

## **MEDIA STATEMENT**

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21 February 2007

### **Pipeline expansion key to State's development**

The owners of Australia's largest gas pipeline today celebrated the successful completion of a \$430 million expansion that is critical to Western Australia's future development.

The Stage 4 expansion of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) increases the pipeline's capacity by more than 100 terajoules (TJ) a day.

The owners of the pipeline, Dampier Bunbury Pipeline (DBP), today joined Deputy Premier Eric Ripper in also officially launching the next phase of expansion of the pipeline.

The Stage 5A expansion is a \$700 million investment which will add another 100 TJ a day of gas transmission capacity.

The additional supplies of gas will be used to meet the growing demand for energy caused by industrial expansion, electricity generation and domestic gas consumption.

DBP Executive Chairman Mr Stuart Hohnen said the combined expansion of the pipeline would cost approximately \$1.1 billion and is providing direct employment for up to 700 people.

"Before the purchase of the pipeline by DBP just over two years ago the DBNGP was facing significant unmet demand resulting in new projects and project expansions being delayed," Mr Hohnen said.

"Under the ownership of DUET, Alcoa and Alinta, the pipeline is being expanded rapidly to meet the demands of a growing State economy.

"Major industrial projects, estimated to be worth \$3.5 billion, are dependent on the completion of the pipeline's expansion."

Mr Hohnen said that when the DBNGP was sold to the new owners in October 2004, they committed to the WA Government and the Australian Consumer and Competition Commission (ACCC) that they would spend at least \$400 million expanding the pipeline.

DBP continues to provide strong support to its customers and to the Western Australian economy - having now almost tripled that spending commitment.

The Stage 4 expansion involved adding an extra eight compressors and installing 217 km of additional parallel pipe (or loops). Mr Hohnen said the fact that Stage 4 was completed on time and budget was a tribute to all associated with the DBP and in particular the project manager Alinta Asset Management.

The Stage 5A expansion is already underway and involves the construction of an additional 570 km of looping as well as further modifications to compressor stations. We expect the Stage 5A capacity to be delivered in the first quarter of 2008.

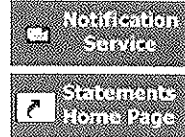
\* Dampier Bunbury Pipeline (DBP) is the trading name of the DBNGP group of companies, ultimately owned by the consortium that purchased the Dampier to Bunbury Natural Gas Pipeline in October 2004. DBP is majority owned by DUET – Diversified Utility and Energy Trusts – with Alcoa and Alinta minority owners.

**Media contacts:**

**Stuart Hohnen (08) 9223 4302 or 0419 923749**  
**Tony Robertson (08) 6213 7362 or 0419 867 230**

## Fact and figures

- The DBNGP was built in 1984. With a mainline length of about 1600km and about 250km of laterals, it is Australia's largest pipeline
- Capacity of the pipeline (prior to Stage 4) is approximately 600 TJ/Day. Just 1TJ of gas is enough to supply an average home for about 50 years
- The Stage 4 expansion of the pipeline, completed in January 2007, adds approximately 100 TJ/Day at a cost of \$430 million
- Stage 4 adds eight new compressors and 217 km of new pipeline alongside the existing pipe (known as "looping")
- The Stage 5A expansion, to be completed in late 2008, adds a further approximately 100 TJ/Day at a cost of \$700 million
- Stage 5A involves the construction of an additional 570 km of new pipeline "looping" as well as modifications to each of the compressor stations
- The DBNGP was purchased by DUET, Alcoa and Alinta in October 2004 for approximately \$1.86 billion. The combined cost of Stage 4 and 5A is approximately \$1.1 billion
- Alinta Asset Management is the Project Manager for the expansion projects under contract to DBP

Government of Western Australia  
**Media Statement**

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### Natural gas pipeline reaches significant milestone

21/2/07

A significant milestone has been reached today in the \$1.1 billion upgrade of the Dampier-to-Bunbury natural gas pipeline.

Acting Premier and State Development Minister Eric Ripper was in Gingin today at one of the pipeline's compressor stations, to congratulate the Dampier Bunbury Pipeline consortium on completion of Stage 4, as well as the beginning of Stage 5A of the upgrade.

The 1,600km pipeline, which connects natural gas fields from the Carnarvon Basin to customers in the State's South-West, is being expanded to boost gas supply capacity.

Mr Ripper said the pipeline's expansion was vital for the State's gas needs.

"The Dampier-to-Bunbury Natural Gas Pipeline is one of Western Australia's most critical pieces of energy infrastructure," he said.

"The extension of the pipeline is vital to meet the growing demand for natural gas from the commercial, industrial and residential sectors of our economy.

"With the very significant natural gas reserves off the north-west coast and WA's booming industry, gas is a crucial means of meeting the State's growing energy demand.

"I congratulate Dampier-Bunbury Pipeline on honouring the expansion commitment it made when it bought the pipeline in October 2004."

The completed Stage 4 upgrade, worth \$430 million, has increased the pipeline capacity by more than 100 terajoules per day to almost 700. It involved the installation of a pipeline loop downstream of each of the 10 compressor stations located along the pipeline, as well as new compressor units at eight of the stations.

The \$700 million Stage 5A will increase the pipeline capacity by a further 100 terajoules. The expansion will require the installation of an additional 570km of pipe loops downstream of each of the 10 compressor stations. Restaging and system upgrades will also be carried out at all the compressor stations.

Mr Ripper said Stage 5A was expected to be completed by the end of March 2008.

Treasurer's Office - 9222 8788

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