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Moomba CCS project boosted by A\$15 million grant from Carbon Capture Use and Storage Development Fund

Following a transparent, independent and competitive process, Santos and its project partner Beach Energy, has been awarded a A\$15 million grant from the Australian Government's Carbon Capture Use and Storage Development Fund.

The grant is recognition of the national and international significance of the ~A\$210 million Moomba carbon capture and storage (CCS) project in outback South Australia which will safely and permanently store 1.7 million tonnes of carbon dioxide (CO₂) per year with capacity for up to 20 million tonnes annually across the Cooper Basin.

The project will achieve the Fund's objectives by reducing emissions in the natural gas sector and establishing facilities that could, in the future, bring together a network of greenhouse gas emitters enabling reductions in costs and risks for CCS projects and large-scale abatement.

Santos Chief Executive Officer and Managing Director Kevin Gallagher said the project will also be one of the lowest-cost projects in the world at A\$25-30 per tonne, driving towards the Australian Government's stretch goal to compress, transport and store CO₂ for less than A\$20 per tonne.

"The Australian Government's focus on CCS technologies will put Australia at the forefront of the global energy transformation that is rapidly occurring," Mr Gallagher said.

"The International Energy Agency's Sustainable Development Scenario requires a hundredfold increase in CCS between now and 2050 to achieve the world's climate goals – going from 40 million tonnes of CO₂ stored each year today to 5.6 billion tonnes by 2050.

"Australia has a natural competitive advantage in CCS with known high-quality, stable geological storage basins capable of injection at a rate of 300 million tonnes per year for at least 100 years – the same basins that have safely and permanently held oil and gas in place for tens of millions of years.

"Australia needs low-cost abatement to maintain our position as a leading energy exporter and to protect the manufacturing of energy-intensive materials such as steel, cement and the many every day products that rely on oil and gas as well as enable new industries like hydrogen.

"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.

"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 CCS and a new clean 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.

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"I am looking forward to taking a final investment decision on the 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 on our road to net-zero emissions by 2040.

"We are technically ready, but an approved methodology for CCS projects to generate Australian Carbon Credit Units through the Emissions Reduction Fund is essential to make the project stack up economically.

"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 Australia to help them reduce their emissions," Mr Gallagher said.

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