

Pipeline will open markets

Bowen Basin fills shortage

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BLUE Energy has welcomed the State Government's decision to approve Arrow Energy's Bowen Basin Gas Export Pipeline between Moranbah and Gladstone.

The pipeline will help the gas company to reach southern markets.

Arrow Energy was awarded a licence to build a 428km pipeline from Moranbah to Gladstone.

According to a statement from Blue Energy to the Australian Stock Exchange on Tuesday, the proposed pipeline differs from the one preferred by Blue Energy.

However, the statement said "the significance of the linkage is that new gas molecules from the Bowen Basin Gas Province will be available to the southern market, independent of pipeline route selection".

"This will mean that Blue Energy's Bowen Basin gas, consisting of Netherland, Sewell and Associates

independently certified reserves and resources, will become available to

potential customers in the southern gas market, and these volumes will play an important role in alleviating the gas shortage in the manufacturing and domestic markets in Brisbane, Sydney and Melbourne," chief executive officer John Phillips said.

Australian Prime Minister Malcolm Turnbull met with gas companies last week about the gas shortage in southern states.

Queensland Government's Natural Resources Minister Anthony Lynham has confirmed the state government approval for Arrow's pipeline, heralding it as the "missing link" in the gas supply network.

"We are encouraging that pipeline, we want that pipeline to be hooked up because it's an important-piece of infrastructure that's been missing," Dr Lynham said.



PERMITS: Blue Energy's permits are close to Arrow Energy's proposed gas pipeline. PHOTO: CONTRIBUTED