

Ichthys LNG project— largest ever Japanese investment in Australia

Senior Vice Minister of Economy, Trade and Industry, Mr Tadahiro Matsushita, and the Consul-General of Japan in Sydney, Dr Masahiro Kohara, visited Darwin on the occasion of the signing of the final investment decision (FID) for the Ichthys LNG Project which took place on Friday 13 January.

The \$US34 billion project will bring gas from the Ichthys gas field off the coast of Western Australia for processing at a plant built in Darwin. Senior Vice Minister Matsushita stated, “LNG procurement is becoming increasingly important. Once production starts at the Ichthys Project, close to 10% of Japan’s LNG demand is to be supplied from the project over the long term. It is therefore a significant project which is indispensable in securing a stable supply of energy for Japan.”

Inpex Chairman, Mr Naoki Kuroda, said that an estimated 3,000 jobs would be created during the peak construction phase in Darwin with an additional 1,000 jobs offshore and that the project was expected to create approximately 700 permanent positions.

Ichthys will benefit the Northern Territory economy for the next 40 years. Chief Minister of the Northern Territory, the Hon. Paul Henderson MLA said, “The Territory has secured its economic future and is on the way to becoming the oil and gas capital of Australia.”

Speaking at a lunch held after the signing, Dr Kohara called Ichthys “a landmark project”.

In his remarks, the Consul-General congratulated Inpex, a Japanese worldwide oil and gas exploration and production company, and French joint venture partner Total on achieving the FID, saying it was made possible thanks to the persistent efforts of many parties.

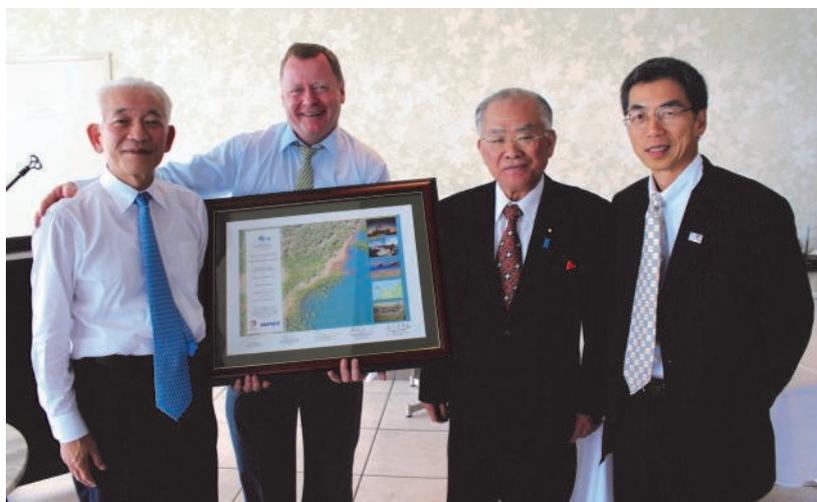
Dr Kohara explained that there were three main reasons why he considered Ichthys to be a landmark project.

First—Ichthys’ role in Japan’s energy security

Earlier that morning Senior Vice Minister of Economy, Trade and Industry Matsushita had articulated how important LNG produced by the Ichthys project would be for Japan’s energy security. Agreeing with this statement, Dr Kohara noted that he was also conscious of the fact that Ichthys had become more important for Japan after the historically tragic earthquake and tsunami had such a tremendous impact on Japan’s energy circumstances.

Second—Ichthys is key to the future of the NT

Noting that as the biggest ever Japanese investment in Australia, Ichthys will bring jobs and new business opportunities to the Northern Territory, the Consul-General said he was aware that Japanese companies are becoming ever more interested in the potential of Darwin and the Northern Territory. He reminded listeners that last September, with the support of Chief Minister Henderson, he led a three-day 33-member business mission to the Northern Territory with Japan Chamber of Commerce and Industry (JCCI).



INPEX Chairman Naoki Kuroda, Executive Director of the Department of the Chief Minister Brian Gallagher, Senior Vice Minister of Economy, Trade and Industry Tadahiro Matsushita and Consul-General Kohara in Darwin for the final investment decision on 13 January [left to right]

Dr Kohara sees decades of growth ahead for Darwin and the Northern Territory. Part of the potential for their dynamic growth lies in the territory’s geography, Dr Kohara stated. He said he was reminded of the strategic importance of Darwin in the Asia-Pacific region and as Australia’s gateway to Asia, when US President Obama visited the city in November 2011.

Third—Ichthys is significant in Australia-Japan business history.

The Consul-General began by stating that today’s firm relationship between Australia and Japan has been made possible in large part thanks to stable business relations over the past half century. He believes that the Ichthys project represents a new era of business relations for Australia and Japan, and that it was symbolic that Ichthys, the biggest ever investment by Japan in Australia, achieved the FID at the outset of 2012, the year the Japan–Australia Business Cooperation Committee celebrates its fiftieth anniversary.

Dr Kohara closed his remarks by thanking the people of the Northern Territory for their support in 2011, a year of great difficulty for Japan, and gave his assurance that Japan was working determinedly to emerge stronger the ever.

The Ichthys FID suggested a very good start to the New Year for Japan, he concluded.