



Major gas agreement = signed in Chinchilla

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STEVE GRAY

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Two major companies have signed a \$100 million agreement that will see the construction of a multimillion dollar liquefied natural gas plant northwest of Brisbane.

Gas company BOC and coal seam gas exporter QGC announced the contract in Chinchilla on Thursday morning.

The companies said the new plant is on track to be the first in Australia to produce liquefied natural gas (LNG) from coal seam gas to fuel trucks.

Premier Anna Bligh flew to Chinchilla for the announcement.

She said the agreement heralded the start of a new industry for Queensland which would see heavy vehicles switch to LNG - an environmentally cleaner fuel than current alternatives.

"LNG produces up to 25 per cent fewer emissions than diesel and is a proven safe alternative to other fossil fuels," Ms Bligh said.

"Through this agreement, Queensland will join the rest of Australia, as BOC develops a network of fuelling stations across the country for vehicles converted to run on LNG."

She says QGC has agreed to supply gas to BOC from July 2011 and if the companies meet that deadline, Queensland will become the first in Australia to produce LNG from coal seam gas.

The plant will be built next to the Condamine Power Station, west of Chinchilla, with construction expected to start early next year.

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