



# MEDIA RELEASE

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## ACCC ALLOWS JOINT MARKETING OF NT GAS

The ACCC has authorised joint marketing arrangements for gas between Central Petroleum (ASX: CTP) and Macquarie Mereenie, a subsidiary of Macquarie Group Limited (ASX: MQG), for three years.

The two companies are authorised to market gas produced from the Mereenie field under contracts with common terms and conditions, including price.

“Joint marketing allows further conventional gas in the Mereenie field to be developed sooner than it otherwise would. This will mean more gas is available for customers in the Northern Territory and Mount Isa regions,” ACCC Chairman Rod Sims said.

The Northern Gas Pipeline will link Tennant Creek in the Northern Territory with Mount Isa in Queensland in late 2018, which means that gas from the Mereenie field could become available to customers at or beyond Mount Isa.

“Separate marketing of gas generally results in more competitive outcomes. However, Central and Macquarie are likely to face competition from current and potential rival suppliers of natural gas when supplying commercial and industrial customers in the region,” Mr Sims said.

“This competition will likely prevent any attempts by Central and Macquarie to offer their gas at higher prices or on less flexible terms.”

The final determination is available at [www.accc.gov.au](http://www.accc.gov.au)

## Notes to editors

Central and Macquarie are joint venture partners at the Mereenie oil and gas field in the Northern Territory, 250km west of Alice Springs. The companies applied for authorisation from the ACCC because without it, the joint marketing would likely breach competition laws.

The ACCC granted interim authorisation to the companies on 2 March 2018.

Authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010. Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

## Background

Central Petroleum Limited is the operator of the Mereenie field and a 50% participant in the Mereenie joint venture. Macquarie Mereenie Pty Ltd, ultimately owned by Macquarie Group Limited (ASX: MQG), is also a 50% participant in the Mereenie joint venture.

Joint marketing will only apply to Mereenie field gas and will not apply to gas produced from other fields owned or operated by the companies.

During a period of joint marketing, Central and Macquarie intend to develop new reserves at Mereenie, estimated at between 110-185 petajoules (PJ). One PJ is enough gas to supply the residential needs of Warrnambool, Wollongong or Penrith, or one large industrial user for a full year.

In its ASX announcement on 12 March 2018, Central Petroleum stated that the Mereenie joint venture had decided to proceed with drilling a new well at the Mereenie field and an immediate \$12 million upgrade of the processing plant. The upgrade is aimed at increasing its capacity from its present 25 terajoules (TJ)/day or 9PJ per annum (of which 15TJ/day is sold as gas into the NT market with the balance re-injected) to a new capacity of 63TJ/day (of which 58TJ/day will be sold as gas without adversely affecting current crude oil production).