

Media release

JOINT STATEMENT

Premier and Minister for the Arts

The Honourable Anastacia Palaszczuk

Minister for State Development and Minister for
Natural Resources and Mines

The Honourable Anthony Lynham

Minister for Main Roads, Road Safety and Ports and
Minister for Energy, Biofuels and Water Supply

The Honourable Mark Bailey



Giant step forward for new biofuels industry in Queensland

A \$16 million advanced biofuels pilot plant will be built at Southern Oil Refining's Yarwun plant at Gladstone, a 'giant' step towards securing a large-scale biofuels industry in Queensland.

Premier Anastacia Palaszczuk said the Northern Oil Advanced Biofuels Pilot Plant represented an exciting step in the development of an advanced biofuels industry for Queensland.

If successful, the pilot plant will be expanded to a large commercial-scale refinery costing \$150 million and producing 200 million litres of advanced biofuel annually, suitable for military, marine and aviation use.

Joining State Development Minister Dr Anthony Lynham and Biofuels Minister Mark Bailey in Gladstone to make the announcement, the Premier said it would be Australia's first commercial-scale advanced biofuels production facility.

"I'm all about new industries because they will deliver new jobs and more prosperity, especially in regional Queensland," the Premier said.

"A fully-fledged biofuels industry has the potential to play a key role in our economic future, and this pilot plant is a giant step towards achieving that goal.

"This pilot plant is essentially the launch site for a Queensland biofuels industry. If we can develop this plant into a large-scale refinery, that'll mean jobs here in Gladstone, but it could also kick off a new wave of investment and job creation across Queensland.

"And with the Government's help, we have managed to get this investment out of New South Wales and into Queensland – something I'm keen to see more of."

Member for Gladstone Glenn Butcher said the region was perfectly placed to host the next big economic opportunity for Queensland.

"This is another big jobs opportunity for our region. And if it can progress from the pilot plant stage to the large-scale refinery, the jobs and opportunities will keep coming," Mr Butcher said.

Dr Lynham said the biofuels industry could form part of a broader biotechnology sector that holds enormous potential for Queensland, both in terms of diversifying our economy, and providing jobs.

“Together with the Biofutures Roadmap and 10-year action plan that will be completed by mid-year, this project will help position Queensland as a leader in the biofuels industry,” Dr Lynham said.

The pilot plant is expected to be operational by later this year and within the next three years aims to have produced one million litres of fuel for use in field trials by the US navy as part of its Great Green Fleet initiative, and also by the Australian Navy.

And last week, Air New Zealand and Virgin Australia announced they had formed a partnership to investigate options for locally-produced aviation biofuel.

“This announcement, along with the three per cent biofuel mandate that applies from next January, illustrates how biofuels are going to figure more prominently in the fuel supply chains of the future,” Minister Bailey said.

“It also emphasises the importance to Queensland of this biofuels pilot plant project and plans for a subsequent full-scale commercial plant.”

Southern Oil Refining currently operates a waste lube oil re-refining plant at Yarwun in the Gladstone State Development Area as a joint venture with JJ Richards & Sons.

The \$70 million plant is the only waste lube oil re-refining facility in Queensland, and has the potential to process all of the State’s 100 million litres annually of waste lube oil.

The advanced biofuels pilot plant will be co-located with the Yarwun re-refining facility.

The plant will use biomass material such as sugarcane bagasse and possibly prickly acacia as feedstock for the production of bio crude oil, which will then be distilled into saleable kerosene and diesel products.

Southern Oil Refining Managing Director Tim Rose said he was delighted to announce his company’s decision to locate the biofuel pilot plant in Gladstone.

“For the past few months, we have been assessing whether to site this important piece of technology at our Wagga Wagga plant in New South Wales or at our new re-refinery in Gladstone,” Mr Rose said.

“Our decision was made easier with the announcement of the Queensland Government’s Bio Futures Roadmap which is the only forward-thinking policy in Australia in this critical area.

“This demonstration plant will be a big step towards creating a clean transportation future.”

Mr Rose said his company had been working with the Australian Defence Force for some time to develop green fuel technology that satisfied the requirements of the US and Royal Australian navies and the Great Green Fleet vision.

“The results of our preliminary investigations have been very encouraging and we’re now ready to move to this one million litres a year pilot plant,” Mr Rose said.

“Once our biofuel is accepted by both navies, it will open the door to a commercial scale refinery capable of meeting the ADF’s needs and provide green fuel opportunities for aviation and other heavy transport industries – and Queensland will be a world leader in this space.”

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