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MORE GAS SUPPLY SECURED FROM ESSO AUSTRALIA GIPPSLAND INVESTMENTS

More gas supply and improved energy security for Australia will result from almost half a billion dollars of new investments to develop the Gippsland Basin, according to Australia's oil and gas industry.

The Australian Petroleum Production & Exploration Association (APPEA) today welcomed Esso Australia Pty Ltd's final investment decision (FID) to progress additional gas development from the Kipper Field.

Esso Australia, a subsidiary of ExxonMobil Australia and operator of the Gippsland Basin Joint Venture, also revealed it was advancing funding decisions to optimise production from the Turrum field.

APPEA Chief Executive Andrew McConville said more gas supply in Victoria was welcome given the state had the highest domestic use and was also home to a growing manufacturing base.

"This is a \$400 million vote of confidence in the future of natural gas that will develop more supply, more security and more jobs," Mr McConville said.

"These significant investments by Esso Australia, which could deliver an extra 200 petajoules of gas over the next five years and boost supply into Australia's gas market on the east coast, can help meet future domestic demand.

"Victoria, in particular, has the highest domestic use in the country as well as an expanding manufacturing base so today's news will help feed that and sure up east coast supply. The cheapest gas is the gas closest to the customer."

Mr McConville said gas was a cleaner energy source to support the growth of renewables and projects like Esso Australia's would play an important role in reducing emissions.

"Natural gas is replacing coal and wood-fired power across the Asia-Pacific region to help meet net zero targets so this project will play its part reducing emissions," he said.

He added that more industry investment like Esso Australia's relies on supportive investment settings to help make Australia more competitive in global capital markets.

"There is a massive opportunity for Australia to have more big investment decisions like this – but the policy settings have got to be right," he said.

Last year, more than \$27 billion of new oil and gas investments were announced.

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