

Woodside throws cold water on Pluto expansion whispers

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RESPONDING to market speculation that a recent exploration well could underpin an expansion of its Pluto LNG project in northwest Australia, Woodside has said the wildcat failed to encounter hydrocarbons.

But the company also said the well, 180km northwest of Pluto in permit WA-347-P, intersected better reservoir thickness and quality than expected and analysis was ongoing.

The well was drilled on the Belicoso prospect – one of "many" prospects in the Cazadores area of the Greater Carnarvon Basin.

"The result reinforces the exploration potential of the area and the company intends to fully explore the region," Woodside said.

"Woodside does not consider this single well result as critical for future expansion of the Pluto facilities."

The company added it was continuing to assess "multiple options" for obtaining gas for future Pluto trains, including exploration success in the Greater Carnarvon Basin, third party gas and gas from other areas.

Woodside's comments follow a decision by Tokyo Gas and Kansai Electric to exercise options for a 5% stake each in the permit.

The options came with a previous gas sales agreement between the Japanese majors and Woodside for the Pluto liquefied natural gas project.

Woodside will retain a 90% majority stake after the farm-out.

Tokyo Gas and Kansai Electric each has an option to participate in two additional Pluto LNG trains and to acquire a 5% stake each in two other Woodside permits, WA-348-P and WA-353-P.

In 2008, Woodside plans to shoot 2250 square kilometres of 3D and 3500km (1351 miles) of 2-D seismic across the three blocks.



Pluto well test