

Burrup to get nod in stakes for Pluto plant

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Woodside Petroleum has taken a key step towards developing its \$5 billion Pluto liquefied natural gas project, settling on the Burrup Peninsula as its preferred site for the onshore gas plant.

A spokeswoman said yesterday that, though a final decision was not likely until the end of the month, Woodside had informed Karratha community groups that the Burrup site was its preferred option over an alternative location near Onslow.

"We've had some meetings up here and told the community our preferred option is the Burrup Peninsula, though Onslow is being maintained as an option," she said. "We haven't made a final decision . . . but we have said we'd like to have it done by the end of the first quarter and we are still hoping to."

Woodside's preference for a site not far from the existing North West Shelf LNG facilities it already manages comes as little surprise given the cost advantages of building close to existing infrastructure with a big resident workforce.

Woodside is already successfully managing the \$2 billion construction of a fifth LNG train at the Shelf onshore plant, hot on the heels of the \$2.4 billion Train 4

expansion.

Once Train 5 is in production in 2008, LNG capacity at the Shelf will have doubled to more than 16 million tonnes in just five years.

In comparison, the town of Onslow will require a massive upgrade of facilities to cope with the 2000 to 3000 workers needed to build the Pluto facility. Fewer than 1000 people currently reside in the town.

However, a State Government study in 2004 found that creating an industrial "hub" at Onslow would be significantly cheaper than other greenfield sites, including Cape Preston and West Intercourse Island, which were scrubbed from Woodside's list of potential sites late last year.

That study helped BHP Billiton select a site 4.5km south of Onslow as the preferred location of its so-called \$5 billion Pilbara LNG proposal to process gas from the remote Scarborough gas field.

Woodside hopes to start producing five to seven million tonnes of LNG from Pluto annually by 2010 to cash in on growing gas demand in Asia and North America. Forecasters have predicted a global LNG shortfall of 100 million tonnes by 2015.

Though the Pluto field, 190km west of Karratha, was only discovered in April, Woodside has been

able to accelerate development plans because it owns the project outright.

Already Japanese buyers have committed to buy up to four million tonnes of LNG from the field annually with a second formal heads of agreement expected to be signed in weeks.

Woodside's spokeswoman said conceptual design work was already under way with two main options under consideration: a Train 5 "lookalike" and a design similar to ConocoPhillips' new LNG plant in Darwin, which started production last month.

"When we move into front-end engineering and design, which will be in the middle of the year, that will give us a lot more clarity," she said.

Woodside hopes to make a final investment decision on Pluto some time next year, followed by approval of its \$10 billion Browse project off Broome soon after in a bid to start production there between 2012 and 2015.

Woodside will then rank among the world's biggest LNG producers with attributable output of over 10 million tonnes a year, a figure that will rise significantly if it can also revive the \$9 billion Sunrise project in the Timor Sea.

