



Gorgon Project

Factsheet



The Gorgon Project

The \$43 billion Gorgon Project is a joint venture to develop the Greater Gorgon Area gas fields, located about 130 kilometres off the north-west coast of Western Australia.

Gorgon will be the biggest resources project in Australia's history, as well as the single largest investment of its kind in the world.

The Greater Gorgon Area gas fields contain some 40 trillion cubic feet of gas and are the nation's largest undeveloped gas resource.

The Gorgon Project is owned by the Gorgon Joint Venture (GJV), which includes the Australian subsidiaries of Chevron, ExxonMobil, Shell, Osaka Gas, Tokyo Gas and Chubu Electric.

Overview

The Gorgon Joint Venture will process 15 million tonnes per annum of liquefied natural gas (LNG) and 300 terajoules per day of domestic gas on Barrow Island, 70 kilometres off Western Australia's Pilbara coast.

The foundation project is based on the subsea development of the offshore Gorgon, Jansz and Io gas fields in the Greater Gorgon Area.

The gas processing part of the project will be located on Barrow Island with its disturbance footprint limited to 300 hectares, which is about 1.3 per cent of the island's landmass.

The Gorgon Joint Venture will also work to reduce carbon dioxide emissions from the project by up to 40 per cent in what will

be one of the largest commercial scale CO₂ injection projects in the world and an Australian first.

Barrow Island

Barrow Island is home to Australia's largest operating onshore oilfield. The oilfield has been operating since the 1960s and is managed by the Barrow Island Joint Venture (Chevron, ExxonMobil and Santos).

The island is also a Class 'A' Nature Reserve for the purpose of 'Conservation of Flora and Fauna', which represents the highest level of protection afforded under State legislation.

Barrow Island is home to at least 22 unique terrestrial species which include the endemic Barrow Island Euro, White-winged Fairy Wren, a subterranean blind snake and a range of other cave dwelling species. The island is also a significant nesting site for marine turtles.

Gorgon and the Environment

The Gorgon Project underwent stringent environmental assessment prior to obtaining approval to proceed with the development in 2009.

The State and Federal Governments have put in place a range of measures to protect the environment and ensure the highest environmental standards are met throughout the life of the project.

These include environmental approval conditions which require the Gorgon Joint Venture to implement a quarantine management system, a long term marine turtle management plan, a dredging

management plan and also to establish independently chaired expert panels for these key environmental matters.

In addition to the requirements of the environmental approvals, the Gorgon Joint Venture has committed approximately \$150 million to conservation initiatives and undertakings.

The project's CO₂ injection (long term storage) project will see the Gorgon Joint Venture reduce carbon dioxide emissions from the project by capturing CO₂ from reservoir gas and injecting up to 3.3 million tonnes per annum of CO₂ into a geological formation more than two kilometres beneath Barrow Island.

The injection site will be located to the north of the gas processing facility and up to nine injection wells drilled from three drill centres are likely to be required.

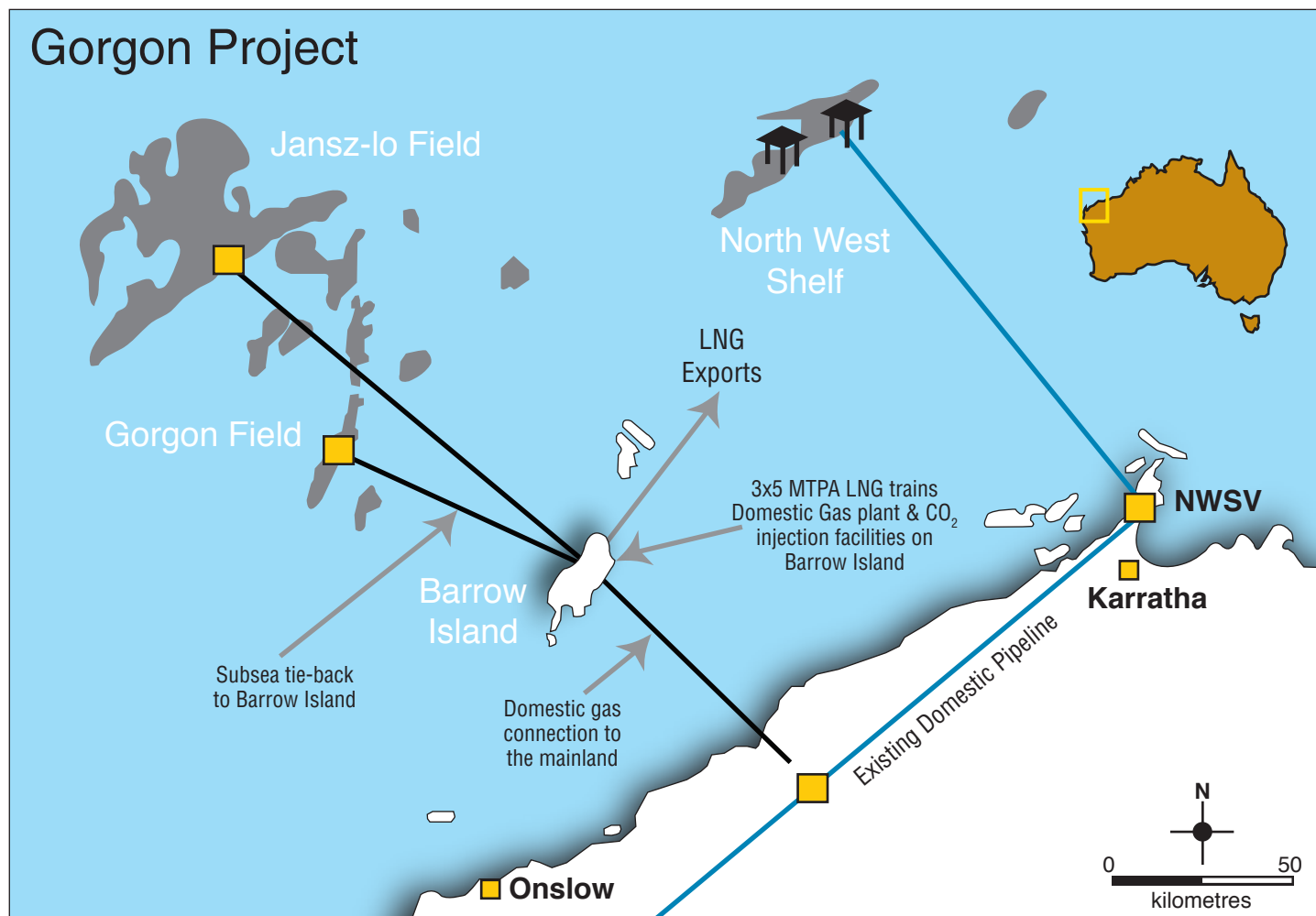
Based on modelling by the Gorgon Joint Venture, the injected CO₂ is expected to be contained beneath Barrow Island indefinitely. The Gorgon Joint Venture will use data from seismic surveys and wells to monitor the CO₂ plume.

Gorgon Project – delivering benefits

Based on independent research commissioned by the Gorgon Joint Venture, over the next thirty years, the project is expected to:

- create about 3,500 direct construction jobs on Barrow Island and about 10,000 direct and indirect jobs at peak construction
- create about 300 direct jobs on the Island during the operational phase

Gorgon Project



- increase State gross product by 4 per cent
- boost Australia's gross domestic product by more than \$60 billion
- result in Australian purchased goods and services (local content) of around \$33 billion
- create new industries centred on CO₂ injection and subsea development.

According to the Gorgon Joint Venture, the project has already delivered more than \$7 billion and 3,000 jobs to Australian industry and the project is expected to spend about \$20 billion on Australian goods and services over the next four to five years.

Local content is a key matter for the State Government and, under the *Barrow Island Act 2003* Schedule 1 the Gorgon Joint Venture is required to use local labour, suppliers and professional services as far as it is reasonable and economically practicable to do so.

Timeline

The Gorgon Joint Venture made a final investment decision on the Gorgon Project in September 2009 and subsequently

obtained the final development approvals from the Premier of Western Australia, Colin Barnett.

Construction on Barrow Island began in December 2009 and is expected to take about five years.

The first LNG from Gorgon is due in 2014 and the delivery of domestic gas to the mainland is to commence by the end of 2015, or at the same time as first LNG production from the third LNG train, whichever is earlier.

The Department's role

The Department of State Development leads and facilitates the successful development and expansion of Western Australia's resources, infrastructure and industry sectors.

We take a lead role in facilitating major resource projects, including the Gorgon Project.

The Department currently administers the *Barrow Island Act 2003* which outlines the terms and conditions under which this massive project is proceeding.

Further information

Further information on the Gorgon Project is available through the following websites:

- Department of State Development – Provides an overview of the project and the State Government's role www.dsd.wa.gov.au
- Chevron Australia – Project development information www.chevronaustralia.com
- State environmental approval for the project: http://portal.environment.wa.gov.au/pls/portal/docs/PAGE/DOE_ADMIN/ENVIRONMENT_CONDITIONS_REPOSITORY/00800_2_.PDF

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