

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Supplementary Budget Estimates 2006-2007, 1 November 2006

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
TOPIC: GAS TO LIQUIDS PROJECTS - QATAR
REFERENCE: HANSARD 1/11/06, PAGE E33

QUESTION No.SI-16

(Hansard 1/11/06, p.E33)

Senator O'Brien asked about:

Is it a vertically integrated project in Qatar with production straight to liquefaction?

ANSWER

Qatar has, in recent times, experienced significant investment in gas-to-liquid developments, but none of these projects is at the stage of commercial production. A listing of current projects can be found at the *Qatar Petroleum* web site: http://www.qp.com.qa/qp.nsf/web/bc_new_projects_gtl.

It is reported (<http://www.ameinfo.com/95469.html>) that the Oryx GTL joint venture owned by Qatar Petroleum and South Africa's Sasol will start producing commercially in December at its plant in Ras Laffan Industrial City, 45 kilometres south of Doha. The report goes on to say that in a first phase of operations, the plant will convert 330,000 cubic feet-a-day of gas taken from Qatar's offshore North Field into 24,000 b/d of diesel, 9,000 b/d of naphtha and 1,000 b/d of liquefied petroleum gas.

More detailed information on projects in Qatar can also be found at the following web sites:

- <http://www.sasolchevron.com/>
- http://home.businesswire.com/portal/site/exxonmobil/index.jsp?epi-content=GENERIC&newsId=20040714005496&ndmHsc=v2*A1072962000000*B1148073203000*C4102491599000*DgroupByDate*G14*J2*N1001106&newsLang=en&beanID=2030803304&viewID=news_view
- <http://www.shell.com/home/Framework?siteId=qatar>
- http://www.conocophillips.com/newsroom/news_releases/2003releases/120803_qatar.htm

Of specific relevance to Senator O'Brien's question is the following extract from a speech by Niels Fabricius, Technical Director, Qatar Shell GTL Project, Shell Gas & Power at the Finance and Investment in Qatar Conference London, March 2004

http://www.shell.com/static/qatar/downloads/nfabricius_speech.pdf.

"...So let me turn to the project essentials. At its heart is the development of an area of the North Field to produce some 1,600 million scf per day of rich gas over the project's lifetime. It is a fully integrated upstream-downstream project that covers all aspects of the value chain which runs from the reservoir to the marketing of the products to consumers. The project's commercial framework, a Development Production Sharing Agreement (DPSA), takes a novel approach in that it applies not only to the upstream but also to the entire downstream section and is a clear example of the progressive commercial thinking shown by Qatar Petroleum. In accordance with this DPSA Shell is the 100% investor in the project and the current estimate for the total investment is in the range of \$ 5 billion...."