

PRESS RELEASE

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Queensland Gas Pilot a Welcome Step Forward

The leading voice and advocate for large energy users, the Energy Users Association of Australia (EUAA) has welcomed today's announcement by the Queensland Government of a pilot exploration project in the Surat Basin

"Gas is essential to the operation of many EUAA members and will play an important role in energy generation in the years to come so this latest innovation is welcomed," said EUAA CEO Andrew Richards.

The pilot project sets aside a small parcel of land for gas exploration under the condition any gas produced must be used in Australia. While the EUAA does not support domestic gas reservation the pilot exploration project will be an important learning experience to understand alternative ways for securing more gas supply.

"We hope there is genuine interest and investment in the pilot project and that it results in greater domestic gas supply and fairer prices for energy users."

In recent times energy users have been struggling to find reasonable gas contracts at fair prices and there are few signs to indicate this is about to change.

"While today's announcement is positive, we encourage policy makers, regulators and the gas industry to accelerate market reforms to deliver a better deal for energy users in the next 12 months."

Gas prices have increased dramatically in recent years, in part due to a tightening of the balance between supply and demand while moratoria placed on new gas exploration in some states is exacerbating the situation.

"The Queensland Government is to be congratulated for the leadership they are showing to develop this important sector and we call on other state governments to lift their moratoria on gas exploration and move to create a positive environment that encourages more gas exploration while protecting the rights of local communities."

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