

Mr. John Hopkins
Managing Director & CEO
Export Finance Australia
Level 10, 22 Pitt St, Sydney
NSW 2000

Tuesday 12 December 2023

Dear Mr. John Hopkins,

Papua LNG – Call to commit not to support

Our 46 civil society organizations from Papua New Guinea, Pacific, France, Australia and beyond call on Export Finance Australia to commit not to finance or provide any financial support to the *Papua LNG* project, being developed by TotalEnergies along with co-venturers ExxonMobil, Santos and JX Nippon.¹ Indeed, we are aware that TotalEnergies is currently seeking financial support for this project, with Crédit Agricole acting as its financial advisor on the project.

While your bank has provided financial support to the PNG LNG project in Papua New Guinea,² we urge you to stop supporting fossil fuel expansion which is incompatible with the global objective of limiting global warming to 1.5°C. The Intergovernmental Panel on Climate Change has warned against the development of any new fossil fuel infrastructure,³ and the International Energy Agency's (IEA) Net zero by 2050 scenario concluded that no new upstream oil and gas project, and no new LNG terminal are required to meet global energy needs.⁴ The *Papua LNG* project, which is made of 9 offshore wells, a gas processing plant, 4 electric liquefaction trains and a 320 km pipeline, is thus not compatible with the IEA Net zero scenario.⁵

As such, it is also not compatible with the policies of Australian and French banks BNP Paribas, Commonwealth Bank of Australia, Crédit Mutuel, Société Générale and Westpac, which had provided loans to the PNG LNG infrastructure between 2010 and 2014,⁶ and have since then adopted climate policies excluding this type of project.⁷ In order to keep global warming under 1.5°C, all financial actors should follow the same logic and stop funding oil and gas expansion.

Specifically, the total scope three's emissions of the *Papua LNG* project are estimated at 220 million tons of CO2 equivalent (MTCO2e). Over its lifetime this single project will emit as much as it takes the whole population of Bangladesh - 169 million people - to emit in an entire year.⁸

In addition, while TotalEnergies claims that its LNG projects will help replace coal by natural gas to produce electricity, LNG's climate impact can be as important as coal's if greenhouse gases emissions

¹ TotalEnergies holds 37.55% in Papua LNG Joint Venture, Exxon Mobil holds 37.04%, Santos holds 22.83% and JX Nippon holds 2.58%. Papua LNG, [Papua LNG Partners](#), 2023

² Source [IJG Global](#)

³ Intergovernmental Panel on Climate Change, [Climate Change 2022: Mitigation of Climate Change. Working Group III Contribution to the IPCC Sixth Assessment Report](#), 2022

⁴ International Energy Agency, [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach](#) and [World Energy Outlook](#), 2023.

⁵ CELCOR, Jubilee Australia, Market Forces and Reclaim Finance, [The art of muddying the water: our response to TotalEnergies](#), 2023

⁶ Banktrack, [PNG LNG Dodgy Deal](#), 2015

⁷ See Reclaim Finance, [Oil and Gas Policy Tracker](#), 2023. Market Forces, [Big four banks make strides, but action still dangerously slow in a climate emergency](#), 2023. Reclaim Finance, [Société Générale announces leading climate policy on gas](#), 2023.

⁸ Kevin Morrison, IEEFA, [Papua LNG Project - Financiers taking the risk](#), 2023

along the value chain are taken into account. In particular, fossil gas is mostly composed of fossil methane, which has a Global Warming Potential 82.5 times higher than CO₂ over a 20-year period.⁹ It takes a few percent of gas leakage to make gas as big a driver of climate change as coal in the short term.¹⁰

The project also risks severe environmental, social and potentially economic impacts within Papua New Guinea. The project is proposed to take place in Gulf Province - a province whose coastal areas are already hard hit by climate change. Rising sea levels and storms on the ocean have forced some communities in Orokolo Bay to relocate their homes multiple times.¹¹

An earlier project led by ExxonMobil - PNG LNG - has previously been associated with human rights abuses, escalating tensions, land-related issues and broken economic promises.¹² Consultations with communities affected by the *Papua LNG* project have provoked fears that their rights will similarly not be protected: consultations are not conducted with the transparency that could ensure the Free, Prior and Informed consent of these affected communities.¹³

It is thus little surprise that a Council of Chiefs, representing 600 clans in the region where the *Papua LNG* project is being developed, strongly denounced the consultation process in September in the *Post Courier*, one of the most prominent newspapers in Papua New Guinea. According to that article, they indicated that the Purari River, used by TotalEnergies to transport material to the project site had “*been closed by landowners for two weeks*” and that operations would be closed if dialogue was not established.¹⁴

The project also presents considerable financial risks. If carried out, the *Papua LNG* project would start its operation at the end of 2027 or in 2028, while global gas demand is set to peak before the end of the decade in all three IEA scenarios.¹⁵ The timing of the first LNG shipments from the project coincides with a potential glut of global gas shipments as LNG capacity is expected to surge in 2026 and 2027, which increases the prospect of lower prices and returns for the project’s investors.¹⁶

Moreover, nothing ensures that the gas produced from *Papua LNG* project will be sold, as no long-term sales and purchase agreements (SPAs)¹⁷ have been reported so far. As in Europe,¹⁸ LNG overcapacity may thus lead to stranded assets and the *Papua LNG* infrastructures may be left unused.

Finally, Papua New Guinea does not need this project, even for its own energy needs and sustainable energy transition. A recent report showed that Papua New Guinea’s government has already identified a host of potential renewable energy projects that, if they went ahead, would dramatically expand

⁹ Intergovernmental Panel on Climate Change, [AR6 WGI Report tables](#) p131, 2021.

¹⁰ National Centre for Biotechnology Information, [Greater focus needed on methane leakage from natural gas infrastructure](#), 2012. Reclaim Finance, [Methane: an imminent threat for climate](#), 2023

¹¹ Jubilee Australia Research Network and the Centre for Environmental Law and Community Rights, [Building on What Works: PNG’s Energy Policy and Practice for Climate and People](#), 2023

¹² Colin Filer [Methods in the madness: The ‘landowner problem’ in the PNG LNG project](#), 2019, Jubilee Australia Research Network “[On Shaky Ground](#)”, 2018, The Nation, [ExxonMobil’s New Guinea Nightmare](#), 2014

¹³ Banktrack, [Papua LNG Dodgy Deal](#), 2023

¹⁴ Post Courier, [Papua LNG landowners want their issues addressed](#), 2023

¹⁵ Net Zero Emissions by 2050, Announced Pledge Scenario and Stated Policies Scenario (STEPS) are detailed in International Energy Agency’s 2023 [World Energy Outlook](#)

¹⁶ Kevin Morrison, IEEFA, [Papua LNG Project - Financiers taking the risk](#), 2023

¹⁷ Sales and purchase agreements are a binding legal contract between two parties that obligates a transaction to occur between a buyer and seller. In the LNG industry, SPA are a key step to reach Final Investment Decision.

¹⁸ IEEFA, [Over half of Europe’s LNG infrastructure assets could be left unused by 2030](#), 2023

energy access via new renewable energy.¹⁹ The financing required for these projects is estimated to represent less than 100 times the budget of the *Papua LNG* project.²⁰

To fully contribute to keeping global warming below 1.5°C, we call on you to immediately end all direct financial services to new upstream and midstream oil and gas projects and condition general financial services to oil and gas developers, including TotalEnergies, ExxonMobil, JX Nippon and Santos, to their commitment not to develop such projects. **Consistently, we call on Export Finance Australia to commit not to support the *Papua LNG* project.**

We thank you for your consideration on this important topic and would welcome a meeting with you and your team to discuss this further. An answer to this letter before Friday 22 December would be highly appreciated.

Signed,

Center for Environmental Law and Communities Rights (CELCOR, Papua New Guinea)

Alofa Tuvalu (France, Tuvalu)

Bank Climate Advocates (United States)

Bank on our Future (United Kingdom)

BankTrack (International)

Bio Vision Africa (BiVA, Uganda)

Bloom (France)

Both ENDS (The Netherlands)

Carrizo/Comecrudo Tribal Nation of Texas (United States)

Earth Action, Inc. (United States)

Earthlife Africa (South Africa)

Environment Governance Institute Uganda

Extinction Rebellion Carnage Total (France)

FairFin (Belgium)

Friends of the Earth Japan

Fridays for future Uganda

Friends of the Earth United States

Fund Our Future (South Africa)

Green Faith Indonesia

Greenpeace France

JA! Justica Ambiental (Mozambique)

Japan Center for a Sustainable Environment and Society (JACSES)

Jordens Vänner / Friends of the Earth Sweden

Jubilee Australia Research Centre

Justice Institute Guyana

Kiko Network (Japan)

Laudato Si Movement (International)

Les Amis de la Terre / Friends of the Earth France

Liveable Arlington (United States)

Market Forces (International)

Mekong Watch (Japan)

Missão Tabita (Mozambique)

¹⁹ Up to 78% of on-grid energy could be supplied by renewables by 2030, while extending access for the country's households from 13% today to 70%. The figure could be even higher but the government is locked-into long-term energy purchases linked to fossil fuels. CELCOR and Jubilee Australia, [Building on What Works](#), 2023

²⁰ *Ibid.* While the cost of the Papua LNG project varies according to the figures put forward by TotalEnergies (between 10 and 13 billion US dollars), the cost of the projects being studied by the Papua New Guinea government at the beginning of 2023 is 110 million US dollars.

NOAH - Friends of the Earth Denmark
Oil Change International (International)
Parents for Climate (Australia)
Positive Money UK
Public Citizen (United States)
Rainforest Action Network (United States)
Reclaim Finance (International)
Society of Native Nations (International)
Stand.earth (International)
StopTotal (France)
Switch It Green (United Kingdom)
Texas Campaign for the Environment (United States)
The Green Youth Movement Denmark (Den Grønne Ungdomsbevægelse)
Urgewald (Germany)

***Note: The letter has also been endorsed by Global Witness (UK), Extinction Rebellion France, ReCommon (Italy) and Ligue des Droits de l'Homme (France).*