

# AUSTRALIA PACIFIC LNG & SINOPEC SIGN BINDING AGREEMENTS FOR LNG SUPPLY & 15% EQUITY INTEREST

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Australia Pacific LNG & Sinopec Sign Binding Agreements for LNG Supply & 15% Equity Interest

April 21, 2011

Australia Pacific LNG Pty Ltd ("Australia Pacific LNG") and China Petroleum & Chemical Corporation ("Sinopec") today signed a Sale and Purchase Agreement for the supply of 4.3 million tonnes per annum of LNG for 20 years from Australia Pacific LNG's world-class coal seam gas resources and proposed LNG facility on Curtis Island, Gladstone in Queensland.

Australia Pacific LNG and Sinopec International Petroleum Exploration & Production Corporation ("SIPC", a subsidiary 100% owned by Sinopec Group) also signed a Subscription Agreement for SIPC to subscribe for a 15% interest in Australia Pacific LNG thereby reducing ConocoPhillips' and Origin Energy's ownership interest to 42.5% respectively.

These agreements reflect the commercial terms outlined in the Heads of Agreement signed between Australia Pacific LNG and Sinopec on 25 February 2011. The agreements are subject to approvals by the Chinese Government and in Australia, the Foreign Investment Review Board and are conditional on Australia Pacific LNG reaching a final investment decision.

Origin Energy Managing Director, Mr Grant King said, "Today marks an important milestone in the development of the Australia Pacific LNG project and represents the largest LNG supply agreement in Australian history by annual volume.

"These agreements are testament to the strength of the Australia Pacific LNG project, which is based on Australia's largest coal seam gas reserves and resources together with ConocoPhillips' proven Cascade® LNG technology that is well-suited to a CSG application," Mr King said.

ConocoPhillips' Senior Vice President Exploration and Production, Mr Ryan Lance said, "We welcome Sinopec as an equity partner of Australia Pacific LNG and as a foundation buyer of LNG.

"It is through the large amount of ground work and cooperation by all parties that we have been able to move from a Heads of Agreement to binding agreements in such a short period of time. We reaffirm our target of first LNG cargo to be delivered to Sinopec in 2015.

"Australia Pacific LNG continues to be in discussions with other customers that have the potential to secure off-take agreements," Mr Lance said.

Mr Zhang Yaocang, Vice President of Sinopec Group and Vice Chairman of Sinopec Corporation, indicated that he was pleased to have signed these agreements with Mr Grant King and Mr Ryan Lance, thereby signaling intentions for long-term cooperation between Sinopec, ConocoPhillips and Origin Energy.

"This will help Sinopec diversify its natural gas supply and meet the rapidly increasing demand of customers in China. Sinopec continues looking for more cooperation opportunities in Australia," Mr Zhang said.

The LNG volumes from Australia Pacific LNG will underpin Sinopec's yet to be constructed Guangxi Receiving Terminal and could also be directed to other LNG import and gasification terminals within China.

"The LNG export agreement builds on Australia Pacific LNG's existing domestic business, which currently provides 40 percent of Queensland's natural gas requirements. The Project stands to create thousands of jobs in regional Queensland and deliver significant opportunities for many local communities in which we operate as well as broader economic benefits," Mr King said.

The agreements were signed today in Brisbane by Zhang Yaocang, Vice President of Sinopec, Grant King, Managing Director of Origin Energy and Ryan Lance, Senior Vice President Exploration and Production of ConocoPhillips. The signing was witnessed by the Minister for Resources, Energy and Tourism, The Hon Martin Ferguson, Queensland Minister for Finance, Rachel Nolan MP and Chinese Consul General, Dr Sun Dali.

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## About Australia Pacific LNG

Australia Pacific LNG Pty Limited, as of today, is a joint venture between Origin Energy Limited and ConocoPhillips. The Australia Pacific LNG project includes the development of Australia Pacific LNG's

substantial coal seam gas resources in the Surat and Bowen Basins over a 30-year period, a 450 km transmission pipeline, and a multi-train LNG facility on Curtis Island, near Gladstone.

Website: [www.aplng.com.au](http://www.aplng.com.au).

## About ConocoPhillips

ConocoPhillips is an integrated energy company with interests around the world. Headquartered in Houston, Texas, the company had approximately 29,700 employees, \$156 billion of assets, and \$189 billion of revenues as of December 31, 2010. For more information, go to [www.conocophillips.com](http://www.conocophillips.com).

## About Origin Energy

Origin Energy is Australasia's leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. Listed in the ASX top 20 the company has approximately 4,400 employees, is a leading producer of gas in eastern Australia, is the largest owner and developer of gas-fired electricity generation in Australia and is a leading wholesaler and retailer of energy. For more information go to [www.originenergy.com.au](http://www.originenergy.com.au).

## About Sinopec

China Petrochemical Corporation (Sinopec Group) is an energy and chemical company with an integrated business value chain. The company's major business activities include: exploration, production, storage, transportation and trade of oil & natural gas, oil refining, production, transportation, trade, distribution and sales of refined products as well as production, distribution and trade of petrochemical products.

China Petroleum & Chemical Corporation, majority-owned by Sinopec Group, issued H-shares and A-shares respectively in October 2000 and August 2001, and has been listed in Hong Kong, New York, London and Shanghai stock market.

Sinopec Group is China's second largest crude oil and natural gas producer, China's largest petroleum products and chemicals producer and supplier. Sinopec Group is the world's second largest oil firm by refining capacity, ranked fourth by ethylene production capacity and second by service stations. Sinopec Group ranked 7th in the Fortune Global 500 published in 2010.

Website: [www.sinopecgroup.com](http://www.sinopecgroup.com)