

## Australian Energy Production Growth to Be Led by LNG

By Angela Macdonald-Smith

Dec. 21 (Bloomberg) -- Australian energy production growth will be led by liquefied natural gas, with exports of the fuel set to jump by more than 7 percent a year through 2030, the government's commodities forecaster said.

LNG output may rise from less than 16 million metric tons this year, to 24 million by 2011-2012, before potentially more than tripling to 76 million by 2029-2030 on new projects, the Australian Bureau of Agricultural and Resource Economics said today in a report. Coal exports may rise by 2.2 percent a year.

The A\$19 billion (\$16 billion) Woodside Petroleum Ltd.- operated North West Shelf venture is expanding LNG capacity, while Perth-based Woodside is building the Pluto project, also in Western Australia. Chevron Corp., Inpex Holdings Inc. and BHP Billiton Ltd. are among companies proposing new plants.

"Coal and, increasingly LNG, will continue to be major export earners for Australia," Phillip Glyde, executive director of the Canberra-based bureau, said in an e-mailed statement on the release of the report.

Total energy production may rise 2.6 percent a year through the period, including 5.4 percent annual growth in natural gas output, the report said. The ratio between oil production and consumption will fall, resulting in Australia becoming more reliant on oil imports, it said.

### Slowing Demand Growth

Australia's energy demand may rise by 1.6 percent a year through 2030, with faster growth in natural gas use than in coal or oil, the bureau said. Energy demand growth is slowing as the economy becomes less energy-intensive, it said. Demand may rise 2.2 percent a year through 2011-12, down from annual growth of 5 percent in the 1960s, it said.

Queensland, the third-biggest energy-consuming state, will be the major contributor to energy consumption growth and is set to overtake Victoria and New South Wales to become the largest energy user by 2012, the bureau said.

Fossil fuels will maintain their 92 percent share of electricity use through the period, the report said. The share of electricity generation using gas will rise from 15 percent in 2005-06 to 24 percent in 2029-2030, while the share using coal will fall from 76 percent to 67 percent, it said.

The bureau's forecasts only take into account implemented policies and don't allow for the government's announced plans for a 20 percent renewable energy target by 2020, or for a proposed emission trading system.

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