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Santos and NSW Government Reach Agreement to Secure Affordable Supply of Natural Gas from the Narrabri Gas Project

Santos and the NSW Government have reached an in principle agreement aimed at securing affordable natural gas supply from the Narrabri Gas Project (NGP) for homes and businesses across the State to meet a predicted supply shortfall in NSW post-2015.

NSW Deputy Premier, Andrew Stoner and Santos Vice-President, James Baulderstone have signed a Memorandum of Understanding (MOU), which recognises the NGP as a "Strategic Energy Project" given its potential importance to New South Wales' future energy security requirements.

The MOU aims to ensure the assessment of the NGP is progressed in a timely manner and that Santos meets industry best practice in relation to key environmental safeguards.

"There is no doubt that bringing on more gas supply will put downward pressure on domestic gas prices. With the potential to supply up to half of the State's natural gas needs, this project will bring on gas supply at a time when New South Wales homes and businesses need this essential product. Having the Government recognise the importance of this project and the benefits it will deliver to the State is critical to its long term success," Mr Baulderstone said.

"While there will be no change to either the existing approvals process or New South Wales' stringent regulatory conditions, the MOU helps to ensure that the NGP will be assessed within timeframes that would enable gas to be delivered when it is most needed."

The NGP will deliver significant regional and local benefits, including up to 1,200 jobs during construction and royalties of approximately \$1.6 billion. The Project will also involve the construction of a pipeline to directly connect the Narrabri gas resources into the NSW domestic market.

"Santos prides itself on its environmental and community relations record built over the last 60 years. This MOU provides confidence to the people of New South Wales that Santos will undertake a high quality Environmental Assessment particularly in relation to base line monitoring of the region's important water resources.

"Santos employees and others that work with us will continue to treat the local community with respect and actively engage with them as the NGP develops. To this end we confirm our long stated position that we will not come onto a farmer's land to drill a well without their consent. While we acknowledge there are segments of the broader community that hold different views on the importance of developing New South Wales' natural gas resources, we ask that they also respect landholders' right to decide to work with Santos without undue harassment and intimidation," Mr Baulderstone said.

"Santos is pleased that the Government recognises that a sustainable and affordable gas industry is vital to ensuring the competitiveness of the New South Wales economy and the safeguarding of thousands of jobs that rely on the product we produce. On behalf of the Narrabri Gas Project we look forward to continuing to work with the Government to help ensure the State's energy needs are met."

Ends.

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