



W. Australia assesses common-use coastal LNG hub

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MELBOURNE, Feb. 6 -- Western Australia and Australia's new Kevin Rudd-led federal government have agreed to assess the Kimberley region of Western Australia as a site for a common-user LNG hub and associated regional activities to serve proposed gas fields to be developed in the offshore Browse basin.

Their aim is to prevent piecemeal development following an environmentalist outcry in 2007 at proposals by Woodside Petroleum, Inpex, and others to establish LNG plants at several locations on the Kimberley coast or on offshore islands. The region is regarded as a pristine wilderness, and public opinion is that it should be kept that way.

Industry sources appear relatively comfortable with the government initiative as long as the companies concerned are involved in the consultation process.

The Australian Petroleum Production and Exploration association said the industry would like a list of potential sites by mid-2008 and a final decision by yearend. APPEA does not want to see the process stalled by 'green politics.'

The companies involved are aware of the pristine nature of the environment but know that differing distances of the offshore gas fields from the coast will mean that each company will prefer different sites. None wants to see a competitive advantage given to another.

The single hub plan also raises the question of potentially massive public infrastructure investment to ensure that facilities such as ports, roads, and other access resources remain available to all users.

The single hub proposal will build on work already performed by Western Australia's Northern Development Taskforce, which has been attempting to achieve a balance between Browse basin development and environmental and heritage interests.