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Santos strikes ~\$100 million domestic gas deal with New Century Resources

Santos, the lowest cost onshore gas operator in Australia, today entered into a long-term agreement to supply natural gas to New Century Resources Limited, supporting jobs, investment and regional communities in northwest Queensland.

Under the gas supply agreement, Santos will provide over the next four years around 9PJ of portfolio gas worth in the order of \$100 million delivered, to generate electricity for New Century's zinc mine near Mt Isa.

The use of gas to generate electricity for the mine is not only the best economic outcome, it is the best environmental solution to deliver the high reliability required.

The New Century zinc mine is set to become one of the top 10 zinc producers in the world.

It will also be in the lowest cost quartile globally, demonstrating the competitiveness of both Australian industry and Australian gas.

According to New Century Resources, there was strong participation from gas suppliers and traders in what was a highly-competitive tender process.

Santos Executive Vice President Marketing and Trading, Mr Phil Byrne said, "Santos is delighted to have been selected to supply gas for New Century's world class Century Zinc Mine and we're looking forward to a long-term cooperative relationship with the company."

"The gas sales agreement we've reached is innovative in both its flexibility and pricing, making it commercially attractive for both parties," Mr Byrne said.

"Santos is absolutely committed to working in partnership with Australian industry to deliver competitively-priced domestic gas and this is a great example of that commitment.

"Access to new and existing supply sources in Queensland as well as new sources in New South Wales and the Northern Territory is critically important to enable us to continue to deliver competitive gas for Australian industry on the east coast as mature fields decline."

When combined with existing agreements announced in 2017 and 2018, today's announcement brings Santos' total 2018 contribution to the east coast domestic gas market to around 70PJ, which is 11 per cent of the ACCC's expected demand for 2018.

Media enquiries

Joanna Vaughan,
+61 2 9276 1134 / +61 (0) 419 111 779
joanna.vaughan@santos.com

Investor enquiries

Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

Santos Limited ABN 80 007 550 923
GPO Box 2455, Adelaide SA 5001
T +61 8 8116 5000 F +61 8 8116 5131
www.santos.com