

Apache Cashes Up For Northwest Developments

Apache Energy has secured US\$350 MM in financing for the Van Gogh and Pyrenees oil developments offshore northwest Australia with BNP Paribas and HSBC the lead banks in the deal. The interest rate for initial borrowing in the financing will be about 3.5% for the first six months. After that interest rates will float with Libor.

Apache CEO Steven Farris said the transaction will enable the company to advance its development inventory by funding two major projects at competitive financing rates, despite continuing turmoil in the financial markets.

The company said the two projects were expected to add a total of 40,000 bopd to its worldwide nett oil production over the next 18 months.

Apache's Van Gogh development is expected to come on-stream in the second quarter of 2009 and add 20,000 bopd to Apache's nett worldwide oil output. Apache is the operator and owns 52.5% of the development.



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First oil production from Pyrenees is scheduled for early 2010. The project also is expected to add 20,000 bopd to Apache's nett oil production.

Pyrenees, which is operated by BHP Billiton, will develop reserves in two blocks—Apache has a 28.57% stake in permit WA-12-R and a 31.5% interest in WA-155-P. ■