

Australia Won't Meet LNG Growth Target, Woodside Says

By Angela Macdonald-Smith

April 9 (Bloomberg) -- Australia's target of tripling liquefied natural gas supplies in 10 years can't be met, said the head of Woodside Petroleum Ltd., the country's second-biggest oil and gas producer.

Increasing production capacity to between 50 million and 60 million metric tons a year by 2017 as targeted is made "impossible" by capacity constraints, industry skills shortages and delays in project approvals, Chief Executive Officer Don Voelte said today in Perth.

Australia has two producing LNG ventures and a third, Woodside's A\$12 billion (\$11 billion) Pluto project, under construction, while at least 12 more have been proposed to meet rising demand in northern Asia. The nation may become the world's third-biggest LNG supplier by 2017, the national oil and gas industry association said April 7.

The goal "is not an aspiration, it's not even a dream, it's impossible," Voelte told reporters. "These things are too hard to build and there's not enough people to go around and there's not enough contractors to go around."

Woodside, operator of the A\$20 billion North West Shelf venture, is planning separate gas ventures at the Sunrise and Browse fields off northern and northwestern Australia.

Woodside has A\$25 billion of projects under construction, Voelte said.

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