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WEST**BUSINESS**

Gas works better in the west: Woodside

■ **Peter Milne**

WA has enough gas to keep the North West Shelf full, ship LNG to the Eastern States and still have a reliable domestic supply, Woodside Petroleum chief executive Peter Coleman believes.

Mr Coleman said the North West Shelf — the State's most important gas processing facility — would have enough spare capacity mid next decade to warrant a major new gas supply project.

The NWS will next month finalise a proposal to liquefy gas from other projects.

The Scarborough and Browse gas fields, in which Woodside has an interest, and one or two other ventures, would receive the offer, he said.

Woodside believed the NWS could offer one of the most competitive processing fees in the world, less than those being charged in the US Gulf of Mexico, Mr Coleman said.

He said a pipeline from Browse to the NWS was less risky and cheaper than the floating LNG concept discarded early last year.

Speaking after Woodside's annual meeting, Mr Coleman said for Browse gas to go to the NWS, all six NWS partners would need to agree to the deal.

Woodside was working with a group that was well aligned and would then bring the others along "who may be neutral on the outcome", he said.

Woodside, Shell, BP and Japan Australia LNG have interests in NWS and Browse.

The two NWS partners without an interest in Browse have their own gas that could backfill the NWS.

BHP Billiton owns 25 per cent of Scarborough and Chevron has undeveloped resources in the Carnarvon basin.

Chevron Asia Pacific president Steve Green, responding to a Wall Street analyst's question about the NWS last week, said the US giant was looking for opportunities to accelerate the development of its Carnarvon basin resources and would consider facilities apart from its Gorgon and Wheatstone plants.

Mr Coleman, in contrast to the position of most of Australia's gas producers, supported WA's gas reservation policy.

Mr Coleman said Woodside had spoken to proponents of LNG import terminals about buying Woodside gas to relieve the east coast's supply problem.

Woodside chief executive Peter Coleman. Picture: Ross Swanborough

Griffin Coal carries on despite Lanco woes

■ **Sean Smith**

The McGowan Government says it is "monitoring" Griffin Coal — supplier to the strategically important Bluewaters power station — after receivers were appointed to the Singapore parent company which has bankrolled the miner since 2010.

The miner yesterday assured its suppliers and 350 employees that it was unaffected by the failure of Lanco Resources International, which is itself owned by the debt-laden Indian conglomerate Lanco Infratech.

"It's business as usual for Griffin," a Griffin spokesman said. "It really is a legal action taken against a Singaporean entity. It doesn't affect us."

It is believed that Lanco Resources' receivers from PwC, who were quietly put into the company on Monday on the orders of Indian bank ICICI, have been instructed not to interfere in Griffin, which supplies coal for power generation.

Premier Mark McGowan echoed Griffin's "business as usual" assurance but added that his Government would "monitor the situation and make sure that continues to be the case".

Concerns about Griffin's future are founded in its weak financial performance, with management having battled to rein in costs and increase revenue, which is reliant on long-term supply contracts with the Bluewaters power station.

The company has been supported by hundreds of millions of dollars in funding from the Lanco group since the mine was bought from the administrators of Ric Stowe's business empire for $740 million in 2010.

Last year's financial accounts underlined the miner's dependency on Griffin, with auditor Grant Thornton warning that the miner's future as a going concern was contingent on support from Lanco Resources and Lanco Infratech.

However, a new bank facility negotiated over the past year, as well as funding from a third party, has reduced that dependency.

It is believed that Griffin has not tapped funds from Lanco for some time, perhaps influencing the call by ICICI not to pull the Australian subsidiaries into the Lanco Resources receivership.

The accounts, the latest on file from Griffin, show the company's losses for the year to March 31, 2016, grew to $37.7 million from $25.1 million the year before, lifting its accumulated losses to nearly $373 million. At the end of the financial year, Griffin's liabilities had risen to $1.2 billion, including a new unsecured $55 million loan.

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