



The Place To Be

Media release

From the Minister for Energy and Resources

Thursday, 11 November, 2009

GOVERNMENT WELCOMES NEW GAS PRODUCTION IN GIPPSLAND

The Brumby Labor Government today welcomed news that full-scale processing of gas from Nexus Energy's Longtom field in the Gippsland Basin has begun, with the project able to supply more than 10 per cent of Victoria's annual gas needs.

Energy and Resources Minister Peter Batchelor said it was an important and historic milestone for the project and for Victoria.

"We are standing up for Victorian jobs by continuing to support industry and helping attract investment in Victoria's gas resources and ensure a continued supply of affordable energy for Victorians," Mr Batchelor said.

"Gas production from Longtom began earlier this month, but the processing milestone reached this week now means that gas is ready to flow to industry and households.

"Cheap energy sources such as gas have provided and helped maintain Victoria's competitive advantage in attracting industry to the state, providing the building blocks for our economy.

Mr Batchelor said oil and gas production in Victoria not only ensured reliable and affordable energy sources for Victorians, but provided a significant boost to employment, particularly in regional Victoria.

"Up to 200 people have been employed during the development of the Longtom gas field off the south-east coast of Victoria, about 31 kilometres from the coastline near Orbost," he said.

Mr Batchelor commended Nexus Energy, which has spent about \$315 million on the Longtom development, on its transition from gas explorer to producer.

"In a period of just four years, the Longtom gas field has been appraised, commercialised and developed into a significant resource project," he said.

"With the successful development of Longtom, Nexus Energy becomes the third new producer of gas in Bass Strait in 40 years – a significant milestone for a company that started in Melbourne just eight years ago.

"It provides further energy supply security for our state."

Raw gas from the field will be transported via a pipeline to the shore where it will be processed at Santos' existing Patricia Baleen facilities near Orbost before it flows to industry and households.

Seventeen kilometres of new pipeline has been built linking Longtom with the Patricia Baleen pipeline, supplying the onshore Orbost processing plant.

Media contact: Emma Tyner 0409 023 131, www.premier.vic.gov.au