

## APPEA applauds Rudd Govt's GTL plan

Wednesday, 27 February 2008

**FEDERAL Resources and Energy Minister Martin Ferguson's announcement yesterday of a National Energy Security Assessment and an action agenda process for gas-to-liquids technology could help unlock Australia's vast natural gas reserves, according to APPEA chief executive Belinda Robinson.**

"APPEA welcomes the political will expressed by the minister to clear impediments to the development of Australia's vast natural gas reserves," Robinson said.

The Sasol Chevron joint venture has proposed a GTL development that would use Western Australia's Wheatstone gas field for feedstock. Junior explorer Central Petroleum is also interested in pursuing a Northern Territory GTL development.

GTL technology is developing rapidly, but in the past substantial subsidies would have been needed to make constructing such projects viable. It is not clear what subsidies or incentives GTL proponents may be seeking, but Ferguson has given no financial commitments to Sasol Chevron or other GTL hopefuls.

Last week, the Department of Resources, Energy and Tourism told Senate Estimates hearings that 140 trillion cubic feet of gas has been identified in Australia, but present production rates, including domestic gas and export gas, would account for 1.5 to 1.8 trillion cubic feet of this total.

APPEA said it agrees with Ferguson that gas has a major role to play in providing clean energy to offset greenhouse gas emissions.

"If industry targets are met, global emissions of 180 million tonnes per year could be offset by Australian natural gas," Robinson said.

Australia could triple its liquefied natural gas exports to 60 million tonnes over the next decade while also supporting a commercially viable gas-to-liquids industry, and the National Energy Security Assessment is a welcome start on the road to making that happen, according to APPEA.

"The wealth creation potential of Australia's large gas resources will be maximised when gas flows to its highest value uses, which could include GTL as well as LNG and other applications," Robinson said.

The increased diversification of Australia's gas market could also help drive the development of remote gas fields and the search for more gas discoveries.



Martin Ferguson - Federal Resources & Energy Minister



APPEA chief executive Belinda Robinson

"A GTL industry would provide a third major market for the use of Australia's gas resources, alongside LNG and the domestic gas market," she said.

"As such, the natural gas production industry welcomes the resolve expressed by the Minister to help commercial interests unleash the potential of Australia's massive gas reserves."

Robinson said APPEA's Federal Budget Submission identified key drivers for realising the industry's potential. Enhancements to both regulatory and fiscal parameters would be important elements in aiding the development of the nation's petroleum resources.