

Browse LNG not affected by proposed hub

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AUSTRALIA: Woodside Petroleum said the evaluation of its Browse LNG development will not be affected by the government's recent proposal for a single liquefied natural gas (LNG) hub in the Kimberley region of Western Australia.

"We are supportive of the state and federal government's working together to find a suitable location for the LNG industry," Woodside said in an email to Energy Current. "The process does not impact on our evaluation of our five

development themes, rather it supports our studies to determine the best development concept [for Browse LNG]."

Woodside expects to decide on the development concept for Browse LNG in 2008.

The Australian company was deliberating on five possible concepts: three onshore liquefaction options tying back the three gas fields to onshore facilities located on Kimberley, Burrup Peninsula or Darwin, and two offshore liquefaction options involving the construction of either one or two separate LNG facilities for the development of gas reserves in the Toroso, Brecknock and Calliance gas fields.

The governments of Australia and Western Australia unveiled an initiative last week to study the possibility of constructing a LNG hub to mitigate the impact of oil and gas developments on the rich natural and cultural heritage of the Kimberley region.

The move may at best narrow the development options or at worst upset the ongoing developments oil and gas operators are undertaking to tap on the rich gas reserves in the Browse Basin. Japan's Inpex submitted a development plan for the Ichthys gas project based on the concept of building two LNG trains on the Maret Islands in 2006. The Japanese operator is collecting information on the proposal for the single LNG hub in the Browse basin, while awaiting for the environmental approval on the original plan for the Ichthys gas project, a company spokesperson told Energy Current.

The Australian Minister for the Environment, Heritage and the Arts Peter Garrett recently told local media the Federal and State governments are expecting to complete the study on the LNG hub in mid-2008. The study will focus on identifying a site for the hub in the the area stretching from south of Broome to Cape Londondeery on the Timor Sea.