

Tuesday
May 30, 2023

Cottee hails delivery as gas prices surge

BUSINESS

Richard Cottee is cheering a confluence of events that will mean his State Gas will hit the market with new supply just as the spot price hits \$20 a gigajoule.



John McCarthy



[Print article](#)



State Gas executive chair Richard Cottee.

State Gas said it was still on track to deliver gas to the grid by July after a crucial compressor which was delayed from landing in Australia by Customs until it was fumigated, was delivered to the company last week.

The compressor has the capacity to support 1.7 terajoules a day of gas from its Rolleston and Reid's Dome project in central Queensland.

Cottee, the firm's executive chair, said despite the "ongoing frustrations with international supply chain constraints, the company is now close to commissioning its compressed natural gas processing equipment and is on track to commence sale of compressed gas in July, 2023.

"Given the spot price domestically is already hovering over \$20 a gigajoule the wait has proved worth it," Cottee said.

Gas prices have surged as cold weather hit eastern states recently. The increase in prices is a concern for the manufacturing sector which uses gas in processing.

The spot price rose to \$30 a gigajoule last week, but has been pegged back in recent days.

Shares in State Gas jumped 6 per cent on the news, however at 21 cents they remain at about half the value they were in November.