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Santos looks to hydrogen future through carbon capture and storage

Santos has commenced a concept study on a hydrogen future for the Cooper Basin. The concept study has been awarded to GHD, one of the world's leading professional services firms in resources, energy and environment.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said that natural gas can be de-carbonised at its source to make "zero-emissions" or "blue" hydrogen. The carbon dioxide produced as a result can then be safely and permanently captured and stored in the same reservoirs that the gas came from.

"The Cooper Basin hydrogen concept study builds on our progress towards the 1.7 million tonne Cooper Basin Carbon Capture and Storage Project for which Santos is targeting a final investment decision later this year, subject to a CCS methodology being approved for the Emissions Reduction Fund," Mr Gallagher said.

"Carbon capture and storage (CCS) is the fastest and most efficient route to a hydrogen economy, using less water, de-carbonising natural gas at its source and eliminating Scope 3 emissions."

"CCS enables the capture of carbon dioxide from the production of blue hydrogen, making it a 'zero-emissions' fuel.

"With over 65 years of experience in the safe production of natural gas, Santos has the operational knowledge, capability and infrastructure to be a leader in the creation of a hydrogen industry right here in Australia."

Mr Gallagher said the development of blue hydrogen from natural gas in combination with CCS will be critical in our transition to a low-carbon future.

"A CCS and hydrogen future proves that emissions reduction and job-creating resource development can work hand-in-hand."

GHD's Chief Executive Officer Ashley Wright said GHD is at the leading edge of more than 25 projects spanning hydrogen production, storage and application in industries such as gas, ammonia, power generation and transportation.

"We are committed to supporting our clients through the global energy transition. We believe hydrogen could play a significant role in decarbonising industries and this project is a potential game-changer for the gas sector. We are proud to partner with Santos on this project, which draws on our hydrogen experience across Australia and globally," Mr Wright said.

Santos' proposed Moomba CCS Project in South Australia would capture the 1.7 million tonnes of carbon dioxide currently separated from natural gas each year at the Moomba Gas 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.

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“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 de-carbonise energy at its source,” Mr Gallagher said.

“This exciting opportunity could create high-skilled, well-paying and secure jobs, drive regional development, create new industries and deliver good outcomes for climate and the environment.”

Santos and GHD aim to complete the concept study by the end of 2020.

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About Santos Ltd

A proudly Australian company, Santos is a leading supplier of natural gas, a fuel for the future providing clean energy to improve the lives of people in Australia and Asia. Santos is already Australia’s biggest domestic gas supplier and aims to be a leading Asia-Pacific LNG supplier. For more than 65 years, Santos has been working in partnership with local communities, providing Australian jobs and business opportunities, safely and sustainably developing Australia’s natural gas resources, and powering Australian industries and households. For more information visit www.santos.com