

Woodside hints at compromise in fight over WA gas reserves

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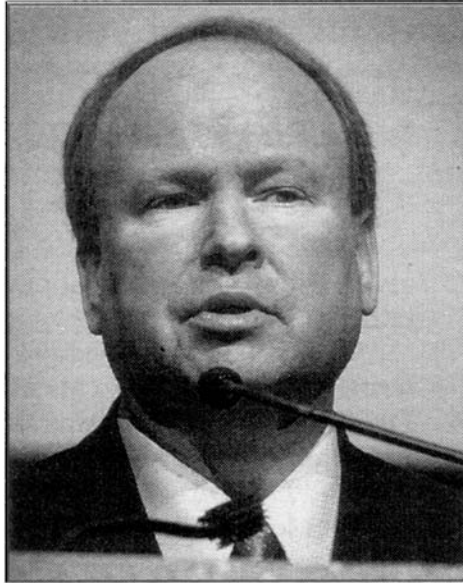
Gas giant Woodside Petroleum hinted yesterday that its \$5 billion Pluto gas project on the North-West Shelf might eventually supply gas to domestic customers in WA, signalling a possible easing of tension over State Government plans to force gas producers to keep some reserves for local use.

Pluto is at the centre of a row between the gas industry and the Government over Alan Carpenter's plan to quarantine up to 20 per cent of WA's gas reserves for future domestic consumption.

The Premier claims the plan is necessary to meet future demand as gas producers seek to cash in on booming world demand for liquefied natural gas.

Gas sold as LNG overseas typically fetches more than twice as much as gas sold in WA's domestic market.

Woodside's American chief Don Voelte last month attacked the plan as "crazy", portraying it as an extra tax with the potential to render big projects such as Pluto



Mr Voelte: Absolutely happy.

unviable. But unveiling Woodside's record \$524.3 million first-half profit yesterday, he indicated Pluto might ultimately supply some gas to the WA market by processing gas from other fields.

Pluto's own reserves could supply LNG for "years to come", but the project was also likely to become an "open access hub" for other fields in waters off Karratha.

Asked whether that might result in some gas being supplied to the

WA market, Mr Voelte said he was confident of an outcome that suited all sides.

"I would just say we are talking to the Government about something that works for both parties and that also includes maybe something that works for additional gas that might come in behind Pluto," he said.

He said he was "absolutely happy" to provide more gas for domestic users, as long as the price was right.

Construction, Forestry, Mining and Energy Union energy division secretary Gary Wood said there were too many unknowns with the Government's policy and even Resources Minister John Bowler was vague on the details.

He said the coal industry needed some guarantees to ensure it was not disadvantaged under the controversial plan.

Mr Carpenter said yesterday that negotiations were continuing but he was confident that the parties would reach "a mutually agreeable position".