

Blast hits Australia gas plant, disruptions seen

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(Adds Woodside comments)

By James Regan

SYDNEY, June 3 (Reuters) - Gas supplies to Western Australia are expected to be disrupted for days after an explosion on Tuesday at an offshore plant which supplies 30-40 percent of the state's gas needs, including large industrial users, the operator of the plant said.

Apache Energy, a unit of U.S.-based oil and gas producer Apache Corp, said it had notified the government of the blast at its Varanus Island processing facility, about 60 miles (97 km) off the Australian west coast, along with those customers affected.

"It is anticipated that gas supply will be affected for a number of days," the company said, without giving details on how much supply would be curtailed or which users were facing delivery cuts.

Woodside Petroleum, Australia's second-largest oil and gas producer, said it would help Apache deal with the gas shortfall.

"Woodside is doing what it can to assist Apache deal with the incident," spokesman Roger Martin said. "We will do what we can to help cover some of the shortfall for pipelined gas supplies in Western Australia."

Western Australia is home to many of Australia's largest mines and minerals smelters and refineries, many buying gas from Apache after building spur lines connecting to main lines running through the Australian outback.

The company's website said that customers along the Goldfields Gas Pipeline include BHP Billiton Ltd/Plc's nickel mines and its Mount Newman iron ore mine, gold mines owned by Newmont Mining Corp, and another oil company, Origin Energy

Following the blast at around 0540 GMT, staff were being evacuated safely from the plant, located in the gas-rich North West Shelf area of the state, an Apache Energy spokesperson said. No injuries were reported.

The explosion and fire have affected pipelines that deliver gas from Varanus Island to the domestic gas market, Apache Energy said in later statement.

Apache said it planned to hold a news conference on Wednesday once emergency response teams were better able to assess the impact of the explosion.

Apache has gas fields operated under the Harriet joint venture, in which Kuwait's state-owned oil firm Kufpec and Australia's Tap Oil Ltd are partners.

Fields under the Harriet venture produce about 104 terajoules (TJ) of gas a day, according to Apache's website.

Other producing gas fields in the region include those under the East Spar gas and condensate project as well as the 180 TJ a day Reindeer gas project, in which Australian energy firm Santos Ltd holds a 45 percent stake.

(Additional reporting by Fayen Wong and Annika Breidhardt in Singapore; Editing by Kim Coghill/Ramthan Hussain)