THE AUSTRALIAN news.com.au

Explosion at Apache delays Burrup float

Kevin Andrusiak | *June 14, 2008*

AMMONIA millionaire Pankaj Oswal will have to wait a little longer to get his hands on up to $426 million from the listing of Burrup Holdings after the float was delayed for a third time yesterday.

Burrup said it would wait for "further guidance" from Apache Energy as to when gas supplies would return to normal following the explosion and fire at Apache's Varanus Island plant.

Apache says the facility will be reopened in "a couple of months" with a return to partial production, and that much-needed materials to repair the damaged plant have been sourced and will be available soon.

Burrup has a long-term contract for gas with the Harriet Syndicate of producers -- Apache, Tap Oil and Kufpec. Apache is the lead partner in the syndicate with a 68.5 per cent stake.

Harriet has issued force majeure notices to Burrup over their long-term ability to meet their gas supply obligations.

The gas is crucial in Burrup's ammonia production process, and the shortfall would affect the prospectus forecasts for ammonia production and revenue.

Burrup said it would now have to issue a new prospectus and that it would not accept investor applications made through its May prospectus for the $500 million capital raising.

Last Saturday, The Weekend Australian highlighted a raft of related-party transactions between companies controlled by Mr Oswald and Burrup Holdings that had not been mentioned in the prospectus.

"When further clarity is received from Apache on the expected timing for the restoration of gas supply, Burrup will be in a position to provide an update on the timetable for the initial public offer and the issue of a supplementary prospectus," it said.

"The supplementary prospectus will contain full details of the revised timetable for the IPO and include a new application form."

Burrup and its advisers UBS have also called off a institutional bookbuild planned for Monday and Tuesday. The shares were due to start trading on June 26.