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Statement on Pilliga Forest

The NSW Land and Environment Court today handed down its decision regarding reporting failures in relation to coal seam gas operations in the Pilliga Forest, NSW, previously owned and operated by Eastern Star Gas (ESG).

Santos acquired ESG in November 2011. The incidents that were the subject of today's decision occurred before Santos took over ESG's operations and related to the Bibblewindi water treatment plant which Santos has since decommissioned and removed.

"Santos accepts the fine of \$52,500. The incidents occurred when the operations were conducted by different management and Santos recognises the importance of ensuring that industry complies with the high environmental standards expected by the community," said Santos Energy New South Wales Manager Environment and Water, Alan Feely.

"Santos has acted transparently throughout the process, releasing a report on the operational issues uncovered in the Pilliga and bringing them to the attention of the regulator."

In December 2011, after acquiring ESG, Santos temporarily shut down all operations in permits PEL 238 and PAL 2 near Narrabri, including the Bibblewindi water treatment plant.

Santos subsequently discovered evidence of an unreported release of salty water from the Bibblewindi facility and other reporting failures and notified the regulator.

"The practices by the former owner of ESG were not up to the standard by which Santos operates," said Mr Feely.

"We carried out a thorough review of operations and work practices when we acquired ESG. Since then, we have spent around \$17 million on rehabilitation in the Pilliga. Santos is well advanced in rehabilitating the impacted area under the supervision of the government regulator and in accordance with environmental best practice."

Ends.