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## WA potential lift of onshore gas export ban

### MIN STX

- **The lift of export ban is imminent.** Recently, WA Premier Roger Cook mentioned that he plans to engage with the gas industry players about changes to bring new gas supply online quicker, including potentially lifting the current onshore export ban. This comes in the midst of looming gas shortages that will push up energy prices. Australian Energy Market Operator report in December warned that gas demand would outstrip supply by around 8% over the next three years and up to 27% within a decade.
- **The existing export ban is discouraging vital investment** in new projects, limiting new supply. The current WA's reservation policy bans exports from onshore projects and requires offshore players to place 15% of their gas into the local market. Generally, the industry players need early cash flows to ensure that their facilities are commercial, which can be contributed by exports to the international market where they enjoy a higher price. Australia has a cap on domestic gas prices of \$12/GJ vs. export price that can reach as high as over \$20/GJ, implying stronger margins.
- **We highlight two key ASX-listed companies** that will benefit positively from this potential development:

### Mineral Resources (MIN)

- **Establishing presence in gas.** MIN, known for its mining services, iron ore, and lithium projects, is also exploring for natural gas in Perth and Carnarvon Basins with success reported at Lockyer Deep-1 and North Erregulla Deep-1 Wells. MIN is now developing a \$1B gas production facility. Engineering design and approval works are underway, with FID expected in 1Q24 and production by end-2025.

- **The lift of the export ban could bring MIN's gas to market quicker** and improve the commercial viability of the plant. According to MIN's MD Chris Ellison, the plant can be developed to be either a small 30TJ/day or a larger 250TJ/day facility, which can be funded by mainly supplying the more lucrative export market for the first five years. The gas would then become available to the WA market by around 2030 when the domestic gas shortage is expected to worsen. He also proposes granting the government the right to redirect gas during domestic shortages to ensure availability.

## Strike Energy (STX)

- **The emerging energy powerhouse.** STX, the largest holder of Perth Basin Reserves & Resources, supplies natural gas to WA from its maiden Walyering project while progressing its South Erregulla and West Erregulla projects. It has commenced first production at Walyering bringing cash generation. South Erregulla aims for first gas in late 2024 and West Erregulla is progressing through permitting for FID in mid-2024 and production in late 2025. In a tightening WA gas market, recent consolidation and the potential export ban lifts make companies like STX highly sought after.

***Cranport owns 2,000 MIN; and 500,000 STX shares.***

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Hazmy Hazin

Research Analyst

D: +61 2 9993 8130

E: [fazmy.hazin@fostock.com.au](mailto:hazmy.hazin@fostock.com.au)



FOSTER STOCKBROKING

A.B.N. 15 088 747 148 AFSL No. 223687

Level 9, 275 George Street, Sydney, NSW 2000 Australia

Level 9, 66 St Georges Terrace, Perth WA 6000, Australia

General: +612 9993 8111 Equities: +612 9993 8100

Email: [contact@fostock.com.au](mailto:contact@fostock.com.au)

[www.fostock.com.au](http://www.fostock.com.au)

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