

Chevron chooses site near Onslow for massive LNG plant

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Chevron has earmarked Ashburton North, 11km south-west of Onslow, as the onshore site for its massive Wheatstone project in a move that could create a second Pilbara liquefied natural gas processing hub in the Pilbara.

The US energy giant's choice won the immediate support of Colin Barnett, who said the WA Government would create a strategic industrial area at Ashburton North.

The proposed industrial site covers an 8000-hectare area, big enough to accommodate several LNG projects.

Although Chevron is the front-runner to become the site's maiden tenant, BHP Billiton and joint venture partner ExxonMobil are also considering using Ashburton North as the onshore site for their Scarborough gas project.

Chevron has spent the past nine months scouring the Pilbara coastline for a site to build its Wheatstone LNG plant, after ending talks with Woodside Petroleum over a processing joint venture at Pluto, on the Burrup Pen-

insula, and instead pursuing a stand-alone development.

Chevron expects to start front-end engineering and design studies next year with an initial aim of making a final investment decision by the third quarter of 2010.

Wheatstone's start-up phase will consist of two LNG trains capable of producing 10 million tonnes a year, with plans to expand the project to 25mtpa, or 1.5 times the size of the Woodside-operated North West Shelf.

Wheatstone will also supply 250 million cubic feet a day into the domestic gas market.

Construction of the project, which is likely to cost more than \$20 billion, would take five years.

Chevron is yet to publish a reserves figure for the greater Wheatstone fields although it has flagged that the initial production phase would focus on 4.5 trillion cubic feet of gas.

Despite yesterday's announcement and Mr Barnett's support, Chevron will still have to go through a rigorous

approvals process as well as agreeing to terms with Aboriginal groups including the Thalanyji people. It also needs to secure long-term gas sales contracts.

Ashburton North could become the second Pilbara LNG hub alongside the Burrup Peninsula, home to the North West Shelf and Pluto projects.

