

## MEDIA RELEASE

Regional Development Australia Limestone Coast (RDALC) is pleased that the SA government is supporting gas exploration in South Australia in an effort to ensure the lights stay on for businesses in the Region and across the State. It is also hopeful that cost-competitive gas supplies will also be made available for local industry as drilling enters its second month at Haselgrove-3, the conventional gas exploration well south of Penola.

RDALC board members recently took a guided tour of the Beach Energy drilling site, which is located on state forestry land south of Penola. While the well will be almost 1,000 metres deeper than previous gas wells in the region, project leader and senior drilling engineer, Melanie Mackie, gave assurances that the well would not be targeting formations requiring fracture stimulation.

Based on seismic testing, the drilling of Haselgrove-3 has been given a one-in-three chance of commercial success. RDALC acting chair, Alan Richardson, says regional optimism is high that the estimated \$12-15 million project will pay dividends, with some of the Limestone Coast's largest manufacturers reliant on natural gas for their day-to-day operations.

“Several major energy users in this region are now critically dependant on a reliable and affordable supply of gas,” he says. “Hopefully this well will help to secure those supplies, creating greater certainty for investment and local jobs as the region transitions to a future dominated by renewable energy sources.”

Kimberly Clark Australia's Millicent Mill currently utilises natural gas that is transported to the region via pipeline from Port Campbell, Victoria, by the SEA Gas pipeline which is connected to the South East Pipeline System (SEPS). The manufacturing giant has already expressed an interest in any gas that may become available through Beach Energy's Haselgrove-3 project, so long as the supply costs are competitive. The Union Dairy Company located at the former SAFRIES factory near Penola is another prospective user, but there are strong concerns that Limestone Coast industry could miss out altogether in the face of looming national shortages of domestic supply.

“Drilling of Haselgrove-3 is being supported by the South Australian Government through the Plan for Accelerating Exploration gas grant scheme, and under the terms of the \$6 million grant, any commercial discoveries of gas will be offered to electricity generators in South Australia before industry,” Mr Richardson explains. “We acknowledge that there is a tightening national energy market, but we would like to see users in this region at the top of the list for access to local gas when it comes to determining allocations and commercial agreements.”



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Gas production was suspended in the Limestone Coast in 2013 due to reservoir depletion, and Beach Energy says any gas produced from Haselgrove-3 would be transported via the existing pipeline network linked to the Katnook gas processing facility. By mid-October, the Haselgrove-3 well had reached almost 3,300 metres of its total vertical depth target of approximately 4,000 metres.

**ENDS**

***For further comment, please contact:***

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***Date: 23rd October 2017***

### **Images:**

DSC\_1584 Melanie Mackie, Beach Energy's senior drilling engineer on site with RDALC Acting Chair Alan Richardson

DSC\_1588 Melanie Mackie, Beach Energy's senior drilling engineer on site with RDALC Board Members, Lew Parsons, Alan Richardson, Scott Whicker, Judy Nagy and Erika Vickery.



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