



PORT MORESBY POWER PROJECT - UPDATE
PNG Mining & Petroleum Investment Conference

4th December 2018

CONTENTS

- NiuPower Recap
- Port Moresby Power Station Project
- Current Status
- Where to Now

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NIUPOWER RECAP

- Kumul Petroleum (KPHL) and Oil Search had both responded to the Government's Electricity Industry Policy (EIP) of 2011 which sought to bring more private sector investment into the industry
- In late 2016 KPHL and Oil Search joined forces to create NiuPower Limited - 50% owned by each of KPHL and Oil Search
- NiuPower operates on a commercial basis with our sole focus being development of power generation in PNG fueled by PNG natural gas
- In August 2017 NiuPower committed to developing the Port Moresby Power Station – PNG's first dedicated grid connected power station fueled by PNG natural gas

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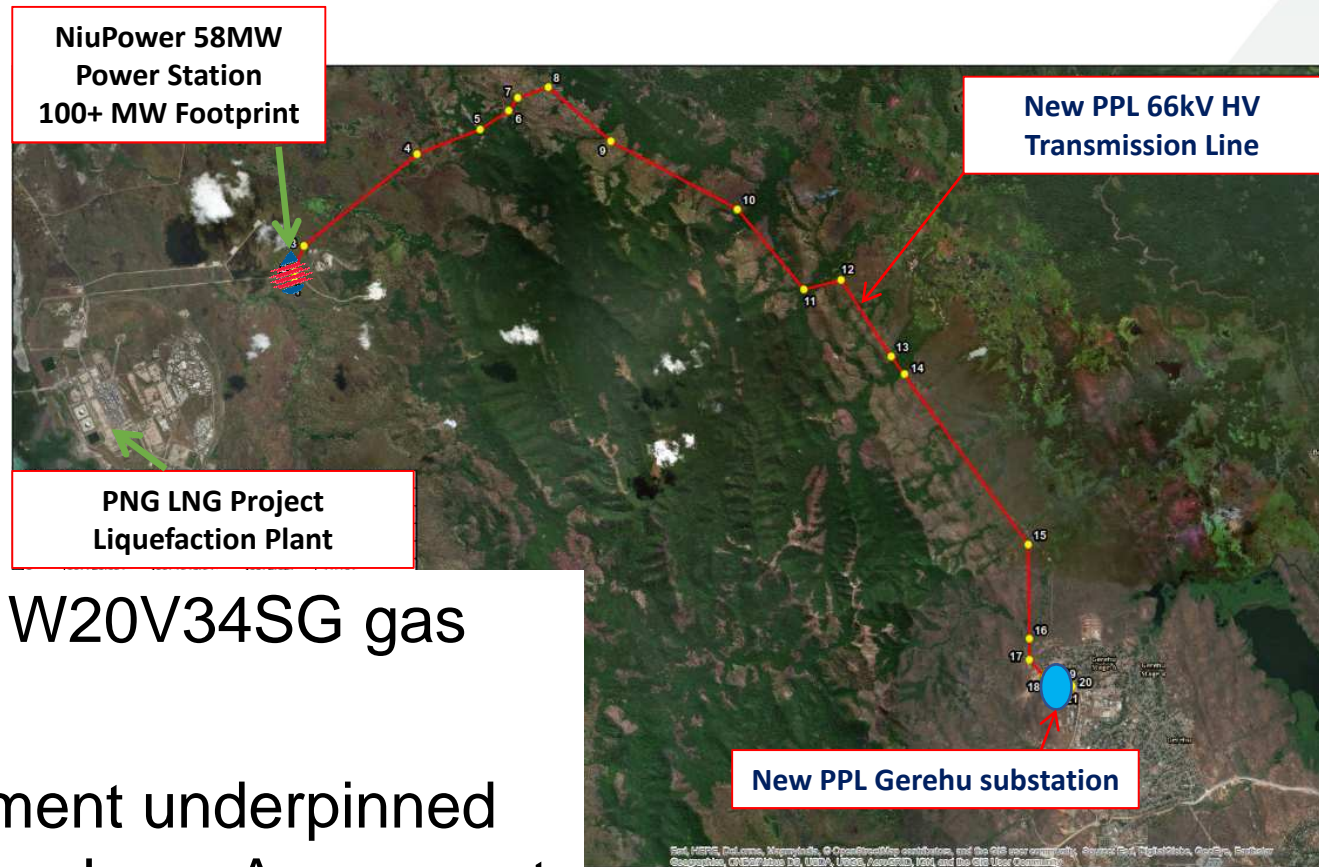
PORT MORESBY POWER STATION



PORT MORESBY POWER STATION



- NiuPower's first investment
- 58MW gas-fired facility located adjacent to the PNG LNG liquefaction plant
- High efficiency Wartsila W20V34SG gas engine generators
- US\$100+ million investment underpinned by a long term Power Purchase Agreement (PPA) with PNG Power
- Scheduled to be on-line 1Q 2019



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STATUS UPDATE

Ground Breaking – November 2017



STATUS UPDATE

Initial Site Development – February 2018



STATUS UPDATE

Foundations Commence – March 2018



STATUS UPDATE

Materials Being Received and Sorted – May 2018



STATUS UPDATE

Engine Hall Erection – June 2018



STATUS UPDATE

First Generator Set On Site – July 2018



STATUS UPDATE

Starting to Look Like a Power Station – August 2018



STATUS UPDATE

Last Generator Set Installed – August 2018



STATUS UPDATE

Nearing Completion – October 2018



STATUS UPDATE

Success Draws Attention – October 2018



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WHERE TO NOW



- Mechanical completion of the project will occur within the next few weeks
- The gas supply piping from PNG LNG is complete
- Commissioning will commence around year end
- The commissioning and testing programme takes 10 to 12 weeks
- We will be online in 1Q 2019 providing:
 - Reliable power to Port Moresby
 - The lowest cost dedicated grid connected thermal generation in the country
 - A material reduction in the environmental impact from power generation in PNG

WHAT ELSE?



- NiuPower have demonstrated that private sector investment in gas-fired power generation is practical
- It needs to be undertaken within the context of a national visionary strategic framework
- Using PNG produced natural gas for power generation gives a highly cost effective outcome and eliminates the need for imported fuels
- Ensuring sensibly priced gas is available for thoughtful expansion of PNG's generation assets needs to be a priority

QUESTIONS



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