



MEDIA RELEASE

January 2, 2004

SEA GAS DELIVERS NEW ENERGY TO ADELAIDE - JUST IN TIME

Commercial gas is now flowing into Adelaide through the \$500 million SEA Gas underground pipeline.

A major fire at Santos' Moomba gas processing facility in the early hours of New Year's Day has significantly restricted the amount of gas able to be delivered by Epic Energy's Moomba to Adelaide pipeline.

Fortunately, the SEA Gas pipeline was in the final stages of commissioning and was already transporting some gas to Adelaide as part of that process. Upon the completion of those commissioning requirements, further quantities of gas are now being directed into the Adelaide market.

The commencement of commercial gas flow on the SEA Gas pipeline marks the completion of one of Australia's most important energy infrastructure projects.

The 690 kilometre, open-access pipeline from Victoria to South Australia, completes the south-eastern Australia gas transmission grid linking Sydney, Melbourne and Adelaide with gas supplies from fields in the Cooper-Eromanga Basin and offshore Victoria.

The SEA Gas pipeline – a joint venture between equal equity participants International Power Australia, Origin Energy and TXU – will transport natural gas gathered from offshore fields in Victoria, including Minerva in the west and Yolla in the east, to meet the needs of a range of energy providers in South Australia. About 50 per cent of South Australia's electricity is generated from gas.

SEA Gas General Manager Mr Ashley Kellett said the new pipeline was a vital energy link, which has already demonstrated that it will increase security of future gas supplies. Further, addition of the new pipeline presents the opportunity for a more competitive gas market for south-eastern Australia.

"The SEA Gas pipeline will enable gas to be transported from a range of sources by whoever wants to use it," Mr Kellett said. "The foundation shippers of gas through the SEA Gas pipeline are its joint venture partners International Power Australia, Origin Energy and TXU, but over time a range of major gas users are expected to take advantage of this alternative conduit for gas into South Australia and we look forward to assisting them."

Work began on the 690-kilometre SEA Gas pipeline in October, 2002. Since then, construction crews employed by engineering, procurement and construction contractor Spie Capag-Lucas Joint Venture have been building three to four kilometres of pipeline per day, laying and welding up to 200 18-metre lengths of pipe every 24 hours.

SEA Gas delivers new energy to Adelaide

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The underground pipeline runs from Port Campbell in south-western Victoria to its end point at Pelican Point in Adelaide along a route roughly defined by the towns of Hamilton, Casterton, Naracoorte, Keith, Coonalpyn, Tailern Bend and Gawler. The pipeline has the potential to effectively double the amount of gas available to South Australians, while providing an alternative to gas supplies from the Cooper Basin.

FURTHER INFORMATION AND INTERVIEWS: Please contact International Power Australia Corporate Affairs Manager (Australia) Jim Kouts on 0417 866 474

ISSUED BY Hughes Public Relations: Please contact Vicki Cirillo on (08) 8373 5322 or 0408 820 527

SOUTH EAST AUSTRALIA



PROJECT *facts*

- Ownership:** SEA Gas (South East Australia Gas Pty Ltd) was created to build and own the SEA Gas Pipeline Project and is jointly owned by equal equity participants International Power Australia, Origin Energy and TXU.
- Contractor:** Engineering, procurement and construction contract was undertaken by the Spie Capag-Lucas Joint Venture.
- Pipeline length:** 690 kilometres approx from Iona to Pelican Point in the northern suburbs of Adelaide along an inland route which passes south of Casterton and south of Tailem Bend. Gas supplies to industry and towns along the route are being developed and will be distributed if proved to be economic.
- Gas source:** Natural gas from offshore Victoria, including Minerva (15 km offshore from Port Campbell) and Yolla (100 km offshore from Western Port).
- Pipeline capacity:** Up to 125 PJ/annum carried through an underground pipeline (the majority of which is 450 mm in diameter) buried to a minimum of 750 mm.
- Pipeline users:** Open access pipeline available for third parties. International Power Australia, Origin Energy and TXU are Foundation Shippers.
- Environment:** After extensive environmental consultation, SEA Gas was granted a Pipeline Licence by the SA Government in February, 2002 and a Victorian Pipeline Permit in March, 2002.
- Economic impact:** The SEA Gas project will stimulate more than \$1 billion of new gas field developments in Victoria and create opportunities for regional development in communities along the route.
- Employment:** 200-300 new jobs in construction, hospitality and engineering, including some sourced from local communities along the route.
- Project timing:** October, 2002 Construction commenced near Tintinara, SA
Late 2003 First gas to flow
January, 2004 Commercial pipeline operations start
- LAST UPDATED:** **January, 2004**