



### **PNG Gas Project – Application for authorisation**

**Issue** – The joint venture partners of the PNG Gas Project, which involves the development of petroleum fields in the southern highlands of PNG, have applied to the ACCC for an authorisation to

- Negotiate the common terms and conditions (including price) under which gas produced by the project will be offered for sale.
- Jointly market the gas to a common buyer or common buyers.
- Enter into and give effect to contracts, arrangements and understandings between the participants relating to common terms and conditions upon which gas will be offered for sale and sold by the participants to buyers.

The joint venture partners have requested that the authorisation be granted for the life of the project.

### **TXU Position**

TXU supports the PNG's application for an authorisation on the grounds that it will provide a public benefit in the form of greater competition in the gas market through the introduction of a new supply source.

TXU has some concerns about the anti-competitive impacts of joint marketing in the long term, however, the PNG project will introduce a new major gas supply source into the East Australian gas market resulting in longer term security of supply, the benefits of which are viewed to outweigh the anti-competitive impacts of joint marketing.

Regards

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