



Companies vie for slice of Kimberley

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Reporter: David Weber

TONY EASTLEY: On the road which runs just behind the long white sands of Cable beach, the earthmovers are carving a new multi lane highway into the deep red soil, know around here as pindan.

The road's not so much for the tourists who flock here in their four-wheel drives, paying as much as \$1.50 a litre for fuel, but for the big company trucks hauling stuff north and east into the heart of the Kimberley.

The riches in the Kimberley are almost impossible to estimate. Woodside is already exploiting gas south from here and it's promising to spend \$11 billion on its Pluto gas project - the single largest investment in WA's history.

Companies are also eyeing off the Browse Basin to the north. It could prove to be even richer. Japanese company Inpex says 30 per cent of Australia's gas reserves could be there.

To top off its Aladdin's cave of riches, the Kimberley also has bauxite, uranium, lead, zinc, diamonds and water. David Weber in Perth has been talking to some of the cashed up companies wanting a slice of the Kimberley.

DAVID WEBER: Woodside's new investment is focused on its Pluto and Xena gas fields, nearly 200 kilometres off the coast. Woodside CEO Don Voelte explains what it'll mean for the country.

DON VOELTE: There'll be thousands of jobs during the construction period, hundreds of jobs while we're in operations for decades past that time. There's also a pyramid effect of cost of services and everything that pumps money back into the economy in Western Australia. I think it's somewhere over, well over \$20 billion we estimate for the economy.

DAVID WEBER: Woodside also has trillions of cubic feet of gas reserves in the Browse Basin in the Kimberley region. Several companies have projects in the planning stages, including the Japanese company Inpex.

Inpex wants to build an LNG plant on the remote Maret Islands, 300 kilometres off Derby. Manager of External Relations Sean Kildare.

SEAN KILDARE: The potential is very, very high. There is a significant amount of Australia's proven and probable gas reserve located in the Browse Basin. I believe that it's currently estimated to be over 30 per cent, and the interest shown by Inpex and other industry operators in exploration and development in the Browse is quite substantial.

DAVID WEBER: Up until now, the big money has been in offshore gas. But a company has recently started exploring for gas on shore, the first such operation in WA's north since the 1980s.

Arc Energy is looking at a massive area in the Kimberley. Arc's Managing Director is Eric Streitberg.

ERIC STREITBERG: Our estimates run from relatively small quantities up to trillions of cubic feet of gas, which will be enough to supply Perth for 10 or 15 years.

DAVID WEBER: It's a fairly expansive area, 75,000 square kilometres that Arc Energy will be looking at. Why hasn't this been done before? Why hasn't this resource been exploited before?

ERIC STREITBERG: Basically because of its remoteness and the lack of a market for gas reserves. That's changed dramatically in the last three or four years as the West Australian resources boom has kicked off and there's been enormous upsurge in demand for gas. So if we do find any gas, we can now sell it and sell it at a good price.

DAVID WEBER: Do you envisage drilling across a wide area of the north-west, then?

ERIC STREITBERG: We certainly do, it's a geological area called the Canning Basin, which basically runs east from the coast between Broome and Derby and goes inland for three or 400 kilometres and we'll certainly be exploring right across that area. It's a very large area and it's quite a task for us but we think that with the application of modern technology, we've got a pretty good shot at finding something.

DAVID WEBER: Mr Streitberg says any gas that's found is expected to come on stream in 2010 or 2011, just in time for the start up of some iron ore projects in the area.

TONY EASTLEY: David Weber reporting.