

29 SEP 2006

**AUSTRAL PACIFIC**

www.austral-pacific.com

27 September 2006

Mr Ian Dempster  
Senior Advisor – Wholesale Markets  
Gas Industry Co  
PO Box 10-646  
WELLINGTON

Dear Sir

**Submission on Access to Gas Processing Facilities**

Austral Pacific Energy Ltd (Austral Pacific) is a New Zealand headquartered exploration and production company with interests in New Zealand and Papua New Guinea. Austral Pacific, as operator of the PEP 3873801 Joint Venture, is currently developing the Cheal oil field in onshore Taranaki. The company also has interests in two gas fields in Taranaki (Kahili and Cardiff).

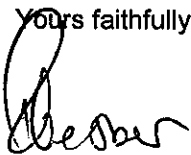
Austral Pacific has participated in the consultation process for the preparation of the discussion paper and our comments are appended to the paper.

On 19 September 2006 we met with representatives of the Gas Industry Co to review the discussion paper.

Austral Pacific is of the view that both gas producers and processing facility owners are highly incentivised to negotiate access to processing facilities and therefore we do question whether there is a need for the government to impose on the gas industry protocols for information disclosure. However, should the government decide that there is a need for protocols then we are in general agreement with the conclusions of the paper that any access protocols should have minimal compliance cost and the industry should be given an opportunity to develop a voluntary regime ahead of government intervention.

To date Austral Pacific has been able to negotiate favourable terms for the processing of our gas and with the changing dynamics of the New Zealand gas industry (the start of the post Maui era) we are of the opinion that previous issues surrounding access to gas processing facilities are unlikely to be of material concern in future years.

Yours faithfully



RE Webber  
President and Chief Executive Officer

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