

NGF Industry Summary Sheet

(Page intentionally left blank)

CORE
ENERGY
GROUP



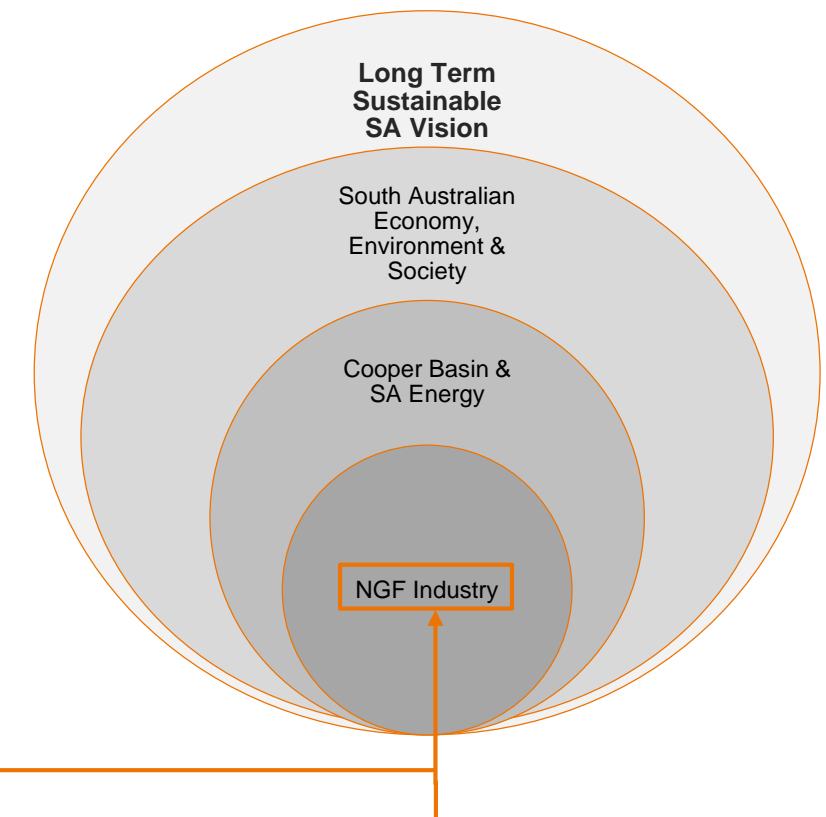
Viability of Natural Gas Fuels: Lower Cost, Cleaner, Indigenous Fuel Source

Natural Gas Fuels (“NGFs”) are being deployed in transportation and stationary power generation around the world. Presented is a snapshot of the significant opportunities and advantages to be enjoyed by pursuing growth in this sector.

CNG and LNG | Compelling Multi-Sector Benefits

GHG Reductions & Carbon Abatement	<ul style="list-style-type: none"> ~20% less GHG than the combustion of diesel fuel
Increased Energy Security	<ul style="list-style-type: none"> Substitute imported diesel for domestic production that has a lower cost, less price volatility and is not susceptible to foreign supply interruptions Reduce energy imports and help meet the IEA 90 day reserve storage requirement
Improvements to Health & Environment	<ul style="list-style-type: none"> 50% lower engine noise Reduce the level of particulate emissions- known carcinogen Avoid diesel emissions of NOx and SOx
Reduced Business Input Costs	<ul style="list-style-type: none"> Cost advantage of 26-33 cents per diesel litre equivalent Cost advantage increases to >50 cents if oil prices rebound stronger
Leveraging Cooper Basin Production	<ul style="list-style-type: none"> Increased utilisation of natural gas- 10% conversion rate in the commercial fleet would see 41PJ of diesel imports substituted for Australian natural gas Capture economic return further down the value chain, beyond just exporting a raw commodity
Utilise SA Manufacturing Resources & Human Capital	<ul style="list-style-type: none"> Build a world-leading NGF Technical Knowledge Base in SA Existing gap in the market is an opportunity for a niche, targeted R&D program Larger gas engines (>15L) needed for the Australian heavy vehicle market Revitalise and refocus a car manufacturing industry that needs a new direction

Part of a Long Term Sustainable Future



Enablers

Despite being present in the South Australian marketplace for many years, NGFs have limited market penetration due to a lack of cohesion and investment frameworks.

Existing Support Mechanisms	Potential Support Mechanisms
<ul style="list-style-type: none"> Conversion of government fleets ERF: There is \$4600 of carbon abatement in the average converted prime mover Automotive Transformation/ Growth Fund: The NGF Sector has significant opportunities for the manufacturing sector 	<ul style="list-style-type: none"> Conversion subsidies Accelerated depreciation for NGF investment <ul style="list-style-type: none"> > Vehicle conversions > Refuelling infrastructure Excise & road user charges that reflect the lower noise, GHG and particulate emissions

Bottom Line Economic Value Impacts of a 10% Uptake in the SA Commercial Fleet

Employment & Household Income	State Output	Sector Flow-Throughs
<ul style="list-style-type: none"> 1200 direct and indirect jobs required for the construction of refuelling infrastructure 310 new direct jobs annually A further 458 indirect jobs annually 	<ul style="list-style-type: none"> Additional AUD 750m of Gross Regional Product (“GRP”) over 10 years A further AUD 680m of flow-on-impacts are also projected 	<ul style="list-style-type: none"> Additional output and jobs divided between many sectors: construction, automotive industry, manufacturing, services, energy & resources