

Woodside limits recruiting due to economic slowdown

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Speaking at the 2008 Asia Pacific Oil & Gas Conference and Exhibition in Perth yesterday, Voelte said the company was, however, still recruiting to fill "real positions" for its operations and projects.

"Currently there are about 30 liquefied natural gas plants around the world producing about 180 million tonnes a year. Global demand is expected to more than double by 2015, meaning producers will need to ramp up their output during that period to keep up," he said.

"Our Asian neighbours are expected to drive much of that growth, leaving Woodside poised to capitalise on new opportunities in emerging LNG markets in the Asia Pacific region and beyond.

"We're determined not to let these opportunities slip through our fingers."

Voelte added that Western Australia's energy boom has generated intense competition for material and people, leading to soaring construction costs and severe shortages of skilled workers.

"The sustained period of lofty prices generated higher revenues for our industry, but they also sparked a flurry of activity as marginal projects were deemed viable.

"This led to unprecedented competition for assets, acreage and resources and pushed entry and acquisition costs to unprecedented levels."

He said an economic downturn as a result of the financial crisis may ease some of the pressure, but costs still remain high.

"Despite the large number of challenges faced by the resources sector, Woodside has delivered on its promise of converting our 2005 discovery of the Pluto gas field into an LNG project. Pluto is on track to become the fastest LNG development in the world."

According to Voelte, the company is focusing on delivering Pluto Train 1 by the end of 2010 and capturing growth opportunities for trains 2 and 4.

He also said the development plans for the Sunrise LNG field in the Timor Sea are progressing well, and development options for the Browse field in WA's far

northwest are being considered.

Voelte also called for a study on an emergency plan for energy supplies within Western Australia to prepare for a possible repeat of the gas shortages the state experienced early this year when the North West Shelf Venture went offline for 53 hours due to a power failure, and the current gas shortage caused by the blast at the Apache-operated Varanus Island.

"And it shouldn't just be for gas, it should be for all forms of energy and power," he told reporters at the sidelines of the conference.

Voelte also raised the possibility of building a gas storage facility at the end of the Dampier-Bunbury pipeline as part of the energy security plan.