

Producers want say on LNG site

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Oil and gas companies are hoping the federal government's involvement in picking a site for liquefied natural gas plants in the Kimberley won't hold up their plans for projects worth billions of dollars.

But Woodside Petroleum and Shell said companies developing the huge gas reserves in the Browse Basin could gain substantial benefits from having their developments at a single industrial hub.

Environment Minister Peter Garrett yesterday confirmed a report in *The Australian Financial Review* that the federal and West Australian governments would conduct a long-term review of the Kimberley and make a strategic development plan.

"We're quite comfortable with this process and we're comfortable with the state working with the federal government," Woodside spokesman Roger Martin said.

Woodside, which is 50 per cent owner and leader of the Browse LNG project, is still deciding

whether to process the gas offshore near the Torosa gas field that will supply the feedstock, build a plant in the Kimberley or pipe it to an existing LNG hub on the Burrup Peninsula.

The Burrup site of the North-West Shelf project is 800 kilometres from Browse, about double the distance to likely sites on the Kimberley coast.

Australian Petroleum Production and Exploration Association chief Belinda Robinson said upstream oil companies were keen to be consulted about potential locations.

The industry is looking for a short list of potential sites by the middle of the year and a final decision by its end.

"The thing we'll watch is the extent to which this process gets bogged down in green politics," Ms Robinson said. "We would hope that consultation with the industry will be ramped up."

But companies are aware of the

environmental problems.

"The pristine nature of the environment up there is going to be the biggest challenge to bringing any of these gas fields into production," Shell Australia external affairs manager Anita Harben said. "We're pleased to work with the government to sort through the options."

The distances between the offshore fields mean the various companies will have different preferred sites.

On the other side of the country, where several LNG projects are proposed for the industrial city of Gladstone to export Queensland's fast-growing coal-seam gas reserves, there are fewer environmental issues.

Liquefied Natural Gas said yesterday the federal government had found no concerns with its planned \$400 million gas export plant at Gladstone, and it would go ahead with Queensland and local government approvals.

KEY POINTS

- The federal and West Australian governments are assessing sites for an LNG plant.
- There is some concern that green politics may delay the decision.