



Woodside confirms delays for LNG shipments

8-January-08 by AAP

Deliveries of Woodside Petroleum Ltd's liquefied natural gas to international customers will be delayed, following a shutdown at its Karratha gas plant in Western Australia last week.

The shutdown was caused by an electrical fault and resulted in gas shortages throughout much of the state.

LNG operations at the plant, which takes gas from the North West Shelf Joint Venture, resumed on Sunday after being halted last Wednesday.

Spokeswoman Kirsten Stoney said the energy giant planned a progressive ramp-up of its LNG production in coming days.

"As for cargoes, we anticipate there will be a deferral of LNG production as a result of the outage, but it is too early to determine the exact volume and that will depend on how the ramp-up progresses," Ms Stoney told AAP.

"However, the North West Shelf Joint Venture is working very closely with customers to agree upon a revised delivery schedule to minimise any delivery impacts."

She said the plant produced about 12 million tonnes of LNG per year, delivering about 50 LNG cargoes per quarter to customers in China, Japan and South Korea.

The North West Shelf Joint Venture is Australia's largest hydrocarbons project, providing about 65 per cent of WA's domestic gas supply.

Ms Stoney said domestic gas production at the plant returned to full rates over the weekend.

Responding to reports in the state's daily newspaper, some of Woodside's largest customers could not confirm whether they would pursue legal action against the energy company over production losses due to the disrupted gas supply.

Ms Stoney said Woodside, Australia's second largest oil and gas producer, would not comment on such matters because they were commercially confidential.

Alinta spokesman Victor Browner said the utility would issue a statement on Alinta's position late this week or early next week.

Rio Tinto Ltd spokesman Gervase Greene said the mining giant had not yet fully assessed the impact of the disruption to its WA operations, so it had not formed a view on whether to take legal action.

"It did have some impact, obviously," Mr Greene said.

"We had to shut down a number of operations, principally at (mine) sites - the processing of ore at sites, for example - to ensure that priority areas, which were loading ore on trains and loading ore from trains to ships, were preserved.

"The other priority was ensuring that power went to our communities.

"Anything ancillary to that was restricted or stopped to preserve power.

"We got operations back to normal yesterday."

Verve Energy spokesman Peter Winner said the power station operator regarded the electrical fault as a force majeure - in other words, an unforeseen event beyond Woodside's control - and would not take any action.

Synergy spokesman Mark Nielsen said the energy retailer was not considering taking legal action.

"We're trying to understand what happened," Mr Nielsen said.

Shares in Woodside closed one cent lower to \$51.36.