

Otway: Australia's Next Gas Province

The Otway Basin was long considered less prospective than the adjacent Gippsland Basin and other basins in the region. Although exploration hinted at lavish gas supplies, the frustrating reality was the elusive nature of commercially viable reservoirs.

But the Otway is now revealing its full potential with massive gas finds unearthed in the past year and other smaller, but equally viable, sources continuing to be announced. Large-scale exploitation of the resources seems likely within two years, with new pipeline infrastructure predicted to deliver first gas to South Australia's energy-hungry markets in 2003.

The joint venture of Origin Energy and Australian National Power has commenced work on the SEA Gas pipeline project, with the pipeline route fully surveyed, engineering procurement and construction contracts out

to tender, and the environmental report complete and released for community consultation.

The \$200MM project will carry Otway and Yolla gas from Port Campbell to South Australia through a 680 km, 14" diameter pipeline, capable of carrying at least 70 PJ per year. The pipeline will boost Adelaide's gas supplies by 50%. The city is currently almost solely dependent on Cooper Basin gas, delivered via the Moomba pipeline.

Managing Director of Origin Energy, Mr Grant King, has described the SEA Gas pipeline between Victoria and Adelaide as heralding the most significant energy infrastructure development into South Australia in the last 30 years.

"SEA Gas creates a corridor for major Origin Energy growth projects including the proposed development of the new

Thylacine/Geographe gas discoveries in the offshore Otway Basin, the SEA Gas project itself and the Quarantine Power Station, which is currently being commissioned. It will also provide a major stimulus for investment in other infrastructure and development in South Australia", he said.

While increasing South Australia's energy supply, the pipeline will also contribute to security of energy supplies in both Victoria and South Australia, alleviating energy shortages in those states.

Through creating new markets for Otway gas discoveries, the pipeline is likely to see the early development of many of the Otway's recent finds, such as the Thylacine and Geographe fields. In May 2001, BHPP signed an agreement with Australian National Power to supply 270 PJ of gas over ten years. The deal is likely to see the development of the Minerva Field, situated off the Victorian coast.