

Timor Sea LNG Project (TSLNGP) (MEO 90%)

The TSLNGP received its Commonwealth environmental approval to construct, install and operate adjacent to the TSMP on May 5, 2004. A 3 Mtpa LNG plant would require approximately 3 Tcf of gas to operate for 20 years. Both projects are designed to share infrastructure, logistic support systems and benefit from a number of production process synergies.

Gas supply for the LNG plant could come from a number of regional gas fields facing economic challenges including large distances from land and expensive construction costs. The TSLNGP has existing Environmental Approvals and attractive capital costs by virtue of the ability to construct the facilities in a low cost environment. During the year a full capital cost and operating cost review was initiated in response to cost escalations being experienced by the oil & gas industry with results expected early in the fourth quarter of 2008.

Torp Technology completed their design of a dedicated LNG loading system based on the Torp HiLoad LNG technology. This system utilises CALM buoy technologies and flexible LNG hoses that have recently been fully certified for commercial, cryogenic applications. The system replaces the open sea jetty and associated tug boats, significantly improves LNG loading availability and avoids the higher operating costs associated with jetty docking and tug boat assistance. These improvements in design and plant performance continue to ensure the project maintains a competitive production cost position in the global LNG market.

