South East Australia Carbon Capture and Storage (SEA CCS) Project Update

Overview

Esso Australia Resources Pty Ltd (Esso Australia), together with its co-venturer, Woodside Energy (Bass Strait) Pty Ltd, is undertaking front-end engineering design (FEED) and other preliminary assessments to determine the potential for carbon capture and storage to reduce greenhouse gas emissions from multiple industries in the Gippsland Basin. Carbon capture and storage is the process of capturing carbon dioxide (CO_2) emissions from industrial activity or power plants at the source and injecting it into deep underground geologic formations for safe, secure and permanent storage. It is among the few proven technologies that could enable reduced CO_2 emissions from high-emitting and hard-to-decarbonise sectors. These include power generation, refining, steel, cement and petrochemicals. Both the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) see carbon capture and storage as key to reaching global emissions goals[1].

The initial phase of the SEA CCS Project being considered would take an existing CO_2 stream from the Longford Gas Plants to the Bream A platform, where it would be injected into the Bream reservoir for permanent storage. If expanded in the future to allow for the injection and storage of CO_2 from third party sources, it has the potential to capture and store up to 2 million metric tonnes of CO_2 per year, that's equivalent to taking almost half a million cars off the road for every year of operation. Collaboration with other industries is an important step to unlock future carbon capture and storage opportunities for Australia, with the potential for large-scale reductions in the highest emitting industrial sectors. We are in active discussions with local industries that may be interested in accessing the SEA CCS facilities to reduce emissions from their operations.

Project infrastructure

The Project would involve the use of existing facilities as well as installation of new facilities to transport CO_2 from the onshore Longford Plants to the offshore Bream A platform (located in Commonwealth waters).

The CO_2 would be transported from Longford to Valve Site 3 in Dutson Downs via a new onshore pipeline (approximately 19 kilometres in length) installed within the existing pipeline corridor. Transportation of the CO_2 would continue from Valve Site 3 to the Bream A platform via the existing and repurposed Bream natural gas pipeline. The Bream A platform which is approximately 46 kilometres offshore in approximately 59 metres of water depth, would be converted into a fit-for-purpose normally unstaffed platform. At Bream A, existing wells would be converted for use to inject the CO_2 into the depleted Bream reservoir.

Project approvals

The SEA CCS Project will be subject to a number of regulatory approvals under a broad range of licensing and environmental legislation. This may include, but is not limited to, the following key legislation:

- *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth)
- *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- *Environment Protection (Sea Dumping) Act 1981* (Cth)
- *Native Title Act 1993* (Cth)
- *Offshore Petroleum and Greenhouse Gas Storage Act 2010* (Vic)
- *Pipelines Act 2005* (Vic)
- *Occupational Health and Safety Act 2004* (Vic).

How to contact us

For more information, visit our Consultation Hub using the QR Code below, or contact our Consultation team at:

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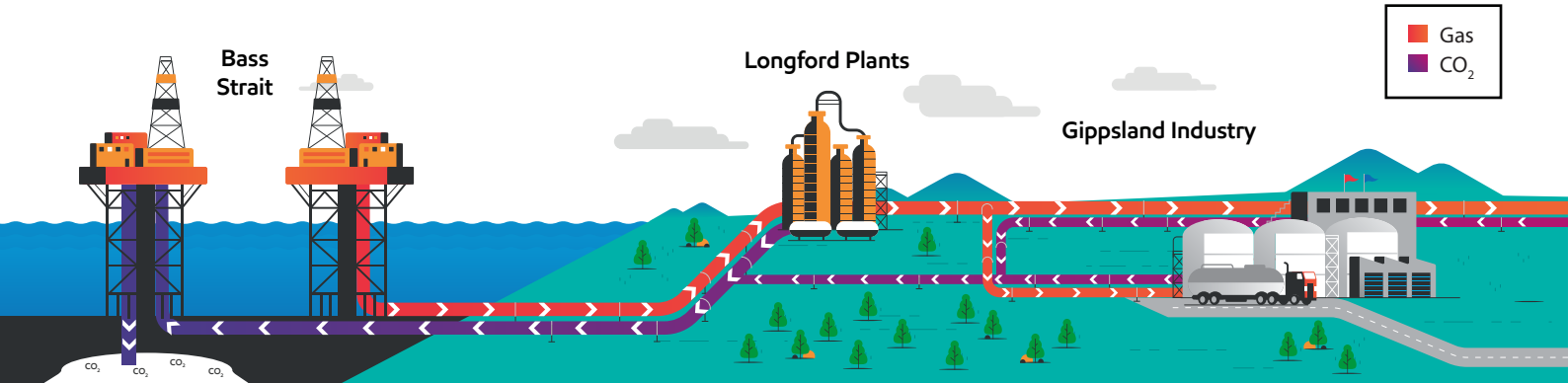
Scan to access the Consultation Hub and Esso Consultation Questionnaire

[1] International Energy Agency. (2021). *Net Zero by 2050: A Roadmap for the Global Energy Sector;* International Energy Agency. (2020). *Energy Technology Perspectives 2020: Special Report on Carbon Capture Utilisation and Storage;* and Intergovernmental Panel on Climate Change. (2014). Climate Change 2014: *Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.*



Recent Project update

While we continue to work through FEED, we are also progressing through complex approval processes with multiple State and Commonwealth regulators. Our past 12 months progress includes:

- an application for a greenhouse gas assessment permit under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth)
- environmental and cultural heritage surveys along the proposed onshore pipeline route
- referrals under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) and *Environment Effects Act 1978* (Vic).

Consultation commitment

Esso Australia is committed to maintaining a positive relationship with our neighbours and the local community through open, accurate and transparent consultation. Esso Australia welcomes questions and feedback, which will inform development of regulatory deliverables and management plans. Engagement with stakeholders that relates to regulatory approvals for the Project will be shared with the relevant regulatory agencies as part of the required statutory processes.

Timeline

The Project timeline depends on a number of factors including regulatory approvals, stakeholder agreements, engineering design, procurement processes and project execution.

Project look ahead

Near term focus areas for the Project include:

- completion of FEED
- if greenhouse gas assessment permit is granted, progression towards an application for a declaration of an identified greenhouse gas storage formation
- preparation of an Environment Plan, Safety Case and Well Operations Management Plan to cover greenhouse gas appraisal operations under greenhouse gas titles
- launch of a new SEA CCS Consultation portal
- preparation of a Sea Dumping Permit application.

Acknowledgement of Traditional Custodians

Esso Australia acknowledges the Traditional Custodians of Country and the land upon which the SEA CCS Project will be located.

We recognise the Traditional Custodians' continuing connection to land, sea, culture and community, and pay our respects to Elders past and present.

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ABN 49 000 018 566

About Esso Australia

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