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Eni and Santos eye carbon capture opportunities at East Timor's Bayu Undan

Australia's Santos and Italy's Eni are investigating options to re-purpose the Bayu Undan facilities to extend the life of the project, including a carbon capture and storage (CCS) scheme..

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by Damon Evans



A mural of the East Timorese flag on a wall in Dili, the capital of East Timor. Photo by Damon Evans.

Australia's Santos and Italy's Eni are investigating options to re-purpose the Bayu Undan facilities to extend the life of the project, including a carbon capture and storage (CCS) scheme.

The CCS project would be subject to the agreement of the government of East Timor, also known as Timor Leste, Santos said today.

Santos and Eni have signed a memorandum of understanding to collaborate in Northern Australia and East Timor. Santos operates Bayu Undan on behalf of partners Eni, Inpex and SK E&S.

"CCS opportunities at Bayu-Undan are extremely exciting for Santos and Eni and today we are saying, we would like to be open for business to take your carbon dioxide (CO₂)," said Santos managing director Kevin Gallagher.

Significantly, Santos needs to offset carbon emissions from its Barossa project, which was recently sanctioned. The offshore Barossa gas field development off Australia's Northern Territory has the unfriendly tag of having more carbon dioxide than any gas currently made into liquefied natural gas (LNG), according to a report from the Institute for Energy Economics and Financial Analysis (IEEFA).

Gallagher added that "in 2019 the London Convention was amended to allow CO₂ to be transported across jurisdictions to enable the establishment of storage hubs." Presumably, Santos would like to ship CO₂ from Barossa to Bayu Undan for storage.

"A CCS project at Bayu-Undan could provide a new job-creating and revenue-generating industry for Timor-Leste with quality carbon credits increasing in both demand and value internationally," said Gallagher.

"Capturing and storing CO₂ from industries in the Northern Territory will help it meet its net-zero emissions by 2050 target. That's good for the environment, good for local jobs, good for local investment and good for regional development," he added.

The non-binding agreement is a demonstration of intent by Eni and Santos to collaborate together and with other parties in the region to use existing infrastructure more efficiently, unlock the wealth of regional gas resources, and create new low-carbon business opportunities for both northern Australia and East Timor, said Santos.