

ACCR

BROWSE: UNNECESSARY, COSTLY, HIGH RISK

October 2026

**CATALYSING CHANGE
FOR A SECURE FUTURE**

DISCLAIMER

This document has been prepared by the Australasian Centre for Corporate Responsibility Inc. (“ACCR”).

Copyright

Any and all of the content presented in this report is, unless explicitly stated otherwise, subject to a copyright held by the ACCR. No reproduction is permitted without the prior written permission of ACCR.

No distribution where licence would be required

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject ACCR to any registration or licensing requirement within such jurisdiction.

Nature of information

ACCR is not providing financial product advice. The purpose of this communication is not to provide financial product advice. Readers should consider obtaining independent advice before making any financial decisions. None of ACCR, its officers, agents, representatives or and employees holds an Australian Financial Services Licence (AFSL), and none of them purports to give advice or operate in any way in contravention of the relevant financial services laws. ACCR, its officers, agents, representatives and employees exclude liability whatsoever in negligence or otherwise, for any loss or damage relating to this document or its publications to the full extent permitted by law. This document has been prepared as information or education only without consideration of any user’s specific investment objectives, personal financial situation or needs. It is not professional advice or recommendations (including financial, legal or other professional advice); it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Because of this, no reader should make any financial decisions without having obtained independent advice. By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient.

Information not complete or accurate

The information contained in this report has been prepared based on material gathered through a detailed industry analysis and other sources and although the findings in this report are based on a qualitative study no warranty is made as to completeness, accuracy or reliability of fact in relation to the statements and representations made by or the information and documentation provided by parties consulted as part of the process. The sources of the information provided are indicated in the report and ACCR has not sought to independently verify these sources unless it has stated that it has done so. ACCR is not under any obligation in any circumstance to update this report in either oral or written form for events occurring after the report has been issued. The report is intended to provide an overview of the current state of the relevant industry or practice. This report focuses on climate related matters and does not purport to consider other or all relevant environmental, social and governance issues. Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. ACCR does not represent that any transaction can or could have been affected at those prices, and any prices do not necessarily reflect ACCR’s internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by ACCR or any other source may yield substantially different results.

Rystad Energy is only responsible for asset level and economic data and is not responsible for any conclusions or scenarios drawn from the data. ACCR retains full responsibility for any and all assumptions pertaining to its modelling and any subsequent assumptions and errors.

Links to Other Websites

This document may contain links to other websites not owned or controlled by the ACCR and ACCR assumes no responsibility for the content or general practices of any of these third party sites and/or services whose terms and conditions and privacy policy should be read should you access a site as a result of following a link cited in this report.



KEY INSIGHTS

- Woodside's Browse project is not required to meet domestic gas needs. ACCR analysed Western Australia's (WA) gas balance to 2050 and found that gas producers have enough uncontracted gas to meet domestic demand. The smallest annual surplus of uncontracted gas is approximately 9.6 million tonnes (Mt) in 2035 – equivalent to 107% of that year's domestic demand.
- The main technical constraint on increasing domestic gas supply is the capacity of infrastructure that delivers gas from processing facilities to the domestic market, rather than a lack of upstream gas. Additional gas from projects like Browse will not address this infrastructure bottleneck.
- Expectations of a possible domestic gas shortfall are informed by LNG producers' commercial preference for export markets rather than physical constraints.
- Even if there was a technical domestic gas shortfall, Browse would be a poor solution. It is a remote, expensive and operationally complex project, involving six companies that have consistently failed to reach a final investment decision.
- Browse LNG is high on the global cost curve. It is expected to cost more than 70% of competing gas resources.
- CCS projects globally have struggled with high costs, low reliability and cancellations. Even if Browse CCS successfully operates as planned, it would capture just 7% of the project's total emissions.
- Browse is incompatible with a Paris-aligned carbon budget. All currently operating oil and gas fields and projects are expected to use the remaining carbon budget for limiting warming to well below 2°C.
- Oil and gas companies overstate the role of LNG in the energy transition. Gas-importing countries have more commonly displaced coal and gas with renewable energy, the cost of renewables and battery storage continues to fall well below LNG, and many countries are focusing energy investment on renewables to reduce their exposure to LNG costs and geopolitical risks.

WA HAS ENOUGH GAS TO MEET DOMESTIC DEMAND

Browse will not address the underlying constraint on increasing WA gas supply – domestic gas infrastructure.

01.

ASSESSING WA’S GAS BALANCE

Proponents of the Browse project have suggested that it is needed to address a potential future shortfall in WA’s domestic gas supply.

A report commissioned by Woodside states that “without timely investment in domestic gas supply, WA faces increasing risk of fuel supply shortages, with a projected gas shortfall in the early 2030s”,¹ while the Chamber of Minerals and Energy WA said that Browse would help "avert a looming shortage of domestic gas.”²

However, this perceived shortfall is based on forecasts that consider the amount of gas that producers intend to supply to the domestic market against projected domestic demand. These forecasts may be consistent with the state’s 15% domestic gas reservation scheme, but they do not attempt to assess how much gas could be provided for domestic consumption.³

ACCR modelled the availability of domestic gas, irrespective of the commercial preferences of producers who prioritise the more profitable LNG export market. The current capacity of infrastructure that delivers gas from processing facilities to the domestic market was also assessed.

The analysis found that there is enough gas to meet domestic demand.

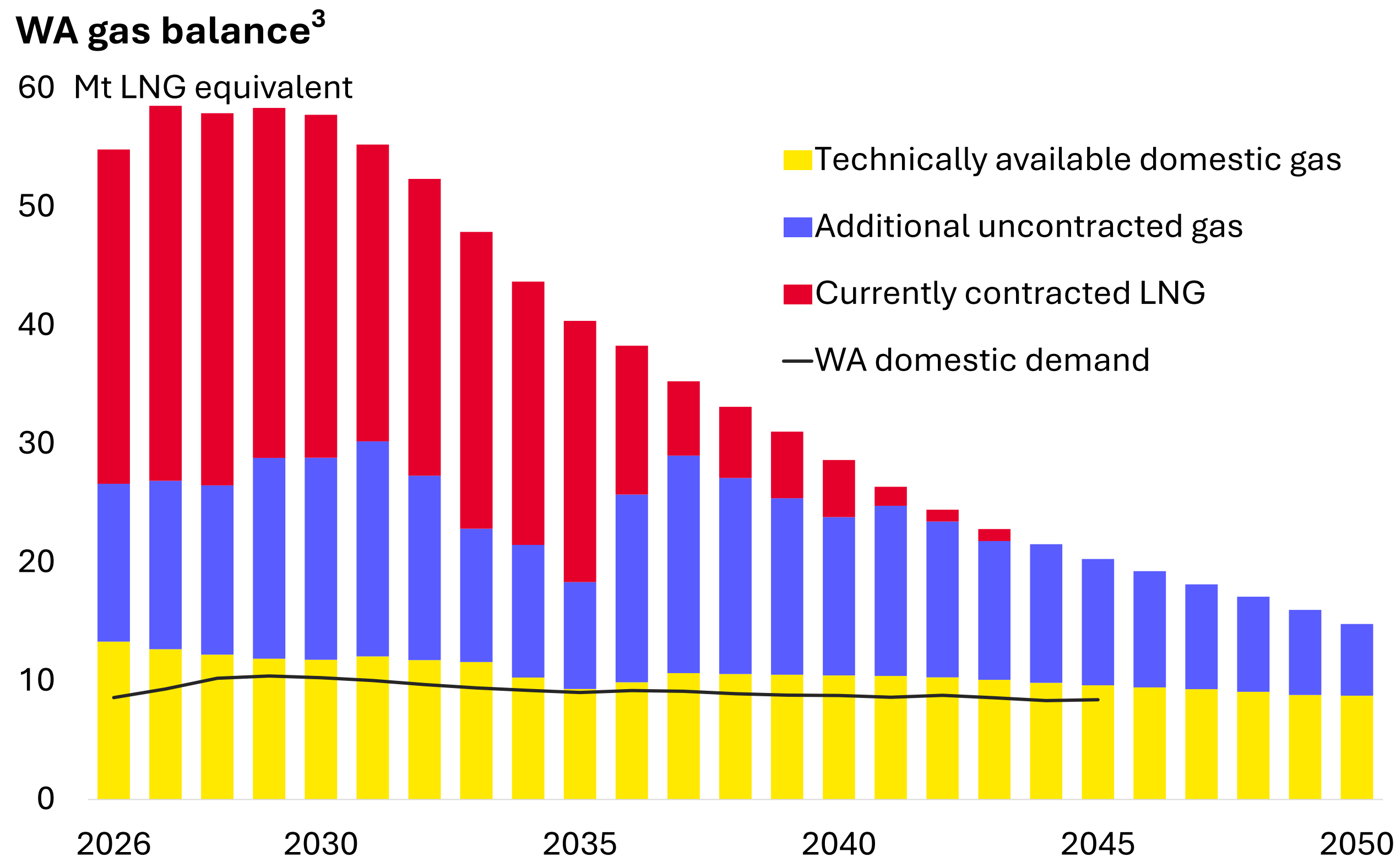
1. Deloitte Access Economics, *Browse to North West Shelf Project: Economic Impact Assessment Summary*, May 2026, p. 5, <https://www.woodside.com/docs/default-source/our-business---documents-and-files/browse/2026-browse-economic-impact-assessment.pdf>.
2. Chamber of Minerals and Energy WA, “Browse development to power jobs, investment and energy security for WA,” 11 May 2026, <https://cmewa.com.au/news/browse-development-to-power-jobs-investment-and-energy-security-for-wa/>.
3. AEMO, *2025 Western Australia Gas Statement of Opportunities*, 2025, p. 49, https://www.aemo.com.au/-/media/files/gas/national_planning_and_forecasting/wa_gsoo/2025/2025-wa-gas-statement-of-opportunities.pdf. Forecasts a domestic gas shortfall from 2030. Its supply forecast is primarily based on domestic gas production profiles provided by gas producers.

THERE IS ENOUGH GAS TO MEET DOMESTIC DEMAND

Gas producers have enough gas to meet future domestic demand.¹

“Technically available domestic gas” is the amount of uncontracted gas that can be supplied to the domestic market within the capacity of existing domestic gas infrastructure. The analysis shows that infrastructural capacity, rather than gas availability, is the primary technical constraint limiting an increase in domestic gas supply.

Developing new supply to North West Shelf, Pluto or Gorgon cannot increase technically available domestic gas due to the infrastructure bottleneck² and there are significant reserves of uncontracted gas that could be redirected to the domestic market if needed. The smallest annual surplus of uncontracted gas is approximately 9.6 Mt in 2035 – equivalent to 107% of that year’s domestic gas demand.



Source: ACCR analysis of AEMO and Rystad Energy data. Conclusions are ACCR’s.

1. While LNG-producing companies in WA have sales contracts beyond those shown in the graph, these do not need to be filled with LNG from WA. For example, Woodside has over 140 million tonnes of currently uncontracted US LNG that it will need to sell between 2026 and 2050.

2. Wheatstone has spare domestic gas capacity in 2034-2036 and from 2043. This could be utilised by increasing upstream supply or finding alternative LNG sources to meet some of its contracts in 2034-2036. All other LNG facilities have sufficient upstream supply to keep existing domestic gas production capacity full until beyond 2050. See “Available domestic gas” chart on slide 7.

3. This is a point-in-time analysis of a dynamic system. Potential changes include contract extensions and reductions in domestic gas demand projections. “Technically available domestic gas” refers to gas production from operating or under construction facilities, in excess of existing LNG contracts and not constrained by LNG domestic gas production capacity. “Additional uncontracted gas” is as per “technically available domestic gas” but represents production above gas production capacity limits.

UPSTREAM DEVELOPMENT WILL NOT MITIGATE INFRASTRUCTURE CONSTRAINTS

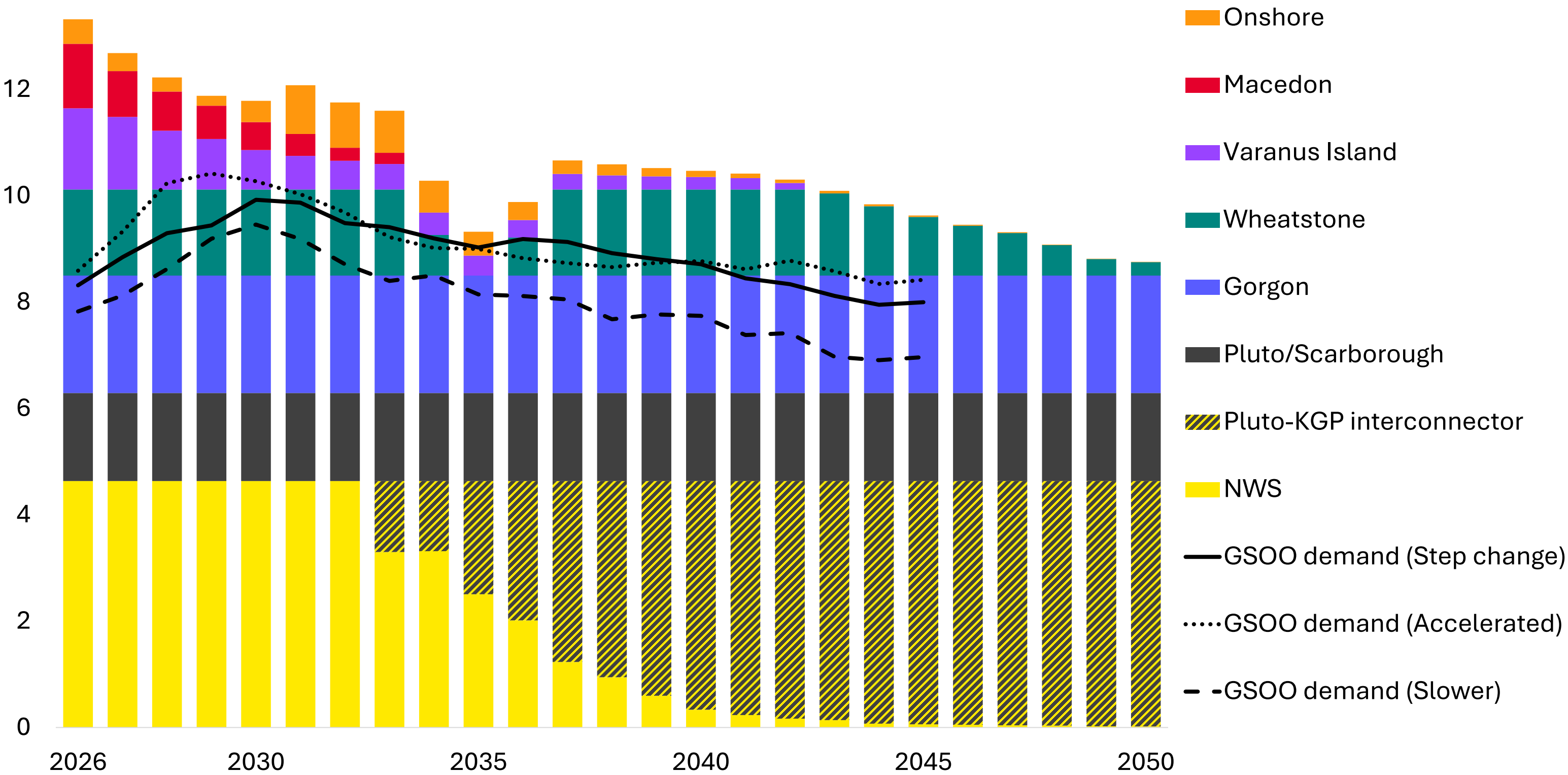
Committed gas produced through existing domestic infrastructure can meet domestic gas demand under every AEMO scenario.

The smallest domestic surplus is approximately 0.3 Mt in 2035 – equivalent to 3% of the year’s needs – but this could be increased by expanding domestic gas production infrastructure and redirecting uncontracted gas to the domestic market.

It is argued that Browse is needed to backfill the North West Shelf (NWS) plant as its supply declines. However, the decline in supply from NWS can be offset with Pluto gas by using the Pluto-KGP Interconnector.

Available domestic gas¹

14 Mt LNG equivalent



Source: ACCR analysis of AEMO’s GSOO, Woodside’s website and Rystad Energy data. Conclusions are ACCR’s.

1. This is a point-in-time analysis of a dynamic system. Potential changes include increased domestic gas export capacity and reductions in domestic gas demand projections.

BROWSE IS A HIGH RISK, HIGH COST, HEAVY- EMITTING PROJECT

02.

EVEN IF THERE WAS A SHORTFALL, BROWSE WOULD NOT BE A GOOD SOLUTION

Browse is a remote, high cost project that continues to face major commercial and operational challenges that have left it undeveloped for 55 years.

The project is complicated by an unusually complex Joint Venture (JV) arrangement involving six companies (see Table 1), each with a different strategy and capital allocation framework that changes over time. It requires two major decisions to be made by separate but overlapping JVs:

1. Browse JV approving the project’s infrastructure.
2. Browse JV and NWS JV signing a tolling agreement.

The Browse JV has abandoned two development concepts despite receiving key regulatory approvals: the original Browse-to-James Price Point proposal in 2013¹ and the floating LNG concept in 2016.²

The current Browse-to-Karratha Gas Plant proposal is the third major development pathway to be pursued. It requires the construction of floating production facilities, CCS and a 900 km subsea pipeline to the NWS.³

To date, Browse has consumed more than \$2.5 billion⁴ in publicly disclosed development costs.⁵

Table 1: Browse and North West Shelf JVs as of August 2026

Company	Browse	North West Shelf
Woodside Energy	31%	33.3%
BP	44%	16.7%
MIMI	14%	16.7%
PetroChina	11%	-
Shell	-	16.7%
Chevron	-	16.7%

1. DCCEEW, “Browse Basin Liquefied Natural Gas Precinct strategic assessment,” 6 April 2023, <https://www.dcceew.gov.au/environment/epbc/approvals/strategic-assessments/wa-browse-basin>.
2. Woodside, “Browse Development Update,” 23 March 2016, <https://announcements.asx.com.au/asxpdf/20160323/pdf/436160n4t18gn3.pdf>.
3. Deloitte Access Economics, *Browse to North West Shelf Project: Economic Impact Assessment Summary*, May 2026, p. 16, <https://www.woodside.com/docs/default-source/our-business---documents-and-files/browse/2026-browse-economic-impact-assessment.pdf>.
4. All \$ currency values are in USD unless otherwise specified.
5. ACCR, *Investor Briefing: Woodside’s 2025 AGM*, March 2025, p. 10, https://www.accr.org.au/downloads/wds_investorbriefing2025agm.pdf. ACCR analysis: grossed up from Woodside share to full project share.

BROWSE IS MORE EXPENSIVE THAN 70% COMPETING GAS RESOURCES

Browse is unlikely to produce cost-competitive LNG.

ACCR analysis shows that Browse LNG is high on the global cost curve. It is:

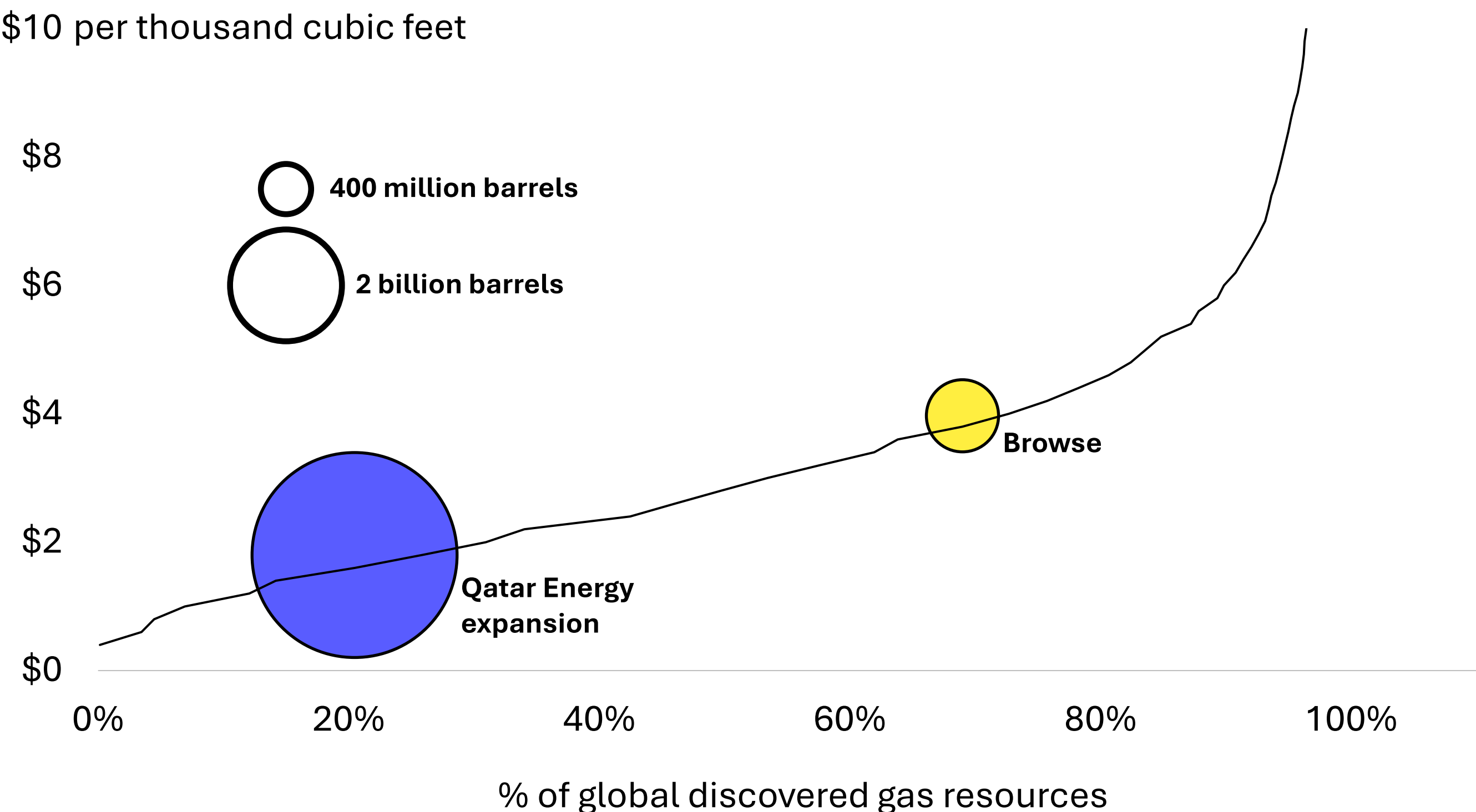
- more expensive than 70% of competing gas resources; and
- around twice as much as the projects of larger competitors, including QatarEnergy's expansion.

Developing a high cost project like Browse would be inconsistent with disciplined capital allocation, a term Woodside has used to describe its approach.¹

Browse is not a competitive source of gas

Breakeven gas price

\$10 per thousand cubic feet



Source: ACCR analysis of Rystad Energy data. Conclusions are ACCR's.

1. For example: Woodside, "Half-year results teleconference and presentation," 25 August 2026, slide 21, <https://www.woodside.com/docs/default-source/investor-documents/quarterly-and-half-yearly-pdfs-and-data-tables/2026/half-year-2026-results-teleconference-and-briefing-presentation.pdf>.

WOODSIDE’S INCONSISTENT VIEWS ON THE VIABILITY OF BROWSE

Woodside has presented inconsistent views on whether Browse will be developed, which may reflect the major, high cost challenges associated with the project.

- At Woodside’s Capital Markets Day in November 2025, the company assumed that Browse would not be developed in either of the scenarios it disclosed.
- In April 2026, when questioned about its exclusion, Woodside’s Chief Financial Officer said he was “not sure” but that Browse "does work" under the company's mid-case scenario and meets its investment hurdle rates.



Browse

Woodside’s Capital Markets Day¹
5 November 2025 (red dashes added)

Key assumptions

Opportunities:	Included in Mid-case	Included in Low-case
Bass Strait: four potential development well opportunities of up to 200 PJ of sales gas (100% share) ¹		Yes
Scarborough: five additional wells (eight wells at RFSU, 13 over field life)		Yes
North West Shelf Gas: Completion of Chevron asset swap Greater Western Flank Phase 4		Yes
Louisiana LNG equity interests HoldCo: 70% Woodside interest (assumes a total 30% selldown) InfraCo: 60% HoldCo interest; 40% Stonepeak interest PipelineCo: 20% Woodside interest; 80% Williams interest		Yes
Louisiana LNG expansion (i.e. Trains 4 and 5) equity interests HoldCo: 70% Woodside interest (assumes a total 30% sell-down) InfraCo: 60% HoldCo interest (assumes a total 40% sell-down) PipelineCo: 20% Woodside interest; 80% Williams interest	Yes	No
Sangomar: Phase 2		No
Beaumont New Ammonia: Train 2		No
Browse, Calypso and Sunrise		No
Post 2030, total capital expenditure assumption (US\$ billion)	3	1.5



Browse

Woodside’s Chief Financial Officer presenting to the Select Committee on the Taxation of Gas Resources²
24 April 2026 (emphasis added)

*“I’m not sure about your reference to the midcase and the capital markets day, but I can say, at our midcase scenario, **Browse does work**, and it achieves its necessary hurdle rates from within Woodside's investment framework.”*

1. Woodside, “2025 Capital Markets Day,” 5 November 2025, slide 87, <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-03018966-6A1295506&v>, red dashes added.
2. Parliament of Australia, “Transcript of Select Committee on the Taxation of Gas Resources,” 24 April 2026, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Fcommsen%2F29567%2F0003;query=Id%3A%22committees%2Fcommsen%2F29567%2F0000%22>.

CCS COULD AVOID JUST 7% OF BROWSE’S EMISSIONS

ACCR analysis finds that if CCS successfully operates as planned, it could reduce Browse’s total emissions by 7%. Approximately 83% of the project’s emissions are scope 3, which CCS does not mitigate.

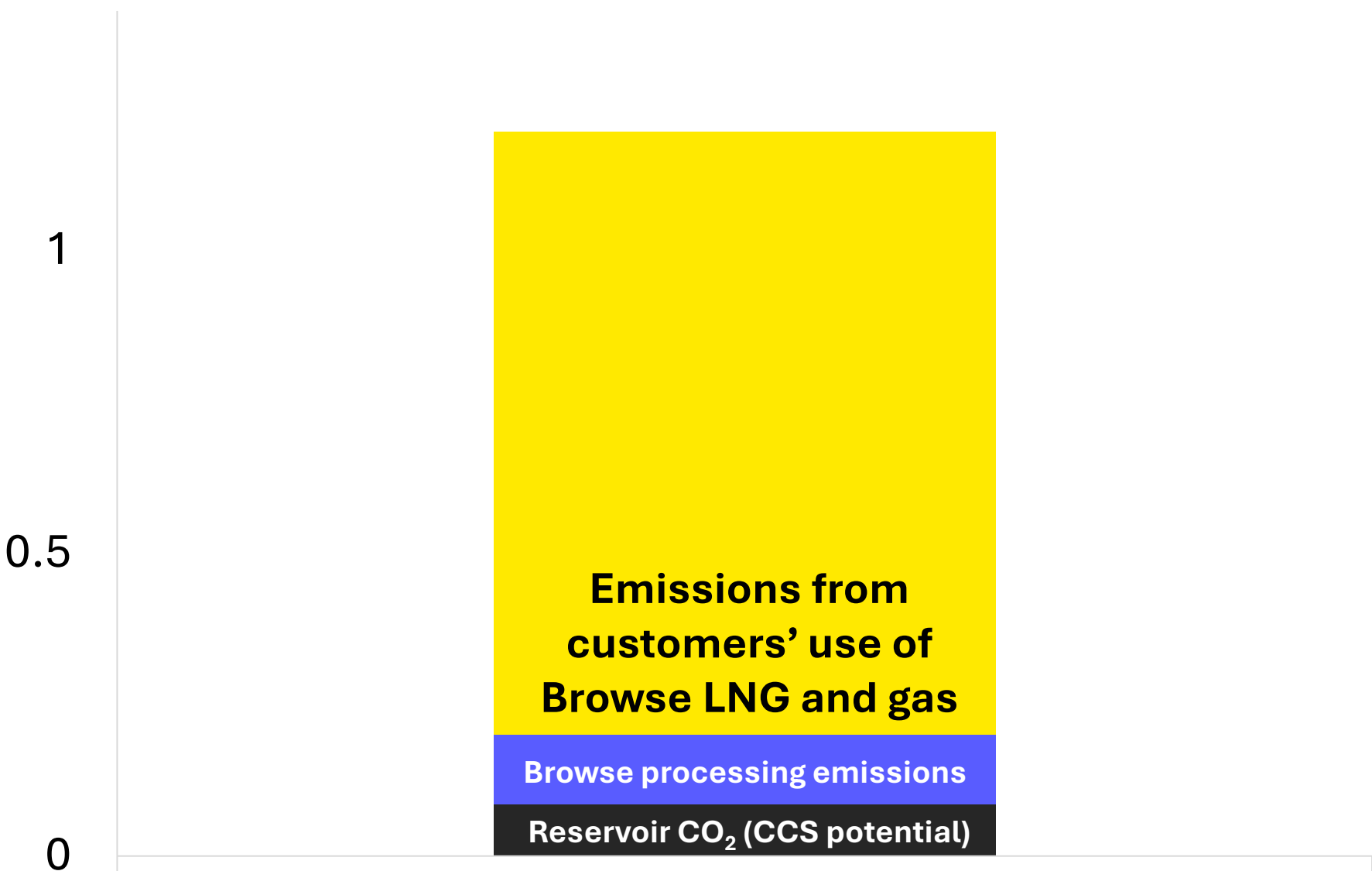
Woodside describes CCS as a “mature technology that represents a proven solution.”¹ However, CCS projects consistently fail to meet target CO₂ capture rates and are plagued by high costs, low reliability, low utilisation and cancellations.²

For example, in Australia:

- Gorgon’s environmental licence requires it to “implement all measures” to sequester at least 80% of its reservoir CO₂,³ but it has only managed 31%.⁴
- Santos’ Moomba project operates around 25% below its stated objective.⁵

Even with perfectly operating CCS, Browse is expected to generate an average of four million tonnes of CO₂e/year. This is equivalent to 5% of WA’s 2024 emissions⁶ and does not align with the state’s 2050 net zero commitment.

Browse emissions
1.5 billion tonnes of CO₂e



Source: ACCR analysis of Woodside environmental approval documents

1. Woodside, *Australia’s Biggest Undeveloped Offshore Gas Resource*, accessed 9 September 2026, p. 3, <https://www.woodside.com/docs/default-source/our-business---documents-and-files/browse/browse-information-sheet-2026.pdf>.

2. IEEFA, “Carbon Capture and Storage,” accessed 9 September 2026, <https://ieefa.org/ccs>.

3. WA Environmental Protection Authority, “Statement to amend the implementation conditions applying to a proposal: Gorgon Gas Development revised and expanded proposal: Barrow Island Nature Reserve,” 20 October 2022, <https://epa.wa.gov.au/sites/default/files/1MINSTAT/1729%20Statement%201198%20for%20publishing.pdf>.

4. Chevron, *Gorgon Gas Development and Jansz Feed Gas Pipeline: Five-year Environmental Performance Report 2015-2020*, 27 October 2020, p. 66, <https://australia.chevron.com/-/media/australia/our-businesses/documents/gorgon-and-jansz-feed-gas-pipeline-5-year-environmental-performance-report-2015-2020.pdf>; Chevron, *Gorgon Gas Development and Jansz Feed Gas Pipeline: Five-year Environmental Performance Report 2020-2025*, 5 November 2025, p. 112, <https://australia.chevron.com/-/media/australia/our-businesses/documents/gorgon-and-jansz-feed-gas-pipeline-5-year-environmental-performance-report-2020-2025.pdf>.

5. ACCR analysis of: actual sequestration of Santos, “2025 Full-year Results,” 18 February 2026, slide 23, https://www.santos.com/wp-content/uploads/2026/02/Santos-2025-Full-Year-Results_Presentation.pdf; and storage objective of Santos, “Fourth Quarter Report,” 23 January 2025, p. 8, https://www.santos.com/wp-content/uploads/2025/01/2024_Fourth-Quarter-Report.pdf.

6. ACCR analysis of: Woodside, “Chapter 6: Impacts and Risk” in *Proposed Browse to NWS Project – Draft EIS/ERD*, pp. 685 & 688, https://www.epa.wa.gov.au/sites/default/files/PER_documentation2/Draft_EIS_ERD_Part_2_-_Chapters_6-9.pdf; DCCEEW, “Australia’s National Greenhouse Accounts,” accessed 9 September 2026, <https://www.greenhouseaccounts.climatechange.gov.au/>.

WOODSIDE GIVES MIXED MESSAGES ON BROWSE CCS

Woodside’s claims about the viability of CCS should be assessed critically. Woodside has spoken favourably about Browse CCS to investors, but described it as a “high risk, high cost” mitigation option in the 2022 Browse Environmental Impact Statement.



CCS

Peter Coleman, March 2020¹
(emphasis added)

Woodside’s then-CEO told investors that CCS could be performed from day one of the **project without affecting the economics in a material way**, but “I hate to say that to a regulator.”



CCS

Richard Goyder, Woodside AGM, May 2022²
(emphasis added)

Woodside’s Chair noted that Browse’s fields have more reservoir CO₂ than NWS or Pluto (at around 10%) and explained “that’s why it’s so important for us with Browse to **have a solution** to that, which will likely be something like carbon capture and sequestration.”



CCS

Browse Environmental Impact Statement, July 2022³
(emphasis added)

“...geo-sequestration was assessed as presently being a **high risk, high cost mitigation** option for Browse reservoir CO₂....as such, the BJV is continuing to assess the feasibility of carbon capture and storage opportunities, but these do not form part of the referred proposed action.”



CCS

Meg O’Neill, August 2022⁴
(emphasis added)

Woodside’s then-CEO said that “we need to sequester that [Browse’s reservoir CO₂], it would not be consistent with our carbon reduction goals to do otherwise. **It would be carbon capture and storage from day one.**”

1. Woodside, “Response to Market Conditions Teleconference Transcript”, 27 March 2020, p. 8, <https://announcements.asx.com.au/asxpdf/20200330/pdf/44ghwx6kttms0j.pdf>.
2. ACCR transcript of Woodside’s 2022 AGM.
3. Woodside, *Proposed Browse to North West Shelf project: Supplement report to the draft environment impact statement (EPBC 2018/8319)*, July 2022, p. 120, [https://www.woodside.com/docs/default-source/our-business---documents-and-files/browse/proposed-browse-to-nws-project---supplement-report-to-the-draft-eis-\(epbc-2018-8319\).pdf](https://www.woodside.com/docs/default-source/our-business---documents-and-files/browse/proposed-browse-to-nws-project---supplement-report-to-the-draft-eis-(epbc-2018-8319).pdf).
4. Milne, Peter, “Woodside backs away from emissions reduction at \$30 billion Browse project,” *WAToday*, 16 September 2022, <https://www.watoday.com.au/business/companies/woodside-backs-away-from-emissions-reduction-at-30-billion-browse-project-20220915-p5bigp.html>.

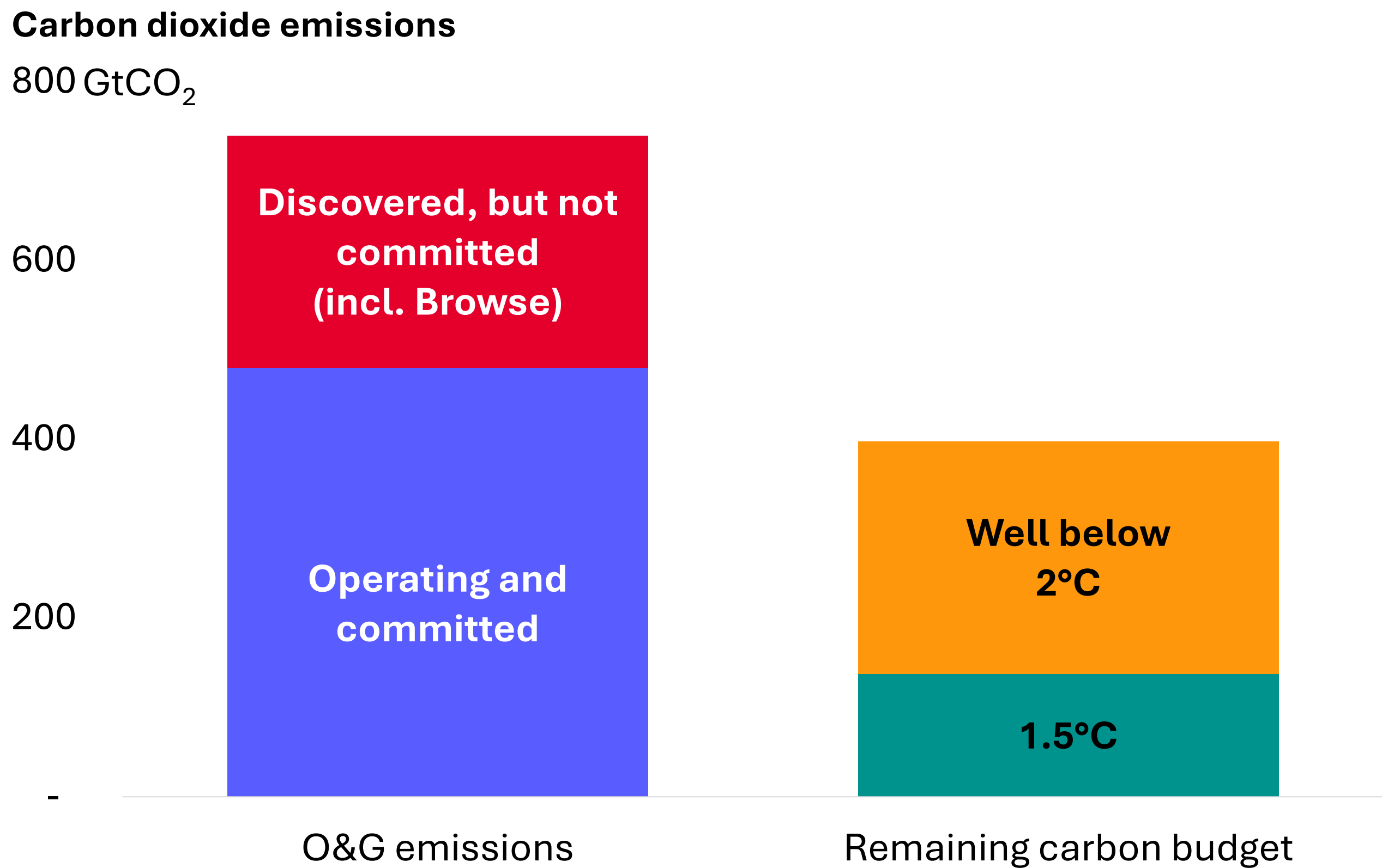
THE CARBON BUDGET IS TOO SMALL FOR NEW OIL AND GAS PROJECTS

There is no room in the well below 2°C remaining carbon budget for new oil and gas projects, including Browse.

The world’s operating and committed oil and gas projects already exceed the remaining carbon budget for limiting warming to well below 2°C.

This is before accounting for emissions from other sectors, such as coal use and land clearing.

Approved oil and gas projects exceed the remaining well below 2°C carbon budget



Source: ACCR analysis of Forster et al, “Indicators of Global Climate Change 2024: annual update of key indicators of the state of the climate system and human influence,” *Earth System Science Data* 17, no. 6 (2025), <https://essd.copernicus.org/articles/17/2641/2025/>; Global Carbon Budget and Rystad Energy data. Calculations as of the start of 2026. Conclusions are ACCR’s.

LNG'S ROLE IN THE TRANSITION IS OVERSTATED

03.

LNG HAS NOT DRIVEN COAL DISPLACEMENT

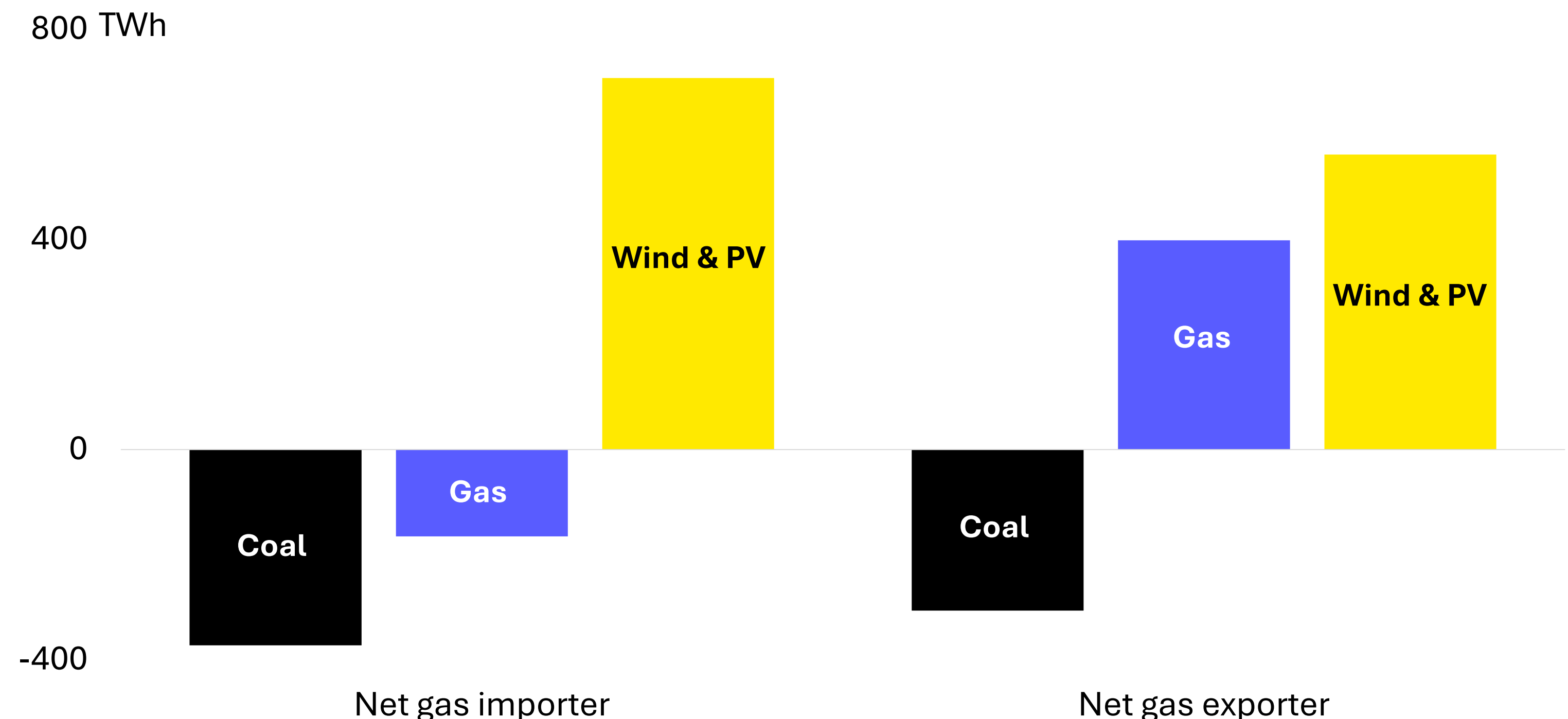
LNG producers often claim that LNG can support the transition, including Woodside. It has stated that “Browse LNG could support the decarbonisation of countries in the Asia Pacific region”.¹

However, ACCR analysis shows that:

- Gas-importing countries (including countries in the Asia Pacific) have more commonly replaced coal and gas with wind and solar.
- Most coal-to-gas switching has occurred in the US, which has abundant reserves of cheap gas.

Gas-importing countries typically displace fossil fuels with renewables

Power generation changes in countries where coal generation has decreased (2019-2025)²



Source: ACCR analysis of Ember and Rystad Energy data. Conclusions are ACCR's.

1. Woodside, “Browse to NWS project,” accessed 7 August 2026, <https://www.woodside.com/what-we-do/developments-and-exploration/browse>. See also: Woodside, “AGM address by Chair Richard Goyder and CEO Liz Westcott,” 23 April 2026, <https://asx.api.cmfyapp.com/asx-research/1.0/file/2924-03081792-6A1321709&v>.

2. Only includes countries captured by Ember data: <https://ember-energy.org/data/electricity-data-explorer/>. Graph displays totals by category but changes differ by country (e.g. Australia is a gas exporter but still reduced its gas power generation).

LNG IS A HIGH COST PATHWAY FOR ASIAN COUNTRIES

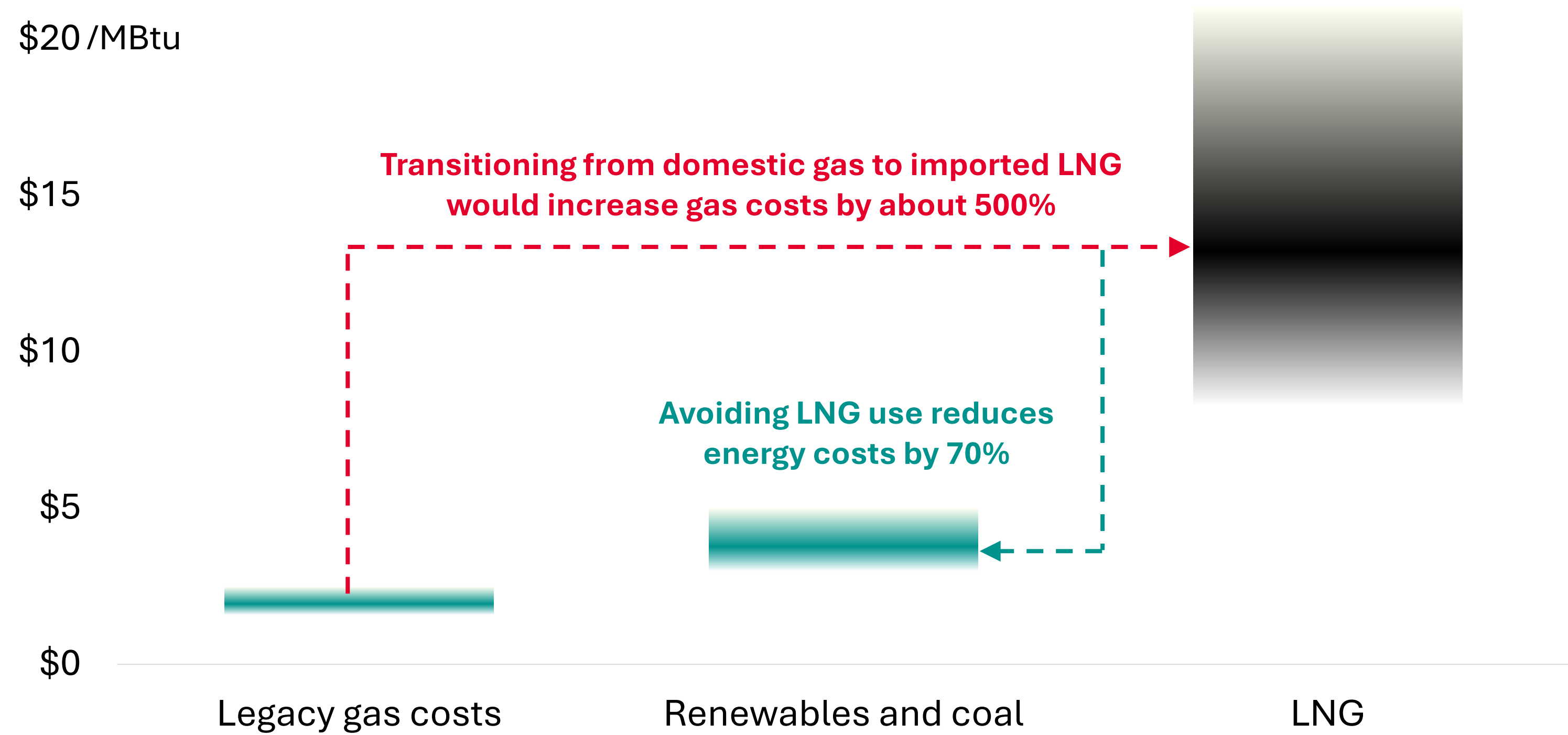
LNG producers, including Woodside, have also claimed that declining domestic gas production and rising energy needs will increase demand for LNG among Asian countries.¹

However, ACCR analysis shows that:

- LNG is about 500% more expensive than legacy domestic gas in Vietnam, the Philippines, Thailand and Bangladesh based on forward prices to 2030.
- These economies could reduce energy costs by around 70% for every unit of LNG displaced by renewables.

LNG is significantly more expensive than domestic gas in Vietnam, the Philippines, Thailand and Bangladesh

Energy prices²
\$20 /MBtu



Source: ACCR analysis of Rystad Energy data. Conclusions are ACCR's.

1. Woodside: Wright, Keira, “LNG Demand, Prices to Rise Further This Year, O'Neill Says,” *Bloomberg*, 19 August 2025, https://www.rigzone.com/news/wire/lng_demand_prices_to_rise_further_this_year_oneill_says-19-aug-2025-181521-article/. Shell: Shell plc, *LNG Portfolio: Strategic Spotlight*, March 2026, p. 8, <https://www.shell.com/investors/investor-presentations.html>.

2. “Legacy gas costs” are the average FID break-even prices of currently producing gas assets in the Philippines, Thailand, Bangladesh and Vietnam. “Renewables and coal” is the LNG price required to compete with these energy sources on a lifecycle basis, as per IEA WEO 2024, p. 19. “LNG” is Bloomberg JKM daily forward prices through the rest of the 2020s as at August 2026 – the simple average is \$13.9/MBtu. Conclusions are ACCR's.

FALLING RENEWABLE COSTS MAKE FUTURE LNG DEMAND UNCERTAIN

- LNG is facing growing pressure from renewable energy:
- The cost of solar and wind continues to fall as LNG stays flat.
 - By 2040, LNG-generated electricity is expected to be twice as expensive as firmed solar and wind, even assuming relatively cheap LNG prices.

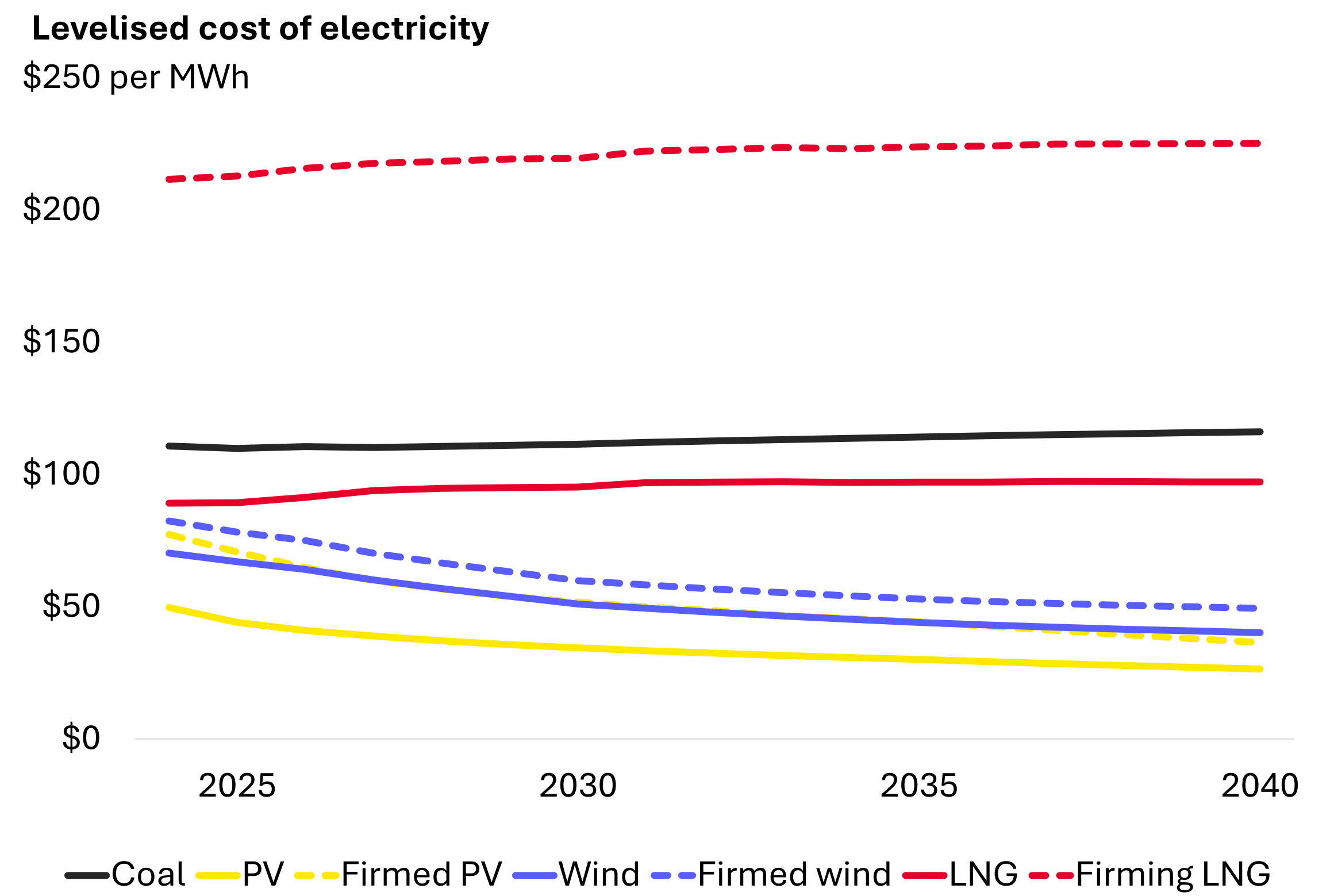
The pressure is likely to erode LNG demand and means that Browse may struggle to compete against renewables and lower cost LNG sources.

Major supply disruptions in 2026 have also undermined LNG’s reputation as an affordable and reliable fuel. Shortages and price increases are driving countries to reduce their reliance on LNG imports and accelerate renewable deployment. For example:

- Thailand recently doubled its clean energy target;¹
- Vingroup in Vietnam proposed cancelling a 4.8 GW LNG-to-power project in favour of a renewable energy plant;²
- The European Union has identified that an electrification energy transition could reduce imports of gas by more than 70% by 2040.³

1. Nguyen, Anuchit, “Thailand to Shift From LNG Toward Renewables in Wake of Iran War,” *Bloomberg*, 27 August 2026, <https://www.bloomberg.com/news/articles/2026-08-27/thailand-to-shift-from-lng-toward-renewables-in-wake-of-iran-war>.
2. Guarascio, Francesco, “Vingroup proposes scrapping LNG-powered plant plan for renewables amid Iran war, document shows,” *Reuters*, 31 March 2026, <https://www.reuters.com/sustainability/climate-energy/vingroup-proposes-scrapping-lng-powered-plant-plan-renewables-amid-iran-war-2026-03-31/>.
3. European Union Commission, *Electrification Action Plan*, p. 1, July 2026, https://build-up.ec.europa.eu/system/files/2026-07/30-2026-14_Communication%20-%20Electrification%20Action%20Plan%20%28COM%202026%20595%29.pdf.

LNG-generated electricity costs more than firmed PV and wind



Source: BNEF, Levelised cost of electricity tool. With LNG power based on gas power, adjusted for a \$9/MBtu real gas price.

ABOUT US

ACCR is a multidisciplinary organisation with expertise in shareholder strategy, equities analysis, climate science and legal risk.

Our focus is enabling investors to escalate their engagements with major, heavy-emitting listed companies in their portfolios, as a tool for managing physical climate risk.

Visit accr.org.au

