Open letter to the shareholders of Woodside Petroleum

Dear Woodside Shareholder,

Last year your company was saved from a takeover by Shell after a successful appeal to the Federal Government that this would not be in the national interest.

Most Australians agreed.

Australians were convinced that Woodside in Australian control would be more likely, than a foreign company, to develop Australian resources in a way that would maximise benefits to Australia.

The development of the Sunrise field in the Timor Sea is the first test of this commitment for Woodside.

There are two options for development of the Sunrise field. (The field is shared by Australia and East Timor.)

Option 1: to bring the gas onshore at Darwin and develop downstream gas industries in Australia and even pipe gas to Southern Australia to support growing demand for gas.

Option 2: to build a floating LNG (Liquefied Natural Gas) plant at the wellhead in the ocean and export the LNG to the USA without ever landing in Australia. A floating LNG plant has never even been tried before.



Signed: Clare Martin - NT Chief Minister, Denis Burke - Opposition Leader, Paul Henderson - Minister for Resources, Bob Collins - Office of Territory Development, Dave Malone - Institute of Northern Territory Economic Development and 12 other business, union, indigenous and community leaders representing Team NT: Bringing our Gas Onshore.

Your company currently wants Option 2, a floating LNG plant in the Timor Sea, but we believe Option 1 must be considered properly, in Australia's national interest.

The difference in benefit has been analysed by the independent groups, ACIL Consulting and the Centre for International Economics. They found that the onshore project (Option 1) provided the following economic benefits to Australia:

- Adds $15 billion over twenty years for Australia's economic wealth
- An extra 4,400 jobs for Australians.
- Extra gas to ensure certainty of supply to Southern and Eastern Australia

Your company's management must consider shareholder value and is doing so. But shareholder value is also measured by a company's reputation and its long-term sustainability.

Phillips Petroleum, one of the Sunrise joint developers (along with Woodside, Shell and Osaka Gas) says there are strong commercial benefits and strong markets for onshore gas.

The Northern Territory Government believes that further consideration of the onshore project recently put forward by Phillips will fulfil both the commercial needs of shareholders, management's duties to its shareholders and Australia's national interest.

Woodside was instrumental in developing Australia's North West Shelf to the lasting benefit of this nation. The company now has the opportunity to develop the next major gas province in Australia. It can play a nation-building role in Australia's north, in the interest of shareholders and all Australians.

Please look at the NT Government website at **www.nt.gov.au** for further information. And if you are concerned about this issue please write to Woodside's MD John Akehurst at 1 Adelaide Terrace, Perth, 6000, and suggest that Woodside, an Australian company, should act in Australia's interest and bring our gas onshore.

Northern Territory Government

TEAM NT

To register your interest for further information on this subject, please email your name and contact details to **otd.info@nt.gov.au** or send this slip to **Woodside Letter, Office of Territory Development, GPO Box 4000, Darwin, NT 0801.**

Name _____

Address _____

_____ Postcode _____

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