



## **INPEX AND SHELL TO PARTNER WITH NEXTGEN GROUP TO BUILD SUBSEA FIBRE OPTIC CABLE**

May 12th 2014

INPEX and Shell have announced plans to invest in a significant new project to construct a subsea optical fibre cable system with the Nextgen Group, delivering critical infrastructure for the nation's resources industry.

The subsea fibre optic cable system will provide the INPEX Ichthys Liquefied Natural Gas (LNG) and Shell Prelude Floating Liquefied Natural Gas (FLNG) projects located in the Browse Basin off North West Australia with access to high-speed data and voice communication services for the life of their operations.

Work will commence in May 2014 and is scheduled for completion in 2016.

The Prelude and Ichthys projects will contribute equally to the construction of the system, which the Nextgen Group will build, own and operate. The system will stretch approximately 2000 kilometres between Darwin and Port Hedland.

The subsea fibre optic cable system will provide superior reliability and quality when compared to other available communications solutions such as satellite links. The system will provide an initial design capacity of 80x40 Gbps and has the potential to scale well beyond that as technology matures.

Ichthys Project Managing Director Louis Bon said constructing subsea infrastructure of this kind for private customers on the mainland was an Australian first. "This is a great achievement for the Ichthys Project and an excellent example of what collaboration in the oil and gas industry can achieve," Mr Bon said. "It means that both of these projects, far north of Port Hedland, will be connected to data centres thousands of kilometres away in Perth."

Shell Prelude Asset Manager Jim Marshall said Prelude FLNG's close proximity to Ichthys represented a significant opportunity for INPEX and Shell to achieve a better technical and commercial outcome. "The subsea cable will give us a highly reliable and stable high-speed voice and data service which is essential for effective and efficient operations at our future offshore facilities," Mr Marshall said. "It means that workers at Shell and INPEX will have an ultra high speed communications link so they can stay in touch with their friends and families while working at offshore facilities. Our investment will also establish a valuable piece of infrastructure that has the capacity to support the development of future offshore resources in the Browse Basin."

Nextgen CEO Peter McGrath said the project would provide essential support to Australia's offshore oil and gas industry. It will also establish an alternative backhaul path to Perth supporting high capacity voice and data services on land. "As an Australian company we're delighted to support two global leaders working in a sector that is the heartbeat of the national economy," Mr McGrath said. "This project builds on our successful track record of delivering high speed communications links for businesses, government and other users in underserved regional and remote markets," he said.

**Ends**

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**About Prelude FLNG**

Shell is the operator of Prelude Floating Liquefied Natural Gas Project in joint venture with INPEX (17.5%), KOGAS (10%) and OPIC (5%). Prelude FLNG is located in the Browse Basin, approximately 475km north-north east of Broome, in Western Australia. FLNG technology allows for the production, liquefaction, storage and transfer of LNG at sea, as well as the ability to process and export liquefied petroleum gas (LPG) and condensate. FLNG removes the need for pipelines to shore, dredging and onshore works and therefore significantly limits the disturbance to the surrounding environment and reduces development costs.

The Prelude FLNG will produce 3.6 million tonnes per annum (mtpa) of LNG, 1.3 mtpa of condensate and 0.4 mtpa of LPG.

The Prelude FLNG hull is longer than four soccer fields laid end to end and it is longer than the Empire State Building is tall. Once complete, the FLNG facility will weigh more than 600,000 tonnes fully loaded, displacing the same amount of water as six of the world's largest aircraft carriers. Whilst the Prelude facility is big it is also small - taking up 1/4 the area of an equivalent onshore LNG plant.

According to an independent analysis by ACIL Tasman, over the 25-year life of the Prelude FLNG project it will:

- Create approximately 350 direct and 650 indirect jobs.
- Contribute total tax revenues of more than \$12 billion.
- Spend \$12 billion on Australian goods and services. Improve Australia's balance of trade by more than \$18 billion through the export of LNG, LPG and Condensate.

**About the Ichthys LNG Project**

The Ichthys LNG Project is a Joint Venture between INPEX group companies (the Operator), major partner TOTAL and the Australian subsidiaries of Tokyo Gas, Osaka Gas, Chubu Electric Power and Toho Gas. Gas from the Ichthys Field, in the Browse Basin offshore Western Australia, will undergo preliminary processing offshore to remove water and raw liquids, including condensate. The gas will then be exported to the onshore processing facilities in Darwin via an 889km pipeline. The Ichthys LNG Project is expected to produce 8.4 million tonnes of LNG and 1.6 million tonnes of LPG per annum, along with approximately 100,000 barrels of condensate per day at peak. Detailed Engineering, Procurement and Construction (EPC) of the Ichthys LNG Project is ongoing and production is scheduled to commence by the end of 2016.