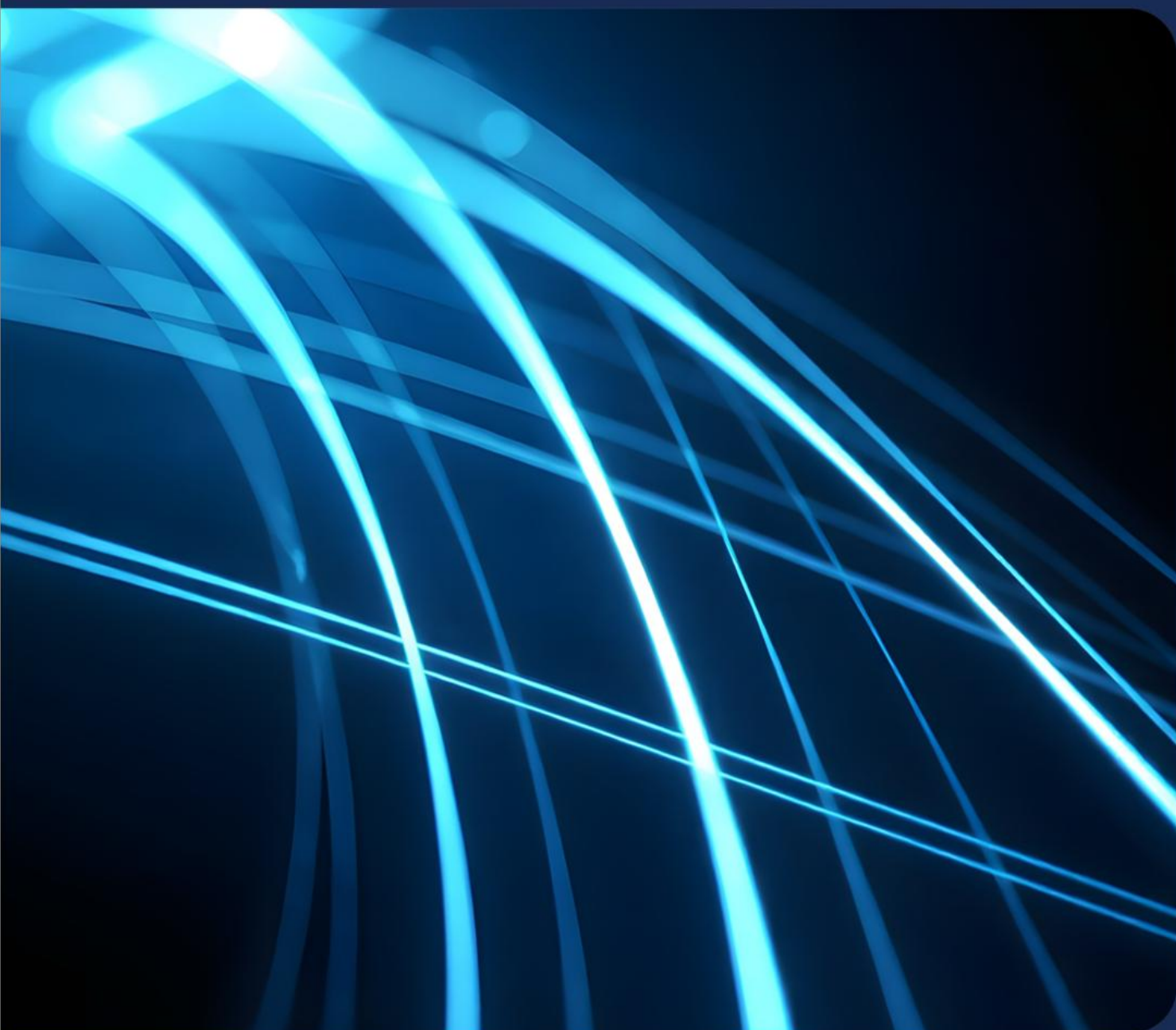


Australian gas prices vs Australian LNG prices

September 2026

An independent report
prepared by EnergyQuest for
Australian Energy Producers



Summary

This brief compares how much Australians pay for Australian gas in the east coast domestic gas market with how much Australia's Liquefied Natural Gas (**LNG**) export partners pay for Australian gas.

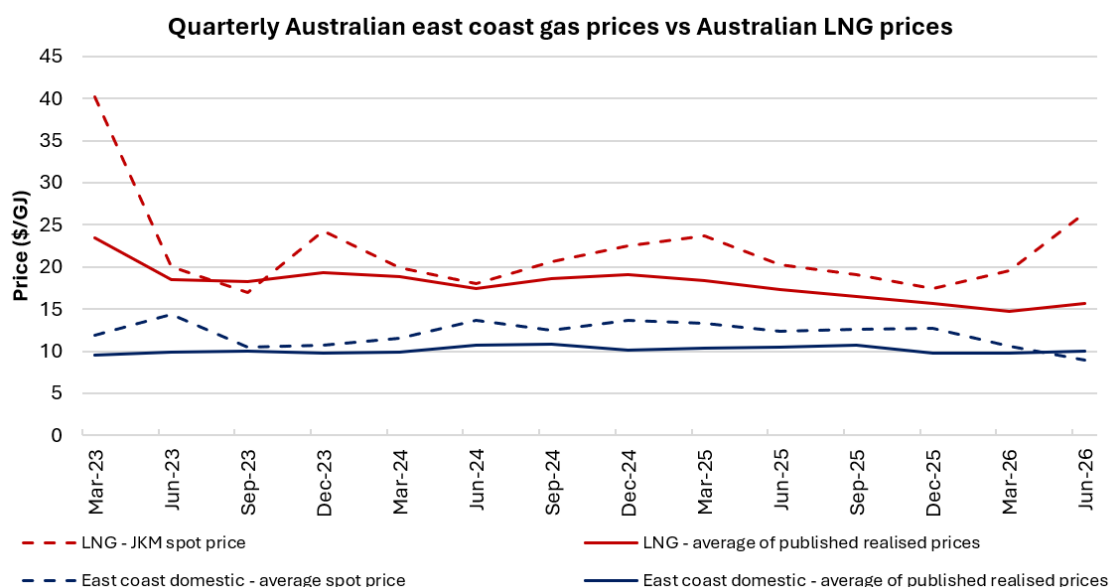
Key published price measures from 2023 to the end of June 2026 are shown in Figure 1 which indicates published prices for Australian gas bought by LNG export partners have been consistently higher than published prices for Australian gas bought in Australia.

Figure 1 includes the following price series:

- LNG – Japan Korea Marker (**JKM**) spot price: benchmark price for Asian LNG spot sales
- LNG – average of published realised prices: average of realised LNG prices for Woodside, Santos, and APLNG as published in Australian Stock Exchange (**ASX**) quarterly reports
- East coast domestic – average spot price: average price in east coast gas spot markets
- East coast domestic – average of realised east coast prices for Woodside, Beach, Amplitude, Santos, and APLNG as published in ASX quarterly reports

As shown in Figure 1, over the 12 months to June 2026 the average of published realised east coast domestic prices was \$10.07/GJ, 36% lower than the average of published realised LNG prices at \$15.65/GJ.

Figure 1 Quarterly Australian east coast gas prices vs Australian LNG prices



Source: Company reports, Australian Energy Market Operator, EnergyQuest

With regard to recent data, as at 31 August 2026 the average east coast spot price was \$10.73/GJ while the JKM spot price was \$31.689/GJ.

Further information on the basis for east coast domestic and LNG prices is provided in the Background section below.



Background

East coast domestic prices

There is no single east coast domestic gas price.

The price paid by gas users reflects whether the gas is purchased on the short-term spot market or under longer term contract, the terms specified in contracts (e.g. increased flexibility for the buyer generally increases the price), and the pricing mechanism set out in contracts.

The average published realised east coast over the 12 months to June 2026 of \$10.07/GJ compares to the Australian Competition and Consumer Commission (**ACCC**) estimate of full cycle breakeven production costs of \$11-12/GJ for 80% of 2P reserves and 2C contingent gas resources.¹

Around 10-30% of gas in the east coast market is sold in spot markets.² Spot market prices are generally more volatile than contract prices.

Larger gas users (e.g. manufacturers, industrials) generally purchase wholesale gas direct from gas producers under longer-term contracts that specify price and delivery terms. Contract prices are generally either a fixed price (usually with CPI indexation) or a commodity linked price (typically linked to oil prices, which have increased significantly since the outbreak of the Iran war).

The most recent gas market report from the ACCC indicates that:³

- Existing contracts between retailers and commercial and industrial users are predominantly fixed-price and therefore will not be affected by changes in global energy prices.
- A significant proportion of the contracts between producers and retailers are commodity linked (i.e. tied to Brent crude oil or JKM). There are, however, hedging arrangements that retailers and other gas buyers may have in place to hedge their exposure to international commodity prices.

Smaller gas users (e.g. households, small businesses) typically purchase gas from retailers, and retailers in turn either purchase gas from producers under contract or are producers in their own right. The wholesale price is a fraction of the retail price of gas which includes a retail mark up and other costs.

Pipeline transportation costs are in addition to spot and contract prices and can represent a significant percentage of the total cost of gas for users.

LNG prices

There is no single LNG price.

¹ Australian Competition and Consumer Commission, '[Gas Inquiry 2017–2030: Interim update on east coast gas market](#)', December 2025

² Australian Energy Regulator, '[State of the Energy Market 2025 – Chapter 4: Gas markets in eastern Australia](#)', August 2025

³ Australian Competition and Consumer Commission, '[June 2026 interim report](#)', 10 July 2026



As for the domestic market, the price paid by LNG buyers reflects whether the gas is purchased on the short-term spot market or under longer term contract, the terms specified in contracts (e.g. more flexibility for the buyer generally increases the price), and the pricing mechanism set out in contracts.

East coast Australian LNG projects primarily sell gas under long-term contract. In simple general terms, LNG prices are specified in US\$/MMBtu with reference to the US\$ oil price (typically Brent for Australian LNG) multiplied by a slope expressed as a percentage.

Analysis commissioned by the ACCC indicates the oil slope for medium-term LNG contracts for Asian delivery is currently 14.1%.⁴ For example, at the time of writing Brent oil prices are approximately US\$100/bbl meaning that under this measure contracted LNG prices are approximately US\$14.10/MMBtu (A\$20.95/GJ). However, the price realised by Australian LNG exporters reflects a mix of historical contracts, and LNG contracts typically also include adjustment mechanisms in the event of high or low prices, meaning that the realised price for Australian LNG is not necessarily Brent at a 14.1% slope.

The benchmark price for spot LNG cargoes in Asian markets is the JKM price. As in the domestic market, spot LNG prices are typically more volatile than contract prices.

⁴ Gaffney Cline, '[LNG price estimates report – June 2026](#)', 21 August 2026

