



NIUPOWER UPDATE & FORWARD PLAN

PNG Petroleum & Energy Summit

20th March 2019

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- Port Moresby Power Station Status
- Project Reflections
- Positioning for the Future

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PORT MORESBY POWER STATION



POM POWER STATION STATUS

- Commissioning commenced early January
- The control system is now fully functioning and the power circuits are live – partially back fed from the PPL grid
- First engine start occurred last Friday
- The other five engines are being started and run tested in turn
- Power station performance testing will commence early April
- Commercial Operations Date (COD) currently forecast for the third week of April

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PROJECT REFLECTIONS



- NiuPower were committed from the start to ensure we provided the power station that PPL and PNG needed
- The focus was on maximum efficiency and flexibility
- Thus we choose to use six high efficiency reciprocating gas engine generator sets:
 - Higher capital cost per MW than open cycle gas turbines but also;
 - Much higher thermal efficiency leading to ~US\$5 million/year less gas required leading to;
 - A lower Levelised Cost of Electricity (LCOE) over the project life
- Able to efficiently deliver any output from 6MW to 58MW and thus exactly match PPL's load at any time

PROJECT REFLECTIONS (Con't)



- NiuPower were also very focused on maximising the PNG Local Content
- Capital cost is ~US\$100 million
- ~US\$40 million was spent with local PNG subcontractors
- ~US\$8 million in income tax paid by to the PNG Gov't by workers
- Average site labour force of ~300 people for over 12 months – 93% were PNG citizens
- All CEPA environmental approvals and requirements were secured as required and fully complied with

The project has now passed 1 million work hours with zero recordable incidents – An absolutely world class performance

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NIUPOWER'S FUTURE ROLE



- The successful development of the Port Moresby Power Station has demonstrated private sector investment in gas-fired generation can provide a very cost efficient solution
- Large centralised power stations only make sense where there is a large load within the region
- Much of PNG is sparsely populated and thus small decentralized renewable generation will have a significant role to play
- The State, through PPL, need to be setting the policy and strategy – IPPs like NiuPower are here to support this with capital and expertise
- NiuPower are also keen to engage with major industrial &/or resource developers who are looking for an off Balance Sheet power solution

QUESTIONS



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