

Woodside boss bags APPEA gas pipedream

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Woodside Petroleum boss Don Voelte yesterday launched an extraordinary attack on his industry, saying his peers' ambition to treble liquefied natural gas production in a decade was "not even a dream, it's impossible".

In an stunning outburst on the sidelines of the Australian Petroleum Production and Exploration Association conference in Perth, which he did not attend, Mr Voelte also denied red tape was holding up developments in Australia but said some of the LNG proponents were failing to grasp the complexities of developing their big-ticket projects.

Mr Voelte said he was willing to bet money that Australia would not meet the APPEA target of trebling LNG production to 50-60 million tonnes a year by 2017, and said he expected only three or four of 25 proposed major projects to get up in that time.

Mr Voelte also justified the low profile of Australia's biggest independent oil and gas company at this year's APPEA conference, which wound up yesterday, by declaring he and his senior managers were "too busy" pro-

gressing \$25 billion worth of projects.

A dominant theme at the conference, chaired by APPEA president and Gorgon LNG project manager Colin Beckett, was delivering on the lobby group's vision for Australia to become a dominant LNG producer by 2017. APPEA says targeted LNG production of 50 to 60mtpa, compared with 15.2mtpa at present, is realistic.

But Mr Voelte said yesterday: "There's an awful lot of people out there who say they are going to build stuff. (But) you can't build everything. It's my considered opinion that that (APPEA target) is not an aspiration, it's not even a dream, it's impossible. It's not going to happen.

"These things are too hard to do and there's not enough people to go around and there's not enough contractors going around."

Mr Voelte's comments will not endear him to his peers at LNG project proponents including Chevron, ExxonMobil, Inpex and Total, although they are likely to be dismissed as little more than grandstanding from an outspoken Woodside boss revelling in his company's status as

Australia's dominant LNG producer.


Woodside remains in negotiations with rivals to secure third-party gas to underpin the development of a second processing train at its \$12 billion Pluto facility on the Burrup Peninsula, and therefore needs to talk up the challenges facing proponents of new LNG infrastructure.

APPEA chief executive Belinda Robinson responded to Mr Voelte's criticism in her conference closing address, admitting to "tough challenges" but saying "it would be extraordinarily defeatist to suggest that these are insurmountable".

Mr Voelte said big project government regulation in Australia was appropriate and he also did not see the need for further tax incentives to encourage exploration.

Mr Voelte said his strategy to build an LNG train every two years was designed to allow Woodside to move contractors from completed jobs on to new jobs without losing labour.

"You can't just call up and get 5000 skilled labour to come to your project tomorrow morning like you can in Thailand or other places," he said.



F Frankly, we are too busy.

ON WOODSIDE'S REDUCED PRESENCE AT APPEA

That is not an aspiration, it's not even a dream, it's impossible. It's not going to happen.

ON APPEA'S TARGET FOR AUSTRALIAN LNG OUTPUT TO BE TREBLED BY 2017

The tax breaks Australia gives to explorers like us are really darn good and world competitive.

REJECTING INDUSTRY CALLS FOR MORE TAX BREAKS

I'd rather they get the damn thing built because I plan my contractors around it.

ON CHEVRON'S MUCH-DELAYED GORGON LNG PROJECT

Outspoken: Don Voelte gives APPEA a piece of his mind from the sidelines of the conference