

## Voelte floats LNG FPSO idea

Monday, 19 November 2007  
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### **WOODSIDE'S production forecast downgrade last week grabbed plenty of attention, overshadowing another interesting comment made by chief executive Don Voelte.**

Voelte told analysts Woodside had set up a representative office in Dili, East Timor, and had restaffed the Greater Sunrise project, and floating liquefied natural gas was now the cheapest and most effective development option for the Greater Sunrise gas resource.

The Greater Sunrise fields, containing around 8 trillion cubic feet of gas, lie between Australia and East Timor.

The Sunrise partners are considering three possible sites for liquefaction – Darwin, East Timor and a floating LNG plant.

Voelte said the floating plant appeared to be the cheapest option. He also agreed it could sidestep the political difficulties of processing the gas in either Australia or East Timor.

Woodside executive vice president of development Paul Moore conceded the floating option would pose technical difficulties, but said rising pipeline costs meant the option of piping gas 530km to Darwin could be expensive.

Having the gas processed in East Timor, which lies on the other side of the 3.3km deep Timor Trench from the Sunrise fields, was favoured by the Timorese Government, but would be technically challenging and expensive.

Greater Sunrise is owned by Woodside, Royal Dutch-Shell, Darwin LNG operator ConocoPhillips and Japan's Osaka Gas. It is believed that Conoco wants the gas processed via Darwin LNG, while the other partners prefer the floating option.

Putting a gas liquefaction plant on a floating platform is not a new idea, but it has never yet been achieved.

Floating LNG was one of the original development options when Shell was investigating the project, but was rejected on cost and technical grounds. However, Voelte said studies had since overcome many of the problems previously identified.

Shell has reportedly been researching the subject and is considering a floating LNG plant for its extensive Browse acreage.

BHP Billiton and ExxonMobil are also thought to be pondering floating LNG for their Scarborough field, which is in deep waters and far offshore.

After draining one field, floating LNG plants could be redeployed to another and would have the potential to make viable the exploitation of gas fields considered too small or too distant for major LNG projects.

The concept could be put first to the test in fields too small to interest the likes of Woodside, ConocoPhillips and Shell.

Junior LNG developer Liquefied Natural Gas Limited is considering building a floating LNG plant for use in modest-sized fields off the coast of Papua New Guinea.