Creating energy and prospect for the future

Ranked among the most significant oil and gas projects in the world, the Ichthys LNG Project is considered the ‘crown jewel’ in the INPEX portfolio. With an expected operational life of at least 40 years, the Project offers multi-generational opportunities for communities, economies, businesses and energy markets.

The Ichthys LNG Project is a large-scale LNG project, which is currently under development, operated by INPEX, the Operator of a world class LNG project. The Project will be the key driver in INPEX achieving its “Medium-to-Long-term Vision” to increase production volume, cash flow, and secure a skilled workforce to become a global energy company. With some 70% of planned LNG production sold to Japan, the Project will help to secure a vital, long term energy supply to Japan.

Construction of the onshore LNG plant is underway near Darwin in the Northern Territory of Australia and production facilities are being built around the world. The Project reached 68% completion as of March 2015. The Project provides employment and business opportunities for local communities particularly in the Northern Territory where the onshore LNG plant is located. Approximately 60% of the onshore LNG plant construction workforce in Darwin in 2014 was local and the Project has committed more than AUD$13 billion within Australia to date with more than half of this to be expended in the Northern Territory.

Listening and responding to the community

The Ichthys LNG Project undertook a large-scale dredging program in Darwin Harbour, with more than 16 million cubic meters of rock and sediment removed.

The dredging was undertaken to create a safe shipping channel for LNG carriers to travel through Darwin Harbour to the onshore LNG plant. This activity was started in August 2012 and successfully completed in July 2014.

The program also demonstrated the Project’s commitment to building trusting relationships with its stakeholders and conducting activities in a socially and environmentally responsible manner. It was vital that the community was consulted and informed about all
aspects of the Project’s dredging activities.

As there was a range of community groups and government agencies interested in our activities in Darwin Harbour, a robust community engagement campaign was developed and tailored to these groups to ensure timely, accurate and relevant information was provided. Early engagement with the community occurred when the Project released its Environmental Impact Statement (EIS)\(^1\) for public comment. The dredging program included the technically-challenging removal of an area of hard rock known as Walker Shoal. It was proposed in the EIS to use a traditional and widely-used removal method involving drilling and blasting. As community feedback highlighted concerns about the proposal, it was decided to adopt an alternative method using one of the largest and most powerful cutter suction dredgers in the world. This eliminated the need for the drilling and blasting of Walker Shoal.

Public meetings and extensive consultation with government, regulatory authorities, interest groups, industry and the community were held throughout the dredging program to keep all the stakeholders informed on the dredging activities. This was supported by print, radio and television advertising, public information displays, fact sheets, community news bulletins and a free call 1800 phone number to receive community feedback.

The community engagement campaign helped the Project complete its dredging program while sharing the Harbour safely with the community and the marine fauna and flora. Its success was clear, with only two dredging–related enquiries received during the dredging period.

\(^1\) **Environment Impact Statement (EIS):** A document prepared to describe the potential impact of proposed activities on the environment as well as ways to avoid, minimize or mitigate them. An EIS is used to obtain regulatory approvals for pursuing development projects in Australia.

---

**Case Study**

The Northern Territory Chief Minister Adam Giles has publicly acknowledged the Ichthys LNG Project’s approach to community engagement by saying, “take a leaf out of INPEX’s book, and see how INPEX have tried to work very positively with the community.”

---

**Ichthys LNG Project**

The Ichthys Gas-condensate Field, located about 200 kilometers offshore Western Australia, was the largest discovery of hydrocarbon liquids in Australia. The Project includes some of the world’s biggest and most advanced offshore facilities, a massive onshore LNG plant near Darwin in the Northern Territory and an 889 kilometer pipeline to unite them. Each of these three components is a mega-project in its own right and construction is progressing strongly. When operational, the Project is expected to produce 8.9 million tons of LNG and 1.6 million tons of LPG per annum, along with 100,000 barrels of condensate per day at peak.

---

**Safeguarding the environment**

The Ichthys LNG Project is committed to leaving a positive environmental legacy for the Northern Territory, and to ensuring potential environmental impacts are minimized. To demonstrate this commitment, the Project undertook comprehensive nearshore environmental monitoring throughout the dredging campaign.
More than 100 reports publically available detail the scientific findings from marine environmental monitoring programs, which closely monitored the harbour’s water quality, mangroves, corals, dolphins and other marine fauna. This data was also shared with government, regulatory agencies, scientists, industry peers and local stakeholders.

A key finding was that environmental impacts from the completed dredging programs correlated with what was originally predicted. A wealth of information was gathered including the discovery of new fauna species, contributing positively to the ecological knowledge of Darwin Harbour.

The Project established the Independent Ichthys Project Dredging Expert Panel (IPDEP) to demonstrate transparency and independency regarding the management and monitoring of its dredging program. The IPDEP was made up of nine national and international renowned environmental specialists, advising the Project and the Government on the design of the monitoring programs and the results. Key stakeholders were provided the opportunity to meet with and make submissions to the IPDEP. These were considered by the IPDEP in making its recommendations to the Project and the Government. By showing that the dredging activities were being overseen by competent and independent people, it provided the community with additional confidence in the Project’s harbour activities.

The Ichthys LNG Project's dredging program was awarded the Australian Petroleum Production & Exploration Association Environment and Industry Choice award in 2014. The award recognized the efforts the Project took to deliver the dredging program in an environmentally and socially responsible manner.

**Case Study**

**Diver monitoring corals in Darwin Harbour**

**Mangrove around Darwin Harbour**

**Water quality research**

**Leaf litter trap in mangrove**
Contributing to the local economy

The Project will provide multigenerational opportunities for the communities in which we operate and we want to see them prosper and thrive. We know the importance of having a local trained workforce and local supply chain and recognize that the Project also has a role to play in building local capacity so that over the long term these relationships are mutually reinforcing. This is particularly important for the local Aboriginal and Torres Strait Islanders (ATSI) peoples who make up nearly 30% of the Northern Territory population. Embedding processes to drive local industry participation and workforce development into our core business has already delivered significant outcomes for our local communities.

In 2014 the Project partnered with the Chamber of Commerce and the Indigenous Business Network (NTIBN)*2 in the Northern Territory to support local ATSI businesses and build their business capabilities. The partnership assists ATSI businesses to access resources and acquire a better understanding of the business requirements when tendering for large-scale projects like the Ichthys LNG Project. Through the partnership, the Project funds annual membership to the Chamber of Commerce for ATSI businesses registered with the NTIBN. The Chamber of Commerce’s membership provides ATSI businesses with access to a wide range of business support services and resources including workplace health and safety and training programs as well as networking events that could lead to subcontracting and partnering opportunities.

*2 Northern Territory Indigenous Business Network (NTIBN) : Established in 2009, NTIBN provides business support, services, policy input and advice, networking opportunities and promotion for Northern Territory businesses.

Case Study

Brad Roe, a Darwin based Aboriginal and Torres Strait Islander business owner, is an example of how the Ichthys LNG Project is supporting the local economy. Budget Car and Truck Rental supply the Project’s pool vehicles with Mr. Roe being contracted by Budget to maintain and service these vehicles. Mr. Roe met Budget through attending a Project information session aimed at connecting businesses. The partnership with Budget has gone so well that Budget has contracted him to service non-Ichthys vehicles.

Local employment

- In 2014, 60% of more than 5,000 construction workers in Darwin were locals.
- More than 600 ATSI peoples have been engaged on the Project to date.*3
- Over 200 ATSI people have been trained and of these more than 90 have been engaged on the Project.*3

Local businesses

- More than 600 Northern Territory businesses have successfully been awarded over 1,100 packages of work associated with onshore construction to date.*3
49 ATSI businesses have secured contracts across more than 180 packages of work since construction commenced.\(^3\)

\(^3\) Cumulative total since the project’s commencement in 2012 to the end of 2014

# Respecting communities and the environment

Critical to the Project is the support of the communities in which we operate. A trusting relationship with stakeholders is important to maintaining our social license to operate, which will then contribute to the successful delivery of the Ichthys LNG Project. This is key in ensuring INPEX achieves targets outlined in its “Medium-to Long-term Vision”, strengthening its supply chain and driving company growth. The Project will be pivotal in helping to secure a stable energy supply to Japan, while delivering multi-generational benefits to Australia. Through opportunities created by the Ichthys LNG Project, we will grow into a world class energy company and will continue to support the sustainable development of our local communities.