

Australia's oil and gas industry: a snapshot

The world relies on oil more than any other energy source

- Oil accounts for almost a third of the world's primary energy demand.
- In Australia, oil provides 38% of primary energy—more than coal (32%), gas (24%) and renewables (6%).
- Oil is not only a transport fuel; its by-products are essential for producing plastics, chemicals, pesticides, lubricants, waxes, tars and asphalts.
- The International Energy Agency forecasts oil will still be the world's most used fuel in 2040.

Gas-fired electricity generation is flexible, reliable and low in emissions

- Gas-fired generation provides 22% of Australia's electricity generation capacity.
- Gas-fired plants can be turned on—or off—in minutes, providing electricity to meet spikes in demand or to offset falls in output from intermittent wind and solar generation.
- As more renewables are introduced, this balancing role becomes more important.

Natural gas is the invisible ingredient for Australian manufacturing

- Almost half of the gas used in Australia is consumed by industry, especially in the metals, pulp and paper, chemicals, and food, dairy and beverages sectors.
- Gas supplies 60% of manufacturers' energy use (but only 27% of their energy costs).
- Gas is the only viable source of energy for kilns and furnaces.
- Gas is an indispensable feedstock—essential to making products such as fertilisers, bricks, chemicals, packaging and glass.

Australia faces a worsening trade deficit in oil—\$6.3 billion and rising

- Australia uses 400 million barrels—63.6 billion litres—of oil each year.
- Australia consumes about three times as much oil as it produces.

Converting natural gas into liquefied natural gas (LNG) exports underpins our economy

- LNG is now Australia's third most valuable export (worth \$16.5 billion in 2015).
- Australia has seven operating LNG projects and three more being constructed.
- Australia will become the world's largest LNG exporter by 2020.

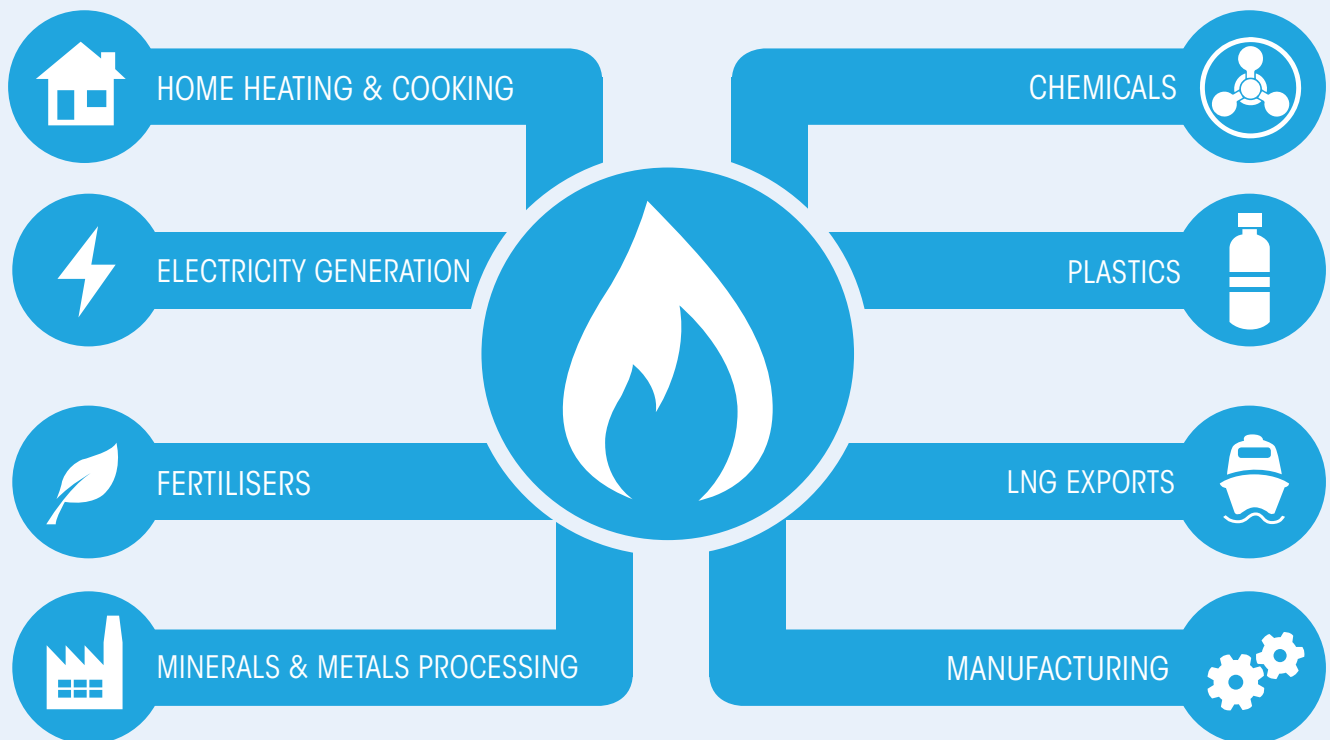
LNG is regional Australia's latest success story

- LNG is overwhelmingly a regional industry. Gas development and LNG production are undertaken in the Pilbara, South Australia, Darwin and south-west and central Queensland.
- Regions with gas projects have higher incomes, less unemployment and higher proportions of young people than other regional areas.
- The oil and gas industry strives to maintain the trust and goodwill of private landholders. In Queensland alone, the industry has more than 5000 land access agreements and has paid \$230 million to landholders.



Natural gas:

- a flexible, reliable fuel
- an essential industry feedstock



for more information please visit www.appea.com.au

APPEA LIMITED

t +61 2 6247 0960
e appea@appea.com.au

Level 10, 60 Marcus Clarke St
Canberra ACT 2600 Australia

GPO Box 2201 Canberra
ACT 2601 Australia