

Kazakh move for local Chevron boss

Nigel Wilson, Energy writer | *September 26, 2007*

CHEVRON Australia managing director Jay Johnson, who directed the Gorgon LNG project, is moving to head the oil and gas giant's Eurasia strategic business unit, based in Kazakhstan.

Chevron's staff in Perth were told of Mr Johnson's promotion ahead of the imminent signing of environmental approvals for the 10 million tonne a year project by federal Environment Minister Malcolm Turnbull.

Federal approval is required, following the Western Australian Government's decision to grant Gorgon an environmental licence containing some of the most stringent conditions for a major project anywhere in the world.

The federal environmental assessment process runs in parallel with state procedures.

Chevron global president David O'Reilly earlier this month discussed Gorgon's environmental issues with federal ministers in Canberra, stressing how important the project was to Chevron's global aspirations, including its potential contribution to reducing greenhouse gas emissions in customer countries.

Mr Turnbull is also understood to be preparing to sign environmental approvals for Woodside's \$12 billion Pluto LNG development, despite a late move by an Aboriginal group in the Pilbara to block the project under the Aboriginal and Torres Strait Islander Heritage Protection Act.

The Wong-Goo-Tt-Oo native title group wants Woodside to be barred from the approved site for Pluto on the Burrup Peninsula because construction of the plant would mean the relocation of rock art.

The Pluto site has already been exempted from inclusion in the heritage listing of parts of the Burrup. Both approvals are expected to be signed before the federal Government goes into caretaker mode for the federal election.

The promotion of the widely respected Mr Johnson is seen as clear indication that progress towards a final investment decision for Gorgon has resumed, with a decision possible early next year.

Since beginning the environment approval process in 2003, the Gorgon Joint Venture (Chevron 50 per cent, Shell and ExxonMobil each 25 per cent) has conducted extensive community consultation, incorporated a wide range of local and global scientific expertise, and built on the environmental experience of operating Australia's largest and oldest onshore oilfield on Barrow Island for more than 40 years.

Gorgon has an estimated resource base of more than 40 trillion cubic feet of gas and a nominal development life of about 60 years.

Mr Johnson's return to Kazakhstan follows a move by Chevron to restructure its upstream business by establishing geographically based business units.

Chevron is Kazakhstan's largest private oil producer, with a 50 per cent interest in Tengizchevroil (TCO) and a 20 per cent stake in the Karachaganak Field.

The company is a partner in TCO's Tengiz field, the world's deepest operating super-giant oilfield, which in December last year produced its billionth barrel.

Roy Krzywosinski, currently president and general manager of Chevron, will become managing director in Australia from January.