

NEWZTEL LOG: EX-RADIO NZ "MORNING REPORT"

FRIDAY 4 SEPTEMBER 1987

PRESENTER: SYNFUEL HAS DESCRIBED THE DAMAGE CAUSED TO IT'S MOTUNUI GAS CONVERSION COMPLEX BY A MAJOR PLANT FAILURE AS QUITE EXTENSIVE. BUT THE FULL EXTENT OF THE PROBLEM IS UNLIKELY TO SURFACE UNTIL SOMETIME NEXT WEEK. AMERICAN ENGINEERS HAVE ALREADY ENTERED THE DAMAGED FURNACE AT THE CENTRE OF THE PROBLEM AND WHILE INITIAL CHECKS POINT TO SIGNIFICANT DAMAGE THEIR INVESTIGATIONS ARE CONTINUING.

REPORTER: RADIO NEW ZEALAND UNDERSTANDS CATALYST TUBES IN THE PLANT'S NUMBER TWO REFORMER FURNACE CRACKED AFTER OVERHEATING ON SUNDAY, PROMPTING SYNFUEL TO SHUT DOWN MOTUNUI'S SECOND PRODUCTION LINE AND CUTTING PETROL PRODUCTION AT THE PLANT BY HALF. THE FURNACE HAS NOW COOLED DOWN, ALLOWING AMERICAN ENGINEERS TO START ASSESSING THE SITUATION BUT THEY ARE ALSO WAITING FOR HELP FROM A REPRESENTATIVE FROM THE PLANT'S NEW YORK DESIGNERS WHO IS DUE ON THE SITE BY MONDAY. SYNFUEL SAYS IT DOESN'T EXPECT ANY DETAILED ANALYSIS OF WHAT WENT WRONG OR HOW WIDESPREAD THE DAMAGE IS UNTIL SOMETIME NEXT WEEK AND IT'S LIKELY THE ENGINEERS WILL REPORT TO SYNFUEL'S BOARD MEETING ON WEDNESDAY BEFORE PUBLICLY RELEASING THEIR RESULTS. THE COMPANY HAS ALREADY WRITTEN TO EMPLOYEES SAYING THE DAMAGE IS QUITE EXTENSIVE AND THE CURRENT PROBLEM IS BY FAR THE MOST SERIOUS THE PLANT HAS ENCOUNTERED SINCE COMMERCIAL OPERATIONS BEGAN. BUT THE COST OF REPAIRS AND EXACTLY HOW LONG THE NUMBER TWO PLANT WILL BE OUT OF OPERATION IS STILL UNCLEAR. THE GOVERNMENT OWNS 75 PERCENT OF THE 'THINK BIG' PROJECT AND ALREADY STANDS TO LOSE TWO MILLION DOLLARS IN PETROL REVENUES FOR EACH WEEK THE FURNACE IS DOWN. IT WILL ALSO HAVE TO SHARE THE COSTS OF ANY REPAIRS TO THE FURNACE WITH MOBIL OIL,

WHICH OWNS THE REMAINING 25 PERCENT OF THE PLANT. ENERGY MINISTER DAVID BUTCHER IS CURRENTLY IN MALAYSIA BUT HE HAS BEEN BRIEFED ON THE SITUATION AT MOTUNUI BY HIS STAFF AND HE'S ASKED FOR A FULL REPORT ON THE PLANT'S PROBLEMS ON HIS RETURN NEXT MONDAY. FOR "MORNING REPORT", THIS IS RORY NEWSOME.

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