



*Submission on the Climate Change Bill 2022 & Climate  
Change (Consequential Amendments) Bill 2022*

Submitted by Tamboran Resources Limited to the  
Senate Environment & Communications Legislation Committee

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## About Tamboran Resources Limited

Tamboran Resources Limited (Tamboran) is a natural gas company that intends to play a constructive role in the global energy transition towards a lower carbon future, by developing low carbon dioxide (CO<sub>2</sub>) unconventional natural gas resources in the Beetaloo Sub-basin within the Greater McArthur Basin in the Northern Territory of Australia. Tamboran's key assets are a 25 per cent working interest in EP 161 and a 100 per cent working interest in EP 136, EP 143 and EP(A) 197 which are located in the Beetaloo Sub-basin.

## Summary

- Tamboran welcomes the Commonwealth Government's efforts with this legislation to limit the impacts that Australia will have on climate change, and to meet our international Paris Agreement climate commitments.
- The Australian gas industry plays an absolutely crucial role in the country's efforts to tackle climate change and meeting Australia's emission reduction targets.
- Moreover, unlocking the Beetaloo Sub-basin gas resource is the single, largest emissions reduction project currently available in Australia, and will make the largest contribution towards achieving the Paris Agreement objective of limiting global temperature increase to well below 2°C above pre-industrial levels.
- As part of our international Paris Agreement commitments Australia commits to reduce our own Scope 1 and Scope 2 emissions, as reflected in Australia's Nationally Determined Contribution submitted to the United Nations Framework Convention on Climate Change (UNFCCC).

## Background

- The continued burning of large amounts of coal globally is heightening climate concerns, as coal is the largest single source of energy-related CO<sub>2</sub> emissions.
- Global coal consumption is forecast to rise to 8 billion tonnes in 2022. This would match the all-time high set in 2013. Coal demand is likely to increase further in 2023 to a new all-time high.
- Worldwide coal consumption rebounded by about 6% in 2021 as the global economy recovered rapidly from the initial shock of the Covid pandemic. That sharp rise contributed significantly to the largest ever annual increase in global energy-related CO<sub>2</sub> emissions in absolute terms, putting them at their highest level in history.
- Coal demand in China increased by 4.6% in 2021 to an all-time high.
- India's coal consumption reached a new all-time high in 2021 and is the largest amount consumed in a single year by any country other than China. Three-quarters of India's coal demand was for electricity generation.
- Coal consumption in the European Union is expected to rise by 7% in 2022 on top of last year's 14% jump. This is being driven by demand from the electricity sector where coal is increasingly being used to replace gas, which is in short supply.
- Tamboran's plan is focused on the development of the low reservoir CO<sub>2</sub> within the Beetaloo Sub-basin and reduce global greenhouse gas (GHG) emissions.
- When used to generate electricity, natural gas has approximately 50% lower GHG emissions compared to coal. The use of natural gas compared to coal also materially reduces sulphur oxide and nitrous oxide emissions, leading to improvement in air quality.
- Recent real-life events (not theory) have shown that if a reliable, low-cost supply of natural gas is not available, companies will switch back to coal.
- The increase in global coal usage is directly leading to higher global GHG emissions.





## The Beetaloo Sub-basin: Australia's largest emissions reduction project

- Global experience has shown that gas has a central role to play in displacing GHG emissions from coal-fired power production, which is the dominant form of power generation both in Australia and around the globe.
- Tamboran's strategy is to reliably supply Net Zero Scope 1 and 2 emission natural gas to the Australian domestic market and overseas customers.
- Based on Tamboran's production forecast from our 22 TCF development, we plan to produce approximately 3 BCFD of natural gas (22 MTPA).
- Using Tamboran's gas and displacing coal in power generation **in a global emission reduction of 58,800,000 tCO<sub>2</sub>e per year**.
- For comparison purposes, Tamboran's impact on global emissions reduction will be the equivalent to **a 12% reduction in Australia's 2021 total GHG emissions**.
- Tamboran has the ability to reliably produce higher quantities of low reservoir CO<sub>2</sub> natural gas in the Beetaloo Basin – further reducing global GHG emissions by displacing coal.
- These statistics do not include the emissions reductions possible from other gas companies in the Beetaloo Sub-basin and, taken collectively, **the Beetaloo Sub-basin is without a doubt Australia's largest current opportunity to reduce global GHG emissions**.
- These global emissions reduction figures are conservative, given they do not account for the additional GHG reduction benefits, including:
  - Tamboran's plan for Net Zero scope 1 and 2 GHG emissions with first production.
  - Strategy to sustainability develop the Beetaloo Basin by incorporate renewable energy, batteries, and new technology.
  - the Beetaloo Sub-basin's ultra-low CO<sub>2</sub> reservoir properties (2-3% naturally occurring CO<sub>2</sub>).

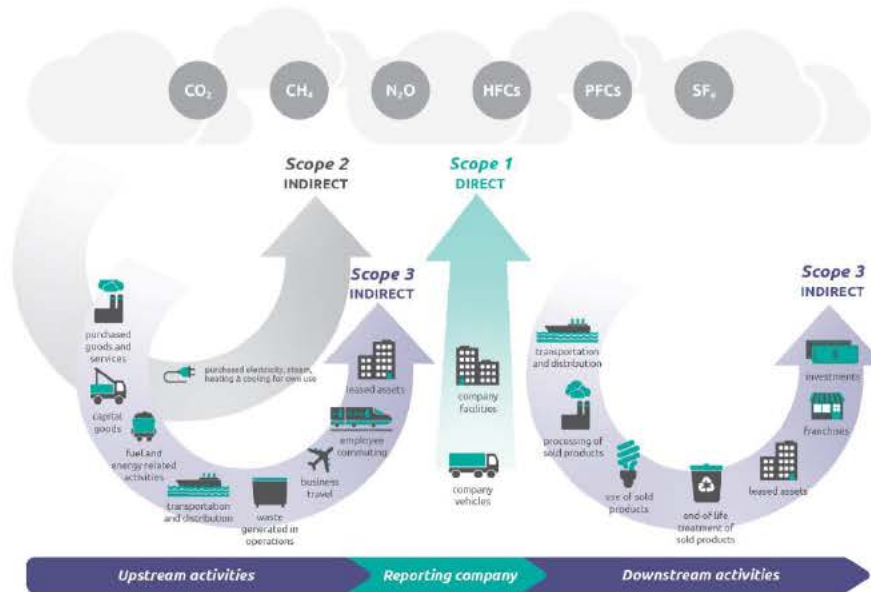
## Better defining our climate commitment

- Comparisons in the media that have suggested that the Beetaloo Sub-basin will result in an increase in Australia's emissions are highly disingenuous and misleading for the following reasons:
  - As gas fired power stations in Australia are retired in coming years, gas will play an important role in maintaining stability to the grid with lower emissions than coal. In fact, increase in reliable, low-cost gas could result in an accelerated retirement of coal-fired power in Australia.
  - Scope 3 emissions, in relation to how Australian gas is consumed overseas, are not included in Australia's emissions reduction framework, or included in our Paris commitment, for good reason (those emissions classify as Scope 2 emissions for another country, if exported).
  - Similarly, even on Scope 3 emissions, those comparisons do not take into account the significant emission reductions made possible by our large LNG customers switching from coal to gas fired power (as described above).
- As part of maintaining the integrity of our national conversation about climate change policy, and this particular piece of proposed legislation, Tamboran believes it is fundamental that a certain level of education around carbon accounting occurs to ensure the Australian public understand clearly where the economic incidence of our 43% reduction by 2030 lies, and in particular the difference between Scope 1, 2 and 3 emissions.
- Tamboran suggests that it would be better if proposed legislation and explanatory notes describe the commitment as a 43% reduction below 2005 in Australia's Scope 1 and 2





emissions, instead of just using the general term “greenhouse gas emissions” (for example in the Targets in Section 10 of the Climate Change Bill).



**CLARIFYING SCOPE 1, 2 AND 3:** WHILST THE CLIMATE CHANGE BILL'S 43% EMISSIONS REDUCTION TARGET ONLY RELATES TO AUSTRALIA'S SCOPE 1 AND 2, THE POTENTIAL EMISSIONS REDUCTIONS POSSIBLE FROM BEETALOO GAS FOR ALL THREE (INCLUDING SCOPE 3) ARE HUGE (IMAGE SOURCE: US EPA)

### Avoiding counter-productive 'lawfare'

- In May 2022 the World Meteorological Organisation (WMO) stated we have a "50:50 chance of average global temperature reaching 1.5 degrees Celsius above pre-industrial levels in the next five years".
- Whilst the world still has the ability to avoid a 2°C temperature increase, it seems like a growing reality the world will exceed 1.5 °C in the next few years regardless of what actions are taken, particularly from Australia's perspective.
- Tamboran cautions against including the Objective 3(a)(ii) of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels" on this basis. By including an Australian legislated objective that will be reached very soon at the global level, and in which Australia has a very little influence on, it will likely provide additional ammunition to 'lawfare' lawsuits in Australian courts on the grounds that legitimate Australian projects are incompatible with an unattainable global target.
- Lawfare is a tactic used by environmental activists who aim to defeat major projects through causing them unbearable cost, delays and additional risk that arises from constantly being taken to court.
- The practice is incompatible with true progress towards climate objectives, as it attempts to prevent incremental climate-improving projects from proceeding and leaving the Australian and global economy with a legacy of higher emissions overall.
- Tamboran would recommend maintaining instead the primary target set out in Objective 3(a)(i) of "well below 2°C above pre-industrial levels".

### Further information

For further information please contact us on (02) 8330 6626 or [info@tamboran.com](mailto:info@tamboran.com).