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Woodside, Apache may team up over Pluto

21-July-08 by Rebecca Lawson

Perth-based Woodside Petroleum Ltd and US company Apache Corp are increasingly likely to strike a gas supply arrangement over the expansion of the Pluto gas project, according to analysts at UBS.

In a report, analysts said the lack of drilling success implies it is probable that both companies may strike the agreement next year over Apache's Julimar and Bulimar gas discoveries, located close to Pluto.

"Woodside's lack of success drilling in the Pluto area, and the fact no new exploration wells are planned in the area over 2H08 implies Woodside will have to arrange for third party gas supply for Pluto LNG T-2 [train 2]," analysts said in the report.

"In our view, this makes it increasingly probable that Woodside and Apache (the Julimar/Bulimar gas discoveries are located close to Pluto) strike a gas supply arrangement in 2009 in order for Pluto LNG T-2 to go ahead."