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16 August 2005

Mr Warwick Anderson
Acting General manager
Access Branch
Australian Energy Regulator
PO Box 1199
Dickson ACT 2602

Via fax: 02 6243 1199

Dear Mr Anderson

**PNG GAS PROJECT: REVISIONS TO THE ROMA TO BRISBANE PIPELINE
("PIPELINE") ACCESS ARRANGEMENT – APPLICATION FOR EXTENSION OF
TIME FOR LODGEMENT**

Thank you for the opportunity to make a submission in respect of the above application. This submission is made by Esso Highlands Limited on behalf of the participants in the PNG Gas Project (**Project**).

The Project considers that there should be no delay in proceeding with the revision of the current access arrangement for the Pipeline.

The Project's interest in the access arrangement for the Pipeline is that it has conditional agreements which require delivery of gas to customers near to Brisbane and which, on current anticipated volumes, will require long term access to the Pipeline (from Wallumbilla) for a forward haul service. The volumes involved can be comfortably accommodated within the developable capacity of the Pipeline. The volume of gas involved and term of the conditional agreements are confidential.

The Project's timetable has the aim of finalising the Project's transportation arrangements early in 2006 as part of the process which will allow a Project sanction decision. It is therefore important in undertaking negotiations with the Service Provider that the Pipeline Service Provider's proposed reference tariffs applicable to the new access period (from 2006), and accompanying information, be available to the Project as soon as practicable. To date there has been no public disclosure of any such information to support the current derogated tariffs, or for the new access arrangement period.

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Given the geographic spread of its customers, the Project itself would not have any material impact or adverse consequence for the Pipeline such as to be a reason to delay the submission of the revised access arrangement.

The Project also considers that the Commission's appeal to the Federal Court in relation to the Moomba to Sydney Pipeline is not a reason to delay the submission by the Pipeline Service Provider. While the matters to be determined in the appeal are important, the Project's view is that any change required to be made to the Pipeline Service Provider's access arrangement submission would not incur material cost or inconvenience or result in detriment to the Service Provider's position.

Please contact Mr Carleton Nothling, Commercial Manager Transportation on (07) 3231 1814 or carleton.l.nothling@exxonmobil.com in relation to this submission.

Yours sincerely



GARY MORONY
Managing Director
ESSO HIGHLANDS LIMITED

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