



Senate Environment and Communications References Committee

Inquiry into Middle Arm Industrial Precinct

Public Hearing, Monday 17 June 2024

Opening Statement from Empire Energy Group Managing Director Alex Underwood

Thank you for the opportunity to provide this opening statement to today's hearings.

Our submission to this inquiry relates to Empire Energy's role as an upstream natural gas explorer and future producer in the Beetaloo Basin, approximately 750km to the southeast of Darwin.

We would make the following points on the approach we take to that activity:

- Empire has an outstanding environmental and safety track record in the Northern Territory and a long and successful history of respectful engagement with traditional owners over the last decade.
- We have the full and informed consent of traditional owners for our activities. We have held over 30 on-country meetings, and we continue to consult with traditional owners on current and forward work programs.
- The highest environmental and safety standards and respectful engagement with local communities and traditional owners are core to Empire's business strategy.
- Deloitte Access Economics has indicated that the development of the Beetaloo could inject as much as \$17 billion and 6,000 jobs into the Northern Territory economy over the next 20 years. That is additional to the economic benefits of the Middle Arm project itself.
- Repeated scientific inquiries, including the recent 16-month Independent Scientific Inquiry into Hydraulic Fracturing in the Northern Territory, have found that any risks associated with onshore gas development and hydraulic fracturing can be managed by effective regulation.

As a leading proponent in the development of the Beetaloo Basin's natural gas resources, Empire Energy anticipates making gas available to gas-dependent manufacturers who may establish operations in the Middle Arm precinct.

Empire expects that its gas production from the Beetaloo will initially be made available to existing gas users in the Northern Territory, but after the initial pilot phase it may increase to exceed the requirements of those customers and become available to east coast Australian gas users, new gas users in the NT and to augment LNG exports out of Darwin.

Gas remains a vital energy source and feedstock in many manufacturing processes.

With abundant onshore and offshore gas resources, Darwin should be an attractive location for such manufacturing businesses and the consequent economic benefits they would generate, but investors in those businesses will need to have confidence that gas supply will be secure.



This in turn will require that investors in gas production have confidence that exploration and development activities will be supported by Territory and Federal governments, and the industry operates under a regulatory framework that is efficient and effective in protecting the environment and enabling timely delivery of approved projects.

Growth of gas-dependent industry is an important way to amplify the economic benefits of developing the NT's gas resources – and helping reach the NT Government's target of a \$40 billion economy by 2030.

Given the abundant gas resources in the Beetaloo Basin may see production in excess of local demand, there is also scope to increase gas exports from Darwin.

With many major Asian economies traditionally dependent on coal-fired power generation, the region will require more gas use as it decarbonizes. These economies also have mid-century net zero emissions targets, making Beetaloo gas additionally attractive given its very low in-situ CO₂ levels.

Empire's gas resources in the Beetaloo are showing CO₂ concentrations as low as 1%, giving their development emissions-intensity advantages over other gas sources.

As Australia has some of the most stringent gas exploration and production regulations in the world, development of gas resources here represents a better environmental outcome than gas sourced from many other nations.

Conclusion

In conclusion, while Empire Energy has no direct interest in the proposed Middle Arm Industrial Precinct, we believe the precinct supported by the development of critical natural gas resources, represents the type of nation-building infrastructure that should continue to enjoy support of the Federal and Territory governments.

The economic, energy and social benefits of natural gas resource development are substantial, including for the Traditional Owners and local communities who host that development. Successful development requires a collaborative partnership between gas exploration and production companies, governments who own the resources on behalf of their citizens and regulate all activity, traditional owners, native title holders, land users and local communities.

Empire Energy is committed to continuing this collaborative approach.

We would be happy to take any questions Senators may have.

ENDS.