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15 November 2011

Demonstration at Santos pilot well site ends

Santos has today reached an agreement with the NSW Government, the NSW Farmers Association and the Caroon Coal Action Group (CCAG) that will see an end to the demonstration at a coal seam gas pilot well site near Spring Ridge, about 70km south of Gunnedah in northern NSW.

Santos was proposing to drill one pilot test well and a water monitoring well on the site this month.

The protestors expressed concerns over the proximity of the site to the significant groundwater resources and black soil surrounding Spring Ridge.

Santos will complete preparatory civil works on the site but delay drilling activities on the site until the completion of the Namoi Catchment Water Study, which is expected in March 2012.

This will allow for further consultation with the local community about the pilot testing process.

NSW Farmers and the CCAG understand that Santos will continue with its planned exploration and appraisal program in areas surrounding Gunnedah and Narrabri away from the black soil.

While local MP Kevin Anderson asked Santos to delay work at the Spring Ridge site, he endorsed Santos' ongoing exploration program and its importance in gathering data on the impact of CSG activity on the region's water resources.

The water results to be obtained from the Santos pilot well program will be an important source of additional scientific information to the Namoi Catchment Water Study and ongoing verification of the study's modelling.

Santos Vice President Eastern Australia James Baulderstone said the company recognised the genuine concerns of many people in regional communities about the expansion of the CSG industry, and highlighted that information obtained from pilot well programs was an essential source of data to enable informed decisions on the location and scale of any CSG development.

"Given the local sensitivities about the potential impact of CSG activity on the groundwater resources associated with the black soil, we have agreed to delay the planned work at Spring Ridge. We are also pleased the Government and NSW Farmers have agreed that our ongoing work program should proceed.

"Santos remains committed to working with regional communities to develop their gas resources safely and sustainably, while maintaining their vital role as food producers," Mr Baulderstone said.

Ends.