

# War gains: windfall profits on liquified natural gas exports, 2022-24

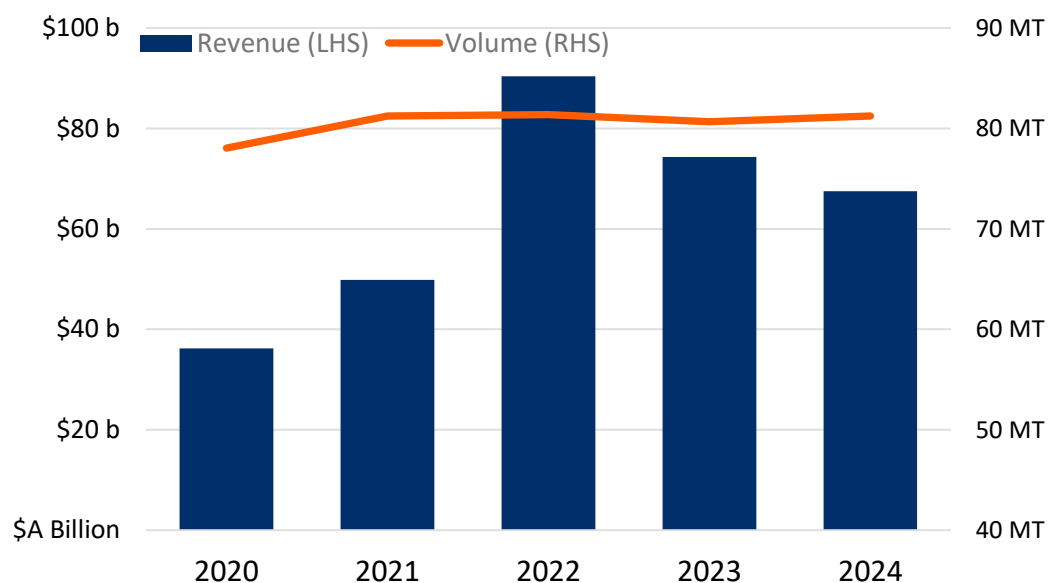
*Companies exporting liquified natural gas from Australia have made windfall profits close to \$100 billion since 2022, when energy prices spiked because of Russia's invasion of Ukraine.*

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## INTRODUCTION

Global energy prices spiked following Russia's invasion of the Ukraine in late February 2022. While the volume of liquified natural gas (LNG) exported from Australia barely changed, the revenue received by the LNG exporters leapt to unprecedented levels, as shown in Figure 1 below:

**Figure 1: Australian LNG export revenue and volume**



Sources: ABS (2025) *International Trade in Goods and Services*, [abs.gov.au/statistics/economy/international-trade/international-trade-goods/](https://abs.gov.au/statistics/economy/international-trade/international-trade-goods/); DISER (2025) *Resources and energy quarterly*, [industry.gov.au/publications/resources-and-energy-quarterly](https://industry.gov.au/publications/resources-and-energy-quarterly)

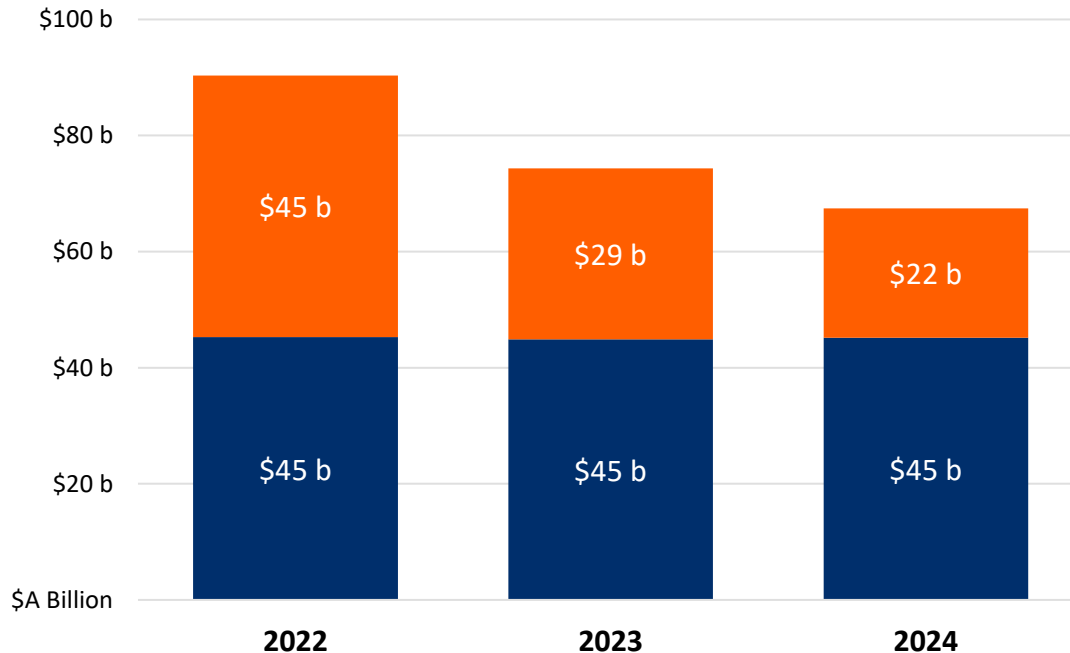
Figure 1 shows that while LNG export volumes have been steady at 80 million tonnes per year, revenues leapt following the Russian invasion from a low of \$36 billion in 2020 to over \$90 billion in 2022, remaining at close to record highs for the following two years. This increase occurred with virtually no increase in the cost of production according to the Australian Competition and Consumer Commission (ACCC).<sup>1</sup>

This briefing note estimates the windfall profit to the LNG industry since the 2022 Russian invasion of the Ukraine. It updates an estimate made in 2022.<sup>2</sup>

## ESTIMATING WINDFALL PROFIT

The windfall profit can be estimated by calculating what LNG export revenue would have been, had global energy prices not spiked following Russia's invasion. For the five years before the invasion LNG export prices from Australia averaged \$556 a tonne. In 2022 the LNG export price doubled to \$1,110 a tonne. Figure 2 below shows in blue what LNG revenue would have been at the average LNG export price for the five years leading up to the Russian invasion. The orange bars show the additional windfall the LNG exporters have enjoyed over the last three years.

**Figure 2: Estimated LNG windfall profit and export revenues, 2022-2024**



Sources: ABS (2025), DISER (2025)

<sup>1</sup> ACCC (2022) *Gas inquiry July 2022 interim report*, <https://www.accc.gov.au/publications/serial-publications/gas-inquiry-2017-2025/gas-inquiry-july-2022-interim-report>

<sup>2</sup> Ogge (2022) *War gains: LNG Windfall Profits 2022*, <https://australiainstitute.org.au/report/war-gains-lng-windfall-profits-2022/>

Figure 2 shows that LNG exporters have made windfall profits of \$45 billion, \$29 billion and \$22 billion over these three years, for a total of \$96 billion. Figure 2 highlights that at average prices (blue shading) LNG export revenue would have been stable and most likely stable profits. With a doubling of the export price, export revenue also doubles. With little to no change in production costs, as noted by the ACCC, the increase in export revenue (orange shading) represents a windfall profit to the mostly foreign-owned LNG exporters.<sup>3</sup>

## WHAT ABOUT TAXES?

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Little of this windfall has been taxed. No LNG exporter has ever paid Petroleum Resource Rent Tax (PRRT) Australia's main tax aimed at generating public revenue from the oil and gas industries.<sup>4</sup>

Company tax has captured a small part of this revenue for the Australian public. A detailed estimate of LNG-related company tax payments is not available. Australian Energy Producers estimates that all its members, not just LNG exporters, made company tax payments of \$12.8 billion in 2023-24, \$8.8 billion in 2022-23 and approximately \$2 billion in 2021-22, a total of \$23.6 billion.<sup>5</sup>

Even if all this revenue was from LNG export operations, it would include tax paid on normal profits in addition to windfall profits. At best, \$20 billion in company tax may have been paid on the near-\$100 billion windfall the LNG industry has enjoyed since Russia's invasion of Ukraine.

## CONCLUSION

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The \$100 billion windfall received by LNG exporters in Australia should be taxed. This windfall is a result of war and in no way reflects effort by or costs faced by oil and gas companies. A windfall tax is a fair and economically responsible measure to raise revenue from the sale of Australia's gas resources.

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<sup>3</sup> ACCC (2022)

<sup>4</sup> Treasury (2023) *Budget 2023-24, Budget Paper 1*, p180. [https://archive.budget.gov.au/2023-24/bp1/download/bp1\\_2023-24.pdf](https://archive.budget.gov.au/2023-24/bp1/download/bp1_2023-24.pdf)

<sup>5</sup> Australian Energy Producers (2024) *Australian oil and gas sector delivers record contribution to government revenues in 2023-24*, [https://energyproducers.au/all\\_news/australian-oil-and-gas-sector-delivers-record-contribution-to-government-revenues-in-2023-24/](https://energyproducers.au/all_news/australian-oil-and-gas-sector-delivers-record-contribution-to-government-revenues-in-2023-24/); APPEA (2023) *Key Statistics 2023*, [https://www.appea.com.au/wp-content/uploads/2023/06/APPEA\\_KS23\\_Final\\_low-res.pdf](https://www.appea.com.au/wp-content/uploads/2023/06/APPEA_KS23_Final_low-res.pdf)