

HD Japan's Inpex has yet to secure financing for phase two of Ichthys LNG

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Japan's Inpex has yet to secure financing for phase two of its 8.4 **million** mt/year Ichthys LNG liquefaction facility in Australia, project Managing Director Louis Bon said.

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The project, which is on schedule to load its first cargo by December 30, 2016, remains within its \$34 **billion** budget, representing the largest ever Japanese overseas investment, Bon added.

However, financing will only cover the first phase of the Darwin-based project, which will see 20 wells spudded out of a total of 50.

The Ichthys field is estimated to contain more than 12 Tcf of gas, providing reserves to the two-train 8.4 **million** mt/year project for at least 40 years.

The Brewster reservoir -- with the highest condensate content -- will supply the first phase of the project, while the Plover reservoir will supply phase two, Bon said.

No cost or timeframe estimate have been given for the financing of the second phase as yet, as long-term LNG buyers will need to be secured.

"The LNG in the first 15 years -- the proven reserves -- is already sold, mostly to Japanese buyers. There are also two **oil** companies and one **Chinese** buyer," Bon said.

The facility will supply a total of 8.23 **million** mt/year to seven Japanese buyers including stakeholders Tokyo Gas, Osaka Gas, Chubu Electric and Toho Gas, as well as Taiwan's CPC, Inpex and Total for 15 years.

Spot sales from the facility have not been ruled out, according to a **company** executive, but there has been no definitive volume allotment that could be made available from the facility to the spot market.

Although it has already secured two vessels, Inpex will likely need to secure a third for the transportation of its LNG.

WORKS REACHING ADVANCED STAGE

Works at the facility -- which is located in Bladin Point, outside Darwin

moved into an advanced stage this week, with 50% of construction now complete and plans to start laying 889 km (550 miles) of gas export pipeline due to get under way in July.

Dredging of Darwin harbor is close to completion.

The second train will be completed first, with works on train one continuing after the project reaches first gas, according to a **company** executive.

The first of more than 200 modules is scheduled to arrive later this month, while the first 160,000 cubic meter cryogenic tank is near completion and construction has begun on a second.

While a framework has been laid for potential expansion of the 520 hectare site, **company** executives were tight-lipped over the prospects of adding further capacity beyond the current infrastructure. The facility has space to house up to six LNG trains and at least one more storage tank.

Operator Inpex holds a 63.445% **stake** in Ichthys LNG, along with France's Total with 30%. Japanese LNG customers Tokyo Gas, Osaka Gas, Chubu Electric and Toho Gas hold stakes of 1.575%, 1.2%, 0.735% and 0.42%, respectively, and Taiwan's CPC is set to take a 2.625% interest.

Stephanie Wilson, stephanie.wilson@platts.com

Edited by James Leech, james.leech@platts.com

CO inpexh : Inpex Corp.

IN i1 : Energy | i13 : Crude Oil/Natural Gas

RE jap : Japan | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | easiaz : Eastern Asia

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