

## MEDIA RELEASE

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### **Cloud hangs over Woodside proposal for gas refinery on Kimberley coast**

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**The Browse Basin deal between WA government, Woodside and traditional owners is only one step in the whole assessment for the best place for gas refineries in the northwest of Western Australia.**

“While the Premier is trying to give the impression that this is all signed, sealed and delivered there is a long way to go and many obstacles to this proposal.” said Environs Kimberley Director Martin Pritchard.

The proposal is still being assessed by the West Australian Environmental Protection Authority and any decision they make can be appealed. The WA Minister for the Environment will need to make a decision which is not expected till the end of the year.

The Federal Minister for the Environment Tony Burke has the final say on the proposal and he could determine that there would be less environmental, social and economic impacts if the gas was to be processed in already existing facilities in the Pilbara or through a floating LNG facility like Shell’s Prelude.

“Analysts have been saying that the alternative of piping to the Pilbara is not only economically viable but is financially advantageous to Joint Venture partners in the project.<sup>1</sup> The likes of Shell, BP, BHP and Chevron need to decide on whether they want to be associated with industrialising one of the world’s last wilderness areas. If they went ahead it would taint their corporate reputations forever.” Mr Pritchard said.

A final investment decision (FID) is a long way off for this project. While conditions on the project set by the Federal Government state that companies must be in a position to make FID by mid 2012, the government has not mandated that a decision *must* be made at this point. Joint Venture partners are unlikely to make a decision in mid 2012. The longer it takes to make a decision the more likely it is that gas will be processed in the Pilbara.

Analysts from Macquarie Equities said this week<sup>2</sup> that the Browse project on the Kimberley coast is likely to be one of the casualties of rising costs and given its “...size, remote and environmentally sensitive location and political and technical challenges...” it is simply too risky a project to have certainty.

With Broome community protesters on their 24<sup>th</sup> day of blockading Woodside’s work at James Price Point, at a reputed cost of \$1 million a day to the company, a court challenge to the compulsory acquisition notices for the taking of land is also in train.

“The Joint Venture partners Shell, BP, BHP and Chevron haven’t sanctioned today’s agreement leaving a cloud of uncertainty hanging over this project and there is certainly no social licence to operate in Broome.” Mr Pritchard said.

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<sup>1</sup> Citigroup *Woodside Petroleum Ltd (WPL.AX) Tough Road to James Price Point*

<sup>2</sup> Australian Financial Review “Marginal’ Browse LNG in danger of missing the cut’ June 27, 2011

Website: [http://www.afr.com/p/opinion/marginal\\_browse\\_lng\\_in\\_danger\\_of\\_4naE58rrGxjqGzHuYQy5VO](http://www.afr.com/p/opinion/marginal_browse_lng_in_danger_of_4naE58rrGxjqGzHuYQy5VO)