

HD **CORRECTION: Inpex says Ichthys LNG nearly half complete, expects no Kashagan oil in 2014**

WC 761 words

PD 9 May 2014

SN Platts Commodity News

SC PLATT

LA English

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Tokyo (Platts)--9May2014/446 am EDT/846 GMT (clarifies size of Inpex **stake** in Kashagan field)

Japan's Inpex said Friday its Ichthys LNG project in Australia is 44% complete as of March 31, up from 18% from a year ago, and remains on budget and on schedule to start by the end of 2016.

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In another project update Friday, an Inpex official said the **company** does not expect any crude **oil** output from the giant Kashagan **oil** field offshore Kazakhstan in 2014.

The \$34 **billion** Ichthys project involves piping gas about 889 km (550 miles) from the Ichthys field off Western Australia to an onshore liquefaction plant near Darwin. It is designed to handle 8.4 **million** mt/year of LNG.

Operator Inpex holds a 63.445% **stake** in Ichthys LNG -- set to be Australia's largest condensate project -- with Japanese LNG customers Tokyo Gas, Osaka Gas, Chubu Electric and Toho Gas holding stakes of 1.575%, 1.2%, 0.735% and 0.42%, respectively, and Taiwan's CPC set to take a 2.625% interest.

Inpex has said the Ichthys project is expected to reach peak production of 100,000 **b/d** of **oil** equivalent of condensate and 1.6 **million** mt/year of LPG in about three to four years after it starts in late 2016.

The project updates came the same day Inpex posted a net profit of Yen 183.69 **billion** (\$1.81 **billion**) in fiscal 2013-14 (April-March), up 0.4% year on year, the **company** said.

The weaker yen against the US dollar pushed Inpex's revenue in 2013-14 to a record Yen 1.335 trillion, up 9.7% from a year ago, while its operating income rose 5.8% year on year to Yen 733.61 **billion**, the **company** said.

In the income forecast released Friday for the current fiscal year ending in March 2015, Inpex did not include crude output from the Kashagan **oil** field offshore Kazakhstan, the official said.

Kashagan, in which Inpex has a 7.56% **stake**, started up briefly in September but has since been beset by technical problems. Operator Eni and key stakeholder Total have said there would likely be no production from Kashagan in 2014 and only limited output next year.

Inpex expects to post a net profit of Yen 171 **billion** on revenue of Yen 1.331 trillion for fiscal 2014-15.

In fiscal 2013-14, Inpex sold a total of 327.1 Bcf of natural gas, up 2.6% year on year, due mainly to an increase in sales volume in Americas, the **company** said.

Inpex sold 40.2 Bcf of natural gas in the Americas in fiscal 2013-14, up 34.5% year on year, as a result of increased shale gas sales in the Horn River, Cordova and Liard basins in Canada, the spokesman said.

In November 2011, Inpex agreed in principle to take a 40% **stake** in the shale gas projects with a total block area for all three of approximately 1,200 sq km, where Nexen operates the developments, with Inpex holding the balance.

Nexen is now a wholly owned subsidiary of **China** National Offshore **Oil** Corp, or CNOOC.

Inpex's crude sales in fiscal 2013-14 dropped 8.1% year on year to 79.171 million barrels or 216,907 b/d due mainly to decreased production in the Van Gogh, Kitan oil and Ravensworth oil fields in Australia, the official said.

Inpex's crude sales in Japan, however, doubled to 861,703 barrels in fiscal 2013-14, up from 414,000 barrels the previous year as it started selling its condensate, which had been processed at its 4,000 b/d Kubikki refinery until suspending operation in December 2012, from its Minami Nagoka gas field in the northwest, the official said.

Its suspension of the Kubiki refinery also dropped its LPG sales in Japan to 8,000 barrels in the fiscal year ended March 31, compared with 148,000 barrels a year earlier.

Its overseas LPG sales in fiscal 2013-14 also dropped 19.7% year on year to 2.937 million barrels, due mainly to lower output at its Indonesian South Natuna Sea Block B development, where Inpex holds a 35% stake, the official added.

South Natuna is produced on a floating production, storage and offloading platform, where it started LPG output in April 2007.

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IPD 0100

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AN Document PLATT00020140509ea59000p1