

Ups and downs for Aussie GTL, CTL

Francine Pennington
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CHEVRON'S decision to build an LNG plant for its Wheatstone gas discovery off Western Australia has ended speculation the field would underpin Australia's first large scale gas-to-liquids (GTL) diesel plant.

Sasol Chevron, a joint venture between the US oil giant and South Africa's Sasol had been undertaking a feasibility study for a GTL project in the Pilbara region.

It is now unlikely that Wheatstone would form part of such a venture, but the Federal Government's commitment in February to promote investment in GTL technology has still raised hopes that Australia may yet host a GTL industry.



However, Federal Resources Minister Martin Ferguson has given no financial commitments to Sasol Chevron or other GTL hopefuls.

Central Petroleum managing director John Heugh said he wanted a clearer picture about what help the government might offer.

"I don't see any government offering any wholesale financial assistance," he said. "But they could offer to facilitate approval, rather than hinder or block it."

The outback explorer, which has a large acreage position in the Northern Territory, is working towards a 500 billion to 1 trillion cubic feet reserve base to support a 20,000 barrel per day GTL plant.

"Nothing's going to happen until we prove the reserves are there," Heugh said.

"And helping us enormously to do that would be if the government continued providing tax offsets for exploration in frontier basins."

GTL projects have been frequently discussed over the years, but so far only a handful of plants South Africa, Malaysia and Qatar are operating.

GTL and coal-to-liquids use much the same technology, and it seem that CTL has the edge in Australia.

Leading the charge in is Linc Energy, which expects to bring a world-first demonstration plant online any day now.

The pilot project, planned for Chinchilla in Queensland, will involve the first-ever conversion of coal that has been gasified underground into a clean diesel fuel.