

Chevron Announces Plans For Wheatstone LNG Development

Chevron Australia Pty Ltd, plans to develop a new Australian liquefied natural gas (LNG) project, based on its 100% owned Wheatstone natural gas discovery.

The facility will initially consist of one 5 MM tpa LNG production train as well as providing commercial domestic gas to the local market.

The company said expansion capacity for additional trains catering for export production and gas-to-liquids development is a possibility in the future.

Chevron Australia is currently preparing design studies for development and production, site evaluation, and further field appraisal work. Front-end engineering and design is expected to commence in 2009.

Chevron Asia Pacific Exploration and Production Company President, Jim Blackwell, said Wheatstone LNG was a tremendous growth opportunity and provided another platform to commercialise the company's significant natural gas resources in Australia.

"Together, the Gorgon and Wheatstone projects are expected to make Chevron a leading natural gas supplier and operator of LNG facilities in the Asia Pacific region", he said.

The facility will be situated at a mainland location on the western Pilbara coast.

Chevron spokesman, Scott Walker, said the location will be subject to a site selection process and the company expected to be in a position to indicate the preferred location later this year.

It is too early in the site selection process to say if Chevron anticipated any

problems associated with native title or environmental issues.

"Chevron Australia has a strong commitment to community consultation, to ensuring that the communities where we are located benefit from our operations and more than 40 years of practical experience in local environmental management through its oilfield operations on Barrow Island", he said.

"The company looks forward to working with government in securing timely approvals to facilitate the Wheatstone development."

Discovered in 2004, Wheatstone is located 145 km offshore in the Carnarvon Basin in water depths of around 200 m. The initial phase of the development will tap an estimated 4.5 trillion cubic feet of natural gas resources located within the two Chevron-operated permits that include Wheatstone. ■