

Woodside to seal nation's biggest LNG deal of \$20b-plus

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Woodside Petroleum will sign Australia's biggest ever LNG deal with Japan at the Sydney Opera House today when it finalises a \$20 billion-plus supply and equity agreement with two Japanese power utilities.

The deal was first flagged by Woodside almost 18 months ago, when Kansai Electric and Tokyo Gas each agreed to acquire a direct 5 per cent stake in the \$12 billion Pluto LNG project at the Burrup Peninsula.

The two utilities have also agreed to collectively buy up to 3.75 million tonnes of Pluto LNG annually for 15 years from 2010, effectively underwriting the project which was approved last month.

The agreement is already the biggest ever struck by Woodside, but is potentially worth billions of dollars more as the Pluto project is expanded.

Under the deal, Kansai and Tokyo Gas each hold options to invest in the second and third LNG production trains planned at the project, and may

also acquire 5 per cent holdings in three of Woodside's exploration permits in the surrounding waters.

Announcing a bumper first half profit of \$610 million on Wednesday, Woodside chief executive Don Voelte said planning was already well under way for the construction of a second and third LNG train at the Pluto site.

Pluto's initial production train will be sufficient to extract all of Pluto's current reserves of about five trillion cubic feet of gas, but Woodside is confident of other resource finds nearby.