

# Frontier

Issue One – September 2009

Exploring our People, Partnership and Performance



Human Energy™

What's in a Name?

**Pull up a Chair and  
See the Possibilities**

Tahiti Ramps Up to  
Full Capacity

## The Wheatstone Opportunity

Front-end Engineering and Design Has Begun



# What's in a name?

Chevron Australia is at a unique point in its history.

We are about to enter a new era of energy in Australia, embracing new frontiers in deepwater operations, with the development of our two LNG and domestic gas mega-projects – Gorgon and Wheatstone.

Together, these projects will help secure energy supplies and boost the Australian economy for many decades to come.

Further, our growing exploration, appraisal and development portfolio located offshore northwest Australia will strengthen our ability to explore gas resources in ever-more challenging deepwater environments, supporting

Chevron's long-term commitment to exploring and developing energy resources in Australia.

As we broaden our operations at Chevron Australia, we've also extended the distribution of our quarterly magazine to communicate with our key external stakeholders and community groups.

Our new publication *Frontier* reflects our strategy of investing in people and leveraging technology, our values of integrity and high-performance, and our approach to business:

- ▶ Leading Edge
- ▶ Advancing Achievement
- ▶ Promoting Ingenuity

“The word ‘*Frontier*’ is a metaphor for Chevron’s position in Australia and reflects our People, Partnerships and Performance as we move our mega-projects forward.”

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# The Wheatstone Opportunity

## Front-end Engineering and Design Has Begun



Conducting site survey work at Ashburton North.

The wholly-owned Wheatstone Project has moved into its major design phase with the announcement of the Front-end Engineering and Design (FEED) contract for the Ashburton North gas plant and associated infrastructure.

Bechtel Oil, Gas & Chemicals Inc. was awarded the Wheatstone Project downstream FEED contract in late July.

The contract is for the design of the first phase of the Project, which includes two liquefied natural gas (LNG) processing trains each with a capacity of 4.3 million tonnes per annum, and a domestic gas plant. Chevron Asia Pacific Exploration and Production Company President, Jim Blackwell, said the Wheatstone and Gorgon Projects were important growth milestones not only for Chevron, but for Australia and the Asian region.

“The Chevron operated Wheatstone and Gorgon Projects are set to position Chevron as a major LNG operator and will deliver energy, jobs and economic benefits to Australia, as well as assist in meeting expected long-term demand growth for natural gas in Asia,” said Mr Blackwell.

The FEED contract award was the latest in a string of recent successes for the Wheatstone Project, which have included the successful exploration and appraisal program at the Wheatstone and Iago fields, the selection of the plant site and the start of environmental approvals, environmental, engineering and social impact studies and native title negotiations.

Chevron Australia Managing Director Roy Krzywosinski noted that Wheatstone is one of Australia’s

largest resource projects, offering significant economic benefits, including an estimated 6,500 direct and indirect jobs, government revenue and local business opportunities for generations of Australians.

“Wheatstone is a key part of our plans to commercialise our significant natural gas resource base in Australia and also future gas development opportunities in the western Carnarvon Basin, including third party gas,” Mr Krzywosinski said.

“We’ve been making good progress on Wheatstone including the selection of a site at Ashburton North; progressing with key environmental approvals; undertaking environmental, engineering and social impact studies; and meeting with key stakeholders.”

## “Understanding the potential impacts of the Wheatstone Project on the local community is also an important part of Chevron’s Environmental, Social, Health Impact Assessment process.”

Geoff Strong, General Manager, Wheatstone Development



## Understanding Ashburton North

A number of studies to deepen understanding of Ashburton North – including the marine and social environment – had commenced even before the final Wheatstone site selection decision was made in December 2008.

When the initial environmental referral document for Wheatstone was submitted in September, it included three short-listed sites. Actual site environmental studies at Ashburton North began in November last year.

Since then, a wide range of environmental studies, including flora and fauna studies (both onshore and offshore) inter-tidal, bird, turtle and noise surveys and the installation of underground fauna monitoring bores, have contributed to our understanding of the site.

Offshore, a number of marine studies have measured ocean temperatures and turbidity, current flows and rates,

marine grasses, corals, fish and invertebrate species, sea floor bathymetry and more. These cover the areas around the port/jetty site, potential shipping channel routes and potential pipeline routes.

A range of engineering studies began in early 2009, including the drilling of more than 80 onshore geo-technical bores to gather information on soil types and densities, rock formations and depths and the suitability of the area for the construction of large industrial infrastructure. As well as the bore program, which involved four onshore and one offshore drill rig, a broad seismic (geo-physical) survey was undertaken of the Ashburton North area.

Indigenous heritage surveys of the site were conducted prior to all this work taking place to identify and map any indigenous cultural areas of interest including artifacts and shell middens

(collections of empty sea shells from ancient indigenous camp sites).

Geoff Strong, General Manager, Wheatstone Development, said “Understanding the potential impacts of the Wheatstone Project on the local community is also an important part of Chevron’s Environmental, Social, Health Impact Assessment process.” This includes conducting a detailed scoping of the Onslow township and surrounding region.

As part of this assessment, more than 200 people were interviewed to help gain an understanding of the social and economic dynamics of Onslow now and how the locals perceive the project. This data, along with a range of other social data still to be gathered, will assist Chevron in planning the Wheatstone Project.

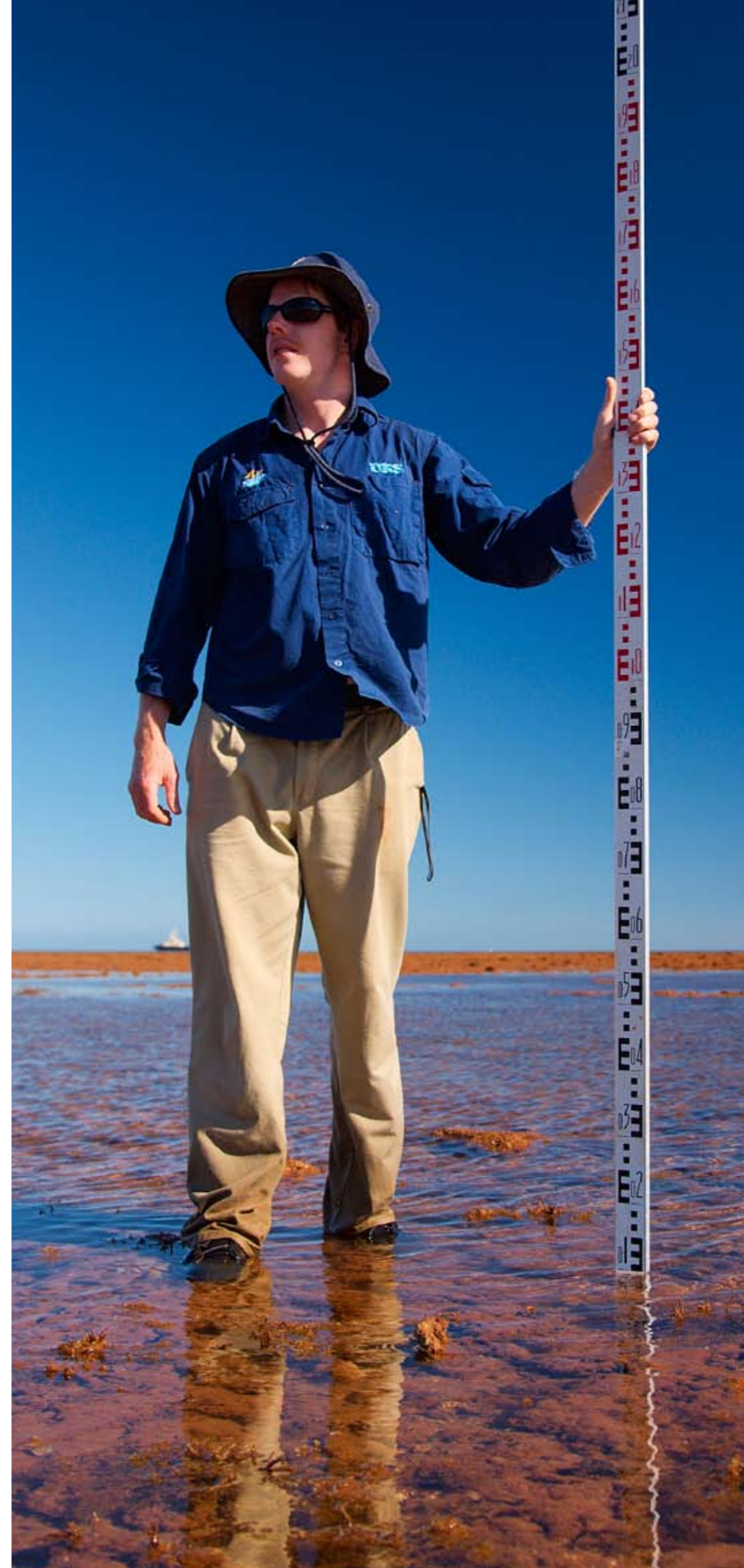
## An Important Part of the Community

Chevron has worked hard to become part of the Onslow community long before the decision was made to undertake a greenfield LNG and domestic gas project for Wheatstone, Chevron had identified Onslow as a town within its direct area of operations.

Indeed, Chevron has had a long association with the town, which was used as the launching point for the first surveys of Barrow Island. For almost four decades Onslow was the base from which Barrow and Thevenard Islands were supplied.

Chevron also recently completed its third year of Community Spirit Grants in Onslow, benefitting communities in the areas of: families and children, sport, volunteers and the environment.

Groups, clubs and organisations in Onslow have received up to \$80,000 over that time, with \$45,000 being granted in 2009 (for more information see Community Spirit Grants story on page 8).



“The Community Spirit Grants are one of the ways in which we contribute to the fabric of the communities where we work.”

Roy Krzywosinski, Chevron Australia Managing Director



## Chevron Grants Boost Community Spirit in the Pilbara and Gascoyne

Important community projects in the Pilbara and Gascoyne regions of Western Australia were given a boost of more than \$124,000 recently under Chevron Australia’s annual Community Spirit Grants program.

The Community Spirit Grants program provides vital funding to the communities closest to Chevron Australia’s offshore operations, including Karratha, Dampier, Onslow and Exmouth.

Chevron Australia Managing Director Roy Krzywosinski said this year the program will provide assistance to 28 organisations in these communities.

“Community groups are always struggling to get adequate funding for crucial projects so we are committed to helping local organisations do important work across four categories: Families and Children, Volunteers, Sports and Environment.”

Under the program, which was first launched in 2006, community organisations can apply for a grant of up to \$5,000 and over the last four years, community groups have received more than \$350,000 for grass-roots projects through the program.

The Pilbara Health Network will use its \$5,000 grant to bring an anaphylaxis

awareness campaign to schools, child care centres and communities throughout the region.

The Network’s program officer, Carolyn Valdez, said the funding will help carry on important work that began following the tragic death of a young Karratha woman who suffered a severe allergic reaction two years ago.

“This program will go a long way to ensuring people in the Pilbara will be aware of anaphylaxis and how to deal with emergency situations to prevent similar tragedies from happening in the future,” Mrs Valdez said.

### 2009 Chevron Community Spirit Grants Recipients

#### Families and Children Category:

- › Exmouth Playgroup Association Inc
- › Humpty Dumpty Toy Library of Karratha
- › Onslow Occasional Child Care Association
- › Exmouth Toy Library
- › Karratha Cancer Support Group
- › Onslow Community Health Centre
- › Link Inc of Karratha
- › Mums & Bubs Group of Onslow

› Shire of Exmouth

› Pilbara Health Network

› Onslow Hospital

› Pegs Creek Primary School P&C Association Inc

› Shire of Ashburton

› Onslow Primary School

#### Volunteers Category:

- › Onslow Goods Shed Museum
- › Exmouth Volunteer Marine Rescue Group Inc
- › Onslow Volunteer Marine Rescue Group Inc
- › Karratha & Districts RSL & Services Social Club Inc

#### Sports Category:

- › Exmouth Cricket Club Inc
- › Burrup Mountain Bike Club
- › Exmouth Cape Board Riders’ Club Inc
- › Hampton Harbour Boat & Sailing Club (Inc)
- › Exmouth Eagles Football Club
- › Shire of Ashburton
- › Exmouth Netball Association Inc
- › Exmouth Yacht Club Inc

#### Environment Category:

- › Conservation Animal Rescue, Research and Education (CARE) Exmouth
- › The Roo Group in Karratha

For more information visit: [www.ChevronAustralia.com](http://www.ChevronAustralia.com)

# APPEA Safety Award Win IIF Focus for Chevron

## Workplace Safety Recognition from APPEA



● Chevron Australia's booth at APPEA's conference in Darwin.

Chevron Australia is the proud recipient of the Australian Petroleum Production and Exploration Association (APPEA) 2008 Safety Performance Award.

On 1 July 2009, our safety performance and leadership were recognised with Minister for Resources and Energy, Martin Ferguson AM MP (left) presenting the award to Chevron Australia Managing Director Roy Krzywosinski (right) at the APPEA conference in Darwin (above).

On accepting the award, Mr Krzywosinski expressed how proud he was to receive the award on behalf of Chevron and that it was a "direct result of the commitment to safety and incident and injury free operations demonstrated by all Chevron employees and contractors."

The award acknowledged Chevron's 2008 safety performance and approach to strain and sprain prevention.

### Protecting People and Our Commitment to Safety

Protecting people is one of our core values to help us achieve results, the right way.

We are committed to developing a workplace that is incident and injury free (IIF), by working together to send our employees and contractors home safely every day.

With the rapid growth of our workforce over the past 12 months, we are reaching milestones with hours worked without a safety incident in increasingly shorter periods of time, explained Mike McLerie, Chevron Australia's IIF Action Team Leader.

"While milestones of this nature demonstrate trends of safe performance, of more significance, is the fact that we are working for an extended period without a serious work-related injury.

"Our ongoing business-wide focus on working safely while on-boarding and introducing new people to our IIF safety culture is clearly linked with our performance in fostering a reliable, productive and motivated business.

"Reflecting this, we have developed a safety culture where If you see it, you own it, with a strong Stop Work Authority, to support our underlying safety message – There is always time to do it safely," Mike said.

Accordingly, at Chevron Australia we invite our people to be Safety Leaders and take responsibility for their own safety...and for the safety of those who work with and around them.

Our families and friends deserve our safe return home every night.

"It's a belief it's achievable...that all accidents and incidents are avoidable."

### IIF is a Mindset

IIF is not a system or procedure but a mindset. It places safety as the number one focus in how we do our job and to act as a lookout for others. It builds on concerns for others by encouraging relationships, which in turn enables open dialogue.

IIF is a focus and commitment that our work should not compromise our safety or our lives and to take action immediately when hazards are observed to help make sure we all go home safe – everyday.

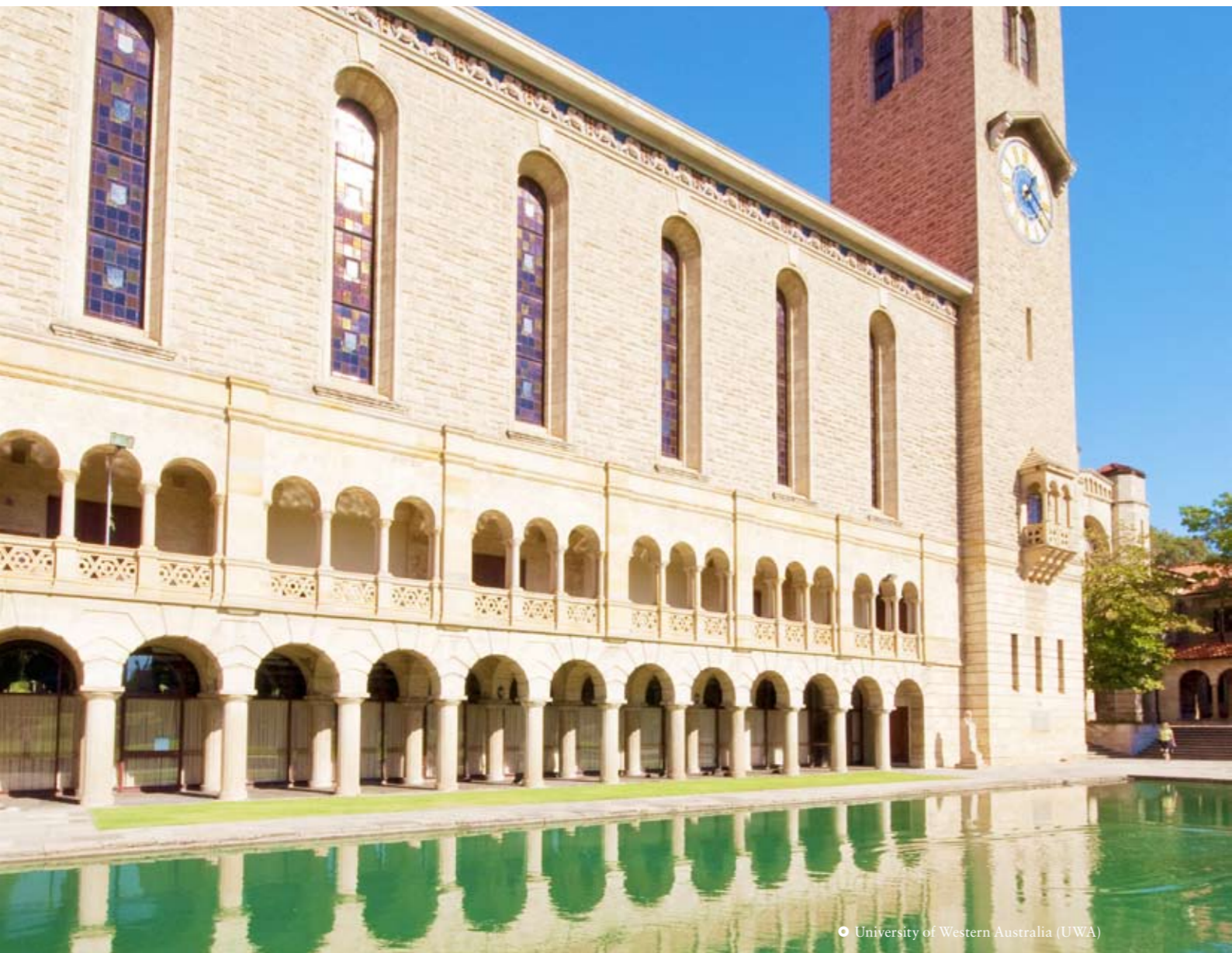
Here's what some of Chevron Australia's people think about our approach to IIF:

- ▶ "It's got to be a team effort, everyone from shop floor to management has to be behind it and the focus should be on a team environment where everyone is trying to achieve the same goals with everything."
- ▶ "It's a mindset. Instead of doing it because we have to, doing it because we want to."
- ▶ "IIF is about people, it's not about statistics or numbers."
- ▶ "It's a belief it's achievable...that all accidents and incidents are avoidable."

They expect you to go home safely.  
**So do we.**

**Chevron**

**IIF**  
Incident & Injury Free



University of Western Australia (UWA)

## Pull up a Chair and See the Possibilities

The appointment of an internationally-renowned geophysicist to the Chevron-Woodside co-funded Chair in Petroleum Geoscience at the University of Western Australia (UWA) brings many potential benefits to industry, universities and research and development organisations.

Earlier this year, Professor David Lumley accepted a tenured appointment to head up UWA's new Centre in Petroleum Geoscience. Having held the position of Senior Staff Research Scientist in Chevron from 1995 - 1999, Prof. Lumley is no stranger to the organisation.

Prof. Lumley works closely with the team at Chevron's Global Technology Centre in Perth, as part of its partnership with UWA through the Western Australian Energy Research Alliance (WA:ERA)\*. Given his expertise in reservoir monitoring and environmental applications, he is actively involved in the Gorgon Project's CO<sub>2</sub> injection Peer Reviews. Not only is he available for consultation on other geoscience issues, he also teaches a two-day seismic reservoir monitoring workshop.

Prof. Lumley is highly focused on boosting petroleum geoscience training in WA. "I am delighted to have the opportunity to head up the new Centre in Petroleum Geoscience to help educate students so they can hit the ground running when they get jobs, as well as being available for geoscience professionals to upgrade their skills," said Prof. Lumley.

"I want the Centre to be a space where university researchers and industry can meet, so everyone's ideas and expertise can contribute to the subsurface energy challenges

we are facing. I am interested in a collaborative model where researchers across other science and engineering specialities can participate."

Prof. Lumley served as an adjunct professor at both Stanford University and the University of Southern California, with the CiSOFT engineering research program.

He is recognised for his work in time-lapse imaging of subsurface fluid flow as applied to subsurface energy and environmental processes.

Over the past few years, Prof. Lumley has observed an increase in the number of geoscience students shifting into the petroleum focus. With the strategic vision of the Centre for Petroleum Geoscience, the future for research and training within the local petroleum industry looks well-positioned to go from strength to strength.

\* The Western Australian Energy Research Alliance (WA:ERA) combines the multi-disciplinary expertise of three established research institutions: The University of Western Australia, CSIRO and Curtin University of Technology.



Dr Kruawan Jankaew

## Development assignment with a 'Waw' factor

Through Chevron's prestigious University Partnership Program, Dr Kruawun (Waw) Jankaew from Chulalongkorn University, Bangkok, Thailand was warmly welcomed into Chevron Energy Technology Company's, Global Technology Centre in Perth on a three-month development assignment.

Working in the Earth Science team, Waw was exposed to the challenges and day-to-day activities faced by this discipline in a global energy company.

As a result of the development assignment Waw is well-positioned to return to Chulalongkorn University and contribute to the development and teaching of a new Masters Degree Program in Petroleum Geoscience.

Chevron's University Partnership Program reaches across the globe where universities are selected based on their excellent reputation, forward-thinking and result-oriented education development.

The program is designed to help develop new technologies and people required to meet the world's growing energy needs.

# Tahiti Ramps Up to Full Capacity

Since its discovery in 2002, the Tahiti reservoir, one of Chevron's largest major capital projects, has continued to push the limits of deepwater oil and gas development, despite operating in one of the most complex, risky and challenging environments – the U.S. Gulf of Mexico.



On 30 July, just two months after first oil, Tahiti achieved another milestone when it began producing at its designed maximum capacity of 125,000 barrels of oil per day. This was achieved 45 days ahead of schedule and is testament of Chevron's deepwater expertise, and ability to execute an industry-leading queue of major capital projects.

The Tahiti Field is located 305 kilometres south of New Orleans and is believed to be one of the deepest and largest fields in the Gulf of Mexico. Its sky-scraper-tall platform offers a world-class showcase for Chevron ingenuity and technology, as the field itself is located in more than 1,200 metres of water and under a very complex salt canopy that ranges in thickness from 2,400 metres to 4,500 metres.

Tahiti Project Manager, Billy Varnado, said: 'We knew early on that this was a significant development that would present many challenges. We tackled these with a highly skilled team that has put forth a tremendous amount

of innovation and effort over the past seven years to safely and successfully develop this field. We are very proud of this achievement''.

Despite the difficult conditions, Tahiti boasts a number of record-breaking technological achievements, including: the Gulf of Mexico's deepest producing well (located more than 8,100 metres below the earth's surface), topsides (superstructure of a platform) that are Chevron's biggest single structure in the Gulf, and a spar that is the largest in the industry to be transported as a single piece during its trans-Atlantic voyage from Pori, Finland to the Gulf.

The Tahiti field is estimated to contain total recoverable resources of 400 to 500 million oil-equivalent barrels and produce 70 million cubic feet of natural gas by year end.

Chevron holds a 58 per cent working interest in the Tahiti Field and is the operator; StatoilHydro holds a 25 per cent working interest; and Total owns a 17 per cent working interest.

The world is growing by more than 70 million people a year.

So is that a problem, or a solution?

With our planet's population continuing to increase, and the quality of life for millions in the developing world improving daily, our demand for energy is also growing. And to meet everyone's needs 25 years from now may take 50% more energy than we use today.

Finding and developing all the fuel and power we need for our homes, businesses and vehicles, while protecting the environment, could be one of the greatest challenges our generation will face.

The key to ensuring success is found in the same place that created this need: humanity itself. When the unique spirit we all possess is allowed to flourish, mankind has proven its ability to take on, and overcome, any issue. It's a spirit of hard work, ingenuity, drive, courage and no small measure of commitment. To success, to each other, to the planet.

The problem...becomes the solution.

This human energy that drives us to succeed has been there every day since the beginning. And it will be with us to shape many tomorrows to come.

So join us in tapping the most powerful source of energy in the world. Ourselves.

And watch what the human race can do.



ChevronAustralia.com

## Engaging People in Today's Energy Issues

Since the advent of newspapers in the seventeenth century, advertising has long been regarded as an effective way of delivering information and ideas to relevant audiences.

Chevron Australia has been utilising advertising recently as a way to engage people in today's energy issues.

"The energy industry is one of the most dynamic and vital industries in the world," says Peter Eggleston, Chevron Australia's Manager of Policy, Government and Public Affairs.

"How we find, produce and use energy are critical issues of our time. We all need to participate in developing and shaping our energy future and Chevron takes on this challenge every day. We can all be part of the solution."

Chevron's advertising campaign, which has been developed around the theme 'Human Energy', has helped encourage debate on energy-related issues. The campaign, which aired during July and August, was a continuation of a campaign which first aired in Australia last year.

The integrated campaign consisted of television, print and online advertising and was executed in

Perth, regional Western Australia, Canberra, Sydney and Melbourne, as well as in selected national media.

It demonstrated how energy affects all of us, as well as the level of commitment, ingenuity and responsibility Chevron employees practice every day to bring vital energy supplies to the world.

"The campaign acknowledged that we all rely on energy in our daily lives, and with the challenges posed by climate change in a world where energy demand continues to grow, we have to find newer, cleaner ways to power the world. Chevron is tackling this challenge head on through developments such as our iconic Gorgon and Wheatstone natural gas projects," Peter added.

In the same way that newspapers resulted in the birth of the advertising industry all those years ago, the Gorgon and Wheatstone Projects will also provide new opportunities for Australian businesses for many years to come. We look forward to telling that story, possibly through advertising, in the future.



## Chevron Australia Launches New Website

Chevron Australia has just launched a brand new website to showcase its growing Australian business.

The new site provides a comprehensive overview of the Gorgon and Wheatstone Projects, as well as our commitment to the environment and the community.

The news section of the site is a great source of information and is regularly updated with the latest press releases, speeches and other resources.

Information for companies looking to become suppliers to Chevron Australia's projects can also be found on the site.

People looking for career opportunities with Chevron should also make regular visits.

The site provides content in a variety of formats to enhance the user experience.

Visit the new site today at:

[www.ChevronAustralia.com](http://www.ChevronAustralia.com)