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SA gas importer plans listing to support \$200m terminal

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Venice Energy, the group planning [a \\$200 million project to import LNG into South Australia](#), has already signed up one customer and is close to signing others, says chief executive Kym Winter-Dewhirst.

He is confident of a go-ahead for the project by April or May 2021 as long as approvals are received on time.



The Adelaide project would involve a floating LNG import vessel. **Bloomberg**

A public listing of Venice Energy next year is part of the plan to help fund the project, which could start importing gas into South Australia by October 2022, depending on approvals, Mr Winter-Dewhirst said.

"We've been working on this structure for quite some time, we are a significant way down the road on this," he said of the listing plan, which is tentatively slated for mid-2021.

"We will soon announce a team of key brokers that will help take us there; the quality of those brokers will be further evidence of the likelihood of success of this."

The proposed terminal is one of five separate LNG import projects proposed around the south-east coast but the only one in South Australia. After a change in strategy at Venice in early 2019, it will use a "tolling" infrastructure model, allowing customers that need gas to arrange their own LNG import supplies from the international market.

"Most of the big players have their own in-house trading teams and what the traders want is access to the international market because that's where they can be more opportunistic," Mr Winter-Dewhirst said.

Moving the needle

"So we changed posture in relation to the project, making this an infrastructure project that operates as a tolling facility, and that's where we've moved the needle considerably in discussions with customers."

The identity of the customers remains confidential until approvals are in place, but Mr Winter-Dewhirst pointed to several milestones Venice had been notching up towards the project's realisation.

"Customers will not necessarily commit until they see evidence of the likelihood of success," said Mr Winter-Dewhirst, a former vice-president of coal at BHP and a former chief executive of the Department of the Premier and Cabinet in South Australia.

Venice submitted a development application for the project to the State Commission Assessment Panel late last month and this week signed a project agreement with Flinders Ports that sets out the framework to support the development of the import terminal in Port Adelaide.

The floating terminal would bring in about 80 petajoules a year of gas starting in about September or October 2022, but the timing ultimately hinges on development approval, which Mr Winter-Dewhirst is hopeful of securing in March.

He said the venture was "quite modest in our forecasts" and was not suggesting that LNG imports would take over the supply in South Australia, which also hosts the Santos-led Cooper Basin gas project and other ventures. Part of the strategy also involves sending some of the imported gas to Victoria.


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The news came as [the South Australian government announced \\$37 million](#) to upgrade infrastructure to support a proposed \$240 million green hydrogen project, while an interconnector is planned to connect the state to NSW and storage projects are also being built.

But Mr Winter-Dewhirst said LNG imports could "co-exist quite comfortably" with the other options for energy supply in the state.

"I really believe the future of energy supply in a modern economy will depend on a series of diverse inputs," he said. "The market will depend on who is successful and who is not."

Angela Macdonald-Smith writes on the resources industry with a focus on energy, including gas, oil, electricity and renewables. *Connect with Angela on [Twitter](#). Email Angela at amacdonald-smith@afrc.com*

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