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# Shelf gas majors commit $5bn to new offshore rig

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WOODSIDE and its North West Shelf partners have agreed to spend around $5 billion on a third offshore production platform.

North Rankin B will extend the life of the project, which began operating in 1986, at least until 2041. By the end of this year the Shelf venturers plan to have a fifth LNG processing train commissioned, lifting annual output from around 11 million tonnes to 16 million tonnes.

The jacket, or legs, for the new platform will be built in Indonesia and the topsides in South Korea, although Woodside said yesterday there was scope for about 40 per cent of the huge project to be supplied from companies operating in Australia.

The NR2 project, including the platform, has been under detailed planning for about three years.

It is designed to recover remaining low-pressure gas from the North Rankin and Perseus fields, about 135km offshore from Karratha. They are the major suppliers for the NW Shelf project, already Australia's biggest resources development, which is currently valued at more than $20 billion. NR2 will include the installation of the platform, which will contain new gas compression units and new living quarters, transferred from the original North Rankin A platform, which, with Goodwyn A, was commissioned in 1995 to deliver gas through two trunklines to processing facilities on the Burrup Peninsula.

North Rankin B will be constructed in 125m of water and connected by a 100m bridge to the 21-year-old North Rankin A.

The new 23,000-tonne platform will be substantially higher out of the water than North Rankin A following evidence collected in the past two decades that the supposed 100-year cyclone for which the original platform was designed had already occurred several times.

In production terms, North Rankin B will add only around 100 million cubic feet of gas a day to the development's current output of about 2600 mmcuft but it adds immensely to its long-term security.

Woodside chief executive Don Voelte said yesterday that NR2 would continue to maximise the value of the NW Shelf. "This project will extend the field life of the North Rankin and Perseus fields and support the venture's onshore gas commitments to supply customers post 2013," he said.

The jacket is scheduled to be on site in 2011 and the topsides completed in 2012, with full production scheduled for early 2013.

Woodside, as project operator, aims to link the platform in without losing production.

Each of the partners — Woodside, BHP Billiton Petroleum, BP, Chevron, Shell and Japan Australia LNG — has 16.67 per cent of the new project, an investment valued nominally at $834 million each in today's dollars.

In its announcement, BHP said it had approved $US850 million ($920 million) for the NR2 development, suggesting it had made a substantial contingency allowance. The previous largest investment on the Shelf development is the $2.6 billion committed for the fifth production train. This was originally costed at $2 billion but was hit by the global increase in the price of steel.

BHP Billiton Petroleum chief executive Michael Yeager said the NR2 project would deliver high-value gas supplies from the NW Shelf for another 25 years.

**Sunken treasure:** The new platform will be higher out of the water than North Rankin A, pictured