

First steps for Pluto — with a global future ahead



Site works have started on the Burrup Peninsula where gas from the Pluto field and potentially other stranded gas reserves in the region will be processed for the export LNG market. It will be Western Australia's first new LNG project in 25 years.

In December 2006, Woodside Energy approved commitments of up to \$1.4 billion for site preparation and long-lead items ahead of a final investment decision, which is due in mid 2007. Following the granting of State and Commonwealth environmental and heritage approvals, site preparation for the LNG storage tanks began recently.

Contractors Foster Wheeler WorleyParsons and BGC have started work on Industrial Site A, the location for the LNG storage tanks and export jetty. LNG storage tanks will take longer to construct than other infrastructure, hence the early site work.

Site preparation will include fencing, road access, relocating cultural heritage material, installation of temporary facilities, and bulk earthworks. It is expected that a workforce of 80 people will be required for site preparation.

With around 4 Mt/a of LNG sales expected from Pluto, and Woodside's Browse Basin development also making good progress, Western Australia could be the Asia-Pacific region's largest exporter of LNG by 2013 with potential sales of more than 40 Mt/a.

The onshore gas processing facilities will initially have a LNG production capacity of 5-6 Mt/a. Approvals are also being sought for 12 Mt/a of LNG and domestic gas production to allow for future expansion and possible supply to Western Australian customers. Woodside claims the "open access" model being adopted provides capital efficiencies for all gas owners in the area and will allow early commercialisation of resources which may otherwise languish.

Woodside's intention is not to destroy any rock art in developing the Pluto project. Through extensive consultation with traditional custodians, archaeologists, anthropologists and government agencies, design of the Pluto facilities has been modified to ensure heritage sites are avoided where possible. As a result, 95 per cent of the 3000 engravings on the Pluto leases will be undisturbed by the development. This activity will have no impact on the proposed 5000 hectare Burrup Peninsula Conservation Reserve containing hundreds of thousands of engravings.

Ground work begins: *Clearing commences on the Burrup Peninsula to accommodate multi-billion dollar gas processing facilities for Woodside's Pluto project. It will be the first new LNG project in Western Australia for a quarter of a century.*

Woodside will relocate 150 engravings to undeveloped areas within its leases, in consultation with traditional custodians.

The development of Pluto is on schedule to deliver its first LNG shipments by the end of 2010, as per a customer agreement with Kansai Electric and Tokyo Gas.

The Pluto field was discovered in April 2005, less than two years after the WA-350-P permit was awarded to Woodside. With the first appraisal well completed by July 2005, Woodside announced its intention to develop an LNG project based on the Pluto field a month later.

Economic modelling indicates the Pluto LNG development will create thousands of jobs, contribute \$17.6 billion to the national economy and \$28.6 billion to the WA economy, and provide significant opportunities for local businesses. It will generate up to \$8.5 billion in government revenues.

Capital expenditure on the Pluto project will be between \$6 and \$10 billion. A final investment decision on the project is expected in mid 2007. ■