



BACKGROUND

BACKGROUND ON VARANUS ISLAND AND THE INCIDENT

On 3 June 2008 a pipeline explosion at Apache Energy's Varanus Island operation cut Western Australia's gas supply by 30 per cent.

The explosion stopped all operations at Varanus Island, about 116km west of Dampier, and the 152 employees on and around the island were evacuated. No-one was injured in the explosion.

Apache Energy uses the island to process gas and oil from offshore facilities and then sends the gas into the Dampier to Bunbury Gas Pipeline. The oil is exported.

On 4 June, an investigation was launched to identify the cause of the incident.

Approval was given for work on removing and demolishing damaged infrastructure on 13 June.

Partial gas production to 120 terajoules per day was restored on 6 August. Current production is up to 230 terajoules per day.

The Department of Industry and Resources and the National Offshore Petroleum Safety Authority worked with Apache to determine the process for early and safe resumption of gas and liquids production.

ABOUT APACHE ENERGY

Apache Energy is the Australian operating subsidiary of Apache Corporation.

Apache is the second largest gas and oil operator, in terms of volume, in the state's Carnarvon Basin.

Apache Energy has operated in Western Australia for 14 years and has 16 oil and gas production facilities.

