

PORT KEMBLA GAS TERMINAL COMMUNITY NEWSLETTER



The Project's FSRU undergoing sea trials

DEVELOPMENT CONSENT GRANTED

The PKGT reached a major milestone in April when the NSW Government granted Development Consent for the Project. This followed a thorough review of the planned Project by various Government agencies and regulators.

After the Environmental Impact Statement (EIS) for the Project was lodged in November last year, it was placed on public exhibition for a month and submissions were invited. Twenty three submissions were received in total, fourteen from interest groups, businesses and local community members, and the remainder from Government agencies.

AIE prepared a Response to Submissions document which addressed the issues raised and which was assessed, along with the EIS, by the Government before the decision to approve the Project was made.

In granting Project approval, NSW Planning Minister, Rob Stokes said, "The project will enhance gas supply capacity - relieving gas price pressure for families and businesses across the state."

SUPPORT FOR POWER STATION

Once the PKGT is up and running, AIE is investigating the possibility of building a 800MW Combined Cycle Gas Turbine power station in the Illawarra, fuelled by natural gas from the Terminal.

The value of this proposed second phase of work was recognised when the Commonwealth Government announced AIE's proposal was shortlisted for its Underwriting New Generation Investments program.

The Commonwealth program is designed to help deliver affordable and reliable power by supporting a number of energy generation initiatives. The 12 shortlisted projects were selected from 66 proposals received from all over Australia.

The power station would take about three years to construct and could provide significant job opportunities in the region as well as a major new source of electricity.

FSRU NEARS COMPLETION

A key component of the PKGT is the FSRU (Floating Storage and Regasification Unit) vessel which will be moored at Port Kembla and receive cargoes of LNG (liquefied natural gas) which will be stored and regasified onboard.

AIE has secured a FSRU from industry leader Norway's Høegh LNG.

The brand new vessel boasts the latest technological, safety and environmental components. She recently undertook extensive sea trials and the official naming ceremony will be held next week.

ABOUT THE PKGT

- Located at Berth 101 in Port Kembla's Inner Harbour
- Could supply over 70% of NSW's total annual gas demand
- Gas to market by late 2020, subject to a final investment decision by partners
- Could provide 10 to 12 days of gas storage in case of supply disruptions
- 130 to 150 jobs during construction and 40 to 50 ongoing roles during operation
- New local energy source to increase investment attractiveness of the region

FREQUENTLY ASKED QUESTIONS

AUSTRALIA IS THE WORLD'S LARGEST EXPORTER OF NATURAL GAS, SO WHY IMPORT GAS?

Australia does have an abundance of natural gas but much of it is undeveloped and requires further exploration; is already contracted to overseas buyers, like the majority of the gas from Queensland; or is located a long distance from Australia's major gas markets, like gas from the offshore Western Australian fields.

NSW currently imports almost 100% of the gas it uses from interstate. These supplies are tightening as productivity from traditional gas fields in Victoria and South Australia decreases and the gas available becomes more expensive to extract.

Importing LNG by ship avoids the pipeline tariffs that are charged to move gas around the country and because its liquid form is 1/600 the volume of its gaseous form, very large quantities can be transported over long distances for a fraction of overland pipeline rates.

WHERE WILL THE NATURAL GAS FOR THE PROJECT COME FROM?

Using the buying power of our partner JERA Co.Inc, the world's largest purchaser of LNG, we will source the cheapest gas available direct from global producers.

The gas is likely to come from a variety of sources from overseas as well as from Western Australia.

With huge amounts of gas in offshore WA, and no pipeline to transport it to the east coast the PKGT, acting as a virtual pipeline, is the simplest, quickest and most cost-effective way to bring the gas into NSW.

Over the next few months we will be locking in long term supply contracts with several gas producers.

FIND OUT MORE:

For more information on the Port Kembla Gas Terminal visit our website www.ausindenergy.com. You can email the team or register for Project updates.



Contractor SCSB worked on Sydney's Barangaroo precinct. Photo: F Courbet.

CONSTRUCTION CONTRACT AWARDED

Earlier this month, another important step was taken with the appointment of the lead construction contractor for the Project.

The contract has been awarded to a joint venture of two international specialists, Spiecapag and Soletanche Bachy (SCSB).

SCSB has extensive experience in major infrastructure projects in Australia and around the world, including the Barangaroo wharf development in Sydney.

A local participation plan was a key part of the tender process and it is estimated about \$76 million in subcontracts could be awarded to businesses in the region.

Information sessions will be held in coming months to outline opportunities for local business involvement.

GAS SUPPLY AGREEMENT SIGNED

We are delighted that EnergyAustralia, one of the country's largest energy companies, has signed a preliminary gas supply agreement with AIE.

EnergyAustralia has committed to take 15PJ's of natural gas per annum delivered through the Port Kembla Gas Terminal.

The five year contract commencing in 2021 will supply gas for EnergyAustralia's residential and industrial customers, as well as for electricity generation.

AIE expects to announce a number of similar supply agreements over coming months.

AUSTRALIAN INDUSTRIAL ENERGY

Visit | www.ausindenergy.com
email | Info@ausindenergy.com
phone | community info line 1800 810 680

Thank you for your interest in the Project, we look forward to sharing more updates with you as we develop the PKGT.