

Woodside adds \$20b fillip to boom

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WA's resources boom is set for another \$20 billion fillip after Woodside Petroleum boss Don Voelte said yesterday his company's giant Browse gas project would be developed in this State, rather than in the Northern Territory.

Dismissing Darwin as a possible location for Browse's onshore facilities, Mr Voelte said his team was considering either the Kimberley coastline, most likely near Broome, or the Burrup Peninsula where Woodside already has extensive operations, as the most likely locations.

Mr Voelte wants his board to give the final approval for the Browse project within two years as part of his aggressive plans to turn Woodside, WA's biggest company, into the world's fourth-biggest producer of liquefied natural gas (LNG) by 2015.

Woodside's preferred location will require State Government approval.

The Browse gasfield contains more than 20 trillion cubic feet of gas.

Woodside created Australian history last year when it signed a long-term gas supply contract with PetroChina, potentially worth more than \$20 billion.

Woodside is yet to reveal the cost of Browse, which will consist of offshore facilities to link the gasfield via a seabed pipeline to onshore processing facilities capable of producing up to 14 million tonnes of LNG a year.

Analysts have put the development cost at \$20 billion, although inflationary pressures are likely to cause a cost

blowout for Woodside.

The go-ahead for Browse would follow hot on the heels of Woodside approving the development of its \$12 billion Pluto LNG project on the Burrup, where work began a year ago.

The Browse news came as Woodside reported a \$1 billion full-year net profit, down 28 per cent on 2006.

The LNG push has brought concerns from Aboriginal groups, environmentalists and tourist operators about the impact of development on the Kimberley.

Browse will continue an unprecedented amount of major project work.

Several other major companies, including Shell, have invested tens of millions of dollars to build up their gas reserves in the region and Japanese group Inpex and its French partner Total have floated plans to build a gas processing facility on the Maret Islands in the Bonaparte Archipelago.

That plant would process LNG from the Ichthys gas field, with the first shipment in 2012.

Last year, WA Treasurer Eric Ripper said he expected two gas hubs may be built to service the Browse.

A specially appointed government task force has been set up to identify gas plant locations that would best protect the Kimberley environment.

However, a final recommendation from the Northern Development Taskforce, which has been consulting with industry leaders and Kimberley communities, is not due until the end of the year.