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Thank you for that introduction.

It's great to be meeting here in Singapore – a place that has built itself up as Asia's LNG trading hub. We now know that there is a shift underway in global LNG trading patterns that challenges this model of regional hubs as large portfolio players establish virtual hubs that move around the world.

I want to talk today about what this shift means for our industry, for buyers and sellers and for the projects that need to get moving to deliver the LNG that will be required to fill a looming supply gap.

We've seen a rapid evolution in the market from rigid bilateral contracts to greater liquidity. And now we are seeing a consolidation of the market as very large portfolio players establish themselves as buyers as well as sellers.

We're moving towards a situation that should be more capital efficient and ensure that projects progress to meet market demand.

The rise of the large aggregators has provided impetus to get projects moving as we emerge from a period of oversupply. They are developing significant portfolios of both equity and non-equity gas. This allows projects to go to FID without having bilateral arrangements in place that are tied directly to that project.

We've seen Shell and Petronas able to take FID on LNG Canada, BP in Mauritania and ExxonMobil and Qatar Petroleum on Golden Pass without having significant volumes contracted to third-party buyers. The large portfolio players can contract to take the volumes themselves and trade it through their networks.

Buyers' behaviour is also changing. They are not necessarily participating as they have traditionally in upstream equity in projects as they become more comfortable that there will be flexibility and cost-competitive supply available. In the past, they may have been more motivated to buy into a project to give them privileged access to its offtake.

The rise of large portfolio players has got projects moving, but we think other avenues are needed to ensure smaller buyers can still access the supply they need and are not shut out of the market. It's in buyers' interests to have a range of different types of sellers in the marketplace – from large portfolio players, to trading houses, to regional suppliers, to online trading platforms.

If the commoditisation of the market is overtaken by consolidation, there is a risk that the lowest cost supply will be soaked up by the large portfolio players, who will then be able to decide where it eventually ends up as they maximise value through their portfolio and logistics.

Woodside has seen this market shift coming for some time. We have developed our own boutique portfolio – we're certainly not at the scale of larger players, but we have set ourselves up with the ability to meet customers' needs from across a range of reliable sources.

At the same time, we have been seeding trading platforms that will facilitate liquidity in the market and assist with matching demand from buyers with available supply.

Woodside is actively supporting two of these emerging platforms – GLX and Gastrayda - that will use data analytics to support efficient trading and bring greater transparency to what has historically been a very opaque and rigid market.

We will look for opportunities to facilitate the trade of LNG cargoes on the platforms, which will remain independent and market-driven. Both of these platforms originated in our home state of Western Australia, which is a powerhouse of LNG production. These sorts of platforms provide an additional tool for producers to market their volumes and for buyers to manage their supply requirements.

As the market continues to evolve, we see a place for both relationship-based bilateral contracts and for trading that is transparent and efficient for buyers and sellers. An efficient market is crucial to ensuring projects can progress to meet the rising demand for LNG, with demand growth strongest in Asia but also evident in Europe.

We know the world is going to need more gas as the global population grows and pressure mounts for cleaner energy sources.

We think an extra 230 Mtpa of LNG will be needed by 2030 above 2018 levels, growing at an annual compounded rate of nearly 5%. And the International Maritime Organisation's 2020 deadline for a tighter sulphur cap on marine fuel will create further demand, given LNG is one of the best options as the world's shipping fleet switches to lower-emissions fuels.

Woodside is doing its bit in Australia to facilitate the provision of LNG as a marine fuel on the busy trade routes to Asia. We've worked with the big miners through the Green Corridor Joint Industry Project to finalise the design of LNG-fuelled vessels - and now we're talking to them about the potential provision of infrastructure to facilitate fuelling of those vessels.

For all these reasons, we know the demand will be there for our product as we pursue our growth plans.

We have had a great deal of interest thus far in our proposals to develop the Scarborough and Browse resources through an integrated LNG processing hub, using our existing world-class facilities on the Burrup Peninsula in Western Australia.

This involves the development of some 20 to 25 trillion cubic feet of gross dry gas resources through the Pluto LNG facility and the neighbouring Karratha Gas Plant. We propose to build a pipeline to connect the two facilities and a second LNG Train at Pluto.

We have both volumes and equity on offer and are able to discuss a range of flexible contracting options. We are able to consider a variety of pricing structures, LNG contract flexibility, contract length, or any other mutual value proposition with LNG buyers.

Our strong balance sheet means we are well-positioned to take FID on new projects without the traditional 90% of volumes pre-sold on 20-year contracts.

We are comfortable taking FID with a much lower percentage of new project volumes sold. And we can discuss shorter contracts with the flexibility that buyers value. We are proud of our record as a low-cost producer and our growth plans involve the development of reserves at a lower cost base than our cost base today.

It's a good position to be in as we head towards Final Investment Decisions on Scarborough and Browse in 2020. We expect prices to rise, which will have a flow-on effect on costs. And so, at this stage, our focus has been on progressing our developments and locking in low costs while we still can.

That’s one of the reasons we have set ambitious timelines and even been prepared in some instances to accelerate them. The other reason, of course, is that we know that the biggest benefits will accrue to those who are ready to deliver the extra supply when it is needed.

Later this year our company will celebrate its 65th birthday. In doing so, we will reflect on our record of supplying LNG for decades to Asian markets. But we will also look to the future.
Our Burrup Hub proposals will set us up to continue as a reliable supplier to customers for decades to come and as a pivotal and growing mid-sized player in what is shaping up as an increasingly consolidated global market. Thank you. ENDS