

No guarantees on return of gas supply

- **Jason Scott**
- December 8, 2008

APACHE, the US oil and natural-gas producer that operates on five continents, said it could not guarantee its gas plant at Varanus Island off Western Australia would return to full capacity this month.

"Apache will not be drawn on the date when repairs are concluded and gas supplies are returned to pre-incident levels," said a spokesman, David Parker, in a telephone interview in Perth.

"Apache is working toward introducing further gas brought online toward the end of the year."

The company may still reach full supply by the end of this year, the goal it said in August it was aiming for, Mr Parker said. He declined to give reasons for any potential delay to full resumption of supplies.

An explosion at the plant in June caused fuel shortages in WA. Apache resumed two-thirds of supplies from Varanus in August.

The disruption left companies scrambling to secure fuel in a state in which gas is burned to produce 60 per cent of its electricity. After the explosion Apache declared force majeure - a legal clause that allows a company to miss deliveries because of circumstances beyond its control - on its WA contracts.

Many mining companies operating in the state curtailed production because they needed gas as part of the metallurgical process and to manufacture products such as ammonia nitrate, sodium cyanide and carbon dioxide.

Apache declined to comment on whether any of its customers were still affected by energy shortages.

Burup Holdings would be unable to restart production at its WA ammonia factory early this month because of a lack of gas, a news report said.

The National Offshore Petroleum Safety Authority said in a report that the blast was caused by Apache's ineffective protection of a gas pipeline against corrosion and inadequate inspection.

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