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Santos GLNG and QGC sign industry collaboration deal

Santos GLNG and QGC have today signed an agreement that supports plant operation flexibility and efficiency for the life of both LNG projects.

The agreement links both projects' major pipelines in two places – one on the western side of The Narrows Crossing near Mt Larcom in central Queensland, and one on Curtis Island.

Santos Vice President GLNG Downstream Rod Duke said the construction of the two interconnections will help both QGC and Santos GLNG to run their LNG plants as efficiently as possible.

"The interconnect points will enable gas to flow from one project to the other when necessary, for example to allow for LNG plant downtime and planned maintenance to occur without interrupting either project's gas field operations," Mr Duke said.

"Having two interconnects provides additional flexibility over the lifetime of both projects. It gives more options to the plant operators for moving gas.

"Ultimately it means the two companies will be able to buy, sell and swap gas at these points during scheduled and unscheduled events, therefore maximising plant productivity."

Mr Duke said this is the first significant bilateral agreement between the two projects.

"The QGC and Santos GLNG agreement sets both projects up for the next 20 to 30 years and demonstrates our commitment to further enhancing co-operation between the two projects," Mr Duke said.

"We expect that this will be just one of many mutually beneficial arrangements across the industry in the future."

Construction of the two interconnect points on adjoining easements is expected to be completed in 2014.

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The Santos GLNG Project is a US\$18.5 billion pioneering joint venture between Santos, Petronas, Total and Kogas, to supply liquefied natural gas for export to global markets.

