GB Energy is an independent Australian energy company focused on the development of domestic gas production and energy infrastructure.

The Golden Beach Gas Project presents an opportunity to bring local, conventional gas to market while putting in place valuable infrastructure that will support Australia's long-term renewable energy goals.

Pipeline Construction

The Golden Beach Pipeline Construction

The development of the Golden Beach gas field involves recovering the natural gas using conventional drilling of the offshore Golden Beach gas field, into a new pipeline and gas processing facility. The gas will then be distributed to Victorian and New South Wales households and businesses. The construction of the pipeline is expected to take about 12 months and is not expected to commence construction until late 2019 or early 2020.

On commencement of any physical activities, GB Energy will work to minimise impacts its operations may have on the community, including noise, traffic or other disruptions that may arise.

A detailed summary of the pipeline construction process is outlined below:

1. Initial Survey

Environmental, cultural heritage and other surveys will be carried out to prepare project assessment documentation.

2. Setting up Work Areas

The construction process can include making provision for work areas and machinery such as pipe lay down yards; construction material stockpiles; and setup areas for Horizontal Directional Driling (where required).

3. Clear and Grade

This construction phase involves preparing the pipeline easement, plus extra work space as agreed with landowners and occupiers. The combined easement and extra work space is commonly referred to as the construction right-of-way.

4. Common set-up within the construction right-of-way

The construction right-of-way will be clearly identified, and fenced off if required. Typically, the right-of-way can be between 25-30m in width.

5. Trenching

A trench is excavated along the pipleiene route, and material removed is placed on the side of the treanch. A specialized rotary trenching machine or excavator are used to dig the trenches. Issues such as hours of operation, dust and noise management for this machinery will be discussed with affected landowners and occupiers prior to commencement of operations.

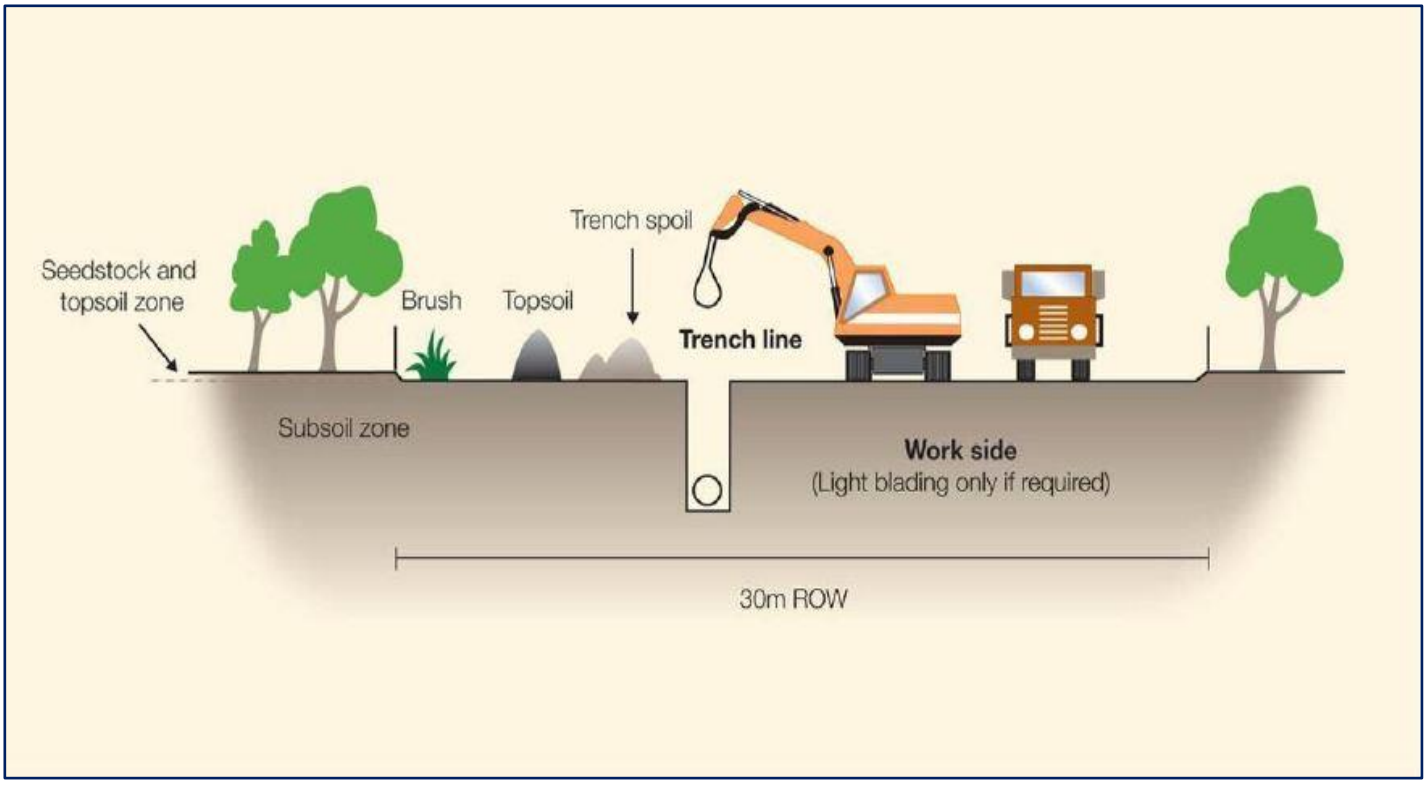
6. Trenchless construction

Trenchless construction is used in pipeline installation when ordinary trenching techniques are not suited to the conditions, such as crossing watercourses or some public roads. With trenchless construction specialist operators drill a hole beneath the surface, at a shallow angle, and then pull a welded length of pipe through the hole without disturbing the surface. These operations are highly engineered and are used in order to eleimeate disturbance to properties, in enviornmentally sensitive areas and to address construction issues.

The beach or shoreline crossing of the pipeline from offshore will also be completed using trenchless construction.

7. Welding

Specialty qualified welders join the lengths of pipes together, and welds are inspected using x-ray or ultrasonic equipent. Fire regulations and



restrictions are followed at all times. The welded joint will be coated to protect against corrosion.

8. Lowering In

After final quality assurance checks, the pipe is lowered into the trench using specialist sideboom tractors and excavators.

9. Backfill

When the pipe is in place the excavated subsoil is compacted back into the trench. The topsoil is then re-instated over the disturbed trench area to the contour of the land so that pasture or other groundcover can be rehabilitated.

10. Easement Rehabilitation

Pursuant to section 145 of the Pipelines Act, landholder propery must be restored as far as practicable to the purposes for which it was used prior to disturbance in relation to pipeline construction.

11. Hydrotesting

Using water, the pipe is pressure tested (hydrotested) to ensure that there are no leaks.

12. Eventual decomissioning of this proposed pipeline

A licensed pipeline must be decommissioned in accordance with the Australian Standard AS 2885 and the approved decommissioning plan. A decommissioned pipeline is a line that is taken out of service safely and permanently, but is left in place while other existing or new pipelines in the same right-of-way continue to provide service to end users.

Where to find more information

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