FIRST CARGO FROM INDONESIA’S TANGGUH LNG PROJECT

Mitsubishi Corporation, INPEX CORPORATION, Nippon Oil Corporation, MITSUI & CO., LTD., LNG JAPAN CORPORATION, Sumitomo Corporation, Sojitz Corporation and Japan Oil, Gas & Metals National Corporation, today announced that the first cargo of liquefied natural gas (LNG) has been lifted from the BP led Tangguh LNG project in Papua Barat, Indonesia. The departure of the first cargo marks the start-up of the Tangguh project, just over four years after its final sanction by the Government of Indonesia in March 2005.

The first cargo, on board the Tangguh Foja, is bound for POSCO’s LNG regasification terminal in Gwangyang in South Korea.

This success is a tribute to the close co-operation throughout its development between Tangguh Joint Venture Partners and the Government of Indonesia, regulators, partners, contractors and particularly local communities in Papua.

The project will now move from project development to the operations phase, and continue to focus on safely and reliably delivering Indonesia’s gas resources to markets across the world for decades to come.

Tangguh, Indonesia’s third LNG centre after Bontang and Arun, comprises the development of six gas fields in the Wiriagar, Berau and Muturi production sharing contracts in the Bintuni area of Papua Barat in eastern Indonesia. Gas produced from two normally unmanned offshore platforms is fed via 22-kilometre pipelines to two onshore liquefaction trains, each with a production capacity of 3.8 million tonnes a year of LNG. Train 1 began LNG production in mid-June, producing the LNG for the first cargo, and Train 2 is expected to commence this quarter.

Tangguh is operated by BP Indonesia, with a 37.16 per cent interest, as a contractor to the Indonesian oil and gas regulator, BPMIGAS. Other partners in the project are MI Berau B.V. (16.3 per cent), CNOOC Ltd. (13.9 per cent), Nippon Oil Exploration (Berau) Ltd. (12.23 per cent), KG Berau/KG Wiriagar (10 per cent), LNG Japan Corporation (7.35 per cent) and Talisman (3.06 per cent).

Notes to editors:
The Tangguh project has long term contracts in place to supply 2.6 million tonnes of LNG a year to the Fujian terminal in China, 1.15 million tonnes a year to K-Power and POSCO in South Korea, and a flexible contract to supply up to 3.7 million tonnes a year to Sempra’s LNG regas terminal in Baja California, Mexico.
The main engineering contractors for the Tangguh project onshore infrastructure are the KJP consortium, comprising Kellogg, Brown & Root (through its subsidiary PT Brown and Root Indonesia), JGC Corporation and PT Pertafenikki Engineering. Lead contractor for offshore and subsea construction was Saipem.
The Tangguh project has adopted a fully integrated approach to development and its impact on local communities. A wide range of integrated social programmes have been implemented, including a community based approach to security and a commitment to maximise the employment opportunities for local people during both the construction and the subsequent operating phases. Activities are taking place at all levels, from specific programmes in those villages closest to the project site to wider initiatives across the Bird’s Head region and throughout Papua.
The Tangguh Project has also set new standards in transparency and has made reports from external panels such as TIAP and the External Performance Monitoring Panel on Resettlement available to all stakeholders.

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