

Chevron to fire up Wheatstone

CHEVRON Australia Pty Ltd plans to develop its wholly-owned Wheatstone natural gas discovery offshore Karratha in Western Australia as a new liquefied natural gas (LNG) project.

Chevron Australia managing director Roy Krzywosinski said prospective development opportunities include LNG, domestic gas and gas-to-liquids.

The initial phase of the development will tap an estimated 4.5 trillion cubic feet of natural gas within two permits that include the Wheatstone discovery.

"We intend to use Wheatstone gas resources to underpin a LNG facility on mainland WA," Mr Krzywosinski said.

The processing facility will have initial capacity of at least one five million tonne per annum LNG production "train" with expansion capacity for additional production trains.

"We recognise and respect the desire of the WA Government to plan for Australia's future energy needs and Wheatstone, in our view, is not only going to be a plat-

form where we can not only commercialise our gas resources for LNG but also provide domestic gas for the local market," he told AAP.

Mr Krzywosinski could not yet confirm whether Chevron Australia's domestic gas commitment would be in line with the WA Government's gas reservation policy, requiring gas producers to reserve 15 per cent of their gas reserves for the domestic market.

Wheatstone was discovered in 2004 and appraisal drilling was conducted late last year.

Currently, Chevron Australia is currently preparing design studies for development and production, further field appraisal work and site evaluation.

Front-end engineering and design is expected to commence next year.

Chevron Australia would develop Wheatstone and its massive, Barrow Island-based Gorgon LNG project, which is also offshore Karratha, as independent projects, he said.