

Woodside to up stumps in Timor Sea

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The Northern Endeavour floating production, storage and offloading vessel.

Woodside Petroleum has quietly put the Laminaria-Corallina oil project in the Timor Sea up for sale, and is thought to be in talks with a preferred buyer.

The sale would include the Northern Endeavour floating production, storage and offloading vessel, which was at the core of the \$1.3 billion project's development 16 years ago.

Woodside's decision follows persistent attempts by its Laminaria-Corallina partner Talisman Energy – since last month owned by Spain's Repsol – to cash out its minority stake.

Talisman's sale of its 40.1 per cent and 33.3 per cent stakes in Laminaria and Corallina, respectively, did not proceed, though it is thought a low-profile east coast company with Chinese backing is now front-runner to pick up all of the project.

Sources say a sale could value Laminaria-Corallina at between \$100 million and \$300 million, including the FPSO.

The project has delivered more than 200 million barrels to its owners since first production in 1999. Natural field decline whittled down output to 1.6 million barrels last year, and Woodside has flagged an end-of-field life of late next year. "As with all Woodside assets, we will seek to maximise the residual value of our investment in the Northern Endeavour and associated infrastructure," Woodside wrote in its annual report in February.

A Woodside spokeswoman last night said it did not comment on market speculation.