

AIE awards construction contract for the Port Kembla Gas Terminal

- *Construction will commence immediately after the AIE joint venture partners complete their Final Investment Decision*
- *Estimated \$76million sub-contract work for local business once Final Investment Decision taken later this year*
- *AIE on track to deliver project by late 2020*

3 June 2019: Australian Industrial Energy (“AIE”) today announced another important milestone in the development of its Port Kembla Gas Terminal (“PKGT”) with the award of the key wharf facility and pipeline construction contract (“Contract”) for the LNG import facility.

AIE is spearheading action to help NSW businesses obtain reliable supplies of gas beyond 2020 by building a natural gas import terminal at Port Kembla near Wollongong. The PKGT will have the capacity to supply over 70% of NSW’s natural gas needs.

The Contract was awarded to the SCSB joint venture which comprises Spiecapag and Soletanche Bachy, which are international specialists in the core construction works required to build the PKGT wharf facility and pipeline connection to the Cringila Eastern Gas Pipeline connection point just six kilometres from the wharf. Both companies have extensive experience in major pipeline and infrastructure projects in Australia and around the world.

The award of the contract follows the NSW State Government’s decision to grant Development Consent for the project in April 2019 and AIE welcoming its first customer, EnergyAustralia, which has committed to a five-year contract of at least 15PJ’s of gas per annum from 2021.

Planning design is underway for the PKGT and construction will commence immediately after the AIE joint venture partners complete their Final Investment Decision which is expected later this year. The PKGT represents a \$250m investment and will provide opportunities for local businesses and their employees to work on this landmark project.

Construction work will include dredging, a new wharf within the existing Port Kembla dock and the pipeline to connect the new facility to the east coast gas network at Cringila. The project will provide work and subcontracting opportunities for experts in demolition, concreting, welding, electrical works, steel reinforcement, traffic management, surveying, alongside other goods and services, with an estimated \$76m being sub-contracted to local businesses.

Keith Walker, Project Director of AIE said: “The Port Kembla Gas Terminal is progressing strongly and is attracting the best of the best on all fronts. Our selection of SCSB as prime contractor is no exception and we look forward to them bringing their expertise together with the capabilities of the Illawarra region to deliver this most important of projects.”

John Walsh, Spiecapag’s Managing Director said: “We’re very pleased to be working on such a strategically important project for NSW. Part of our DNA is to work with local businesses, and we look forward to exploring opportunities for local contractors to also play a part in Australia’s first ever LNG import terminal once we start construction in the second half of the year.”

Jean Luc Gobert, Soletanche Bachy International’s President said: “We’re very excited to be part of this challenging and strategic project which combines our strong local footprint with our global, extensive port experience.”

Project information sessions outlining the opportunities for local businesses will be taking place over the coming months, ensuring all interested potential suppliers are aware of the major stages and timings of the project.

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