

Australian Domestic Gas Outlook – 2026

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Good afternoon, and thank you for the opportunity to speak today. It's great to be back here and in front of you all at ADGO.

Today, I intend to touch on the gas market review, with a focus on the importance of a clear price signal for new investment, the benefits of upstream competition, the need to develop gas in more parts of Australia, and the consequences if we get this wrong.

Australia stands at an important moment in its energy policy. The decisions we make now about how our gas market operates will shape not just prices in the short term, but investment, competition, and supply for decades to come.

Let me be clear at the outset: the intention behind an east coast gas reservation is understandable. Governments want to ensure reliable, affordable supply for households and manufacturers. That is a goal we all share.

But good intentions do not guarantee good outcomes.

The central flaw in an east coast gas reservation policy is that it interferes with the very mechanism that ensures supply over time: the price signal.

Gas is a capital-intensive, long-cycle investment. At Senex, we have invested more than a billion dollars to bring new domestic supply to market. We now produce the equivalent of 10 percent of east coast annual demand.

Every decision we make—from drilling wells to expanding infrastructure—is underpinned by one fundamental question: does the forward price justify the investment?

When policy seeks to “oversupply” the domestic market, as has been proposed, it will render the price signal meaningless.

In the short term, you may see lower prices. But that will be a sugar hit. Because in the medium to long term, the consequence is clear: less reinvestment, fewer wells drilled, and ultimately less supply – as every Gas Statement of Opportunity shows, gas supply will decline materially if our industry doesn't continue to invest billions of dollars every year.

That is not theory. At Senex, we have lived it.

Regulatory intervention in recent years created such uncertainty that we paused a major expansion project—one that would have delivered additional gas to the domestic market. That delay increased costs, disrupted contracting, and slowed new supply.

Institutionalising that distortion through a poorly designed reservation framework, and the impact will be broader, deeper and permanent.

Surely that is not an outcome we want... And it will not fall evenly across the market.

Australia's upstream gas sector is already highly concentrated. The large LNG exporters control the overwhelming majority of reserves on the east coast.

Smaller, domestic-focused producers like Senex play a critical role in providing competition—offering alternative supply to manufacturers and retailers, and helping to balance bargaining power in the market.

But we are also the most sensitive to distorted price signals and regulatory risk.

In our view, a reservation policy that intentionally and artificially suppresses prices will impact the smaller, domestic focused players far more severely than the larger exporters at whom it is directed. It will crowd out the very companies that are trying to bring new domestic supply to market.

The result? Less competition, less investment, less tax revenue, less support for regional Australia, and fewer jobs – not more.

And over time, a tighter market—not a more liquid one. Let me put this another way.

If we were talking about supermarkets, none of the competition regulators here would suggest that the way to lower grocery prices would be to force both Coles and Woolies to deliberately oversupply the market and open more stores.

That doesn't increase competition—it entrenches it.

The real way to bring prices down is to create the conditions for new entrants. More players. More choice. More competition. More production. More drilling.....Gas is no different.

When governments worry about the price of gas to end users, we must be clear; upstream gas producers are price takers; not price makers.

To put it simply, a beef farmer sells into a market and takes the price available. What a customer pays at the supermarket is set far beyond the farm gate. Domestic gas is no different.

My message is this – the current gas market review needs to take extreme care in if, where and how it seeks to intervene.

Interfering with price signals will directly undermine the investment decisions needed to sustain supply.

These are not one-off decisions. They are the same signals that we rely on year after year to maintain production levels as fields decline.

If I may be blunt, we know that Governments may be tempted to pick winners, but please do not unwittingly and unnecessarily make upstream gas producers the losers.

At Senex, we are investing billions, supplying to the local market and playing our role in Team Australia's efforts to support and sustain our national economy and quality of life.

If we want a more competitive gas market, we need to ensure companies like Senex can invest, grow, and compete—not create policy settings which make that harder. Because then our shareholders' capital will be allocated elsewhere.

There is another important point here. Australia does not have a resource problem. We have a development problem.

There are tens of thousands of petajoules of gas reserves in the ground—more than enough to meet both domestic needs and export commitments.

The issue is that much of this gas is not being developed. We have known oil discoveries that haven't been developed, and oily basins that haven't been explored.

Why? Because of a combination of regulatory barriers, approval delays, and misaligned incentives.

And nowhere is that contradiction more stark than in our southern states.

NSW and Victoria are home to some of the largest manufacturing and industrial users of gas in the country. They are also home to significant gas reserves and resources, and companies actively trying to invest.

Yet that gas remains in the ground with long and contested approval processes. Moratoriums.

So we have the extraordinary situation where states with the greatest demand, and a deep history of oil and gas exploration and production, have made choices to not develop their own supply—and are now calling for policy interventions that would redirect gas from other parts of the country.

That idea is not just inefficient. It is fundamentally unsustainable.

We are effectively asking one part of the country to carry the investment risk, the development burden, and the community impact—while another part chooses not to develop its own resources.

Some may call this a failure of our federation, others may call it a lack of strong political leadership.

If we are serious about energy security and affordability, that imbalance has to be addressed.

If we want more gas in the domestic market, the answer is not to reshuffle existing supply. It is to unlock new supply—everywhere it exists.

That means faster and more efficient approvals.

It means encouraging the release and transfer of undeveloped acreage to those willing to invest.

And it means an appetite—across all jurisdictions—to develop the resources that we know are there.

In other words, we need to grow the pie—not divide it differently or keep proposing ways to take more tax from it.

In the current moment of geopolitical uncertainty, we also need to recognise the broader economic and strategic context.

In 2024, Australia exported 11.4 million tonnes of LNG to South Korea. Australia imported a similar amount of 11.6 million tonnes of refined petroleum products from South Korea —diesel, petrol and jet fuel.

That is not just trade. That is energy interdependence and a perfect example of economic complementarity .

At a time of increasing geopolitical uncertainty, that interdependence matters more than ever. Global energy markets are being reshaped by conflict, fragmentation, and shifting alliances. Supply chains that once seemed secure are now being tested, again.

For Australia, this underscores a simple but critical point: we must be a reliable supplier to our partners if we expect them to be reliable suppliers to us.

Countries like South Korea are not just customers—they are strategic partners in our energy security and they are investors in our supply capacity. Our LNG exports, as well as coal and iron ore help power their economy; their refined fuels help power ours.

Undermining that relationship through unpredictable or distortionary policy settings risks more than investment—it risks confidence.

And confidence, once lost, is difficult to rebuild. There are also practical design issues in the current gas market review that cannot be ignored.

A “must supply” obligation, into an oversupplied market is fundamentally unworkable.

Expanding market intervention powers while introducing reservation compounds uncertainty and makes many of us question how we can responsibly invest in this sort of environment.

Each of these elements adds friction, risk, and cost—without addressing the core issue of supply development.

So where does that leave us?

If government proceeds with a reservation to engineer ongoing oversupply in the domestic gas market, questions will rightfully be asked whether our sector is investible, for a domestic focused producer.

Not just for new supply but to even keep drilling now.

But more importantly, we should be asking a different question.

How do we create a market that delivers more gas, more competition, and more investment?

Because that is the real solution. That is the sustainable pathway to lowering prices.

At Senex, we have demonstrated what is possible. We have invested to develop gas acreage covered by the Queensland government's Australian Market Supply Conditions.

We battled through arcane approvals processes and failed intervention policies, and eventually found a space to invest, bringing new gas to market, supporting manufacturers and contributing to regional economies.

We stand ready to do more.

But we can only do so in a policy environment that respects the fundamentals of how markets—and investment—actually work.

The gas sector in the United States thrives and easily supports domestic requirements and export cargoes.

Capital flows where it is welcomed.

Energy independence is an ambition shared by both sides of politics in the US, and '*drill baby drill*' resonates across the industry as a call to action.

In Australia, for too many in positions of power it's become too easy to adopt the path of least resistance.

It has become fashionable to be quiet on energy independence in Australia, and it has become fashionable to believe that Australia should just rely on others. The hard conversations are not being had.

The current shock we are experiencing should be the wake up call our country needs to reset. It is time for Australia to be brave again, to back our local industries, and to not feel ashamed of using

the resources we have been endowed with – because that’s what every other country on earth is doing right now.

I don’t expect to hear cries of ‘*drill baby drill*’ in Canberra’s corridors, but I do hope that we can begin to hear and feel a greater degree of political support for Australia’s role in powering itself and our neighbours who rely on us as we rely on them.

If we get this right, Australia can have both: reliable domestic supply and a strong export sector helping to underpin economic development and our standard of living – that is the prize.

If we get it wrong, we risk undermining both. That would be a tragedy for this great and lucky country that we all love dearly.

Thank you.