

RACING THE CLOCK TO MEET RISING LNG DEMAND IN ASIA



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With rising demand for liquefied natural gas (LNG), largely driven by growth in China and other Asian nations, the time to capitalise is now, according to Woodside Chief Operations Officer Meg O'Neill.

This demand has driven the proposal to develop an integrated LNG processing centre on the Burrup Peninsula in the north of Western Australia.

"I think the LNG industry in WA is positioned really well and that is part of why we think the timing for the Burrup Hub development is perfect," Ms O'Neill said. "It will allow us to bring on supply that will fill emerging demand."

The Burrup Hub development involves developing the Scarborough and Browse gas fields and bringing them back into Woodside's existing LNG plant infrastructure near Karratha, as well as building an additional LNG train, or production facility, at its Pluto site.

"This development creates a regional LNG production centre on the Burrup Peninsula and it's going to commercialise between 20 and 25 trillion cubic feet of gross dry gas resource," Ms O'Neill said.

"For context, that is more than the entire volume of gas that has been processed through the North West Shelf to date."

Ms O'Neill said thousands of jobs would be supported by the development, including 2000 onsite roles involved in the expansion of the Pluto LNG plant, which is just one part of the proposed Burrup Hub.

"There will be a really wide range of jobs created in both the construction and operations phases, like subsea and pipeline installations, drilling rig completions and civil works," she said. "These new developments are going to extend the life of our existing assets for another 30 years, thus securing jobs in WA for a long time to come."

One of the biggest advantages of the project will be the installation of infrastructure and a commercial framework that will allow Woodside to process third-party gas resources.

"It gives us a chance to unlock some of the smaller accumulations of gas that might not be commercial without the ability to tie in to existing infrastructure," Ms O'Neill said.

Woodside has put a prospective timeline in place that will see first production from Scarborough in 2023, Pluto train two becoming operational in 2024 and production starting from the two Browse offshore facilities in 2026 and 2027, meaning the clock is already ticking for Burrup Hub.

“It’s fair to say we have a pretty aggressive timeline, but we need it to be able to capture the emerging LNG demand,” Ms O’Neill said.

“We are in a very competitive marketplace, as the other LNG players around the world can also see the increase in demand, so it really is important that we move quickly.

“We have got an excellent position with our existing infrastructure and we’re very close to the customer base, but we do need to move with urgency.”

With plans for first production from the Scarborough gas field in just four years, and for Woodside to hit all of its production targets, key collaborations with various stakeholders will be essential.

These include the state and federal governments, the local indigenous population and the City of Karratha, which Ms O’Neill said was an incredibly important stakeholder.

“Our employees live and work in the City of Karratha, so it essential for us that we’ve got a really good working relationship and good collaboration with the community there,” she said.

“There is a number of indigenous groups in amongst our operation, so it’s going to be really essential to understand what their priorities are and that we can work together on building local content and building business opportunities for the various groups.”