Australian Government
Department of Industry Tourism and Resources

AUSTRALIA'S LNG CAPABILITY

Mr Mark Paterson
Secretary
Department of Industry, Tourism and Resources

US LNG Summit December 2003

Reliable and Stable

- Australia has exported LNG since 1989
- Over 1500 cargoes to Japan
- Utmost reliability
- Politically stable
- Track record in building large resource projects
- Similar business culture

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Abundant Gas Resources

- Reserves approaching 200 Tcf and growing
- Australia's natural gas consumption is around 1 Tcf per annum
- Most of Australia's gas is in large fields off the north and west coasts of Australia
- The Australian market is too small to justify the development of these fields solely for domestic use
- These fields are not likely to be developed except as LNG projects or combined LNG/GTL/domestic gas
- Domestic demand is in the south and east and is mostly supplied by closer fields

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North West Shelf

- LNG production 7.7mtpa
- >21 Tcf proven + probable gas reserves
- >9 Tcf uncommitted, more upside yet
- Train 4 (4.2mtpa) under construction, start up mid 2004

Bayu Undan

- LNG plant under construction in Darwin
- Operator - Conoco Phillips
- 3mtpa LNG from 2006
- Sales contracts with Japan

LNG projects under consideration

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- **North West Shelf Train 5**
- **Gorgon (operator: ChevronTexaco)**
- **Sunrise (operator: Woodside)**
- **Browse Gas (operator: Woodside)**
- **Scarborough (operator: BHP Billiton)**
- **Many other undeveloped gas resources**

Gorgon Project

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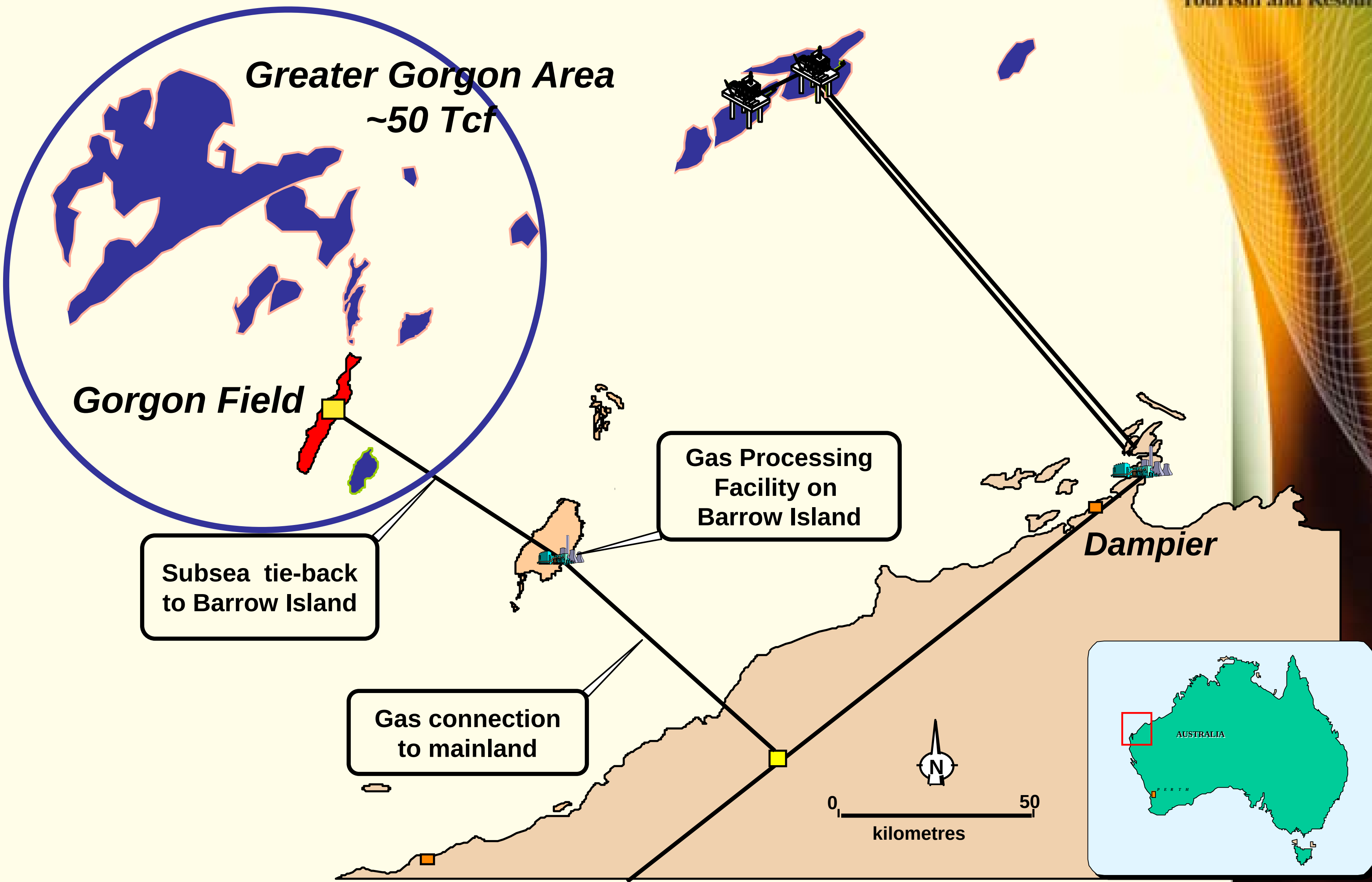

Gorgon Project Status

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- **Legislation to facilitate project passed by the Western Australian State Government (Nov 14 2003)**
- **Front End Engineering & Design (FEED) decision scheduled for early 2004**
- **Final Investment Decision (FID) scheduled for mid-2005**
- **First LNG 2008**

Gorgon Value Proposition

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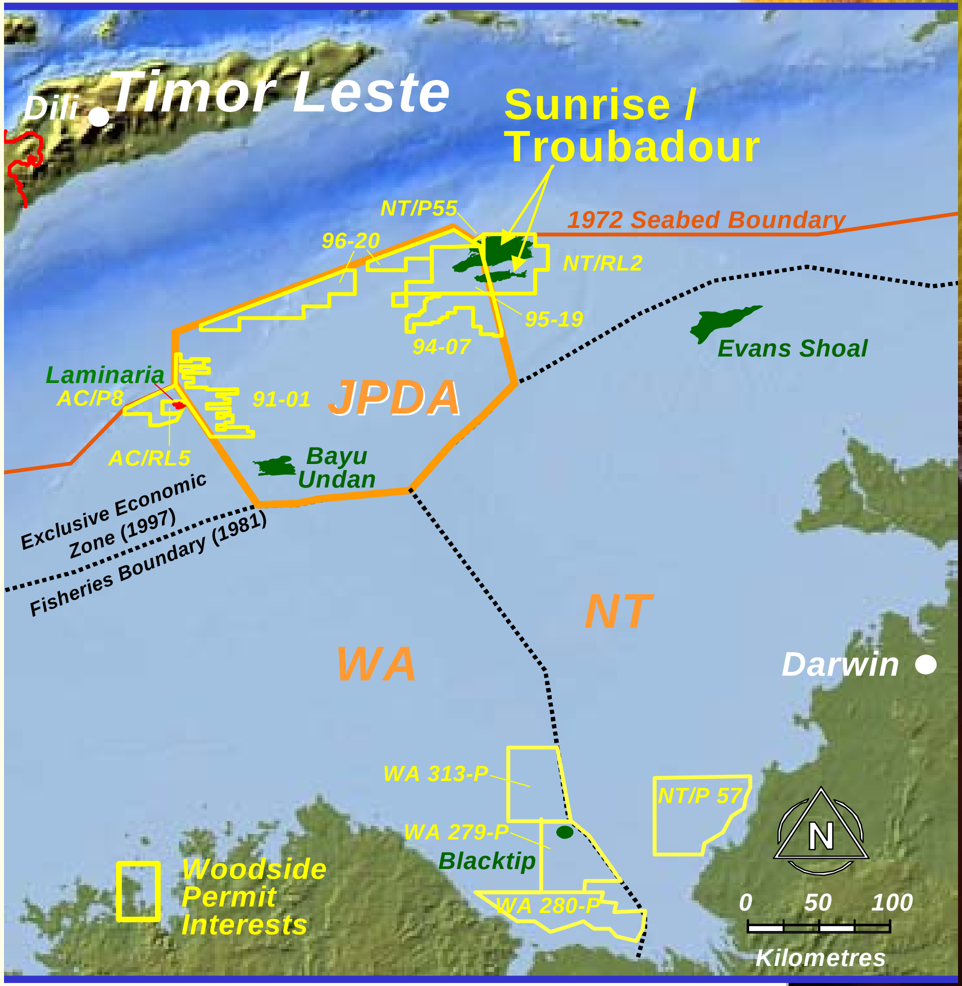
- Australia offers low sovereign risk
- Three extremely credible participants
  - Resources, technology, capital and management expertise
- Very large resource base (~50 Tcf in Greater Gorgon)
- Technically robust and competitive development concept
- Comprehensive Greenhouse gas management
  - Sequestration of reservoir CO_2
- Scope, scale and schedule matched to US needs

Greater Sunrise

- Scope for Recovery of 7.7 Tcf dry gas and 299 MMbbl condensate
- Sufficient Gas for ≥5.3 mtpa LNG development
- Development options being considered are offshore Floating LNG (FLNG) and onshore LNG
- Strong Joint Venture Participants (Woodside, ConocoPhillips, Shell and Osaka Gas)



Browse Basin Gas - A Strategic LNG Supply Source

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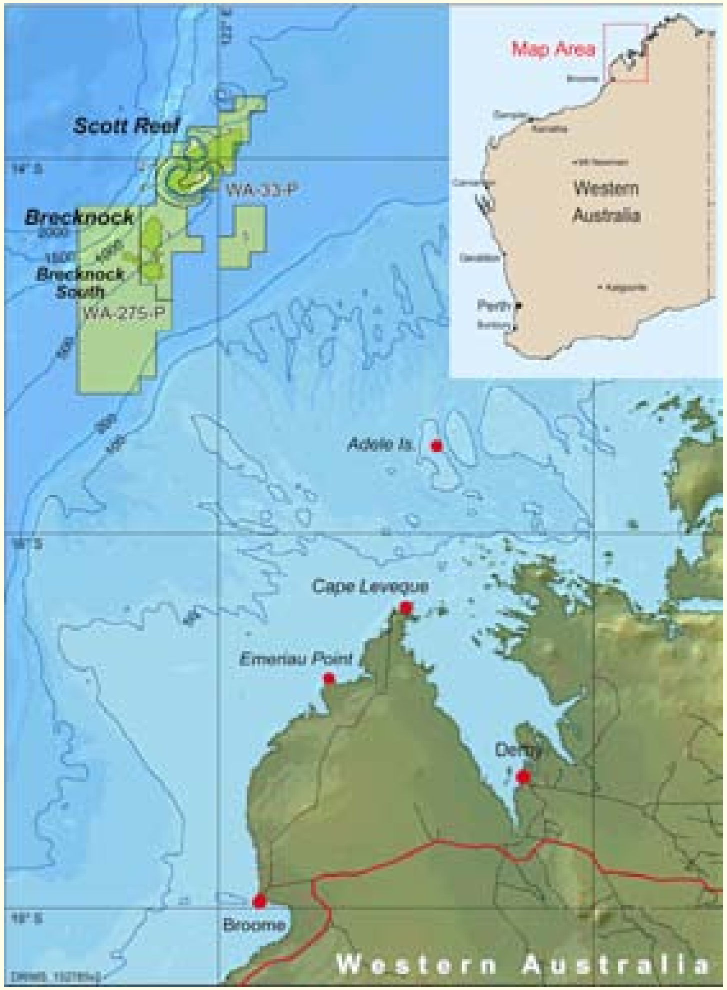

- 20.49 Tcf dry gas
- 311 MMbbl condensate
- Development alternatives include onshore LNG, floating LNG and pipeline gas
- Sufficient gas to support at least a 10 mtpa LNG development
- Start up in 2010 is feasible
- Strong Joint Venture Participants (Woodside, BP, Shell, ChevronTexaco & BHP Billiton)

Cabrillo Port LNG Import Project

- **BHP Billiton is proposing a floating LNG import terminal to be located offshore Southern California in Ventura County**
- **The proposed offshore location provides minimal environmental and land-use impact**
- **BHPB intends to supply the project with LNG sourced from West Australian gas resources**

Scarborough Gas Resource

- **Gas discovered 1979; 3D seismic will be undertaken Q1, 2004**
- **Scarborough gas is very highly suited to Californian pipeline gas specifications**
- **P50 reserves of Scarborough - 8 tcf - significant potential for more**
- **BHP Billiton assessing standalone LNG development options and supply to NWS project venture as part of potential NWS expansion**

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Conclusion

- **Australia has large undeveloped gas resources**
- **Australia has a track record as a reliable and stable LNG producer**
- **Australia is a competitive supplier of LNG**
  - **Australia won the fiercely contested Guangdong contract**

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