

Quality Energy provides critical support to Beach Energy

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 June 30, 2020

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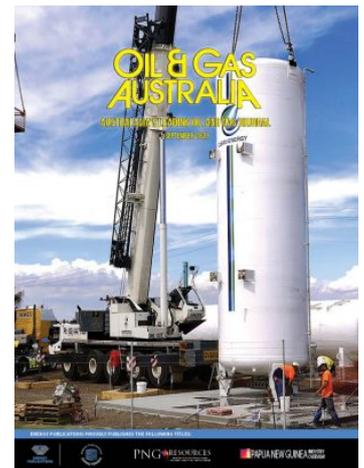
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By George Hazim

THE Melbourne suburb of Moorabbin is better known more for its industrial landscape and the home of the St Kilda Football Club than where the Mr Fix It's of the global Oil and Gas and Mining industry are located.

Not much is known about the Moorabbin-based company, but Quality Energy (QE) has become the darlings of the mining and resources sector – the go to company when efficiencies are compromised, and drilling operations suffer because of poor performing rigs and equipment.

Faulty oil and gas rigs and downtime can cost companies anywhere up to \$500,000 a day in lost revenue.

Prior to Beach Energy delivering on its successful Halladale Black Watch and Speculant Project, to develop additional offshore natural gas reservoirs in Victoria's Otway Basin, where it powered its way through 7kms of land and sub-sea earth structures, its rig was performing well below its operational capacity – that was until it used technology developed by QE enabling it to rejuvenate the poor performing rig.

Beach Energy in 2018 sought QE's Power Factor Correction (PFC) technology because of operational inefficiencies it was experiencing. The Black Watch drilling program required more power than the rig was able to produce before QE's intervention.



Beach invested more than \$500,000 in QE's custom energy efficiency system, taking a calculated gamble that saw a significant return on dividends.

The risk paid off and saved Beach more than \$2m in operational costs and eliminated the need to spend \$1m on a new generator. Furthermore, by using QE's PFC it reduced Beach's annual diesel consumption by 3-5% – more than 21,000 litres of fuel per day, reducing daily carbon emissions by 2,814kg or the equivalent of planting up to 46,720 trees a year with maintenance and downtime costs by 20%.

Luke Stratford, Quality Energy's Managing Director, said the relationship between QE and Beach Energy was a reinforcement of QE's technology developed to deliver greater generational efficiencies for the Oil and Gas industry."

"Our involvement in the Oil and Gas Industry allows us to showcase the technology globally and deliver on a broad range of projects for the sector where savings and efficiencies are paramount," Mr Stratford said.

Mr Stratford said this now becomes even more critical in a COVID-19 world, where every cent counts.

A change of mindset in the Oil and Gas industry has companies increasingly seeking new ways to be more innovative in how they manage energy with their projects.

Working abroad for several years, Mr Stratford recognised an opportunity for Oil and Gas companies to improve their power quality and energy efficiency using QE's technology.

Mr Stratford noticed the industry's standards in both areas were lower compared with other industries, such as manufacturing. Mr Stratford put this down to a longstanding mindset among Oil and Gas companies.

"Traditionally Oil and Gas companies had so much money they would throw it at projects; if there were inefficiencies it didn't matter because it was all about making money," Mr Stratford said.

"It was an old school mindset I was witnessing but I knew we had the technology from what we were doing back in Australia that would really benefit the sector."

The technology initially attracted interest from Oil and Gas companies a decade ago, but Stratford believes the industry's needs hadn't evolved to a point where they would take a gamble on it.

Oil and Gas companies often used to take life differently to what they do now. More times than not, it was the attitude of a production-at-all-costs approach to capitalise on strong commodity prices and surging demand from international export markets.

QE has been working with major Oil and Gas producers globally for more than 15 years and continues to be courted by the sector worldwide.

Currently, it is working with several Asian offshore drilling rigs directly through local operators in the South China Sea, improving power efficiency and power quality outcomes.

Oil and Gas mining giants like Sapura Energy off the South China Sea in Brunei, where a number of power quality issues were causing drilling platforms and rigs to shut down, saw the fortunes of Sapura change dramatically after QE's identifies major issues with one of their rigs electrical systems.

However, QE's popularity isn't limited to overseas Oil and Gas mining giants, it extends to Australian companies like Visy Industries and NewsCorp, who have engaged QE to install 11kV PFC's to minimise the amount of electricity

transferring through the grid while NewsCorp sought to reduce the demand (kVA) on its electrical system translating into large savings on their electricity account.

Outdated thinking and a less than modern approach to resolving an age old problem for Oil and Gas producers, have been forced to change their strategies because of volatile Oil and Gas prices and the demand by communities for mining companies to be more environmentally aware and considerate.

To meet community expectations and demands, companies are working on ways to develop techniques that will help reduce operating costs as well as being delivering greater energy efficiencies.

Mr Stratford said the technology was ideal for the older rig that Beach wanted to use and would mean the company wouldn't need to upgrade its generator set.

"Beach had this rig that was running inefficiently, and they also needed to drill a new type of well," Mr Stratford said.

"It was a land-based rig that needed to drill vertically and then horizontally out to the ocean floor but wasn't capable of doing that with the inefficiencies. It either needed a new generator or needed to become more efficient.

"They asked what could we do about the efficiencies so I did some testing with our system and we found that if we put our equipment on the rig it would be the equivalent of a brand new genset."

Power factor correction technology, such as what QE has developed, has not been widely used in the Oil and Gas sector until recent years, despite being commonly applied in other industries.

"This technology isn't something new, but it is new as far as where it has been applied," Stratford said. "We have seen this technology used on grid power for years, but it was about applying that same theory and engineering to an oil and gas rig, or mining site."

With the mindset of companies continuing to evolve in a low oil price environment, QE believes the Beach project is a reinforcement that the technology can deliver greater efficiencies for the industry on a global stage.

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