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Thank you for that introduction. It is a pleasure to speak here in Beijing as, I think, the only Australian gas producer to present at the forum today.

Every time I visit China, I am impressed by the remarkable progress and the extraordinary pace of development and innovation right across the economy. That's certainly true of growth in demand for gas in recent years.

Of course, China is among the top global importers of LNG – and Australia is among the top exporters, replacing Qatar as the primary source of LNG into China. So, we have much to discuss.

Woodside was the pioneer of the LNG industry in Australia. As a company, we will celebrate our 65$^{th}$ birthday next year. We have been exporting LNG for almost 30 years and we operate facilities that produce around 6% of global LNG supply.

Right now, we are building on our success, progressing plans for the development of new resources from our reliable and proven facilities in the north of Western Australia. I'll have more to say about that shortly, but first let me address the topic of this session: the role of an open international trade order.

Australia is a free trade economy. Even though the leadership of our government has been through a number of changes in recent years, that commitment to free trade is constant and unwavering. China, of course, has centuries of history as one of the world's great trading powers.

Our two countries have long enjoyed a strong bilateral trading relationship. As an Australian company, we are very comfortable doing business with Chinese customers.

And, of course, Australia's long-standing trade with China is underpinned by the China-Australia Free Trade Agreement, or ChAFTA, which has been described as the "gold standard" for such agreements. Since entering into force three years ago, the comprehensive agreement has brought benefits to businesses in both China and Australia.

It is the bedrock of what our government has described as the Comprehensive Strategic Partnership between our countries - one of the

highest levels in diplomatic terms that a relationship between two governments can reach.

The ChAFTA is also an exemplar for other countries of how open and liberalized trade and investment can work. We all know that there are no winners from trade wars.

For our industry, the ChAFTA brings stability and certainty, ensuring that we, as gas suppliers and consumers, can get on with the task of providing reliable and clean energy when and where it is needed.

An open international trade order is vital to get the gas to where it needs to go. And LNG is the most efficient way to connect customers around the world to gas, providing the security that comes with access to multiple sources of supply. LNG also offers flexibility in responding to seasonal variations in demand. We saw that flexibility in action in China last year as imports surged during the winter months. The warmer start to winter this year has meant there is not the same degree of pressure on the LNG market as there was 12 months ago, but we still expect continued demand growth.

We've seen some changes in LNG trading globally in recent years: new buyers have entered the market and import terminals and spot trading have brought new liquidity to what have historically been very rigid trading

arrangements. Globally, buyers have demanded more flexibility – and suppliers responded. It's a start, though of course more can be done to facilitate more efficient trading.

As Woodside embarks on a growth phase, we are in a position to offer customers a range of options, from long-term contracts to spot cargoes and short- to mid-term sales. The demand and liquidity in the spot market give us confidence that all volumes we produce will be sold. However, as the market tightens further and a shortfall looms, buyers do seem to be rediscovering an appetite for long-term contracting.

The shift from oversupply to looming shortfall has been hastened by China's commitment to switch to cleaner energy sources. China has shown the world it is serious about this commitment and has demonstrated the power of policy to bring about that shift. We saw this in the "2 + 26 policy" last year and in the "Blue Sky Defence Action Plan" released this year. Those policies created increased demand for gas and led to a steep rise in LNG imports, making China the second largest LNG importer in the world.

As the world shifts to cleaner energy sources, gas will play a central role, both as a power source in its own right (displacing higher-emissions energy) and as the ideal partner for renewables. Natural gas can also be used to produce hydrogen – an energy source that is of growing interest to our customers

across Asia. I acknowledge the work that is being done in China on the development and commercialization of hydrogen fuel cell vehicles.

All these factors will ensure a growing role for gas globally – and particularly in Asia, where communities are demanding cleaner air.

Suppliers have responded to the market tightening, rising to the challenge of providing increased production. After an investment hiatus globally in recent years, we are now seeing a race to sanction new LNG projects, in the USA, Canada, Russia, Qatar, Mozambique ….and of course our very cost-competitive projects in Australia.

Woodside is in the fortunate position of having access to new gas resources and to proven facilities that will have capacity to process them. This has allowed us to progress growth plans that are firmly focused on keeping costs low.

We know that cost of supply always matters. We need to be prepared to meet the market and sell at market price. We made a virtue of keeping costs low during the downturn in the cycle. Now that we are in a growth phase, that principle still guides us.

Our proximity to China helps us keep costs low – and to deliver supply in a timely fashion. Our facilities are a mere 9-day voyage from China – and it is a voyage we have been making for years, selling LNG to Asian customers since 1989 and to China since 2006.

We propose to bring new resources from the Scarborough and Browse gas fields through our proven facilities of the Pluto LNG Plant and the North West Shelf Venture's Karratha Gas Plant. We are integrating these facilities into an LNG production centre in northern Western Australia called the Burrup Hub.

Overall, our vision for the Burrup Hub involves the development of some 20 to 25 trillion cubic feet of gross dry gas resources, ensuring Woodside will be in a position to provide reliable supply for decades to our customers in Asia.

We have made good progress on our plans since announcing earlier this year that we had increased our stake in Scarborough - and the vision is already taking shape. We plan to be in a position to take final investment decisions on the first of these developments in 2020, so we can deliver extra supply right when the world needs it.

These projects will deepen our already strong relationships with countries across the region - and not just in a marketing sense. We recently signed a cooperation agreement with ENN Group and are together exploring a broad

range of potential business opportunities across marketing, trading and shipping.

We are interested to work with Chinese partners on technology and innovation as we look for new and better ways of doing things. This may include tapping into Chinese expertise on renewable power as we consider options for integrating renewables into power supply to our facilities.

We have also noted with interest China's commitment to boost its shipbuilding sector, with a particular emphasis on LNG carriers, and the inclusion of high-tech shipping as one of the ten target industries for the "Made in China 2025" initiative.

Around the world we are seeing growth in LNG fueling of shipping in the lead-up to the enforcement of the International Maritime Organisation's tighter cap on the Sulphur content of marine fuels. Woodside has worked with mining and shipping companies to finalise the design of LNG-fueled bulk carriers to create a "Green Corridor" on the busy trade route from Australia to China. We are developing LNG bunkering infrastructure near our production facilities to support resources exports – and we expect that the shift to LNG bunkering in China will contribute to further demand growth.

China’s commitment in the past two years to coal-to-gas switching has served as a signpost to the world of an effective pathway for reducing emissions and improving urban air quality. But it has also highlighted the importance of increased LNG supply to facilitate this shift to cleaner fuels. We are working on delivering that increased supply. And we know the commitment to a strong trade relationship between our countries – and to an open international trade order – will help ensure the gas can reach the consumers who need it.

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