Who we are

- RISC is a truly independent advisory firm. We provide impartial advice to a broad range of clients in the oil and gas industry, enabling them to make their business decisions with confidence.
- We work in partnership with our clients to support their interests in the oil and gas industry, offering a broad and innovative perspective on oil and gas projects around the world.
  - We have many years of practical experience and provide a bespoke service.
  - We provide insightful views on technical, commercial and strategic issues
  - We help our clients understand the uncertainties and risks associated with the oil and gas industry.
What we do......RISC Group Expertise

- **Independent Opinion**
  - CPRs; ITSRs etc..
  - Reserves / Resources audits and certification
  - Expert Witness
  - Asset/Portfolio valuations

- **Due Diligence**
  - Support for acquisition, debt/equity raising etc..
  - Asset/Portfolio valuations

- **Peer Assistance and Review**
  - Modelling
  - Feasibility and Concept Selection studies
  - Pre/Post FEED/FID, and execution reviews

- **Technical Advice**
  - Basin/Exploration studies and evaluation
  - Field Development Plans

- **Strategic and Commercial Advice**
  - Portfolio assessment
  - Gas market evaluation
  - Workshop facilitation

- **Divestments and Acquisitions**
  - Sales and purchase processes
Who we work with
Famous misquotes....

- “Heavier than air flying machines are impossible”  
  Lord Kelvin, President British Royal Society, 1895
- “By 1950 London will be under 9ft of smelly horse manure”  
  London Times, 1898
- “The peak of oil production will be passed possibly within 3 years”  
  US Geological Survey, 1919
- “There’s a world market for about 5 computers”  
  Thomas Watson, Chair IBM, 1943
- “World oil production will peak at 12.5 Bbbl/yr (34 mmbbl/day) in ~2000”  
  M. King Hubbert, 1956
- “There’s no reason anyone would want a computer in their home”  
  Ken Olsen, DEC (later Compaq), 1977
- “The PNG-QLD pipeline could supply 15% of East Coast Gas by 2015”  
  ACIL 1998
- “CBM reserves are small and can supply only a fraction of the PNG pipeline”  
  Petroleum Economist, 2002
- “By far the largest source of US incremental gas supply is expected to be LNG”  
  EIA, 2006
- “It is unlikely that significant changes in LNG pricing will take place”  
  IEEJ, 2006
- “Natural gas prices will remain high in the US for the foreseeable future”  
  EIA, 2007
- “LNG will never become commoditized, the capital costs are too great”  
  Unknown Engineer, FLNG conference 2013
- “Natural gas prices on the East Coast will never return to A$4-5/GJ levels”  
  Analyst, APPEA 2019
- “The Beetaloo is like the Marcellus 10-12 years ago....”  
  Multiple commentators at SEAOC 2019
Australian Gas Markets

Comparison of Gas Markets

WA Domestic Market, TJ/d

Gas Market Supply/Demand, TJ/d

Australian Gas Markets

Comparison of Gas Markets

- WA Domestic Market, Tj/d
- East Coast Domestic Market, Tj/d
- West Coast LNG, Tj/d
- East Coast LNG, Tj/d
Comparison of Gas Markets

- WA Domestic Market, TJ/d
- East Coast Domestic Market, TJ/d
- West Coast LNG, TJ/d
- East Coast LNG, TJ/d
- Global LNG, TJ/d

Gas Market Supply/Demand, TJ/d

Years: 2005 to 2030

The chart illustrates the comparison of gas markets from 2005 to 2030, showing trends for WA Domestic Market, East Coast Domestic Market, West Coast LNG, East Coast LNG, and Global LNG. The data suggests an increasing demand for gas over the years, particularly in the global LNG market.
5 LNG Terminals are planned for Eastern Australia

NSW
- Newcastle Gas Dock
  - EPIK Energy
    (Energy Projects and Infrastructure Korea)
- Port Kembla Gas Terminal
  - Australian Industrial Energy (AIE)
    (Squadron Energy, Marubeni, JERA)

VIC
- Longford
  - ExxonMobil
- Crib Point
  - AGL

SA
- Pelican Point
  - Venice Energy
    (Mitsubishi)
Daily constraints - infrastructure limitations

Getting gas to where it is needed when it is needed is an issue:

- QLD GP designed to flow West to east, but flows the other way during periods of high demand
- Iona Gas Storage and Longford Gas Plant together struggle to supply Victoria and South Australia.

- NSW (Sydney) and SA (Adelaide) are most vulnerable parts of the system as they are the furthest sinks from sources, and have already experienced infrastructure limitations.
  - NSW larger population
  - SA larger resource base

- 1 FRSU each?
US Gas Market changes

US will be 2nd largest importer of LNG

~100MTPA of import capacity built in USA
US Gas Market Changes (II)

US starts exports of LNG

US exports of LNG anticipated to exceed 90MTPA
The impact of a fundamental shift in costs....
The impact of a fundamental shift in costs...
The Impact of a fundamental shift in costs...
Conclusions - RISC views on East Coast Market

- Shortage of gas is being experienced already – LNG export projects are not running to capacity, and peak domestic gas supply is not being met.
- The current infrastructure and commercial arrangements do not support domestic development that would supply sufficient gas where it is needed.
- LNG imports are likely the only source of gas in the short term given the current moratoria in place on exploration and development.
- In the longer term, with the right support and development, unconventional plays could radically alter the current views of the East Coast market.