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Santos welcomes King review and Government response

Santos welcomes the release of the King review and the Morrison Government's response as a key enabler for the development of an Australian carbon capture and storage (CCS) industry.

CCS projects globally store around 40 million tonnes per year of carbon dioxide, far short of the more than two billion tonnes the International Energy Agency forecasts that CCS projects will need to store each year by 2040 if the world is to meet its climate aspirations.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said the review makes 'sensible, job-creating' recommendations that will cut through red and green tape to accelerate investment in real emissions reduction opportunities in Australia.

"This has been a comprehensive and thorough process and shows that emissions reduction and job-creating resource development can work hand-in-hand," Mr Gallagher said.

"Australia needs low-cost, large-scale abatement to maintain our position as a leading energy exporter and manufacturer of energy-intensive materials such as steel and cement, as well as to enable new industries such as hydrogen.

"CCS can facilitate the fastest route to a hydrogen fuelled economy."

Mr Gallagher said Santos' proposed Moomba CCS project in South Australia would capture the 1.7 million tonnes per annum of carbon dioxide currently separated from natural gas at the Moomba gas processing plant and reinject it into the same geological formations that have safely and permanently held oil and gas in place for tens of millions of years.

"With the Cooper Basin's reinjection capacity assessed at up to 20 million tonnes of carbon dioxide per year for 50 years, it has the potential to be de-carbonise energy at its source."

"I am very pleased to see Energy and Emissions Reduction Minister Angus Taylor and the Morrison Government moving forward with a regulatory framework that will include pathways to underpin development and deployment of CCS. Just as private investment in renewable energy deployment was accelerated through public policy and funding over the last two decades, we now need to focus on accelerating CCS in similar ways to achieve the scale and experience that will not only drive costs down but will also deliver real scale when it comes to emissions reduction.

"We estimate the cost of this abatement at less than A\$30 per tonne and our aim is to drive these costs lower with scale and experience.

"As we rebound from the COVID-19 crisis, incentivising projects that create jobs, enable new industries and support our manufacturers to grow and invest will be vital, with the community expecting us to reduce emissions at the same time.

"Bipartisanship in the event of legislation for these recommendations will be vital. We are committed to creating jobs, creating new industries such as hydrogen and reducing our emissions,

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but real progress on emissions reduction will be at risk without bipartisanship as the last decade or more has shown.”