



Australian Government

Department of Foreign Affairs and Trade

Background Brief: Carbon Capture and Storage (CCS) Project in Timor-Leste

Key points

- The Bayu-Undan gas field in Timor-Leste is expected to reach commercial depletion in the next few months. In order to continue generating revenue for the commercial partners and the Timor-Leste Government, the Santos-led Bayu-Undan joint venture is exploring the option to convert Bayu-Undan into a CCS site, once Bayu-Undan reaches commercial depletion.
 - Santos has a 43.4% Operator interest in Bayu-Undan; its joint venture partners are Korean company SK E&S (25%), Japanese companies INPEX (11.4%), JERA (6.1%) and Tokyo Gas (3.1%), as well as Europe's second largest petroleum company Eni (11%). These companies all hold similar interests in the Santos-operated LNG plant in Darwin (DLNG).
- The Bayu-Undan CCS project would enable the companies involved to produce lower emissions LNG and clean hydrogen.
 - The project would capture CO₂ from the Barossa gas field (operated by Santos, with SK E&S and JERA as joint venture partners), and potentially other LNG projects in northern Australia, by separating the CO₂ from the gas at DLNG and transporting it to Bayu-Undan for permanent sequestration in sub-seabed geological formations, via the existing LNG pipeline from Bayu-Undan to DLNG (which would need to be converted for that purpose).

s 33(a)(iii), s 47G(1)(a)

- Santos has announced it is hoping to take a Final Investment Decision on the project in 2023, for the project to commence by 2025. s 33(a)(iii), s 47C(1), s 47G(1)(a)

s 33(a)(iii), s 47C(1), s 47G(1)(a)

Prepared by: s22(1)(a)(ii)

Cleared by s22(1)(a)(ii) Dir, Timor-Leste

Date cleared: 17/01/23

Consultation: TID, NSD/Seoul, SGS/SMD, LGD, DCCEEW.



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s 33(a)(iii), s 33(b), s 47C(1)

s 33(a)(iii), s 47G(1)(a)

- CCUS is one of the three priority areas under the Australia-ROK Low and Zero Emissions Technology Partnership, s 33(a)(iii)

s 33(a)(iii), s 47G(1)(a)

s 33(a)(iii), s 47C(1)

s 33(a)(iii), s 47C(1)

Prepared by: s22(1)(a)(ii)

Cleared by s22(1)(a)(ii) Dir, Timor-Leste

Date cleared: 17/01/23

Consultation: TID, NSD/Seoul, SGS/SMD, LGD, DCCEEW.



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s 33(a)(iii), s 47C(1)

s 33(a)(iii), s 33(b), s 47C(1)

s 33(a)(iii), s 47C(1)

Context

- In May 2021, Santos announced it was exploring options to convert the Bayu-Undan gas field into a CCS facility, and in September 2021 Santos signed an MOU with Timor-Leste's National Authority of Petroleum and Minerals to test the viability of the project.
 - If the plans come to fruition, Bayu-Undan would be one of the largest CCS facilities in the world, with an estimated storage capacity of 10 million tonnes of CO₂ per annum.
- Minister Wong met with Timor-Leste's Minister for Foreign Affairs and Cooperation, Adaljiza Magno, on 4 August 2022 in the sidelines of ASEAN meetings in Phnom Penh.

s 33(a)(iii), s 33(b)

- The potential benefits of the project include:

s 33(a)(iii)

- partial decarbonisation of the gas supply from the Barossa field (which contains a relatively high percentage of CO₂)
- potential for the production of clean hydrogen, and
- placing Australia at the forefront of CCS/CCUS development (an important tool for addressing climate change).

Prepared by: s22(1)(a)(ii)

Cleared by s22(1)(a)(ii), Dir, Timor-Leste

Date cleared: 17/01/23

Consultation: TID, NSD/Seoul, SGS/SMD, LGD, DCCEEW.



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ATTACHMENT A: OBSTACLES TO BE OVERCOME FOR PROJECT TO PROCEED

s 33(a)(iii), s 47C(1)

Key actions to enable this project would include:

- Australia would need to ratify a 2009 amendment to the *1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972* (the London Protocol), to allow for cross-border transportation of CO₂ (see Attachment B for further details).
 - Australia would also need to enter an agreement with Timor-Leste, which is not a party to the London Protocol. s 33(a)(iii), s 47C(1)

s 33(a)(iii), s 47C(1)

- Capacity building to assist Timor-Leste to establish a regulatory regime for, and expertise in, CO₂ storage and associated Paris Agreement obligations related to emissions detection, measurement, reporting and accounting.
- Considering whether the *Hazardous Waste (Regulation of Exports and Imports) (Imports from East Timor) Regulations 2003* would be relevant to the project. s 33(a)(iii), s 47C(1)

s 33(a)(iii), s 47C(1)

Prepared by: s22(1)(a)(ii)

Cleared by s22(1)(a)(ii) Dir, Timor-Leste

Date cleared: 17/01/23

Consultation: TID, NSD/Seoul, SGS/SMD, LGD, DCCEEW.



Australian Government

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ATTACHMENT B: RATIFYING THE 2009 AMENDMENT TO THE LONDON PROTOCOL

- Australia is a party to the London Protocol, which prohibits the export of CO₂. Australia has yet to ratify a 2009 amendment to the London Protocol that allows parties which accept this amendment to issue permits for the cross-border transportation of CO₂ for sub-seabed storage.
- Minister Plibersek is responsible for Australia's obligations under the London Protocol. In November 2022, Minister Plibersek wrote to the Chair of the House of Representatives Standing Committee on Climate Change, Energy, the Environment and Water, requesting a review into the 2009 and 2013 amendments to the London Protocol.
 - Should Australia become a party to the 2009 amendment to the London Protocol, the *Environment Protection (Sea Dumping) Act 1981* (Sea Dumping Act) would require amendment, as exporting CO₂ for sequestration into sub-seabed geological formations is not currently allowed under the Act.
 - A Bill to amend the Sea Dumping Act has been drafted but not tabled.
- Once the Sea Dumping Act is amended, Australia can deposit a declaration of provisional application to the International Maritime Organisation as part of the ratification process. The 2009 amendment to the London Protocol has not yet entered into force, and the declaration would allow Australia to start regulating the export of CO₂ streams for sequestration into sub-seabed geological formations in the near future, **s 33(a)(iii), s 47C(1)**

s 33(a)(iii), s 47C(1)



Australian Government

Department of Foreign Affairs and Trade

PDR ID: s22(1)(a)(ii)

Senator the Hon Penny Wong

Meetings with HON STEVE BRACKS AO, SPECIAL REPRESENTATIVE ON GREATER SUNRISE (10.00am-10.30am) and with TAKAYUKI UEDA, CEO, INPEX and MR BRACKS (10.30am-11.00am)
Thursday, 30 March 2023, Parliament House

Purpose:

- INPEX has requested this meeting s 22(1)(a)(ii)

s 33(a)(iii), s 47C(1), s 47G(1)(a)

s 22(1)(a)(ii)

Sensitivities

s 22(1)(a)(ii)

Prepared by: s22(1)(a)(ii)

Cleared by Hugh Robilliard, A/g FAS SMD , SGG |
SMD | Indonesia and Timor-Leste Branch

Date cleared: 28 March 2023
27 March 2023

Consultation Dili Post, NSD/NEO/Tokyo Post, TID/REN, DISR, DCCEEW.

s 22(1)(a)(ii)

s 33(a)(iii), s 47G(1)(a)

s 22(1)(a)(ii)

If raised

Bayu-Undan CCS

- The Government is taking a pragmatic approach to achieving meaningful emissions reductions and is interested in all viable technologies, including CCS, to ensure Australia meets climate targets.
- We are open to discussions on the transboundary movement of CO₂, noting there are a range of technical, policy, regulatory and legal matters that need to be considered.
- Minister Bowen is leading Australian Government policy on CCS and Minister Plibersek is leading on Australia's consideration of ratifying the relevant amendment to the London Protocol (*1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972*).

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Background



INPEX Corporation is Japan's largest oil and gas exploration and production company and is partly owned by Japan's Ministry of Economy, Trade and Industry (20 per cent). Its most significant investment (USD45 billion) in Australia is the Ichthys LNG field and liquefaction plant in the Northern Territory. The Ichthys project is the single largest investment made by a Japanese company outside of Japan, and the only Japanese-operated LNG facility in the world. s 33(a)(iii), s 47G(1)(a)

s 33(a)(iii), s 47G(1)(a)

s 22(1)(a)(ii)

Media: None.

Biography

Mr UEDA Takayuki CEO and President, INPEX Japan														
	Form of Address: s 47F(1)	Ueda-san Education: Bachelor of Law from the University of Tokyo, 1980												
Career: <table border="0"> <tr> <td>1980</td> <td>Graduated from the University of Tokyo with a Bachelor of Law</td> </tr> <tr> <td>1980</td> <td>Joined the Ministry of International Trade and Industry</td> </tr> <tr> <td>Between 1980 and 2015</td> <td>Served in several director-general positions, such as Director-General for the Trade Policy Bureau, Director-General for the Agency for Natural Resources and Energy</td> </tr> <tr> <td>2015</td> <td>Vice Minister for International Affairs</td> </tr> <tr> <td>2017-2018</td> <td>Senior Executive Vice President at INPEX</td> </tr> <tr> <td>2018-Present</td> <td>President and CEO of INPEX</td> </tr> </table>			1980	Graduated from the University of Tokyo with a Bachelor of Law	1980	Joined the Ministry of International Trade and Industry	Between 1980 and 2015	Served in several director-general positions, such as Director-General for the Trade Policy Bureau, Director-General for the Agency for Natural Resources and Energy	2015	Vice Minister for International Affairs	2017-2018	Senior Executive Vice President at INPEX	2018-Present	President and CEO of INPEX
1980	Graduated from the University of Tokyo with a Bachelor of Law													
1980	Joined the Ministry of International Trade and Industry													
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2015	Vice Minister for International Affairs													
2017-2018	Senior Executive Vice President at INPEX													
2018-Present	President and CEO of INPEX													
<p>Comment: Mr Ueda is President & CEO of INPEX, Japan's largest oil and gas exploration and production company. He has served in this capacity since 2018 and has more than 30 years of experience in the energy industry and international affairs. Prior to joining INPEX in 2017, Mr Ueda was a career bureaucrat at the METI, where he most recently held the posts of Director-General of the Agency for Natural Resources and Energy and Vice Minister for International Affairs. During his tenure of these positions, he took the lead on energy and trade negotiations with foreign governments.</p> <p>In January 2021, Mr Ueda announced INPEX's strategy towards a "Net Zero Carbon Society by 2050" and has since led the company's transformation and growth to deliver a competitive advantage in the energy transition. Under his leadership, INPEX has accelerated the decarbonisation of its core upstream business operations while shaping itself as an innovative pioneer of energy transformation and reducing emissions through carbon capture and storage and projects centred on clean energy such as hydrogen and renewables.</p>														
Contact: s 33(a)(iii), s 47G(1)(a)														
INPEX Chairman Kitamura was awarded the title of Honorary Officer in the General Division of the Order of Australia during Minister Farrell's visit to Japan in October 2022. s 33(a)(iii), s 47G														

PDR ID: s22(1)(a)(ii)

s 47F(1)

INPEX – UEDA Takayuki
CEO and President

s 22(1)(a)(ii)

- *(If raised: Bayu-Undan)* The Government is taking a pragmatic approach to achieving meaningful emissions reductions and is interested in all viable technologies, including carbon capture and storage (CCS), to ensure Australia meets climate targets.

s 33(a)(iii)

Attendee List

- **Mr Ueda Takayuki**, CEO and President, INPEX
- **Hon Steve Bracks AC**, Australia's Special Representative for Greater Sunrise

Accompanied by:

- **s 22(1)(a)(ii)** , Executive Officer to Steve Bracks
- **s 22(1)(a)(iii)** (DFAT note taker)

Mr Ueda may also be accompanied by (TBC):

- **s 47F(1)**
INPEX
- **s 47F(1)**
INPEX
- **s 47F(1)**
INPEX



Australian Government
Department of Foreign Affairs and Trade

Ref: s22(1)(a)(ii)

MEETING BRIEFING

SECRETARY

Through: Ridwaan Jadwat, A/g Deputy Secretary SGG
Hugh Robilliard, A/g FAS SMD

SUBJECT: MEETING WITH INPEX CEO UEDA AND HON STEVE BRACKS AC –
30 MARCH 2023 – 2:15-2.45PM, FREDERICK BAKER ROOM, PARLIAMENT HOUSE
[s 22(1)(a)(ii) and Hon Steve Bracks AC will escort you from your lunch meeting at the
Dame Dorothy Tangey Alcove to the Frederick Baker Room]

Issues:

1. You are meeting Mr UEDA Takayuki, President and CEO of INPEX (bio attached) and
Hon Steve Bracks AC, Australia's Special Representative for Greater Sunrise. s 47F(1)

. s 22(1)(a)(ii) , Executive
Officer to Steve Bracks, will attend, and s 22(1)(a)(ii), Assistant Director GTE, will be the
notetaker
s 33(a)(iii), s 47G(1)(a)

Key points to raise:
s 22(1)(a)(ii)

s 33(a)(iii)

Detailed Talking Points are at Attachment A

Background:

s 22(1)(a)(ii)

Bayu-Undan CCS

s 33(a)(iii), s 33(b), s 47G(1)(a), s 47C(1)

13. On 25 January 2023, the House of Representatives Standing Committee on Climate Change, Energy, Environment and Water commenced a new inquiry reviewing the 2009 and 2013 amendments to the London Protocol. If ratified, the 2009 amendment would allow for cross-border transportation of CO₂ from Australia to Timor-Leste. On 10 March 2023, DFAT provided a submission to the inquiry highlighting the developing international market for CO₂ streams, Australia's trade and development interests, and the potential foreign policy, trade and development implications of Australia ratifying the amendment. s 33(a)(iii), s 33(b)

s 33(a)(iii), s 33(b)

Financial Implications: Not applicable

Consultation:

14. Dili Post, NSD/NEO/Tokyo Post, TID/REN, DISR, DCCEEW.

Summary of Attachments:

Attachment A: Talking Points

Attachment B: Biography – Mr UEDA Takayuki and short biographies for other INPEX officials who may attend.

Prepared by: s22(1)(a)(ii) Assistant Director
GTE/INB/SMD/SGG

Phone Number: s22(1)(a)(ii)

Date: 27 March 2023

Attachment A

Points you may wish to raise:

s 22(1)(a)(ii)

If raised: Bayu-Undan CCS/CCUS

- The Government is open to discussions on the transboundary movement of CO₂ noting there are a range of technical, policy, regulatory and legal matters that need to be considered
 - the Department of Climate Change, Energy, the Environment and Water (DCCEE) leads on the Government's policies towards carbon capture storage and utilisation (CCUS), including any transboundary movement of CO₂.
- The Government is taking a pragmatic approach to achieving meaningful emissions reductions and is interested in all viable technologies, including CCUS, to ensure Australia meets its climate targets
 - Australia is committed to collaborating with likeminded countries in exchanging knowledge, expertise, and information on CCUS issues.
- Matters concerning specific requests for the funding of CCUS projects are a matter for Minister Bowen and his department.

If raised: London Protocol



- Australia has not ratified the 2009 amendment to the *1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972* (London Protocol) that would support the import and export of CO₂ to and from Australia for offshore sequestration
 - Australia does not have a timeframe for completing ratification, but Minister Plibersek has referred the issue to the relevant House of Representatives Standing Committee for consideration.

- Until ratification, the import or export of CO₂ for CCS is illegal.
- The Commonwealth *Sea Dumping Act* would also need to be amended to include the 2009 amendment and allow permitting of imported CO₂ for CCS.

s 22(1)(a)(ii)

ATTACHMENT B

Biography

Mr UEDA Takayuki CEO and President, INPEX Japan		
	Form of Address: s 47F(1)	Ueda-san
	Education:	Bachelor of Law from the University of Tokyo, 1980
Career:		
1980	Graduated from the University of Tokyo with a Bachelor of Law	
1980	Joined the Ministry of International Trade and Industry	
Between 1980 and 2015	Served in several director-general positions, such as Director-General for the Trade Policy Bureau, Director-General for the Agency for Natural Resources and Energy	
2015	Vice Minister for International Affairs	
2017-2018	Senior Executive Vice President at INPEX	
2018-Present	President and CEO of INPEX	
<p>Comment: Mr Ueda is President & CEO of INPEX, Japan's largest oil and gas exploration and production company. He has served in this capacity since 2018 and has more than 30 years of experience in the energy industry and international affairs. Prior to joining INPEX in 2017, Mr Ueda was a career bureaucrat at the METI, where he most recently held the posts of Director-General of the Agency for Natural Resources and Energy and Vice Minister for International Affairs. During his tenure of these positions, he took the lead on energy and trade negotiations with foreign governments.</p> <p>In January 2021, Mr Ueda announced INPEX's strategy towards a "Net Zero Carbon Society by 2050" and has since led the company's transformation and growth to deliver a competitive advantage in the energy transition. Under his leadership, INPEX has accelerated the decarbonisation of its core upstream business operations while shaping itself as an innovative pioneer of energy transformation and reducing emissions through carbon capture and storage and projects centred on clean energy such as hydrogen and renewables.</p>		
<p>Contact: s 33(a)(iii), s 47G(1)(a)</p> <p>INPEX Chairman Kitamura was awarded the title of Honorary Officer in the General Division of the Order of Australia during Minister Farrell's visit to Japan in October 2022. s 33(a)(iii), s 47G(1)(a)</p>		

s 47F(1)



Australian Government
Department of Foreign Affairs and Trade

PDR ID: s22(1)(a)(ii)

Senator the Hon Don Farrell

meeting with TAKAYUKI UEDA, CEO, INPEX

10.00 am, Thursday, 30 March 2023, Parliament House

Purpose:

s 33(a)(iii), s 47G(1)(a)

- INPEX will wish to highlight its approach to decarbonisation and the clean energy transition, including its plans for Carbon Capture and Storage technology and investments in hydrogen and ammonia.

s 22(1)(a)(ii)

Key points

- We are committed to maintaining our reputation as a reliable and stable energy partner – and recognise the important role Australia plays in contributing to regional energy security.
 - Despite Australia's natural resources, we too have been significantly affected by disruptions in the global energy markets.
- s 22(1)(a)(ii)

- Welcome INPEX's long-term commitment to Australia – and its constructive engagement on these important reforms to our energy sector.
- We appreciate that energy is fundamental to Japan's economic security and we look forward to continued cooperation, including through Prime Minister Kishida's Asia Zero Emissions Community (AZEC), which Australia officially joined just a few weeks ago [4 March].

Sensitivities

Minister Wong will be meeting Mr Ueda with Steve Bracks AC immediately after your meeting with Mr Ueda. s 33(a)(iii), s 47G(1)(a)

INPEX is also a member of the Bayu-Undan joint venture, which proposes to convert its existing gas field in the Timor Sea for carbon capture and storage (CCS). s 33(a)(iii), s 47G(1)(a)

Prepared by: s22(1)(a)(ii)
Mobile: s22(1)(a)(ii)

Cleared by FAS TID Helen Stylianou

Date cleared: 28 March 2023

Consultation: NEO, GTE, GEP, DISR, Austrade



Australian Government

Department of Foreign Affairs and Trade

s 33(a)(iii), s 47G(1)(a)

If raised

s 22(1)(a)(ii)

Concern about the implications of the Safeguard Mechanism for INPEX operations

- The Government is in the final steps of reforming the Safeguard Mechanism to ensure large emitters contribute to the meeting of national targets.
- These reforms to the Safeguard Mechanism are central to the overall policy objective to decarbonise Australia's economy
 - details on reforms to this policy are a matter for the Minister for Climate Change and Energy (Bowen) and his department.

s 22(1)(a)(ii)



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s 22(1)(a)(ii)

INPEX interest in a Bayu-Undan CCS project

- The Government is considering the proposal to convert Bayu-Undan to a Carbon Capture and Storage (CCS) facility and will work with the parties to address issues as they arise.
- s 33(a)(iii), s 47C(1)

Australia's position on Carbon Capture and Storage

- The Government is open to discussions on the transboundary movement of CO₂, noting there are a range of technical, policy, regulatory and legal matters that need to be considered.
- Matters concerning specific requests for funding of CCS projects are a matter for the Minister for Climate Change and Energy (Bowen) and his department.

London Protocol

- Australia has not ratified the 2009 amendment to the 1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972 (London Protocol) that would support the import and export of CO₂ to and from Australia for offshore sequestration
 - the process for ratification is underway
 - we do not have a timeframe for ratification, but Minister Plibersek has referred the issue to the relevant House of Representatives Standing Committee for consideration.
- Until ratification, the import or export of CO₂ for CCS is not possible.
- The Commonwealth Sea Dumping Act would also need to be amended to include the 2009 amendment and allow permitting of imported CO₂ for CCS.



Australian Government

Department of Foreign Affairs and Trade

Background

INPEX Corporation is Japan's largest oil and gas exploration and production company. Its most significant investment (USD 45 billion) in Australia is the **Ichthys LNG field and liquefaction plant** in the Northern Territory. The Ichthys project is the single largest investment made by a Japanese company outside of Japan, the only Japanese-operated LNG facility in the world, and is responsible for 75 per cent of INPEX's global revenue. The project has a 40-year operating life.

INPEX is a publicly listed company, but Japan's Ministry of Economy, Trade and Industry (METI) is its largest shareholder (20 per cent).

s 22(1)(a)(ii)

Decarbonisation and clean energy transition

Under its long-term business plan, INPEX will continue to invest in LNG as a key growth fuel, while taking measures to reduce CO₂ emissions, with a view to achieving carbon neutrality by 2050. As part of this, INPEX plans to incorporate CCS into the Ichthys LNG Project.

s 33(a)(iii), s 47G(1)(a)



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s 22(1)(a)(ii)

Bayu-Undan Carbon Capture and Storage

INPEX holds an 11.4 per cent interest in the Bayu-Undan gas field in Timor-Leste, which is expected to reach commercial depletion in the next few months. In May 2021, Australian Bayu-Undan operator Santos announced it was exploring the option to convert Bayu-Undan into a CCS site. In September 2021, Santos signed an MoU with the Government of Timor-Leste to test the viability of the CCS project.

The CCS project would include converting the current pipeline from Bayu-Undan to the Darwin LNG processing facility, in order to transport captured CO₂ to Bayu-Undan for permanent sequestration under the seabed of the Timor Sea, once Bayu-Undan ceases production. On 16 March 2023, Santos told a Timor-Leste Energy Forum in Perth that it was close to completing the front end engineering design for the project, which would confirm its viability.

Santos and its partners - Korean company SK E&S (25per cent), Japanese companies INPEX (11.4 per cent), JERA (6.1 per cent) and Tokyo Gas (3.1 per cent), as well as Europe's second largest petroleum company Eni (11 per cent s 33(a)(iii), s 33(b), s 47G(1)(a)

Mr Takayuki UEDA
 CEO, INPEX Corporation
 Japan




Form of Address: Ueda-san
 s 47F(1)

Education: Bachelor of Law, University of Tokyo

Career:

2018 - Present	President and CEO, INPEX
2017-2018	Senior Executive Vice President, INPEX
2015	Vice Minister for International Affairs, METI
1980 – 2015	Various roles in METI, including Director-General for Trade Policy Bureau and Director-General for Agency for Natural Resources and Energy

Comment:

Mr Ueda is President and CEO of INPEX, Japan's largest oil and gas exploration and production company. He has served in this capacity since 2018 and has more than 30 years of experience in the energy industry and international affairs.

Prior to joining INPEX in 2017, Mr Ueda was a career civil servant at the Ministry of Economy, Trade and Industry (METI), where he held the posts of Director-General of the Agency for Natural Resources and Energy, and Vice Minister for International Affairs (**note:** this is an official, not political role).

In January 2021, Mr Ueda announced INPEX's strategy towards a 'Net Zero Carbon Society by 2050' and has led the company's transformation and growth to deliver a competitive advantage in the energy transition..

Contact:

s 33(a)(iii), s 47G(1)(a)

You awarded INPEX Chairman Kitamura the title of Honorary Officer in the General Division of the Order of Australia during your visit to Japan in October 2022. s 33(a)(iii), s 47G(1)(a)

s 47F(1)

s 22(1)(a)(ii)

INPEX (JAPAN), MR TAKAYUKI UEDA

[tah-kah-yoo-ki oo-eh-dah]

s 22(1)(a)(ii)

Concerns about the Safeguard Mechanism

- . To achieve net-zero by 2050, we must reduce our emissions by 43 per cent below 2005 levels, by 2030.
- . To reach this ambitious goal, large emitters are going to need to play their part.
- . I am happy to convey any concerns to the Minister for Climate Change, who leads the Government's reforms to the Safeguard Mechanism.

s 22(1)(a)(ii)

INPEX interest in a Bayu-Undan CCS project

- . We're considering the proposal to convert Bayu-Undan to a CCS facility.

s 33(a)(iii), s 47C(1)

CARBON CAPTURE, USE AND STORAGE - (ROK)

Talking points:

- Understand the Korea's interest in exploring carbon capture, use and storage (CCUS) solutions in Australia.
- My colleague, the Minister for Climate Change and Energy Chris Bowen, leads on these matters.

s 33(a)(iii)

- Australia welcome further cooperation between Australia and Korea on this issue.

If raised: Australia's position on CCUS

- The Australian Government is taking a pragmatic approach to achieving meaningful emissions reductions, and are interested in all viable technologies, including CCUS, to ensure Australia meets climate targets
 - we are committed to implementing frameworks that will provide certainty for industry and likeminded countries to invest and deploy abatement technologies, such as CCUS.

If pressed: Australia's position on transboundary movement of CO₂

- My colleague Minister Bowen is open to discussions on the transboundary movement of CO₂
 - noting that there is significant work to do for both our countries to establish a legal and regulatory regime for CO₂ storage,
 - officials from Australia's Department of Climate Change, Energy, Environment and Water (DCCEEW) will continue to discuss these issues with their ROK counterparts.

If raised: London Protocol

- Australia is taking steps to ~~accept~~ ratify the amendment to Article 6 of the London Protocol [which would allow the export of CO₂ from Australia], which are being led by DCCEEW
 - unfortunately, I am unable to provide a timeframe for when this may occur.

s 33(a)(iii), s 33(b)

Background

Major Korean energy company SK E&S signed an MOU with Santos on 28 February 2022 to develop the Bayu-Undan gas field for CCUS. The project has the potential to be the largest CCUS project in the world. SK E&S have stated the project would facilitate exports of lower-emissions liquefied natural gas (LNG) (by capturing any CO₂ removed prior to export) and/or blue hydrogen (hydrogen generated using fossil fuels with CCUS).

Australia has not yet accepted amendments to Article 6 of the *London Protocol* (the international legal instrument that regulates dumping at sea) to allow Australia to export CO₂. These amendments are necessary for the project's success, since CO₂ would be pumped from Darwin to the Bayu-Undan, in Timor-Leste's jurisdiction. s 33(a)(iii), s 33(b)

DCCEEW is drafting amendments the *Environment Protection (Sea Dumping) Act 1981* to provide for permits for export of CO₂, but only after bilateral agreements or arrangements have been made between Australia and the receiving country.

s 33(a)(iii), s 33(b)