



# Media release

## South East activities update

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Reference #01

Date Thursday, 23 January 2020

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Beach Energy is in preparations to drill a second well at the Haselgrove-4 site near Penola, called 'Haselgrove-4DW1', to further optimise the initial natural gas discovery made at the site in late 2019.

Haselgrove-4DW1 will be a deviation well, meaning it will use the existing well hole for approximately 2300m, before deviating to target a different section of the Sawpit Sandstone.

Drilling at the site will commence next month and is expected to take about 4-6 weeks.

Beach is also close to commissioning first gas from the Katnook Gas Processing Facility, which has undergone a \$21 million redevelopment.

The Commonwealth Government has supported the redevelopment project through the Gas Acceleration Program (GAP) grant with the aim of bringing more local natural gas to market.

Once the raw natural gas is processed through the Katnook Facility, it will be transported down the SEPS pipeline to residents and businesses in the South East region.

During the plant start-up procedures, gas flaring will occur to allow the plant to stabilise before exporting natural gas into the pipeline network. Flaring is a critical safety and operational process used widely across the industry.

In the pre-commissioning phase, Beach engaged with local and regional emergency services to outline the facility's extensive emergency management systems and response plans.

Keeping safety as the highest priority, the company has also engaged with local landholders to keep them abreast of the operational activities.

Beach Regional Manager Jon Conti said that it is an exciting time for natural gas development in the South East.

"Moving into the production phase is a significant milestone for our campaign in the South East, which began in 2017 with the drilling of the Haselgrove-3 well," Mr Conti said.

"That well is the first to be connected to the refurbished Katnook Gas Processing Facility.

"We are appreciative of the support from the South Australian Government and the Commonwealth Government, both of which have a shared ambition of ensuring safe and sustainable natural gas development in the region."

Mr Conti said Beach will continue to support economic development in the South East.

“The natural gas industry brings both indirect and direct local employment opportunities as well as ongoing economic benefits to the Limestone Coast Region,” Mr Conti said.

“In the last 12 months alone, Beach has engaged with 45 local companies and its investment in the region has supported close to 70 jobs across all of Beach’s operations.”

#### *Katnook Gas Processing Facility*

The Katnook Gas Processing Facility, located within PPL 62, was initially constructed by Origin Energy Resources Limited and commenced production in 1991. The gas plant supplied natural gas for over 20 years to industrial customers in the South East region. In 2007 the gas plant and associated infrastructure was sold to Adelaide Energy Proprietary limited. Beach Energy acquired Adelaide Energy in 2011 and subsequently stopped production at the plant due to limited natural gas supply from fields.

In lieu of the gas discovery at Haselgrove-3, in 2018, Beach began planning for the redevelopment of the Katnook Gas Processing Facility. Once commissioned, it will process up to 10 tera-joules (TJs) per day of natural gas from the nearby Haselgrove wells and sold to retailers for use in the local South East gas market. The redevelopment of the Katnook Gas Processing Facility is being supported by a \$6 million grant from the Commonwealth Government’s Gas Acceleration Program (GAP) scheme.

#### **For further information contact the following**

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<a href="#">Media</a>	Chris Burford, Corporate Affairs Manager, 0437 762 458
<a href="#">Community</a>	Jon Conti, Regional Manager, 0400 105 851

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