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Santos welcomes CCS and hydrogen focus

Santos welcomes both the Federal and South Australian Governments' focus on carbon capture and storage (CCS), and hydrogen technologies to put Australia at the forefront of the global energy transformation that is rapidly occurring. This will create jobs and cut emissions.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos is extremely well-placed to develop zero-emissions LNG and hydrogen products through its globally significant Moomba CCS project. Initially it is planned to store up to 1.7 million tonnes of CO₂ per annum, but the Cooper Basin has the capacity to store 20 million tonnes of CO₂ per annum.

"Moomba and Port Bonython have provided reliable, affordable energy and employed thousands of South Australian workers for more than 50 years in skilled, secure, well-paying jobs and a new hydrogen industry could extend these jobs for the next 50 years and put South Australia at the centre of an emerging global zero-emissions clean fuels boom," Mr Gallagher said.

"The International Energy Agency, the Intergovernmental Panel on Climate Change and governments around the world recognise CCS is imperative to reach the world's climate goals.

"At Santos, we've committed to net-zero by 2040. I am looking forward to taking a final investment decision on our ~\$210 million Moomba CCS project in the second half of this year as we deliver on our commitment to decarbonise our existing business and grow our clean fuels capability.

"We are technically ready, but an approved methodology for CCS projects to generate carbon credits is essential to make the project stack up economically, with the cost of abatement still at 25 to 30 Australian dollars per tonne.

"The initial Moomba CCS project would support around 230 new South Australian jobs through construction and sustain thousands more over the project's operational life.

"Developing projects such as Santos' Moomba CCS proposal will allow us to decarbonise natural gas production and provide the fastest route to a hydrogen-fuelled economy.

"With South Australia's Port Bonython in the running to be a national hydrogen export hub, Santos is already attracting strong interest from Japanese and Korean customers and investors who are looking to reduce emissions from coal-fired power stations using hydrogen and the possibility of shipping their CO₂ to Australia for permanent storage."

"This is very exciting for Santos, which already has a well-established Japanese and Korean customer base through its LNG business and infrastructure at Moomba and Port Bonython that provides a strong competitive advantage, particularly when combined with world-class natural gas and solar resources, along with large-scale, low-cost CCS capability," Mr Gallagher said.

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