

Friday, 27 September 2002

\$60 million Santos Coal Seam Gas Project Opens

Santos Limited has made its first venture into coal seam gas production with the opening of its \$60 million Scotia gas project in central Queensland today (Friday 27 September 2002).

Santos – the company which has led Australia’s conventional onshore oil and gas discoveries for more than 40 years – has developed Queensland’s largest coal methane gas plant to supply the Swanbank Power Station, near Ipswich.

The Scotia processing plant, situated about 500 kilometres north-west of Brisbane, was officially opened today by the Queensland Premier, the Honourable Peter Beattie.

Capable of delivering 26.5 terajoules of gas a day, the plant will supply 120 petajoules of gas, from Bowen Basin coals, under contract for up to 15 years to the power station. The gas will be used to drive the two newly installed combined cycle gas-fired turbines at Swanbank, making it Queensland’s largest gas-fired power station.

Santos General Manager, Northern Australia, Mr Rod Rayner, said the \$300 million expansion of the Swanbank Power Station signalled a major new investment in gas-fired generation capacity in Queensland.

“It is a significant contribution to the Queensland Government’s commitment to increase gas-fired electricity to 13 per cent by 2005,” he said.

“Santos is pleased to have been able to facilitate this exciting development.”

“Scotia is significant for the company because it is Santos’ first fully-owned and operated coal seam gas project, and is the biggest of its type in Queensland,” he said.

The new project will progressively increase Queensland’s total gas supply by up to 10 per cent.

The Scotia project – which is 100 per cent owned and operated by Santos - provided jobs for up to 85 people during construction, with personnel based in Taroom and Wandoan.

Santos in Queensland

Mr Rayner said the Scotia project reflected Santos' long-term commitment to Queensland, with investment of more than \$1.7 billion in the State over the past 40 years.

"Santos is spending record amounts on gas exploration and development in Queensland," Mr Rayner said.

"This significant ongoing level of investment has boosted employment and helped provide economic growth and development in Queensland."

Mr Rayner said that in the past five years, Santos had been instrumental in increasing Queensland gas supplies by more than 60 per cent.

"Over the past three years, Santos and its co-venturers have successfully discovered and commercialised some 260 petajoules of gas reserves in the State," Mr Rayner said.

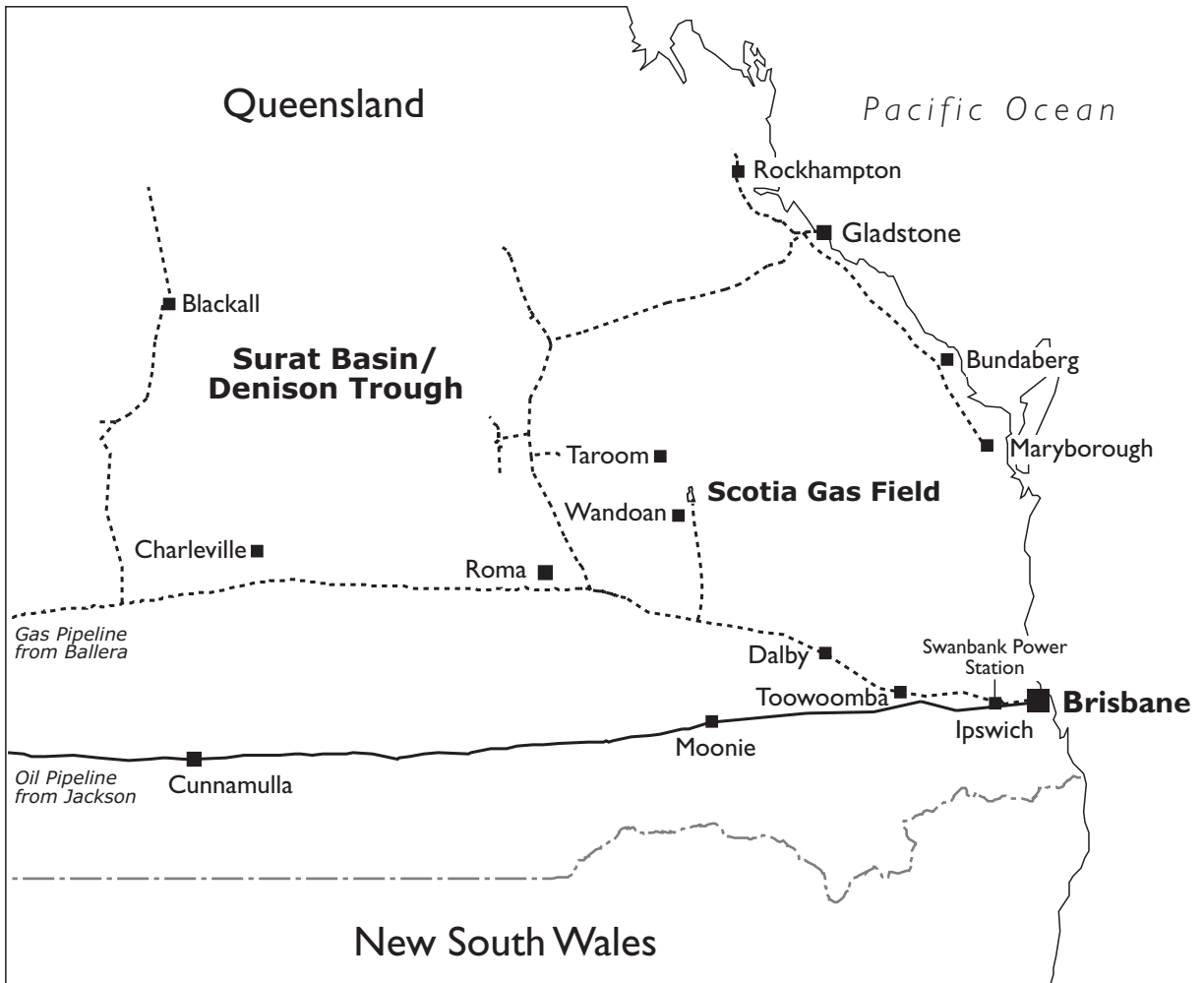
"In addition, Santos continues an active exploration program to find new reserves in Queensland," he said.

(Map attached)

FOR INTERVIEWS AND FURTHER INFORMATION PLEASE CONTACT:

Graeme Bethune
General Manager – Business Development
Santos Limited
(w) (08) 8218 5157
(m) 0419 828 617

Scotia Project



Legend

- Oil pipeline
- - - Gas pipeline

