Australia is a major exporter of LNG, with considerable potential for further development of the industry based on its abundant resources of natural gas.

Australia is the third largest LNG producer in the Asia-Pacific region and the fifth largest LNG producer in the world, exporting approximately 10.6 million tonnes in 2004-05.

Abundant gas resources have been identified in the North West Shelf Project area and the adjacent Gorgon fields, along with the Scott Reef/Breclonnek Fields, Bayu-Undan, Sunrise-Trudador, Scarborough and more recently, the Pluto and Jansz Fields. The LNG industry has the potential to attract up to A$30 billion in new project investment over the next 10 years, providing very large, long-term employment, economic and government revenue benefits.

LNG exports generated more than A$3.2 billion in 2004-05. Contracts are in place to supply LNG to Japan, China and South Korea which will increase export revenue, contributing both directly and indirectly to the Australian economy.

In August 2002, the Chinese Government announced that the NWS Joint Venture (JV) had been selected to supply LNG to the first phase of the Guangdong project. The deal to deliver more than 3 mtpa of LNG to China over 25 years will enhance the long-term energy partnership between China and Australia and represents Australia’s largest single dollar value export achievement totalling $20-$25 billion over 25 years. Shipments are expected to begin in 2006.

In January 2003, the NWS JV signed a letter of intent with the Korea Gas Corporation for the supply of 0.5 mtpa over 7 years. Shipments commenced late in 2003. The $1 billion deal is expected to lead to additional long-term sales agreements. South Korea is the world’s second largest importer of LNG after Japan.

Development of a fifth LNG processing train for the North West Shelf facilities on the Burrup Peninsula, worth about $1.5 billion, was announced in June 2005.

In February 2004 production of liquids commenced from the Bayu-Undan field in the Timor Sea. The project also involves a gas phase, with an LNG plant near Darwin due for completion in early 2006, to process the gas for export to Japan under contract to supply 3mtpa for 17 years. The first gas entered the Bayu-Undan-to-Darwin pipeline in August 2005 as the sales agreement for $4.34 billion project was signed.

The following provides links for further information.

- Australian LNG - Clean Energy for a Secure Future
- LNG Action Agenda
- ABARE Report on Australian Gas Supply and Demand Balance to 2019-20
- ABARE Asia Pacific LNG Market: Issues and Outlook 2004
- ABARE Asia Pacific LNG Market - recent developments and emerging issues June 2005

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