

Fuel for Thought

In the Right Direction

If you follow this column, you'll realise that at QER, one of our favourite things to do is watching the world oil price. I know...we need to get some more interesting hobbies. But from QER's point of view, the oil price is an indicator of how close we are to being able to finance a commercial project.

For a Gladstone New Fuels project, we estimate we'd need an oil price sustained at something over the \$US80/barrel mark. (In case you've ever wondered, a "barrel" of oil contains around 159 litres). Prior to the 2014 'crash' the Brent crude price was over \$100 and then, due to a number of new production fields coming on line at the same time, the price plummeted to under \$30. It slowly crept up during 2016 – but then slid back during the first half of this year. In the past couple of months we have been heartened to see it increase again to the magic \$60 mark and we are seeing some optimism coming back in the market.

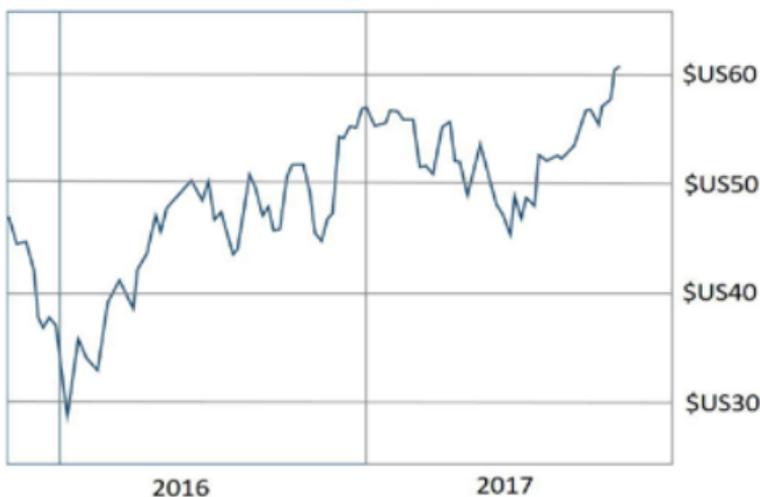
Of course, we're not getting too excited about it. The short term oil market depends on global demand versus global production capacity – and these things can change overnight with political and market developments around the world. Which is kind of QER's whole reason for being...to develop a safe, onshore, Australian source of transport fuel which isn't so dependent on the vagaries of the world market.

There will no doubt be many more market ups and downs, but for now at least, it's nice to see the market moving in the right direction.



Bruce Andersen
Site Superintendent,
QER

Brent crude oil breaks through the \$US60/barrel mark.



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