

SEA Gas pipeline rolls out



Tim Hughes (Hughes Public Relations)

Introduction

The SEA Gas underground pipeline is one of the most important energy infrastructure projects in Australia, and is designed to meet the needs of a range of energy providers in South Australia and Victoria. Work began on the \$500 million, 680 km pipeline in November 2002, and is on track for completion in late 2003. The pipeline's commercial operation is expected to begin in January 2004.

The pipeline, a joint venture between equal equity participants International Power, Origin Energy and TXU Australia, will run from Port Campbell in Victoria to Adelaide. It will link Adelaide's gas supply to that of Melbourne and Sydney, and will both increase security of future gas supplies and create a more competitive gas market for southeastern Australia. Once complete, the pipeline will carry natural gas produced from offshore gas fields in Victoria's southwest at Minerva and Yolla to Adelaide.

SEA Gas Chairman Dr Ed Metcalfe expects the project to stimulate more than \$1 billion of new gas field developments and create opportunities for regional development in communities along the pipeline route from Port Campbell to Adelaide. The project will also allow for transportation of gas from the Thylacine and Geographe Gasfields in the Otway Basin to markets in Victoria and South Australia, and create a link from South Australia's gas system to the TXU underground gas storage facility at Port Campbell in Victoria.

The SEA Gas pipeline, expanded from its original 14-inch diameter to meet the additional needs of partner TXU Australia, will be a hybrid of dual 14-inch pipes for 338 km of the project route and an 18-inch pipe for the remainder of its 680 km length.

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Construction of the pipeline began near Keith in the South-East of South Australia and is progressing eastwards towards Port Campbell at an average

rate of 3–4 km/day. Once this section is complete, work will recommence from Keith in a westerly direction towards the pipeline end point at the Pelican Point Power Station on LeFevre Peninsula in northwestern Adelaide.

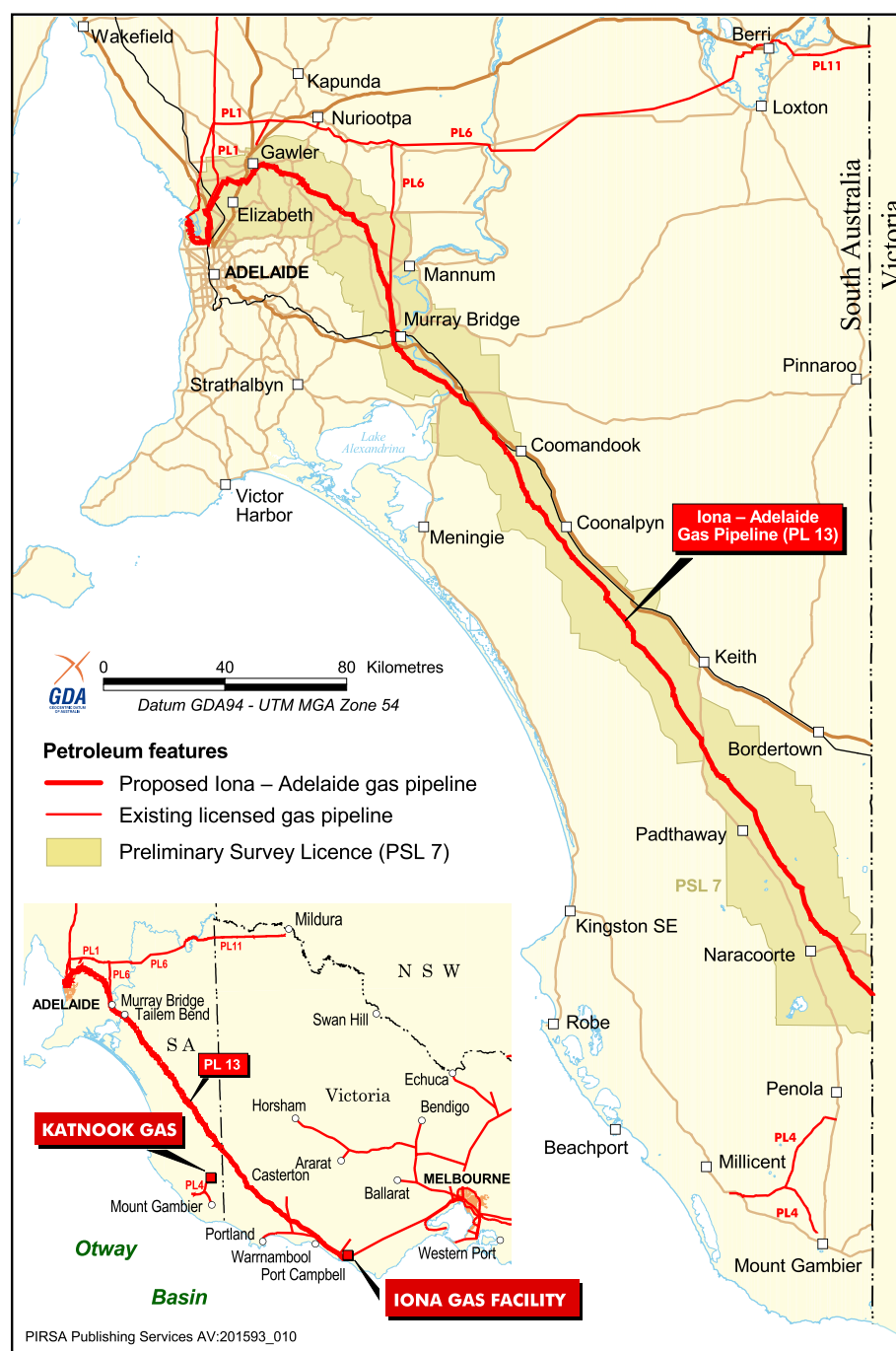


Fig. 1 Route of the SEA Gas pipeline.



Lengths of gas pipe stockpiled at Tintinara in preparation for laying. (Photo 49042)



Laying of the SEA Gas pipeline near Tintinara. (Photo 49043)

Advance crews had already cleared and fenced a 25 m wide path for the pipeline over a distance of 135 km, with work on the pipeline spreading over as much as 100 km of the 680 km pipeline route at any one time. The pipe is being coated at Port Kembla and delivered by rail and road to the pipeline route. Highly trained crews are working on a 28-day cycle, with construction crews welding up to 200 by 18 m lengths of pipe every 24 hours.

Preparatory work including community consultation, environmental assessment, approvals and engineering logistics were undertaken over a two-year period prior to construction starting. The project is committed to protecting landowner assets and infrastructure, and the joint venturers are working closely with landowners and managers to minimise disruption of existing land

uses and any impact on stock during the pipeline's construction and operations.

Between 150 and 180 employees of pipeline construction contractors Spie Capag-Lucas are working on the project, and are currently based in a specially designed transportable camp near Padthaway, which will move to Casterton in early 2003.

The SEA Gas project office has moved to new premises opened in December 2002 by the South Australian Minister for Energy, Patrick Conlon. The office is located at Level 6, Da Costa Building, 68 Grenfell Street, Adelaide (ph. 08 8217 9000). Further information on the SEA Gas project can be obtained from the project website (www.seagas.com.au).

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 Australia.

Contractor: Engineering, procurement and construction contract is being undertaken by the Spie Capag-Lucas Joint Venture.

Pipeline length: ~680 km, from Iona to Pelican Point in the northwestern suburbs of Adelaide along an inland route which passes south of Casterton and south of Tailern Bend. Gas supplies to industry

and towns along the route are being developed and will be distributed if proven to be economic.

Gas source: Natural gas from Minerva (15 km offshore from Port Campbell), Yolla (150 km offshore from Western Port) and other sources in Victoria.

Pipeline capacity: Up to 125 PJ/year carried through an underground pipeline (the majority of which is 450 mm in diameter) buried to a minimum depth of 750 mm.

Pipeline users: Open access pipeline available for third parties. Origin, International Power and TXU are foundation shippers.

Environment: After extensive environmental consultation, SEA Gas was granted a pipeline licence by the South Australian 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, South Australia

Late 2003 — first gas to flow

January 2004 — commercial pipeline operations start.



Official opening of the SEA Gas office in Adelaide, December 2002. Left to right: Jim Myatt (TXU Australia), Andrew Stock (Origin Energy), Patrick Conlon (Minister for Energy), and Ed Metcalfe (International Power and SEA Gas Chairman). (Photo 49044)