



# QER Fuel for Thought

## The Future of Oil

Some people have asked me how QER's project is affected by the current crisis. As you might know, the global oil price has halved in a month. With over three billion people locked down across the world, demand has fallen from over 100 million barrels of oil per day down to about 80 million. On the supply side, OPEC, Russia and other suppliers continue to pump a glut of oil onto the global market, building a record inventory.

As a company working to develop a new source of oil for Australia, the low oil price means a longer wait for the right market conditions to invest in a commercial production facility. But in some ways, the fundamentals haven't changed.

We know that the current oil price swings on the delicate balance between daily demand and the world's supply capacity. Whenever the world economy suffers and global supply exceeds demand, the price falls. Whenever supply is disrupted and can't keep up with demand, such as when there is political disruption in the politically delicate parts of the world where most of the oil is located, the oil price climbs back. It's like a very expensive game a leap frog.

However in the long term, we know that global oil supplies are finite, and that oil is fundamental to the way we live. The demand for oil will recover and continue to grow, especially in the developing world. More often than, global demand will begin to regularly exceed the world's supply capacity, and countries like Australia will increasingly have to look to our own resources to maintain our quality of life.

To the extent that we are able to whilst implementing strict social isolation and hygiene protocols, QER continues to work towards the goal of shoring up an important resource for Australia's future.

To all those on the front line of the fight against the pandemic, you have our admiration and thanks; and to those whose lives and livelihoods have been affected, know that you are in our thoughts.



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