



Media Release

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First step towards an Australian green-fuel biorefinery

Australia's first 'biorefinery' capable of producing renewable diesel and jet fuels from plant material could become a reality in Queensland with support from the Australian Renewable Energy Agency (ARENA).

ARENA is providing \$2.4 million funding support for Southern Oil Refining (SOR) to develop and construct a state of the art biocrude and biofuel laboratory in Yarwun, near Gladstone in QLD. The project will inform the feasibility and design of a proposed commercial scale biorefinery.

ARENA CEO Ivor Frischknecht said there was clear potential for biofuel production and refining in Australia.

"Our agricultural industries have an abundance of plant waste that can be ideal biocrude feedstock and there are several potential markets for selling green fuels including aviation, shipping and defence," Mr Frischknecht said.

"ARENA has previously supported Australian companies like Muradel and Licella to develop innovative technologies for producing biocrude but there is currently no way of refining this into large quantities of useable biofuels.

"A new biorefinery would be the first step in providing the missing link in the development of an Australian biofuels industry."

Mr Frischknecht said SOR has struck in-principle agreements with Muradel and Licella for the supply of biocrude for refining, demonstrating how ARENA-supported companies can work together towards achieving commercial outcomes.

He said the economic opportunities could be significant.

"The United States Navy has a 50 per cent target for alternative energy sources by 2020 and the Royal Australian Navy has signed an agreement to explore using more environmentally friendly fuels, significantly increasing demand for green-fuels," Mr Frischknecht said.

"Major Australian airlines are also considering these fuels to meet industry-agreed emission reduction targets, with Air New Zealand and Virgin Australia recently announcing a partnership to investigate options for locally-produced aviation biofuel."

Mr Frischknecht said the project would help to determine whether a compelling business case can be made for building a biorefinery capable of producing renewable diesel and jet fuels.

"The test laboratory ARENA is supporting will characterise biocrudes and biofuels and provide a blueprint for the refinery," Mr Frischknecht said.

“SOR will carry out testing and reporting to produce valuable knowledge for Australia’s bioenergy industry. New protocols for the conversion of biocrudes to drop-in fuels will also be established.

“This new knowledge and infrastructure is an important and necessary step towards attracting further investment in the biofuels supply chain in Australia.”

The \$5.4 million project is scheduled for completion in March 2019.

About ARENA

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA always looks for at least matched funding from the projects it supports and to date has committed \$1.1 billion in funding to more than 250 projects. For more information, visit www.arena.gov.au.

About Southern Oil Refining Pty Limited

Southern Oil is a private, 100% Australian owned company, based in Wagga Wagga, NSW. It has been re-refining waste oil since 2001 and was the first company in Australia to produce fully re-refined lube oil to international standards. In late March 2016, the \$16 million Northern Oil Advanced Biofuels Pilot Plant was announced in Gladstone. The pilot plant is scheduled to open in late 2016 and is the next step towards a \$150 million, commercial-scale biofuel plant.