New carbon sequestration regime

The **Offshore Petroleum Amendment (Greenhouse Gas Storage) Act 2008** (the Act) amends the **Offshore Petroleum Act 2006** (OPA) to insert a regime for regulating the injection and storage of carbon dioxide (and potentially other greenhouse gases) in deep sub-seabed geological formations.

The Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 was passed by parliament on 11 November 2008, and received Royal Assent on 21 November 2008.

The Act also makes consequential changes to the offshore petroleum titles for which the OPA already provides. The OPA, as amended by the Act, will continue to apply only in the Commonwealth offshore jurisdiction.

**Background**

Greenhouse gas injection and storage has the potential to make a significant contribution to reducing greenhouse gas emissions to the atmosphere. It is applicable to many carbon dioxide emitting industries, and particularly to coal-fired power generation, as an important clean coal technology.

Flue gases from power plants or other energy generation facilities are captured and the carbon dioxide is stripped off and compressed to a supercritical (fluid) state. Still under very high pressure, this fluid is transported to the injection site and injected into geological formations where a range of structural and chemical trapping mechanisms work to contain the carbon dioxide geologically.

**Carbon sequestration legislative regime**

The Act inserts into the OPA a new legislative regime to provide for the grant and regulation of offshore titles (similar to existing petroleum titles in the OPA) for:

- the exploration, assessment and testing of geological formations as potential storage formations
- the transportation by pipeline, and injection and storage in suitable geological formations, of carbon dioxide and (potentially) other greenhouse gases.
The legislative scheme also provides for management of potential conflicts between current and future offshore petroleum operations and titles, and current and future carbon sequestration operations and titles.

The Act also amends the long title of the OPA, renaming it the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, and makes consequential amendments to 27 other acts.


Fiona Brotherton of AGS played a central role in implementing the Australian Government’s policy initiative in relation to carbon capture and storage in the Act.

*For further information please contact:*

**Fiona Brotherton**  
Senior General Counsel  
T 02 6253 7075 F 02 6253 7304  
fiona.brotherton@ags.gov.au

**Leo Hardiman**  
Senior General Counsel  
T 02 6253 7074 F 02 6253 7304  
leo.hardiman@ags.gov.au

**Catherine Sainsbery**  
Counsel  
T 02 6253 7465 F 02 6253 7304  
catherine.sainsbery@ags.gov.au

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