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MEDIA RELEASE

AIE secures Norwegian FSRU world leader, Höegh LNG, as partner for its Port Kembla Gas Terminal

- **Norway's Höegh LNG, the world's largest supplier of FSRUs, selected to provide FSRU services to PKGT**
- **Positions AIE to receive LNG cargoes at Port Kembla and supply much needed gas to east coast Industrial customers from Q1 2020**
- **Together with recent NSW Government Critical State Significant Infrastructure declaration continues to position PKGT as Australia's leading LNG import terminal**

Australian Industrial Energy (**AIE**) has secured a critical component of its Port Kembla Gas Terminal. The Floating Storage and Regasification Unit (**FSRU**) will be supplied under charter contract from the global leader in the development and operation of modern FSRUs, Norway's Höegh LNG.

Höegh is a recognised pioneer in the international shipping industry, having commenced operations nearly 100 years ago. As part of their shipping and logistics activities, Höegh LNG has provided specialised operations in LNG carrier transport and regasification for more than 40 years. They are the largest global supplier of FSRUs, accounting for over 30% of the current global FSRU fleet.

Under the Exclusivity Agreement signed with Höegh LNG, AIE has the right to lease one of Höegh LNG's state-of-the-art 300-metre-long 170,000m³ FSRUs. The FSRU will be permanently moored at Berth 101 in Port Kembla's inner harbour for the duration of the Time Charter Party contract. The FSRU has the capability of re-gasifying liquefied natural gas that can then be injected through high pressure loading arms into a pipeline from the berth to the existing east coast gas transmission network, approximately 10 kms away.

The FSRU will form part of the final port infrastructure design plans which will also address the NSW Government's planning assessment and development approval requirements. These requirements were provided to AIE last week under the Government's Critical State Significant Infrastructure planning process. Final receipt of such approvals will be an important step towards AIE being in a position to make a final investment decision enabling the supply of gas to industrial customers from Q1 2020.

CEO of AIE, James Baulderstone said: "Securing the FSRU charter and confirmation of the NSW Government's planning requirements are two further important milestones for our project. We remain on schedule to deliver gas to our industrial customers during early 2020. Our schedule coincides with the expected significant tightening of the east coast gas supply market, especially for major industrial users."

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“Höegh LNG is uniquely positioned to provide NSW with this critical piece of energy infrastructure. They have the world’s most modern and technologically advanced fleet and a strong commitment to operational excellence. These were crucial determinants in AIE’s final selection decision.

“AIE’s NSW gas import facilities will be nothing short of world’s best-in-class. We have Höegh LNG’s global leadership in the supply and operation of FSRU technology combined with the world’s largest LNG buyer, JERA, which also has decades of LNG import terminal operating experience,” Mr Boulderstone said.

Mr Sveinung J.S. Støhle, CEO and President of Höegh LNG said, “We are impressed with the AIE consortium’s capabilities and its vision to address the gas supply challenges that the Australian east coast market is facing, particularly NSW.

“Höegh LNG is delighted to be selected as the provider of a modern and efficient FSRU to the AIE consortium, and by that playing a part in delivering competitive, reliable energy to NSW businesses and homes.

“The technologies involved in the FSRU to be docked at Port Kembla will include the latest safety and environmentally sustainable solutions available on the global market,” Mr Støhle said

At 31 December 2017, over 35 countries were importing LNG through re-gasification plant, including 14 countries through FSRUs. The Port Kembla Gas Terminal project will have an initial capacity to supply in excess of 75% of NSW annual gas needs.

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About AIE

Australian Industrial Energy (AIE) was formed in 2017 by a consortium of Australian and international companies with extensive expertise in the global energy sector. AIE is focussed on the development of NSW’s first LNG import terminal at Port Kembla, near Wollongong.

The consortium is comprised: of Squadron Energy, led by Australian industrialist Andrew Forrest; major Japanese trading and investment house, Marubeni Corporation; and Japan’s JERA Co, the world’s largest buyer of LNG, operator of 8 LNG import terminals and a fleet of LNG carriers.

About Höegh LNG:

Höegh LNG operates world-wide with a leading position as owner and operator of floating LNG import terminals; floating storage and regasification units (FSRUs) and is one of the most experienced operators of LNG Carriers (LNGCs).

Höegh LNG's strategy is to continue to focus its growth plans in the FSRU market, with the objective of securing long- term contracts with strong counterparties at attractive returns.

Höegh LNG has an established presence in Norway, Singapore, the UK, USA, South Korea, Indonesia, Lithuania, Egypt, Colombia and Turkey.

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