

MEDIA RELEASE

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Floating Browse gas overseas not the answer

Western Australia's peak energy user group has warned that any move to develop the massive Browse gas reserves as a Floating LNG project will hurt businesses and households dependent on domestic gas supply.

DomGas Alliance Executive Director, Gavin Goh, said Browse gas was vital to help offset an expected decline in supply from the North West Shelf Project which currently supplies 60% of the State's domestic gas.

"Production from new projects like Gorgon, Wheatstone, Macedon and Devil Creek will not be adequate to meet new and replacement demand for gas."

"If the Browse partners proceed with Floating LNG, not one molecule of gas will be brought onshore to supply the State's energy needs."

Mr Goh said the Federal Government must act to support the State's 15% domestic gas reservation policy.

"Governments are elected to act in the national interest and this includes energy security."

"Simply saying 'Don't interfere with the market' is not a legitimate response."

Mr Goh said the Browse partners enjoyed significant financial benefits when both the State and Commonwealth intervened to underwrite the original North West Shelf Project.

The State entered into a high priced, long-term take-or-pay contract and constructed the Dampier to Bunbury Natural Gas Pipeline. By the mid-1990s, the State had paid over \$300 million for gas it had not received and could not use.

Significant financial support was also provided by the Commonwealth for over 20 years by foregoing royalties on condensate production.

"The Browse gas resources are owned by all Australians. We expect more for our valuable energy resources than simply processing it offshore and floating it away to Japan."

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The DomGas Alliance

The DomGas Alliance represents natural gas users, infrastructure investors and prospective domestic gas producers. The Alliance promotes security and affordability of gas supply.

Alliance members represent around 80 percent of Western Australia's domestic gas consumption and transmission capacity, and supply gas and electricity to the State's 800,000 households and 200,000 small businesses.

