



Australia's oil, gas output climbs 10% in 2006-2007: EnergyQuest

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Australia's oil and gas production grew 10% to 472 million barrels of oil equivalent in the fiscal year ending June 30, 2007, improving on the previous 12 months when output was flat, local consultancy **EnergyQuest** said Tuesday.

Oil production climbed sharply during the year, rising 16.6% to 129.8 million barrels due to higher production in the Carnarvon Basin offshore Western Australia. The nation's gas production reached 1,661 petajoules for the year, up 8.9% on 2005-2006.

"The growth in gas production reflects the drought still gripping eastern Australia, together with continued growth in exports of LNG," said **EnergyQuest** CEO Graeme Bethune. He added that in the last quarter of the fiscal year, gas use for power generation on the east coast more than doubled to offset the fall in coal-fired generation resulting from restrictions in the use of water in the states of Queensland and Victoria.

"Strong demand for gas has also pushed up wholesale gas prices, with average Victorian spot prices increasing 42% to A\$5.02 (\$4.17) per gigajoule compared with the previous June quarter," Bethune said. "On 18 July this year Victorian spot prices reached \$39.99 per gigajoule."

EnergyQuest said Australia's proved gas reserves at the end of June totaled 41,200 PJ. Of the total, 14,900 PJ were located on the east coast and 26,250 PJ on the west coast. Gas reserves continue to grow with new discoveries in Western Australia, while growth on the east coast reflects increases in reserves of coal seam methane, **EnergyQuest** said.