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Wheatstone contract a win for gas reservation policy

The DomGas Alliance has welcomed today's announcement of a major domestic gas contract between Alinta Energy and Chevron's Wheatstone gas project.

The new seven-year deal will reportedly see around 50TJs/day of gas delivered into the domestic market to Alinta from 2020.

DomGas Alliance Executive Director Matt Brown says the deal confirms the value and foresight of Western Australia's domestic gas reservation policy.

"The Wheatstone partners were required to reserve 15 per cent of the projects gas to be marketed into the domestic market," Mr Brown said.

"That means that Chevron and its partners must make genuine efforts to market around 200TJ's of gas per day into the domestic market.

"The outlook for domestic gas supply beyond 2020 is looking uncertain and without this Wheatstone gas we would be facing a major supply crunch affecting local industry and putting local jobs at risk.

"While we welcome the Alinta-Chevron deal the Western Australian community should know that without the domestic gas reservation policy, none of this gas would have been made available to Western Australian industry.

"Without the domestic gas reservation policy, the Wheatstone project would have focused solely on supplying the LNG export market.

"So today is a win for the common sense approach taken by successive Western Australian governments in trying to ensure that a small but fair share of our gas is available to local industry.

"Despite what has been said by producers, the reservation policy has not deterred investment. Since the policy's introduction in 2006, more than \$100billion of new projects have been undertaken and we have achieved record years for exploration investment, gas production and LNG exports."

For further comment contact Matt Brown on 0419 813 171.