



Appendix B
Stakeholder
consultation materials



PORT KEMBLA GAS TERMINAL COMMUNITY NEWSLETTER



I'm pleased to welcome you to the first edition of our community newsletter.

Over 300,000 jobs in NSW - 15,000 of them in the Illawarra - depend on an affordable, reliable supply of natural gas. We believe that by importing gas from the most competitively priced sources available anywhere in the world, and ensuring long term supply contracts to industrial users, we can make a major contribution to NSW and east coast energy supply competition and security.

The importance of the Port Kembla Gas Terminal has also been recognised by the NSW Government, which recently declared it to be Critical State Significant Infrastructure.

Australian Industrial Energy, or AIE, is a consortium comprising Australian businessman Andrew Forrest's Squadron Energy, Japanese industrial giant, Marubeni and JERA Co, the world's largest buyer of liquefied natural gas (LNG) and operator of several LNG import terminals.

With this combined knowledge and experience, we expect to be delivering first-gas to NSW customers as soon as 2020 and anticipate many of those customers will be within the Port Kembla area.

I would like to say thank you for all the support and assistance we have received to date from the local business community.

Over the next few months we will be working to inform the wider community about the Project, including at a Community Information Session on Tuesday, August 14. (see back page)

While we still have a way to go, I hope you will join us on the journey to deliver the Port Kembla Gas Terminal and its associated benefits and opportunities to the Illawarra and NSW.

James Baulderstone
CEO - AIE

ABOUT THE PROJECT

The Port Kembla Gas Terminal will:

- be NSW's first liquefied natural gas import terminal
- provide significant gas security benefits to NSW, which currently produces less than 5% of its own gas needs
- have the capacity to supply over 70% of NSW's total annual gas demand and provide between 10 to 12 days of natural gas storage in case of interstate supply disruptions
- involve a capital investment of \$200 - \$300 million
- create around 130 to 150 jobs during construction and 40 to 50 ongoing jobs during operation
- contribute to the investment attractiveness of the Wollongong region
- deliver gas to market by 2020, subject to regulatory approval timeframes



(Left to Right) James Baulderstone – AIE CEO, Masaru Kawata – Marubeni GM Energy and Infrastructure, the Hon. Niall Blair MLC, Paul Scully MP – Member for Wollongong, Ryan Park MP – Member for Keira and Gaku Takagi – Senior VP, JERA Co.

PORT KEMBLA GAS TERMINAL SITE ANNOUNCEMENT

On June 4, Port Kembla's popular Seascape Café, was transformed into a media hot spot as news crews arrived to cover the announcement of the Port Kembla Gas Terminal.

A number of distinguished guests were on hand including the Hon. Niall Blair MLC, NSW Minister for Primary Industries, Minister for Regional Water and Minister for Trade and Industry, the Lord Mayor of Wollongong, Councillor Gordon Bradbery AM, Shadow Minister for the Illawarra and Member for Keira, Ryan Park MP and Paul Scully MP, Member for Wollongong. (Pictured above and right)

Senior representatives from our investment partners travelled to Port Kembla for the signing of a Memorandum of Understanding with NSW Ports to secure the site for our Project.

We were also thrilled to have strong representation from local economic and business development organisations including the Illawarra Business Chamber, i3net, University of Wollongong, the NSW Office of Regional Development, Regional Development Australia, AusIndustry and others. (Pictured right)

Port Kembla was chosen after a comprehensive evaluation process looking at port operations, berth configuration, proximity to the existing east coast gas transmission network and support from the local business community.

IN THE COMMUNITY

We were delighted to present at recent meetings of both the Port Kembla Harbour Environment Group and Neighbourhood Forum 5. Our thanks go out to the respective Chairs, Chris Haley and Harold Hanson AM and their support teams, for the opportunity.

Both groups asked a range of questions about the need to import LNG, where the LNG would come from, the environmental and safety aspects of the Project, how the Project will interact with the operations of other tenants in the area and impacts on the future development of the Port.

We are looking forward to engaging with a number of other community groups as we move closer to realising the Project.

If your business or community group is interested in hearing more about the Project please contact our team.



Gordon Bradbery AM | Mayor of Wollongong



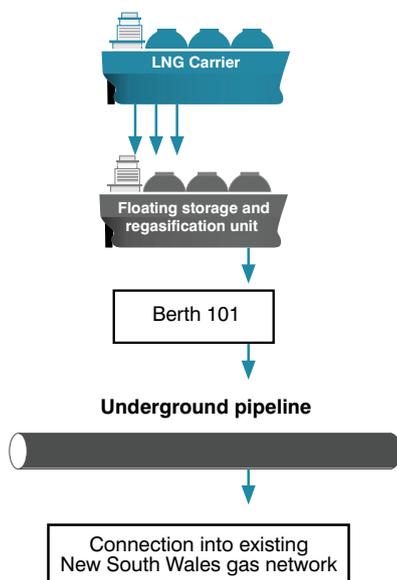
(Left to Right) Canio Fieravanti, Emilio Salucci, Mark Grimson, Rob Little, Debra Murphy, Adam Zarth, Nigel McKinnon and Justin Boehm

HOW WILL THE PORT KEMBLA GAS TERMINAL WORK?

- LNG will be shipped by LNG carrier to Port Kembla. It's expected a carrier will arrive every two to three weeks.
- On its arrival into Port Kembla, the LNG carrier will pull alongside a floating storage and regasification unit (FSRU). The FSRU is an LNG carrier that has the capability of storing and regasifying LNG and will be moored at berth 101 on the eastern side of the inner harbour.
- The LNG will be transferred via loading arms or hoses from the LNG carrier to the FSRU. When the transfer is complete, the LNG carrier will sail out of the harbour.
- The LNG will be stored at -161°C in a series of double-hulled tanks inside the FSRU. The double-hulled tanks keep the natural gas cool and provide protection against accidental leaks or rupture.
- When the gas is needed, the LNG will be flowed through a series of pipes on board the FSRU. Seawater from the harbour will be circulated around the series of pipes to warm the cold LNG, resulting in a slow evaporation of the liquid back into gas.
- The gas will be transferred onshore, via high pressure loading arms or hoses, into an underground pipeline.
- The pipeline will connect into the Eastern Gas Pipeline, one of NSW's major gas transmission lines, which is less than 13 kilometres from the port.
- Although the terminal will be the first of its kind in NSW, LNG import facilities are common around the world and growing in number.



Location of the proposed Port Kembla Gas Terminal within Port Kembla's Inner Harbour



WHAT IS LNG?

Liquefied natural gas (LNG) is natural gas, mostly comprised of methane, that has been turned into a liquid by cooling it to -161 degrees Celsius. When cooled to a liquid form, the volume of gas is 1/600th of its original size, making it much easier to transport.

LNG is odourless, colourless, non-corrosive and non-toxic. It quickly evaporates when exposed to air leaving no residue. As a liquid, LNG is not flammable or explosive, making it much safer to transport.

LNG was first transferred by ship almost 60 years ago, and there are hundreds of LNG carriers in operation around the world.



ABOUT AIE

Australian Industrial Energy was formed in 2017 by a consortium of Australian and international companies with extensive global expertise and experience in the energy sector:

- Squadron Energy is a privately owned energy company led by leading Australian industrialist Andrew Forrest
- Marubeni Corporation is a major Japanese trading and investment business with operations and interests in over 66 countries including LNG import terminals, gas pipelines and power investments
- JERA Co Inc is the largest buyer of LNG in the world, operates eight import terminals and its own fleet of LNG carriers.

CSSI DECLARATION

On June 22, the NSW Government awarded Critical State Significant Infrastructure (CSSI) status to the Port Kembla Gas Terminal.

To be eligible for the CSSI status, a project must be deemed to be essential for NSW's economic, environmental or social benefit. Since the early 2000s only about 20 projects have been declared CSSI.

CSSI designation is not a development consent for the Port Kembla Gas Terminal. It does, however, clearly set out the approval pathway the Project needs to follow.

AIE will be required to carry out a number of comprehensive studies in key areas including environment, safety, noise, social impacts and economics, as well as extensive stakeholder engagement.

The outcomes of these activities will be included in the Environmental Impact Statement (EIS) for the Project, which will be placed on public exhibition after it is lodged.

An outline of this process and our current progress is provided below:

- AIE announces plans for NSW LNG import terminal
- Port Kembla site selected
- CSSI declared
- 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 determines the development consent

FIND OUT MORE: COMMUNITY INFORMATION SESSION



Tuesday August 14 2018



Steelers Leagues Club,
1/5 Burelli St Wollongong

Our team will be on hand from 3pm – 8pm to address community questions and provide information on the Project and our plans.

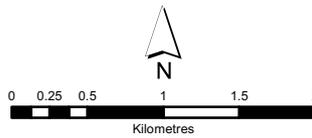
All Welcome.

We hope to see you there.



Legend

 Distribution Boundary



At Scale: 1:50,000
Coordinate System: GDA 1994 MGA Zone 56

**Community Engagement
Distribution Area**

NEWS



TEAM: Michael McCann, Gabriel Hanich, Mitchell Fagerstrom, Anderson Moller, Shay O'Day, Liam Barclay and Grace Williamson. Picture: Sylvia Liber

Memorial Drive lane closures

WORK to install a new safety barrier on Memorial Drive at Corrimal will lead to the closure of one lane this month.

The work, which will take place which will also include tree removal and the replacement of fencing, will take place in stages throughout August.

The safety barrier is being installed on the western side of Memorial Drive, between Towradgi Road and Railway Street.

While work is carried out, one northbound lane of Memorial Drive will be closed between 7am and 5pm on various dates through August.

The NSW government has allocated \$272,000 for the work.

Meanwhile, work along Five Islands Road at Cringila will see lane closures for the next two weeks.

The work involves patching and resurfacing work on the westbound lanes of Five Islands Road between Cringila Station and Glastonbury Avenue.

It will take place from August 5 to 16, Sunday to Thursday, between 7pm and 5am.

Lane closures and a reduced speed limit of 40km/h will be in place.

Real game changers

BY AGRON LATIFI

ROBOTS and holograms will dramatically change the way students learn in the school of tomorrow.

And if the Sci-Force team from Thirroul Public School is right, "books and libraries will be a thing of the past, with augmented reality taking over".

The students, better known as Captain Cognito, Crazy Creator, the Forward Thinker, the Quirky Coordi-

nator, the Supreme Strategist and Reggie The Risk Taker, also believe virtual and augmented reality will allow students to read, write, research and experience excursions using all five senses.

Fellow team members, teachers Mitchell Fagerstrom and Shay O'Day, will join the students in Sydney next week to undertake the first ever Game Changer Challenge as part of Education Week.

Sci-Force is among 16 finalists participating in

the challenge - eight teams each from NSW primary and secondary schools - and was selected from 100 video entries that outlined each school's idea for the school of the future.

"With the rapidly changing world that we live in these days, we thought it [Challenge] would be a great opportunity for our kids to picture what life might be like when they are adults," Mr Fagerstrom said.

"We have been impressed

with their vision for the school of tomorrow and they have done a great job.

"We have a great team. Hopefully we can go up to Sydney and do really well at the Game Changer Challenge.

"Everyone is really looking forward to it."

Department of Education secretary Mark Scott said the Game Changer Challenge will showcase the theme of Education Week, "Today's schools - creating tomor-

row's world', and aims to highlight the importance of developing students who can adapt in a changing world.

"We must be preparing today's students to be citizens in tomorrow's societies; workers in dramatically reshaped industries; using tools and technology that may still be embryonic or in their infancy," Mr Scott said.

The three-day event starts on Tuesday, August 7 at the Education Department's new office in Parramatta.

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WEATHER

TODAY



Wind easing
Sunny
Min: 11°C Max: 19°C

TOMORROW



Sunny
Min: 9°C Max: 20°C

CONTACTS

The Illawarra Mercury is published six days a week and can be read online at www.illawarramercury.com.au. We welcome your inquiries on the numbers below.

General inquiries: (02) 4221 2333

Subscriptions: (02) 4221 2234

Classifieds: 13 24 25

Visit/post: PO Box 1215, Wollongong 2500; Level 4/77 Market St, Wollongong

LOTTO

Powerball (draw 1159)
Drawn numbers: 32, 34, 1, 9, 17, 22 and 3.

Powerball: 19.
Division 1: Jackpotted
Division 2: \$129,544.75
Division 3: \$4523.80
Division 4: \$503.70
Division 5: \$162.30
Division 6: \$72.00
Division 7: \$43.70
Division 8: \$17.45
Division 9: \$10.45

ILLAWARRA MERCURY

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PORT KEMBLA GAS TERMINAL

COMMUNITY INFORMATION SESSION

TUESDAY AUGUST 14

Photo: colindouch.com.au

Australian Industrial Energy is seeking approval to develop a liquefied natural gas import terminal at Port Kembla.

To find out more about our plans, come along to our Community Information Session and meet the team. All welcome. We hope you can join us.

TUESDAY, AUGUST 14
3PM - 8PM

STEELERS LEAGUES CLUB
1/5 BURELLI STREET, WOLLONGONG

www.ausindenergy.com | 1800 810 680

NEWS

Missing loved ones

BY DESIREE SAVAGE

AN ARGUMENT over a boyfriend is believed to be the reason Tanya Nicholls took off from her family's Fairy Meadow home in September of 1988, never to be seen by them again.

Tanya - one of four children - was aged 16 at the time and had fallen in with the wrong crowd, according to her mother Dianne Parker.

"The day she went missing her and I had an argument over a boyfriend that I didn't approve of," Ms Parker said. "He was someone who had a criminal record, not the sort of person you want your 16-year-old daughter hanging around with. So we had a huge argument, and that was the last time I saw her."

More than 10,000 people are reported missing each year across NSW. The plight of their family and friends is being highlighted by authorities for National Missing Person's Week.

"The thing with a missing person, there are so many unanswered questions - you don't know where, how, when," Ms Parker said. "Sometimes your mind can go off into places you don't want it to go. You have nothing and no-one can give you any answers to that, so it just remains a big hole you can't fill."

Around 98 per cent of

people reported missing are found within a week but there are still more than 2,600 people listed as long-term missing persons.

The families of friends Kay Docherty and Toni Cavanagh are still left wondering what happened to the Bulli teenagers after they were supposed to head to a disco in 1979.

Jane Neville is still searching for her brother Grant, after he left Albion Park for work in Thirroul in 1989, who said his disappearance was out of character.

"I know some people they go missing they think the hard work is to come back because they think 'that person has forgotten about me' or 'I can't just show up again, here I am,'" Ms Parker said. "But for her I want her to know she can."

Friends and family members don't need to suffer alone, with counselling available from the Families and Friends of Missing Persons Unit.

"[It] does an incredible job supporting people as they deal with the stress of not knowing what has happened to a loved one," said NSW Attorney General Mark Speakman.

If you have information on a person reported missing, contact your local police station or Crime Stoppers on 1800 333 000.



MISSING: Tanya Nicholls, Grant Rodgers, Kay Docherty, Robert Neville, Saverio Ganino and Pauling Sowry. www.missingpersons.gov.au Pictures: NSW Police

TIC turns 25 with Mark Bouris

WHEN The Illawarra Connection started 25 years ago as a networking opportunity for business, civic, religious, industry and educational leaders across the region some said it would never last.

But it has stood the test of time and remains highly regarded as an important social event with inspirational speakers.

TIC has gone from strength to strength. No other region can boast such a consistently well attended networking event for so long.

It performs a vital role in doing what its name suggests and keeping people connected.

So much so that when owners, managers and directors retire they keep coming.

It is also an opportunity for new arrivals and emerging leaders to be invited as guests. The introductions they receive are mutually beneficial to all. And that means everyone benefits from the collective knowledge and wisdom.

The anniversary dinner on Tuesday will feature Mark Bouris as guest speaker.

TIC president Graham Lancaster said "I look forward to the Connection continuing for many years."

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WEATHER

TODAY	TOMORROW
Windy, sunny	Partly cloudy
Min: 10°C Max: 17°C	Min: 9°C Max: 19°C

CONTACTS

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LOTTO

Monday Tattslotto (draw 3788)
Drawn numbers: 31, 44, 42, 2, 21, 16
Supplementaries 33, 11.
Division 1: jackpotted
Division 2: \$12,746.30
Division 3: \$1114.50
Division 4: \$63.80
Division 5: \$33.60
Division 6: \$23.50

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PORT KEMBLA GAS TERMINAL

Photo: colindouch.com.au

COMMUNITY INFORMATION SESSION

TUESDAY AUGUST 14

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Reaching out to sick kids

ROTARY IN ACTION

ROMAC (Rotary Oceania Medical Aid for children) is a Rotary Multi District Project for Australia and New Zealand, which provides life saving and dignity restoring medical procedures for children from the South West Pacific area who could not access these medical services by any other means.

Two members of the Kiama Rotary Club, Barry Wilson, recently retired ROMAC Operations Director and President Nominee of the Kiama Rotary Club, and Peter Maitland, ROMAC Secretary, have been heavily involved with ROMAC since 2012.

Each year around 40 children are brought to Australia and/or New Zealand who would not be able to receive treatment in their home country.

Most recently, Justino, a baby from a remote part of Timor-Leste, was born with diaphragmatic hernia.

This meant his abdominal organs could push through a hole in his diaphragm and place pressure on his



SERVICE ABOVE SELF: Rotary's ROMAC program provides the best possible surgical and medical expertise, giving hope and restoring dignity to transform a child's life.

heart and lungs. At just a few days old he was referred to ROMAC as an urgent case.

Requiring Neonatal Intensive care (NICU) he and his mother were flown to Darwin.

Because Justino's lungs had been so severely compromised two doctors accompanied him on the flight.

When stabilised, a week later, he had surgery to relocate his tiny organs in to his

abdomen to close the hernia.

During their stay in Darwin Justino and his mother were supported by local Rotarians and members of the Darwin Timorese community.

Six weeks after his surgery Justin were able to return home healthy and happy.

ABOUT ROMAC

ROMAC commenced in March 1988 out of the

actions of an Australian Rotarian who, with a group of surgeons, visited Lambasa in Fiji. They found the child mortality rate as high as 25% in some places. They quickly identified that lack of medical and surgical facilities and skills for children of the island nations in Oceania, was a major cause. Rotary faced the challenge to assist an 18-year-old Fijian girl whose right leg was threatened if immediate surgery was not performed.

During the next four years, eight children were brought to Australia for major, often lifesaving, surgery. Soon 20 Australian Rotary clubs were caught up in the success of each case and assisted in various ways.

ROMAC in New Zealand and Australia enlists assistance from medical experts, hospitals, nurses, physiotherapists, pathology and radiology services, airlines, sponsors and other supporters. Today ROMAC is providing surgical treatment to around 40 children from Oceania every year - we are making a huge difference in their lives.

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Port Kembla Gas Terminal



Project overview



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 leading 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.

Australian Industrial Energy (AIE) plans to develop New South Wales' (NSW) 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 an immediate solution, with the ability to make 100 petajoules of natural gas available by early 2020, subject to planning approvals.

LNG will be sourced from worldwide suppliers and transported by LNG carriers to the Port, where it will be loaded onto a floating storage and regasification unit (FSRU), still in liquid form, and then converted back into a gaseous state suitable for input into the NSW gas transmission network.

With a forecast capital cost of between A\$200 and A\$300 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), associated wharf facilities and short connecting pipeline infrastructure

Location

Port Kembla, near Wollongong, New South Wales

Outputs

100 petajoules of natural gas each year

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 in 2020

Investment

Forecast capital cost of between A\$200 and A\$300 million

Workforce requirements

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

Contact us

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



Port Kembla Gas Terminal



Project benefits

The Port Kembla Gas Terminal will be the first liquified natural gas import terminal for New South Wales (NSW). The Terminal will create significant benefits for NSW and the Illawarra region, including:

- Providing significant gas security benefits to NSW, which currently produces less than 5% of its own gas needs
- Ability to supply over 70% of the total annual natural gas demands of NSW and 100% of the State's industrial demand (manufacturers, power stations, hospitals, small businesses)
- Providing between 10 to 12 days of natural gas storage in case of interstate supply disruptions
- Introducing a new source of competitively priced gas to meet predicted supply shortfalls and help put downward pressure on prices
- Providing much needed natural gas pricing relief for the 500 heavy industrial users of gas and 33,000 businesses which the NSW Gas Plan notes support over 300,000 jobs across NSW
- \$200 to \$300 million in capital investment
- Creating around 130 to 150 jobs during construction and 40 to 50 ongoing jobs during Project operation
- Supporting the diversification and future growth aspirations of Port Kembla
- Contributing to the investment attractiveness, workforce range and skills base of the Wollongong region in line with local government and community plans for the area

Contact us

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Port Kembla Gas Terminal



Operational safeguards

LNG

Liquefied natural gas (LNG) is natural gas, mostly composed of methane, that has been turned into a liquid by cooling it to -161°C . When cooled to liquid form, the volume of gas is 1/600th of its original size which makes it much easier to transport.

LNG is odourless and colourless in liquid form. It is non-corrosive and non-toxic. As a liquid, LNG is not flammable. LNG will not pollute land or water resources and quickly vapourises when exposed to air, leaving no residue behind. LNG is not explosive if released to the atmosphere.

Transportation

LNG has been transported and handled safely for almost 60 years. The LNG global market has completed approximately 80,000 transfers and has an excellent safety record worldwide, with no serious accidents or safety problems reported in port or at sea.

LNG carriers are constructed to stringent global standards. LNG is shipped in double-hulled tankers specially designed and constructed to prevent leakage or rupture. The LNG is stored in a special containment system within the inner hull. The design of this system also enables the LNG to stay cold, without the need for pressurisation. The absence of pressurisation further contributes to the safe transportation and storage of LNG.

Vessels of a similar size to those used for transporting LNG are currently using Port Kembla harbour. A typical LNG carrier would have an average capacity of around $170,000\text{m}^3$ or about 68 olympic swimming pools.

Australian Industrial Energy (AIE) has been and will continue to work closely with NSW Ports and the Port Authority of New South Wales regarding proposed LNG carrier movements within Port Kembla Harbour and surrounding waters. AIE will be guided by the Port Authority of New South Wales regarding harbour safety requirements, such as escort tugs for the LNG carriers and public access exclusion zones.

Storage

There are currently around 30 floating storage and regasification units (FSRUs) in operation worldwide, with about a further 75 ordered or in early planning.

The design, construction, installation and operation of FSRUs and associated infrastructure are designed to comply with strict, comprehensive international safety regulations and standards. In addition, the Port Kembla Gas Terminal berthing facilities and the gas transmission pipeline will also meet all statutory requirements in New South Wales.

The Port Kembla Gas Terminal FSRU is proposed to be located on the eastern side of the inner harbour, which is at least two kilometres in distance from the nearest residential zone.

Onshore pipeline connection

A short regional trunk pipeline will be constructed to connect the FSRU to the existing gas transmission network, in order to deliver gas to the full range of industrial, power and/or household clients in need of gas in New South Wales. The pipeline is expected to be about 16 inches in diameter and will be designed to fully comply with the Australian Pipeline Code AS2885 and all related stringent environmental and safety requirements. AIE's new pipeline will be similar to other gas pipelines currently operating in the local area.

Terminal safety

LNG import terminals are designed to international and local standards. For the Port Kembla Gas Terminal, design work will be completed by WorleyParsons, a global leader in LNG liquefaction and regasification projects. They have designed a large proportion of the world's nearshore regasification projects (planned and in operation).

In addition, both LNG carriers and FSRU vessels have numerous technologies and work safety protocols to ensure the safe handling of LNG.

They are also equipped with regulatory and code compliant safety systems and infrastructure such as:

- sophisticated leak detection
- emergency disconnection
- isolation and shutdown systems - both automatic and manually initiated
- fire fighting
- water curtains
- advanced radar

Contact us

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



Port Kembla Gas Terminal



LNG import terminal

New South Wales (NSW) currently imports over 95% of its domestic gas needs from other Australian States. This means NSW industries, businesses and households are exposed to any supply or price shocks occurring in other States.

Australian Industrial Energy (AIE) proposes to develop a liquefied natural gas (LNG) import terminal at Port Kembla, Wollongong, NSW.

The Port Kembla Gas Terminal will have the capacity to supply over 70% of NSW gas demand from as early as 2020 or all of NSW's industrial gas needs.

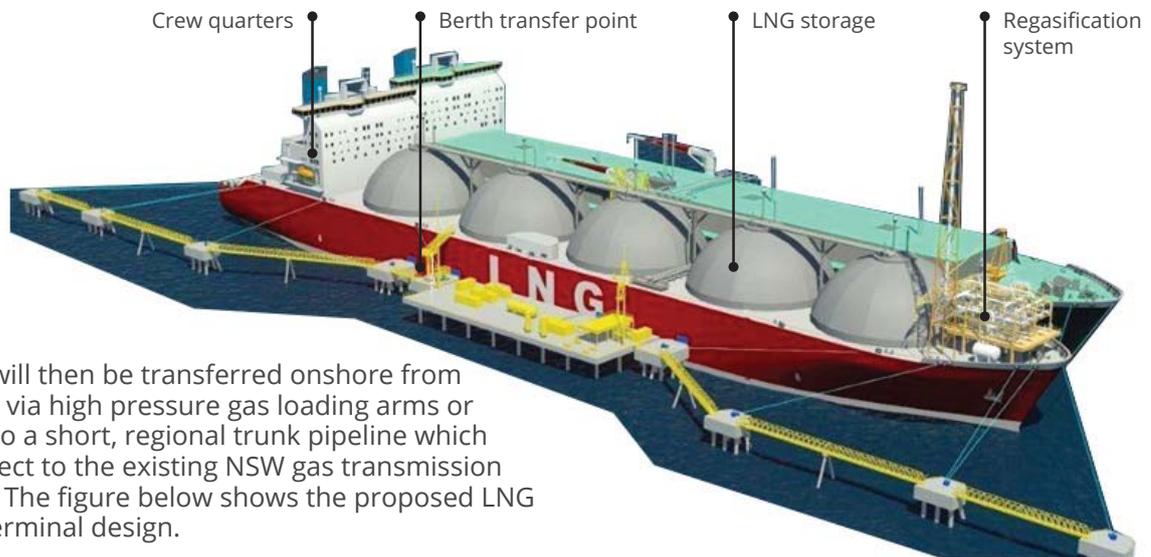
LNG import terminals are common around the world, including in major developed countries. By cooling natural gas and turning it into a liquid form, the gas can be safely and easily transported anywhere in the world.

LNG will be sourced from worldwide suppliers and transported by LNG carriers to Port Kembla, where it will be transferred to a floating storage and regasification unit (FSRU) moored at the eastern side of the inner harbour. Australian Industrial Energy is currently proposing that an

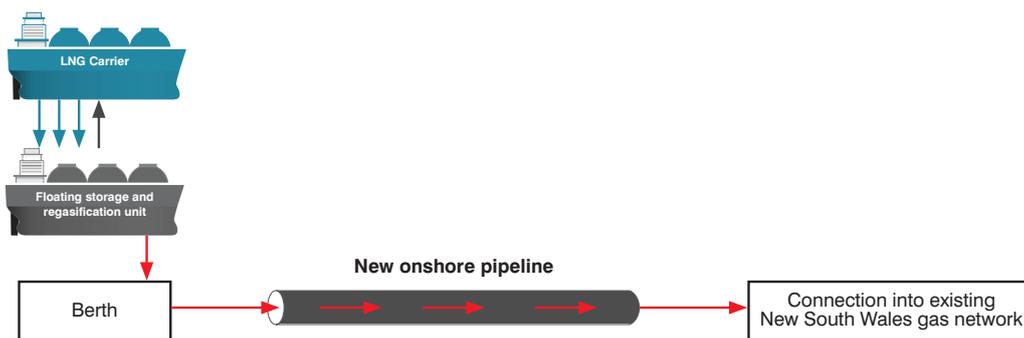
LNG carrier will arrive in Port Kembla every two to three weeks to offload its cargo into the FSRU. This requires the incoming LNG carrier to pull alongside the moored FSRU. The LNG will then be transferred from the LNG carrier to the FSRU via cryogenic loading arms or hoses, as depicted in the image above. The loading arms are able to withstand the -161 degrees Celsius temperature of the LNG. The offloading process from the LNG carrier is expected to take around 24 hours.

The LNG will be stored in a series of double-hulled tanks inside the FSRU. The double-hulled nature of the tanks provides protection against accidental leaks or rupture. LNG is not required to be stored under pressure in the FSRU, as cold temperatures ensure the gas remains in liquid form.

When gas is needed, seawater is used to warm the cold LNG resulting in a slow evaporation back into a gaseous state. The gas rises to the top of the tank and is then moved through a regasification and pressurisation system, still on board the FSRU, to prepare the gas to enter the NSW gas transmission network.



The gas will then be transferred onshore from the FSRU via high pressure gas loading arms or hoses into a short, regional trunk pipeline which will connect to the existing NSW gas transmission network. The figure below shows the proposed LNG import terminal design.



Construction of the LNG Import Terminal

The construction of the Port Kembla LNG Terminal is anticipated to take 12 months to complete, subject to planning approvals. AIE will work with NSW Ports to construct additional required infrastructure, including upgrades to the existing berth. The short, regional trunk pipeline linking the terminal to the existing east coast gas network will also be constructed during this time. When construction is complete and the Project is ready to commence, the FSRU will arrive completely fitted out and berth at the terminal site ready to receive LNG cargoes.

Both the FSRU and the LNG carriers remain seaworthy at all times, meaning that should the NSW gas market situation improve and new supplies

of LNG are no longer needed, the vessels can be sailed to other global locations. The remaining bulk liquid handling berth and associated wharf infrastructure can then be repurposed.

The Port Kembla Gas Terminal will be designed by WorleyParsons, a global leader in the design of LNG liquefaction and regasification projects. WorleyParsons has designed a significant number of the world's nearshore regasification projects (planned and in operation). All design, construction and operational phases of the Project will be done to the strictest international and local safety, environmental and other standards.

Contact us

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