



# **The domestic gas opportunity**

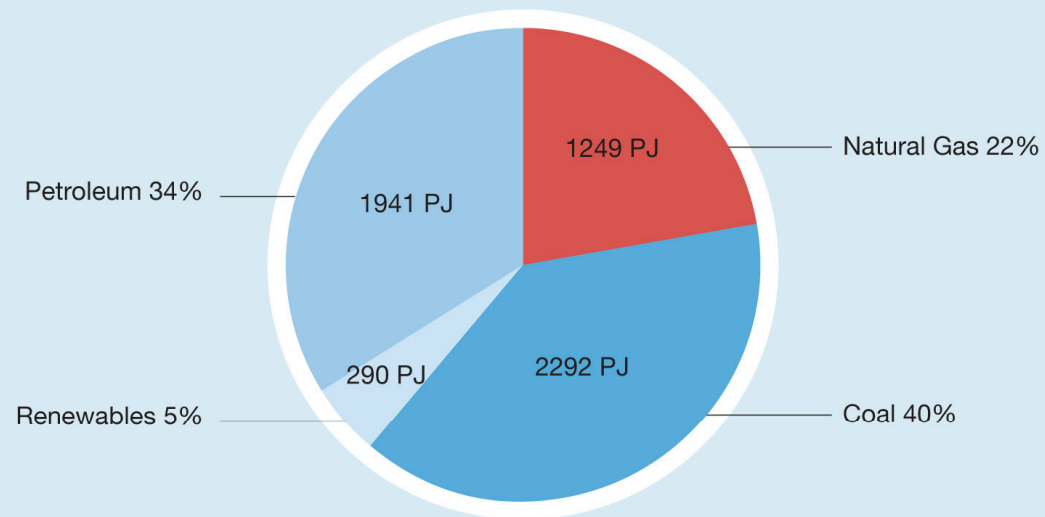
**October 2011**





# Australia's domestic gas opportunity

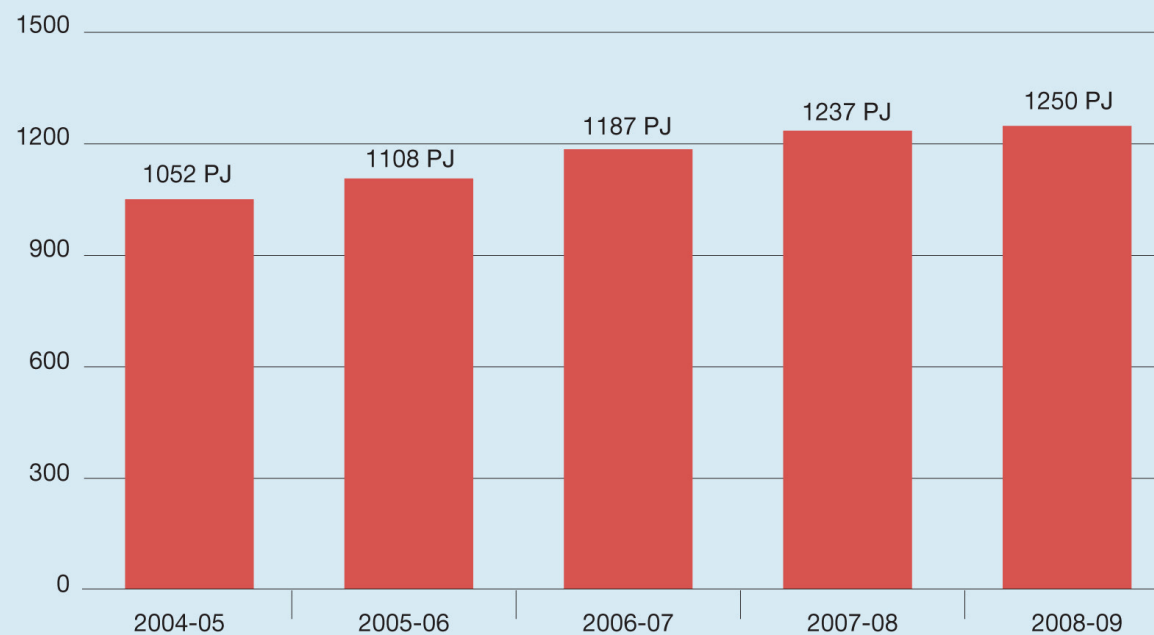
Australia's energy consumption by fuel



Source: ABARE, Energy in Australia 2011

# Demand for natural gas is growing

Australia's natural gas consumption



Source: ABARE, *Energy in Australia 2011*

## **Benefits of domestic gas contracting**

- Low currency and sovereign risk
- Stable, long-term contracts
- Not dependent on oil price fluctuations
- Established gas transport infrastructure
- Maximises downstream value-adding benefits – manufacturing, local employment, energy security



# Climate change benefits

- Federal and State Governments committed to increasing natural gas use as share of fuel mix
- Only conventional energy source that can underpin Australia's transition to a low carbon economy
- Domestic pipeline gas supply in WA is over 92% energy efficient compared to 74% for LNG \*

\* Source: 2009 DomGas Alliance study; see also 2007 Carnegie Mellon study by Jaramillo, Griffin and Matthews



## State Government initiatives

- Royalty incentives for unconventional gas (WA)
- Co-funding of onshore drilling (WA)
- 15% domestic gas reservation policy (WA)
- Field reservation policy (Queensland)
- 18% gas-fired electricity generation target (Queensland)



# Chevron Wheatstone Project

- Project will supply domestic gas equivalent to 15% of LNG capacity and production
- Targeting domestic supply with LNG start-up
- Initial domestic supply of around 187 TJ/d, rising to over 500 TJ/d with full 25 mtpa LNG project
- Win for LNG exports and local industry / households





**DOM GAS  
ALLIANCE**

