

MEDIA RELEASE

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Unconventional gas incentives welcomed

Western Australia's peak energy user group has endorsed the State's efforts to develop the State's tight gas and shale gas as potential new sources of energy.

DomGas Alliance Chairman, Tony Petersen, said State royalty incentives and co-funding of onshore drill rigs will encourage new domestic gas supply.

"We have the potential to open-up a tremendous new energy resource for the State and provide greater diversity of supply," Mr Petersen said.

"I commend Minister Norman Moore and the Department of Mines and Petroleum for their support and strategic vision on unconventional gas."

Under the State's Exploration Incentive Scheme (EIS), \$20.5 million is being provided to explorers over 4 years as co-funding grants to support drilling in underexplored areas. In addition, an extension of the EIS, the Alternative Energy Mobilisation Scheme, will provide further funding of \$20.6 million over 3 years to specifically support drilling for onshore alternative energy sources.

Mr Petersen expressed confidence that environmental concerns relating to unconventional gas could be managed.

"The State has a robust environment protection regime and West Australians can be confident in the Department of Mines and Petroleum and the Environmental Protection Authority to keep the environment safe," Mr Petersen said.

According to the Department of Mines and Petroleum, 750 hydraulic fracturing (fracking) jobs have been completed in WA, with no evidence of pollution. Fracking has been successfully employed in WA for 40 years.

WA's tight gas and shale gas resources are typically located more than 2,000 metres below the surface, which provides significant separation from water aquifers. Wells are cased in cement and steel to minimise contamination of water or soil.

The United States Energy Information Agency estimates WA to have the world's fifth largest reserves of shale gas, equivalent to double Western Australia's offshore gas reserves.

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The DomGas Alliance

The DomGas Alliance is Western Australia's peak energy user group and represents natural gas users, infrastructure investors and prospective domestic gas producers. The Alliance promotes security and affordability of gas supply.

Alliance members represent around 80 percent of Western Australia's domestic gas consumption and transmission capacity, and supply gas and electricity to the State's 800,000 households and 200,000 small businesses.

