The Giles Government has welcomed news a major national gas industry player is investigating a pipeline between the Territory and the east coast.

APA announced to the Australian stock exchange today that they would spend $2 million on a feasibility study into a pipeline linking the group’s Territory assets to its east coast grid which extends from Queensland to Victoria.

“This is exciting news for the development of Northern Australia. It’s exactly what I have been talking to governments and gas companies about for the past year,” Chief Minister Adam Giles said.

“In September, I spoke at the NSW Energy Security Summit where I told delegates that a Territory gas pipeline was the answer to their looming energy shortage.

“The Territory Government knows this isn’t the only pipeline company interested in undertaking a feasibility study. It’s is a sign of how much potential such a pipeline holds and the level of confidence gas companies have in the Northern Territory.

“A gas pipeline is nation-building infrastructure and exactly what Australia needs to secure a stable long-term gas supply chain.

“The proposal being explored by APA would create a 9000 km system of pipelines delivering Territory gas to southern states which are desperate for gas.

“The proposed pipeline link would be an open access pipeline that can be used by any producer, retailer or gas user. This infrastructure has huge potential to stimulate investment in the Territory’s vast onshore gas assets.

“The Territory is estimated to have potential reserves of unconventional gas totalling approximately 240 trillion cubic feet across six basins. A pipeline is the key to unlocking this potential.

“In announcing its decision to pursue the pipeline proposal, APA noted the Territory Government’s support for the project, as well as strong interest from producers and customers.”

The $2 million study will aim to provide a sound understanding of the gas production potential in the Territory and South Australia and actual demand from potential gas buyers on the east coast, as well as addressing land access and engineering issues.

Once the study is concluded, APA says it will be in a position to negotiate commercial terms with shippers to reach a Financial Investment Decision.

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