

Woodside Petroleum (WPL)

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WOODSIDE competitor Chevron recently announced a significant extension of its Iago gas field adjacent to its Wheatstone discovery.

US energy giant Chevron also reportedly has a vision for a new LNG facility on the Pilbara coast in Western Australia.

JPMorgan believes that while another strong LNG project is a negative for all aspiring Australian LNG developers, the Wheatstone/Iago expansion is more a direct competitor for Woodside in respect of competition for resources and WA state department approvals.

“The gas discovered at Wheatstone/Iago would be sufficient, in our view, to feed a single LNG train. In this respect, Chevron's plans regarding Wheatstone closely resemble Woodside's strategy regarding the Pluto development,” JPMorgan said in a note to clients.

The success at Iago, which is in the Carnarvon Basin, comes amid speculation Chevron is still considering linking its Wheatstone field with Woodside's nearby Pluto-2 LNG project, for which Woodside is trying to source gas, rather than go through with a new plant.

While Chevron has previously refused to give an indication of how much Wheatstone will cost, Woodside's similar-sized Browse is seen by analysts as costing about \$US20 billion.