



PRESS RELEASE

No. 126/2015

Date: 2nd March 2015

Storage of liquid gas is safer than storage of petrol

It is clear that the more the Opposition talk about LNG storage, the more obvious it is to everyone that they simply do not know what they are talking about. The Opposition are simply engaged in spreading misinformation and creating uncertainty for their own political ends without a second thought for the potential distress that such an irresponsible policy could cause.

It is also evident that when one of their arguments is exposed as a fallacy, they have no difficulty in moving on to the next argument even if this was the opposite of what they had said previously.

The Opposition have now turned their focus to the storage of LNG gas as opposed to the new power station itself. They have not understood that gas is used widely around the world and will continue to be used for many years. Moreover, the storage of gas in Liquid form at minus 162 deg C is safer than the storage of petrol.

The Opposition therefore continue to show their ignorance of the basic facts. The thrust of their policy can do Gibraltar a disservice. Firstly by creating fear in the population, secondly by stifling a significant commercial opportunity and thirdly by not allowing Gibraltar to benefit from a cleaner and cheaper fuel simply based on this glaring lack of knowledge of the facts.

The preliminary study was to assess the safety viability of the storage facility at the Detached Mole. HSL Group Ltd undertook various vapour dispersion modelling exercises in order to determine what quantities could be safely stored at the Detached Mole. The Government has already explained that this was the initial exploratory study that allowed us to make the decision that we could engage in PIN Notice for expressions of interest.

The vapour dispersion modeling report issued by HSL Group is based on an initial assessment and this assessment indicated that it could be done. We have now moved to the next level which includes a more in-depth assessment based on an actual tentative design proposal. Once one of these design proposals is selected then a full assessment under Control of Major Accident Hazards (COMAH) regulations will be undertaken. This assessment will then have to be verified again by the HSL both at the design and construction state.

All indications received to date continue to verify the initial assessment but more work needs to be done before the final report can be released.



The Opposition continue to use scare tactics and 'fear of the unknown' for their own selfish agenda. What HM GOG have communicated is that the relevant experts that have been engaged and consulted are advising that it safe to proceed with this project. This requires us to carry out a more in-depth study which includes both the supply to the power station and the feasibility of LNG bunkering. This is exactly what we are doing.

The indications are that the future expansion of LNG bunkering may be anything from 5 to 15 years away. This means that the storage quantity which will be assessed as part of the study is in respect of something that may happen in the future if LNG takes off in the context of gas-powered vessels. All shipping experts are forecasting that gas, as opposed to diesel oil, will be the fuel of seagoing vessels in the future. These vessels will have their own storage facility on board. When taken to its logical conclusion, the Opposition are saying that gas-powered vessels, including cruise ships, should be banned from Gibraltar because they have gas storage facilities on board. This is clearly an absurd proposition.

It is important to reiterate that, as far as the power station is concerned, the LNG storage facility required will be relatively small. The predicted standard exclusion zone for the quantities being considered under normal operation is 35 metres, while replenishing of the tanks, which will have a frequency of twice a month for a period of 6 hours, will be 100 metres for that period only.

In any case, it is a bit rich that the Opposition should complain about lack of information and consultation yet, when they were in Government, they pushed through with their proposal for a power station at Lathbury Barracks without even going through the proper consultation process. They intended to increase the cost of electricity to the consumer by over 100% and said nothing about it. This was only discovered by the new incoming Government after the last general election. The Opposition have clearly jumped the gun. They need to wait until all the facts are known before they can take a view. All they are doing at present is to confuse members of the public by creating myths about an industry that in places like Norway has been the fuel of choice for many years and where anyone can see gas fuel storage facilities beside dwellings and main roads.

It is safer to store liquid gas than to store petrol.