



**HD Massive PNG gas project loads first shipment**

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Australian **energy firm** Santos said Friday the first exports from its huge US\$19 **billion** gas project in Papua New Guinea will soon depart for Japan, four years after the joint venture was given the go-ahead.

The massive project, operated by US **energy** giant ExxonMobil, had started loading its first cargo on the tanker "Spirit of HELA", which can reportedly carry up to 6.3 **million** cubic feet (177,000 cubic metres) of gas.

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Santos chairman Ken Borda told shareholders at their annual meeting in Adelaide that the first shipment was a "great outcome for this extraordinary project", which had faced numerous hurdles including flooding during the construction phase.

"I am pleased to announce that the first export cargo is being loaded now and will soon depart PNG bound for Japan," he said.

PNG Prime Minister Peter O'Neill said on Thursday the project -- the largest development ever undertaken in the impoverished Pacific country -- was "something for all of Papua New Guinea to be proud of".

"This project puts PNG on the world stage as a country that can work with foreign investors to deliver projects on time," he said at a ceremony marking the first shipment.

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 liquefied natural gas (LNG) over its 30-year life.

It 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), Santos (13.5 percent), Japan's Nippon **Oil** Corp (4.7 percent) and local landowners (2.8 percent).

The project will quadruple Santos' LNG production and, together with the **company's** Gladstone gas development in Australia, is expected to double its operating cash flows over the next two years, Borda said.

grk/mp/dan

**CO** exxn : Exxon Mobil Corporation | sants : Santos Ltd

**IN** i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | iextra : Natural Gas/Oil Extraction | iiioil : Integrated Oil/Gas

**NS** c11 : Plans/Strategy | ccat : Corporate/Industrial News

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

**IPD** Australia

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