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## **GLNG wins Federal environmental approval**

GLNG today received its environmental approval from the Federal government.

The GLNG project is a joint venture between Australia's largest domestic gas producer, Santos, and two of the world's largest LNG companies, Malaysia's PETRONAS and Total of France.

The environmental approval follows review of the project's Environmental Impact Statement (EIS) by the Federal Department of Sustainability, Environment, Water, Population and Communities.

The approval covers the development of coal seam gas resources in the Bowen and Surat Basins around Roma, construction of a pipeline from the gas fields to the coast, and construction of up to three processing trains at a liquefied natural gas plant and export facility on Curtis Island, off Gladstone.

The approval is conditional on GLNG maintaining the highest environmental standards in constructing and operating the project, including comprehensive water management requirements and measures to protect biodiversity.

Santos Chief Executive Officer David Knox said the environmental approval was a significant milestone for GLNG as the project builds momentum towards a final investment decision later this year.

"We acknowledge the Federal government's commitment to encouraging the development of the coal seam gas-to-LNG industry, which promises billions of dollars of investment and the creation of thousands of jobs."

"As our EIS submission outlined, we are committed to implementing comprehensive environmental management plans."

"GLNG has undergone a thorough and comprehensive environmental approval and community consultation process. We look forward to working with the community and government to deliver our project," Mr Knox said.

GLNG received its environmental approval from the Queensland government in May 2010.

The two-train GLNG project is underpinned by binding offtake agreements for five million tonnes per annum of LNG. Santos expects to reach a final investment decision on the first train by the end of 2010. The capital expenditure committed to at this time will include pre-investment for a second train, for which FID is expected to follow in 2011. The returns for one train remain robust including the cost of pre-investment in train two.

## **About GLNG**

GLNG is an integrated development that includes coal seam gas production and processing facilities, onshore pipelines and LNG plant facilities. GLNG involves the production of LNG using coal seam gas sourced from the GLNG gas fields in the Bowen and Surat Basins in Queensland. The project includes a two train LNG plant with a capacity of 7.2 mtpa. In May 2010, GLNG became Australia's first major coal seam gas to LNG project to receive environmental approval from the Queensland Government. Engineering design work is complete for the upstream, pipeline and two-train LNG plant. A final investment decision on the first train is targeted by the end of 2010. GLNG is a joint venture between Santos, Australia's largest domestic gas producer, and PETRONAS, the world's second largest exporter of LNG, and the largest in Asia. In September 2010, Total, the world's fifth largest publicly-traded integrated international oil and gas company, agreed to acquire a 20% stake in the project. Once the transaction completes, the shareholders of GLNG will be Santos 45%, PETRONAS 35% and Total 20%.

## **About Coal Seam Gas**

Coal seam gas is methane natural gas extracted at low pressure from coal. Conventional natural gas is extracted from sandstone, generally at greater depths and higher pressure. In the absence of gas liquids and carbon dioxide, Australian CSG requires little processing. CSG can be used for the same purposes as other natural gases, including domestic heating and cooking and commercial uses, and in power generation. Find out more at [www.santos.com/csg](http://www.santos.com/csg)

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