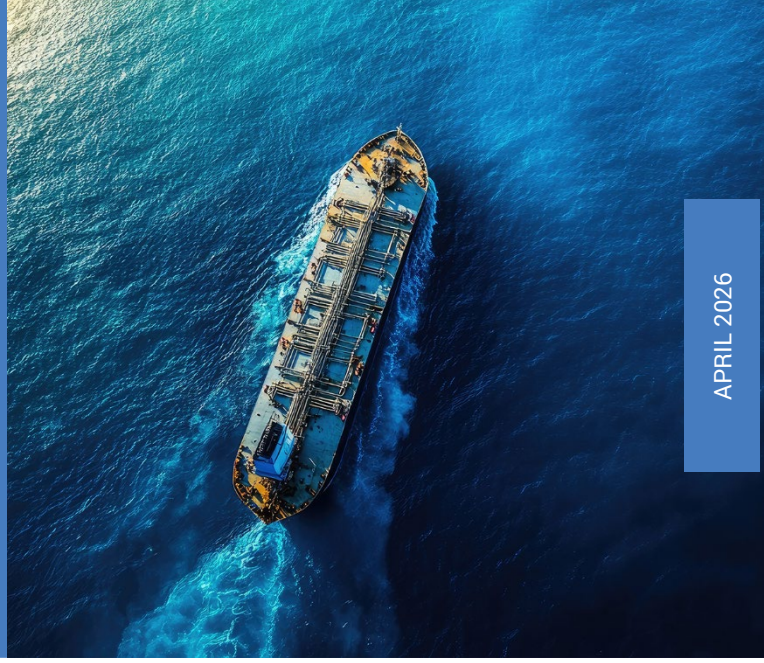
Powering Through Uncertainty: Energy Concentration, Security and the Transition



APRIL 2026

Australia is simultaneously one of the world's largest energy exporters and one of its most fuel import-dependent developed economies. In 2026, that paradox has become a crisis. The convergence of geopolitical risk, physical climate risk and energy transition is no longer theoretical — and the dominant themes reshaping capital and policy are resilience and security, not substitution. The world must now maintain the fossil fuel system it depends on while building an entirely different energy architecture alongside it.

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Energy security and the Energy transition: Two sides of the same coin

For much of the past decade, the energy transition has been framed as a gradual substitution story — fossil fuels declining, renewables rising. That framing no longer holds. Instead, there is a **parallel acceleration where the goals of energy security and independence have pointed to a need for diversified energy sources to meet these objectives**. Governments are focused on securing fossil fuel supply while simultaneously accelerating domestic energy independence through renewables, storage and, increasingly, nuclear.

These are not contradictory impulses — they are parallel responses to the same underlying problem: that energy security can no longer be taken for granted, and that dependence on any single source or supplier carries risk, including in this current conflict, sovereign risk.

Energy systems built on concentration — whether fossil fuel supply chains or renewable generation profiles — carry equivalent risk. The April 2025 Iberian blackout, caused not by renewables per se but by inadequate grid architecture in a high-solar system, makes this point sharply: **resilience requires diversification and system depth regardless of fuel type**. The investment case for storage, firming capacity and grid infrastructure follows directly.

Australia's Energy Paradox: Exporter by Nature, Importer by Design

Australia's energy position is one of the more striking structural paradoxes in the developed world. **The country exports approximately 80% of its total energy production**[1] — it is the world's second-largest LNG exporter and a major coal and uranium supplier (Table 1). **Yet it imports around 90% of its refined petroleum products** and domestically produces just 5.6% of the oil it consumes[2] (a gross figure, representing the share of total liquid fuel consumption met by domestic crude production before accounting for crude exports). It now holds the largest trade deficit in refined petroleum products of any country in the world.[3] **While Australia imports negligible crude oil directly from the Middle East, approximately 59% of the crude feedstock used by the Asian refineries it depends on for**

Key Australian Energy Stats

80% of energy production exported

90% of liquid fuel imported

91% of domestic consumption fossil fuel dependent

28 days strategic reserve cover (lowest IEA members)

[1] 19 Interesting Australian Energy Statistics for 2026.
[2] IEEFA, "The Perfect Storm to Boost Australia's Energy Security," March 2026.
[3] Ibid.

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refined products transits the Strait of Hormuz[4] — meaning, as IEEFA notes, Australia is 'highly exposed through the Asian refineries we import refined products from[5].

In 2000, Australia was largely self-sufficient in refined petroleum, with eight refineries capable of supplying 98% of domestic fuel needs. Today it operates just two aging refineries — the Viva Energy refinery in Geelong and the Ampol Lytton refinery in Brisbane — with combined capacity covering only around 19% of national demand, and both running on imported crude because Australian domestic output (predominantly ultra-light condensate) is incompatible with their configuration.[6] In 2025 those two refineries covered approximately 19% of national liquid fuel demand — and a small volume of their output, around 4% of production, was exported to Pacific nations without their own refining capacity, making the net domestic contribution marginally lower still. The downstream infrastructure to convert its own resources into domestic fuel simply does not exist at scale. **The crisis in 2026 has exposed this double dependency: imported crude for refining *and* imported finished products, both sourced from the same disrupted region**.

The data in Tables A.1 and A.2 (Appendix 1) make clear why the energy security and energy transition arguments have converged. **Australia's domestic energy consumption is 91% fossil fuel dependent.** The liquid fuels that account for 41% of domestic energy use are overwhelmingly imported, indirectly exposed to Middle Eastern supply disruption through the Asian refining intermediaries Australia depends on, and held in strategic reserves that are the lowest of any IEA member.

The electricity picture offers a partially more encouraging story**.** Renewables reached a record 51% of National Electricity Market (NEM) generation in 2025. The 51% renewables milestone in the NEM is genuinely significant — it means that for the first time, more than half of our electricity came from renewables. But electricity is only about a fifth of our total energy use. Fossil fuels still make up over 90% of our total energy consumption, spanning transport, industry, agriculture and gas-fired heat. **That's the gap that makes the transition so much harder than the electricity headline suggests**. As we have previously outlined, individual companies are dependent on systemic interventions to decarbonise that reside beyond their direct control — what we have called 'shared structural dependencies.'[7]

The gap between electricity decarbonisation and whole-of-economy decarbonisation is the most important of those dependencies, and the events of 2026 have made it simultaneously more urgent and more difficult to resolve.

The structural case for energy diversification — across both fossil fuel supply security and renewable energy independence — could not be more clearly illustrated.

Table A.3 (Appendix 1)

The APAC shock and Australia's Dual Role

The conflict with Iran has produced what the International Energy Agency (IEA) characterised as the largest oil supply shock in the history of the global oil market.[8] Brent crude peaked near US$120 per barrel in March 2026. In response, the IEA coordinated a release of approximately 400 million barrels from strategic reserves — equivalent to roughly four days of global supply, or around 20 days of disrupted Hormuz volumes — a figure that itself illustrates the scale of the gap.[9] The attack on Qatar's Ras Laffan facility compounded the impact, reducing approximately 17% of global LNG export capacity with a repair timeline measured in years — and for Australia, a nation that sits uniquely on both sides of the energy ledger, the implications are both immediate and structural.

Australia's position in this crisis is distinctive within the APAC region. It sits on both sides of the ledger simultaneously — **a major energy exporter benefiting from elevated commodity prices, and a domestic economy acutely exposed to those same elevated prices through fuel import dependence.** No other regional economy occupies this position in quite the same

[4] The refinery problem: A different kind of energy crisis in 2026.
[5] https://ieefa.org/articles/perfect-storm-boost-australias-energy-security.
[6] OilPrice.com, "Australia's Fuels Dependence Turns Into a Crisis," March 2026; Riviera Maritime Media, "Australia's Crude Oil Paradox," March 2025.
[7] https://www.yarracm.com/australias-climate-transition-where-can-investors-have-impact/.
[8] IEA, Oil Market Report, March 2026.
[9] IEA, Emergency Reserve Release Announcement, March 2026.

way, and understanding it matters for how investors interpret the risks and opportunities now emerging.

Table 1 makes Australia's paradox legible in regional context. Japan and South Korea — the two economies most structurally similar in their import dependence — hold three to five times Australia's strategic reserve cover and have built deep refining and LNG infrastructure as deliberate sovereign responses to exactly this type of shock. Singapore's exposure is acute but by design: as the region's refining hub, price pain is also pricing power. New Zealand sits at the opposite end of the electricity spectrum — 85% renewables — but shares Australia's vulnerability on liquid fuels: its only refinery closed in 2022, leaving it with zero domestic refining capacity and near-total dependence on imported finished fuel. China's domestic coal buffer and refining scale provide meaningful insulation that no other regional economy can replicate. The consistent read across the table is that **reserve adequacy, refining sovereignty and generation diversity are the three variables that determine shock resilience — and on all three, Australia's structural position is the weakest of any developed economy in the region.**

Table 1. APAC Economy Energy Exposure — 2026 Shock Comparison[10]

Economy	Refined petroleum reserve cover	Middle East crude reliance	Domestic refining capacity	Renewables (% electricity)	LNG / fuel position	Refined petroleum security	Refined petroleum resilience	Electricity security	Electricity resilience
Australia	~28–36 days; 25–26 days onshore only	~59% indirect via Asian refiners	~20% of liquid fuel demand; 2 refineries imported crude	~51% (NEM, 2025)	World's 3rd largest LNG exporter; ~90% liquid fuel imported	■ High vulnerability	■ High vulnerability	■ Relatively resilient	■ Moderate
Japan	~254 days	~90%; ~1.7mb/d via Hormuz	Very high; runs almost entirely on imported crude	~25%	World's largest LNG importer; ~40% supplied by Australia	■ High vulnerability	■ Relatively resilient	■ Moderate	■ Moderate
South Korea	~200 days	~70%; ~1.6mb/d via Hormuz	Very high; major regional refiner; key exporter to Australia and NZ	~10%	Major LNG importer; 14% sourced from Australia; exports refined fuel to Australia	■ High vulnerability	■ Relatively resilient	■ High vulnerability	■ Moderate
China	~90–200 days (contested)	~45%; ~3.8mb/d via Hormuz; ~80% of Iran's exported oil	Largest globally; significant domestic coal buffer	~35%	Large LNG importer; holds the world's largest estimated reserve but has not participated in the IEA release	■ Moderate	■ Relatively resilient	■ Moderate	■ Relatively resilient
India	~74 days total	~85%; ~2mb/d via Hormuz	Large and expanding	~22%	Growing LNG importer; major refiner; ruled out SPR release (March 2026)	■ High vulnerability	■ Moderate	■ Moderate	■ Moderate
Singapore	Not transparently disclosed	~70–80%; imports nearly all crude; ~25% LNG from Qatar	Regional refining hub; ~1.4mb/d capacity; exports globally	~5% (90% electricity from gas)	Highly dependent on LNG imports (40% from Australia, 2024); Bilateral deal struck March 2026 — Singapore supplies refined fuel to Australia in exchange for continued LNG supply	■ High vulnerability	■ Moderate	■ High vulnerability	■ High vulnerability
New Zealand	~90 days (mostly offshore)	~60% indirect; South Korea (48%), Singapore (33%)—both source from Middle East	Zero (Marsden Point closed April 2022)	~85% (hydro-dominated)	Near-total refined fuel import dependence; no refining capacity	■ High vulnerability	■ High vulnerability	■ Relatively resilient	■ Relatively resilient

Sources: IEA, Nikkei Asia, Black Dot Research, Nation Thailand, Al Jazeera, University of Auckland, MBIE NZ, IEEFA, EIA, Dept of Industry Science and Resources (Aus).

[10] Traffic light key: Refined petroleum security = structural import dependency and supplier concentration. Refined petroleum resilience = ability to absorb a supply shock (reserves, substitutability, refining). Electricity security = generation sovereignty and fuel dependency. Electricity resilience = generation diversity, storage and grid robustness.

Australia's trade exposure map (see Table A.4, Appendix 1) reveals a structural irony that the 2026 crisis has made impossible to ignore. Its two most critical fuel import partners — South Korea and Singapore, together supplying the majority of Australia's petrol, diesel and jet fuel — are themselves deeply exposed to the same Hormuz disruption driving the crisis, sourcing the crude they refine from the Middle East. Malaysia, a third key supplier, has already prioritised domestic fuel needs over export commitments.

On the export side, the LNG Australia ships to Japan, China and South Korea — nearly 90% of its total LNG exports — gives it genuine leverage[11], and the bilateral deal struck with Singapore in March 2026 illustrates the dynamic directly: Australia's LNG export position is now being used as currency to secure continued refined fuel supply. The arrangement has an additional layer of structural logic: a significant portion of Australia's crude oil production from Western Australia is exported to Singapore for refining — meaning Australia is in effect buying back its own crude as finished fuel. The March 2026 bilateral deal formalises what is already, in part, an existing supply chain relationship. The two sides of Australia's energy ledger, long treated as separate, are now explicitly linked — and that linkage is both its greatest vulnerability and its most powerful negotiating tool in the current crisis.

What This Means: Climate Change and the Energy Transition

The transition is not dead — but the conditions under which it was proceeding have fundamentally changed.

The risk for Australia's climate objectives is not outright reversal but entrenchment: fossil fuel infrastructure commissioned today carries 20–30-year asset lives that sit uncomfortably against 2050 net zero commitments.

The 2026 shock has not killed the energy transition — but it has fractured the political and capital conditions under which it was proceeding. New LNG offtake agreements, fuel storage mandates and refining capacity incentives are all being accelerated by governments responding to supply vulnerability, and each one extends the fossil fuel system's effective life.

At the global level, the investment picture is more complex than the headlines suggest. Global investment in the electricity sector — generation, grids and storage — is set to reach USD 1.5 trillion in 2025, some 50% higher than total spending on oil, natural gas and coal supply combined, a reversal of the position a decade ago when fossil fuel investment was 30% higher.[12] But that aggregate masks a bifurcation that matters for investors: clean energy investment now accounts for around 67% of total global energy investment, up from 44% in 2015 — yet current levels still fall well short of COP28 targets, with renewable investment needing to double and efficiency and electrification spending needing to nearly triple.[13] **The energy security shock has reinforced the investment case for domestic clean energy — not primarily on climate grounds, but on independence grounds — while simultaneously pulling near-term capital toward fossil fuel security.**

Three forces are now running in parallel on the transition itself.

First, fossil fuel system maintenance: the world is not abandoning the infrastructure it depends on — it is securing, extending and in some cases expanding it, because the cost of supply failure is now visibly higher than the cost of continued use. China and India approved nearly 115 GW of new coal power in 2024, the highest level since 2015[14] — not a reversal of the transition, but a sovereign risk response by the two economies most exposed to import disruption.

Second, domestic clean energy acceleration: but the primary driver may have moved from managing for climate change to energy independence. Governments that might have moved cautiously on renewables, we are likely to see moving more urgently, because domestic generation is the only form of energy that cannot be disrupted by a strait, a conflict or a refinery fire. In Australia, this was already visible prior to the Iran conflict: battery storage investment reached AU$2bn in 2025, up from AU$90 million in 2017, with 4.9 GWh

[11] That leverage carries an emerging domestic policy risk: the debate ahead of the federal budget around taxing gas exports — if legislated — would affect the economics of that negotiating position and represents a sovereign policy risk for LNG sector investors to monitor.
[12] IEA, *World Energy Investment 2025*, Executive Summary.
[13] Ibid.
[14] Ibid.

commissioned in 2025 alone — more than the previous eight years combined[15]. The federal government has since expanded its home battery program from AU$2.3bn to AU$7.2bn over four years, targeting more than 2 million household battery installations by 2030.[16]

Third is grid and system resilience investment. The April 2025 Iberian blackout — triggered by inadequate voltage control and transmission resilience in a high-solar grid — is the clearest signal that the transition's physical infrastructure is as important as its generation mix. Concentration risk in a renewable system is as real as concentration risk in a fossil fuel system; the mitigant in both cases is diversification, firming capacity and system depth.

More broadly, the crisis is accelerating a repricing of energy infrastructure assets. **Wholesale electricity prices across the NEM fell by nearly half to an average of AU$50/MWh in the December 2025 quarter, attributed to record renewable generation and increased battery deployment[17]— a signal that the economics of the transition are working on electricity, even as the liquid fuel crisis deepens**. The assets that keep the grid stable and store energy are being recognised for what they always were — essential infrastructure, not optional add-ons. That shift in how they are valued is still in its early stages, leading to opportunities for investors.

Sector Implications

Every major energy shock in the last half century has redirected capital, and 2026 is no different. What distinguishes this one is that the redirection is running in two directions simultaneously: toward fossil fuel security in the near term, and toward domestic clean energy independence over the medium term. The five investment themes below sit at the intersection of both (Table 2).

- In **fossil fuel resilience**, near-term tailwinds for domestic LNG, strategic storage and refining capacity are real, but investors should be clear-eyed about horizon risk — infrastructure commissioned now will need to earn its return in a world of accelerating electrification and carbon pricing.
- **Energy infrastructure and storage** is a compelling category: battery storage, pumped hydro and transmission assets are being repriced as security-critical, policy support is accelerating, and the investment case no longer depends solely on the climate narrative.
- **Critical minerals and supply chains** sit at the intersection of the transition and the defence and security agenda. Supply chain diversification away from single-country concentration has become a priority.
- **Renewables acceleration** is being driven by the independence argument as much as the climate one, which broadens its political durability; the constraint is firming and grid infrastructure, not generation appetite.
- The **defence and energy security crossover** is the most nascent but a fast-moving theme: fuel security logistics, port resilience, grid cybersecurity and domestic manufacturing capacity are emerging as a distinct and growing investment category that sits outside traditional energy classifications.

[15] Clean Energy Council, *Q4 2025 Investment Report*; Energy Storage News, *Australia commissions 4.9GWh of grid-scale batteries in 2025* (February 2026).
[16] DCCEEW, *Cheaper Home Batteries Program* (December 2025).
[17] AEMO Energy Storage News, *Battery storage claims 46% share of Australia's record 64GW energy investment pipeline* (January 2026).

Table 2. Five Energy Shock-driven themes and investment horizons

Investment Theme	Near-term	Horizon risk / opportunity
Fossil fuel resilience *Domestic LNG, strategic storage, refining capacity*	Near-term tailwind as energy security spending accelerates; elevated commodity prices support earnings across the resource sector	Commissioned infrastructure must now earn returns in a world of accelerating electrification and carbon pricing; stranded asset risk on a 20–30 year horizon
Energy infrastructure and storage *Battery storage, pumped hydro, transmission*	Being repriced as security-critical, not just climate-aligned; battery storage now claims 46% of Australia's record 64GW investment pipeline; Near term the opportunity is in the repricing itself — storage and transmission assets are being revalued as security-critical infrastructure, but that reclassification is still early and the market has not fully caught up. First-mover investors who recognised this before it became consensus are already being rewarded.	**Medium term** the value shifts toward scale and duration — as the grid absorbs more renewables, the premium moves from short-duration batteries doing frequency control and arbitrage toward longer-duration storage providing capacity, firming and system stability services. The 4-hour battery is already becoming the new standard; 8-hour and beyond is the medium-term prize. **Longer term** the opportunity evolves toward the infrastructure layer that connects and coordinates it all: transmission, virtual power plants, grid-forming technology and the software and market structures that optimise a deeply complex distributed system.
Critical minerals and supply chains *Lithium, nickel, rare earths*	Demand pulled from both energy transition and defence and security agendas simultaneously; supply chain diversification a priority	The value opportunity in this theme migrates up the supply chain over time — from raw materials extraction today, to processing and refining in the medium term, where China's dominance creates both risk and opportunity for diversification plays, and ultimately toward advanced manufacturing over a longer horizon.
Renewables acceleration *Onshore wind, utility solar, rooftop*	Independence argument now as strong as climate argument, broadening political will and durability; 143 wind, solar and battery projects underway in Australia by end of 2025, representing AU$38bn in capital spending[18]. Near term, the constraint is transmission — generation is being built faster than the grid can absorb it, creating curtailment risk and price volatility.	Medium term, as transmission catches up, value migrates from generation toward the assets that firm and shape renewable output, e.g. storage, hybrids and demand response. Longer term, the opportunity shifts toward grid services and the technology layer that optimises an increasingly complex system. Transport electrification deserves specific mention. Australia's liquid fuel vulnerability is overwhelmingly a transport problem — petrol, diesel and jet fuel account for the vast majority of that 41% oil import dependency. Accelerating EV adoption is the most direct structural response available, but it is not cost-free in energy terms: every electric vehicle is a new electricity demand load, and without sufficient renewable generation and storage behind it, electrification of transport risks substituting one form of import dependency for another. The investment case for renewables and storage is therefore directly linked to the pace of transport electrification.
Defence and energy security crossover *Fuel security logistics, port resilience, grid cybersecurity, domestic manufacturing*	Most nascent but fastest-moving theme; sits outside traditional energy classifications and is being systematically underpriced by markets still using legacy sector frameworks. There is opportunity in identifying which companies and assets are being pulled into the security orbit — fuel logistics, port infrastructure, grid cybersecurity — before that reclassification is reflected in valuations. Most of these sit in sectors not traditionally screened for energy exposure.	Over time, government procurement and long-term contracts may become a value driver as fuel security legislation, critical infrastructure protection frameworks and defence energy mandates are formalised. Longer term the line between energy infrastructure and defence infrastructure is likely to become increasingly blurred.

[18] Clean Energy Council, Q4 2025 Investment Report, as reported in RenewEconomy (February 2026).

Key Takeaways

1. The organising principles are now resilience, diversification and system depth.
2. Transition assets are evolving: storage, grid infrastructure, firming capacity and some gas assets now qualify under an energy security lens that is politically more durable than a pure climate lens.
3. Stress-test concentration risk at every level — in portfolio construction, in company supply chains, and in geographic exposure; the lesson from both the Iberian grid and the Strait of Hormuz is that concentration without diversification and redundancy is a systemic vulnerability regardless of asset class.
4. Watch Australia's policy acceleration signals closely: fuel security legislation, critical minerals strategy, domestic storage mandates and grid investment frameworks are all moving faster than the market has priced.

The energy trilemma — security, affordability, sustainability — has reasserted itself with force in 2026, and the comfortable assumption that the transition could be managed as a gradual substitution story has not survived contact with geopolitical reality. The investors best placed to navigate what follows are those who recognise that energy security and the energy transition are not competing objectives — they are, increasingly, the same investment problem.

Appendix 1. Statistical Appendix — Australia's Energy Production, Trade and Consumption

Table 1. Australia's Domestically Produced Energy: What we make, what we keep, and what we export (2023–24)[19]

Commodity	Total production (PJ/yr)	Export volume (PJ/yr)	Export share of production	Retained Domestically (PJ/yr)	Domestic share	% of domestic energy mix	Included in DCCEEW 19,232 PJ total?
Crude oil/ condensate	~750[20]	~600-700	~80-93%	~50-150	~7-20%	Not directly consumed (see Table 2)[21]	Yes
Natural gas (incl. LNG)	~7,340	~5,724	~78%	~1,616	~22%	~25% of total consumption	Yes, net of processing fuel
Black coal	~12,400	~11,092	~89%	~1,308	~11%	~25% of total consumption	Yes
Brown coal	~409	~0	~0%	~409	~100%	~7% (electricity generation, Vic only)	Yes
Renewables (hydro, solar, wind, bioenergy)	~538	~0	~0%	~538	~100%	~9%	Yes
Subtotal (DCCEEW)	**~19,232**[22]	**~15,292**	**~79–80%**	**~3,921**[23]	**~20–21%**	—	—
Uranium	~2,725	~2,725	~100%	~0	~0%	0% (no domestic nuclear power)	No, excluded

Sources: DCCEEW Energy Update 2025, DCCEEW Energy Statistics Table C, ABS Energy Account, Geoscience Australia AECR 2025, EIA Australia Brief, and Solar Calculator citing DCCEEW for the commodity export share percentages.

[19] All volumes in petajoules (PJ) per year. 1 PJ = 278 GWh. DCCEEW Australian Energy Statistics 2023–24 includes all forms of energy use across the whole economy: Liquid fuels (petrol, diesel, jet fuel) ~41%; Gas used for industrial heat, manufacturing, residential cooking and heating; Coal burned for electricity generation and industrial processes; Electricity consumed by end users; Renewables used directly (rooftop solar feeding into homes, etc.). Domestic consumption for black coal and natural gas are implied (production minus exports); some gas is also used as feedstock at LNG processing plants and counted in production but not final consumption.

[20] ~750 PJ/yr for crude oil/condensate is from the ABS Energy Account Australia 2023–24, which is consistent with DCCEEW methodology. An alternative estimate of ~714 PJ/yr can be derived by converting the EIA's ~320,000 b/d figure using the standard conversion factor (1 b/d = 0.002233 PJ/yr) — the ~36 PJ difference reflects slightly different base periods (ABS financial year vs EIA calendar year) and energy content assumptions. The ABS figure is preferred here for methodological consistency with DCCEEW.

[21] Most Australian-produced crude is ultra-light condensate, exported to Asian refiners because it is technically incompatible with Australia's two remaining domestic refineries which run almost entirely on imported heavier crude. The crude oil row therefore does not translate directly into domestic energy consumption — it flows through the oil products import system explained in Table 2.

[22] The DCCEEW total of 19,232 PJ is the authoritative government figure from Australian Energy Statistics Table C, 2023–24. Individual commodity rows are sourced from ABS and Geoscience Australia sub-tables using consistent but not identical accounting boundaries — they are indicative and sum to approximately this total when uranium (excluded by DCCEEW) is removed. Uranium is excluded from the DCCEEW production total because it has no domestic energy application in Australia (no nuclear power); it is solely for export.

[23] Remainder of domestic consumption ~2,056 PJ is met by imported energy products — primarily refined petroleum; total 5,977.

Table 2. Oil products are Australia's single largest energy source at ~41% of total domestic consumption — but the vast majority is imported, not produced domestically

Supply source	Volume (barrels/day)	Volume (PJ/yr)	Share of liquid fuel supply	Key source countries	Notes
Directly imported refined petroleum products (petrol, diesel, jet fuel)	~849,000 (imported)[24]	~1,896	~78%	South Korea (~25%), China, Singapore, Malaysia, India	Petrol (188,000 b/d), diesel/gasoil (521,000 b/d), jet fuel (140,000 b/d). Australia's largest import by value (~AU$37.7bn/yr); ~90% of liquid fuel demand is imported
Domestically refined (mostly imported crude) *[of which from domestic crude feedstock]*	~244,000 (imported and domestically refined)[25] *[~40,000-75,000]*	~545 *[~89-170]*	~22% *[~4-7%]*	Middle East, SE Asia *[Domestic crude meets only ~5.6% total Aus oil demand (IEEFA)]*	Output of Lytton (110,000 b/d) and Geelong (120,000 b/d). Both refineries run almost entirely on imported crude — Australian-condensate is incompatible with refinery configuration (Table 1)
Domestically produced crude and petroleum liquids	~320,000		(exported)	Mostly exported	Australian condensate is exported to Asian refiners; only a small volume of east coast crude feeds domestic refineries. Domestic production meets only ~5.6% of total oil demand
Total liquid fuel supply	**~1,093,000 b/d**[26]	**~2,440**	**100%**	**Mostly imported; see above**	**~90% import-dependent (combining directly imported products + imported crude fed to domestic refineries)**

Sources: Argus Media (refinery output, volumes), OilPrice.com (import dependency), IEEFA (domestic production), Morningstar/Wood Mackenzie (supplier country shares), EIA (total demand), Geoscience Australia oil report (domestic crude compatibility with refineries).

Table 3. Australia's Total Domestic Energy Mix (All Sources, 2023–24)

Energy Source	Consumption (PJ/yr)	Share of total	Primary Origin
Oil products (petrol, diesel, jet fuel)	~2,450	~41%	~78% imported as finished products; ~22% domestically refined from imported crude; only 5.6% of oil demand met by domestic crude production
Coal (black + brown)	~1,494	~25%	Domestically produced; primarily used for electricity generation and industrial processes
Natural gas	~1,494	~25%	Domestically produced; used for electricity generation, industrial heat, residential use
Renewables (solar, wind, hydro, bioenergy)	**~538**	~9%	Domestically generated; ~one-third is bioenergy (wood, bagasse); remainder is solar, wind, hydro
Total	**~5,977**	100%	
Of which is fossil fuels	***~5,438***	*91%*	

Sources: DCCEEW Energy Statistics, ABS Energy Account, IPA Research Note, AEMO QED Q4 2025, and Climate Scorecard citing DCCEEW (bioenergy).

[24] Argus Media, March 2026, citing Australian Petroleum Statistics data.
[25] OilPrice.com, March 2026.
[26] Implied from the above two figures combined; consistent with EIA Australia Country Analysis Brief, December 2025 which puts consumption at ~1.15 million b/d (slightly higher, reflecting the 2024 figure vs the 2025/26 crisis period).

Table A.4. Australia's Energy Trade Exposure across APAC

Trade flow	Partner	Commodity	Australia's dependency / significance	Partner's Hormuz / shock exposure	Vulnerability rating
Import — refined fuel	South Korea	Petrol, diesel, jet fuel	~25% of Australia's refined product imports; key supplier for NZ also	Very high — ~1.6mb/d via Hormuz; refines Middle East crude; contributed 22.5mb to IEA release	■ **High**
Import — refined fuel	Singapore	Petrol, diesel, jet fuel	Major supplier; bilateral fuel-for-LNG deal struck March 2026	Very high — imports ~70–80% crude from Middle East; 90% electricity from gas; ~25% LNG from Qatar (disrupted)	■ **High**
Import — refined fuel	Malaysia	Petrol, diesel, jet fuel	Key supplier; announced domestic fuel priority March 2026, disrupting Australian supply	Moderate — some domestic production; partial Middle East crude exposure	■ **Moderate**
Import — refined fuel	India	Petrol, diesel, jet fuel	Growing supplier of refined products to Australia	High — ~85% Middle East crude reliance; large refining base but domestic subsidy pressure	■ **High**
Import — crude (domestic refining)	Middle East / SE Asia	Crude oil (heavier grades)	Lytton and Geelong refineries run almost entirely on imported crude; Australian condensate incompatible	Direct Hormuz exposure for Middle East-sourced feedstock	■ **High**
Export — LNG	Japan	LNG	~36% of Australian LNG exports; Australia supplies ~40%+ of Japan's LNG needs	Very high import dependency but ~254 days reserve cover provides meaningful shock buffer	■ **Moderate (customer resilient)**
Export — LNG	China	LNG	~28–33% of Australian LNG exports; exports fell 28% H1 2025 YoY	Moderate — large SPR, domestic coal buffer; ~3.8mb/d Hormuz exposure; SPR not released alongside IEA	■ **Moderate**
Export — LNG	South Korea	LNG	~14% of Australian LNG exports; exports up 20% H1 2025 YoY	High crude import dependency but strong reserve cover (~200 days); contributed to IEA release	■ **Moderate (customer resilient)**
Export — LNG	Singapore	LNG	Australia was Singapore's largest LNG supplier in 2024 (39.4%); bilateral deal in place	Very high — 90% electricity from gas; Qatar LNG significantly disrupted; near-zero domestic production	■ **High (customer vulnerable)**
Export — coal	Japan, South Korea, India, China	Thermal and metallurgical coal	Major export revenue; provides leverage in fuel security negotiations with Asian partners	Varies — coal provides domestic generation buffer for some; ongoing transition pressure	■ **Moderate**

Sources: EIA Australia Brief (Dec 2025), Dept of Industry Science and Resources, IEEFA, The Diplomat, IndexBox, Wise Response NZ, Geoscience Australia AECR 2025.

Energy Security is a structural, steady-state concept — it describes how well a country is positioned *in normal times*. It's about the diversity, availability and affordability of energy supply. The key variables are: domestic production capacity, import dependency, supplier diversity, and reserve holdings.

Energy Resilience is a dynamic, shock-response concept — it describes how well a country can *absorb and recover* from a disruption. It's about buffers, substitutability and system flexibility. The key variables are: strategic reserve cover (days), ability to switch fuels or suppliers, grid flexibility, and refining sovereignty.

About the Yarra Capital Management Group

Yarra Capital Management (Yarra) is a leading independent, active Australian fund manager, with approximately $20bn of assets under management. Founded in 2017, the Firm's offering includes its fundamental Australian equities product set, consisting of long-only, concentrated strategies, and fixed income capabilities which provide clients with access to core fixed income, credit and multi-asset solutions. Yarra also provides access to a range of international equity products through its partnership with the Amova Asset Management Group. Yarra serves the Australian institutional and retail markets, and its Australian investment products are accessed from various international markets, including Japan and New Zealand.

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Energy security, affordability and sustainability remains key.