



3 July 2024

ASX ANNOUNCEMENT

APA Group (ASX:APA)

IMPAIRMENT OF MOOMBA SYDNEY ETHANE PIPELINE

APA Group (ASX:APA) today announces it expects to recognise a non-cash impairment of approximately \$145 million (pre-tax) to the Moomba Sydney Ethane Pipeline (MSEP). The expected impairment would result in a full write down of the current book value of the MSEP, and it is intended to be recorded in APA's financial statements for the year ended 30 June 2024 (FY2024), subject to the finalisation of results and completion of auditor review processes.

The impairment is non-cash, represents approximately 1% of APA's market capitalisation, and has no impact on APA's liquidity. There is no change to APA's FY2024 distribution guidance or FY2024 Underlying EBITDA guidance.

The MSEP is a single user pipeline, configured to transport ethane to plastics manufacturer Qenos Pty Ltd (Qenos), which recently entered into Voluntary Administration and announced that it does not expect to restart its manufacturing facility. Qenos is the only likely customer with demand for ethane to be transported along the MSEP. The MSEP is APA's only asset that transports ethane and APA's only long-distance single user pipeline.

There are a range of potential alternative uses for the MSEP being assessed, including the possible conversion of the asset to transport and store natural gas, to service the growing demand for capacity on APA's East Coast Gas Grid. However, it will take some time to fully assess the potential alternative uses of the MSEP. The accounting standards require an assessment of the carrying value of the asset to be finalised prior to completion of the FY2024 financial statements and, as such, APA has taken a conservative approach to assume the asset will not be utilised for the foreseeable future and therefore expects to impair the asset in full.

END

Authorised for release by Amanda Cheney

Company Secretary
APA Group Limited

For further information, please contact:

Investor enquiries:

Sarah McNally

Investor Relations

Mob: +61 477 999 238

Email: ir@apa.com.au

Media enquiries:

Michael Cox

Head of Media Relations & Financial Communications

Telephone: +61 2 8044 7002

Mob: +61 429 465 227

Email: Michael.Cox@apa.com.au

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, \$27 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, Tasmania with Victoria and New South Wales with Queensland through our investments in electricity transmission assets. We also own and operate renewable power generation assets in Australia, with wind and solar projects across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.

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