

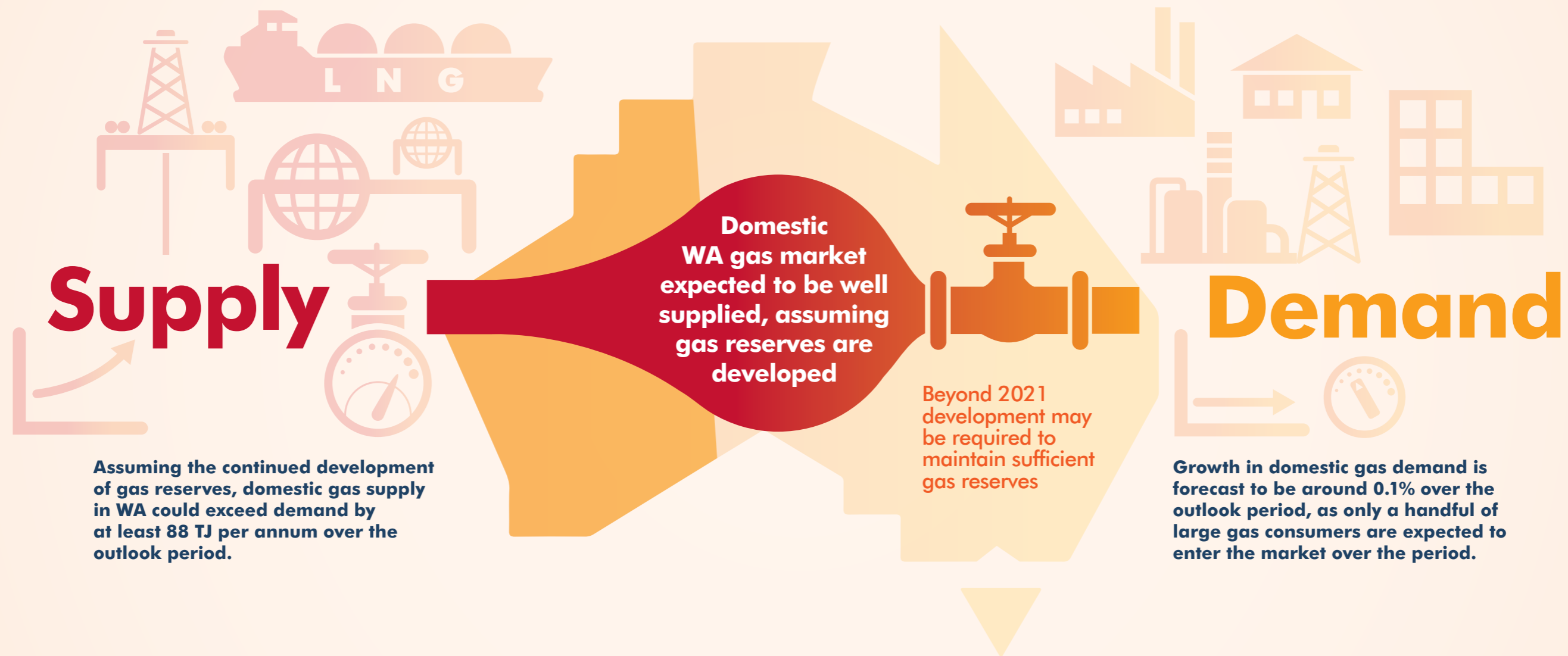
WA Gas Market Outlook 2017–2026

The WA GSOO forecasts annual gas supply and demand for WA's gas market over the 10-year outlook period 2017–2026. It provides information and assessments for the medium to longer term gas supply and demand, including transmission infrastructure and storage capacity in Western Australia (WA).

ABOUT AEMO

This infographic has been developed by the independent Australian Energy Market Operator (AEMO), using information from the 2016 WA Gas Statement of Opportunities.

As Australia's independent energy markets and power systems operator, AEMO provides critical planning, forecasting and power systems security advice and services to deliver energy security for all Australians. For more information, head to www.aemo.com.au



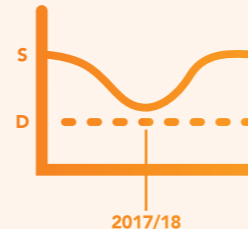
Improved exchange rate

An improved exchange rate forecast towards the end of the outlook period in the 2016 report has seen higher gas supply forecasts in WA than those presented in the 2015 report.



Gas production and LNG

Under its base scenario, AEMO forecasts that current and 'in development' gas production facilities would be able to meet demand over the outlook period. Based on current production rates of domestic gas and liquefied natural gas (LNG), proved and probable reserves are expected to last until 2035. A large proportion of these reserves are held by LNG export companies and joint ventures.



2017–2018 could be tight

Should there be delays in the commencement of the Wheatstone domestic gas production facility, the domestic market could become tight in 2017 or 2018.

Continued development may be required to enable several other domestic production facilities to have sufficient reserves to operate beyond 2021.

A large proportion of proved and probable reserves are held by LNG export facilities, which may only make gas available for the domestic market should it be commercially viable.



Undiscovered gas resources and slowed gas exploration

WA has a large volume of estimated gas resources, however a large proportion of these resources have not been explored or discovered.

Exploration in WA's gas basins is currently at the lowest levels observed since 1990 due to recent decreases in the international oil price and increasing costs of drilling exploration wells.

Conventional gas

Approximately 92%, or 158,373 petajoules (PJ), of Australia's total estimated conventional gas resources are located onshore and offshore in WA.

Unconventional gas

An estimated 311,428 PJ of unconventional resources (tight and shale gas) may be located in WA.