

MEDIA RELEASE
Thursday 1 November, 2001

RIVER CRUISE FOR GAS TURBINE

Possibly the most valuable single cargo ever to be shipped on the Brisbane River will be barged from Hemmant to its off loading point at Dinmore on the Bremer River commencing Friday, 2nd November 2001 from 6.00am.

The \$70 million Alstom GT26 Gas Turbine electricity generator, which commenced its voyage from the Dutch port of Rotterdam last month, will then be prepared for transfer via a 130 metre road train to its final destination at the Swanbank Power Station, Ipswich.

The 370 tonne gas turbine will form the centerpiece of the \$300 million Swanbank E Power Project, a 385 megawatt gas fired combined cycle power plant due for completion in October 2002.

Announcing the gas turbine's arrival today, Mr Steve Lonie Chairman of CS Energy Ltd the owner/operator of Swanbank Power Station, said the introduction of this leading edge gas turbine technology will serve to rejuvenate the Swanbank facility and secure its future as an important part of the Queensland and Australian energy industry.

He said the new gas turbine represented world best practice technology that will make Swanbank E the most efficient and responsive gas fired power station in Australia with a 58% efficiency rating.

"As both a coal-fired and gas fired generator we have long been aware of the need to carefully manage and reduce greenhouse emissions. This new gas turbine generating technology will produce only half the greenhouse gas emissions of the best performing coal fired power stations. (this is currently Callide Power Plant, opened in July 2001, which is jointly owned by CS Energy and InterGen)

"CS Energy's investment in this technology is tangible proof of the company's very real commitment to produce electricity at the cleanest possible standards that are technically and economically feasible," Mr Lonie said.

This project fits in with the new Queensland Energy Policy which is aimed at achieving 13% gas-fired generation in the State of Queensland. Swanbank E is capable of producing as much as 50% of the energy required to meet this target.

Mr Lonie paid tribute to Alstom Power, who is managing construction of the site and the many other partners involved for their contribution and support of the project. The development of the Swanbank E Power Project also reaffirms CS Energy's commitment to the long-term future operations of the Swanbank Power Station and to the Ipswich region generally. "Clearly we regard Swanbank as a strategic site for such a development. It is close both to a major load centre and fuel sources and provides a ready skilled workforce. Over 260 highly-skilled jobs have been generated to work on this project".

Major supply contracts for the project have been awarded to local Queensland and Australian manufacturing companies including: Sun Engineering who fabricated and erected the structural steel, Alstom's Rocklea plant manufactured the Generator Transformer and switchgear, and Apollo Engineering of Victoria manufactured the boiler pressure drums.

The reinforcement through looping of the Roma-Brisbane pipeline and construction of an 8 kilometre gas pipeline spur to connect the Swanbank site is expected to act as a catalyst in attracting a number of new industries to this energy source within the Ipswich region.

Mr Lonie concluded by saying with construction of the Swanbank E Power Project now at the halfway mark, the company was looking forward to bringing this valuable new asset on line as a major technical, environmental and economic step forward for Queensland's electricity generating industry.

ENDS

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See Project Fact Sheet Attached.

Project Fact Sheet

Swanbank E

- Swanbank E involves the construction of a \$300 million, 385-megawatt gas fired power plant at the Swanbank Power Station located at Ipswich, Queensland.
- The plant will be powered by the Alstom GT26 Gas Turbine, which is directly connected to the generator. In addition, the heat from the gas turbine exhaust is used to produce steam, which is fed to a steam driven turbine connected to the same generator. Using these two forms of energy conversion is called combined-cycle generation, making Swanbank E the most efficient gas fired power station in Australia.
- When operational, the new combined-cycle gas turbine will have less than half the carbon intensity of the most efficient coal fired power station, and a 58% efficiency rate (average for Australian generators is about 35-36%, Callide Power Plant is about 39.5%).
- Swanbank is the most strategic generation site in Australia – close to both a major load centre and to fuel sources.
- The new gas turbine is being engineered, procured and constructed by Alstom Power Pty Ltd. Major milestones in the project include:
 - Commencement of construction – November 2000
 - Delivery of the gas turbine and other major plant items – Oct/Nov 2001
 - First synchronisation of the power station with the grid – April 2002
 - Commercial operation – October 2002
- Gas supply will come from a various number of sources during its life. Initial gas will be supplied from the Scotia gas field near Wandoan via the Roma to Brisbane Pipeline. The power plant construction has required a major upgrade to the Roma-Brisbane

Pipeline and the construction of an eight-kilometre lateral to connect Swanbank to the Roma-Brisbane Pipeline. The pipeline is owned by Australian Pipeline Trust and managed by Agility. The Scotia Gas field is a coal seam methane deposit developed by Santos.

- In July 2001, CS Energy invested in Queensland Gas Company who will conduct ongoing appraisals of the coal-bed methane resource of its Walloon Coal properties. If the assessment is proved commercial, CS Energy will purchase gas for supply to the Swanbank Power Station. The target date for the supply of gas to CS Energy is mid-2003.
- A switchyard adjacent to Swanbank E Power Station will be connected with the National Grid through the Swanbank to Mudgerabah high voltage transmission line. The switchyard will be owned and operated by Powerlink Queensland.

CS Energy

CS Energy Ltd is an Australian electricity generator that owns and operates three power stations in the state of Queensland. At 30 June 2001, the company owned a power portfolio of 2,325 megawatts, with a further 595 megawatts of owned capacity either awaiting commissioning or under construction. In addition, CS Energy has a 40% interest in the 750-megawatt Kogan Creek Power Project, which is awaiting appropriate market conditions for development.

CS Energy participates in the national electricity market and is also the major electricity generator for the remote regional market in Queensland's growing North West Minerals Province.

At 30 June 2001, the company employed 587 people across Queensland, supporting regional development in four geographically dispersed communities:

- Swanbank Power Station in south east Queensland;
- Callide Power Station in central Queensland;
- Mica Creek Power Station in the remote north west of the state; and
- Corporate Office and the engineering subsidiary Sigma Process Solutions Pty Ltd, both located in Brisbane.