

Plans for floating gas plant in region

By STEVEN HOUNSOME

THE Kimberley may soon be home to the world's first small, floating liquefied natural gas project if the Federal Government grants approval to a \$2.1 billion Shell proposal.

The proposal involves setting up a small field of less than five trillion cubic feet of gas at its Prelude discovery site, 450km north of Broome.

The downscaled size would do away with the need to construct costly pipelines to shore, which are estimated to cost \$3 billion.

Japanese firm Inpex is considering landing Ichthys gas on the Maret Islands in an effort to cut pipeline costs.

Shell's approach would avoid the environmental sensitivities of landing gas on the Kimberley coast – which has recently led to calls for a single LNG processing hub, shared by a raft of energy companies.

Shell executive director for gas and power Linda Cook said it was early days for the proposal but the company was "excited about the technology and its potential application".

The company has lodged an environmental review application for the Prelude project, which could be in production by 2012.

Tenders for the building of floating LNG vessels are expected within four months.

In Perth, a new \$7.7 million study concerning the management of competing uses of marine ecosystems in the North-West was launched on April 10.

The North-West Shelf Joint Environmental Management Study has developed tools to help planners manage industrial – including oil and gas, shipping and fisheries – environmental and recreational interests.

The project leader, CSIRO's Scott Condie, said the impacts of these uses were interconnected and often wide-ranging.

"Rather than examining various marine issues in isolation our team took a holistic approach," he said.

"The study found that the North-West Shelf environment is in good condition, but will need to be carefully managed to cope with the current industrial expansion.

"NWSJEMS provides the scientific tools to enable this."