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Queensland gas industry working to boost domestic supply

The announcement today by QGC, a Shell Australia joint venture, that it has signed two new gas sales agreements with domestic customers is a clear demonstration that the Queensland gas industry is doing its bit to address concerns about domestic supply.

APPEA Queensland Director Rhys Turner said that QGC's announcement that it would be supplying gas for power generation in South Australia and manufacturing in Queensland should be a wakeup call to other state governments to act to bring on additional supply.

"The gas industry is committed to ensuring that additional gas is provided into the market. QGC's latest contract means that its domestic sales now account for 11 per cent of east coast demand," Mr Turner said.

"These new contracts – coupled with the recent announcement by QGC that it will soon start drilling up to 161 additional wells as part of its Project Ruby – show the industry is delivering on its commitments."

Mr Turner said that Queensland was playing its part in solving the supply problem, but south-eastern states are still dragging the chain.

"We have the absurd situation where the Victorian Government, supported by the Victorian Opposition, has effectively banned all forms of gas extraction in their own state," Mr Turner said.

"The time has come for manufacturers and unions who have sought to apportion blame for the current supply issues to the Queensland gas industry, to now work with the gas industry to bring pressure to bear on State Governments in the south-eastern states to remove barriers for exploration and extraction.

"The only way to meet gas demands for exports, domestic manufacturing, and energy generation in a sustainable manner is to increase supply."

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