

# CONOCOPHILLIPS ORIGIN AND SINOPEC SIGN HEADS OF AGREEMENT FOR AUSTRALIA LNG PROJECT

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ConocoPhillips Origin and Sinopec Sign Heads of Agreement for Australia LNG Project

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HOUSTON - ConocoPhillips [NYSE:COP] today announced that Australia Pacific LNG Pty Ltd ("APLNG") and China Petrochemical Corporation ("Sinopec") have signed an agreement establishing non-binding key commercial terms for the supply of up to 4.3 million tonnes per annum (MTPA) of LNG for 20 years.

The agreement, known as a Heads of Agreement, also specifies terms under which Sinopec will subscribe for a 15 percent equity stake in APLNG, with ConocoPhillips and Origin Energy each reducing its interest to 42.5 percent. In addition to the signing of the Heads of Agreement, the APLNG project received Federal Environmental approval this week.

"We look forward to welcoming Sinopec into the APLNG project as an equity partner and foundation buyer of LNG," said Jim Mulva, chairman and chief executive officer of ConocoPhillips. "With the underpinning of Sinopec, a world-class energy company, along with the recent approval of our EIS by the Australian authorities, we now expect project sanction by mid-year 2011, with the first LNG cargo to be delivered in 2015."



From left: Jim Mulva, Chairman & CEO, ConocoPhillips; Su Shulin, President, SINOPEC Group; Kevin McCann, Chairman, Origin

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. Initial plans for the LNG facility are focused on developing two LNG trains, each with a nameplate capacity of approximately 4.5 MTPA of LNG.

Origin and ConocoPhillips have agreed, subject to certain milestones, that final investment decision payments on the first two trains for the project will be deferred until ConocoPhillips achieves an agreed cash internal rate of return on project investment, including acquisition cost, commensurate with similar type LNG projects.

"We look forward to not only working with but also being an integral part of the Australian communities in which we operate for decades to come," Mulva said.

ConocoPhillips is an integrated energy company with interests around the world. Headquartered in Houston, 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).