



Gorodok Pty Limited

**South Australian Section of
Moomba-Sydney Ethane Pipeline
(MS00 to MS101)**

Licence Number 8

10 July 2006- 9 July 2007

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1. INTRODUCTION

This report provides information to the Minister of Primary Industries and Resources, South Australia, in accordance with requirements of Section 33 of the Petroleum Regulations 2000.

2. REGULATED ACTIVITIES

2.1 Inline Inspection (ILI)

There was no in-line inspections carried out on this section of the pipeline within South Australia during the report period.

A metal loss pigging program was started in April 2007 in sections downstream of the section of the ethane pipeline in South Australia. This program has been delayed to enable better line preparation before completing the program which is to cover MS 00 to MS 1299. It is anticipated that this program will be completed in the field by June 2008.

The data received to date on the sections in NSW have indicated the pipeline to be in very good condition with some mill defects being the main features detected. A dig verification plan is being prepared for implementation during the next year.

2.2 Corrosion control

2.2.1 *Annual Pipe to Soil Potential Survey*

The annual pipe-to-soil survey from MS00 to MS101 was completed in September 2006. All test points surveyed were protected according to AS2832.1.

2.2.2 *Cathodic Protection System*

The pipeline is protected by two CP units at MS29 and MS83. No significant outages affecting protection were recorded.

Telemetry systems on the cathodic protection system operated reliably for the period.

3. ELECTRICAL & MECHANICAL MAINTENANCE

Routine six monthly maintenance was performed at MS00, MS29, MS55 and MS83 as per the maintenance schedule. This included all line valves and coolers at the Moomba inlet station. Santos operators inspected the Moomba

cooler inlet station each week. This maintenance was performed in accordance with the 'Gorodok Operations and Maintenance Agreement 1994' and to the requirements of Standard AS/NZS 2885.3 2001.

Quarterly leak and security inspections ("O" service) were completed at each valve site.

WorkCover electrical safety checks were completed as required.

During this period there were no equipment failures that posed a threat to the operating integrity of the pipeline.

4. EASEMENT MANAGEMENT

4.1 Easement Maintenance

The easement was surveyed by air according to the Safety and Operating Plan. No significant issues were observed.

General housekeeping has been maintained at the valve sites.

4.2 Landowner and Emergency Services Activities

Annual Landowner liaison and package deliveries were completed during 2006. All three landowners in the MS00-MS101 area of the Gorodok ethane pipeline were contacted this year.

4.3 Aerial Surveillance

Aerial patrols of the pipeline route by helicopter were completed each month with additional vehicle patrols conducted in association with other maintenance activities.

5. HEALTH, SAFETY AND ENVIRONMENT

Monthly Lifeguard toolbox meetings were held for the period July 2006 to June 2007 as scheduled. Topics included were the Agility "Non-Negotiable on Safety" campaign (Hazard Assessment, Permit To Work (PTW), Personal Protective Equipment (PE), Safe Operation of Plant and Equipment, HSE Accountability, Environmental Protection, and Hazardous Materials).

There was no LTI or MTI on the ethane pipeline for this period in the South Australia area.

Two satellite telephones continue to be made available to persons travelling west of the Darling River. Remote area kits also continue to be utilised when travelling into isolated areas as per Agility Procedures.

Vehicles utilised by Agility to carry out maintenance on the Gorodok pipeline are equipped for remote area service as required by Agility Procedures.

6. EMERGENCY RESPONSE

No incidents occurred during this period.

7. QUALITY ASSURANCE

The management system remains DNV certified.

8. REGULATORY COMPLIANCE

Gorodok (owner of Moomba-Sydney ethane pipeline) and Agility (Gorodok's contractor) comply with all relevant Acts, regulations, the licence and Statement of Environmental Objectives.

The pipeline is operated as per requirements of AS2885.3.

8.1 Rectification of Non-compliance

There was no issue of non-compliance to the Act.

9. MANAGEMENT SYSTEM AUDITS

Several audits were carried out on the management systems in place within Agility.

An internal Lifeguard audit (safety and environmental system) was carried out in June 2007. This audit is carried out annually. No significant issues were identified.

The most recent audit of ethane pipeline and the Safety and Operating Plan (SAOP), was completed in May 2007. This AS 2885 Safety and Operating Plan audit is carried annually. The final report for this audit identified 25 actions. The majority of these related to opportunities for improvement in the record keeping and administration.

10. LIST OF REPORTS

Section 33 - Annual report (this report).

10.1 Incident Reports

No incidents were reported on this section of pipeline.

No non-compliances were identified on this section of pipeline.

11. THREAT PREVENTION, MITIGATION

No reasonably foreseeable threats (other than those identified in the risk assessment previously reported) apply to this section of the pipeline.

12. FUTURE OPERATIONS

All maintenance operations will continue to be completed as scheduled to ensure that the integrity of the pipeline system is being maintained, as well as the safety and efficiency of Agility's operations.

13. PIPELINE OPERATION

The quantity of ethane transported through the Moomba-Sydney ethane pipeline for the year ended 30 June 2007 is shown in the following table:

	Tonnes	m3	Max(tonnes) /day	Average (tonnes)/day
July	28703	22726	1113	926
August	29487	23283	1089	951
September	22773	17986	986	735
October	29426	23335	1113	949
November	26406	20989	1023	852
December	25149	20201	900	820
January	20464	15149	842	660
February	19148	15149	876	618
March	21382	16943	768	690
April	22361	17716	830	745
May	23167	18275	961	747
June	27293	21446	1027	880
YTD	295759	233789	1113	798

14. Statement of Expenditure

Commercial in confidence