

7 December 2020

## Geelong Energy Hub project

Viva Energy (the **Company**) today provides an update on its project to develop an LNG regasification terminal at the site of its Geelong refinery (the **Gas Terminal Project** or **Project**). The Project is a key part of its strategy to transform Geelong into a leading “Energy Hub”, designed to provide opportunities for Viva Energy and its partners to participate in the transition to a cleaner energy future.

An Expressions of Interest (**EOI**) process was conducted by the Company to seek proposals from commercial parties to partner alongside Viva Energy in its role as terminal developer, operator and user. The process received strong interest, with indicative proposals to purchase capacity rights well in excess of the minimum total throughput volume projected to be required to underwrite the terminal.

Viva Energy is pleased to announce that it has selected and entered into Memorandums of Understanding (**MOU**) with two partners (**Partners**) in relation to the development of the Project and the related capacity in the terminal. The partners comprise two consortiums, the first being a partnership between ENGIE Australia & New Zealand and Mitsui & Co., Ltd. and the second between Vitol and VTTI. In addition to potentially providing substantial future demand for the gas processed through the facility, the Partners bring significant international operational and project expertise in similar LNG regasification terminals, and commercial experience in the Australian gas and electricity markets. Under the terms of the MOU, the Partners will work together with Viva Energy with the intention of participating in the forthcoming design and development phase of the Gas Terminal Project, and will work exclusively (in Australia) with Viva Energy on this terminal development. Binding commitments as to capacity, ownership in, and offtake from, the proposed terminal are not covered by the MOU, and will be sought at the time of a final investment decision to proceed.

The support of these Partners further demonstrates the strong credentials of Geelong as the preferred location for a LNG Terminal in South Eastern Australia. The Geelong site is strategically located within Australia’s largest gas market, has the benefit of an industrial facility and port infrastructure, and provides close integration into the nearby energy infrastructure, including Victoria’s gas transmission network. This location and existing usage means that the Project can be implemented with minimal change to the existing site and local amenity. While the Gas Terminal will have access to international markets, it will be also able to source LNG from local Australian sources, forming a “virtual pipeline” for domestic gas into Victoria. The flexibility and lower capital cost of a gas terminal will help bring new sources of LNG into Victoria.

The Project has also progressed through a number of other key stage-gates. The Board of Viva Energy has approved funding for the Project to progress through the FEED<sup>1</sup> stage, and Viva Energy has lodged its EES<sup>2</sup> referral submission with DELWP<sup>3</sup>. Viva Energy has now also commenced the tender process for the FSRU<sup>4</sup> charter, a key component to the delivery of the project. Accordingly, the technical design phase of the Project has commenced and will progress through 2021, in parallel with the regulatory approvals process. On the current scheduled timeframe, a final investment decision could be taken by mid-2022, with gas supply in 2024, in order to service the expected gas supply shortfall in the Victorian market. This timetable remains subject to securing the commercial arrangements, satisfactory completion of FEED phase, and achieving all applicable regulatory and environmental approvals.

CEO of Viva Energy Scott Wyatt said “We are very pleased to have such strong partners with experience and capability in LNG terminals and gas markets to assist us in continuing to fast-track our project through to a final investment decision. The Project will bring new gas supply and competition to our

domestic gas markets and is an important part of our wider vision to further develop Geelong as an Energy Hub for Victoria, and to support the transition of Victoria to lower carbon energies.

We believe that natural gas will continue to play an important role in providing energy and thereby supporting the further development of lower carbon, but intermittent renewable energy generation. Our Geelong site is uniquely placed to deliver on this project, and we are very excited about this opportunity to play a role in the energy transition.”

As part of process, Viva Energy will work with the Partners on further Energy Hub projects which could be located at the Geelong site. The Gas Terminal project is a first step in developing these opportunities, and the Partners also bring the expertise and capabilities to assist the transformation of our Geelong site into an Energy Hub for the future. This could include solar, gas powered generation, hydrogen manufacturing and other renewable and lower carbon energy developments. We look forward to working with the Partners on these and other opportunities.

Speaking on behalf of the EM Consortium, ENGIE Australia & New Zealand Chief Executive Officer Augustin Honorat said: “Partnerships are an important part of accelerating the transition to carbon-neutral economy. This project has the potential to leverage ENGIE’s and Mitsui’s global experience to help develop the Geelong Energy Hub and provide residential and business customers with cleaner and more affordable energy supplied via efficient infrastructure.”

Pablo Galante Escobar, Vitol’s Head of LNG, said: ‘We are looking forward to progressing with Viva, VTTI and the other selected partners, to make the Geelong LNG Terminal a reality. Vitol’s global LNG, gas aggregation and distribution experience will contribute to establishing this terminal as an important source of alternative gas for the Australian market.”

Rob Nijst, VTTI CEO, said: “We are pleased to be embarking on this joint project and to participate in a strong alliance with Viva Energy and other reputable players in the LNG industry. We see natural gas as an important transition fuel, and this project aligns with VTTI’s ambition to be an active player in the energy transition. With our relevant experience from operating a global terminal network, in combination with our expertise in safe and reliable LNG operations, we aim to bring this excellent opportunity to fruition.”

**Authorised for release by:** the Disclosure Committee of Viva Energy Group Limited

## Notes

1. Front End Engineering Design
2. Environmental Effects Statement
3. Department of Environment, Land, Water and Planning
4. Floating Storage Regasification Unit – the key processing facility of the Project

## Further enquiries:

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### **About Viva Energy**

Viva Energy (ASX: VEA) is one of Australia's leading energy companies and supplies approximately a quarter of the country's liquid fuel requirements. It is the exclusive supplier of high quality Shell fuels and lubricants in Australia through an extensive network of more than 1,290 service stations across the country.

Viva Energy owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals and lubricants businesses supported by more than 20 terminals and 50 airports and airfields across the country.

[www.vivaenergy.com.au](http://www.vivaenergy.com.au)

### **About ENGIE Australia & New Zealand**

In Australia, the company has about 1,200MW of low-carbon generation capacity and more than 800MW of renewable energy under development. Our retail brand, Simply Energy, has more than 720,000 customer accounts in Victoria, South Australia, New South Wales, the Australian Capital Territory, Western Australia and Queensland. ENGIE Services ANZ provides multi-technical solutions for industrial, public and commercial building sectors as well as developing and implementing cost-saving smart energy and environmental efficiency services and solutions for precincts.

### **About Mitsui**

Mitsui & Co., Ltd. (8031: JP) is a global trading and investment company with a diversified business portfolio that spans approximately 65 countries in Asia, Europe, North, Central & South America, The Middle East, Africa and Oceania. Mitsui deploys talent around the globe to identify, develop, and grow businesses in collaboration with a global network of trusted partners. Mitsui has built a strong and diverse core business portfolio covering the Mineral and Metal Resources, Energy, Machinery and Infrastructure, and Chemicals industries.

### **About Vitol**

Vitol is a leader in the energy sector with a presence across the spectrum; from oil through to power, renewables and carbon. With 250 ships transporting cargoes at sea, it trades 8 million barrels per day of crude oil and products, 10.5 million metric tons of LNG per annum and has contracted sales of 576 TWh of natural gas per annum (circa 38 million metric tons of LNG equivalent).

Vitol's clients include national oil companies, multinationals, leading industrial companies and utilities. Founded in Rotterdam in 1966, today Vitol serves clients from some 40 offices worldwide and is invested in energy assets globally including: gas to power production, thermal and renewable power plants with circa 1.3 GW of capacity, as well as 480kbpd of refining capacity, circa 16mm<sup>3</sup> of oil and product storage and 7,000 service stations. Revenues in 2019 were \$225 billion.

### **About VTTI**

VTTI is one of the world's fastest growing storage providers for energy and other essential products like chemicals. Located at major shipping crossroads and supply gateways, VTTI provides over 10 million cubic metres of storage capacity across five continents.