

Port Kembla Gas Terminal



Project overview

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Australian Industrial Energy (AIE) plans to develop Australia's first liquefied natural gas (LNG) import terminal at Port Kembla, near Wollongong.

NSW currently imports more than 95% of the natural gas it uses from other States. In recent years, gas supplies to the Australian east coast market have tightened and natural gas prices have increased, impacting industrial and domestic users. Several recent economic studies have predicted significant future gas shortfalls for NSW.

The proposed Port Kembla Gas Terminal provides a simple, flexible solution to NSW's gas challenges. Importantly, the Project provides a relatively quick solution, with the ability to make 100 petajoules of natural gas available by early 2020, subject to planning approvals. This is more than 70% of NSW's annual natural gas needs.

LNG will be sourced from worldwide suppliers and transported by LNG carriers to the Port, where it will be loaded in liquid form onto a floating storage and regasification unit (FSRU). It will be stored and, when needed, converted to gas onboard the FSRU and then inputted to the NSW gas transmission network.

With a forecast capital cost of between A\$200 and A\$250 million, it is estimated that the Project will create around 130 to 150 jobs during construction and between 40 to 50 ongoing roles during operations.



Project fast facts

Design

LNG import facility comprised of a floating storage and regasification unit (FSRU) and associated infrastructure

Location

Port Kembla, near Wollongong, New South Wales

Outputs

100 Petajoules of natural gas each year to communities and businesses on the Australian east coast

Proponents

Australian Industrial Energy – a consortium comprised of Squadron Energy, Marubeni Corporation and JERA Co., Inc.

Anticipated timeline

Subject to regulatory approval timeframes, Australian Industrial Energy aims to have first gas to market by early 2020

Investment

Forecast capital cost of between A\$200 and A\$250 million

Workforce requirements

- Up to 130 - 150 jobs during construction
- Between 40 – 50 ongoing jobs during operations

Project design

The Project consists of four key components predominantly located within industrial land declared under the State Environmental Planning Policy (Three Ports) 2013. These components are:

- LNG carrier vessels – there are hundreds of these in operation worldwide transporting LNG from production facilities all around the world, to demand centres
- Floating storage and regasification unit (FSRU) - a cape-class ocean-going vessel which would be moored at Berth 101 in Port Kembla
- Berth and wharf facilities – including landside offloading facilities to transfer natural gas from the FSRU into a natural gas pipeline located on shore
- Gas pipeline – a Class 900 carbon steel high-pressure pipeline connection from the berth to the existing gas transmission network at Cringila.

At present it is envisaged that a LNG shipment every two to three weeks would be required to provide for an annual supply of up to 100 petajoules of gas. Supply could be increased to around 140 to 150 petajoules per annum through a slight increase in LNG delivery schedules and pipeline upgrades. It will take 10 to 12 months to complete construction and other works in order to start operations at the Port.

Project timeline

Since announcing Port Kembla as the site for our proposed LNG import terminal in June, we have been finalising the engineering design for the Project. At the same time we've been working through the Government assessment process.

In November, 2018 we lodged the Environmental Impact Statement (EIS) for the Project with the NSW Government. The EIS includes a number of scientific studies, assessments and reports on areas including safety, noise, traffic, air quality, biodiversity, heritage and social impacts. It also contains a series of management measures to help minimise any impacts of the Project.

AIE will be required to respond to submissions received during the public exhibition of the EIS.

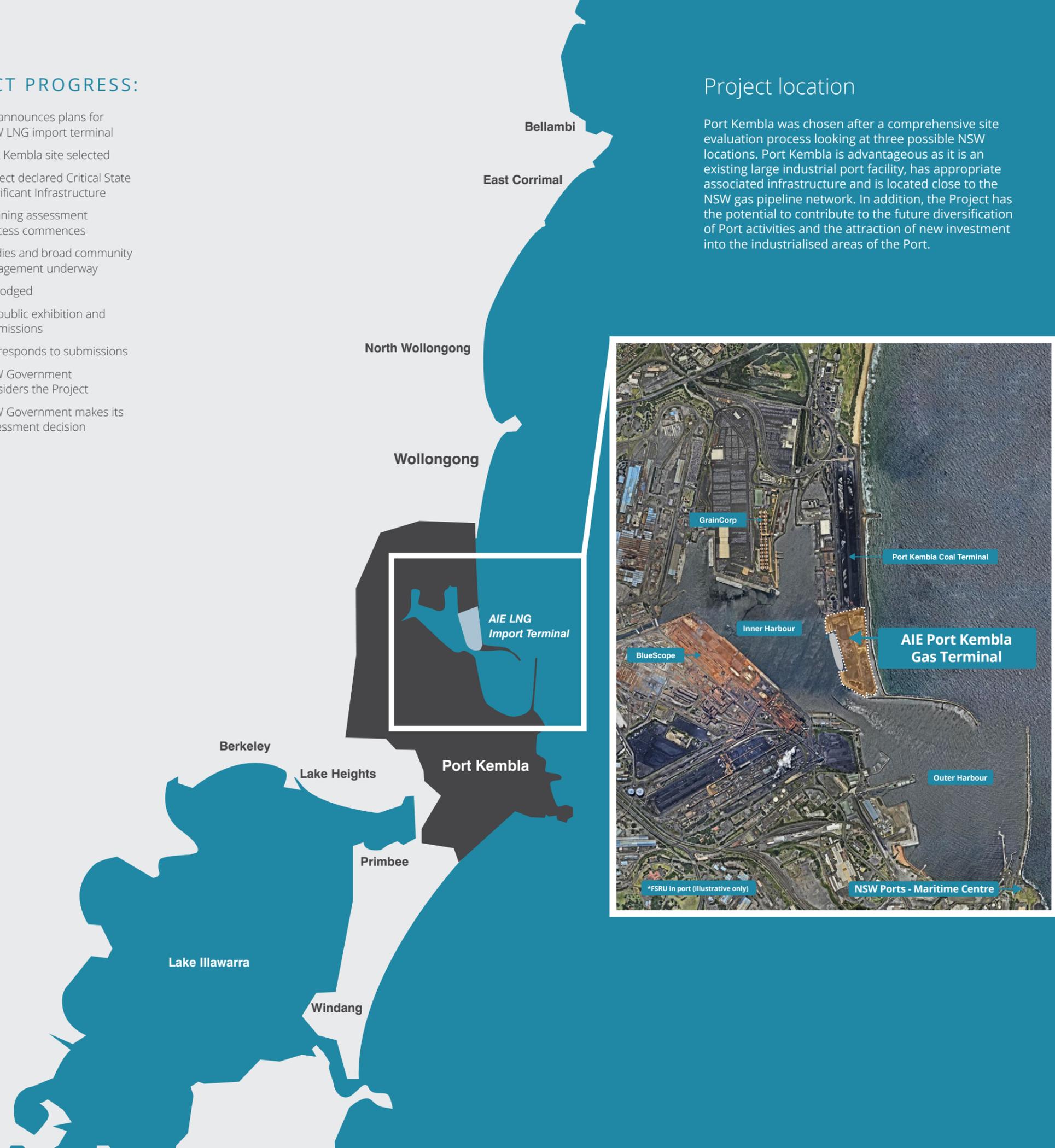
The Government will then thoroughly assess the EIS and AIE's response to submissions and make its assessment decision on the Project.

PROJECT PROGRESS:

- AIE announces plans for NSW LNG import terminal
- Port Kembla site selected
- Project declared Critical State Significant Infrastructure
- Planning assessment process commences
- Studies and broad community engagement underway
- EIS lodged
- EIS public exhibition and submissions
- AIE responds to submissions
- NSW Government considers the Project
- NSW Government makes its assessment decision

Project location

Port Kembla was chosen after a comprehensive site evaluation process looking at three possible NSW locations. Port Kembla is advantageous as it is an existing large industrial port facility, has appropriate associated infrastructure and is located close to the NSW gas pipeline network. In addition, the Project has the potential to contribute to the future diversification of Port activities and the attraction of new investment into the industrialised areas of the Port.





About Australian Industrial Energy

Australian Industrial Energy was formed in 2017 by a world-class consortium of Australian and international companies with extensive global expertise and experience in the energy sector. The consortium is comprised of Squadron Energy, Marubeni Corporation and JERA Co., Inc.

- Squadron Energy is a privately owned energy company led by prominent Australian industrialist Andrew Forrest
- Marubeni Corporation is a major Japanese trading and investment business with significant energy sector expertise and operations and interests in over 66 countries including LNG import terminals, gas pipelines and power investments
- JERA Co., Inc. is a joint venture between Tokyo Electric and Chubu Electric, which represents Japan's largest electricity company and together they are responsible for around 77 gigawatts of thermal power, which is roughly 1.5 times the entire generating capacity of the Australian National Electricity Market (NEM). JERA is also the largest buyer of LNG in the world, operates eight import terminals and its own fleet of LNG carriers.

Contact us

Please visit our website at www.ausindenergy.com for more information