

THE AUSTRALIAN

BUSINESS > MINING ENERGY

AG&P LNG details plans to fast-track gas imports

By GIUSEPPE TAURIELLO

8:00pm February 09, 2025. Updated 24 hours ago The Australian Business Network



284 Comments

Imported gas could soon be flowing into South Australia and Victoria and powering heavy industrial users across the two southern states, as part of a plan to fast-track new gas supplies amid [looming shortages](#) in the region.

Dubai-based AG&P LNG, which is finalising a takeover of Venice Energy and its \$340m LNG import terminal project north of Adelaide, will apply for state government approvals for the first of its “energy bridge” projects in South Australia within the month, and has longer-term plans to introduce a similar scheme in Victoria.

The proposal, which would act as an interim measure to boost gas supplies while the company continues talks with potential offtake partners for its proposed LNG import terminal at Outer Harbor, would involve the company contracting LNG cargo, importing it into Adelaide and then transporting it to users in tanks loaded onto trucks.

AG&P is in talks with international suppliers, and is also exploring opportunities to ship the LNG into Adelaide from Australian export hubs like Gladstone, Darwin and the West Australian ports.

AG&P LNG executives will visit Adelaide this week for talks with government officials, with a view to commencing the first shipments before the end of the year.

The company’s vice-president Sam Abdalla said AG&P LNG had successfully applied the model in several locations around the world, and it could bolster gas supplies into the southern states quickly given there was no need for a long-term commitment

from offtake partners. “There is nothing permanent, there’s no construction ... so no pipelines or any permanent infrastructure,” he said.

“You avoid the capex and the significance of that is there is no requirements for a long-term commitment. You can sign up for one year and then see if you need it beyond one year ... plus, it doesn’t have to be a significant volume, because the delivery method is the intermodal, standard, 40 foot ISO containers that you can put on a truck and take it on the road.

“Those ISO containers will be sent on the road to the demand points. The demand can be a pipeline or can be a mine in the middle of nowhere, for example.

“The idea here is to implement the energy bridge to bring LNG to the south of Australia by the end of 2025 and keep it for two to three years until the Outer Harbor project is complete and ready.

“This can be operational within six to nine months – the lead time is issuing the permits.”

AG&P LNG, backed by US parent company Nebula Energy, will officially open a new office in Adelaide on Tuesday before completing its acquisition of Venice Energy in the next couple of weeks. Like other LNG developments, the Outer Harbor project has struggled to get customers to commit to using the facility until beyond 2027, despite the Australian Competition & Consumer Commission (ACCC) and the Australian Energy Market Operator (AEMO) both predicting gas supply shortfalls from 2026.

And the availability and price of gas could come under even more pressure following China’s move to slap 15 per cent tariffs on US gas imports – a move that could drive more gas away from the domestic market.

Mr Abdalla said that while the simmering trade war between the world’s two largest economies was unlikely to have a material impact in the short term, it was “disruptive” to the overall market.

“We are monitoring the situation to see how that will impact the market – it could create more demand for Australian LNG to go to China,” he said.

“I personally don’t expect it to impact the market significantly because the main LNG that goes to China comes from Russia. We’ll see what happens, but anything of that kind is disruptive to the market, and hopefully it will not last for a long time.”

AG&P LNG’s new managing director for Australia, John Nicholson, who previously headed the Venice Energy subsidiary overseeing the early-stage work on the Outer Harbor project, said he was confident it could start supplying the southern states by the first half of 2028, with offtake agreements and a final investment decision expected by the middle of this year.

It could involve customers bringing in supplies from their offshore gas projects, and also utilising AG&P LNG’s broader portfolio of import terminals under development in the region, including in Vietnam, Indonesia, The Philippines and India.

“We’ve always had the view that two terminals were needed, and logic would give you that two ends of the chain are the best places to start. So Port Kembla and Adelaide have a lot going for them,” Mr Nicholson said.

“All of the modelling we’ve done and everything we have seen from those who fully understand what is proposed with the augmentation of the pipeline network between SA and Victoria clearly demonstrates that we’re able to supply all of South Australia’s needs and a significant portion of Victoria’s needs.

“And if all of the augmentation that is being requested by parties to the rest of the gas network – the upgrade of the PCA (Port Campbell to Adelaide), etc – in Victoria are undertaken over the next three years, the gas security for all of the southern states can be addressed by the two terminals.”

Construction of the [Port Kembla terminal](#), developed by billionaires Andrew and Nicola Forrest’s Squadron Energy, was completed in December, with the first imports earmarked for 2026.

Squadron’s project is the most advanced of four import terminals proposed across NSW, Victoria and SA. Viva Energy and Vopak are currently seeking development approval for their proposals at Geelong and the southwest of Port Phillip Bay.

Australia's largest LNG exporter Woodside already has a preliminary agreement to take LNG from its Western Australian gas fields to Viva's terminal.

Appearing on Sky News Australia on Sunday, managing director Meg O'Neill said that while shipping gas from gas-rich parts of the country to the southern states was part of the solution, there was also a desperate need to unlock new gas developments closer to where it's needed.

"The market's going to need the gas – I think that's very clear," she said.

"It has been challenging to get approvals for developments here (in Victoria). And it's fascinating the big gas sink is in Victoria, but getting permits even for floating regas facilities ... it's been very difficult to get those approvals.

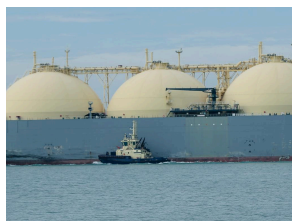
"The bigger opportunity is to figure out how do we unlock investments in the gas potential that is in Victoria, and you almost need to start with getting the policy settings right ... and making sure that the government is voicing support for continued gas investment."

Mr Abdalla said that in addition to the import terminal and energy bridge projects in South Australia and Victoria, the company was exploring other opportunities to expand its interests in Australia.

"There is a significant large-scale development we are working on right now ... which is going to be probably bigger than all of those," he said.

"We like the investment climate in South Australia right now. Under Nebula there are a couple of other companies, and we're planning to leverage that into trying to develop more projects in South Australia."

MORE ON THIS STORY



Australia will need gas imports despite 2025 surplus, ACCC warns

By COLIN PACKHAM