

## Shell floats radical gas plant idea for Prelude

- **Barry FitzGerald, Perth**
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SHELL is proposing a world first for Australia — a \$US2 billion (\$A2.1 billion) floating liquefied natural gas project at its Prelude gas discovery in the Browse Basin, off Western Australia.

Traditionally, LNG projects involve offshore platforms at gas fields of more than 5 trillion cubic feet of gas, pipelines to shore and land-based processing plants.

But Shell thinks the time might be right for the development of "smallish" gas fields (less than 5 tcf) using the radical FLNG approach because it does away with costly pipelines to shore.

In Prelude's case, it would also avoid the environmental sensitivities of landing the gas on the Kimberley coast, where several competing land-based LNG projects have prompted the WA and federal governments to nominate "hub" development sites to reduce their impact.

Shell denied the promotion of the FLNG option was a pressure play on Japan's Inpex to have Prelude wrapped into a joint development with Inpex's larger, and adjacent, Ichthys gas field.

Shell said Prelude was a separate gas accumulation from Ichthys and at 2-3 tcf was the type of small accumulation that could benefit from advances in LNG technology in the past 10 years.

Prelude is about 450 kilometres north of Broome. Standard industry costs suggest a pipeline to shore alone would require an investment of more than \$3 billion. Inpex is considering landing Ichthys gas on Maret Island, off the Kimberley coast, in an effort to cut pipeline costs.

Shell's executive director for gas and power, Linda Cook, said at the Australian Petroleum Production & Exploration Association annual conference in Perth that while it was still early days with the world-first proposal, Shell was "excited about the technology and its potential application in Australia and in other countries".

Shell has lodged an environmental review application with the Federal Government for the Prelude project, which could be in production by 2012.

It expects to issue a tender for the building of the first of its FLNG vessels within four months.