

Gorgon Clears Its Final Hurdle

The Gorgon LNG project has been granted final approval by the West Australian government, after David Templeman, the Environment and Climate Change Minister signed off on a set of stringent environmental conditions in early September.

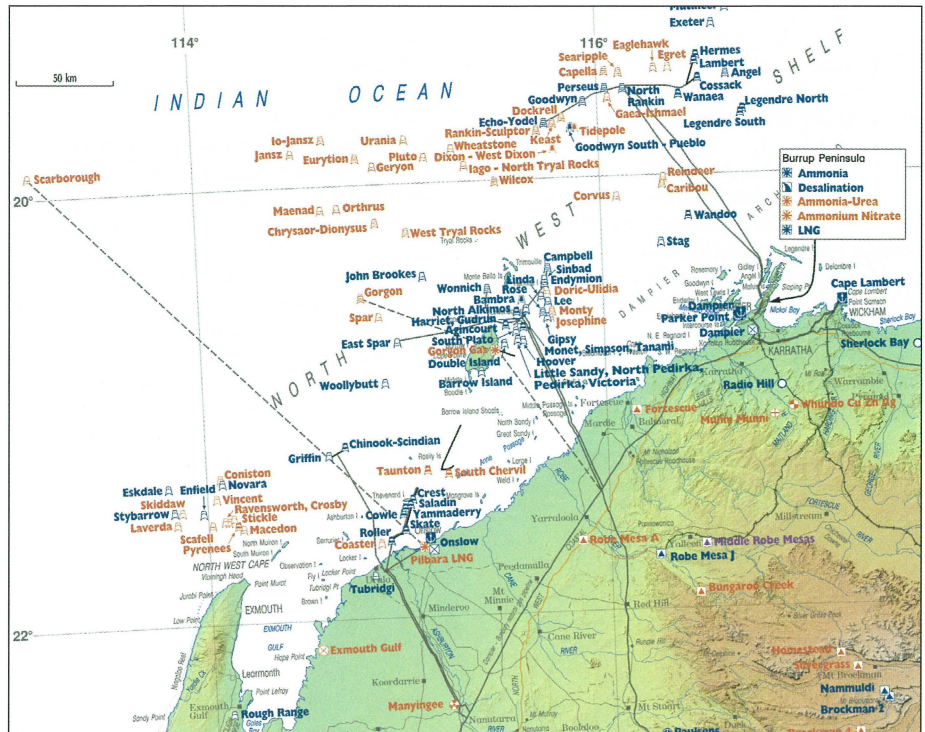
One such condition is a requirement that Chevron, ExxonMobil and Shell, the proponents of the Gorgon project, will establish a reservoir carbon dioxide injection system under the Gorgon site on Barrow Island. The joint venture partners will also be expected to establish expert panels to protect the biodiversity of the island and surrounding marine environment.

The conditions form one part of a three-point environmental protection plan for the project, which also includes an additional A\$60 million commitment by Chevron, ExxonMobil and Shell to fund a series of initiatives to conserve the flatback turtle population and to protect other endangered species, and a government commitment to expand land and marine parks and reserves in the Pilbara and lower west Kimberley regions.

The proponents will also be required to submit an annual audit compliance and environmental performance reports, as well as a greenhouse abatement program to ensure the plant is designed to minimise greenhouse emissions.

Colin Beckett, Chevron Australia's general manager for the Greater Gorgon Area, noted that the conditions were some of the most stringent imposed on a major project anywhere in the world. "The Minister's decision to issue state environmental approval for the Gorgon development proposal is an important project milestone."

"We have always believed that the Gorgon project can be developed in a way that continues to protect the conservation values



Location of the Gorgon field offshore WA



Conservation of the flatback turtle, one of many environmental protection initiatives. Photo K.Howard

of Barrow Island while generating significant economic benefits. The detail of final government environmental approvals for the Gorgon project will be incorporated into our current work on engineering and design, risk mitigation and long-term resource planning", Beckett said.

The Gorgon project has an estimated resource base of more than 40 Tcf of gas and a nominal development life of around 60 years.

PetroChina has issued a vote of confidence in the Gorgon project, by entering into long-term LNG supply agreements with Shell. ■