

Inpex open to Kimberley LNG hub option

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JAPANESE major Inpex is considering the Western Australian Government-backed Kimberley LNG hub as a third option for its Ichthys LNG development but added that piping gas to Darwin appeared economically viable.

Earlier this month the Federal and WA governments said they had identified nine potential sites for the hub, which would cut back on the amount of red tape LNG developers had to face.

The aim was to narrow this down to a shortlist in August before making decision by the end of October.



Inpex spokesman Sean Kildare told the *Australian* the Kimberley LNG hub was a "third, emerging option" but noted the technical challenges of building and operating a 900km pipeline from the Ichthys field to Darwin could be overcome and it appeared to be economically viable.

"So far, everything about the Darwin option is shaping up as a viable project," he added.

He also said the Ichthys joint venture, which includes France's Total, still considered its original plan to develop an LNG plant on the Maret Islands in WA to be a viable option.

First production from either Darwin or the Maret Island is expected at the end of 2013.

Last month sources told *PNN* that Inpex is leaning towards Darwin as its preferred development option.

The company believes the Northern Territory's friendlier business environment, gas-ready location, significant infrastructure, lack of a domestic gas reservations policy and proximity to Asian markets would help offset the cost of piping the gas to Darwin.

Environmental concerns have also been raised about the Kimberley LNG option.

The Conservation Council of WA, Environs Kimberley and the Wilderness Society have accused the WA State Government of bowing to industry pressure and moving too fast, though incoming WA Department of Industry and Resources director-general Anne Nolan said the hub would minimise environmental impact by avoiding ad hoc development.