

Gas supply delay puts fertiliser plant's restart plans back on hold

PETER KLINGER

Fertiliser tycoon Pankaj Oswal has suffered another setback to plans to restart his Burrup ammonia plant after Apache Corp again pushed back the resumption of gas supplies to the North-West plant.

Mr Oswal's Burrup Holdings had hoped for partial supply to be restored today, exactly six months since an explosion on the Apache-operated Varanus Island cut gas flows to the fertiliser plant and several other big WA industrial users, including Newcrest Mining.

However, Apache has pushed back the indicative date to Sunday at the earliest and even then will not guarantee Burrup that gas supply will resume on that day.

The Varanus Island gas hub, which supplied about 30 per cent of WA's gas

from a number of offshore gasfields, resumed partial production in August.

Burrup's contractual entitlements are from the Harriet joint venture, which was most affected by the Varanus Island explosion.

Its ammonia plant needs nearly 80 terajoules a day to run at full capacity — the gas is a key ingredient in the ammonia-making process — but is understood to be operational with a minimum of about 66 per day.

However, up until now Burrup has been unable to secure sufficient gas to resume production, with only about 30tj/day available which would have been insufficient to run the plant. A Burrup spokesman yesterday confirmed the latest delay.

Burrup had hoped to be up and

running again by last month at the latest.

It has spent the past six months carrying out an extensive maintenance program at the plant but says it will not be rushed into bringing the facility back to its nameplate capacity of 800,000 tonnes-a-year. Once gas supplies resume production will instead be gradually ramped up over an about two week period.

All of Burrup's 85 staff have been retained during the six-month shutdown.

Mr Oswal reduced his family's stake in the Burrup plant to 65 per cent three months ago after selling a 5 per cent parcel to the project's co-owners and off-take partner, Norway's Yara International, for \$178.2 million.