



Thursday, October 2, 2008

## What The Media Is Talking About: In the News

### **\*\*Japan's Inpex Invests \$20 Billion in Australia's Liquefied Natural Gas Project.**

Inpex, Japan's largest oil explorer, is investing \$20 billion in newly discovered liquefied natural gas reserves in Western Australia. The fuel will be shipped to Japan, the world's largest liquefied natural gas consumer, where demand is expected to rise 21% by 2030.

## Scouring the World for Wealth-Enhancing Opportunities: In the Know

### **\*\*From our contact down under, Archie Bayvel, we get an eyewitness account of a liquefied natural gas find worth \$50 billion:**

*Australia's Northern Territory is another world, and Darwin, its tropical capital, more "other" than the rest of it put together. Right now, the city is a frontier paradise of warm days and balmy nights when thrilling music from bars and cafes under banyan and fig trees rocks the pants off hordes of after-dark denizens.*

*It is also the nerve centre of what is the hijack of the century: a liquefied natural gas (LNG) deal worth \$50 billion that its neighboring state of Western Australia thought it had in the bag!*

*Announced just this Friday (Sept 26), it is the onshore infrastructure for Ichthys, a joint venture managed by Inpex, a Japanese company, with France's Total having a 24% share. To woo it to Darwin the government allocated enough land for six gas plants.*

*The gas find is one of Australia's largest undeveloped gas fields, with reserve estimates of 12.8 trillion cubic feet and 527 million barrels of liquefied gas vapors. The government estimates that other gas and mineral projects will bring a potential 2,000-3,000 new jobs in the city with more offshore. Initial expenditure for onshore construction is US\$12 billion. At about 114,500, Darwin's population is more or less that of Ann Arbor, Michigan, or Gainesville, Florida.*

*Sea gas reserves off of what locals call "The Top End" total some 22 trillion cubic feet. Other major reserves include Abadi (10 trillion cubic feet); Bayu-Undan (3.4 trillion cubic feet), which already supplies ConocoPhillips' \$1.7 billion Darwin LNG plant; and Blacktip (0.9 trillion cubic feet), owned and operated by Italy's ENI company, whose 100 km pipeline supplies all the territory's LNG needs. Abadi lies in Indonesian waters but is cut off by a deep ocean trench that raises pipeline problems. Darwin is the logical place to bring the gas ashore.*

*Whatever happens with these specific projects, it is gas that will drive the Northern Territory's economy for the next 30-40 years. But gas is not all. Mining is the next biggest thing -- with uranium as the star. Only three hours' drive out of town is Ranger mine. It looms large on the energy market by producing 10% of global yellowcake while some 30 other uranium prospectors roam its surrounding swamps and savannah.*

*Owned by Energy Resources of Australia, it will now be in production to 2020; just as uranium demand and price is firming around US\$65 per lb. Then, of course, there's the territory's iron, copper, manganese, lead and zinc -- to say nothing of exquisite pearls and thousands of live cattle exports -- pouring out through this newly discovered gateway to Asia and the world.*

*The setup in the territory today is an invitation to both large-scale entrepreneurs and to those who see future fortunes in providing ever-more sophisticated infrastructure.*

*Darwin's tiny \$14.7 billion economy has already taken off and will now go into orbit with Friday's confirmation by Inpex of Japan of its \$50 billion natural gas project.*

*And there's more: Off its crocodile-infested coastline, the Timor Sea harbors some 35 other oil and gas projects that could also logically base their shore-side infrastructure around the city.*

*Make no mistake; these natural gas reserves are huge and will trigger Darwin's wealth explosion.*

*I have more from Archie to share with you, which I'll do in the next issue of *Taipan Insider*. Look for that on Tuesday.*

*Until then, here's to a world of opportunities,*



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