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## Santos welcomes new public hearing process

Santos welcomes the new regulation introduced by the New South Wales Government to provide certainty and transparency for public hearing processes of the Independent Planning Commission while social distancing measures are in place to slow the spread of COVID-19.

The new regulation will allow the consideration of new projects to continue over the coming months, which is vitally important to facilitate new investments, new jobs and economic recovery following this public health crisis.

The new regulation will enable the Independent Planning Commission (IPC) to hold public hearings and make a determination on whether or not to consent to development of the Narrabri Gas Project within 12 weeks of the IPC receiving the Department of Planning's assessment report.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said a decision on Narrabri is more important than ever, with many investments in new oil and gas development now deferred as a result of low oil prices and the collapse in demand as many parts of the economy have gone into hibernation as we fight COVID-19.

"The only way to put downward pressure on gas prices for customers, including manufacturers, is to increase supply and competition. Santos has committed to provide 100 per cent of Narrabri gas to the domestic gas market and it will be the most competitively-priced gas for NSW customers in the coming years," Mr Gallagher said.

"With Narrabri, commercial bakers in Sydney would no longer be paying \$26,400 more for gas every year than similar businesses in Brisbane.

"We are confident that we have relied upon the best science to confirm that the Narrabri Gas Project can be developed safely and sustainably, without harm to water resources or the environment. However, a consent decision is one for an independent umpire, the IPC.

"COVID-19 has changed the way we all work and live.

"We need to be flexible and innovative in the way we work to respond to this unprecedented event."

The next step in this process is for the NSW Department of Planning to provide its assessment report to the IPC for consideration.

The Narrabri Gas Project has the potential to supply enough natural gas to meet up to half of NSW' natural gas demand where more than one million family homes, ~33,000 businesses and ~300,000 jobs rely on natural gas as a source of energy. With the commercial and industrial sector currently making up almost 50 per cent of total gas consumption in NSW, reliable and competitively-priced natural gas is essential for a strong NSW economy.

### Media enquiries

James Murphy  
+61 (0) 478 333 974  
James.murphy@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  
+61 8 8116 5000  
www.santos.com

“This is an important independent process that will determine where Santos invests in natural gas developments – and we want to invest in NSW, which is the best place to match supply investments with gas demand right now,” Mr Gallagher said.

“If we can develop Narrabri gas, it will be the most competitively-priced gas for NSW customers, benefiting from our Queensland coal seam gas development experience where we have reduced connected well costs by a massive 84% over the last few years. I am confident Narrabri gas will be cheaper than LNG imports, especially when gas prices are high in Asia. Ours is a cyclical business and we must not lose sight of the fact that the current low price and market conditions are not permanent. Demand, and with it, prices, will ultimately recover, and therefore, we must continue to focus on how and when we need to develop future gas sources at the lowest possible cost of supply to increase competition.”