

Western Australia taps Kimberley site for LNG hub

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MELBOURNE, Dec. 29 -- Western Australia has chosen a site called James Price Point about 60 km north of Broome on the Kimberley coast to establish a proposed LNG hub for development of gas resources in the offshore Browse basin.

Province Premier Colin Barnett said the site is most likely to work best for the Kimberley community, the environment, industry, and Western Australia's future economic development.

He added that the area provided a range of potential development sites along a 10 km strip of coastline offering flexibility in locating jetties and processing operations. There also is room for expansion for two or more LNG operators as there are no settlements or businesses within 20 km.

Federal Minister for Resources and Energy Martin Ferguson backs the move, saying it is a welcome step forward at a time when investment is desperately needed to create jobs and generate revenue and export dollars for Australia.

However the Kimberley Land Council, representing the traditional aboriginal owners, is less enthusiastic because the decision has stripped them of any major political ally. Earlier this month the KLC rejected a \$500 million (Aus.) package from Woodside Petroleum in return for approvals over four then-potential sites.

Nevertheless Premier Barnett says the government hopes to secure tenure over the site with consent from traditional owners. If that does not happen, compulsory acquisition remains an option.

The Western Australian government has agreed to a federal government proposal to fund a facilitator to work with all key parties towards a negotiated resolution to acquire the site. A full environmental, technical, and social impact assessment will be made before final approval is given.

The original idea of a hub with government funded infrastructure was suggested as a way to consolidate all the Browse basin projects in one shore-based development area instead of a number of separate company-funded bases impacting the pristine Kimberley coastline.

It remains to be seen whether Woodside will consider the proposed hub for its planned Browse basin LNG project (developing offshore Torosa, Calliance, and Brecknock gas fields) rather than bypassing the Kimberley region altogether and piping gas 850 km south directly to its Pluto LNG plant now under construction on the Burrup Peninsula in the Pilbara region near Karratha.

The Western Australia premier also holds out faint hope that the Inpex-Total joint venture will reconsider its decision to bypass the Kimberley coast and pipe its gas from Ichthys field 800 km to a proposed LNG plant at Darwin in the Northern Territory.

The Browse basin has proved reserves of 27.5 tcf of gas and 600 million bbl of condensate.