

Woodside revenues boom thanks to new projects

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WOODSIDE has cashed in on record oil prices in its most recent quarter, ratcheting up production through new rigs in the Gulf of Mexico and Western Australia.

Revenue rose 20 per cent in the three months to September, from \$1.48 billion to a record \$1.78 billion, Australia's second-biggest oil and gas producer said yesterday. A 12 per cent increase in production, from 19.3 to 21.7 million barrels of oil equivalent (boe), drove the result, helped by new projects coming online.

Also boosting the oil giant's coffers, oil prices rose to all-time highs above \$US147 a barrel in July before falling to below \$US80 in recent weeks.

Woodside also narrowed its production target for this year to between 81 million boe and 84 million boe, from the previous forecast of 80 million boe to 86 million boe. The result was generally in line with market expectations.

Several new projects have come on-line in the quarter, which Citi analysts said took "commissioning risk off the table" for Woodside shareholders. The \$1.16 billion Neptune project off the coast of Louisiana, in which Woodside has a 20 per cent stake, produced its first oil in July. The Woodside-operated Vincent oil field off Western Australia, estimated to hold 73 million boe, came on-line in August.

Despite the strong result, the company said the hurricane season had taken a toll on its deepwater US fields Neptune and Power Play.

In a sign of the huge windfall oil producers have received from the energy boom in recent years, Woodside's average realised price of \$US89 a barrel is almost 60 per cent higher than a year ago.

Shares in Woodside fell \$2.15, or 5 per cent, to \$37 yesterday. The oil producer's shares are now almost half their May peak.