The need
- Australia’s dependence on the fortunes of the mining sector has recently been brought into sharp focus as the entire economy experiences the effects of mining investment topping out, as the industry transitions from the construction phase and into a reliance on mining export earnings.
- A critical element towards Australia’s future export earnings, will be its competitive pricing structure and production efficiencies when compared to other nations also competing for available markets.
- Australia’s oil refineries have for some years not been able to produce sufficient quantities of oil to meet the local demands.
- The nation has been increasingly reliant upon importing oil to meet the shortfall.

Current cost
- Last financial year, Australia was required to import in excess of $40.14 billion worth of oil/petroleum products for its domestic consumption needs.
- With over 90 per cent of domestic transport liquid fuels now being sourced from imported oil or refined oil products, there is a real concern for Australia’s security.

Current problems
- The transport, export and energy sectors in particular are susceptible to oil supply issues and price fluctuations.
- The transport sector consumes 38 percent of Australia’s annual energy supply and cost implications felt here permeate throughout the entire economy as cost increments are passed on to the end consumer.
- This adds costs to all levels of business and has particular ramifications on Australia’s export, mining and manufacturing services and to our international competitiveness.

Already the refineries can’t keep pace with need, and the level of petroleum/oil production in Australia will continue to decline with further announcements and planning by major oil companies for refinery closures.

Various Industries have approached the federal government with genuine concerns about national security and Australia’s vulnerability to fuel supply shortages.

Forecast [need for action]
- The outlook for Australia’s fuel and energy security cannot support inaction or further delays in whole of government decision making; with forecasts showing the gulf between supply and demand widening, and this occurring at a time when according to the International Energy Agency, “The World will require 53 per cent more energy in 2035 that it did in 2008, just to maintain the same level of modest economic growth.”
- Clearly a confluence of competition for energy internationally, and Australia’s forecast escalating dependence on imported fuels, can only lead to dramatic price increases; which our economy and export competitiveness cannot afford.

Indicators
- Australia can no longer afford to continue its reliance upon imported diesel fuels, while other countries are obtaining the economic and environmental benefits of using natural gas and liquefied natural gas (LNG) more widely in their economic development.
- The use of LNG as a diesel fuel replacement in other countries has provided fuel cost reductions of between 25 to 50 percent; and reductions in Green House Gas emissions of between 20 to 40 percent; fostered the creation of new education and employment opportunities; and, above all, provided national fuel security.
Mobile LNG’s approach

- Australia has abundant gas reserves and the more efficient use of this natural gas within the domestic economy will provide similar benefits to Australia and maintain Australia’s international competitiveness.
- Mobile LNG Pty Ltd (MLNG) is a bespoke shareholder and management team with global experience across the complete LNG supply chain: specialising in the mining, energy and resources industries and with the skills and experience to deliver major projects safely and reliably.
- For the past three years, MLNG has conducted research into the opportunities for the rapid introduction of LNG based technologies to benefit the Australian economy and devised a production and supply strategy using a Virtual Gas Pipeline delivery system and phased expansion into different sectors of the economy.
- The MLNG model places first focus on the electricity generation and transport sector needs of remote regional centres generating Australia’s export wealth and then upon the global trend for LNG to replace diesel as the cleanest, cheapest and safest option for fuelling heavy duty road, rail and marine transport.

Recognition

- In April 2014, the Australian Government recognised MLNG’s projects as being of national significance for the contribution they will make to Australia’s competitiveness, productivity and growth and infrastructure, granting the projects “Major Project Facilitation (MPF)” status and requested Ministers and Premiers nationally to provide their active cooperation and assistance for the projects.

Project elements

- The market substitution of LNG for diesel in MLNG’s business model will be made possible by the use of proven leading edge technologies. These technologies will permit Australian companies and industries, particularly those in regional areas, to have access to Australia’s own natural gas as a clean, reliable and economically viable replacement fuel and to avoid further dependence on expensive imported oil products.
- Diesel fuels have very high costs both financially and to the environment through their greenhouse gas emissions and threats to the water table and soils. LNG is a superior, more affordable and cleaner fuel
- To ensure the widest most flexible and expedient distribution of LNG to the community and industries, MLNG will employ its signature “Virtual Gas Pipeline” approach which features world leading technology and a multi modal distribution system (capable of deliveries via road, rail, or sea). This will ensure the provision of LNG to the widest environs possible and avert the need, time delays and capital costs to construct physical pipeline systems and cause potential disruptions to flora and fauna.
- MLNG is planning to build a Virtual Gas Pipeline across four LNG hubs in Australia. Each hub will facilitate LNG production, distribution, refuelling and regasification facilities.

Summary project statistics

- Construction of four LNG plants and distribution centres, [2 in WA, 1 in SA, 1 in NT], at a collective capital cost of $1 billion; each hub with the capacity to produce 400 tonnes per day of LNG [1600 TPD collectively - 580,000 TPA of LNG]
- This level of production will displace the need to import approximately 820,000,000 litres of diesel, saving the need to import around $636 million per annum of diesel fuel and eliminate approximately 500,000 tonnes of CO2 emissions per annum;
- Deliver annual fuel costs savings of $330 million to the community over diesel equivalent
- The will create 1200 direct jobs during construction and 300 direct jobs during operations and have economic multipliers responsible for approximately 4000 other direct and indirect jobs in ongoing operations.
- This new domestic LNG industry will create jobs, save governments money in reduced remote power generating costs, unlock investment, improve Australia’s competitiveness in the mining and tourism sectors, reduce the cost of living in regional and remote parts of Australia, improve Australia’s energy security, improve Australia’s balance of trade and significantly reduce CO2 emissions.
- Provide the infrastructure and platform for the Transport Industry [heavy haulage trucks, rail, and marine] and Mining Industry [mine haulage vehicles, remote power generation] to move to the economic and environmental benefits of using Australia’s own fuel.