



9 December 2016

Gorgon boost for WA domestic gas supply

Western Australia's energy security has been further enhanced with the start of domestic gas supply from the Chevron-operated Gorgon project on Barrow Island.

APPEA Chief Operating Officer Western Australia Stedman Ellis said Chevron's announcement today that gas had started flowing from Gorgon to the mainland was great news for WA.

"As Australia's largest-ever resource project, Gorgon is a major reason why Australia is set to become the world's leading liquefied natural gas (LNG) exporter by 2020," Mr Ellis said.

"Its impact on the WA and Australian economies has already been enormous and is set to grow even bigger through the long-term jobs, local contracts, export income and taxation revenues it will generate over many decades.

"Gorgon's entry into the domestic gas market marks another significant milestone in the project's development and will ensure Western Australians continue to enjoy access to abundant supplies of cleaner-burning natural gas well into the future.

"Gorgon will initially supply 150 terajoules per day of domestic gas with the potential to double that volume when at full capacity. This is enough gas to generate electricity for 2.5 million households."

Mr Ellis said WA's domestic gas supply would be further boosted once Chevron began supplying gas from its Wheatstone Project near Onslow.

He said last month's announcement by AGL that it planned to start retail operations in WA in 2018 was further evidence of a healthy domestic market.

"Western Australians are clearly benefitting from increased gas supply and increased competition," Mr Ellis said.

"As the Australian Energy Market Operator noted in its Gas Statement of Opportunities report yesterday, WA has more than enough gas to meet its export and domestic requirements.

"Concerns that a successful gas export industry would jeopardise local supply are clearly misplaced."

Note: The Gorgon Project is a joint venture between Chevron Australia (47.3 percent), ExxonMobil (25 percent), Shell (25 percent), Osaka Gas (1.25 percent), Tokyo Gas (1 percent) and JERA (formerly Chubu Electric Power- 0.417 percent).

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