

WA beats Northern Territory for Woodside's \$20b Browse LNG project

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WA's economy is set for a \$20 billion fillip after Woodside Petroleum boss Don Voelte said his company's giant Browse gas project would be developed in this State, rather than in the Northern Territory.

Dismissing Darwin as a possible location for Browse's onshore facilities, Mr Voelte said his team was considering either the Kimberley coastline, most likely near Broome, or the Burrup Peninsula where Woodside already has extensive operations, as the most likely locations.

Mr Voelte wants his board to give the final approval for the Browse project within two years as part of his aggressive plans to turn Woodside, WA's biggest company, into the world's fourth-biggest producer of

liquefied natural gas (LNG) by 2015. Woodside's preferred location will require State Government approval.

The Browse gasfield contains more than 20 trillion cubic feet of gas. Woodside created Australian history last year when it signed a long-term gas supply contract with PetroChina, potentially worth more than \$20 billion.

Woodside is yet to reveal the cost of Browse, which will consist of offshore facilities to link the gasfield via a seabed pipeline to onshore processing facilities capable of producing up to 14 million tonnes of LNG a year.

Analysts have put the development cost at \$20 billion, although inflationary pressures are likely to cause a cost blowout for Woodside.

Go-ahead for Browse would follow hot on the heels of Woodside

approving the development of its \$12 billion Pluto LNG project on the Burrup, where work began a year ago.

The Browse development will continue an unprecedented amount of major project work in WA, driven by China's economic growth which has sent resources prices soaring.

In addition to Woodside's LNG projects, Chevron and its partners are expected to formally approve their \$20 billion Gorgon LNG project, off the North-West, by next year while miners Rio Tinto and BHP Billiton are eyeing more than \$20 billion worth of expansions to their Pilbara iron ore operations.

The Browse news came as Woodside reported a \$1 billion full-year net profit, down 28 per cent on 2006.