

SE Business News
HD Landmark \$19-B PNG gas project makes 1st shipment
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Sydney - The first shipment of liquefied natural gas from a landmark US\$19 billion project in Papua New Guinea has left for Japan, US oil giant ExxonMobil said Monday.

The project is the largest development ever undertaken in the Pacific country and ExxonMobil managing director Peter Graham called the shipment, which comes four years after construction began, "an historic moment".

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"This is the country's largest resource project and it has taken the effort of many thousands of people to bring it to fruition," he said.

"Revenue from the PNG LNG Project will support Papua New Guinea's continued economic and social development.

"The PNG LNG Project demonstrates to the world what Papua New Guinea is capable of delivering."

The project will supply four major customers in Taiwan, Japan and China and is expected to produce an expected nine trillion cubic feet (255 billion cubic metres) of LNG over its 30-year life.

At its peak, more than 21,000 people were employed during construction with the operators having to overcome flooding and extremely steep slopes as they built infrastructure including airfields and roads from scratch.

"Not only will the people of Papua New Guinea now benefit; their children and grandchildren will continue to enjoy the benefits and positive effects from this valuable resource development for many years to come," PNG Prime Minister Peter O'Neill said.

However, critics say the project is environmentally devastating and has inflicted human rights abuses on villagers affected.

They also query whether the PNG government, which ranks poorly in international corruption rankings, will spend the revenues wisely.

The project includes gas production and processing facilities in PNG's Southern Highlands and Western Provinces, liquefaction and storage facilities on the Gulf of Papua and more than 700 kilometres (450 miles) of pipelines.

ExxonMobil has the largest stake at 33.2 percent. Its partners include Oil Search Ltd (29 percent), the PNG government (16.6 percent), Australian energy firm Santos (13.5 percent), Japan's Nippon Oil Corp. (4.7 percent) and local landowners (2.8 percent).

CO exxn : Exxon Mobil Corporation
IN i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | iextra : Natural Gas/Oil Extraction
NS ccat : Corporate/Industrial News

RE papng : Papua New Guinea | austr : Australia | jap : Japan | sydney : Sydney | apacz : Asia Pacific |
asiaz : Asia | ausnz : Australia/Oceania | dvpcoz : Developing Economies | easiaz : Eastern Asia |
nswals : New South Wales | pacisz : Pacific Islands

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