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the voice of australia's  
oil and gas industry

Media Release

14 May 2019

## Australian wholesale gas prices below Asian average

Australia's average gas prices are amongst the lowest in Asia, according to the latest international survey of wholesale gas prices.

The 2019 International Gas Union's *Wholesale Gas Price Survey* shows the average wholesale gas price in Australia last year (\$US4.54/MMBTU<sup>1</sup>) was about 40 per cent less than the average wholesale price for the Asia-Pacific region. The Australian price was also around one-third less than the average wholesale price in Asia.

Australia's leading trade partners Japan, South Korea and China all paid average wholesale gas prices over \$US8 and in some cases approaching \$US12/MMBTU. Australia also enjoyed lower wholesale gas prices than its two regional LNG export competitors, Malaysia and Indonesia.

Globally, Australia's average wholesale price ranked 27<sup>th</sup> in a survey of 54 nations (see chart below).

APPEA Chief Executive Andrew McConville said: "While prices for new contracts on the east coast are higher than previously, the evidence shows the widely repeated claim that Australian prices are higher than prices in the countries importing our liquefied natural gas (LNG) is wrong.

"While the Australian gas market is relatively tight and prices for new contracts are higher than they have been historically, it remains the case that across the economy that Australian gas consumers are not paying prices above those paid on average in Japan or other LNG importing nations.

"In fact, quite the opposite is true. Australia's wholesale gas prices remain in the 'middle of the pack', a position we have held for many years."

The IGU's report follows the March 2019 release of the *2019 Gas Statement of Opportunities* (GSOO) by the Australian Energy Market Operator (AEMO) which confirmed the actions taken by the industry to bring more gas into the domestic market have removed concerns about potential shortfalls out to 2024. The IGU report highlighted the need for further investment in local exploration and production to bring more gas to the domestic market.

"Removing unnecessary government restrictions on exploration and development is the most effective way to boost supply, enhance competition and put downward pressure on prices, ensuring Australia retains or improves its global position, while enjoying the substantial and on-going benefits from our LNG exports," Mr McConville said.

The IGU report can be found [here](#).

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<sup>1</sup> MMBTU = one million British Thermal Units. The BTU is a traditional unit of work equal to about 1,055 joules. It is the amount of work needed to raise the temperature of one pound of water by one-degree Fahrenheit. The more usual measure of price used in Australia is gigajoule (GJ).  
1 MMBTU = 1.055056 GJ.

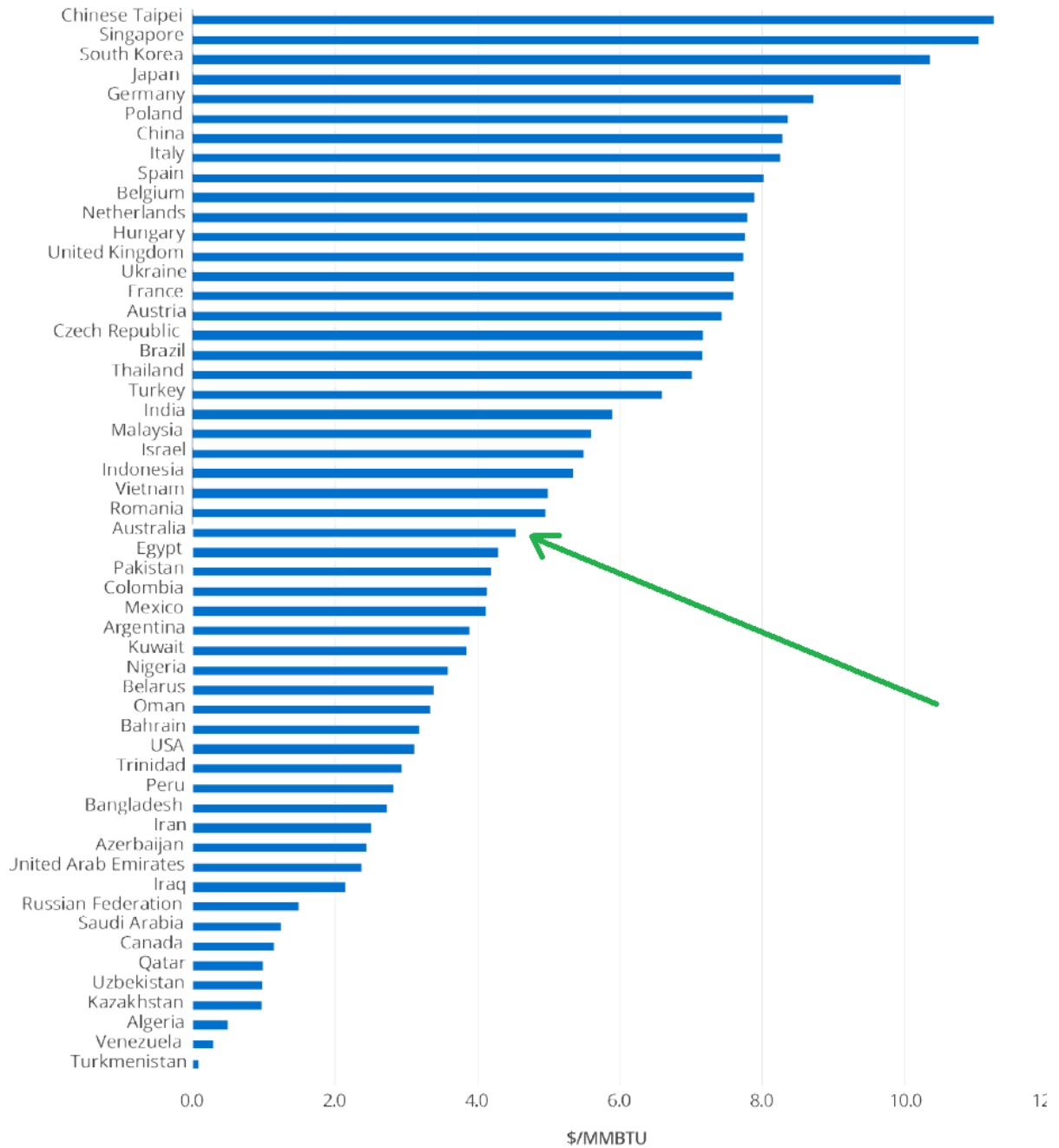


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## Wholesale Gas Prices in 2018 by Country



Source: International Gas Union, *Wholesale Gas Price Survey 2019*, page 17.

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