



FOR IMMEDIATE RELEASE

EPIK's Newcastle GasDock LNG Project to Include LNG Bunkering; Provide Platform for Clean Marine Fueling

- EPIK to add LNG bunkering services to its proposed Newcastle GasDock LNG import terminal providing a platform for clean marine fueling at the Port of Newcastle
- LNG provides significant environmental and economic benefits over traditional marine fuels allowing shippers to cut carbon emissions while eliminating 95% or more of all SO_x, NO_x and particulate matter emissions without expensive scrubbers or other technologies
- The Port of Newcastle, an industrial hub and economic engine for NSW, provides an ideal location to grow clean LNG bunker business
- Newcastle GasDock LNG import project on schedule to address tightening Australian east coast gas market ahead of 2023 peak demand period

NEWCASTLE, Australia (11 November 2020) – EPIK Co. Ltd. (EPIK), a liquefied natural gas (LNG) project development company responsible for the NSW Government-declared “Critical” Newcastle GasDock LNG import terminal, announced today that it plans to include LNG bunkering services as part of its development supporting the maritime industry in its shift towards cleaner burning marine fuel.

“The addition of LNG bunkering is a logical extension of the Newcastle GasDock project and will allow our customers to take advantage of LNG’s demonstrated environmental benefits, helping to reduce carbon emissions globally and dramatically reducing marine emissions locally,” said EPIK Managing Director, Jee Yoon. “Given the Port of Newcastle’s considerable industrial marine traffic and proximity to Sydney, our project provides an ideal platform to add LNG bunkering operations.”

EPIK’s Newcastle GasDock project provides a strong foundation for an LNG bunkering business on Australia’s East Coast, requiring limited additional infrastructure, and would be a first for the region. The Port of Newcastle, which welcomes more than 2,000 ship visits each year, and other nearby ports including Sydney represent high-potential LNG bunker fuel markets, with steady and significant marine traffic.

The cruise industry in particular has distinguished itself as a major early adopter of LNG as a marine fuel and EPIK expects that the Sydney Harbour cruise sector, with over 300 annual cruise ship port calls, could require more than a quarter of a million tons of LNG annually over the coming years. Similarly, bulk carriers, which make up a significant portion of Port of Newcastle marine traffic, could generate considerable new demand for LNG bunker fuel in the region over the coming years. Recent announcements by major international shipping companies operating in ports across Australia and around the world further demonstrate the enthusiasm for LNG.



Of the available alternative marine fuels, LNG is increasingly seen as the fuel of choice due to its substantial environmental and cost advantages. The introduction of IMO 2020 regulations limiting sulphur content down from 3.5% m/m (mass by mass) to less than 0.5% m/m, among other factors, is driving more rapid adoption of cleaner marine fuel systems. Further, certain designated Emission Control Areas (ECAs) require the sulphur content to be below 0.1% m/m, making it harder and more costly for traditional low-sulphur marine fuel to comply.

While Australian coastal waters are not currently classified as an ECA, some analysts anticipate a future ECA designation, which will require many shippers to invest in cleaner fueling systems in order to comply. The Newcastle GasDock project would provide the necessary infrastructure to provide shippers with competitive, clean-burning LNG.

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About Newcastle GasDock

The Newcastle GasDock project is a proposed LNG import terminal at the Port of Newcastle, NSW, providing Australia's east coast with a low-cost infrastructure solution for the flexible, secure, and competitive supply of natural gas on a long-term basis.

NSW currently relies on interstate imports for approximately 95% of its gas supply and recent changes in the domestic market have resulted in significant market volatility, negatively impacting industry and households across the State.

"The Newcastle GasDock terminal is well positioned to provide competitive and flexible energy resources to Australia, right when it needs it, helping to stimulate the regional economy while maintaining a small project footprint and minimizing its environmental impact," Yoon said.

EPIK's chosen terminal infrastructure provides a flexible solution that will be capable of supplying more than twice NSW's current annual gas consumption, with actual volumes being driven by demand rather than limited by infrastructure constraints, allowing for significant growth and long-term flexibility as the market requires. By utilizing a floating storage and regasification unit (FSRU), the project is able to maintain a small project footprint with minimal environmental impact and can be delivered in a timeframe that meets the needs of the market.

LNG imports through the Newcastle GasDock terminal provides Australian customers access to the global market, allowing it to take advantage of reverse seasonal LNG pricing, meaning that Australian high-demand periods coincide with low global demand, which translates into lower priced LNG for Australian east coast customers. Because of EPIK's differentiated tolling model, the Newcastle GasDock project is uniquely capable of facilitating access to this lower priced LNG.

In August 2019, the Newcastle GasDock project was declared "Critical" State Significant Infrastructure (CSSI) for social, economic and environmental reasons, and in recognition of the project's distinctive ability to address the enduring systemic challenges facing the domestic gas market by facilitating access to new, competitive natural gas supplies, diversifying supply and securing access to the global market.

The Newcastle GasDock project has been tailored to meet the needs of the market and given the pace of tightening domestic supply, timing of existing contract roll-off, and volumes necessary to satisfy new demand, the company anticipates operations commencing in line with market requirements ahead of the peak winter 2023 demand period. Relevant engineering and environmental works are ongoing in support of this timeline.

About EPIK Co. Ltd.

EPIK is an LNG project development company focused on originating and developing FSRU project opportunities across the globe, including its flagship Newcastle GasDock LNG terminal project at the Port of Newcastle, NSW. With LNG increasingly becoming the fuel of choice in today's environmentally conscious market, global LNG trade is at an all-time high, and with continued positive market growth projections spanning well into the 2030s, EPIK specializes in the origination and development of floating LNG regasification projects in regions with high natural gas demand. EPIK's Newcastle GasDock project, critical to NSW's future security and reliability of gas supply, is being developed by wholly-owned EPIK subsidiary Newcastle GasDock Company Pty. Ltd. and is proposed to include a 170,000m³ class FSRU and associated on-shore infrastructure. For more, visit www.epiklng.com

Contact

James Markham-Hill, Executive Director, Corporate Strategy

US: +1-713-876-3500

media@epiklng.com