

MEDIA RELEASE

FOR IMMEDIATE RELEASE
8 November 2012



Canning Basin domestic gas potential

Western Australia's peak energy user group says an agreement between the State Government and joint venture partners Buru Energy and Mitsubishi Corporation could unlock a major new source of energy.

The State Agreement facilitates ongoing exploration of onshore gas in the Canning Basin in the far north of the State as well as the development of a gas pipeline to the Pilbara.

DomGas Alliance Chairman, Tony Petersen, said there was sufficient demand for gas in the State to underpin development of the Canning Basin reserves.

"Western Australia is by far the largest gas market in Australia and the State depends on secure, affordable gas supply," Mr Petersen said.

"Canning Basin gas could be used to fuel new industries in the Pilbara or piped south to supply industry and households in the South West."

While most of any gas produced is likely to be supplied to the local market, the State Agreement also includes a domestic gas reservation commitment in the event of LNG exports.

Under the State Agreement, the equivalent of 15% of any gas processed as LNG must be set aside for domestic use. The project partners are also required to make available for sale related products such as ethane, propane, butane and condensate, for possible manufacture of chemicals or use as transport fuel.

"This gives long term confidence that gas will be supplied to the State whatever the development options pursued by the project partners," Mr Petersen said.

"I commend Buru and Mitsubishi for committing to domestic supply and thereby opening up a world of opportunities for increasing the economic value of this gas to the people of this State."

"The State's 15% reservation policy has again been useful in delivering positive outcomes for project proponents and WA residents."

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The DomGas Alliance

The DomGas Alliance represents natural gas users, infrastructure investors and prospective domestic gas producers. The Alliance promotes security and affordability of gas supply.

Alliance members represent around 80 percent of Western Australia's domestic gas consumption and transmission capacity, and supply gas and electricity to the State's 800,000 households and 200,000 small businesses.



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