

## WESTERN GAS SIGNS FOR EQUUS GAS TO BACKFILL NORTH WEST SHELF AND PLUTO LNG PLANTS

### HIGHLIGHTS

- Western Gas has signed a non-binding Term Sheet with the North West Shelf Project participants and a non-binding Heads of Agreement with Pluto in respect of key principles for processing 2-3 Mtpa of Equus gas from 2027.
- Provides route to market via existing infrastructure for Western Gas' 2 Tcf (2C), low CO<sub>2</sub> Equus Gas Project.
- Provides vital new gas supply to backfill existing LNG plants and strengthen energy security with new domestic supply.

**Western Gas has signed non-binding milestone agreements with the North West Shelf Project participants and Pluto LNG to process up to 3 Mtpa of low CO<sub>2</sub> gas from its Equus Gas Project for LNG export and the WA market from 2027.**

The agreements provide Western Gas with a competitive gas processing solution using existing infrastructure to backfill existing LNG plants and strengthening domestic energy security. Western Gas, 100% owner of the 2 Tcf Equus Gas Project, has signed the following non-binding agreements:

- A Key Principles for Gas Processing Agreement Term Sheet (Term Sheet) with the North West Shelf (NWS) Project participants to produce and export 2-3 Mtpa of LNG via the Karratha Gas Plant (KGP) from 2027.
- A Gas Transportation and Processing Heads of Agreement (HOA) with Pluto LNG initially for transport of feedgas to KGP prior to capacity being available at Pluto Train 1, and processing at Pluto Train 1 once processing capacity becomes available. Target total aggregate production of 2-3Mtpa.

These non-binding agreements are significant steps in the commercialisation of the Equus Gas Project, allowing Western Gas to market 2-3 Mtpa of LNG to international buyers from 2027 at a time of global energy market disruption and increasing LNG demand.

Equus gas will be supplied via a Floating Production Storage and Offtake facility (FPSO) and new offshore pipeline connecting the Equus fields to the existing offshore Pluto A Platform in Commonwealth waters. Equus gas will then be transported onshore via the existing Pluto trunkline to the Pluto LNG facility and via Woodside's Pluto to KGP Interconnector to KGP. The development concept contemplates processing of Equus gas at these facilities as follows:

- 300 to 500 mmscf/d in the NWS KGP to be processed for LNG export and 50 to 75 TJ/d domestic gas from mid 2027 to the end of 2030 with the opportunity to extend beyond 2030 to be considered; and
- 250 to 300 mmscf/d in Pluto Train 1 for LNG export as capacity becomes available and up to 50 TJ/d domestic gas.

The new Equus gas supply will enable Western Gas to deliver:

- 2 to 3 Mtpa of LNG for 10 to 20 years from 2027 for export at a time when countries are seeking new long-term and reliable LNG contracts to support the energy transition.
- >50 TJ/d for the Western Australian market from 2027 using the existing Dampier to Bunbury Natural Gas Pipeline (DBNGP) – the equivalent of 75 per cent of the gas consumed by residential and small business customers in WA each day.
- Cost-effective development and use of existing offshore and LNG infrastructure, optimising the significant investments made by industry and governments in WA's north west.

Western Gas has received WA Government support for the Equus development and LNG export using existing infrastructure subject to the application of WA's 15% Domestic Gas Policy.

Western Gas, NWS Project participants and Pluto LNG intend to undertake joint technical studies on the integration and optimisation of Equus into the existing infrastructure and finalise the binding commercial arrangements for Equus transportation and processing.

As part of the technical studies, the parties will seek to identify greenhouse gas and emission reduction opportunities in relation to both the upstream and downstream activities.

The parties are aiming to complete the joint technical studies and enter binding Agreements during 2023 to enable Front End Engineering and Design thereafter.

Final Investment Decision is planned for 2024 and First Gas in 2027, subject to successful commercial negotiations, joint venture approvals and regulatory approvals.

The NWS Project participants are Woodside (operator and 33.33%); BP Developments Australia Pty Ltd (16.67%); Chevron Australia Pty Ltd (16.67%); Japan Australia LNG (MIMI) Pty Ltd (16.67%) and Shell Australia Pty Ltd (16.67%).

The Pluto LNG participants are Woodside Burrup Pty Ltd (Operator and 90%); Tokyo Gas (5%), and Kansai Electric (5%).

## **WESTERN GAS COMMENT**

Western Gas Executive Director Andrew Leibovitch said the NWS Term Sheet and Pluto HOA are significant steps in commercialising the Equus resources and provide a route to market at a time of global energy market disruption.

"The LNG industry on the North West Shelf is maturing, with declining reserves and production leading to spare capacity at existing LNG facilities. This requires the development of new gas supplies to meet domestic needs and to backfill existing LNG plants to extend their operating lives." Mr Leibovitch said.

"This places Western Gas in a position to be able to produce at least 2 Mtpa of LNG and 50 Tj/d from existing downstream infrastructure from 2027.

"This supports WA's long-term energy needs, increases energy security, and supports ongoing economic development. New jobs will be created, and existing jobs will be supported."

**WOODSIDE COMMENT**

Woodside Energy CEO Meg O’Neill said that by leveraging existing infrastructure, Woodside would enable Western Gas to access a competitive option to supply Asian LNG markets while providing additional domestic gas security for Western Australia.

“This is an important step in maximising utilisation of our existing infrastructure to deliver domestic gas and LNG to local and global customers and value for our shareholders and community. The proposed gas processing opportunity with Western Gas for the Equus offshore resource demonstrates the flexibility provided by the Pluto-KGP Interconnector, which commenced operations in March 2022, to optimise available capacity at our world-class facilities.”

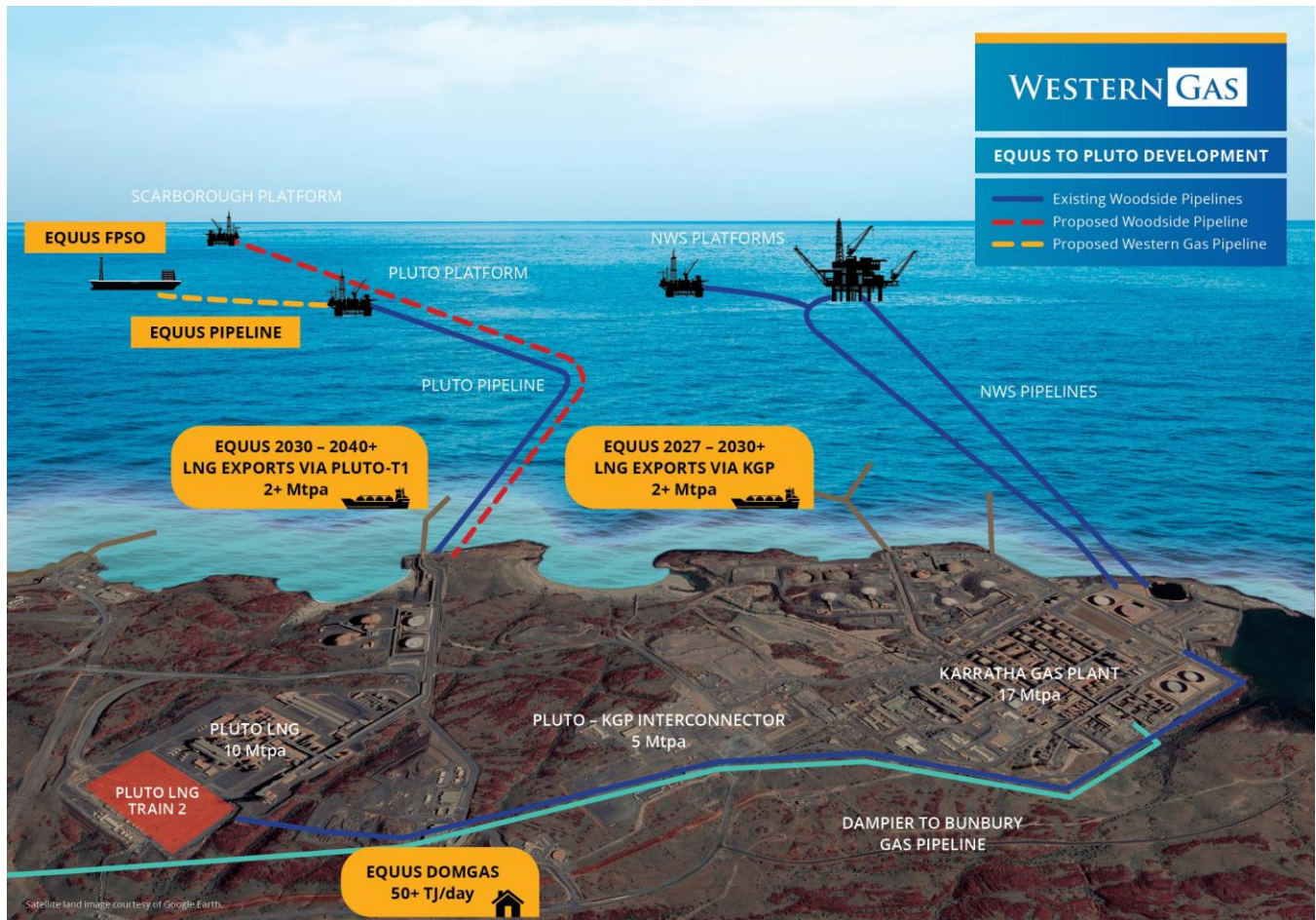
**WA STATE GOVERNMENT COMMENT**

Deputy Premier Roger Cook, Minister for State Development said:

“I welcome the initiative taken by the joint venture partners regarding the Equus Gas Project.

“This is an important milestone which will add more supply to the WA market in the second half of this decade.”

## EQUUS GAS TO NORTH WEST SHELF AND PLUTO LNG PLANTS



### ABOUT THE EQUUS GAS PROJECT

The Equus Gas Project is development-ready with more than US\$1.8 billion invested since 2007 in exploration, appraisal, and engineering studies.

The low CO<sub>2</sub> Equus resource is independently certified 2 Tcf gas and 42 MMbbl condensate (2C), located offshore in Commonwealth waters about 200 km north west of Onslow in Western Australia.

The Equus resource is ideally sized and situated to provide gas feedstock for the increasingly spare LNG processing capacity in WA's north west.

Development of Equus will be phased, with the first phase comprising subsea production wells linked to a Floating Production Storage and Offloading facility (FPSO).

Dry sales gas will be transported via a newly built gas export pipeline to the Pluto A Platform and from there to shore using the existing offshore Pluto trunkline.

Equus gas will then be connected to the existing Pluto LNG Plant and the KGP LNG export infrastructure and the full range of WA domestic gas markets via the existing onshore pipeline infrastructure.

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