

Japan's Inpex to examine NT gas pipeline

Natasha Robinson | *February 28, 2008*

JAPAN'S largest oil exporter, the Inpex group, has signed an agreement with the Northern Territory Government to examine the possibility of piping gas from the Ichthys gas field, in the Browse Basin off the Kimberley coast, to a liquified natural gas plant at Darwin.

Managing director of Inpex Browse, Jiro Okada, said yesterday that while a West Australian location remained the company's preferred option for an LNG plant to process the estimated 9.5 trillion cubic feet of gas expected to come out of the Ichthys reservoir, Darwin's Middle Head Peninsula was a good "alternative site that could be developed within a reasonable time frame".

Mr Okada said environmental and engineering studies since 2004 demonstrated the "strong technical viability" of a gas plant closer to the Maret Islands, but the company was exploring "all realistic options".

The Territory Government has been lobbying the company for the past six months to consider piping natural gas to Darwin as part of the \$8 billion Ichthys development that is aiming to begin exporting natural gas to Japan by 2012. The NT Government's case was possibly helped by an announcement from federal Environment Minister Peter Garrett earlier this month that an environmental study would be undertaken in the Kimberley to examine the impact of development on the region's natural and cultural assets.

Inpex, which was not consulted about the study, responded coolly to Mr Garrett's announcement on February 10.

NT Chief Minister Paul Henderson said yesterday that Darwin offered a high degree of certainty for the Ichthys gas field project, considering the city had access to a deepwater port, an international airport, and direct links to the national highway and rail networks.

Under the Project Facilitation Agreement signed yesterday between the NT Government and Inpex, Mr Henderson agreed to facilitate environmental and planning approvals for the project, set aside land at Darwin Harbour's Middle Arm and plan potential port access for ships.

In exchange, Inpex will spend tens of millions of dollars undertaking technical and engineering studies, which will mainly centre on the viability of piping gas hundreds of kilometres from the Browse Basin to Darwin.