

Two gas hubs for Kimberley

Mark Beyer

THE state government is likely to approve two gas processing hubs on the west Kimberley coast despite conservation groups expressing concern about the impact of giant gas projects and the associated shipping movements.

The Conservation Council has been advocating a single gas-processing hub, but last week Deputy Premier and State Development Minister Eric Ripper said the government was leaning towards two.

He indicated the government was keen to make quick decisions following the establishment of its Northern Development Taskforce.

"Its best if we have an LNG hub where a number of projects have their operations," Mr Ripper said.

"One of the projects is so far advanced it's going to require a decision ahead of the establishment of the main hub."

That was assumed to be a reference to Inpex Browse Ltd's plans to build a liquefied natural gas plant on the Maret Islands, located about 300 kilometres north of Derby.

Inpex Browse, owned by Japan's Inpex and French oil and gas company Total, is looking to develop the Ichthys gas field 190km off the Kimberley coast.

Its preferred development option is to transport the gas via pipelines to an LNG plant on the Maret Islands.

After processing, the LNG would be loaded onto ships for transport to international markets.

The capacity of the LNG plant would be 7.6 million tonnes per year, rising to 11mt at a later date, according to an environmental review document lodged by Inpex Browse.

To put this in context, the North West Shelf venture's LNG plant on the Burrup Peninsula – which is considered Australia's single largest resource project – is currently being expanded to a capacity of 16.3mt/year.

Woodside is the operator and one-sixth owner of the NWS venture.

Woodside is also the operator and joint owner of the second big gas project under evaluation in the Kimberley, the Browse LNG project.

Browse involves the joint development of the Torosa, Brecknock and Calliance gas fields off the Kimberley coast.

The proposed Browse project would be substantially larger than Ichthys, with annual output likely to be 15mt.

A Woodside spokesperson said the company was conducting detailed studies on three development 'themes': first, transporting the gas 900km via a sub-sea pipeline to the existing LNG plant on the Burrup; second, transporting the gas to a new LNG plant on the Kimberley coast; and third, building an LNG

plant on Scott Reef, which is located above the Torosa gas field and has a water depth of as little as 10 metres.

The spokeswoman said the group was aiming to make a 'theme' decision in the second half of 2008.

She added that, while these themes provided the main focus, Woodside was also considering two other options: a floating LNG plant, and transporting the gas to Darwin, which already has an LNG plant.

The Kimberley LNG projects are additional to developments off the Pilbara coast.

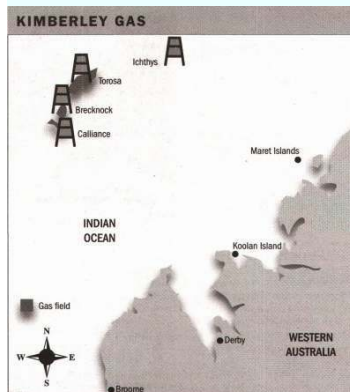
Woodside recently agreed to proceed with its wholly-owned Pluto project, at a cost of \$12 billion.

The project includes construction of a 4.3mt/year LNG plant on the Burrup Peninsula.

Chevron recently won environmental approval for its Gorgon project, which involves construction of an LNG plant on Barrow Island.

Woodside managing director Don Voelte told a business conference in Japan this week there was strong demand for Australian LNG.

There are currently 30 LNG plants worldwide producing 180mt/year, and Mr Voelte said he anticipated demand would increase to 380mt/year by 2015.



GAS PLANS: Inpex Browse is looking to develop the Ichthys gas field off the Kimberley coast, and has plans to transport the gas via pipelines to an LNG plant on the Maret Islands.