



# THE LIONS WAY PIPELINE

## a METGASCO project



### Project Overview

Metgasco is proposing to construct a gas transmission pipeline from Casino in northern New South Wales to deliver gas to Ipswich in south-east Queensland.

The Lions Way pipeline (the Pipeline) represents another step in Metgasco's development of the large gas resources that it has discovered in northern New South Wales. The pipeline will transport gas for low greenhouse gas emission power generation and commercial and household use in south-east Queensland.

The pipeline has been named the 'Lions Way' pipeline to honour the members of the Kyogle Lions club who volunteered to build the Lions Road that crosses the mountain ranges that form the border between New South Wales and Queensland.

### About Metgasco

Metgasco is an Australian energy company developing gas reserves for the eastern Australian energy market. We are listed on the Australian Stock Exchange (ASX Code: MEL).

We have been exploring in the Clarence Moreton basin in northern New South Wales for over 5 years. So far we have discovered large gas resources trapped in coal seams and in conventional sandstone reservoirs. US experts have provided the company with an independent certification that the area contains 298 petajoules in 2P gas reserves. These are the largest certified gas reserves in New South Wales.

In order to commercialise these gas resources, Metgasco needs to be able to deliver gas to the wholesale gas market in south-east Queensland. This requires building a pipeline to connect the Casino based gas project with large customers in south-east Queensland.



### Project Benefits

The pipeline is a core infrastructure investment which will enable the development and commercialisation of gas resources discovered in the Casino area.

Natural gas is a low greenhouse emission fuel. When it is used to produce electricity it accounts for 0.4 tonnes of greenhouse gas emissions per MWh. This is approximately 40% of the emissions produced by coal fired power generation. Australia has one of the highest per capita levels of greenhouse gas emissions in

the world because most of our electricity is generated by coal. Gas transported by the Lions Way pipeline will allow for the construction of a new gas fired power station at Swanbank.

As Australia moves to a more carbon constrained economy, the development of natural gas supplies close to energy markets will become increasingly important.

The project will establish a major new industry in the north coast of New South Wales. Approximately 180 jobs will be established as a result of the project. The north coast is the fastest growing region in New South Wales and demand for energy is exceeding previous forecasts. Once the gas project is in place, it is expected to act as an incentive to businesses to locate in the northern rivers region to take advantage of the availability of a clean energy source which is located close to existing road and rail infrastructure.

The pipeline will also provide significant benefits to gas users in south-east Queensland. Brisbane is the only capital city on the east coast of Australia that is supplied by a single gas pipeline. The development of the pipeline will allow for supply of gas into south-east Queensland via an alternative delivery route and alternative supply basin. This will enhance the security of gas supply to Brisbane. The new pipeline will also allow for an economic gas supply to proposed industrial and commercial developments adjacent to the proposed route.

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### Pipeline Construction

The pipeline starts in Casino in New South Wales and heads north via Kyogle. It will then travel along the Lions Road and then into Queensland to head north to Ipswich. The total length of the pipeline will be approximately 145km. It will be buried for its entire length, typically to depths of 900mm – 1,500mm. The only parts above ground will be control valves and facilities to enable internal cleaning and monitoring of the pipeline.

An area of approximately 30 metres in width will be cleared for the pipeline – called the Right of Way (ROW) – during construction. In addition, there may be some temporary facilities set up for pipe delivery and storage, work areas and workers accommodation.

The ROW width is important for protection of topsoil resources allowing for storage of cleared soils whilst accommodating all the equipment and vehicles required to construct the pipeline. Existing roads and tracks will be utilised as far as practicable for access to the pipeline route. Once the pipeline becomes operational, activities such as grazing and agriculture will be able to be continued over the area.

### Approvals and Environmental Management

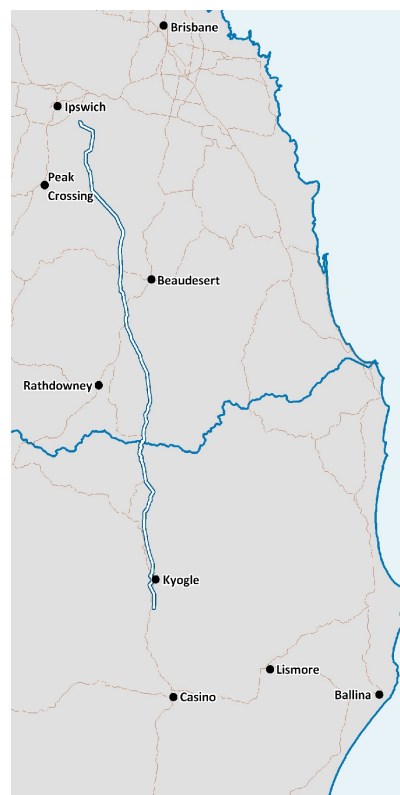
A detailed assessment of any potential environmental impacts from the construction and operations of the pipeline is currently underway.

Because the pipeline will be built in New South Wales and Queensland, both State Governments will assess the environmental impact of the project. In New South Wales, the Project is considered a Major Project and is being assessed under Part 3A of the Environmental Planning and Assessment Act. In Queensland, the assessment will be conducted under the Environmental Protection Act, 1994.

In addition, because the pipeline will be built under the Lions Road which is adjacent to the Border Ranges National Park, the Commonwealth Government has determined

that the project is a controlled action and will be therefore be assessed under the Environmental Protection and Biodiversity Conservation Act 1999.

In assessing the potential environmental impacts of the project, Metgasco will draw upon an extensive team of specialist resources. A wide ranging consultation program will be carried out, encompassing stakeholder groups from landowners and traditional owners to industry organisations and local, State and Federal government agencies.



#### Further Information

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