

Cheap gas over, says ex-Woodside executive

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Former Woodside executive Keith Spence has told a business luncheon that the Western Australian gas market is in a state of transformation, and the days of cheap liquefied natural gas are over.

Speaking at the Economic Development of Australia's Resources Overview Committee gathering, Mr Spence said capital cost increases were creating pressure in the industry.

"The new gas is much more expensive to produce," he said, citing the distance from shore, deeper water and higher level of impurities in newer finds as additional cost factors.

However, Mr Spence said there were significant opportunities for the sector, with the high prices unlikely to change until at least 2030.

"Looking to the next decade, it is quite possible that there could be up to seven LNG projects nearing completion or under construction in Western Australia," he said.

Mr Spence is well regarded within the financial community and has also served as Woodside's chief operating officer.

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