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Woodside denies it will build East Timor pipeline

Mark Dodd. The Australian, January 28, 2011

AUSTRALIAN oil giant Woodside has rejected East Timorese claims the company will build a special oil and gas pipeline from the Greater Sunrise field to service the half-island state's domestic energy needs.

Timorese government spokesman Agio Pereira made the claim to press Dili's demand for the Perth-based company to reconsider plans for a floating refinery to process Greater Sunrise oil and gas.

The Gusmao Government wants the company to build an onshore gas export plant in East Timor - a demand rejected as uneconomical by Woodside.

Woodside chief executive, Don Voelte, says the offshore plan will still be worth \$13 billion each to East Timor and Australia.

Yesterday, a company spokeswoman reaffirmed there were no plans to pipe Greater Sunrise oil and gas to Dili for domestic consumption.

"It's certainly nothing we've agreed to - we've never discussed a domestic pipeline to Timor Leste," said Woodside's Laura Hammer.

Fears that development of Greater Sunrise will be shelved due to the dispute on siting a refinery, President Jose Ramos Horta this week appealed to his government to show greater flexibility in its talks with Woodside. East Timor should not remain reliant on one Timor Sea petroleum field, Bayu Undan, for oil and gas royalties, he said.

A Woodside representative provided the following quotation to La'o Hamutuk:

"Woodside is continuing to progress the Sunrise LNG Development in accordance with the rules put in place by the Australian and Timor-Leste governments.

"Woodside has at all times complied with all obligations under the relevant international treaties, Production Sharing Contracts, Australian Retention Leases, and applicable law.

"Woodside has also fully complied with all of its obligations as a publicly listed company."