



MEDIA RELEASE

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GLOBALLY COMPETITIVE GAS PRICES NEEDED FOR DOMESTIC SUPPLY

Australia's largest petrochemical company says that whilst it supports the Prime Minister's plan for a gas-led economic recovery, the new Heads of Agreement (HoA) between the Australian Government and East Coast Liquefied Natural Gas (LNG) Exporters does not make gas more affordable for domestic consumers.

Responding to the Australian East Coast Domestic Gas Supply Commitment in the HoA, Qenos CEO Mr Stephen Bell warned that gas dependent businesses like Qenos could not have any confidence that competitively priced gas would be delivered as an outcome of this agreement.

"I am fully supportive of the Prime Minister's plan for a gas-led recovery," Mr Bell said.

"To make this a reality, domestic manufacturers and consumers need globally competitive gas prices."

"Unfortunately the Heads of Agreement provides no basis for any confidence that competitive prices will be delivered. Despite having this abundant energy and value adding resource, Australian industry, manufacturers and households are being asked to continue to carry the burden of high gas prices, referenced at best to an unfeasible Asian LNG spot price. Globally competitive prices are those paid by gas rich economies, not those paid by gas starved North Asian countries."

"It is now critical that the Industry Code of Conduct, currently being developed between the industry groups, establishes a more appropriate pricing reference to ensure that domestic gas is delivered at a globally competitive price."

"A domestic industry gas supply commitment with globally competitive pricing is in the national interest to underpin the economic recovery and jobs growth that depend upon businesses like Qenos," Mr Bell said.

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About Qenos:

As Australia's only manufacturer and leading supplier of polyethylene, Qenos adds value to Australia's natural resources through conversion into high value petrochemicals and polymers that are used by hundreds of companies in the Australian plastics and chemical industry. Qenos products are used in myriad applications, including the key packaging, agriculture, automotive, water, mining and waste management industries making Qenos a vital link in the Australian manufacturing chain. With manufacturing sites in Victoria and New South Wales, Qenos has approximately 1000 employees and contractors with an annual revenue of \$750m.

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