2.60 per share in cash and scrip¹ (the "**Superior Proposal**") and to its application to the Takeovers Panel seeking orders that the exclusivity arrangements agreed between AusNet and Brookfield be terminated and/or be made subject to a customary "fiduciary out" to permit AusNet to respond to APA's Superior Proposal (the "**Panel Application**").

The Superior Proposal was conditional on, among other things, confirmation by Tuesday 28 September 2021 from AusNet that APA will be granted due diligence access. APA confirms that it has advised AusNet and undertaken to the Takeovers Panel that the deadline for AusNet to confirm that APA will be granted due diligence access under the Superior Proposal will be extended for so long as the Panel Application remains under review.

APA continues to consider that the strategic rationale for combining APA and AusNet is compelling:

- Creates Australia's largest energy transmission and distribution infrastructure utility, with a combined enterprise value of \$35 billion and total assets of \$29 billion
- Creates a flagship Australian company with the scale and capability to accelerate the \$20 billion growth in electricity transmission infrastructure needed to support the decarbonisation of Australia's economy
- Achieves cost synergies and revenue growth opportunities by integrating operations and by leveraging APA's national platform and the world-class operational and development capabilities of the two businesses
- Releases certain existing AusNet constitutional constraints which are expected to limit the growth of its business
- Provides customers and the community with a range of safe, clean and reliable energy solutions across electricity, gas, renewables, storage and other emerging technologies and would provide employees with new and exciting career opportunities in a larger, more diverse organisation
- Provides substantially greater liquidity and free float with the combined entity ranking in the top 40 ASX companies by market capitalisation

APA has received positive feedback from both APA securityholders and AusNet shareholders regarding the Superior Proposal.



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Company Secretary

Australian Pipeline Limited

¹ Based on APA's security price as at close on 20 September 2021 of \$8.88.

About APA Group (APA)

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

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