Recent international and domestic gas price movements

26 March 2026

Summary

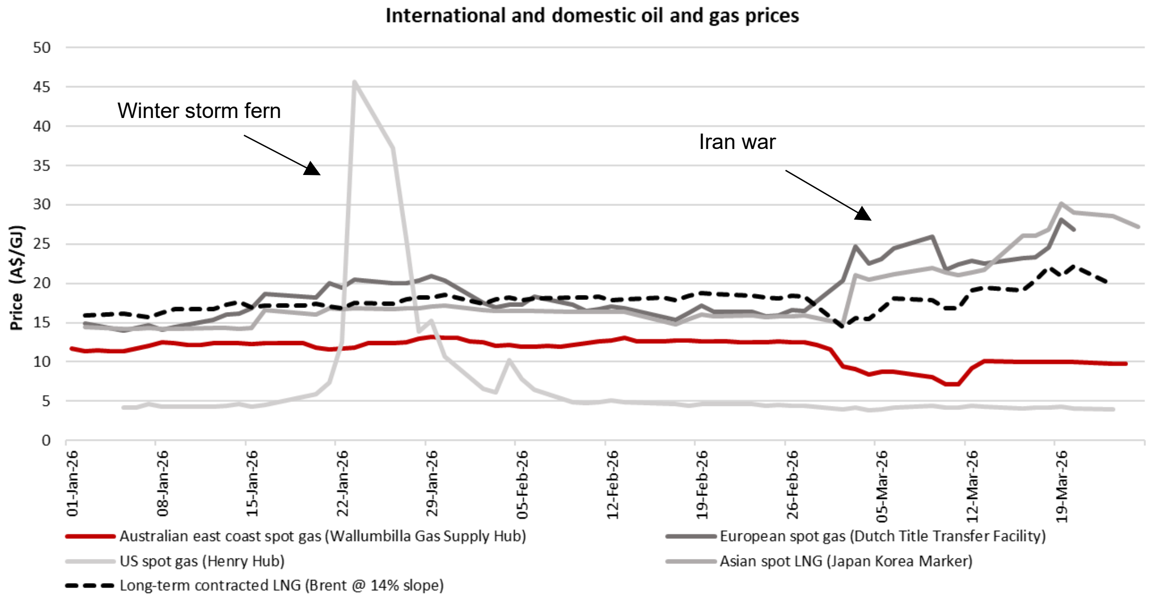
The conflict between the United States, Israel and Iran that commenced 28 February 2026 continues to impact a significant proportion of global oil and LNG supply as ships are unable to transit the Strait of Hormuz. Approximately 34% of global seaborne oil trade normally transits the Strait along with almost 20% of global LNG exports.[1]

While some oil is now being shipped to markets via the Strait, LNG production remains offline. Qatar's Ras Laffan LNG facility exported via the Strait and has been damaged such that the facility's output, once it resumes, is expected to be 17% lower for three to five years.[2]

Reduced oil supply via the Strait has resulted in global oil prices increasing sharply and entering a period of volatility. Global gas price measures that are influenced by LNG markets have also risen. However, Australian east coast domestic spot prices at the Wallumbilla Gas Supply Hub (**WGSH**) fell significantly as global prices rose indicating that the spot market was not being impacted by the conflict in Iran. WGSH prices have risen since but remain below price levels observed in recent months.

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[3] - to enable comparison.

Figure 1 International and domestic oil and gas prices



Source: EnergyQuest

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

[2] Al Jazeera, 'Iran attacks cut 17% of Qatar's LNG capacity for up to 5 years: QatarEnergy', 19 March 2026

[3] Exchange rates used in this brief are $0.71 AUD:USD and $0.62 AUD:EUR

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 the major east coast spot market. WGSH prices have not moved in line with global oil and gas prices in recent weeks and have in fact fallen significantly. 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 – but has since risen and was A$9.75/GJ as at 24 March 2026.

Total east coast gas production was 145 PJ in February 2026, essentially flat year-on-year.

There has been no change in Queensland LNG exports year-on-year, with exports in February 2026 totalling 1.9 Mt with 29 LNG cargoes, and LNG feedstock volumes in the first three months of 2026 are broadly comparable to the same period in 2025. Demand from gas-fired power generation (**GPG**) in the National Electricity Market (**NEM**) was lower year-on-year by 2.2 PJ (-22%) year-on-year, falling from 9.9 PJ in February 2025 to 7.7 PJ in February 2026. Large gas user demand was 0.4 PJ (-8%) down in February 2026 year-on-year.

Price data for the Western Australian spot market is unavailable for the period since the outbreak of war in Iran. However, domestic gas prices in Western Australia have historically been significantly lower than netback LNG prices.[4]

Global oil and gas prices

Brent oil price

The Brent oil price is the benchmark price for most globally trade crude oil. Australian LNG export contracts are normally priced with a link to the Brent oil price. Figure 1 shows the Brent-linked contract LNG price with a 14% slope.

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 over US$110/bbl (A$155/bbl) on 9 March 2026 but is currently approximately $US100/bbl (A$141/bbl).

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$27.61/GJ as concerns surrounding LNG supply rose with the closure of the Strait of Hormuz. On 20 March the TTF was A$26.81/GJ, 64% higher than a month prior.

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. On 25 March 2026 the JKM was A$27.20/GJ, an increase of 74% compared to a month prior.

Henry Hub

The Henry Hub price is the wholesale spot price for gas in the US.

[4] 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 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. Prices have since fallen to around A$4.00/GJ.

The Henry Hub price has not been disturbed by the Iran conflict.

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. 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.

East coast Australian spot gas prices can increase during periods of high demand for GPG, as was observed during 2022. High demand for GPG normally occurs during winter in the NEM and is less likely during autumn.

With regard to international markets, the primary risks are that energy exports via the Strait of Hormuz continue to be constrained and that the conflict causes further damage to oil and gas production facilities.

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 to $US83.56/bbl (A$117.69/bbl) by the end of 2026. JKM futures indicate increasing prices to A$28.91/GJ in May 2026 before declining A$26.80/GJ by end 2026.[5]

[5] CME Group, 'Energy Markets', accessed on 11 March 2026