



The Bullroarer - Wednesday 10th September 2008

Posted by [Big Gav](#) on September 10, 2008 - 9:19am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

Business Spectator - [A huge bet on coal seam gas](#)

There's BG itself, with its deal with Queensland Gas and bid for Origin, Malaysia's Petronas, through its joint venture with Santos, Shell through its deal with Arrow Energy (and its reported interest in Origin's gas) and ConocoPhillips – all have paid previously unimaginable prices to secure CSG resources as feed for planned export LNG plants. BP was also said to be one of the participants in Origin's CSG "monetisation" process.

The highest prices paid – \$1.65 per gigajoule for 3P reserves if two-train LNG plants are built – were achieved by Santos and Origin. That's rational, given that they have the largest resources.

The intensity of interest from the global oil and gas majors, and the prices they have been willing to pay, validate the view that the Queensland CSG fields are a new resource of global significance. The abruptness with which CSG has gone from being a curiosity to a strategic resource has, however, confounded the local market. Even Santos and Origin appear a little stunned by the values attributed to their resources.

The Australian - [BG Group abandons Origin Energy bid](#)

The Conoco deal leaves three major LNG projects and two smaller ones planned for the port town of Gladstone. If they all come to fruition, Gladstone could alone be producing more LNG than the whole of Australia has currently committed to. Origin and Conoco have ambitions for a 14 million tonne a year project, BG and QGC want to build a 12 million tonnes a year capacity, while Santos and Petronas have plans for a 7 to 8 million tonnes a year plant.

Despite a host of LNG plans around the country, Australia still has only two LNG operations: the Woodside-operated North West Shelf, which produces at a rate of 16.3 million tonnes a year after commissioning of a fifth train this month; and Conoco's Darwin LNG, which produces 3.5 million.

There is also only one more plant with project approval, Woodside's Pluto, which will produce at a rate of 4.3 million tonnes a year. Mr Greenwood warned investors that 100 million tonnes a year of capacity is now scheduled for Australia, whereas demand forecasts only call on 65 million tonnes a year from the Pacific Basin. "We foresee a softening of this market and also see the potential for major project deferrals," he said.

The Santos and QGC projects, which were further advanced than Origin's, were relatively low-risk projects compared with Western Australian plans, which were "fraught with joint venture conflicts", he said. Mr Greenwood also said Shell, which now has a small stake in Arrow Energy's acreage would probably move to increase its position in the region.

Business Spectator - [Origin emerges stronger](#)

Business Spectator - [Cooking With Gas - An Interview With Origin chief executive Grant King](#)

Business Spectator - [Origin's dubious valuation](#)

ABC - [Queensland plant will process coal seam gas](#)

The Australian - [Consolidation looms as Origin lights up Queensland sector](#)

frogblog - [Key acknowledges peak oil... sort of](#)

From John Key's environment policy launch on Saturday:

In the years ahead, it's likely that the rising global price of oil will nudge Kiwis towards different forms of fuel and transport.

'Nudge' is the understatement of the year. But his only solution is electric cars. Has he not heard of public transport? He doesn't mention it at all in the speech.

SMH - [Plea to Rees: save metro project](#)

Business is urging the NSW Government not to abandon Sydney's North West Metro rail project, after Premier Nathan Rees said he was backing away from it. "It's too early for me to commit one way or the other to that project," Mr Rees told Fairfax Radio Network today. "I am pulling back from it."

But the Sydney Chamber of Commerce has urged the Government to push ahead with the project. "No one has ever claimed that a sustainable transport network is cheap, but we must invest to reap the rewards," chamber executive director Patricia Forsythe said in a statement. "I would urge the NSW Government not to get spooked and push ahead with this important strategic project."

SMH - [Time to aim high on climate change](#)

The latest report on climate change by the economics professor Ross Garnaut is the most disheartening government report I've read. It tells us how hugely destructive climate change is likely to be, but doubts that the world's governments will be able to agree on effective action to halt it. Now you know why economics is called the dismal

science.

Peak Energy - [Google's Clean Energy Plan](#)

CNet reports on a plan being promoted by Google to fix America's energy problems, using a combination of energy efficiency and clean energy technology - Google sees energy solution in the math. Its encouraging to see the way Eric Schmidt outlined most of the solutions we need to put in place so succinctly to a audience of particularly influential people.

The Australian - [Linc Energy upgrades its Surat coal resource](#)

LINC Energy has continued its run of good news this week, announcing a resource update at its flagship Chinchilla project - boasting 100 years of coal at the site. The coal-to-liquids hopeful said it had increased the coal resource at its Queensland base from 401 million tonnes to 600 million tonnes. Managing director Peter Bond said the company had previously promised 300 million tonnes and it still had a long way to go to develop the resource, highlighting its further potential. ...

Mr Bond, with a 51 per cent stake in the company, said one tonne of coal was needed to create 1.5 barrels of diesel, meaning the updated resource had the potential to create 900 million barrels of diesel. "This shows we have good coal across the area and, as we expand the drilling, there is the likelihood of growing the resource to our top-end target of 800 million to 1 billion tonnes," he said.

The Australian - [Geothermal merger: Panax in \\$15m bid for Osiris](#)

The Australian - [Nexus Energy offloads stakes in Crux Liquids \(Browse Basin\) project](#)

The Australian - [Cooper Energy to bid for Incremental Petroleum](#)

The Australian - [India's Tata buys 10pc stake in Geodynamics](#)

The Australian - [Hurricane Ike forces Neptune shutdown, Gulf evacuation](#)

Peak Energy - [The Power Of Atlantis](#)

Peak Energy - [Toyota On Peak Oil](#)

Peak Energy - [Google's Wave Powered Data Centres](#)

Peak Energy - [A Better Bug to Make Cellulosic Ethanol](#)

Peak Energy - [Ziggurats Of The Future](#)

Peak Energy - [The Energy Ball](#)

Peak Energy - [Change Is Coming](#)



This work is licensed under a [Creative Commons Attribution-Share Alike](#)

