

Woodside talks 'satisfactory'

OIL and gas producer Woodside Petroleum Ltd has approved up to \$1.4 billion in funding commitments to be used to develop the Pluto liquefied natural gas project, which includes a 15 per cent commitment to domestic use.

The approval allows funding for site preparations on the Burrup Peninsula and the ordering of long lead items ahead of a final decision on whether to invest in Pluto midway through next year.

The funding decision follows talks with the state government of Western Australia on how its domestic gas policy would apply to the offshore Pluto project.

Woodside said it has reached a "satisfactory negotiation" with the state government, which wants gas producers to reserve a portion of their gas for the domestic market.

The state government confirmed this would be the provision of 15 per cent of production committed to for domestic marketing, if commercially viable.

Woodside plans to start the Pluto project site next year following environmental approval from the Commonwealth government.

-Mark Beyer