



The Hon. Scott Morrison MP
Prime Minister

The Hon. Angus Taylor MP
Minister for Industry, Energy and Emissions Reduction

The Hon. Keith Pitt MP
Minister for Resources and Water

The Hon. Tim Wilson MP
Assistant Minister to the Minister for Industry, Energy and Emissions Reduction

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HYDROGEN INDUSTRY MARKS MILESTONE WITH FIRST SHIPMENT OF LIQUID HYDROGEN TO JAPAN

Australia is exporting the world's first shipment of liquefied hydrogen, heralding the start of a major new energy export industry.

Australian-made hydrogen will be shipped from Victoria to Japan following the arrival of the Suiso Frontier carrier in Victoria as part of the Hydrogen Energy Supply Chain (HESC) pilot project, with the specially-built carrier ready to load super-cooled liquid hydrogen for transit to Japan.

Prime Minister Scott Morrison said the HESC project was a world-first that would make Australia a global leader, aiming to produce 225,000 tonnes of clean hydrogen each year in the Latrobe Valley.

"A successful Australian hydrogen industry means lower emissions, greater energy production and more local jobs," the Prime Minister said.

"The HESC project is key to both Australia and Japan and our hydrogen industries. In addition to our Government's support for HESC, we have recently established the Australian Clean Hydrogen Trade Program and committed up to \$150 million to the first round that will focus on clean hydrogen supply chains with Japan.

“Last year, our countries affirmed our mutual ambitions and desire to work together to advance the development of low emissions technologies when we agreed the Japan-Australia Partnership on Decarbonisation through Technology.

“This project demonstrates the benefits of that cooperation.

“The HESC project puts Australia at the forefront of the global energy transition to lower emissions through clean hydrogen, which is a fuel of the future.”

The clean hydrogen will be produced from local brown coal, with carbon dioxide from this process to be captured and securely stored in the CarbonNet project’s offshore reservoir in Gippsland.

To coincide with the milestone, the Morrison Government is announcing \$7.5 million to support the next \$184 million pre-commercialisation phase of HESC. The Government is also committing \$20 million for the next stage of the CarbonNet project. This funding is contingent on additional commitments from the Victorian and Japanese Governments, and the HESC business partners.

This brings the Australian Government’s total commitment to the HESC project to \$57.5 million (leveraging \$8 dollars for every Commonwealth dollar invested).

It is estimated the 225,000 tonnes of carbon neutral liquefied hydrogen (LH2) produced by HESC in a commercial phase will help reduce global emissions by around 1.8 million tonnes per year, or the equivalent of emissions from 350,000 petrol cars.

Minister for Industry, Energy and Emissions Reduction Angus Taylor said the arrival of the Suiso Frontier was an important milestone for Australia’s technology-led approach to reducing emissions.

“The HESC project and the arrival of the liquefied hydrogen carrier today cements Australia’s position as a world leader in hydrogen,” Minister Taylor said.

“Today’s achievement is a testament to Australian governments working with industry and our international partners to achieve a shared vision.

“We look forward to continuing to work with the HESC partners and Japan through the Government’s new commitments to the next phase of both the HESC and CarbonNet projects.

“The HESC project has the potential to become a major source of clean energy which will help Australia and Japan both reach our goals of net zero emissions by 2050.

“Not only this, but the HESC project is delivering jobs and economic activity for Victoria, with a clean hydrogen sector potentially able to generate more than \$50 billion in additional GDP by 2050.”

Minister for Resources and Water Keith Pitt said the HESC project combined a number of technology elements, including a new way to use Latrobe Valley coal.

“The HESC project demonstrates the importance that Australian resources, such as local Latrobe Valley coal, will have in development of new low emissions industries,” Minister Pitt said.

“The development of HESC and CarbonNet will build on Australia’s reputation as a safe, stable and reliable exporter of resources and energy to the world, including throughout the COVID-19 pandemic.

“Australia’s resources and energy exports are estimated to reach \$379 billion in the current financial year and to continue to support Australia’s economic growth and jobs, particularly in regional Australia.”

Assistant Minister to the Minister for Industry, Energy and Emissions Reduction Tim Wilson said: “The International Energy Agency projects hydrogen demand to double by 2030, and today’s arrival of the liquefied hydrogen carrier ushers in a new era of clean energy exports to create new jobs and opportunities for Australians.”

The Government is investing more than \$1.3 billion to accelerate the development of Australia’s hydrogen industry, including \$464 million to develop clean hydrogen industrial hubs in regional Australia, including a potential hub in the Latrobe valley.

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On background:

Hydrogen is a clean, flexible, safe, transportable and storable fuel that produces no carbon emissions when used.

HESC’s vision is to produce carbon neutral hydrogen from a mix of Latrobe Valley coal and biomass, then capturing and storing CO₂ via the CarbonNet Project and optimising energy efficiency in the HESC supply chain.

Rather than burning coal, the HESC project gasifies coal in a controlled environment to extract hydrogen gas and allow carbon dioxide to be captured and stored, while other valuable by-products such as nitrogen gas can also be captured.

Biomass is another technology that could be further developed as a new industry, as the pilot project blended biomass with coal to successfully make hydrogen.

The Suiso Frontier is 116 metres long and has 25 crew. It has the capacity to hold 1250 cubic metres of liquid hydrogen. The liquid hydrogen is kept at minus 253 degrees Celsius to be 1/800 of the volume of hydrogen gas.

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