
VICTORIA'S UNDERGROUND GAS STORAGE EXPANSION PROJECT WELCOMED IN SA

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The announcement of a major expansion to Victoria's Iona underground gas storage facility has been warmly welcomed by the developer of an LNG import terminal in South Australia.

The Chair of terminal developer Venice Energy, Kym Winter-Dewhirst, said the 25-year agreement between Snowy Hydro and the Iona facility-owner, Lochard Energy, means the SA terminal will be able to cover any forecast gas shortfalls in both Victoria and South Australia.

"This is a good move by the Federal Government through their Snowy Hydro business, as it will ensure enough gas can be strategically stored at Iona and thereby prevent state-wide blackouts as domestic gas supplies rapidly decline in the next few years," said Mr Winter-Dewhirst.

"This raises the question of where the gas will come from," said Mr Winter-Dewhirst. "It will come from our terminal at Port Adelaide via the 687km SEA Gas pipeline directly linking Adelaide to Iona.

"We will deliver around 60PJ's per year directly to Iona. We will supply an additional 30PJ's to the Port Campbell pipeline, with around 20PJ's remaining in the South Australian network.

"Ultimately, what matters is that firstly, enough new gas supplies can be sourced to cover the forecast shortfalls; and secondly, that this imported gas is competitively priced compared to the anticipated higher costs of domestic gas as local production declines over the next few years.

"We firmly believe that both of these factors can be met from our \$300 million LNG import terminal at Port Adelaide, ensuring both security of supply and cost-effective gas pricing to support the vital transition away from coal towards a net zero future over the coming years," he said.

Venice Energy also revealed the Victorian expansion project comes at the perfect time for the company as it has recently received a formal offer from a major international infrastructure developer to become the balance sheet partner and fully underwrite the SA terminal project.

Following eight months of discussions with a wide range of companies, Venice Energy has identified the leading contender and has entered into formal negotiations.

It expects to finalise both the legal and commercial elements of the agreement in the next 6-8 weeks and declare FID following the signing of the deal and begin construction later in the year.

The company said its plan to complete construction and commissioning of the facility to enable delivery of first gas by the end of 2026, remains on track.

FURTHER INFORMATION:

<https://veniceenergy.com/outer-harbor-lng-project/>

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