

WA natural gas demand to double by 2015: report

Monday, 10 November 2008

DEMAND for natural gas in Western Australia will double in the next six years as long as resource projects don't collapse due to the global financial crisis, according to a DomGas Alliance report.

The report found that more than 1100 terajoules of extra natural gas would be required daily to meet new and replacement demand by 2014-15, according to a report in the *Australian*.

It said the forecast for extra natural gas for new projects and to cover contracts expiring in the intervening years is the equivalent of the existing market.

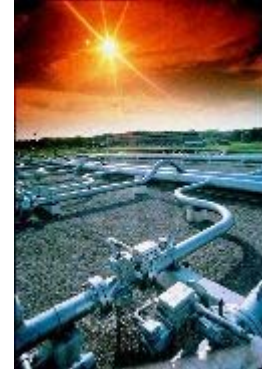
"The new projects included in this study are generally in feasibility study stages and are reasonable prospects to proceed subject to acceptable market conditions and regulatory approvals," the report said.

"The actual level of demand will depend on gas availability and price. The forecast assumes gas at similar prices to current levels."

DomGas Alliance chairman Stuart Hohnen was quoted by the *Australian* as saying the Varanus Island explosion which wiped out 30% of WA's gas supply reinforced the state's dependence on natural gas to generate electricity, fuel industry, and supply households and businesses.

"The West Australian market provides the advantages of low sovereign risk, no currency risk, geographic proximity and access to secure long-term contracts," he said.

"The investment and technology thresholds for domestic gas developments are also considerably lower than for liquefied natural gas."



Some of the Dampier to Bunbury Natural Gas Pipeline distribution facilities.