



Gorgon Project Update

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Operated by **Chevron Australia**
in joint venture with

ExxonMobil



To do this we must stay focused on safely delivering this nation-building project and aim for Gorgon to be seen as both Australia's largest-ever and most admired resources development.

Chevron Welcomes EPA recommendation on Gorgon Project

On April 30 2009 the Western Australian Environmental Protection Authority (EPA) recommended that the Gorgon Project's revised and expanded scope could proceed subject to stringent conditions.

This marked a major milestone for the Gorgon Project and builds on our project progress.

Although the EPA maintained its in-principle view that industry should not be located on Barrow Island, we now have a clear line of sight to complete the last phase of our environmental assessment process - a statutory appeals process followed by final State and Federal environmental approval.

The environmental assessment for the Gorgon Project has been one of the most comprehensive in Australia. It is the result of six years of preparation, including the research and contributions of numerous independent experts and extensive community consultation.

It has also involved a tremendous amount of work in preparing our proposal and handling all the comments from the EPA, the Department of Environment and other agencies.

As our environmental process is finalised the rest of 2009 promises to be the most exciting yet for Gorgon with a Final Investment Decision (FID) targeted for the second half of 2009.

Clearly we have reached a key moment in time for Gorgon.

We have strong alignment among our Joint Venture Participants and a highly motivated and capable team moving Australia's biggest-ever resources project into its execution phase.

In 1949 - exactly sixty years ago - this country saw the onset of its largest engineering feat - the Snowy Mountains Hydro Electric Scheme.

Just like the Snowy Mountains system's construction was seen as a defining point in Australia's development history, we believe Gorgon will represent a step-change in the development of our liquefied natural gas resources.

To do this we must stay focused on safely delivering this nation-building project and aim for Gorgon to be seen as both Australia's largest-ever and most admired resources development.

Colin Beckett
General Manager, Greater Gorgon Area



Colin Beckett, General Manager,
Greater Gorgon Area.

Australian Marine Complex deal

The Chevron-operated Gorgon Project has finalised an agreement with LandCorp to access common-user facilities and a laydown area located at the Australian Marine Complex (AMC) in Henderson, south of Perth.

Gorgon Project Development Director Scott Young said the facilities will play a key role in the logistics supply chain for the Gorgon Project.

"The investment will provide a significant and lasting improvement to the State's marine supply industry. It follows our recent agreement with Mermaid Marine Australia for access to a common-user marine supply base located at Dampier in the north west of Western Australia," Mr Young said.

The agreement with LandCorp will provide the Gorgon Project with access to 4 hectares of land for laydown, staging and quarantine activities and access to a "roll on roll off" berth that LandCorp will develop at the AMC.

This work will form part of a larger upgrade of facilities at the AMC by LandCorp to support oil and gas projects in Western Australia.

By utilising these common-user marine facilities at Henderson and Dampier to deliver equipment by sea, Gorgon and other projects will be able to reduce the volume of road transport between Perth and the North-West.

Lands Minister Brendon Grylls said the Project will be the first to use the AMC's common-user oil and gas support facilities.

"The State Government is committed to supporting visionary projects that will generate significant wealth for the WA economy and the Gorgon Project is certainly one of these," Mr Grylls said.

"I believe the new service and supply base at the AMC will further develop WA's offshore marine services industry and along with other vital infrastructure including a 99m long floating dock that will be complete later this year, the AMC will continue to place WA at the forefront of oil and gas development long into the future."

Mr Grylls also acknowledged the strategic move by Chevron and its Gorgon Joint Venture Participants to minimise the potential impact of the Project on Barrow Island and reduce the amount of transport on the roads.

"By securing service bases and wharf facilities at the AMC, the company can deliver significant amounts of equipment by sea which will ultimately reduce the number of road trains required to service the North West projects," he said.

Using mainland supply bases also ensures that laydown usage on Barrow Island is kept to a minimum.

Construction of the service and supply base at the AMC is expected to commence in the second half of this year and is due to be completed by early 2010.

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The Australian Marine Complex - site of the future Gorgon Project metropolitan supply base.

The geotechnical investigative works team for Quarantine on Barrow Island has been looking at innovative and practical means to reduce or eliminate the quarantine risk.

It's a wrap for Quarantine on Barrow Island

A geotechnical investigative works team has been looking at innovative and practical means to reduce or eliminate quarantine risks associated with transporting material and equipment to Barrow Island.

On the list has been the road transport of large equipment to Dampier prior to transfer to Barrow Island - and how to keep it 'quarantine clean' along the way.

A relatively simple solution is using shrink wrapping. This process is very similar to the shrink wrapping applied to packaged domestic goods, although admittedly on a much larger scale!

This process of keeping transported equipment free from quarantine contaminants was used with the cooperation of Hagstrom Drilling and Under-Raps.

A small Hagstrom drill rig was required on Barrow Island and Toll Logistics, who are contracted to perform cleaning and quarantine inspections under the current WA Oil arrangement, visited Hagstrom to ensure the rig was cleaned to quarantine standards.

Once the rig had been thoroughly cleaned and inspected (including making sure protective covers and doors had been removed from the drill rig), it was deemed quarantine compliant, loaded onto a trailer and Under-Raps were called in.

In a process that took almost five hours, two layers of a specially manufactured, recyclable plastic wrap was applied around the rig and then bonded and shrink wrapped using heat. A zippered window was installed to provide access for fumigation of the wrapped rig to eliminate any insects.

After a final inspection, the wrapped rig left for Dampier - no doubt attracting a few sideways glances from other travellers along the way!



It's a wrap - the rig leaving the yard headed for Barrow Island.

On arrival, the rig was unloaded and inspected. Other than some minor dust and insect remains, the exterior of the wrapping remained intact and remarkably clean. Opening the shrink wrapping revealed no contaminants at all.

Another positive to come from the experience was the discovery of a large, heavy steel bolt that had worked itself loose from the rig during transport but was kept safely within the shrink wrapping.

Overall, this was a highly successful result for the geotechnical investigative works team. Further investigations are currently underway into the suitability of this process for other materials and equipment.

Quarantine history

How did the term quarantine come about?

The word '*quarantine*' comes from the Italian word '*quaranti giorni*' meaning '*forty days*'. In the 14th century, a bubonic plague swept through Europe leading to ships being required to anchor away from the city for 40 days before they could unload passengers or cargo to allow time for any disease to be identified and treated.

Why is quarantine so important to the Gorgon Project?

Barrow Island is a Class 'A' Nature Reserve and quarantine is considered a management tool pivotal to the securing of its conservation values and preventing the introduction of animals and plants that aren't native to the island.

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Each panel will provide advice to the Minister for the Environment and to the Chevron and Project on management and monitoring of each of these matters to assist in the successful planning and execution of the Gorgon Project.

Gorgon establishes independent Expert Panels

As part of its commitment to protect the biodiversity of Barrow Island and surrounding marine environment, the Gorgon Project has established three specialist, independent "Expert Panels" to provide advice on quarantine, turtles and dredging matters.

David Humphreys, the Gorgon Project's Expert Panel Coordinator, said each panel will provide advice to the Minister for Environment and to Chevron on management and monitoring of each of these matters to assist in the successful planning and execution of the Gorgon Project.

"Each Expert Panel will be led by an independent chairperson, who will oversee the management and function of these panels, and will comprise of State and Commonwealth government department subject matter experts, local and national independent experts as well as Chevron's own representatives," he said.

The independent Chairpersons are:

- Dr Roy Green (quarantine)
- Mr Stuart Hicks (dredging)
- Mr Simon Woodley (turtles)

Mr Humphreys said terms of reference for each panel and Operating Guidelines had been reviewed and approved by the Minister for Environment.

"Transparency is an over-riding philosophy for these Expert Panels so we are also considering how we can make information accessible to stakeholders and the public," Mr Humphreys said.

For more information, Mr Humphreys can be contacted by telephone on 08 9216 4069 or via email dhum@chevron.com



David Humphreys
Expert Panel Coordinator.

Flatback Turtle Tagging Program Volunteers

Over the last four years, over 200 volunteers from a range of professions and age groups have played a part in the flatback turtle tagging program on Barrow Island.

The primary objective of the program has been to tag as many turtles in the east coast nesting population as possible and build a better understanding of the population on Barrow Island.

The data will also be used to better predict and manage activities associated with the construction and operation of the Gorgon Project.

Each season volunteer teams gather on Barrow for a two-week tour to tag new turtles and record information from the turtles already tagged.

And it's a job for night owls, as the tagging and data collection usually occurs after dark when the turtles come in from the ocean to lay their eggs.

In the 2007/2008 season alone, volunteers spent about 14,500 hours pacing the island's beaches and inputting data for the program.

This summer alone preliminary results indicate that 365 new turtles were tagged and recorded with 1,077 previously tagged turtles returning to nest.

While the quantity of volunteer hours is important, the quality of their work is essential.

From the perspective of the Project, using volunteers has been a unique way to involve the community.

The tagging also provides volunteers with an opportunity to learn new skills and understanding about turtles, as well as how the Gorgon Project will minimise its impacts on the island's marine life.

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A flatback turtle at dawn.

He takes charge of his career, is always communicating with management and prodding us for information and direction.

Gorgon Graduate grabs opportunity with gusto!

Chevron Australia has found an ingenious way to develop the skills and knowledge of one of its Horizon Graduates by collaborating with Plexal Group, a West Australian company which provides engineering services to the international oil and gas industry.

Graduate electrical engineer Alec Cotton joined the Gorgon Operations Team in 2007 after completing his Electrical and Communications degree at Curtin University.

According to Gordon Williamson, Gorgon Operations Manager, Alex has always been a strong player in managing his career development.

"He takes charge of his career, is always communicating with management and prodding us for information and direction. Every month Alex writes a monthly report on his activities and enquires about development opportunities," said Gordon.

To guide and support Alex's interest in his career development plan, his mentor Nancy Lyche, Gorgon Operations Systems Advisor, sought out a specific developmental opportunity.

Enter the Plexal Group, a company that offers comprehensive knowledge across the resource sector in the fields of operations, process, mechanical, instrumentation and controls as well as plant business integration.

Building on a professional relationship already forged with the Chief Executive Officer of Plexal Group, Steve Jones, Nancy acquired a developmental role for Alex.

Located in Plexal's Bangkok office for 18 months, Alex gained exposure to skills and knowledge that he can transfer to a future permanent position already earmarked for him in the Gorgon Operations team.

"The chance to work in a contractor's office has enabled me to gain an 'outside looking in' perspective that I otherwise may never have had," Alex said

"I had the opportunity to work with a variety of different systems and equipment, completing changes, upgrades and new installations and gain exposure to different fields of expertise, including reservoir management, compressor and machinery performance and analysis as well as base business.

"Being able to take a central role in projects and work them through development, execution and on into operation has also helped me to better realise and prepare for what is to come ahead for Gorgon."

Alex's performance at Plexal Group was outstanding and he has been described as a 'breath of fresh air'.

"If Chevron ever struggles to find him something in the future, we'll happily take him back - although I won't be making any rash promises of handing him back this time!" said Plexal's Steve Jones.

Not only does Alex's development assignment overseas demonstrate Chevron's ingenuity and commitment to invest in people, it also shows that with a One Team approach anything is possible.



Alex Cotton
Graduate Electrical Engineer

Karratha regional supplier briefing

Over 100 representatives from industry, business and the community attended a regional supplier briefing held in Karratha on Thursday, 5th February 2009.

Designed to proactively engage the local business community, the audience were provided with a range of presentations, a question and answer session and an informal avenue for discussions.

Laura Boudreau, Technical Services Manager - Chevron, provided a presentation on the Project overview and its upstream activities while Kellogg Joint Venture's Rick Robinson, Director Perth Operations, discussed the downstream opportunities.

Presentations were then rounded off by Linus O'Brien, Director of Industry Capability Network, who was invited to the function to discuss how local businesses could best position themselves to take advantage of possible opportunities through the e-Pilbara (www.epilbara.com.au) and Project Connect (www.projectconnect.com.au) websites.

As a form of additional support, a booth was set up to provide assistance for suppliers who were unfamiliar with the websites or its registration process.

Representatives from Chevron, Kellogg Joint Venture and ExxonMobil were on hand to interact with participants after the formal proceedings to listen to any queries, feedbacks, suggestions and concerns that may not have been raised during the question and answer session.

The function was also used to introduce Adrian Whiting, Dampier Supply Base Manager, to the audience as the new local face of the Gorgon Project.

Designed to proactively engage the local business community, the audience were provided with a range of presentations.



Linus O'Brien from ICNWA (left) provides a demonstration of the web-based information to John Verbeek from the Pilbara Development Commission.

Our recent supplier briefing showed the level of interest from local companies.

Gorgon's Pilbara presence grows

While recent Gorgon Project activity in the Pilbara has focused on a sublease with Mermaid Marine valued at up to A\$100 million, other Pilbara-based activities are also showing that Gorgon's time really is now.

In January the Gorgon Project's Downstream EPCm, Kellogg Joint Venture Gorgon (KJVG) established a permanent presence in the North West region.

Adrian Whiting is KJVG's Dampier Supply Base Manager and providing a local focus for logistics and operations in the Dampier/Karratha region.

Mr Whiting also recently took delivery of two new Toyotas from Pilbara Motors, a local Karratha-based business.

"We are working hard to identify opportunities to procure goods and services from the Pilbara region, and this was a good early win", Mr Whiting said.

"Our recent supplier briefing showed the level of interest from local companies, and also demonstrated how they can register their interest through ePilbara".

As the facility at Mermaid Marine takes shape, Mr Whiting and his team will be continuing to seek opportunities for local suppliers to be part of Gorgon's success.



Adrian Whiting (right) takes possession of the new Toyotas from Mark Middleton.

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Front Cover:

Quarantine compliant drill rig leaving for Barrow Island and the Australian Marine Complex - site of the future Gorgon Project metropolitan supply base.