

Kupe now to begin flowing gas in 4th quarter 2009

27 June 2009 - The Kupe gas and condensate field is now expected to come into production in the fourth quarter of 2009 instead of the third quarter.

Kupe operator Origin Energy announced the updated schedule for bringing the first raw gas ashore from the offshore south Taranaki field.

Origin's executive general manager, major development projects, Andrew Stock, said the overall project including the production station near Hawera is nearing completion with testing and pre-commissioning occurring later than planned.

"Some of the facilities are already active as part of the current pre-commissioning and the balance of facilities are being progressively readied and commissioned during coming months," Mr Stock said.

"Capital costs for the Kupe project remain in line with previous expectations," he said.

Construction of the offshore facilities wells, wellhead platform, pipeline and the umbilical line containing controls to the platform were all completed last year.

David Salisbury, chief executive of one of the Kupe partners New Zealand Oil & Gas, said in a separate statement that production rates during commissioning are difficult to predict, but it is now likely that production during the December quarter will be reduced.

Production forecasts for later years are not affected, Mr Salisbury said.

Kupe will meet approximately 15% of New Zealand's current annual gas demand and 50% of New Zealand's LPG demand. The project will provide approximately 254 petajoules of natural gas, as well as 1.1 million tonnes of LPG and 14.7 million barrels of condensate.

Sources: Origin Energy, NZOG and Lindsay Clark