

30 April 2021

Santos completes Bayu-Undan and Darwin LNG sell-down to SK

Santos today announced it had completed the sell-down of 25 per cent interests in Bayu-Undan and Darwin LNG to SK E&S, which is also a partner in Barossa.

The sell-down resulted in net funds to Santos of US\$186 million at completion, being the sale price of US\$390 million less the cashflows from the 25 per cent interests from the effective date of 1 October 2019 to completion.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said he was delighted to formally welcome Barossa joint venture partner SK E&S as a partner in Bayu-Undan and Darwin LNG.

“The sell-down to SK E&S is in-line with our strategy of disciplined growth while maintaining a strong balance sheet by managing equity levels in our growth projects consistent with disciplined capital management,” Mr Gallagher said.

Santos and SK E&S have also signed a Memorandum of Understanding to jointly investigate opportunities for carbon-neutral LNG from Barossa, including collaboration relating to Santos’ Moomba CCS project, bilateral arrangements for carbon credits and potential future development of zero-emissions hydrogen.

Completion of the sell-down to SK E&S sees Santos’ interest in Bayu-Undan and Darwin LNG change to 43.4 per cent, and Santos remains operator of both assets. The remaining interests are held by SK E&S (25 per cent), INPEX (11.4 per cent), Eni (11 per cent), JERA (6.1 per cent) and Tokyo Gas (3.1 per cent).

Santos is also operator of the Barossa project and announced the final investment decision to proceed with the project in March 2021. First gas from Barossa to backfill Darwin LNG is expected in the first half of 2025.

Santos and JERA continue to progress the binding sale and purchase agreement for JERA to acquire a 12.5 per cent interest in Barossa.

Ends.

This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.

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