



MEDIA STATEMENT

March 15, 2004

SEA GAS FORMS LATEST LINK IN NATIONAL GAS GRID

Greater security of gas supply for south eastern Australia was confirmed this morning when the \$500 million SEA Gas pipeline – the latest link in the national gas grid – was officially opened by Prime Minister John Howard.



The 690 kilometre underground pipeline is owned by founding partners **International Power, Origin Energy** and **TXU** and creates the latest link in the energy infrastructure chain connecting Adelaide, Melbourne and Sydney to gas reserves in central Australia and offshore Victoria.

Two years in the planning and taking one million man hours to construct over 15 months, the SEA Gas pipeline is a national asset created by the private sector to provide secure gas supplies in south eastern Australia.

SEA Gas already has played a major role in significantly increasing security of supply when, on its first day of operation, it brought gas into Adelaide following the devastating fire at Santos' Moomba gas facility on New Year's Day.

With a capacity of up to 125 PJ/annum, the SEA Gas pipeline can meet about 80 per cent of South Australia's current demand for natural gas, powering electricity generators and supplying the retail gas market. About 50 per cent of South Australia's electricity demand is met from gas.

The SEA Gas project could not have been achieved without the cooperation of the joint equity partners, private sector energy providers International Power, Origin Energy and TXU, and support from:

- The Federal and State governments, which were committed to a deregulated gas market which allowed the private sector to initiate such ventures;
- The South Australian and Victorian governments for approving the pipeline;

- Engineering, procurement and construction contractor, the Spie Capag-Lucas joint venture;
- Specialist engineers HPS for the provision of compression;
- The many communities and the owners of 600 land holdings through which the pipeline passes; and
- The SEA Gas staff, particularly the project team which managed the fast-track development of the pipeline.

SEA Gas forms latest link in national gas grid

The underground, open access, pipeline runs from Iona and 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, Taillem Bend and Gawler.

FURTHER COMMENT: Please contact
SEA Gas General Manager Ashley Kellett on 0419 829 998

ISSUED BY HUGHES PUBLIC RELATIONS:
Please contact Tim Hughes on (08) 8373 5322 (O) or 0417 788 891 (M)
or Vicki Cirillo on 0408 820 527 (M)



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, 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 Taillem 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 in the future 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, 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:**
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| October, 2002 | Construction commenced near Tintinara, SA |
| Late 2003 | First gas flow |
| January 1, 2004 | Commercial pipeline operation |
- LAST UPDATED:** **March, 2004**