



RMC divests stake in ABL

RMC Group says that it has sold over a third of its shares in an Australian subsidiary in order to pay off some of its debt.

The cement maker has sold 107.8m shares in Adelaide Brighton Limited for a cash consideration of A\$167m. The divestment leaves RMC with 189.3m shares, which represents 34.9% of the ABL capital.

John Parker, RMC chairman, said: "The disposal of our shares is consistent with the Group's strategy of focusing on our core markets of Great Britain, Continental Europe and the USA."

ABL is a cement and limestone producer operating in South Australia, Western Australia and the Northern Territories. In addition to the company has cement operations in Victoria, New South Wales, and a joint-venture in Queensland with Boral.

IChemE in Australia 2004 annual general meeting

The annual general meeting of IChemE Australia will be held in the board room at the national office, 3/21 Vale Street, North Melbourne, Vic. 3051 on Friday 26 March 2004 at 10 am.

The chairman, Dr Gordon Weiss, will review the year. Ainslie Just, will receive and adopt the financial accounts for the year.

Any other business, at the discretion of the Board, will follow. Please RSVP to jan.althorp@icHEME.org.au

Gas shortage eases after New Year blast

Union calls for urgent investigation into plant safety

SOUTH EASTERN Australia is breathing a sigh of relief that gas supplies will be secure, a month after a fire and explosion damaged Santos' Moomba gas plant. The acting South Australian energy minister Paul Holloway has warned that while gas supplies are currently stable – if below their usual volume – a burst of hot weather could change all that. "Three or four hot days would put a strain on the supply. We're hoping the relatively cool weather will last until repairs are completed," he added.

The Moomba plant, which processes natural gas from the Cooper Basin, will be operating at reduced capacity at least until the end of February, Santos warned. This could dent this year's profits by 10%.

The facility was damaged by an explosion in the early hours of New Year's Day, and the plant was shut down for almost two days after, causing wide-spread disruption to Santos' customers in the Australian states of New South Wales and South Australia. No one was injured in the explosion.

Santos is still investigating the cause of the blast and the full extent of the damage. Santos' investigations so far suggest that a failed heat exchanger inlet nozzle in the liquids recovery section had sparked and ignited gas from a nearby leak, causing the blast.

The Australian Workers Union (AWU), the main union at the Moomba facility, called for an immediate investigation into safety at the plant.

"The New Year's Day explosion is not the first significant safety problem that has arisen at the Moomba facility," AWU national secretary Bill Shorten and AWU South Australia branch secretary Wayne Hanson wrote in a letter to the South Australian government. The letter points out that in June 2001, a Santos employee and AWU member, Colin Jeremy Sutton, was killed during routine maintenance work on the liquids pumping station at Moomba when a gas leak ignited. The incident left a second worker with burns on his face and hands. An

industrial relations court at the time found that Santos had "failed in its most basic responsibility as an employer" and fined the company A\$105,000. "These incidents suggest to the AWU that Santos may be suffering from 'corporate pathology' – that is, the organisation is unhealthy and this is a problem that needs to be rectified before a bigger problem arises," the AWU letter continues. "We are familiar with these sorts of problems within organisations – particularly from the explosion and fire at the Esso refinery in Longford, Victoria." An explosion there in 1998 killed two employees and cut gas supplies for two weeks.

South Australia's government has appointed Hans Ohff, a semi-retired engineer with extensive experience in the hydro carbon construction industry, to oversee Santos' repair work. Ohff was managing director of Eglo Engineering from 1978 to 1989, during which time he was also responsible for the company's engagement as prime contractor on the Moomba Liquids Project.

Santos has meanwhile started supplying customers from reserves of already-processed gas. Adelaide is receiving extra gas from neighbouring Victoria through the recently completed South East Australia Gas Pipeline. Nevertheless, the company has asked some of its larger customers to try and cut back on their energy use until gas supply returns to normal. Around 50 of Santos' industrial customers were affected by the two-day gas shutdown. Onesteel says that its Whyalla steelworks lost some 5000 tons of production, and has since switched to electricity to power its smelter. Orica avoided production outages at its Kooragang Island fertiliser plant by sourcing gas from elsewhere, but this will cost an extra A\$1.5m a month. Perhaps more worrying to most Australians was the effect the gas shortage had on the region's breweries. South Australia's Coopers Brewery had to temporarily halt production. Brewing has now resumed, but at a reduced rate – raising a real fear that supplies of Coopers Pale Ale might run out.

...but, insatiable US raises hopes of LNG exports

THE insatiable appetite in the US for liquefied natural gas is offering a major export opportunity for Australia, according to the Australian industry minister, Ian Macfarlane.

At a recent roundtable discussion in Melbourne, Macfarlane, the US energy secretary Spencer Abraham, and Australia's main producers of LNG, discussed the prospects of exporting large quantities of Australian gas to the US. The US, the world's largest consumer of LNG, is keen to secure new supplies of LNG. Australia, the world's fifth largest exporter of LNG, would be

ideally positioned to solve North America's supply problem.

The only stumbling block for Australian exports so far has been the location of the US LNG import terminals, all four of which are based on the east coast of the US. However, Macfarlane was hopeful that that was about to change, as the US has realised the need to build an LNG terminal on the west coast.

The Australian LNG suppliers at the talks agreed to help the US build the necessary infrastructure to make imports from Australia possible.