

HD **APA Group buys Qld gas pipeline for \$US5bn**

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Energy infrastructure business APA Group has announced the **purchase** of the QCLNG pipeline in Queensland for \$US5 **billion** (\$A5.41 **billion**). APA said today it had entered into an agreement to buy the pipeline which connects gas fields in the Surat Basin to the QCLNG plant on Curtis Island, near Gladstone.

QCLNG is one of three giant projects feeding gas from onshore fields to new liquefaction plants at Gladstone.

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It comprises two liquefaction trains with a combined nameplate capacity of 8.5 **million** tonnes per year supported by binding 20 year off-take agreements with Britain's BG Group, the **China** National Offshore **Oil** Corporation (CNOOC) and Tokyo Gas.

The pipeline consists of 543 kilometres of transmission pipeline, 3 laterals, and interconnections with transmission pipelines for the Australia Pacific and Gladstone LNG projects.

Construction of the pipeline commenced in early 2011 with construction completed and first gas delivered to Curtis Island in December 2013. The pipeline is now operational. APA will carry out a \$A1.84 **billion** capital raising to help fund the **purchase**, with the rest of the money coming from a \$US4.1 **billion** debt facility.

The **company** said it was on track to achieve its 2014-15 guidance for earnings before interest, tax, depreciation and amortisation (EBITDA) of between \$A1.17 **billion** and \$A1.19 **billion**, excluding the impact of the pipeline **acquisition**. Managing director Mick McCormack said the **acquisition** would allow the **company** to benefit from Queensland's growing LNG sector, which is set to become a major exporter in 2015.

"The **acquisition** of the QCLNG pipeline further enhances APA's position as Australia's largest owner of gas transmission pipelines and builds on APA's strategy of expanding its revenue base and east coast grid," Mr McCormack added. "The **acquisition** of the QCLNG pipeline allows APA to obtain exposure to the globally-significant east coast LNG sector and expands APA's contracted revenue base with revenue from highly creditworthy counter-parties under 20 year take-or-pay contracts."

APA is Australia's largest gas infrastructure **company**, and its assets include the Goldfields Gas Pipeline, the Mid West Pipeline, the Mondarra gas storage facility and the Emu Downs **wind** farm in WA.

CO austpi : APA Group | brgas : BG Group PLC | chno : China National Offshore Oil Corporation | tokgas : Tokyo Gas Co Ltd

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