

## Sun may still rise for East Timor

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Bevis Yeo

### **AUSTRALIA's introduction of an emissions trading scheme may see it lose the Greater Sunrise project to East Timor, according to Woodside Petroleum chief executive officer Don Voelte.**

In an investor briefing today, Voelte said that should the joint venture with Shell and ConocoPhillips decide to develop the field using a floating LNG vessel, the ship could be located in an area jointly administered by the two countries, rather than in Australian waters.

He said this would not only allow the project to pay lower royalties – 10% compared to about 40% in Australia – it would also avoid any impact from the ETS.

“Sunrise may be the first project that Australia loses. That's not a threat, it's a comment,” Voelte added.



Woodside CEO Don Voelte

The Woodside chief has been an outspoken critic of the ETS scheme in its current form, which does not award any free emission allowances to LNG producers.

He had said previously that in the current financial climate, the ETS appeared to be “dead on arrival” for a 2010 start-up and that it was an issue affecting the final investment decision for Woodside's Browse LNG project.

Sunrise has about 5.4 trillion cubic feet of gas and is the subject of a treaty under which upstream royalties are split equally between Australia and East Timor.

Shell is in favour of an FLNG development while ConocoPhillips would like to see it powering a second LNG train at its Darwin LNG project.