

HD BG To Sell Queensland Curtis LNG Pipeline To APA For USD5 Billion

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Australian **energy** infrastructure business APA Group said Tuesday that it has agreed to acquire the Queensland Curtis LNG pipeline from British **energy company** BG Group PLC for USD5 **billion**, or AUD6.05 **billion**.

APA Group, which owns and operates in excess of USD12 **billion** of **energy** assets, noted that QCNLG pipeline links gas fields in the Surat Basin to the QCLNG projects LNG plant on Curtis Island. The pipeline is a key component of the QCLNG project.

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Mick McCormack, Managing Director of APA Group said, The **acquisition** of the QCLNG pipeline further enhances APAs position as Australias largest owner of gas transmission pipelines and builds on APAs strategy of expanding its revenue base and east coast grid.

The QCLNG Project is an integrated project to convert gas to LNG and will convert gas supplied from the Surat Basin to LNG at facilities located on Curtis Island. The project comprises two QCLNG trains with a combined nameplate capacity of 8.5 mtpa.

Under gas transportation agreements, the pipeline revenues are fully contracted with BG Group companies and an entity owned by **China** National Offshore **Oil** Corp. or CNOOC on a 20-year take-or-pay basis. The primary tariff components are escalated at US CPI.

APA Group plans to raise AUD1.84 **billion** through a fully underwritten pro-rata accelerated entitlement offer to partly fund the **acquisition**. The **company** will fund the balance of the amount through a USD4.10 **billion** syndicated bank bridge facility.

The transaction is expected to close in early second quarter of 2015. For the first full financial year ending June 30, 2016, the pipeline is expected to contribute additional EBITDA of USD383 **million** and additional operational cash flow of about USD200 **million** to USD221 **million**.

Looking ahead to fiscal 2015, APA Group reaffirmed its stand-alone, pre-**acquisition** financial guidance. Excluding the impact of the **acquisition**, the **company** expects statutory earnings before interest, tax, depreciation and amortisation or EBITDA in a range of AUD1.17 **billion** to AUD1.19 **billion**. This is inclusive of the accounting gain on the **sale** of APAs holding in Envestra.

CO austpi : APA Group | brgas : BG Group PLC

IN i1300003 : Crude Petroleum Extraction | i1 : Energy | i13 : Crude Oil/Natural Gas | iextra : Natural Gas/Oil Extraction | i1300014 : Natural Gas Extraction | i502 : Heavy Construction | i5020043 : Pipeline Laying | iconst : Construction | icre : Real Estate/Construction

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