From: \$22

To: <u>Madeleine.King.MP@aph.gov.au</u>

Cc: \$22 ;\$22

Subject: Correspondence from Barossa JV

Date: Monday, 16 October 2023 6:06:26 PM

Attachments: <u>image001.png</u>

Barossa 16 Oct 2023.pdf

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Hi,

I hope all is well. Please see the attached correspondence to Minister King from the Barossa Joint Venture. Please contact me if you have any questions about this.

Cheers \$22

## s22

Head of External Affairs



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Santos acknowledges the Traditional Owners and Custodians of the lands on which we operate. We pay our respects to their Elders past, present and emerging.

Santos Ltd A.B.N. 80 007 550 923

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Jera

6 October 2023

Department of Industry, Science and Resources

Minister for Resources: The Hon Madeleine King MP

Parliament House Canberra, ACT, 2600

Dear Minister King,

Request for Urgent Policy Clarity - Offshore petroleum approvals

The representatives of the Barossa Joint Venture are seeking an urgent meeting with you to address the significant challenges project proponents face in the regulatory approvals space for offshore gas developments.

The undersigned took a final investment decision for the Barossa Gas Project in good faith in March 2021 after NOPSEMA's acceptance of the Barossa Offshore Project Proposal (OPP) and NOPTA's award of a Production Licence.

Since the overturning of NOPSEMA's decision to accept the Barossa Drilling and Completions Environment Plan in December last year, the operator Santos has spent most of this year carrying out further consultations, particularly with First Nations peoples.

NOPSEMA's issuing of a General Direction in January this year has also prevented the Barossa Gas Export Pipeline construction, notwithstanding NOPSEMA's prior acceptance of an Environment Plan for this activity. The operator has now complied with the General Direction and intends to proceed with pipelaying in the coming weeks.

The Barossa Joint Venture is extremely concerned about ongoing delays and more broadly the dire state of Australia's offshore petroleum approvals regime – evidenced by the Federal Court overturning NOPSEMA's acceptance of Woodside's Scarborough Seismic Environment Plan last week.

For JERA and SK, this has adverse and serious consequences for stable LNG supply to Japan and Korea from 2025, when both countries had factored Barossa LNG volumes into their energy mix.

Currently, Barossa is 60 per cent complete with capital expenditure of USD 1.9 Bil. already incurred. This is almost half of the project budget. Any further delay of secondary regulatory approvals will lead to significant project cost increases and the delay of LNG production which risks a breach of binding LNG sale and purchase contracts which have already been entered into with customers.

The lack of regulatory certainty for petroleum extraction has already cost the Barossa joint venture more than US\$300 million.

The Barossa joint venture partners are calling on the government to take urgent action to deliver regulations which provide clarity and certainty for industry.

We do not accept the premise that this is a failure of industry or its consultation processes. We are committed to maintaining high standards of consultation with stakeholders, including Traditional Owners, however it is impossible to undertake effective consultation if there is no regulatory certainty when an approval is granted.

Furthermore, there must be an additional provision of certainty for projects that have reached FID based on an approved OPP. Investors have previously committed funds based on a level of trust in the Australian regulatory regime and a reasonable expectation that environmental approvals consistent with that OPP will be forthcoming.

An accepted OPP has always been a critical step in taking a FID on a project because the secondary approvals regime requires project proponents to commit significant levels of capital to secure contracts and construction equipment.

The events of the last 18 months have eroded confidence in the current regulatory approvals regime, as it fails to deliver certainty of cost, schedule and ultimately the ability to complete a sanctioned project. This in turn decreases the attractiveness of Australia as a place to invest in for major capital projects.

This joint approach by our companies underlines the seriousness with which we view the ongoing approvals uncertainty which has significantly delayed progress on the Barossa Gas Project.

We look forward to the opportunity to discuss this with you further as soon as possible.



\$22 is22
Request for \$22 to meet with Minister in Canberra the week of 16 October Wednesday, 4 October 2023 7:43:35 PM

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Hi, I am hoping to arrange a meeting with the Minister and \$22 in Canberra when Parliament resumes, on either Monday or Tuesday 16/17 Octob

in Canberra when Parliament resumes, on either Monday or Tuesday 16/17 October \$22

The meeting would be to discuss the offshore environmental approvals issue, and to touch base on next steps for the Future Gas Strategy Happy to discuss

Thanks

S22
General Manager – Policy & Advocacy
Ms22
energyproducers.au
signature\_1589912594

Lastralian Energy Producers acknowledges and pays respect to the past and present Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

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