

Chevron picks site for proposed Australia LNG project

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SYDNEY, Dec 19 (Reuters) - Chevron Corp (CVX.N: [Quote](#), [Profile](#), [Research](#)) has chosen a production site in Australia for its proposed Wheatstone liquefied natural gas project, the company said on Friday.

After narrowing its search to three locations, the oil and gas major said it preferred to build the project, potentially one of the largest of its kind in Australia, at Ashburton North.

The site is 12 kilometres (7 miles) west of the town of Onslow and about 200 kilometres south of the offshore Wheatstone natural gas field.

Chevron Australia Chief Executive Roy Krzywosinski said in a statement that front-end engineering and design work would be carried out in 2009 while the company sought government approval to operate a 25 million tonnes per year LNG and domestic gas plant complex.

The initial development consists of two LNG processing facilities with a nominal capacity of 5 million tonnes per year each. A separate, but co-located domestic gas plant designed to initially process up to 250 million standard cubic feet per day is included as part of the development plan.

A Chevron spokeswoman said no Wheatstone gas had been contracted for sale while a final investment decision would be made following the completion of the design study.

Approvals from the Western Australian state government were needed for the project to proceed, the spokeswoman said. Output from the project, announced in March as a 5- million-tonnes-per-year facility, has been since revised following discovery of more gas at its Iago gas field adjacent to the Wheatstone gas field.

If expanded to 25 million tonnes, the Wheatstone plant would be larger than the North West Shelf LNG project, operated by Australia's Woodside Petroleum Ltd Woodside (WPL.AX: [Quote](#), [Profile](#), [Research](#)), and Chevron's own proposed 15 million-tonnes-per-year Gorgon LNG project, currently Australia's biggest planned resources project. (Reporting by Bruce Hextall, Editing by Michael Urquhart)