

# Adelaide Virtual Gas Pipeline Project



## \$250 MILLION PROJECT

South Australian Industries will soon be presented with the opportunity to use natural gas as a replacement and genuine alternative fuel to their continued reliance on expensive, and imported diesel fuels.

Australian company Mobile LNG (MLNG) Pty Ltd is proposing a \$250 million project to construct and establish a liquefied natural gas (LNG) production and distribution facility in South Australia, to ensure industry in SA has access to the financial, operational and environmental advantages of using Australia's own natural gas as a source fuel.

Current focus is on sites in the light industrial area of the suburb of Elizabeth, with this area being favoured due to the skilled workforce availability, appropriate industries in the area, the support infrastructure, and the benefits of required road and rail access.

On site facilities for this project will include:

- The LNG liquefaction plant;  
Comprising of natural gas pipeline access, metering, gas cleaning, drying and liquefaction facilities;
- LNG Storage Tanks;
- ISO Tanks and Tanker Terminal;
- Power Supply/Generation Plant; and an
- Administration Complex.



*A natural gas liquefaction plant, similar to one proposed.*

The project will make the fuel cost savings and cleaner operational environment of natural gas use available to domestic industry by supplying LNG delivered natural gas.

Based upon past research and experience, the use of LNG provided natural gas as a replacement for diesel fuel to industry, will provide fuel cost savings of approximately 25% over the diesel equivalent, and will permit industry to operate with 25% less greenhouse gas emissions.



*The efficient, robust design of MLNG's ISO-tanks means LNG can be provided to a wide range of industries and remote locations.*

The process will centre on an LNG production facility producing up to 400 tonnes of LNG per day, and feature Mobile LNG's trade mark "virtual gas pipeline" production and distribution model. Under this model, LNG can be supplied to a wide area of industries and customers in the region via specially designed and robust portable storage tanks, of different sizes, known as "ISO Tank" containers.

## INDUSTRY BENEFITS

A production level of 400 tonnes of LNG per day, is a sufficient quantity of this clean, efficient fuel for local industry to see the benefits of;

- 560,000 litres of diesel fuel daily to be replaced with natural gas fuel;
- The economic advantage of saving on the need to import up to \$160 million per annum worth of diesel;
- Reducing the operating fuel costs of participating industries by approximately \$51 million per annum;
- Preventing 120,000 tonnes of CO<sub>2</sub> emissions annually from entering into the local environment.

## REGIONAL BENEFITS

The construction phase will require 375 direct positions and a further 65 positions will be needed for the ongoing operational running of the plant and distribution works. Economic modelling suggests that this level of capital works and the infrastructure expenditure proposed, will generate second round employment multipliers to the SA economy of between a further 500 to 1,000 secondary positions.

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The use of natural gas from LNG as a source fuel for Heavy Duty Transport Vehicles and for the Power Generation Industries for example, will provide economic benefits by significantly reducing operational costs while delivering a cleaner, safer work environment.

The spread of the availability of LNG and natural gas beyond current pipeline access is facilitated by MLNG's ISO Tanks, which can be delivered to customer sites via road or rail, in configurations of a 22,000 litres or 44,000 litre containers of LNG

It is anticipated the availability of LNG domestically will be the catalyst for change for road and rail transport companies in particular, to move into natural gas powered vehicles.

In the American market, the ability of LNG as a fuel for trucking fleets to significantly reduce noise levels by as much as 10 db in built up areas, and to reduce soot and particulate emissions by 100% has seen the sale of natural gas powered vehicles (NGV) triple. This is indicative of the world market, where in the last three years, the number of NGVs worldwide grew 21 per cent and the number of NGVs in the world fleet is forecast to reach 60 million by 2020.

MLNG will work closely with the SA State Government to assist in the retraining of former workers of the car industry to help build on the manufacturing skills and experience found in the Elizabeth region.

### ADELAIDE VIRTUAL GAS PIPELINE PROJECT, - Summary statistics.



- **LNG Production and distribution facility, to be based in the Elizabeth Estate, approximately 24 km north of Adelaide.**
- **Estimated project cost \$250 million.**
- **Production capacity of 400 tonnes per day of LNG;**
- **Forecast employment, 375 construction positions, and 65 administrative positions.**
- **Second round multipliers that result in approximately 1,000 other positions in the economy.**
- **25% reduction in fuel costs forecast for participating industries.**
- **25% reduction in greenhouse gas emissions forecast from fuel change from diesel to natural gas.**
- **Replace the daily consumption of 560,000 litres of diesel fuel;**
- **Replace the need to import up to \$160 million per annum worth of diesel.**
- **Reduce the operating fuel costs of participating industries by approximately \$51 million p.a.;**
- **Prevent 120,000 tonnes of CO2 emissions annually from entering into the local environment.**



### ADVANTAGES OF CHANGING FROM DIESEL FUEL USE TO NATURAL GAS FUELS



Project Fact Sheet:

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