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Arrow deal is a major boost for gas supply and jobs

APPEA welcomes the gas supply deal announced today between Shell Australia joint ventures Arrow Energy and QCLNG.

The 27-year sales agreement will underwrite the development of Arrow's massive Surat Basin reserves, estimated to be five trillion cubic feet (TCF).

"This is great news for Queensland and for Australia," said APPEA Chief Executive Dr Malcolm Roberts.

"The largest undeveloped gas reserve on the east coast has found a way to market, supplying Australia's domestic and export customers for decades to come.

"This innovative deal has only been possible by the use of existing infrastructure developed to support the LNG industry.

"Once again, we are seeing how the development of a world-class gas export industry in Queensland is actually boosting supply to the domestic market."

Dr Roberts said the creation of 1000 new jobs, including 200 ongoing operational roles, was especially good news for regional communities in the Surat.

"While today's announcement has been driven by industry, there is plenty governments can do to increase gas supply and put downward pressure on prices," Dr Roberts said.

"The Queensland Government's own analysis shows regulatory costs account for more than a third of exploration costs and almost one-tenth of all costs over a project's life.

"There is no doubt that a concerted effort to reduce regulatory costs will encourage more exploration and development. This must be a priority for all governments."

Note: Arrow is owned by Shell and PetroChina (50/50). QCLNG is an unincorporated joint venture between Shell, CNOOC and Tokyo Gas.

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