

NT GAS SUPPORTING DEVELOPMENT IN THE NORTH AND BEYOND

2019 SEAAOC ADDRESS

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WATER - NETWORKS - GENERATION - SEWERAGE - GAS

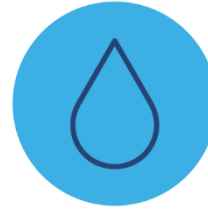
Power and Water Corporation provide services to the community across the entire water and electricity supply chains and gas services, in addition to our regulatory obligations as the Power System Controller and Market Operator.

We have a proud history spanning several decades of providing essential services to Territorians in some of the harshest and most challenging environments in the country.



Customers

94,000 electricity customers
52,300 water and sewerage customers



Water

65 billion litres of drinking water sourced
3 water reservoirs
394 supply bores



Generation

Hybrid solar in 30 communities
174 diesel generators operating
79.79 MW total output capacity over 57 locations
6 gas generators



Sewerage

70 waste stabilisation ponds managed
38 billion litres of wastewater treated



Networks

3 regulated networks
1,920 gigawatt hours distributed
7,170 km of overhead powerlines
3,290 km of underground cable



Gas

~40 Petajoules per year
~90%* of the NT market

*Management estimate

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OUR SERVICE DELIVERY AREA

5 major centres

13 minor centres

72 remote communities

66 outstations

Services delivered **24 hours a day**

Services delivered **7 days a week**

Remote monitoring of water supply and quality, power supply and network management

Technical experts on the ground within **24 hours**

Legend

-  Water supply
-  Water supply and sewerage
-  Power stations
-  Connected to electricity grid
-  Solar site
- Major Remote Town**



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WHAT WE DO

Provide utility services

Water, generation, networks, sewerage and gas

Support new NT baseload and firming generation

Support **mining and industrial development** in the NT

Foundation Partner for Gas Field Development

Foundation Partner for Gas Pipeline Development

Service east coast supply gaps

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PROVIDE UTILITY SERVICES – WATER, GENERATION, NETWORKS, SEWERAGE AND GAS

Power and Water provides diverse services in remote towns and communities in the NT including:

- End-to-end electricity supply, including a mix of gas, diesel and solar generation
- Water and wastewater treatment services
- Gas services.



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SUPPORT NEW NT BASE LOAD AND FIRMING GENERATION

Gas supply and transportation agreements for 90% of the NT electricity generation sector, with major customers including Territory Generation and Rimfire Energy.



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SUPPORT MINING AND INDUSTRIAL DEVELOPMENT IN THE NT

- Approached Newmont in 2013 to consider a change to natural gas. After a number of joint studies, we entered into a 10-year gas supply agreement for their Tanami mine.
- Natural gas supply mitigates trucked diesel fuel supply risks, increases available power and reliability, lowers energy costs, reduces carbon emissions by 20% and increases mine life.
- We are working with Coogee Chemicals and the NTG Gas Taskforce to progress the recently announced methanol project.



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FOUNDATION PARTNER FOR GAS FIELD DEVELOPMENT

- Gas purchase and transportation agreements with Eni and APA to deliver gas from the Blacktip offshore field. with a contract value in excess of \$5 billion over a 25 year term.
- Palm Valley gas field near Alice Springs over 30 years ago,
- Mereenie gas field in the 1980's.



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FOUNDATION PARTNER FOR GAS PIPELINE DEVELOPMENT

- Foundation customer for the NGP facilitating the interconnection of the NT and east coast gas pipeline, delivering gas from NT gas fields to the east coast gas market.
- Foundation customer of APA to transport gas through both the AGP and BGP which could go to mid-2030.



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SUPPORT EAST COAST SUPPLY GAPS

Gas supply agreement via NGP worth about \$500 million over 10 years with Southern Cross Fertilisers in Queensland as well as other customers.



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PW GAS

~90*%

Northern Territory market share

~4*%

Northern Territory and east coast market share

1Tcf

Approximate size of gas contract book

~30%

of supply book currently available

AGP, BGP and NGP

Foundation gas pipeline customer

*Management estimate



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NORTHERN GAS RESERVES

20-40% expansion in AGP & BGP capacity in conjunction with APA.

Enabling increased ability to service supply gaps on the east coast.

Significant NT reserves to enable: LNG and NT industrial development as well as east coast supply.

Actively Reviewing McArthur River gas pipeline capacity to aid Beetaloo development.

Legend

- Potential pipeline
- Gas pipeline
- PW Gas owned pipeline

18,748	Natural Gas and Ethane reserves in PJ (Proved and probable)
50,295	2C contingent resources in PJ

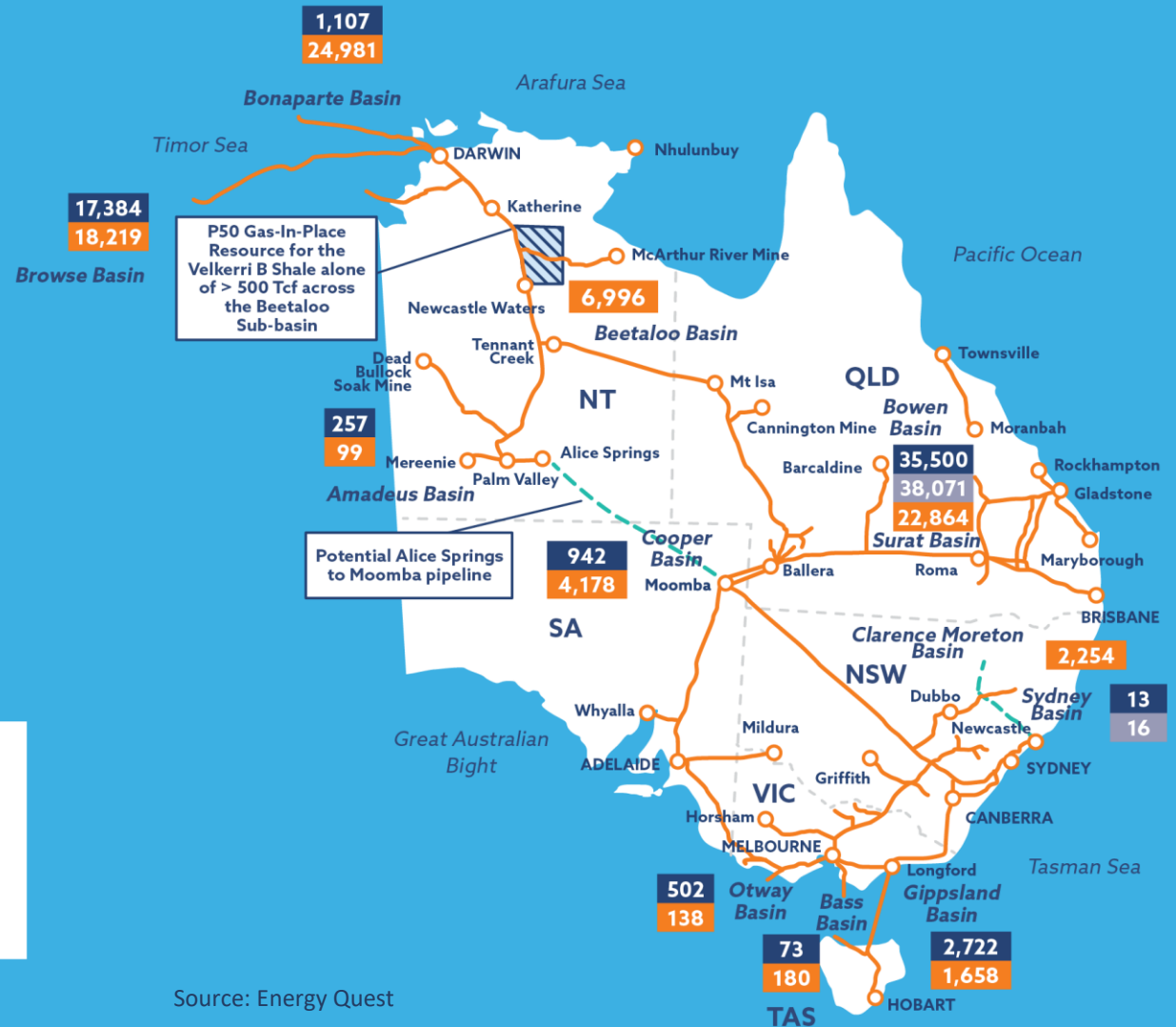
Source: Energy Quest



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NT AND EAST COAST GAS RESERVES AND CONTINGENT RESOURCES



Source: Energy Quest

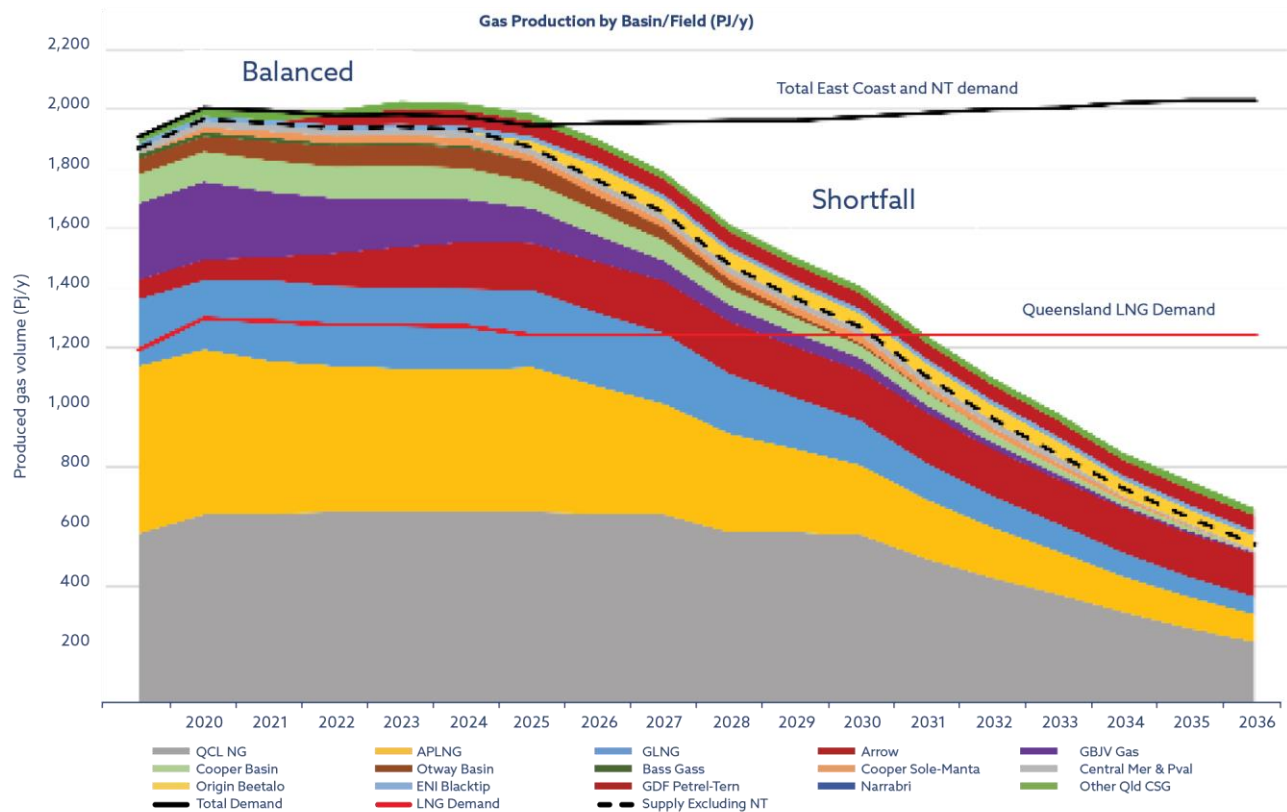
Legend

- Gas pipeline
- Gas pipeline (proposed)
- 18,748 Natural Gas and Ethane reserves in PJ (Proved and probable)
- 50,295 2C contingent resources in PJ

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East Coast & NT Gas Markets : Forward looking gas supply & demand



Source: Energy Quest

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AUSTRALIAN GAS: AN EVOLVING MARKET LANDSCAPE

- Exploration – NT bans lifted, Southern Australia remain
- LNG – New NT fields and pipelines will be developed
- East coast gas – volume uncertainty impacting both price and term
- Energy-intense manufacturing struggling against import competition
- Economy – record low interest rates inferring financing is available for infrastructure projects
- Climate change:
 - Growth in renewables impacting network stability
 - Renewables aspiration indicate significant further growth required
 - Coal retirements dependent on alternative base load generation
 - Long-term gas supply is critical for electricity firming options.

**Foundation
Partner**
for Gas Field
Development

Support
**mining and
industrial
development**
in the NT

**Foundation
Partner**
for Gas Pipeline
Development

Service
east coast
supply gaps

**Support new
NT baseload
and firming
generation**

**Provide utility
services**
Water, generation,
networks, sewerage
and gas

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What role can the NT's vast gas resources play in

- Developing the North ?
- Supporting growth in renewables ?
- East Coast energy security ?

Is there a window of opportunity...is success time critical ?

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for Gas Field Development

Support **mining and industrial development** in the NT

Foundation Partner
for Gas Pipeline Development

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east coast supply gaps

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