

Woodside eyes two Pluto pipes

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Woodside Petroleum is considering building a second 180km subsea pipeline for its Pluto gas project as part of plans to treble the processing capacity of the \$12 billion LNG plant on the Burrup Peninsula.

Chief executive Don Voelte said it was most likely Woodside would duplicate the existing pipeline, linking Pluto's onshore processing plant with the offshore gasfields, if it pushed ahead with a third LNG processing train.

The additional pipeline would be necessary to reduce operating risks as well as allow maintenance on the original pipeline without cutting off gas to the onshore processing facilities.

The new pipeline is expected to account for the bulk of the third-train expansion cost, given that a lot of the onshore facilities on the Burrup as part of the first-train development

will allow future train expansions at incremental cost.

Preliminary design work on a second train has already begun and Woodside is eyeing financial approval for the additional train some time next year, with a possible start-up date as early as 2012.

As with train two, train three would likely include a substantial amount of third-party gas that would feed through Woodside's existing infrastructure.

Mr Voelte said Woodside was talking to at least two parties about using the Pluto facility for their own gas processing needs.

He said it was feasible that half the capacity of Pluto trains two and three would be taken up by third-party gas, although studies would also look at building a third train exclusively for non-Woodside gas.

Work on the \$12 billion Pluto project began more than a year ago and Woodside is hopeful of shipping first

LNG cargoes by 2010. The initial train set-up will produce 4.3 million tonnes of LNG a year, or the equivalent of about 200 billion cubic feet of processed gas.

The Pluto and neighbouring Xena fields, 190km north-west of Karratha, contain about five trillion cubic feet of gas, sufficient to underwrite the cost of one processing train with a 20-year operating life.

But it is widely understood that Woodside will have to secure more gas to justify an expansion of Pluto's onshore facilities beyond train two.

Mr Voelte would not be drawn on the status of talks with third-party gas suppliers.

"There's a lot of gas out in the area (but) we're not going to build it saying, oh, if we build it the gas will come," he said. "We will have the gas set in concrete, I'd guess you'd say, metaphorically."