Jemena acquires Darling Downs gas transmission pipelines

Gas transmission and distribution company, Jemena has reached agreement to acquire the Origin Energy-owned Darling Downs Pipeline System (DDPS) following an extensive six-month due diligence process.

Jemena will now focus on safely and efficiently integrating the DDPS into its portfolio of gas transmission assets which includes the Eastern, Queensland, and Northern Gas Pipelines.

The transition period will commence in early June following financial close and is expected to conclude by the end of October this year.

Jemena MD, Paul Adams, said that the acquisition is a crucial next step in delivering on Jemena’s Northern Growth Strategy which seeks to build an interconnected supply chain of energy delivery assets in northern Australia through targeted acquisitions and greenfield developments.

“This is a strategic investment for Jemena which leverages the DDPS’ connection with our Queensland Gas Pipeline to allow us to grow scale in this key market at a crucial time for the Australian energy sector,” said Mr Adams.

Jemena was advised by UBS throughout the auction process.

Jemena’s Northern Growth Strategy

Mr Adams said Jemena's Northern Growth Strategy focuses on bringing gas to where it is needed most through the most efficient and cost-effective means available.

“We know that 75 per cent of total east-coast gas supplying domestic and export markets transacts through the Wallumbilla gas hub.

“Through our Northern Gas Pipeline (NGP) project we are connecting Northern Territory gas fields with Mt Isa in Queensland. A potential expansion and extension of the NGP to Wallumbilla would be capable of delivering up to or beyond 700 TJ of gas per day to the east-coast market and can play a significant role in resolving the east-coast gas supply shortage.”

Jemena recently received its pipeline licence from the Northern Territory Government for the construction of the NGP.

Construction is set to commence in mid-2017, with first gas to flow in 2018.

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About the Darling Downs Pipeline System

The DDPS are three interconnected gas transmission pipelines in the Darling Downs region in South-East Queensland that operate as a single pipeline network. The DDPS spans 292km in length and transports gas from the gas fields in South-East Queensland to the Wallumbilla gas hub, the 630MW Darling Downs Power Station, and to APLNG’s export pipeline.

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About Jemena

Jemena is a $9 billion company that owns and manages some of Australia’s most significant gas and electricity assets. These include:

- the Jemena Gas Network servicing 1.3 million customers around NSW
- the Eastern Gas Pipeline which delivers gas from Victoria’s Gippsland basin to the ACT, Sydney and regional NSW
- the Queensland Gas Pipeline which supplies Gladstone and Rockhampton
- Jemena’s Victorian electricity network which delivers electricity to over 330,000 homes and businesses in north-west Melbourne.

Jemena also part owns the ActewAGL electricity and gas distribution networks in the ACT and United Energy, which supplies electricity to over 600,000 customers across south-eastern Melbourne and the Mornington Peninsula.

For more information visit www.jemena.com.au