

Oceanex Energy: Offshore Wind Energy as an Investment, Economic and Regional Development Opportunity for Australia

Presentation to Senate Environment and Communications Legislation Committee

1 October 2021

The Oceanex Team

Oceanex Energy's ownership is comprised of Andy Evans, Peter Sgardelis and a large international investor (Green Tower B.V.) with significant experience in infrastructure development and construction and leading advisory experience in renewable energy (especially offshore wind). Together, the ownership team brings local and global knowledge and experience in establishing and growing the offshore wind industry in Australia with strong financial experience and support to grow a thriving new industry for Australia. A portfolio of projects off the coast of New Zealand are also under development.



Andy Evans CEO Oceanex Energy

Andy Evans is the CEO and a founder of Oceanex Energy and also the former CEO and a co-founder of the Star of the South (proposed 2GW offshore wind farm off the coast of Victoria). Andy has 20 years of experience in Australia's energy sector and has been heavily involved in the development of renewable energy projects since 2006, firstly in onshore wind and bioenergy, before introducing offshore wind to Australia in 2012.

Andy, with his co-founders of the Star of the South, has been responsible for the development of the offshore wind industry including working with the Cth Government to introduce new legislation proposed to commence in late 2021.



Peter Sgardelis Chief Development Officer Oceanex Energy

Peter Sgardelis is the Chief Development Officer and a founder of Oceanex Energy and also the former COO and a co-founder of the Star of the South. Peter has 30 years of experience in Australia's energy sector across a variety of financial and development roles. Over the past 17 years, Peter has played a key role in the development of renewable energy projects, firstly in onshore wind, before introducing offshore wind to Australia in 2012.

Peter brings significant transmission and grid expertise to Oceanex - critical for any Australian energy project. Like Andy, Peter has a proven record of attracting significant investment into pioneering energy/infrastructure projects.



The Oceanex Proposal for Australia

Oceanex is proposing to develop a minimum of 5 projects off the coast of NSW and WA with generation capacity exceeding 9,000MW. Each project is strategically located close to a strong offshore wind resource within proximity of NSW and WA industry and employment centres, key electricity load bases and key grid infrastructure with upcoming availability due to coal generator closures. (Indicative figures and dates only)





HUNTER/NEWCASTLE Foundation Area Indicative Distance Commencement Completion km2 MW shore 2027 Floating 499 1,800 20km+ Newcastle 2031 **ILLAWARRA/WOLLONGONG** Foundation Area Indicative Distance Ports Commencement Completion km2 MW shore 493 2,000 20km+ Port Kembla 2027 2031 Floating ULLADULLA Foundation Area Indicative Distance Commencement Completion MW km2 shore **Floating** 496 1,800 20km+ Port Kembla 2030 2033 **EDEN** Foundation Area Indicative Distance **Ports** Commencement Completion km2 shore Floating 493 1,800 20km+ Port Kembla 2032 2036 **BUNBURY** Foundation Area Indicative Distance Commencement Completion

Fremantle

MW

2.000

shore

20km+

km2

494

Fixed



2037

2033

Potential Economic and Regional Benefits from Oceanex Proposal – All Projects



<u>Oceanex Proposal:</u> Development and construction of 5 projects with a generation capacity of 9,000MW+. Projects proposed off the coast of Newcastle, Illawarra, Ulladulla, Eden and Bunbury

\$47b

Estimated capital expenditure for 5 priority projects (9,000MW) PLUS >\$200m development expenditure per project for 5 year period

10,000

Estimated jobs (in/direct) per project during the construction period of 3-4 years (per project) *35-65*%

Estimated local content used to construct offshore wind during construction period

300

Estimated permanent local jobs per project (operation & maintenance for 30 years) on an annual basis



Regional development opportunities



Offshore wind builds on existing industry capabilities in regional centres and can set them up to be Asia Pacific leaders in a new, technology-driven industry of the future



Offshore wind provides an opportunity for workers and communities to transition due to coal-fired power closures using complementary and new skillsets



Offshore wind offers an economic stimulus and long-term employment opportunities for communities looking to transition industries and recently impacted by bushfires and COVID19.



Offshore wind utilises the existing regional ports, transmission, roads & manufacturing infrastructure already in place and can enable other large-scale new and existing industries (including hydrogen).

Why Offshore Wind for Australia?

Offshore wind provides large-scale clean, reliable, affordable electricity that creates huge new investment and jobs to transform NSW and WA (and Australia), and its key regions. Offshore wind provides many benefits that differentiate it from other large infrastructure projects and proposed new sources of electricity generation including:



ELECTRICITY RELIABILITY AND SECURITY

Large electricity supply and network reliability with generation that meets peak demand periods. Wind blows longer/stronger at sea – excellent off NSW/WA



MARKET ACCESS USING EXISTING GRID

Utilisation of robust grid transmission infrastructure - grid close to offshore wind resource where projects planned to take advantage of upcoming grid availability



ENERGY IN RIGHT PLACES - AVOID COMPETING USE

Flexibility of site location to avoid environmental issues, and competing land use, visual and noise-based issues more familiar with land-based projects



MEETING KEY GOVERNMENT OBJECTIVES

Assisting Governments meet policy goals (ie. under the NSW Electricity Infrastructure Roadmap, WA Energy Transformation Strategy and respective Net Zero Plans)



LARGE INBOUND INVESTMENT

Global investment in offshore wind to increase 15-fold by 2040 - attractive for long-term, international investors, with Sydney the Australian financial hub



R&D/EDUCATION LEADERSHIP

Chance for R&D and education leadership by developing regional education, training and centres of excellence for Asia Pacific region



DOWNWARD PRESSURE ON PRICES

Places downward pressure on electricity prices due to large injections of electricity supply into the market when the market needs power at peak times



INNOVATION/NEW INDUSTRIES - HYDROGEN

Enable acceleration of large hydrogen and electric transport industries and be a leader in progressing global floating foundation technology for offshore wind

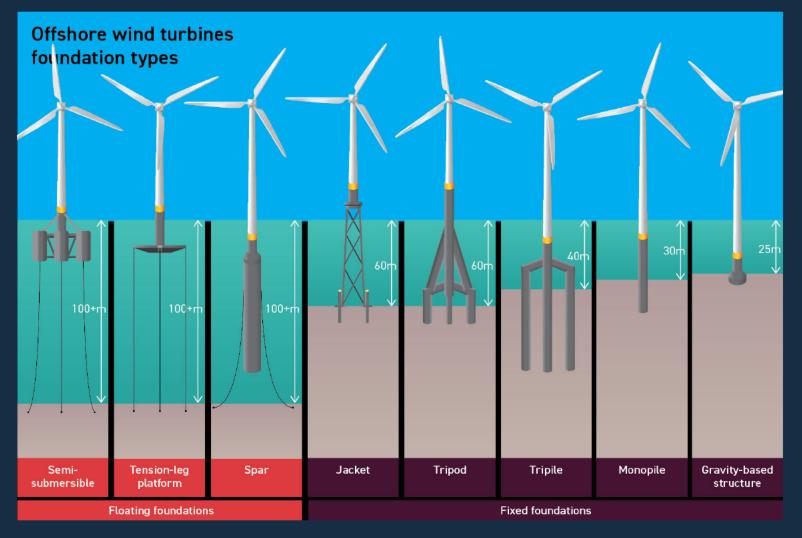


EMPLOYMENT STIMULUS FOR DECADES

Utilising NSW and WA's strong history in energy generation, ports and marine industries to transition from fossil-fuel based industries forecast for closure



Foundations – Mainly Floating for Oceanex Sites





Offshore Wind in Australia - A Timeline



Initial investigations and inquiries into the feasibility of offshore wind in Australia



1st closure of major coal-fired power station



First Australian offshore wind exploration licence

Proposed construction commencement of Oceanex projects/first floating foundations in Australia

2012

2015

2017

2019

2020

Now

2027+

First offshore wind developer established

Offshore Energy Pty Ltd (OEPL), (originators of the Star of the South). Andy Evans and Peter Sgardelis (founders of Oceanex) were 2 of the 3 founders of OEPL (with Terry Kallis) First offshore wind project announced

Introduction by OEPL of first project (Star of the South) to Australian and Victorian Governments Australian energy transition begins

First closure of major coal-fired power station (Hazelwood in Victoria, 1.6GW) and first international investor in offshore wind (Copenhagen Infrastructure Partners (CIP)) in OEPL/Star of the South)

First offshore wind licence granted

Granting of first offshore wind rights in Australia (Exploration Licence granted in respect of Star of the South)

Cth Government develop legislative framework

To facilitate development of an offshore clean energy industry, the Cth Government formally started the process to develop a regulatory framework to enable offshore renewable energy projects.

Introduction of Offshore Electricity Infrastructure Bill in Parliament

Legislation tabled in Cth Parliament to develop, construct, operate and decommission offshore electricity projects and provide a clear pathway to investors and industry to grow a huge opportunity for Australia First NSW offshore wind project proposed to commence construction

Commence construction and commissioning of first project of in NSW with the intention to have over 9,000MW of new wind farms operational by 2036+



The Oceanex Path Forward - Australia



Detailed pre-feasibility studies into priority projects in NSW and WA completed and stakeholder engagement commenced



Detailed development to shape projects and industry



Decision to construct first NSW offshore wind farm



Proposed first NSW and WA offshore wind projects

Energisation of 9,000MW+ offshore wind farms in NSW and WA

2020

2021

Ongoing

2026

2027

2030

2030+

Introduction to Stakeholders/Progress Feasibility

Feasibility studies to continue beyond initial desktop work commenced in 2017 and introduction to Government and key regional, industry and special interest stakeholders to understand how to best shape successful projects

Proposed Commencement of Offshore Electricity Infrastructure Act (Cth) ('Offshore Act')

Apply for and start detailed Feasibility Studies and activities under Feasibility Licence from Cth (subject to approval)

Detailed Feasibility of Projects (commenced in 2020)

Ramp-up of feasibility studies and industry and supply chain development in NSW and WA to support vibrant offshore wind farm industry

Final Investment Decision

Decision to construct first offshore wind farm in NSW. Application for Commercial Licence under Offshore Act which allows construction, operation and maintenance for 30+ years

Commence Construction on First Offshore Wind Project

Commence construction of first offshore wind farm in Oceanex portfolio.

Location to be confirmed from within Oceanex portfolio First Power from Offshore Wind Generated in NSW

Delivery of further offshore wind projects in NSW and WA

Deliver portfolio of projects in NSW and WA to have over 9,000MW operational by 2036+



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