



Woodside's LNG storage facilities on the Burrup Peninsula.

Woodside in line for big LNG contract

By Peter Klinger

WOODSIDE Petroleum is vying for a multi-billion-dollar contract to become Singapore's exclusive supplier of liquefied natural gas (LNG).

Chief executive Don Voelte said in Singapore yesterday that Woodside was on a shortlist of five parties bidding for a contract to provide three million tonnes of LNG a year from 2012.

He said it might partner with the island state's electricity monopoly, Singapore Power, if successful.

The potential value of the Singapore deal has not been disclosed.

Based on Woodside's 20-year, \$45 billion LNG sales agreement with PetroChina, the Singapore deal could be worth at least \$2.3 billion a year.

Singapore's Energy Market

Authority (EMA) expects to announce the successful bidder as early as next month.

The winning party will need to supply 3mtpa to Singapore's yet-to-be-built LNG import terminal.

Woodside would be able to supply other companies' LNG to Singapore but it is expected the Perth company would use its Browse Basin gasfield to satisfy the island state's energy needs, once the \$20 billion Browse project is developed.

Mr Voelte expects first production from Browse by 2013.

The EMA has not disclosed the names of the other four short-listed parties or how long the supply contract would last.

Woodside is well placed to provide the LNG cargoes, given Browse's proximity to Singapore.

A round trip from the Kimberley, where Browse's

onshore LNG facilities are expected to be based, to Singapore takes less than 10 days, or half the time it takes for a shipment to leave WA's North-West for Japan, unload and return.

In other news, The Australian Competition and Consumer Commission has revoked an authorisation for the six North-West Shelf participants to jointly market their gas to the WA market.

The authorisation was granted in 1977 to protect the Shelf partners against anti-competition actions.

In December, the partners applied for the authorisation to be revoked, in the belief their marketing initiative did not breach the Trade Practices Act.

The ACCC yesterday granted the request, citing unanimous support from "a number of submissions".