

## Chevron plans Wheatstone LNG hub on Pilbara coast

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**MELBOURNE, Sept. 24** -- Chevron Australia has applied to the federal government for environmental approval to build an LNG hub on Western Australia's Pilbara coast for its proposed Wheatstone project.

Plans for Wheatstone, which will be bigger than the existing North West Shelf LNG project and the planned Gorgon project on Barrow Island, call for starting with 10 million tonnes/year of LNG production through two trains from 2015. Initial costs could be as high as \$30 billion (Aus.).

The facility may be expanded to a 5-train operation totaling 25 million tonnes/year if sufficient gas can be found from Chevron's own sources or third party fields outside the Greater Gorgon area.

Wheatstone has 4.5 tcf of gas reserves. The nearby Iago-2 success last July raised the expansion possibility.

Chevron says it has three potential sites for Wheatstone—Ashburton North, Onslow, and Cape Preston—which are located along a 100-km stretch of the Pilbara coast south of the Burrup Peninsula.

The project also would include a 250 MMcfd domestic gas plant. This represents 15% of LNG sales from the proposed first train and would increase in line with LNG sales after that.

Chevron plans to select a final site choice during first-half 2009 and contemplates a 30-year project life.

The Wheatstone project will be separate from the Chevron-operated Barrow Island project for Gorgon, which is still moving towards finalization of the front-end engineering and design process.

A large Wheatstone hub with third-party gas supply capacity would create competition for Woodside's Pluto project, which is seeking to attract third party gas to enable it to build a second train on its Burrup Peninsula site.