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GLNG[®] wins Queensland environmental approval

Approval for 2,650 wells, a 435-km pipeline and 3 trains on Curtis Island

GLNG today became Australia's first major coal seam gas to LNG project to receive its environmental approval from the Queensland government.

The GLNG project is a joint venture between Australia's largest domestic gas producer, Santos, and Malaysia's national oil and gas company, PETRONAS, the world's second largest LNG exporter.

The environmental approval follows review of the project's Environmental Impact Statement (EIS) by the Queensland Coordinator-General. The review involved widespread community consultation.

The environmental approval process will now continue with Federal Government consideration of the project.

The Queensland Government approval covers the development of coal seam gas resources in the Bowen and Surat Basins around Roma, construction of a pipeline from the gas fields to the coast, and construction of up to three processing trains at a liquefied natural gas (LNG) plant and export facility on Curtis Island, off Gladstone.

President GLNG and Queensland, Rick Wilkinson said approval of the EIS by the Queensland Government was a significant milestone for GLNG as the project builds momentum towards a final investment decision this year.

"We acknowledge the Queensland Government's foresight in encouraging the development of the coal seam gas-to-LNG industry. An industry which promises billions of dollars of investment and the creation of thousands of jobs," Mr Wilkinson said.

"As our EIS submission outlined, we are committed to implementing comprehensive environmental management plans and are supportive of the conditions outlined by the Coordinator-General.

"We will work with the Government and the communities involved to deliver an outcome which will provide massive benefits in terms of jobs, regional development and export income for the nation."

GLNG will create about 5,000 construction jobs and 1,000 permanent operational jobs when the project commences shipments of LNG in 2014.

Santos and PETRONAS will complete detailed engineering studies on the project before a final investment decision is made on GLNG.

The project partners remain concerned about the potential impact of the Federal Government's proposed new resources tax.

Background

Gladstone Liquefied Natural Gas (GLNG[®]) is a pioneering project to convert coal seam gas (CSG) to liquefied natural gas, representing a major investment in a cleaner energy source for the future. The project is led by Santos, Australia's largest domestic gas producer, in partnership with PETRONAS, Malaysia's national oil and gas company and the world's second largest LNG exporter.

The Queensland Government environmental approval covers:

- Drilling 2,650 wells over 25 years over 6,800sq km in the Surat and Bowen Basins
- 435km of 42" diameter steel pipeline from Fairview gas fields to Gladstone
- Three LNG train facility on Curtis Island with nominal capacity of 10mtpa
- Export jetty and materials offloading facility on Curtis Island
- A workers camp on Curtis Island to accommodate up to 1,500 construction personnel

GLNG has a binding offtake agreement to sell up to three million tonnes of LNG per annum to PETRONAS, which underpins its first LNG train. The offtake agreement with PETRONAS is Australia's largest trade agreement with Malaysia.

The project's 13,500 page environmental impact study was lodged in March last year following 18 months of investigations by environmental and other specialists to examine the impacts and benefits of the project.

The project's EIS was available online and was also available for viewing at a range of locations in Roma, Gladstone, Biloela, Dalby and Brisbane.

The project has undergone a thorough environmental approval and community consultation process.

The EIS studies investigated a comprehensive range of matters relating to the project, including impacts on jobs and people in our regional communities, protecting rural industries and business, environmental impacts, community safety, and impacts on emergency services, local health, transport and housing.

With a strong focus on community input, more than 2,700 people registered as stakeholders, around 900 attended information sessions and several thousand either called the project freecall line, emailed the project team or visited the GLNG website. The study received 48 submissions by the public exhibition closing date.

Ends