

SHARING THE OIL & GAS CHALLENGES



The risk and cost structure associated with the oil and gas sector provide a number of opportunities and challenges for owners and operators.

On the positive side, discoveries can be brought on-stream relatively quickly and have a low operating cost structure compared with other major base metal discoveries.

However, projects are often onerous, requiring the delicate management of the environmental, ecological and social impacts. Exploration drilling, particularly offshore, can also be a very expensive undertaking.

Liquefied natural gas (LNG), in particular, is expected

to grow strongly over the next 10 years, with industry commentators predicting global demand to triple to 400 million tons per year by 2020.

Coffey shares the challenges faced by the sector, and the company's specialist knowledge of the environment, ground engineering and the regulatory process is providing clients with valuable information to make important investment and operational decisions.

The company's accredited businesses are also providing the industry with innovative solutions to save time, reduce costs and improve safety during the exploration, construction and operational phases.

Coffey's experience includes some of the world's largest oil and gas projects undertaken around the world, including:

Coffey Geotechnics

Keystone Pipeline, Alberta, Canada



Information from Coffey Geotechnics' horizontal drilling assessments has enabled TransCanada, the owner of the project, to make important decisions about the pipeline.

The 3,450 km long Keystone Pipeline, which is currently under construction, will transport crude oil from Hardisty in Alberta, Canada, to the markets in the US Midwest.

In Canada, the project involves the conversion of approximately 865 kilometres of existing natural gas pipeline to crude oil service and construction of approximately 375 kilometres of new pipeline.

Coffey Environments and Coffey Geotechnics

Ichthys Project, Western Australia and Northern Territory, Australia



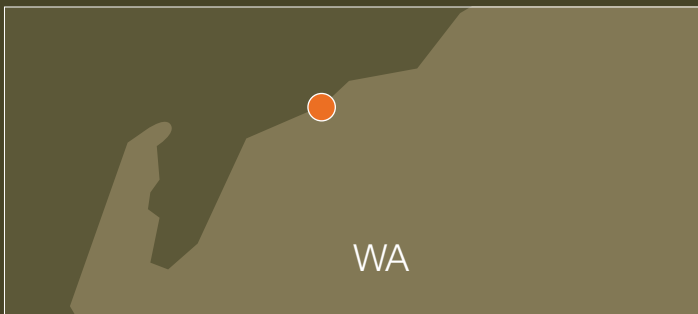
Coffey Geotechnics and Coffey Environments are providing specialist technical knowledge to the development of the proposed Ichthys Project, a joint venture between INPEX Browse and Total E&P Australia.

Gas from the Ichthys Field, located off the coast of 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 850-kilometre subsea pipeline. Coffey's work includes investigating and understanding the geological and foundation conditions for these important onshore and offshore facilities.

The Ichthys Project is expected to produce more than eight million tonnes of LNG, approximately 1.6 million tonnes of LPG per annum and 100,000 barrels of condensate per day.

Coffey Geotechnics Coffey Natural Systems
Coffey Information Coffey Environments and Coffey Projects,

Wheatstone Project, Western Australia

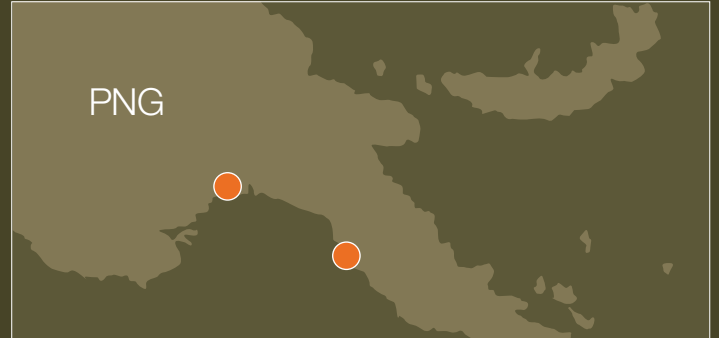


Coffey is providing specialist services for the proposed Wheatstone Project, located on Western Australia's Pilbara coastline, between Karratha and Exmouth.

Owned and operated by Chevron, the project involves two LNG processing trains, a domestic gas plant and export facilities.

Coffey Natural Systems

Papua New Guinea Liquefied Natural Gas Project, PNG



The \$A16 billion Papua New Guinea Liquefied Natural Gas Project involves the development of a number of gas fields and facilities to produce (LNG) for export. An extensive onshore and offshore pipeline network will enable transportation of the gas to a new LNG plant near Port Moresby and stabilised condensate to the existing oil processing and storage.

The proposed project, the largest private investment in PNG, will produce 6.3 million tonnes of LNG a year, piped from the highlands to LNG facilities on the coast near Port Moresby. It will be a boon for PNG, producing an estimated benefit of more than \$30 billion to the nation's economy over the life of the project, due to begin in 2014.

On behalf of its client Esso Highlands Limited, a PNG-based subsidiary of the Exxon Mobil Corporation, Coffey Natural Systems developed a comprehensive environmental and social impact assessment- which included substantial stakeholder engagement with government agencies, NGOs and communities in the project impact area- to advance the project.

Recently, Papua New Guinean landowners struck a landmark agreement, which will see them receive more than 20 billion kina (\$A9.5 billion) over the 30-year life of the project.

Under the deal, which will double PNG's gross domestic product through liquid natural gas sales and taxes, landowners and provincial governments receive an additional five per cent of equity in the project, bringing their stake to seven percent. The agreement also includes the construction of main highways, the development and expansion of townships along the pipeline and airport upgrades.