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NSW Committee Report on CSG

Santos today welcomed the rejection of a moratorium on coal seam gas exploration by the NSW Legislative Council General Purpose Standing Committee No 5, however the company expressed deep concerns at a number of inconsistent recommendations, particularly the call for a domestic gas reservation policy.

Santos is pleased that the Committee recognises the importance of developing NSW's natural gas resources to secure the energy future for households and industries across the state. It is essential that this proceeds without further delay.

Overall, the Upper House Committee Report should inspire confidence in the NSW community that the CSG industry can be developed in a way that protects the environment, coexists with agriculture and secures the state's growing energy needs.

The Committee recognises the importance of exploration in providing the scientific data needed to properly assess and approve coal seam gas production applications in NSW.

However, there are also some concerning recommendations that, if implemented, will impact Santos' continuing ability to deliver new sources of natural gas to New South Wales, as the company has done safely and sustainably for nearly four decades.

Reservation policies are ineffective and counter-productive. NSW has abundant resources of CSG which confirms there should be no shortage of gas for NSW households and businesses, provided they are developed in a timely manner.

Santos is particularly pleased the committee has determined in its report that:

***12.25** Gas plays an important role in meeting energy needs in New South Wales, and demand is projected to triple in the next twenty years. Given that New South Wales is reliant on depleting gas supplies from interstate, the Committee considers that New South Wales must develop its own coal seam gas reserves if it is to enhance its energy security and contain gas price increases.*

Santos will consider the Report in the context of the NSW Government's Strategic Regional Land Use Policy and Energy White Paper submission and thinks it is important that the Government consults closely with the natural gas industry, gas users and other stakeholders about the Committee's recommendations.

Ends.