

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **Thai's Cash-Maple gas sale finds interest close to home**
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WC 490 words
PD 14 August 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 20
LA English
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Thai-owned PTTEP's process to find a partner for its Cash-Maple gas fields off Western Australia is finally making progress, with two or three parties in the dataroom, including **Chinese** party Hongfu Fund.

However, sources eyeing the JPMorgan -run **sale** say the partner may end up being PTTEP's own majority owner, state **oil firm** PTT, which is keen to access liquefied natural gas eventually produced from the several trillion cubic feet gas fields.

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Others such as ConocoPhillips or Santos that might have wanted to take a look at the assets were put off by the **sale** structure, which required them to suggest an indicative price up front.

Price signals are woolly so far, but are expected to be well off the levels of larger, more well-developed resources such as Woodside's Browse gas venture, which attracted \$US2 **billion** (\$2.1 **billion**) for a 14.7 per cent **stake**.

PTTEP has harboured floating LNG ambitions for Cash-Maple, using a 2 **million** tonnes per year vessel that would also tap the Oliver and Montara fields. But linking with a nearby LNG venturer using the gas for backfill into Conoco's Darwin plant has also been mulled. The fields lie north-east of Shell's Prelude and Crux deposits, and south-west of Conoco's Bayu-Undan.

Meanwhile, Apache's decision to exit Chevron's \$29 **billion** Wheatstone LNG project in WA has brought yet another LNG asset onto the market with few signs yet of interest in the asset reportedly valued at \$US2.5 **billion**.

A **sale** of a 13 per cent **stake** in a conventional LNG project should in theory be easier than for the Queensland **coal** seam gas-based projects, where Origin **Energy** eventually put its bid to sell down in its APLNG venture on hold last year.

But Chevron, with a 64 per cent interest in Wheatstone and Gorgon LNG as well, has its hands full, while Apache's partner in the gas fields, Kuwait's Kufpec, is not an upstream operator. For super majors the interest is too small and doesn't include control of the LNG project, while LNG buyers are shying away as the offtake is almost completely sold to customers.

Elsewhere in WA LNG, not all is plain sailing with Woodside's floating LNG plans for Browse. The venture is supposed to be moving into early design work this half, but hurdles remain, including an imminent Shell internal review of the venture at a time the giant is taking the knife to spending.

The recent unexplained departure of Shell's vice-president for Browse, Peter Robinson, has added to the chat, which includes a rumour that Woodside has reined in its original ambitions to deploy three FLNG vessels at the fields, in favour of just two.

CO philp : ConocoPhillips | pttxp : PTT Exploration & Production PCL | sants : Santos Ltd | pethai : PTT PCL

IN i13 : Crude Oil/Natural Gas Upstream Operations | i1 : Energy | i1300003 : Crude Petroleum Extraction | iexplo : Natural Gas/Oil Exploration | iextra : Natural Gas/Oil Extraction | iioil : Integrated Oil/Gas

NS ceffic : Corporate Restructuring | ccat : Corporate/Industrial News | c11 : Plans/Strategy

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AN Document AFNR000020140813ea8e0003t