Recent international and domestic gas price movements

25 June 2026

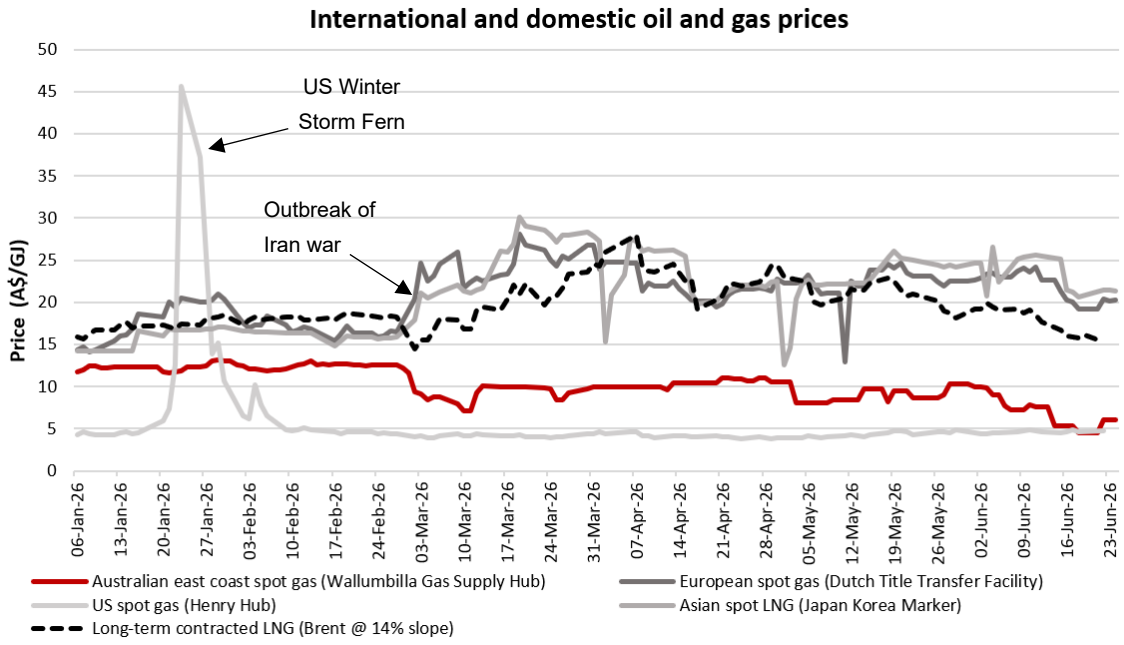
Summary

The conflict between the United States, Israel and Iran that commenced 28 February 2026 is impacting a significant proportion of global oil and LNG supply as ships are unable to transit the Strait of Hormuz. Approximately 34% of global seaborne oil trade normally transits the Strait along with almost 20% of global LNG exports.[1] Lost supply is being offset by a number of factors including oil import reductions, particularly from China[2], gas to coal switching in some countries[3], increased LNG supply from the US and existing projects, and oil being piped to the Red Sea[4].

The lack of supply via the Strait resulted in global oil and gas prices increasing sharply and entering a period of volatility. Prices have eased in recent weeks. Australian east coast domestic spot prices at the Wallumbilla Gas Supply Hub (**WGSH**) did not move in line with international prices and fell significantly as global prices rose indicating that the spot market was not being impacted by the conflict in Iran. WGSH prices remain below price levels observed prior to 28 February 2026.

Key international and domestic prices are shown in Figure 1 which includes global and domestic price series for which recent daily price data is available. Prices in Figure 1 are shown in the same unit and currency basis - $A/GJ[5] - to enable comparison.

Figure 1 International and domestic oil and gas prices



Source: CME, EIA, AEMO, EnergyQuest analysis

[1] International Energy Agency, 'Strait of Hormuz', February 2026

[2] The Wall Street Journal, 'China's Crude Import Slowdown Eases Asia Supply Strain from Gulf Shock', 26 May 2026

[3] Wall Street Journal, 'Coal Makes a Comeback, Fueled by War in the Middle East', 16 May 2026

[4] The Strait Times, 'Saudi pipeline that bypasses Strait of Hormuz hits 7 million capacity', 29 March 2029

[5] This brief uses exchange rates in place on the dates quoted.

ABN 89 139 665 295 **ACN** 139 665 295

Email: admin@energyquest.com.au

www.energyquest.com.au

Australian domestic gas price

Most Australian domestic gas is transacted under longer-term contracts with short-term supply available from spot markets on the east and west coast.

The WGSH is a major east coast spot market. WGSH prices have generally been lower while global prices have risen in recent months. The WGSH price fell to A$7.17/GJ on 10 March – the lowest level since September 2019 and 36% lower than a month prior, and was $5.99/GJ on 24 June 2026.

There is no identifiable specific reason for the fall in WGSH prices observed in recent months, however in recent weeks there has been planned maintenance outage at Shell's Queensland Curtis LNG (**QCLNG**) project, and an unplanned disruption at Australia Pacific LNG (**APLNG**).

Total east coast gas production was 153.4 PJ in May 2026, down 3.3 PJ (-2%) from 156.6 PJ in April 2025.

Queensland LNG exports in May 2026 111.6 PJ in May 2026, up 1.7 PJ (+2%) from 109.8 PJ in May 2025.

Demand from gas-fired power generation (**GPG**) in the National Electricity Market (**NEM**) was lower by 1.9 PJ (-15%), falling from 12.4 PJ in May 2025 to 10.5 PJ in May 2026.

Large gas user demand was down by 0.3 PJ (-5%) to 5.6 PJ in May 2026 compared to May 2025.

The average prices in the Western Australian spot market reported on 1 February 2026 was $5.89/GJ, falling slightly by 1 May 2026 to $5.84/GJ. Domestic gas prices in Western Australia have historically been significantly lower than netback LNG prices.[6]

Global oil and gas prices

Brent oil price

The Brent oil price is the benchmark price for most globally trade crude oil.

Brent was below US$70/bbl ($A99/bbl) for much of the past 12 months. With the outbreak of war in Iran and closure of the Strait of Hormuz, Brent peaked at US$138/bbl (A$155/bbl) on 7 April 2026, but and on 24 June 2026 was trading at $US72.47/bbl (A$105.14/bbl) – a drop of 47% from the peak.

European Dutch TTF

The Dutch Title Transfer Facility (**TTF**) is the main reference price for gas trading in Europe. Europe has become more reliant on LNG imports due to reduced pipeline gas supply from Russia after the outbreak of war in Ukraine in 2022. The TTF is therefore, to some extent, linked to global LNG markets.

The TTF rose sharply in recent weeks, peaking at A$28.11/GJ on 19 March 2026 as concerns surrounding LNG supply rose with the closure of the Strait of Hormuz. On 10 June 2026, the TTF was A$20.27/GJ, 28% lower than the peak in March.

Asian JKM

The JKM is the benchmark spot price for LNG cargoes in northeast Asia.

The JKM ranged between A$14.86-16.35/GJ through January and most of February before rising sharply with the closure of the Strait of Hormuz, to a peak of A$30.10/GJ on 19 March 2026. On 24 June 2026, the JKM was A$21.32/GJ, a decrease of 29% from the peak.

[6] An LNG netback price is a measure of an export parity price that a gas supplier can expect to receive for exporting its gas. It is calculated by taking the price that could be received for LNG and subtracting or 'netting back' the costs incurred by the supplier to convert the gas to LNG and ship it to the destination port.

Henry Hub

The Henry Hub price is the wholesale spot price for gas in the US and has not been disturbed by the Iran conflict.

Henry Hub prices were below $A6.00/GJ in early January before spiking to A$45.65/GJ – a record Henry Hub price on 23 January 2026, due to the severe Winter Storm Fern. Prices have since fallen to A$4.76/GJ on 22 June 2026, 10% higher than a month prior.

Differences between recent price movements and 2022

Australian gas price decreases in recent weeks and the price increases seen in 2022 were not related to global price levels.

EnergyQuest analysis indicates that east coast domestic gas price increases in 2022 were driven by high electricity prices in the NEM. Electricity prices increased from April to August 2022 as there was significantly lower coal-fired power generation (**CPG**) due to several CPG facilities being offline due to flooding and other issues.

The lack of CPG was offset to some degree by variable renewable energy, but this was insufficient to meet demand resulting in significantly increased demand for GPG (being the only remaining generation source in the NEM). GPG increased up to 58% in May 2022 compared to May 2021 and this priority to maintain electricity generation supply was a major contributor to the gas price increases in April 2022 (up 52% on March) and May 2022 (up 75% on April).

The domestic gas price rises seen in 2022 were therefore driven by domestic factors.

The Ukraine war was not a factor in east coast gas price rises in 2022. JKM prices were already at high levels before the outbreak of the Ukraine war due to a cold winter and low gas stocks in Asia. WGSH prices were falling in the latter half of 2022 while the JKM reach new peaks. Queensland LNG shipped volumes were relatively low in the period when WGSH prices were peaking, meaning LNG exports were not a cause of the high prices.

Global prices and the war in Iran are not influencing east coast domestic spot prices, which have been falling in recent weeks while global oil and gas prices linked to LNG markets have risen sharply. Some Australian domestic gas contracts have prices linked to the JKM or Brent oil price. Prices under these contracts rise and fall in line with those price measures.

Risks of elevated domestic prices in coming weeks

The war in Iran has brought significant uncertainty and price rises to global oil and gas markets.

East coast Australian gas spot market prices have not been affected. As noted above, some Australian domestic gas contracts have prices linked to the JKM or Brent oil price and prices under these contracts rise and fall in line with those price measures. There is currently no public data available on domestic contracted price movements for the relevant period.

With regard to international markets, the International Energy Agency has announced the largest ever oil stock release to address oil market disruptions.[7] Increased supply from emergency stocks would place downwards pressure on oil prices.

Futures prices represent a market view on expected price levels in coming months. Futures markets indicate an expectation that global oil and gas prices will fall by the end of 2026. Brent futures indicate a progressive decline from US$77/bbl (A$112/bbl) in August 2026 to $US75/bbl (A$109/bbl) by the end of 2026, 4% lower than 24 June 2026 actuals. JKM futures indicate prices at A$21.54/GJ by end 2026, 1% higher than current prices.[8]

[7] International Energy Agency, 'IEA Member countries to carry out largest ever oil stock release amid market disruptions from Middle East conflict', 11 March 2026

[8] CME Group, 'Energy Markets', accessed on 25 June 2026