

Australian government approves Woodside Petroleum's gas project

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CANBERRA, Australia: The Australian government approved Woodside Petroleum Ltd.'s 12 billion Australian dollar (US\$10.7 billion; €7.54 billion) liquefied natural gas development off the coast of Western Australia Friday, subject to environmental conditions.

"The decision to grant environmental approval for the Pluto project will ensure that industry development can proceed with environmental conditions to protect threatened and migratory species, ecological communities and the Commonwealth marine environment," Environment Minister Malcolm Turnbull said in a statement.

Woodside approved the Pluto development in July amid growing regional demand for liquefied natural gas, with the first LNG shipments expected by late 2010. The forecast production of the plant in the initial phase is 4.3 million metric tons (4.7 million tons) a year.

The company said Turnbull's approval cleared the way for the project to start.

Woodside has a 90 percent stake in Pluto, while Tokyo Gas Co. Ltd. and Kansai Electric Power Co. Inc. each have 5 percent stakes and are foundation customers.

Among the environmental conditions, Woodside is required to put in place management plans to protect the local marine environment, including a dredging and spoil disposal plan; an oil spill contingency plan; and offshore drilling, construction, installation and operations management plans.

On Wednesday, Turnbull announced the approval of U.S. petroleum company Chevron Corp.'s Gorgon gas project off the coast of northwestern Australia.

That approval allows Chevron, Exxon Mobil Corp. and Royal Dutch Shell PLC to develop a planned 10 million metric tons (11 million tons) a year liquefied natural gas plant on Western Australia state's remote Barrow Island, also subject to environmental conditions.

Australia's existing LNG project, the North West Shelf Venture, extracts natural gas off the coast of Western Australia, cools it to liquid and ships it to Japan in tankers. Partners in the venture include BP PLC, Chevron, Woodside and Shell.

Current capacity is 11.9 million metric tons (13.3 million ton) of LNG a year. Exports began in 1989.