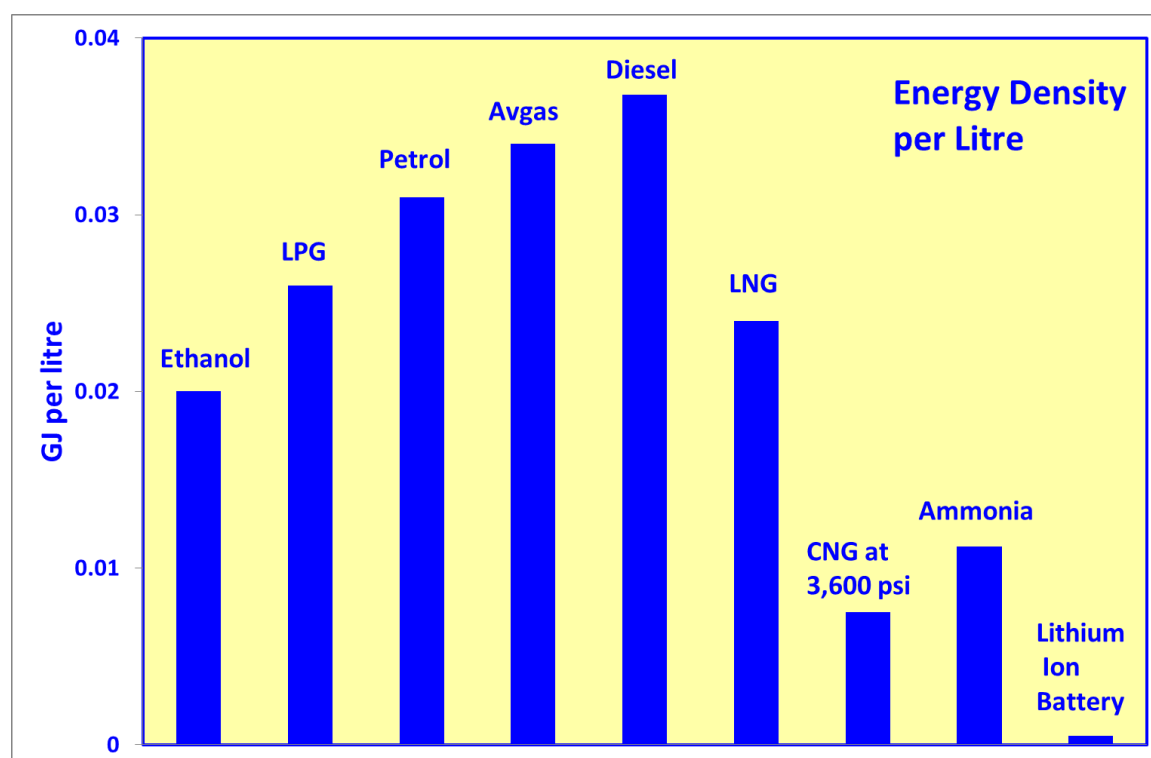


## Karratha to Perth LPG Pipeline Project

Australia has 700,000 vehicles fuelled by LPG, consuming a significant 60 per cent portion of the 3.3-million tonnes per annum produced in Australia. Around 20 per cent of that production is from oil refineries, with the balance from gas fields. The east coast of Australia is a net importer of LPG while the west coast is a large net exporter. LPG has 65 per cent of the energy density per litre of diesel.

Australian LPG production is projected to rise to 5.0 mtpa by 2020, with most of this as a by-product of LNG projects on the West Australian coast. LPG vehicles have an average annual consumption of 1.8 tonnes per annum.



The transport fuel supply situation in Western Australia is evolving to one in which the State is importing oil for refining at the Kwinana refinery and importing refined products, while at the same time exporting significant quantities of LPG which is directly useable as a transport fuel. Most of the oil produced in Western Australia, from the offshore fields, is too heavy to be used in the Kwinana refinery.

A high proportion of the West Australian vehicle fleet, from private cars to mining trucks, could be using LPG as their primary fuel. This would provide supply security in transport fuels for Western Australia irrespective of what is happening in the world oil market.

This would be achieved by building a LPG pipeline from Karratha to Perth. A 20 inch pipeline for that 1,260 km distance would cost \$1,040 million and have a capacity of 3.4 million tonnes per annum.