

Apache timetable offers cold comfort

Rebecca Lawson

AS the gas crisis continues to affect the state's industries and households, the release of a timetable of when production will resume at the Varanus Island gas facility has provided little comfort.

It could be Christmas before the state's gas supplies are returned to normal, with businesses already counting the losses resulting from a gas pipeline rupture and subsequent explosion at Varanus Island earlier this month.

The facility's operator, Apache Energy Ltd, this week released an assessment of the damage and its best estimated timetable of when partial and full production will resume at its Varanus Island gas processing hub.

The hub consists of several processing facilities which come under the East Spar joint venture or the Harriet JV.

Apache said partial production of 200 terajoules through its East Spar facility would start mid-August, which will bring gas production to around 60 per cent of production capacity prior to the explosion.

Production will then be ramped up to 350 terajoules per day, or full production, in December when the Harriet facilities are returned to production.

While businesses and industry come to terms with the longevity of the gas shortage, Apache managing director Tim Wall would not speculate which customers would receive gas first, but he did confirm that companies signed up for gas supplies based on the joint ventures.

When quizzed as to whether East Spar JV customers will receive gas supplies ahead of the Harriet JV, of which Burrup Fertilisers is a



SLOWDOWN: Santos has downgraded its production forecast. **Photo: Courtesy Santos**

customer, Mr Wall said he could not disclose that due to confidentiality clauses in contracts.

He also would also not say if domestic gas supplier Alinta would be on a priority list, and left it up to the state government as to whether calls to households to conserve gas would continue.

Several companies reliant on gas for commodity processing have downgraded production forecasts following the shutdown of the facility, with the latest including oil and gas company Santos Ltd, which is a partner in the East Spar JV.

The company said it expected a net production loss of 1.2 million barrels of oil equivalent for 2008, assuming Apache's schedule to complete repairs and start gas processing goes to plan.

• See story, page 16