

Todd Energy to build \$65 million LPG plant in Taranaki

2 October 2009 - Todd Energy has announced it is to build a \$65 million LPG plant in Taranaki to extract the butane-propane fuel from the natural gas stream of the Mangahewa and Pohokura gas fields.

Richard Tweedie, managing director of Todd Energy, said the new plant to be built at the company's McKee site east of New Plymouth could produce 27,000 tonnes of LPG a year.

The New Zealand liquefied petroleum gas market is currently about 170,000 tonnes a year. With production of LPG from the Maui field falling in recent years about half of New Zealand's LPG needs are now met from imports.

This will change in the next few months when Origin Energy's Kupe gas field off south Taranaki comes on stream. Kupe will produce about 90,000 tonnes of LPG a year – over half the country's needs.

The combination of the Kupe and Todd output may mean that some exports of LPG can again be made. Exports last occurred in 2006.

Mr Tweedie said "The new plant will help reduce New Zealand's dependence on imported LPG which is good news for the country's economy."

The plant is expected to be completed in 12 months.

He said LPG from the plant would be delivered to customers in the North and South Islands via Todd Energy's retail company, Nova Energy.

The plant will be located next to Todd Energy's 100% owned and operated McKee production station. Mr Tweedie said the site is ideal because it is already set up for industrial activity and the new LPG plant will "maximise the use" of existing infrastructure at the McKee station.

All consents have been signed off for the project to proceed to the construction stage. Todd Energy is currently in final negotiations with a number of potential contractors.

Todd Energy is currently drilling three wells at its 100% owned onshore Mangahewa gas-condensate field near McKee. The company is confident there are substantial untapped quantities of gas remaining.

Todd also holds a 26% interest in the 970 Bcf Pohokura offshore field only a few kilometres away from the McKee station. Todd has a separate gas pipeline out of the onshore Pohokura production station.

Sources: Todd Energy and Lindsay Clark

Related links

[Mangahewa](#) - [Pohokura](#) - [Kupe](#) - [Production statistics](#)