

MEDIA RELEASE

For immediate release

Australia poised to become a player in LNG fuelled vessels

April 26th

A panel of 'LNG as a Marine Fuel' experts gathered at a seminar organised by Maritime Industry Australia Ltd (MIAL) at the LNG18 conference, concluded that Australia is well positioned to move to LNG fuelled vessels in certain sectors. This was supported by the announcement that Woodside & Siem Offshore were partnering to launch their first LNG fuelled vessel in 2017. SeaRoad Shipping, the Bass Strait freight service operator is also introducing into service its purpose built LNG fuelled cargo vessel later this year.

With abundant LNG reserves and the necessary expertise, it was recognised that Australia has a natural advantage over other nations. Alex Schultz-Altmann from the Australian Maritime Safety Authority (AMSA) also commented that much work had been done already in this area and that the regulator was prepared for LNG fuelled vessels.

Nick Rea, from EVOL LNG advised that the well established domestic LNG industry is well placed to service the LNG marine bunkering requirements of most major ports around Australia today. Relatively low cost truck to ship or shore to ship infrastructure can be made available quickly, opening a way for vessel owners to truly consider LNG as a marine fuel.

The reality for now though, is that there is less motivation to convert to LNG because of the current low price of oil. With this in mind, the panel determined that being 'ready to go', when market conditions changed, would still require a cohesive approach – as Banu Kannu, GM Marketing Wärtsilä indicated "it feels like there are pockets of success in Australia, in terms of the use of LNG as marine fuel, but there is little communication across the various stakeholders, we need an LNG as Marine Fuel cluster that shares experiences and produces a consistent approach, so everyone benefits."

An example of the level of detail the industry is considering to ensure we are ready to move to this alternative fuel type was the discussion regarding the salvaging of LNG fuelled vessels. Andy Brown, Group Business Development Manager with Smit Lamnalco described the effect of heat increase into the fuel tank underwater in a salvage situation. It was determined that BLEVE was not the correct definition for describing heat ingress and a more accurate term is Underwater Rapid Gas Expansion Event (URGEE), which was an excellent suggestion from David Lofthouse from MMA Offshore, which is sure to be adopted.

MIAL will be continuing the discussion on LNG as Marine Fuel and looks forward to continued participation by interested parties.

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