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Australian oil and gas continues to deliver but exploration in decline

The latest *'Resources and Energy Quarterly'* report from the Australian Government provides equal measures of optimism and disappointment, the Australian Petroleum Production and Exploration Association said today.

APPEA Chief Executive Dr Malcolm Roberts said rising LNG exports are underpinning Australia's economic growth but the continuing fall in petroleum exploration is alarming.

"\$200 billion has been invested in new LNG projects which will soon see Australia become the world's leading LNG exporter. Thousands of long-term, high wage jobs and more than \$16 billion in export revenue have been generated," Dr Roberts said.

"However, petroleum exploration is at its lowest level since the March quarter 2006.

"Today's exploration is tomorrow's production. Companies prepared to invest heavily in exploration should be allowed to get on with the job under proper regulatory oversight.

"Successful oil exploration in the Great Australian Bight, for example, would ease Australia's reliance on imported oil and deliver South Australia much-needed new investment and jobs," he said

The report by the Office of the Chief Economist says:

- The value of Australian LNG exports is forecast to increase by 41% to \$23 billion in 2016-17;
- Australia's LNG export volumes are forecast to increase by 40% to 51 million tonnes in 2016-17;
- An additional 15 million tonnes of LNG export capacity is expected to be completed by mid-2017, bringing total operational capacity to about 66 million tonnes;
- Gas production is estimated to have increased 23% in 2015-16 to around 82 billion cubic metres, driven by higher CSG production; and
- Australia's gas production is forecast to rise to 104 billion cubic metres in 2016-17, as LNG export capacity continues to increase.

"Capturing future growth and investment opportunities must remain a priority for all governments to build on a decade of extraordinary resource achievement," Dr Roberts said.

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