

## Woodside axes projects, moves on

Peter Klinger | October 16, 2015, 6:36 am

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### **The disappointment of Oil Search's rejection of its \$11.6 billion takeover offer has failed to slow Woodside Petroleum's clean-up of its portfolio, with one development project sold and a buyer found for its stake in the Laminaria-Corallina venture.**

Woodside would not reveal the identity of the party buying stakes in the two Timor Sea fields and operatorship of the Northern Endeavour floating production, storage and offloading vessel. WestBusiness reported in June that Woodside had put its stake up for sale, following the lead of Laminaria-Corallina partner Talisman Energy (now owned by Repsol). It is understood low-profile Brisbane company Westside – not its namesake coal seam play which is engaged in a takeover tussle with Armour Energy – is the buyer of Woodside's stake in a deal likely to value Laminaria-Corallina at between \$100 million and \$300 million.

The Timor Sea exit was confirmed in Woodside's September quarterly report yesterday, alongside news that a bolt-on growth project, the Cossack North oil development, had been shelved.

Cossack North was a single well tie-back project to the Okha FPSO and was lined up for a final investment decision this year.

Woodside had not disclosed Cossack North's capital cost but said yesterday "on review of portfolio-wide capital expenditure the proposed development has been deferred and will be re-evaluated at a later time".

Woodside also said little about the Chevron-led Wheatstone LNG development, which it bought into earlier this year, other than to reiterate a first-gas target of late next year.

The quarterly again highlighted the strong performance of Woodside's two flagship assets, the North West Shelf and Pluto.

Group production was up 26 per cent quarter-on-quarter to 25.3 million barrels of oil and gas while sales revenue was up 21 per cent to \$US1.1 billion. The NWS reported a record 123 days of continuous LNG output while maintenance at Pluto had enabled production to run 3 per cent above the 4.3 million tonnes a year nameplate capacity.

Woodside increased its full-year production forecast to a range of 88 million to 93 million barrels, up from 86 million to 94 million barrels previously, despite an expected 1.25 million barrel drop in output from its Kitimat gas venture in Canada.

Woodside rose 31¢ to \$31.17.