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Woodside to activate final dividend reinvestment plan

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WOODSIDE has said it will activate a reinvestment plan for its 2006 final dividend.

"The plan will raise capital to support Woodside's growth and assist in future capital requirements," the company said in a statement to the stock exchange yesterday.

While shareholders approved a dividend reinvestment plan at Woodside's 2003 annual general meeting, the company had not recently indicated that such a move was a possibility.

Woodside's share price was steady yesterday at $38.29, well short of the 2006 peak of more than $47 in July.

At an investor briefing last month, Woodside acting chief financial officer Mark Chatterji said that in 2007 the company expected to be involved in investments totalling almost $4 billion.

This includes the initial commitment to the Pluto LNG development, which is scheduled to move to a final investment decision by mid-year.

Woodside chief executive Don Voelte has said that the 100 per cent owned Pluto project could cost up to $10 billion, double the previous figure quoted by the West Australian Government.

On current plans, Pluto could be producing in 2010, serving LNG customers in the north Asian market.

Woodside has already signed up two Japanese utilities as potential foundation customers for Pluto and further supply deals could be announced soon.

Mr Chatterji's presentation indicated that Woodside's gearing could rise from under 30 per cent to around 40 per cent in 2007 depending on where the average oil price next year sat in a range from $US50 a barrel to $US90 a barrel.

Notes to the stock exchange announcement yesterday indicate that Woodside believes its major shareholder, Shell, with 34 per cent, will elect to reinvest its dividend to ensure its equity position is not diluted.

Woodside's interim dividend this year was 49c a share fully franked, up from 35c a year earlier, while the final payout last year was 58c fully franked.

Shareholders would get further details of the DRP early next year.