

26 September 2018

Mr Richard Fenton  
General Manager - Access Infrastructure and Planning  
Armour Energy Limited  
GPO Box 5261  
Brisbane, Queensland 4001

Dear Mr Fenton

**Re: Part 23 exemption - Kincora to Wallumbilla Pipeline**

Re: Part 23 exemption - Kincora to Wallumbilla Pipeline

I refer to your application dated 13 August 2018 for an exemption under Part 23 of the National Gas Rules (NGR) for the Kincora to Wallumbilla Pipeline.

The AER has assessed the application and supporting information and has determined:

To grant the Kincora to Wallumbilla Pipeline Category 1, Category 2 and Category 3 exemptions.

The exemption is valid for five years, and expires on 26 September 2023.

Armour Energy is exempt from the operation of Division 3 and Division 4, and the obligation to publish information under Division 2 of Part 23 with respect to Kincora to Wallumbilla Pipeline.

The AER has granted these exemptions but notes some concern with future throughputs of the Kincora to Wallumbilla Pipeline. These concerns stem from the fact that Armour states that it is currently drilling new wells to increase gas production, although it is currently operating at below 10TJ/d.

As set out in Rule 585(8) the AER expects notification without delay if circumstances change such that the pipeline no longer qualifies for the exemption. Rule 585 requires the AER to establish, publish and maintain a register of exemptions. Your application dated 13 August 2018 will be published in the register.

Please do not hesitate to contact me (sebastian.roberts@aer.gov.au, 03 9290 1895) if we can be of any further assistance.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Roberts', with a horizontal line extending to the right.

Sebastian Roberts  
General Manager  
Network Expenditure

Sent by email on: 26.09.2018