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By email to LNGnetbackreview@accc.gov.au

Australian Competition & Consumer Commission

Response to ACCC review of the LNG netback price series – draft decision

Esso Australia Resources Pty Ltd (**Esso**), on behalf of its joint venture partners, BHP Billiton Petroleum (Bass Strait) Pty Ltd and Mitsui E&P Australia Pty Ltd, operates a network of 23 offshore installations, 600 km of pipelines and three gas processing plants in Victoria. Esso has been supplying natural gas for over 50 years and currently markets gas to major wholesale gas retailers and large industrial users in Victoria and New South Wales. In addition to natural gas, Esso is a major supplier of ethane feedstock, liquefied petroleum gas, condensate and crude to refineries, petrochemical producers and consumers in Victoria and global markets.

Esso welcomes the opportunity to provide feedback to the ACCC's LNG netback price series draft decision paper (**draft decision**) published on 1 July 2021 and thanks the ACCC for conducting a thorough and inclusive consultation process.

In general, Esso is broadly supportive of the ACCC's draft decision to:

- Publish short-term (up to 2 year) forward LNG netback prices based on JKM spot prices;
- Publish longer-term (2 – 5 year) forward LNG netback prices based on an oil index; and
- Continue its current approach of only deducting avoidable costs when calculating LNG netback prices.

Accordingly, Esso recommends these elements feature in the ACCC's final decision.

Yours sincerely,



David Berman
Commercial Director
Esso Australia Pty Ltd
For and on behalf of Esso Australia Resources Pty Ltd