

**Schedule of tasks to be achieved to  
bring the Pohokura field into production**

1. In their submission dated 9 June 2003, the Pohokura joint venture parties advised that they were then in the process of revising and updating the schedule of tasks which was presented to Commission staff on 11 April.
2. The joint venture parties are pleased to attach the revised schedules:
  - (a) for joint marketing; and
  - (b) for scenario one marketing.
3. As will be seen from the schedules:
  - (a) Assuming a final authorisation decision from the Commission on 8 August 2003 approving the joint venture's application on terms acceptable to all the joint venture parties, joint marketing will be concluded for an earliest investment decision on 21 March 2004.
  - (b) Assuming an unfavourable final decision from the Commission (either declining to authorise or authorising on terms unacceptable to the joint venture parties), and in the event that court challenges were unsuccessful, it is estimated that scenario one marketing would be concluded for an investment decision in 2010.
4. Some key points to note about the scenario one table are:
  - (a) The table assumes that scenario one marketing could in fact be implemented. The Pohokura joint venture parties note, as they have throughout this application, that that is assumption only.
  - (b) Estimating the duration of activities which there is no precedent available anywhere is highly speculative and uncertain. It will always be easy to debate the time allocated to individual tasks. Those times represent the consensus estimate of the Pohokura joint venture parties, based on their collective experience of negotiating and contracting complex gas contracts and other arrangements.
  - (c) The estimates are of course made in the context of the fact that there is no New Zealand experience for the Pohokura joint venture parties to draw on, either from themselves or from anyone else. Moreover, there is no experience anywhere in implementing a Scenario 1 selling regime in markets as immature and tiny as that in New Zealand. As previously stated in the submission in reply, the extent of the learning curve to be traversed should not be underestimated. It should also be noted that, because there is no experience with the arrangements contemplated, the

joint venture cannot be certain that the table includes all tasks and issues that will ultimately arise.

- (d) The estimates are also, of course, made with reference to the resources available to the joint venture parties, which will always have limits.
- (e) In the view of the Pohokura joint venture parties, the time estimates are as equally capable of being too short as they are of being too long.
- (f) Not all of the Pohokura joint venture parties follow the same financial approvals process as indicated here. However, the timetable recognizes that project duration is governed by the timetable of the party with the most complex decision-making and approval process.