

The logo for K&L GATES, featuring the text "K&L GATES" in white, uppercase letters on an orange rectangular background. The background of the slide is a colorful, abstract pattern of diagonal lines in shades of red, orange, yellow, green, blue, and purple.

K&L GATES

Australian Institute of Energy – Sydney Branch

Eastern Australia Gas Outlook

Hosted by K&L Gates

21 October 2019

5 PROPOSED LNG IMPORT TERMINALS

LNG Import Terminal Location	Owner / Proponent	Annual Capacity	Model	FID Target	Estimated Cost
Crib Point, Victoria	AGL Energy	130-140 PJ	Contract LNG supply, sell gas to AGL's customers	FY 2020	A\$250m excluding FSRU charter costs
Port Kembla, NSW	Squadron Energy, JERA, Marubeni	100PJ	JERA to help secure LNG supply.	Late 2019	A\$200m - A\$250m, excluding FSRU charter costs
Longford, Victoria	Exxon Mobil Corp	Not available	Exxon would secure LNG, sell gas to existing customers	No date	Not available
Outer Harbor, South Australia	Venice Energy (Integrated Global Partners / Mitsubishi Corp)	80 PJ	Toll for LNG traders to use facility	Late 2019	A\$750m - A\$850m, includes building a 500 megawatt gas-fired power plant
Newcastle, New South Wales	South Korea-based private firm EPIK LNG, working with Hyundai LNG shipping	Could handle more than 300 PJ	Toll for LNG traders to use facility	H1 2020	US\$430m, including FSRU costs

LNG IMPORTS

Opportunities

- Long term supply shortfall
- Cost advantage
- Broad customer base

Threats

- Domgas
- Gas price constraints
- Regasification costs
- Cyclical gas demand
- Regulatory oversight

REFORMS

- Exploration moratoria
- Transparency drive
 - upstream activities
 - infrastructure development
 - gas & infrastructure prices
 - LNG shipments & operations
- Pipeline access
 - information disclosure/arbitration framework
 - capacity trading
- ACCC review of retailers' costs/margins