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Dear [REDACTED]

Submission on the Proposals for a Regulatory Regime for Carbon Capture, Utilisation and Storage

Westside New Zealand Limited (the Company) welcomes the opportunity to comment on MBIE's "Proposals for a Regulatory Regime for Carbon Capture, Utilisation and Storage". We consider CCUS as an important enabler to achieve net zero targets while avoiding a volatile transition. We support the proposal for a new regulatory regime to enable CCUS development in New Zealand.

The Company is the owner and operator of the Rimu, Kauri, and Manutahi (RKM) oil and gas fields located in South Taranaki. Our parent company Westside Corporation Pty Ltd also owns 51% of and operates the Greater Meridian Fields (Meridian) in Queensland as part of a joint venture with Mitsui E&P Australia. We are advancing a potential CCUS development with our JV partner at Meridian and see significant CCUS potential for the Company's New Zealand assets at RKM in South Taranaki.

The Company supports the industry submission made by Energy Resources Aotearoa (**ERA**), in particular:

- The need to avoid overlap and conflict between different legislation
- A preference to use the Crown Minerals Act (CMA) as a basis to allocate rights to undertake CCUS; and
- Subject to CCUS being classified as a permitted activity, using the existing resource management and marine consent framework to regulate environmental effects.

Inclusion of CCUS under the CMA is likely to be the most effective way to expedite a new CCUS regime. New Zealand's existing petroleum regime already has a >50 year track record for hydrocarbon accounting and field monitoring. Regulatory approvals under the CMA have proven flexible enough to allow for field development activities very similar in nature to CCUS. For example, separation and re-injection of natural gas in gas-condensate fields, and injection of fluids and gases to optimize oil recovery. These are well understood practices globally and have already been used at many of New Zealand's oil and gas fields. CO₂ injection and extraction will use many of the same practices.

In addition to the points raised by ERA, the Company also raises the following issues:

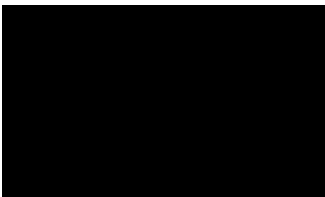
- Investment risk. We agree that regulatory certainty is needed to encourage CCUS investment. Our preference is for a regime that provides assurance that any CCUS investment will have a fair opportunity to generate a return on investment over the CCUS asset lifecycle. Allocation of rights via the CMA would be one way to provide that assurance.
- Timing risks. There is a limited window of opportunity to repurpose New Zealand's oil and gas fields for CCUS. A number of Petroleum Mining Permits are due to expire in the next 10 years and some will be permanently plugged and abandoned (P&A'd) as part of existing decommissioning permit

obligations. With new onshore wells costing anywhere between \$5million and \$15 million each, some of those fields may never be re-developed for CCUS if decommissioned before they can be repurposed. On this basis it is important that the proposed CCUS regime be developed quickly and pragmatically. To reiterate our earlier comment, the CMA is best placed to support a new CCUS regime. Other measures may also be needed to encourage existing petroleum permit holders to ensure repurposing is considered before decommissioning.

If you have any questions in relation to our submission, please do not hesitate to contact me.

Yours sincerely,

Josh Adams



On behalf of:

Brendan Madden

Chief Company Officer and Chief Financial Officer
Westside Corporation Pty Ltd

