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## **PIPELINE TO LINK NORTHERN AUSTRALIAN GAS TO EASTERN AUSTRALIA**

CEO of The Australian Pipeline Trust (APA), Mr Jim McDonald today announced a major new infrastructure proposal to connect the gas transmission pipeline systems supplying Northern Territory, Queensland, South Australia, New South Wales and Victoria.

The proposal would use existing infrastructure to the maximum extent possible, much of it owned or operated by the Trust, and would mean gas consumers across Eastern Australia would be able to access natural gas supplies from all the major gas basins east of the Western Australian border, including both the Timor Sea and the PNG Gas projects.

Mr McDonald said, " This proposal, which ultimately provides much of a trans-national pipeline gas grid, can be implemented progressively, to ensure the viability of the new pipelines required as well as matching the timetables for development of both Timor and PNG gas with the needs of new and existing markets across Australia."

Mr McDonald said, " We have commenced discussions with the Santos led South Australian and South West Queensland Cooper Basin producers to utilise the existing infrastructure at Moomba and Ballera and to provide enhanced flexibility through gas swaps, storage, load management and possibly interim gas."

"The far reaching plan would see Darwin linked to Mt Isa, Townsville and Gladstone and linking with existing systems to allow gas to flow south to the main eastern states markets."

Mr McDonald said the Trust, Petronas and Agility had completed a feasibility study. He said, " One of the good things about this proposal is that we can match capital requirements to market growth and supply development."

"Based on the current supply and demand balance, the targeted date for delivery of new gas into the Moomba plant would be 2006. If additional demand is required before then, that phase of the project can be brought forward."

"For deliveries to Queensland, a staged development should position users to be able to receive gas which initially could also include supply from existing supply basins, by 2005. The quantities of gas should provide for a gradual development of the natural gas market in Queensland, providing the potential for the introduction of both Timor Sea and PNG gas into these markets in the medium term" Mr McDonald said.

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"We are in discussions with interested parties at both the supply and demand ends of the chain as well as with State Territory and Commonwealth Governments"

This initiative will support the implementation of the recent Clean Energy Policy initiative of the Queensland Government which aims to introduce base load gas fired Power Generation in Townsville and further develop Queensland's access to natural gas by developing new energy infrastructure in the State. This infrastructure development is also consistent with the Australian Governments commitment to meeting international greenhouse gas obligations, while maintaining the competitiveness of Australian industries.

" We have already approached the Commonwealth Government to seek Major Project Facilitation status and we expect this to be granted very soon."

A map of the planned interconnection scheme is attached.

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## **BACKGROUND**

APA is the largest owner and operator of high-pressure transmission pipelines in Australia with interests in excess of 7,000km of pipelines across NSW, Western Australia, Queensland and the Northern Territory. AGL currently holds a 30% investment in APA.

Petronas is the national petroleum corporation of Malaysia and is wholly owned by the Malaysian Government. Petronas, it's subsidiaries and associated companies represent a fully integrated oil and gas company engaged in a broad range of upstream and downstream oil and gas operations and petrochemical operations and have interests in 25 countries. Petronas Australia, a wholly owned subsidiary of Petronas, will work with APA and Agility in all aspects of the development of the pipeline system. Petronas currently holds a 10 % investment in APA.

Agility, a wholly owned subsidiary of AGL, provides infrastructure management and support services to infrastructure owners. Agility will lend technical and commercial support to the project through the development, design and construction and operational phases of the pipeline.

The attached map portrays the flexibility this pipeline proposal offers producers and customers.

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