International Energy Price & Supply Trends and Domestic Implications

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• Founded 2005
• Energy strategy and analysis
• Graeme Bethune: CEO, Chair Australian Gas Industry Trust
• Susan Bethune
• Rick Wilkinson
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• ++
Spot oil price (US$/bbl)

Source: EIA, RBA
Oil production (MMbbl/d)

Source: IEA
US shale oil production (bbl/d)

Source: EIA
Oil price forecasts

Source: JP Morgan, Morgan Stanley Credit Suisse, Citi, BAML, RBC, World Bank, CME
International gas prices

Source: EIA, National Grid UK, Petroleum Association of Japan, Japan Trade Statistics
Asian LNG prices

Source: METI, Platts, SGX
LNG exports

Source: EnergyQuest
Qld LNG cargoes

Queensland LNG cargoes by destination (January 2015-October 2016)

Source: EnergyQuest
State of the industry 2014-15

- APPEA financial survey
- First recorded net loss: -$607m
- PRRT: $1,172m
- Royalties: $1,469m
- Corporate tax: $2,213m
- Other: $388m
- Total tax: $5,242m
Converging prices #2

Source: EnergyQuest
International gas prices

Source: EnergyQuest
Domestic market interactions

Source: EnergyQuest
Cooper Basin drilling

Cooper Basin gas wells drilled

- Other Development
- Other Appraisal/Exploration
- CBJV Appraisal
- CBJV Development

01 2014 02 2014 03 2014 04 2014 03 2015 04 2015 01 2016 02 2016 03 2016
Queensland drilling

CSG development wells drilled by operator

Source: EnergyQuest

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If it wasn’t hard enough…

Myth
Fears thousands of gas wells would pop up around the region, jeopardising its clean-green image.
Anne Daw
Lock the Gate
“Tiser 30/11/16

Reality
For the economy of Toowoomba, the Darling Downs and Queensland more generally, CSG’s been a once-in-a-generation, much needed, shot in the arm.
- John Cotter, Chairman, Queensland Gas Fields Commission, 30/11/16
Conclusion

- We can’t do much about the oil price and it will recover
- But that’s no use if onshore drilling is locked up by activists spreading scare stories
- We can and must fight that
Thank you