

North West Shelf venture approves \$5bn expansion

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The North West Shelf Venture has approved a \$5 billion expansion of its gas production operations off WA's northern coast, adding to the extraordinary boom in oil and gas projects.

The latest expansion is the North Rankin 2 project, which will recover low pressure gas from the North Rankin and Perseus gas fields.

It brings to five the number of major oil and gas projects that Perth-based Woodside Petroleum Ltd owns and/or operates.

Woodside last year approved its \$12 billion Pluto liquefied natural gas project and is close to competing its \$1 billion Vincent oil project.

In addition, the NWS Venture, which is one-sixth owned and operated by Woodside, is proceeding with its train 5 and Angel expansion projects.

North Rankin 2 production is expected to start in 2013.

Located in 125 metres of water off Western Australia's north west coast, production from the North Rankin and Perseus fields started in 1984 and mid-1990's respectively.

Woodside chief executive Don Voelte said the development project would continue to maximise the value of Australia's largest resource project.

"This project will extend the field life of the North Rankin and Perseus fields and will support the venture's onshore gas commitments to supply customers post 2013," Mr Voelte said.

BHP Billiton Petroleum chief executive Michael Yeager said North Rankin 2 would deliver gas from the North West Shelf for another 25 years.

"This extension of the North West Shelf project follows our approval of the fifth LNG (liquefied natural gas) train which significantly expanded the LNG facility as well as the Angel gas and condensate field which are under development," he said in a statement.

The fifth train will add a further 4.4 million tonnes of production capacity and increase total annual output to 16.3 million tonnes.

An announcement from Woodside Petroleum is pasted below:

Woodside, as operator of the North West Shelf Venture, announces that North West Shelf Venture participants have taken a final investment decision for the development of the North Rankin 2 (NR2) Project off the north-west coast of Australia.

The NR2 Project will recover remaining low pressure gas from the North Rankin and Perseus gas fields.

The project will include the installation of a second platform (North Rankin B) which will stand in about 125 metres of water and include gas compression facilities, utilities and new living quarters.

The North Rankin B platform will be connected by a 100 metre bridge to the existing North Rankin A platform. The NR2 Project will also include necessary tie-ins and refurbishment of North Rankin A.

Upon completion, both platforms will be operated as a single integrated facility.

The NR2 Project total investment is approximately A\$5 billion (100% cost; Woodside share: 16.67%) with project start-up expected in 2013.

Woodside Chief Executive Don Voelte said the development project would continue to maximise the value of Australia's largest resource project.

"This project will extend the field life of the North Rankin and Perseus fields and will support the

venture's onshore gas commitments to supply customers post 2013," Mr Voelte said.

The six equal participants in the North West Shelf Venture are: BHP Billiton Petroleum (North West Shelf) Pty Ltd 16.67%); BP Developments Australia Pty Ltd (16.67%); Chevron Australia Pty Ltd (16.67%); Japan Australia LNG (MIMI) Pty Ltd (16.67%); Shell Development (Australia) Pty Ltd (16.67%); and Woodside Energy Ltd. (16.67% and operator).

CNOOC NWS Private Limited is also a member of the North West Shelf Venture but does not have an interest in North West Shelf Venture infrastructure.

A BHP Billiton statement is pasted below:

BHP Billiton today announced approval for the North West Shelf's North Rankin Gas Compression project which is designed to recover remaining lower pressure gas from the North Rankin and Perseus gas fields. BHP Billiton has approved expenditure of US\$850 million (BHP Billiton share) on the project.

The project comprises a new gas compression platform, North Rankin B (NRB), to be constructed adjacent to the existing North Rankin A platform, which will itself require significant brownfield work including the installation of new equipment. The two platforms will be connected by a 100-metre bridge and operate as a single facility.

The NRB platform is a major offshore facility with a topsides weight of about 23,600 tonnes. NRB is expected to start-up in 2012, with steady state production scheduled for early 2013.

BHP Billiton Petroleum Chief Executive J. Michael Yeager said the North Rankin B project would deliver high-value gas supply from the North West Shelf for another 25 years.

"The North Rankin B project is part of BHP Billiton's continued commitment to developing Australia's major resources. This extension of the North West Shelf project follows our approval of the fifth LNG train which significantly expanded the LNG facility as well as the Angel gas and condensate field which are under development," he said.

"These investments in this long-life, world-class asset underpin a significant extension of BHP Billiton's long-term production profile."

North Rankin is located in 125 metres of water (410 feet), approximately 135 kilometres (80 miles) offshore from Karratha on the North West coast of Western Australia. Production from the North Rankin and Perseus fields started in 1984 and mid-1990's respectively.