

# BROWSE LNG DEVELOPMENT

Development update | May 2009

Woodside is Australia's largest independent oil and gas exploration and production company and one of the region's leading suppliers of energy.

## Woodside

We are committed to sustainable development through our long term economic performance, social contribution, environmental responsibility, and most importantly, continued focus on safety.

Woodside has a long history of operating in the Kimberley region with exploration drilling off the north-west coast beginning in 1967. Following the first discovery of gas in the Browse Basin in 1971, Woodside has continued to conduct exploration activities off the Kimberley coast and undertaken extensive appraisal and other feasibility studies, utilising the Broome Port and associated infrastructure.

This 40 year presence underpins our knowledge and appreciation of the environmental and cultural significance of the Kimberley to local Indigenous people and the wider community.

At Woodside, we are proud of our past and excited about our future.

## Browse LNG Development

The Browse LNG Development is a world-scale development that forms part of Woodside's LNG growth strategy.

The Browse gas fields include the Torosa, Brecknock, and Calliance discoveries which are located offshore, around 425 km north of Broome, Western Australia. These fields contain a combined contingent resource of about 14 trillion cubic feet of dry gas and 370 million barrels of condensate. The natural gas contained in the gas fields will primarily be converted into LNG for export to international markets.

The proposed Browse LNG Development is a joint venture comprising Woodside, BHP Billiton, BP, Chevron and Shell. Woodside is the largest interest-holder and operator of the permits. As operator, Woodside is responsible for the planning and day-to-day operations in connection with the Browse LNG Development.

This development has the potential to provide a significant economic boost to Australia, in particular Western Australia and the region in which it is based.



## Selecting the Concept

The Browse LNG Development is in the "concept selection" phase, which means Woodside is investigating what type of facilities it would need to build in order to develop the Browse resources, and where those facilities would be located.

In the past four years, Woodside has held more than 225 stakeholder meetings to support the Browse LNG Development.

## LNG processing options

Since 2002, as strength emerged in LNG markets, Woodside has been progressing a range of feasibility studies to evaluate location options for the Browse LNG Development's processing facilities. During this time, Woodside has evaluated more than 40 potential sites for these facilities in the Kimberley, Pilbara, Darwin and offshore. This evaluation has involved environmental, social, technical and economic studies along with extensive consultation with Traditional Owners, conservation groups, business and industry organisations, community groups and all tiers of government.

Following the evaluation process two options remain under consideration, these are:

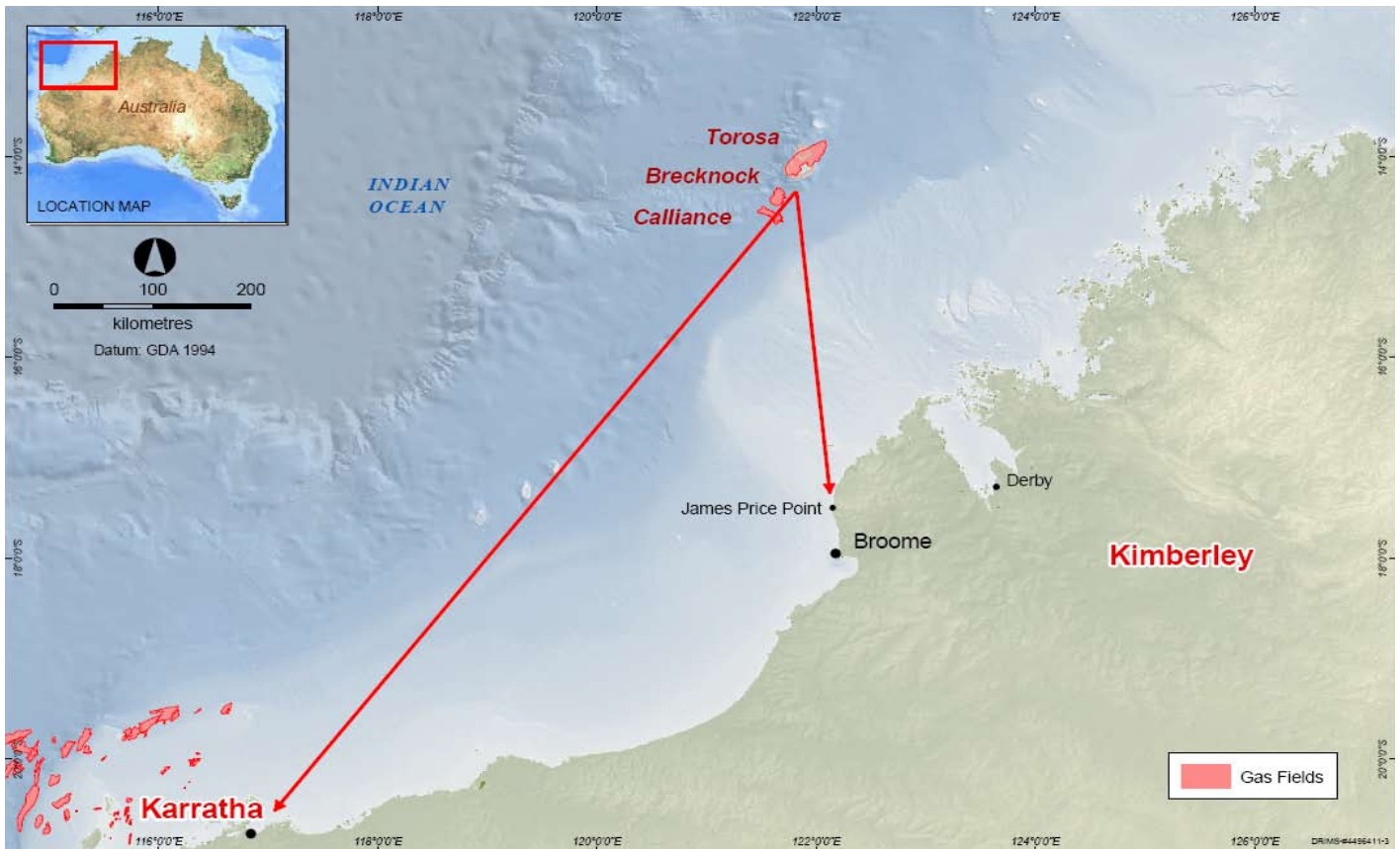
- Processing the gas at the State Government's proposed LNG Precinct at James Price Point in the Kimberley
- Utilising existing Woodside-operated facilities located near Karratha in the Pilbara region of Western Australia.

Evaluation of these options are ongoing and a decision on the final location of the gas processing facilities will be made by the Browse Joint Venture once commercial, technical, social and environmental studies have advanced to an appropriate level.

Regardless of which location is selected for the LNG facility, common to all concepts are the facilities needed to recover the gas from the three gas fields. This component is known as "upstream".

Environmental approvals under the *Environmental Protection and Biodiversity and Conservation Act 1990* (Commonwealth) have commenced for the upstream component of the Browse LNG Development. Full details on the referral can be found on the Department of Environment, Water, Heritage and the Arts website [www.environment.gov.au/epbc](http://www.environment.gov.au/epbc)

Currently, upstream development concepts are being evaluated and considered in a detailed environmental impact assessment process to support this approvals process.



## Kimberley LNG Precinct

In April 2009 Woodside, together with the State Government and the Kimberley Land Council on behalf of Traditional Owners, signed a Heads of Agreement related to the establishment of the LNG Precinct at James Price Point, north of Broome. The Heads of Agreement outlines commitments for all the parties involved, including significant financial and other benefits for Indigenous people in the Kimberley.

This agreement is subject to a number of conditions, and will require conversion to a more detailed Indigenous Land Use Agreement to be negotiated and entered into later in 2009.

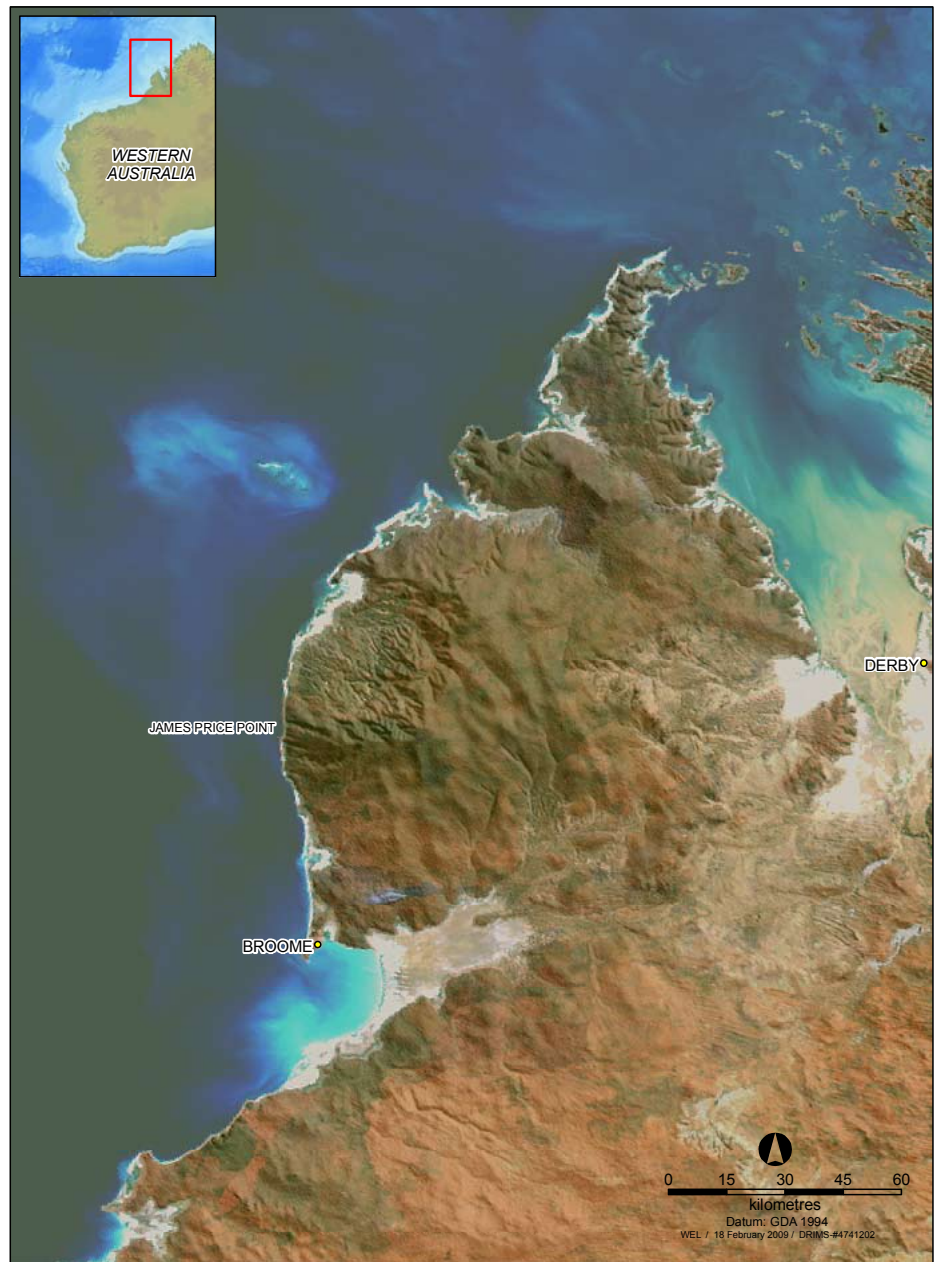
Woodside has identified the Kimberley LNG Precinct as its preferred site for the processing of LNG from the Browse Basin gas fields. However, the Browse Joint Venture as a whole is still considering both the Kimberley and Karratha, and has not yet made a decision on the location.

### Background on the Precinct

In 2007 the Western Australian Government set up a taskforce to coordinate the development of gas resources in the Kimberley region by identifying a single precinct site for the co-location of LNG projects. The aim of this process was to ensure the development of Browse Basin gas resources are balanced against the unique environmental and heritage values of the Kimberley. A single precinct site will serve multiple operators and avoid ad-hoc development, minimising impact, but also ensuring the Kimberley community receives direct benefits through jobs and business opportunities.

After completing an extensive evaluation of 43 Kimberley coast sites over a period of more than 15 months, James Price Point was selected by the Western Australian Government as the preferred location for the proposed Kimberley LNG Precinct.

The Minister for State Development is the proponent for the Kimberley LNG Precinct and is responsible for securing land access and the planning and execution of



social, environmental and heritage studies to support the precinct development. Woodside, as the Operator of the Browse Joint Venture, has been providing support for this site selection and approvals process.

### Strategic Assessment

The process to select a site or a concept for the Precinct does not stop here. As part of the responsible development of the Precinct, the

State and Commonwealth governments have entered into an agreement to undertake a Strategic Assessment, in order to understand social and environmental impacts, and to provide a basis for environmental approvals. The Commonwealth Government has also commenced, a broader assessment of the Kimberley's heritage values via a National Heritage Assessment under the *Environment Protection and Biodiversity Conservation Act 1999*. Both processes are targeted for completion in mid-2010.

We are an experienced and proven operator.

The Woodside-operated North West Shelf Venture produces about 40% of Australia's oil and gas.

## Karratha option

For the Karratha option, a pipeline would be constructed from the Browse gas fields to existing Woodside-operated LNG facilities at Karratha, in the Pilbara region of Western Australia.

Woodside operates two facilities at Karratha. These are the North West Shelf Venture, which has been in production since 1984, and the adjacent Pluto LNG Project which is currently under construction.



*North West Shelf*

## Looking ahead

Woodside is committed to a socially and environmentally responsible development of the Browse gas fields. The Browse Joint Venture has already commenced baseline studies to undertake a comprehensive environmental, social and health assessment of its proposed component of the Kimberley LNG Precinct and for the upstream section of the development.

In doing this, Woodside and the Browse Joint Venture have invested millions of dollars in research over several years to gain a better understanding of marine life offshore and the environment in the Kimberley and in Karratha.

Investment has included \$25 million in funding over four years for the Australian Institute of Marine Science to conduct research at Scott Reef.

In 2009, Woodside will continue its comprehensive assessment of potential environmental, social and heritage impacts. For example, Woodside and the Browse Joint Venture, in conjunction with the Western Australian Government, plan to build on studies undertaken in 2008 and continue aerial and vessel-based surveys to increase their understanding of humpback whale migration patterns, dugongs, turtles and other marine life along the Kimberley coast.

Woodside will also continue to consult with relevant communities and organisations to provide information about the Browse LNG Development, and gain a better understanding of the impacts and opportunities the development presents.

In addition, Woodside will continue to support the State-led Strategic Assessment for the LNG Precinct. In conjunction with the National Heritage Assessment of the Kimberley, this process will play a key role in ensuring the natural, historic and indigenous heritage values of the Kimberley are identified, recognised and managed appropriately.



## Further information:

for further information on the Browse LNG Development please contact our free-call number on 1800 036 654 or email [browseinfo@woodside.com.au](mailto:browseinfo@woodside.com.au)

[www.woodside.com.au/browse](http://www.woodside.com.au/browse)