

# Beach drills down to fuel gas bill relief

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REDEVELOPMENT: Beach Energy regional manager John Conti at the Katnook gas-processing plant, near Penola. Picture: DON BRICE

CONSTRUCTION work has started on a \$22 million redevelopment of the Katnook gasprocessing plant near Penola, as the State Government says it's hopeful that increased supplies will help push down prices paid by consumers.

Beach Energy's upgrade replaces the previously decommissioned Katnook gas plant, a decision fuelled by the discovery of a significant new conventional natural gas field, and it will allow the product to be brought to market.

Australian Competition and Consumer Commission chairman Rod Sims has warned that high gas prices risk pushing some businesses to the brink. He has urged state governments to back measures to boost supply.

Beach Energy managing director Matt Kay said the Katnook development was bringing local employment and economic benefits to the Limestone Coast. It supports close to 70 jobs and engages with 45 local companies.

"Our investment in the Katnook gas plant and drilling campaign in the South-East is all about bringing more locally produced gas to market, which has great benefits for the local community," Mr Kay said.

"Beach is working alongside local construction companies, suppliers and service providers in the South-East, employing local people during the build phase of the project."

The plant – due for completion in 2020 – received a \$6 million grant from the Federal Government for the upgrade.

Energy and Mining Minister Dan van Holst Pellekaan said State Government policies, including a \$6 million grant under a gas-exploration program, were helping unlock discoveries and extra supply.

"The Marshall Government understands the importance of increasing the supply of natural gas to put downward pressure on power prices in South Australia," he said.

"Natural gas underpins SA's energy security and will play a critical role in our transition to a low-emissions, low-cost energy future."