Gas, Growth and Partnership: Why Natural Gas Remains Essential to the Energy Transition

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Chairman, distinguished guests, ladies and gentlemen, good morning.

Thank you to the Australia-Korea Business Council and the Korea-Australia Business Council for bringing us together today.

These forums matter because they bring together two countries whose futures are increasingly interconnected through trade, investment, technology, industrial development and energy.

I would particularly like to acknowledge the Chairman of the Korea-Australia Business Council, Mr. Chang In-hwa, who is also Chairman of POSCO, one of the world's leading industrial companies and, through POSCO International, a majority owner of Senex Energy.

Australia and Korea have enjoyed a remarkable economic partnership over many decades.

Australia has supplied the resources, energy and raw materials that have helped power Korea's extraordinary industrial development.

Korea has invested in Australia, created markets for our products and become one of our most trusted strategic partners.

The strength of that relationship is reflected in this room today.

And I believe the next chapter of our partnership has the potential to be even more significant than the last.

Introducing Senex

For those unfamiliar with Senex Energy, we are an Australian natural gas producer focused entirely on supplying Australia's domestic market.

We operate in Queensland's Surat Basin and have recently completed more than $1 billion of investment to expand production capacity to approximately 60 petajoules

annually. That is enough to supply more than 10 per cent of east coast domestic gas demand and around 40 per cent of Queensland's gas requirements. Our gas supports manufacturers, industrial users, electricity generators and retailers across Australia under long-term contracts that help deliver reliable and affordable energy. Senex is proudly owned by POSCO International and Hancock Energy, combining Korean global energy expertise with Australian gas capability.

Today, I want to speak about the role of natural gas in Australia, Korea and our broader region.

More specifically, I want to talk about why gas remains fundamental to energy security, economic growth and decarbonisation as our countries navigate one of the most significant energy transformations in modern history.

The Energy Transition is Happening

Let me begin with something that is beyond dispute.

The energy transition is real.

Renewable energy is growing rapidly.

Solar and wind generation continue to increase across the globe.

Battery installations are advancing at remarkable speed.

Governments, businesses and communities are investing heavily in lower-emissions energy technologies.

Australia is no exception.

Indeed, few countries have embraced renewable energy as enthusiastically as Australia.

At Senex, we welcome that development.

We are not sceptical about the energy transition.

We are participants in it.

The question is not whether the energy transition will occur.

The question is how we deliver it while maintaining reliability, affordability and economic prosperity.

And that is where natural gas plays a critical role.

A Decade of Transformation in Australia's Energy Market

To understand why gas remains so important, it is worth reflecting on what has happened inside Australia's National Electricity Market over the past decade.

In 2015, Australia's electricity system was still overwhelmingly dominated by coal.

Coal supplied approximately three-quarters of electricity generation across the National Electricity Market.

Renewables contributed less than 15 per cent of total generation.

Gas-fired generation played a relatively larger role than it does today, operating both as a source of energy and system flexibility.

Fast forward to 2025 and the picture has changed dramatically.

Australia has experienced one of the fastest rates of renewable energy deployment anywhere in the developed world.

Millions of homes have installed rooftop solar.

Large-scale solar projects have emerged across regional Australia.

Wind generation has expanded significantly.

Battery storage has become a major area of investment.

As a result, renewable energy's share of generation has more than doubled, reaching around 40 per cent of supply across the National Electricity Market by 2025, with significantly higher penetration at certain times of the day.

At the same time, ageing coal-fired generators have progressively retired or announced plans to close.

The electricity market is becoming fundamentally different from the one Australians knew only ten years ago.

Yet one thing is particularly noteworthy.

Gas did not disappear.

Instead, its role evolved.

Ten years ago, gas generators often operated for extended periods throughout the day.

Today they are increasingly valued for their ability to respond rapidly when needed.

As solar production increases during daylight hours, wholesale electricity markets regularly experience very low prices and, increasingly, negative pricing events.

The challenge facing market operators is no longer simply producing electricity.

The challenge is ensuring electricity is available precisely when consumers need it.

What happens at sunset when solar generation rapidly declines?

What happens during periods of low wind?

What happens during prolonged weather events that restrict renewable generation across multiple regions?

That is where dispatchable generation becomes essential.

And gas is uniquely positioned to provide that capability.

Why Gas and Renewables Need Each Other

Increasingly, Australia's future electricity system will rely on three complementary technologies.

Renewables will provide the majority of energy.

Battery storage will manage short-duration imbalances.

Gas generation will provide reliability when renewable output and storage are insufficient.

Batteries are extraordinary technologies.

But batteries and gas are not competitors.

They are partners.

Batteries are highly effective at balancing supply over hours.

Gas generation can provide sustained support over days, and if required, even longer periods.

This distinction is critically important.

The future energy system is not renewables or gas.

It is renewables and gas.

It is batteries and gas.

It is innovation and reliability working side by side.

As Australia's coal fleet ages, the importance of flexible gas generation is likely to increase, even if the number of hours it operates declines.

Its role is changing.

Its importance is not.

Energy Security Has Become a Strategic Imperative

A second reality has emerged over recent years.

Energy security has become a strategic issue.

Indeed, I would argue that energy security and national security are now inseparable.

Recent geopolitical events have reminded us how interconnected energy markets have become.

Global supply chains matter.

Investment certainty matters.

Trusted trading partners matter.

Reliable energy suppliers matter.

This is where the Australia-Korea relationship becomes particularly important.

For decades, Australia has supplied Korea with reliable energy.

Korea has invested heavily in Australia's resource and energy industries, and supplied us with the liquid fuels that keep our country running.

Together we have built relationships founded on trust, long-term commitment and mutual benefit.

Those partnerships become increasingly valuable during periods of global uncertainty.

The Importance of Gas to Korea

Few countries understand energy security better than Korea.

Korea is one of the world's great industrial economies.

It is a manufacturing powerhouse.

A technology leader.

A global exporter.

And it requires secure and reliable energy to support that success.

Natural gas and LNG play a critical role in that system.

Gas helps ensure reliable electricity supply.

It supports manufacturing.

It provides flexibility as renewable generation expands.

And it assists Korea's efforts to reduce emissions while maintaining industrial competitiveness.

Australia today remains one of Korea's most important LNG suppliers.

That trade relationship benefits both nations.

Australian gas helps fuel Korean growth.

Korean investment helps support Australian production.

This relationship is a textbook example of regional economic partnership delivering mutual value.

And I believe its strategic importance will only increase in the years ahead.

Looking Ahead

As we look to the coming decades, I believe three realities will shape our region's energy future.

First, renewable energy will continue to expand rapidly.

Second, energy demand will continue growing as economies electrify, populations grow, data centres expand and artificial intelligence increases electricity consumption.

And third, reliable gas supply will remain essential to support energy security, industrial competitiveness and system reliability.

These trends are not contradictory.

They are complementary.

Countries that recognise this reality will be best positioned to attract investment, support industry and prosper in an increasingly competitive world.

Conclusion

Let me conclude with this thought.

The Australia-Korea partnership has always been grounded in pragmatism.

Not ideology.

Not theory.

But practical cooperation creates prosperity for both nations.

For more than half a century Australia has helped power Korea's economic success.

Today, through companies such as POSCO and Senex, we are helping write the next chapter together.

A chapter focused on energy security.

A chapter focused on decarbonisation.

A chapter focused on industrial competitiveness.

And a chapter focused on ensuring that our region continues to enjoy access to reliable, affordable and lower-emissions energy.

Natural gas will remain central to that story.

Not as a competitor to the energy transition.

But as one of its most important enablers.

Thank you very much.