

media release

Decision to withdraw Swanbank E from service purely commercial

13 February 2014

Stanwell Corporation Limited (Stanwell) today denied claims that its decision to withdraw Swanbank E Power Station from service for three years was related to possible privatisation.

Stanwell Chief Executive Officer Richard Van Breda said the decision was a commercial one to ensure Stanwell got the best return on its energy assets and had nothing to do with privatisation.

“In the current market, we get more money from selling gas than burning it to generate electricity,” Mr Van Breda said.

“Stanwell is a commercial entity, operating in a highly competitive electricity market,” he said.

“We need to pursue strategies that deliver the best return for our shareholders; the people of Queensland.”

Stanwell will withdraw the 385 MW Swanbank E Power Station from service for up to three years from 1 October 2014. Stanwell will sell the gas into the market rather than use it to generate electricity at the power station.

Mr Van Breda said Stanwell was consulting with Swanbank employees on the preliminary decision to restructure the workforce at the power station.

“There will be no forced redundancies of Stanwell employees, in line with our Enterprise Agreement.”

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Background

Stanwell Corporation Limited (Stanwell) is a diverse energy company. We own coal, gas and water assets which we use to generate electricity for the National Electricity Market (the NEM); we sell electricity directly to major customers; and we trade gas and coal.

With a generating capacity of more than 4200 megawatts, Stanwell is also the largest electricity generator in Queensland.

The business has the capacity to supply more than 45 per cent of the State's average electricity needs through coal, gas and hydro generation at seven geographically dispersed sites.

Stanwell is the owner and operator of:

- 1460 MW Stanwell Power Station (coal) near Rockhampton.
- 1400 MW Tarong Power Station (coal) in the South Burnett.
- 443 MW Tarong North Power Station (super-critical coal) in the South Burnett.
- 385 MW Swanbank E Power Station (gas) near Ipswich.
- 302 MW Mica Creek Power Station (gas) near Mount Isa (not connected to the NEM).
- 86.4 MW Kareeya Power Station (hydro) in Far North Queensland.
- 66 MW Barron Gorge Power Station (hydro) in Far North Queensland.
- 34 MW Mackay Power Station (gas) in Central Queensland.
- 7.3 MW Koombooloomba Power Station (hydro) in Far North Queensland.
- MW Wivenhoe Small (hydro) located at Wivenhoe Dam.

Stanwell owns Meandu Mine, which has the capacity to supply up to seven million tonnes of coal a year to the adjacent Tarong power stations.