



## Media Release

25 February 2011

### Australia Pacific LNG and Sinopec sign Heads of Agreement for LNG supply and 15% equity interest

Australia Pacific LNG Pty Ltd ("Australia Pacific LNG") and China Petrochemical Corporation ("Sinopec") have signed a Heads of Agreement establishing non-binding key commercial terms for the supply of up to 4.3 million tonnes per annum of LNG for 20 years and for Sinopec to subscribe for a 15% ownership interest in Australia Pacific LNG, thereby reducing both ConocoPhillips' and Origin Energy's ownership interest to 42.5%.

The Heads of Agreement was signed earlier today in Beijing by Mr Jim Mulva, Chairman and CEO of ConocoPhillips, together with Mr Kevin McCann AM, Chairman of Origin Energy, acting on behalf of Australia Pacific LNG, and Mr Su Shulin, President of Sinopec.

Under the Heads of Agreement, Australia Pacific LNG and Sinopec intend to incorporate the agreed-upon non-binding key commercial terms into binding agreements in the near future.

Mr Mulva said the Heads of Agreement was an important milestone for Australia Pacific LNG.

"We look forward to welcoming Sinopec into the Australia Pacific LNG project as an equity partner and foundation buyer of LNG. 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 to rapidly progress the project to sanction, with the first LNG cargo to be delivered in 2015," he said.

Mr McCann said, "This agreement with Sinopec is testament to the scale and quality of the Australia Pacific LNG project, which is based on world-class coal seam gas reserves and resources in Queensland."

Mr Su indicated that he was pleased to have signed the Heads of Agreement with Mr Mulva and Mr McCann, thereby signalling 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," he said.

#### For further information contact:

##### Media

Lina Melero

Ph: +61 2 8345 5217

Mobile: +61 427 017 798

##### Investors

Angus Guthrie

Ph: +61 2 8345 5558

Mobile: +61 417 864 255



Notes to editors:

#### **About Australia Pacific LNG**

Australia Pacific LNG Pty Limited 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. [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, ConocoPhillips operates in more than 30 countries. The company had approximately 29,700 employees worldwide, \$156 billion of assets and \$189 billion of revenues as of December 31, 2010. [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. [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 and 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. [www.sinopecgroup.com](http://www.sinopecgroup.com)