

Study supports Aussie GTL plant: Central

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WITH the 'Gas to Liquids and Coal to Liquids' conference kicking off in Perth today, newly-listed **Central Petroleum has released pre-feasibility findings that support its plan to develop a small-scale GTL plant in South Australia.**

The report, prepared by consulting mechanical engineers Holt Campbell Payton, said a gas resource between 0.6 and 1 trillion cubic feet would need to be produced at about 100 million cubic feet per day over 20 or 30 years to warrant a decision to construct a "small-scale" GTL plant.

"This size field is representative of what could be encountered in the region and corresponds to a typical 100 TJ per day small-scale GTL facility," the report said.

Apart from the risks surrounding exploration and appraisal, the report summarised that establishing a GTL plant was relatively risk-free for the following reasons:

- potentially viable with crude price above \$US35/bbl
- little evidence to suggest that the price of crude will much drop below \$US45/bbl in the long term
- environmental issues as well as volume growth have driven the demand growth for GTL diesel
- pricing will be driven by the global diesel market and not by local competition factors (making it "competition proof")
- the technology has been well proven, only economic factors have delayed its deployment globally
- capital costs can be well defined at the outset; financial institutions are now comfortable with the technology
- the proposed location is a well-established industrial centre in an oil/gas-producing region
- the owners of the gas will be participants in the project
- potentially very healthy surplus over cost of production

The study added that the GTL products – either naphtha or jet kerosene – would be transported 1450km by rail to Darwin or Adelaide and loaded on a ship for export. A portion could be partially consumed in the domestic market, including locally in Alice Springs.

Central Petroleum managing director John Heugh will speak at the two-day GTL and CTL conference tomorrow on 'GTL synergies for the monetisation of stranded gas in **central** Australia'.

The event aims to address new opportunities for these emerging fuels, review current GTL and CTL plants in Australia and overseas, and will discuss options to secure an energy future and reduce the country's dependence on oil imports.

GTL provides a clean-burning, low emission diesel fuel with lower greenhouse gas emissions than gasoline and lower sulphur and particulate emissions than conventional diesel.

