

BG Group signs deals with rivals

By **KIERAN MORAN**

THE gas train whistle is blowing and lines are being drawn in the race to develop LNG plants in Gladstone.

If you think the LNG industry in Gladstone is confusing, spare a thought for those directly involved, with major rivals suddenly becoming friends.

In a case of keeping your friends close and your enemies closer, Origin Energy has agreed to sell British gas giant BG Group feed coal seam gas for a rival plant.

The deal will involve Origin and Conoco supplying gas to BG's project for the next 20 years.

Origin chief executive Grant King said the gas is from ground that BG and Origin/ConocoPhillips jointly own and where agreement from both partners was necessary for develop-

ment.

Consolidation of the Gladstone projects, none of which has been given board approval to go ahead, has been long-awaited by most observers.

Under the sales deal, which is conditional on BG formally approving its LNG plans, gas will be sourced from onshore gas fields jointly owned by the Origin joint venture and BG.

The arrangement comes amid signs the Origin project, the biggest of five at Gladstone, could slip behind targets of a final investment decision this year and first exports in late 2014.

Origin said it and Conoco expected to sell around 190 petajoules of coal seam gas to BG over two years. Annual sales volumes will reduce to about 25 petajoules thereafter.