

## **West Australia Environment Agency Rejects Preferred LNG Site**

By Angela Macdonald-Smith and Jason Scott

Dec. 19 (Bloomberg) -- Western Australia's James Price Point emerged as the front-runner location for a proposed liquefied natural gas production hub after the state's environmental agency ruled out Premier Colin Barnett's other preferred site.

The North Head site isn't considered suitable for large-scale industrial development for environmental reasons, Paul Vogel, chairman of the Environmental Protection Authority, said today in a statement. The environmental risks of development are likely to be manageable at James Price Point north of Broome, he said.

Western Australia is examining potential sites for the LNG production hub that would provide a location for onshore processing of gas from fields in the Browse Basin, including Woodside Petroleum Ltd.'s Browse LNG venture. Some environmental groups oppose any development of a gas manufacturing complex in the undeveloped Kimberley region.

Barnett expects to name the government's preferred site by Christmas. In an interview yesterday he said North Head and James Price Point are not on "that part of the Kimberley coast that most people identify as that pristine spectacular coast line."

A second site, Gourdon Bay south of Broome, may also be suitable for development, the authority said. The agency ruled out on environmental grounds the last of the four sites being considered, at Anjo Peninsula, citing the threat to "wildness values."

### Whale Watching

North Head has nearby settlements that are likely to be affected by emissions from the LNG site, while calving and resting grounds for whales lie immediately offshore, Vogel said. The authority took into account the size of the hub that may be needed, given the site will probably attract additional LNG production proposals in the future, he said.

"For James Price Point the risk of future expansion being significantly constrained is likely to be low," Vogel said. "At Gourdon Bay future expansion may be limited by the frontage available with direct access to deep water."

The likelihood of developing a gas hub in the Kimberley was reduced in September when Inpex Holdings Inc., Japan's largest oil explorer, decided to locate the processing plant for its proposed \$20 billion Ichthys LNG project in Darwin, Northern Territory, instead of in Western Australia. Barnett, who wants to win the Ichthys project back for the state, is pushing for the development of a Kimberley LNG hub.

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