



Project Ares

Draft Statement of Reasons

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1 OVERVIEW

Name of Project	Project Ares
Proponent name	Energy North
Description of the Project	The Project is to establish a hyperscale data centre campus at Murrnji Station, comprising a 1-gigawatt (GW) information technology (IT) capacity data centre campus developed in two phases with a behind-the-meter power architecture designed to transition to renewable-powered operations. The Project comprises the following key components: • Hyperscale data centre campus - data halls, operations centre, administration, cooling infrastructure, and associated facilities. • Solar PV generation (bifacial single-axis tracking arrays) and BESS. • Gas-fired generation (firm power and independent backup) including a gas supply spur pipeline connecting the Project to the existing and/or future gas transmission network. • High-voltage on-site substation and internal electrical distribution. • Non-process infrastructure – including a main access road, internal road network, rail siding connecting to the Tarcoola-Darwin Railway, sealed airstrip and associated aviation facilities, workforce accommodation village, borefield and water supply infrastructure, water treatment plant, storage and reticulation system.
Nature of the Project	Digital Infrastructure / Energy (renewable)
Location of the Project	Project Ares is in the Barkly Region, approximately 683 km south of Darwin via the Stuart Highway at Murrnji Station (NT Portion 851; perpetual pastoral lease (PPL) 1074). Murrnji Station is Crown land held under perpetual pastoral lease, owned by the NT Government and held by Pancheck Pty Ltd. The Project Area also intersects NT Portion 2093 (buffer around access road Option A and gas supply spur pipeline only, encompassing the existing Murrnji Access Track). Nearest residential towns: • Elliott (50 km north-west) - provides essential services including health, education, fuel, and accommodation for the Barkly Region. • Daly Waters (100 km north) - a small roadhouse community on the Stuart Highway. • Tennant Creek (305 km south) - the principal regional service centre for the Barkly Region.

2 JUSTIFICATION

Energy North believes a standard assessment by environmental impact statement (EIS) is required due to:

Objects of the Environment Protection Act 2019 (EP Act)	• The Project has the potential to result in significant impacts across several environmental factors; therefore, a comprehensive assessment is required to support protection of the environment. • There is uncertainty regarding the nature and extent of potential impacts, as well as the effectiveness of available mitigation measures, warranting a detailed assessment to support ecologically sustainable development. • Broader community consultation to date has been limited, and it is anticipated that there will be community interest in the Project. An EIS provides a transparent and structured process for public participation and scrutiny. • The Project is located on native title land, and while Aboriginal consultation is ongoing, an EIS provides an appropriate framework to support meaningful participation by Aboriginal people in environmental decision-making.
Section 42 EP Act	• There is uncertainty regarding the potential for significant environmental impact, due to gaps in baseline information and the fact that Project design remains ongoing. Because of this, a comprehensive assessment is required to appropriately assess the action. • An EIS provides a framework to ensure that potential impacts are assessed in accordance with the purpose of the EIA process, including informing decision-making where there is uncertainty regarding potential impacts. • Opportunities for broad community consultation to date have been limited, and it is considered that an EIS provides a transparent and structured process for public participation and consideration of community views, consistent with section 42 of the Act.
Section 43 EP Act	• An EIS is necessary to ensure potentially affected communities are adequately informed and consulted, particularly given the scale and complexity of the Project and the range of potential environmental impacts. • The Project occurs on land subject to a native title determination under the <i>Native Title Act 1993</i>, and an EIS provides an appropriate and structured framework to support culturally appropriate consultation with Aboriginal communities and native title holders, consistent with the Proponent's duties under the Act. • A thorough assessment process is required to gather, document and consider scientific and traditional knowledge, including knowledge of natural and cultural values that may be impacted by the Project. • The Project is large-scale and complex, and an EIS provides a suitable process to ensure principles of ecologically sustainable development and the environmental decision-making hierarchy are appropriately considered during Project design. • The Project has the potential to generate significant volumes of waste, including electronic waste, and an EIS is necessary to ensure that the waste management hierarchy is applied and documented.
Section 59 of the Environment Protection Regulations 2020	(a) Significance of potential impacts • The Project has the potential to result in significant impacts across six environmental factors, noting the scale and nature of the Project and current limitations in being able to assess potential residual impacts.

	(b) Confidence in predicting potential significant impacts • There is uncertainty regarding the potential for significant impacts due to gaps in baseline environmental information and Project design uncertainty, resulting in a reduced level of confidence in predicting impacts without further assessment. (c) Confidence in effectiveness of proposed mitigation measures • Due to the gaps in baseline information, the effectiveness of proposed measures to avoid, mitigate or manage potential significant impacts cannot be confidently determined at this stage, and requires further investigation through an EIS. (d) Extent of community engagement to date • Broad community engagement to date has been limited and has occurred outside a formal statutory assessment framework, therefore the EIS process would allow for thorough community engagement. (e) Capacity of communities and individuals to access and understand information • An EIS provides a transparent and structured process to ensure communities and individuals that might be impacted can access, understand and engage with information about the Project and its potential significant impacts.
Consultation outcomes	• Consultation to date has included engagement with various NT and Commonwealth Government agencies and departments and consultation with the Northern Land Council has commenced; however, broad community consultation has not yet commenced. • The limited extent of consultation means that community views, concerns and knowledge have not yet been identified in relation to potential impacts of the Project. • Given the potential for significant impacts and anticipated broader community interest, an EIS provides a transparent framework to ensure consultation outcomes can be considered. • An EIS will allow for broader and more inclusive engagement, ensuring potentially impacted communities have sufficient opportunities to understand the Project, provide input, and have their views considered.
Other reasons	• The Project design is preliminary, with front-end engineering design to progress in 2026. An EIS allows for progressive refinement of the design and mitigation measures in response to assessment findings and consultation outcomes.

3 ENVIRONMENTAL FACTORS AND OBJECTIVES

Energy North considers that the Project has the potential to significantly impact environmental values associated with the following environmental factors¹.

The Preliminary Disturbance Envelope presented in this report is approximately 19,150 ha, representing the maximum area of ground disturbance assessed for the purposes of this Referral. This figure represents the maximum disturbance envelope for assessment purposes. The ultimate project disturbance footprint is expected to be materially reduced through progressive optimisation during FEED and refinement of the infrastructure layout through the EIS process, including outcomes of heritage surveys, targeted ecological surveys, and detailed engineering design. References to disturbance area throughout the below table should be read in this context.

LAND	Terrestrial environmental quality <i>Erosion</i> The Project involves the clearing of vegetation, earthworks for site preparation and construction of solar fields, data centres and associated infrastructure. These activities would expose up to 19,150 ha of soils potentially leading to wind and water erosion. While the topography of the Project Area is relatively flat, clearing of such large areas creates a potentially significant risk of erosion requiring management controls to minimise soil loss. Erosion can result in land degradation and reduce the likelihood of successful rehabilitation following decommissioning of Project infrastructure. <i>Soil quality degradation</i> Photovoltaic panels would be replaced every 40 years and batteries every 15 years, generating significant volumes of e-waste which has the potential to impact soil quality if stockpiled or disposed of in landfill. Energy North is committed to zero landfill disposal of e-waste arising from the Project. Soil quality may also be impacted through accidental leaks or spills of hydrocarbons, hazardous materials, and industrial and domestic waste.
	Terrestrial ecosystems <i>General and significant vegetation</i> The Project would result in removal of up to 19,150 ha of vegetation across the site. There are mapped areas of potential significant vegetation within this area. Vegetation within the potential disturbance footprint requires ground-truthing. <i>Threatened species</i> Desktop assessment has identified potential for several threatened species to occur within the potential disturbance footprint. Targeted surveys and habitat assessments are required to support assessment of potential impacts, and further consideration of potential avoidance and mitigation is required.
	Hydrological processes <i>Surface water</i> The construction of a large area of photovoltaic panels is likely to alter the drainage and
WATER	

¹ [NT EPA Environmental factors and objectives](#)

	permeability of a significant area of land, and there is a high level of uncertainty on how the Project would affect surface flows, particularly during heavy rainfall conditions. <i>Groundwater</i> Water will be required for Project Ares during construction (conservative 2.5 GL/yr estimate) and during operations for data centre cooling and non-process infrastructure requirements (conservative 4 GL/yr estimate). The demand estimated presented in the referral reflect pre-FEED uncertainty in cooling configuration and non-process infrastructure requirements, to be refined during the EIS. Water would be sourced from the Montejinni Limestone Aquifer within the Wiso Basin subject to groundwater drilling investigations that are planned for 2026. Further information is required to determine proposed extraction is sustainable. There is also uncertainty regarding potential for cumulative groundwater impacts.
AIR	Atmospheric processes Carbon emissions would be generated from clearing of 19,150 ha of vegetation, through vehicle emissions during construction and operation and through electricity generation provided by dispatchable, gas-fired generation. While the Project's behind-the-meter power architecture is designed to transition to renewable-powered operations, there is insufficient information currently available to assess the significance of impacts from the Project on atmospheric processes.
PEOPLE	Community and economy Pre-referral consultation has targeted engagement with NT and Commonwealth Government agencies and departments and commenced consultation with the Northern Land Council. Broader consultation has not yet been undertaken therefore potential social impacts cannot be properly characterised. The Project presents significant positive economic opportunities for the Barkly Region including direct employment of up to approximately 4,300 personnel during peak construction and approximately 350-500 FTE during operations, local procurement opportunities, and Aboriginal economic participation commitments. There is potential for significant cumulative social impacts if construction associated with the Project coincides with construction phases of other large-scale infrastructure projects in the region. Culture and heritage Avoidance areas have been identified for known Aboriginal Sacred Sites and Restricted Work Areas within the Project Area. However, there has been limited research undertaken in the Project Area and there are knowledge gaps regarding Aboriginal sacred sites. Energy North has committed to applying for an Authority Certificate under the <i>Northern Territory Aboriginal Sacred Sites Act 1989</i>. The Project Area is subject to Native Title, and ongoing consultation is required to determine the potential for significant impacts to cultural landscape values and cultural land uses. Archaeological surveys are required to determine the presence of archaeological features protected under the <i>Heritage Act 2011</i>.