



Fact Sheet

Asia does not need LNG from Browse



In the context of a global LNG supply glut, Browse will likely be uncompetitive



Browse LNG will be too costly to drive a coal-to-gas shift in Asia



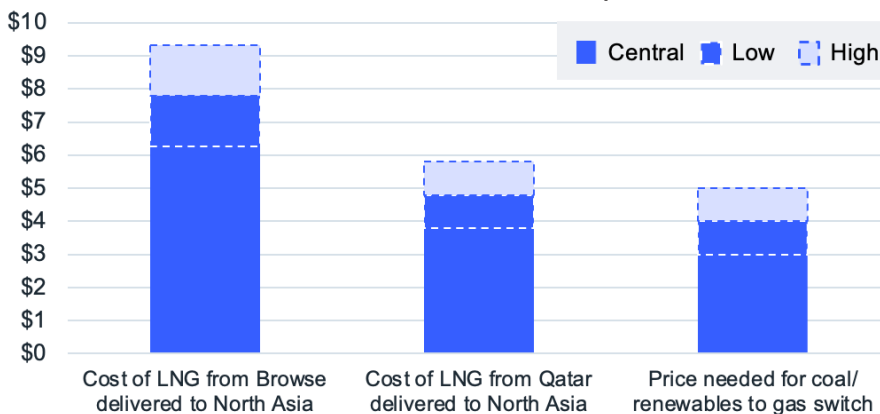
Japan on-sells one third of the LNG it buys from Australia

LNG from Browse will likely be uncompetitive in an oversupplied market

The world is facing an imminent LNG supply glut. An unprecedented 11,000PJ of new LNG capacity is set to come online by 2030. However, LNG demand in established markets is falling, and demand from price-sensitive emerging markets is uncertain.

The International Energy Agency (IEA) expects significant oversupply before 2030, lasting until 2040 even under a slow-transition scenario. It says gas prices of around USD3-5 per million British thermal units (MMBtu) would be required “to make gas attractive as a large-scale alternative to renewables and coal” and unlock large volumes of demand.

Estimated cost of LNG delivered to North Asia, USD/MMBtu



IEEFA estimated that the cost of LNG production from the Browse field is likely about USD6.8/MMBtu. Adding in shipping costs of USD1/MMBtu, Browse could cost about USD7.8/MMBtu delivered to North Asia.

This is about twice the price point required to unlock large volumes of new demand. This is also about 60% as expensive as LNG from Qatar, which will have large volumes of LNG to sell to Asia.

LNG demand growth faces a range of challenges in Asia

Global LNG producers are forecasting fast growth in demand from Asia. However, LNG demand from emerging Asian markets declined markedly in 2022 after prices spiked, and it took until 2024 to see demand go back above 2021 levels. China's LNG imports dropped again by 20% in the first half of this year. Challenges include:

Focus on domestic production and pipeline imports

Slowed growth in gas generation due to global gas turbine shortages

Lengthy contractual negotiations and infrastructure deployment

Competition from cheaper alternatives such as renewables

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Browse gas: Expensive, emissions-intensive, unnecessary



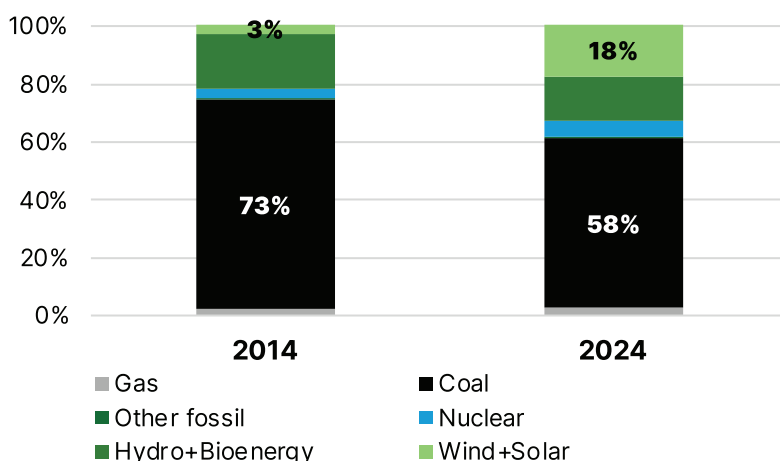
Australian Gas and LNG tracker



How Japan cashes in on resales of Australian LNG at the expense of Australian gas users

LNG is not displacing coal in Asia's energy mix – renewables are

Chinese electricity generation mix, %



China consumes more than half of the world's coal, with one third of all coal used in Chinese power plants. China's total coal consumption dropped in 2025, driven by a drop in coal power generation. This was despite continued growth in electricity, which was outpaced by growth in solar and wind generation.

China is deploying renewables at an astonishing speed, meeting its 2030 targets for wind and solar six years early in 2024. China installed more than 350GW of solar and wind in 2024; about 3.5 times the total amount of generation capacity in Australia's National Electricity Market. Meanwhile, gas generation is growing much more slowly, representing only 3% of the electricity mix in 2024.

Commentators also attributed the recent drop in coal generation observed in the Philippines to LNG. However, IEEFA found that renewables generation had increased about four times more than gas generation in H1 2025.

Looking to the future, the IEA highlighted that absorbing all the prospective new LNG supply would require "slower energy transitions – with less wind and solar, lower rates of building efficiency improvements, and fewer heat pumps" than projected in its 2.4°C-aligned scenario.

Browse is highly emissions-intensive:

► ~10% CO₂, much higher than other gas fields (Scarborough has 0.1% CO₂)

► ~3-4% of Australia's emissions in 2035

CCS is not a reliable solution to reduce its emissions:

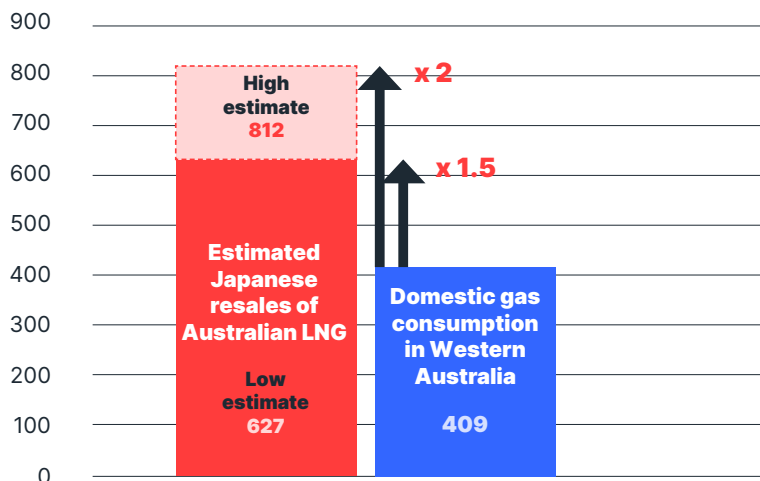
► Carbon capture and storage has a history of underperformance and failure

► Gorgon CCS, the largest project in the world, captured just a third of the CO₂ it removed in the last three years

Japan on-sells a third of the LNG it buys from Australia

Japan is the largest buyer of LNG from WA. It often claims Australian LNG is critical to its energy security and "keeping the lights on in Tokyo". However, through a detailed analysis of LNG shipping and contracts data, IEEFA estimated that Japan on-sells about one third of the Australian LNG it buys to other countries. Australia appears to be the largest source of LNG on-sold by Japan globally, with WA supplying about two thirds of the on-sold Australian gas. The volumes on-sold from WA are materially larger than forecast domestic shortfalls.

PJ (2024)



Japanese resales of Australian LNG are:

- larger** than Western Australia's gas consumption
- larger than expected domestic **gas shortfalls**
- the **largest source** of Japanese LNG resales
- worth **\$11bn+ in revenue** for Japanese companies

About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy.

www.ieefa.org