Project Fact Sheet:

Darwin Virtual Gas Pipeline Project

$250 MILLION PROJECT

Mobile LNG Pty Ltd (MLNG) is soon to commence the construction and establishment of a liquefied natural gas (LNG) processing and distribution facility in the Northern Territory, within the Middle Arm Industrial Estate.

With an estimated project expenditure of approximately $250 million required, the facility will be constructed on a newly created 10 hectare site in the "Hundred-of-Ayres" subdivision, within the Middle Arm Peninsula Industrial Estate 11 km directly from the Darwin CBD, and approximately 28 km from Darwin by road.

The express purpose of this project is to ensure industry in the Northern Territory has access to the financial, operational and environmental advantages of using Australia's own natural gas as a source fuel. In particular that these benefits are available to reduce the operational fuel costs of Industries and the current heavy diesel fuel consumers involved in remote power generation, and transport sectors.

Featuring Mobile LNG's trade mark "virtual gas pipeline" production and distribution model, the LNG plant will be capable of producing and distributing up to 400 tonnes of LNG per day, and will be integrated into supplying customers in the wider Darwin region via specially designed and robust portable storage tanks, known as "ISO Tank" containers.

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

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.

Access to the site and this new subdivision will be via a new intersection and road link from the main estate access off of Channel Island road.

A natural gas liquefaction plant, similar to one proposed.

REGIONAL BENEFITS

The construction phase will require 375 direct positions and a further 65 positions will be needed for the ongoing operational works.

This level of capital works and the infrastructure expenditure proposed is forecast to generate second round employment multipliers to the Darwin region of between a further 500 to 1,000 secondary positions.

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.

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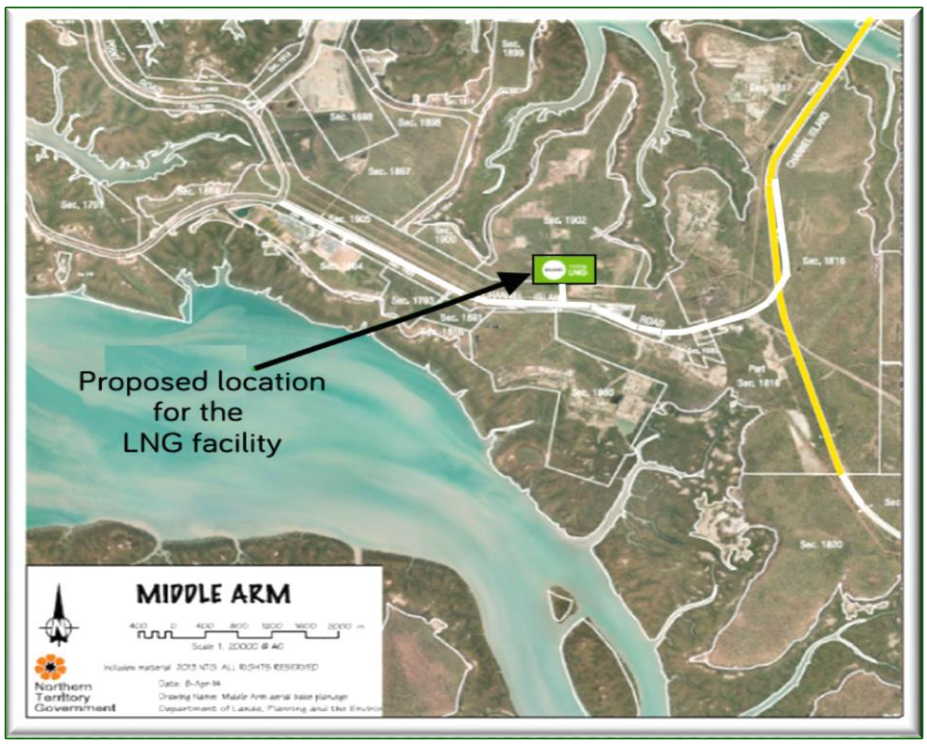
When MLNG's facility is fully operational and producing its forecast 400 tonnes of LNG per day, it has the potential to:

- Replace the daily consumption of 560,000 litres of diesel fuel;
- Reduce diesel imports by up to $160 million per annum;
- Reduce the operating fuel costs of participating industries by approximately $51 million per annum;
- Prevent 120,000 tonnes of CO2 emissions annually from entering into the local environment.

The advent of LNG supplied as a fuel domestically to industry is also expected to generate secondary industries in gas conversions. The fuel cost savings that industry will achieve from the new fuel efficiencies will increase our international competitiveness and productivity.

DARWIN VIRTUAL GAS PIPELINE PROJECT - Summary statistics

- **LNG Production and distribution facility, to be based in the Middle Arm Peninsula Industrial Estate;**
- **Estimated project cost $250 million;**
- **Production capacity of 400 tonnes per day of LNG;**
- **Forecast employment, 375 construction positions, and 65 operational positions;**
- **To generate second round multipliers resulting 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;**
- **Reduce diesel imports by up to $160 million per annum;**
- **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.**



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