

Vast and Mabanaft advance Port Augusta green methanol project to unlock Australia's green fuels industry

June 13, 2024



Vast (Vast Renewables Limited) (Nasdaq: VSTE), a renewable energy company planning to power green fuels production with its concentrated solar thermal power (CSP) energy systems, has announced it has signed a Joint Development Agreement (JDA) with global energy company Mabanaft to advance Solar Methanol 1 (SM1), a CSP-powered green methanol reference plant.

Located in South Australia at the Port Augusta Green Energy Hub, SM1 will have the capacity to produce 7,500 tonnes of green methanol each year. Methanol is one of the most versatile hydrogen derivatives which, if produced using clean energy, has the potential to decarbonise several hard-to-abate industries, including shipping and aviation.

SM1 will be supplied with baseload renewable heat from Vast's 30 MW / 288 MWh CSP plant. Using CSP can potentially reduce green fuel production costs by up to 40 per cent according to a [recent report](#) by engineering group Fichtner. The project's success could unlock green fuels production in Australia, with potential for exports to Germany and other global markets.

The JDA sets out how the project will be developed and further underlines Vast and Mabanaft's contribution to the energy transition by combining technological, business development and commercial expertise. This comes after Vast and Mabanaft announced in February that they have signed funding agreements for SM1 for up to AUD \$40 million.

Vast will receive AUD \$19.48 million from the Australian Renewable Energy Agency (ARENA) and Mabanaft will, subject to final investment decision, receive up to €12.4 million from Projektträger Jülich (PtJ) on behalf of the German government, as part of HyGATE, a collaboration between the Australian and German

governments to support real-world projects along the hydrogen supply chain.

Mabanaft is actively supporting its customers' decarbonisation by expanding its range of sustainable energy solutions. The JDA includes a framework agreement securing offtake rights for Mabanaft for future green fuels projects powered by Vast technology, allowing Mabanaft to supply its shipping customers seeking to decarbonise their operations.

Vast and Mabanaft are developing SM1 with the Solar Methanol Consortium and are supported by fellow Australian technology company Calix as Principal CO₂ Supply Partner and the Australian Solar Thermal Research Institute (ASTRI).

Craig Wood, CEO of Vast, said: "The JDA is a significant milestone for SM1, which has the potential to demonstrate how Vast technology can unlock low-cost green fuel production to contribute to decarbonising the global shipping and aviation industries. Vast is excited to continue our partnership with Mabanaft, and the execution of this agreement is a testament to our joint commitment to pioneer green fuel production globally."

Philipp Kroepels, Director New Energy at Mabanaft, said: "As a leading energy solution provider, we are committed to enabling our customers' energy transition. And we believe that methanol, in particular, can play an important role in the shipping industry, and Mabanaft is well positioned to build supply chains to meet that growing demand."