

MEDIA RELEASE

Thursday, 10 May 2018

EQUUS GAS PROJECT ENTERS NEXT PHASE OF DEVELOPMENT

- **Basis of Design for development of the Equus Gas Project completed, with first gas planned from 2023**
- **Request for Proposals issued for project development partner**
- **Gas sales negotiations and project financing continuing**
- **Focus on accelerating development of Western Australia's gas resources**

Western Gas, owner and Operator of the Equus Gas Project, has completed the Basis of Design for development of the project, and issued a request for proposals to secure a world-class project development partner.

Project development services being sought by Western Gas embrace full field development, including drilling, subsea, offshore processing and a gas pipeline to shore.

Andrew Leibovitch, Executive Director, said that Western Gas has built on the extensive development studies it acquired when it purchased the project and prepared a fit-for-purpose Basis of Design, with first gas planned from 2023.

"It was clear from the start that a new approach would be needed to develop this significant resource in a timely way," Mr Leibovitch said.

"We have resized the project to match the discovered gas resource and to meet gas customers' needs for long-term secure contracts and innovative pricing. We're now moving forward to secure a project partner and bring this gas to market."

Western Gas acquired the Equus Gas Project from Hess in November 2017. Since 2007, more than US\$1.5 billion has been spent on exploration, appraisal, engineering and development planning for the Project.

The Equus Gas Project comprises an independently certified resource of two trillion cubic feet of gas and 42 million barrels of condensate. The resource is sufficient to supply one quarter of Western Australian domestic gas demand or two million tonnes of liquefied natural gas a year for 20 years.

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Mr Leibovitch said that Western Gas was progressing the marketing of Equus gas with a focus on securing foundation customers, as well as undertaking project financing activities. Front End Engineering Design (FEED) will commence once customer arrangements are secured, with a Final Investment Decision expected in late 2019.

He added that whilst Western Gas was progressing a stand-alone development plan for Equus, he saw opportunities for Western Gas and other resource owners to access expected spare processing capacity in existing infrastructure and planned new developments from the early 2020s.

“With the Basis of Design for development of the Project completed, leading to lower up-front development costs, Equus is positioned to provide a new independent source of gas supply from the North West Shelf,” Mr Leibovitch said.

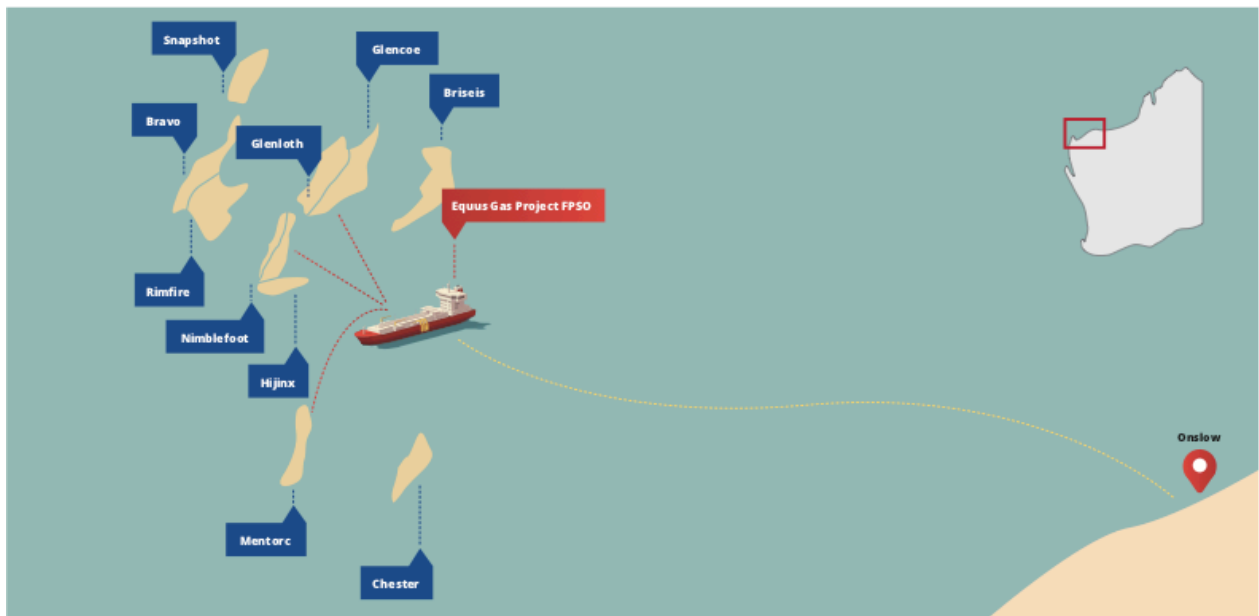
A NEW DEVELOPMENT APPROACH

The Equus Gas Project Basis of Design comprises an offshore processing facility and a pipeline to shore, with landfall near Onslow.

Development will be phased, with the initial development comprising three production wells linked by subsea infrastructure to a Floating Production Storage and Offloading (FPSO) unit. Facilities on-board the FPSO will include gas dehydration, condensate stripping and gas compression. Water depth at the well locations is 1000m to 1200m.

Dry sales gas will be piped to shore by way of a 220km pipeline, with onshore facilities dependent on the outcome of gas marketing arrangements. Gas supply is expected to be up to 250 terajoules of gas a day.

WESTERN GAS: ACCELERATING DEVELOPMENT OF WESTERN AUSTRALIA’S DISCOVERED GAS RESOURCES



Phase one of the Equus Gas Project

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About Us

Western Gas is a proud Western Australian company that's focused on accelerating the development of Western Australia's gas resources, providing customers with secure, reliable and clean energy and flow-on economic and social contributions for Western Australia.

We are led by a senior management team comprising long-term petroleum professionals, with a strong track record in the delivery of large-scale gas development projects in Australia and internationally. Our key strength is our collaborative and flexible approach to all aspects of our business.

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