

2006 Gas Production Up 3.4%, Oil Down 5.5%

Natural gas production in Australia grew strongly throughout 2006, according to estimates released by independent energy research firm, EnergyQuest.

Total gas production for the 12 months reached 1,-566 PJ, an increase of 3.4% over the previous year. Oil production, however, dipped to 117.3 MMbbl, down 5.5%, or 6.9 MMbbl, on 2005.

EnergyQuest Chief Executive Officer, Doctor Graeme Bethune, said production from a number of new oil fields, including Enfield operated by Woodside and Cliff Head operated by Roc Oil, was insufficient to offset natural decline from existing fields.

Natural gas liquids (LPG and condensate) production also fell. Total petroleum production was essentially flat at 442.9 MMboe in 2006, compared with 442.1 MMboe in 2005.

Gas production for consumption in Australia grew by 3.4% to 908 PJ. "This reflected strong growth in coal seam methane production, which reached 80 PJ, an increase of 31.4%", Bethune said.

Australia's Top 5 petroleum producers in 2006 were:

	% Share of Total 2006 Petroleum Production	Million Barrels of Oil Equivalent	% Share of Total 2005 Petroleum Production
1. BHP Billiton	17.7	78.3	18.6
2. Woodside	13.3	58.9	13.0
3. Santos	12.0	53.2	11.3
4. Exxon	9.3	41.3	9.9
5. Chevron	8.0	35.5	8.3

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Production of LNG for export also grew, by 3.4% to 12 MMT, reflecting higher production from the North West Shelf and the commencement of Darwin LNG production.

"Australia continues to do well in finding and commercialising gas but we still aren't finding enough oil to replace falling production from our existing mature fields", he said.

"The challenge to all new and current oil producers is to reverse this trend to avoid having to import more and more oil to meet our growing national demands."

Santos was the largest producer of domestic gas, Origin Energy was the largest producer of coal seam methane, Woodside and the North West Shelf partners were the biggest LNG producers, while BHP Billiton produced the most oil and natural gas liquids. ■