

# GUNTINGAN BERITA

DE DOK	HARIAN/MAJALAH/BULETIN/KANTOR BERITA	HALAMAN	TANGGAL
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## Australia, Indonesia win multibillion Chinese LNG contracts

### The Jakarta Post

Jakarta

China has awarded multi-billion-dollar contracts to Australian and Indonesian consortiums to supply liquefied natural gas (LNG) to the country. Australian LNG (ALNG), a consortium led by Australian energy giant Woodside Petroleum Ltd, was awarded the contract to supply LNG to the Guangdong province over 25 years, while the Indonesia consortium led by state oil and gas company Pertamina and Anglo-American firm BP Plc was picked as the supplier for the neighboring province of Fujian, AFP reported Thursday. Under its contract, ALNG will supply Guangdong with three million metric tons of LNG per year from Australia's North West Shelf LNG center, which is co-owned by BP,

ChevronTexaco Corp., Royal Dutch/Shell Group, BHP Billiton and a joint venture owned by Japanese firms Mitsubishi and Mitsui & Co.

The contract will bring in US\$13.5 billion in revenue to the consortium.

Meanwhile, BP and Pertamina will supply 2.5 million metric tons of LNG per year to Fujian from the Tangguh LNG project in Papua, with the first supply expected to come in 2006.

The Tangguh LNG project will be fed with gas extracted from the gas fields in Manokwari regency, which contain 14.4 trillion cubic feet of proven gas and are owned by BP along with Japanese firms Mitsubishi, Kanematsu and Nissho Iwai.

China has built an LNG receiving terminal in Guangdong, while the Fujian receiving LNG terminal has yet to

be built.

CNOOC, China's third largest oil company, said Thursday that the Tangguh project has been chosen as the supplier to the Fujian terminal on condition they kept the same terms promised, when they bid for the Guangdong LNG project.

The potential revenue to be received by BP, Pertamina and the Indonesian government from the LNG sale over the contract period remains unclear.

China initially launched a tender only for the LNG supply to Guangdong, which drew bidders from six countries — Indonesia, Malaysia, Russia, Australia, Yemen and Qatar. Three bidders, namely the BP-Pertamina consortium, Australian LNG and ExxonMobil, which owns Qatar's Ras Laffan Liquefied Natural Gas Co., were shortlisted for the final

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stage of the bidding. As competition between Indonesia and Australia heated up, leaders of both countries took turns visiting China to win the favor of the

Chinese government. From Indonesia, both former President Abdurrahman Wahid and President Megawati Soekarnoputri talked about the supply contract

with Chinese leaders during their visits to the country. Australia's Prime Minister John Howard did the same during his visit to the world's most populous nation.

adding that Indonesia welcomed China's decision.

Sabam Siagian, a member of the BP-formed International Advisory Panel on the Tangguh Project, also welcomed the Chinese decision.

Many analysts have recently speculated that Indonesia would win the Guangdong supply contract and few of them, if any, anticipated that China would offer an alternative to console the loser in the Guangdong contract.

"The decision shows that China wants to establish a firm beachhead in Indonesia as a dependable energy supplier," Sabam said.

Despite the failure to win the Guangdong contract, some Indonesian officials seemed happy enough with the "consolation prize" awarded by the Chinese government.

However, legislator Priyo Budi Santoso of the Golkar party blamed Indonesia's failure on the weak lobbying by the Indonesian government, blasting especially the government's recent decision to send a delegation to China, headed by Megawati's husband Taufik Kiemas.

"We have to accept it," said Rachmat Sudibyo, chairman of the newly-established oil and gas upstream authority known as the Implementing Body.

"This was a grave mistake. And I believe our failure to win the Guangdong contract was caused by the Taufik Kiemas factor," Priyo was quoted by *Antara* as saying.

"Indonesia is still more fortunate than Qatar, which lost completely," Rachmat said,

