

21 July 2021

## NSW Government Future of Gas Statement

NSW businesses and manufacturers face a significant competitive disadvantage because their gas has to be imported from other states.

According to Business NSW, a baker in Sydney pays \$26,400 more for gas every year than the same business in Brisbane and a galvanising plant pays a massive \$66,000 more for gas every year.

The NSW Future of Gas Statement comes just weeks after NSW customers were clamouring for gas supply and paying some of the highest prices for gas ever seen in the State with spot prices spiking to almost \$30/GJ because of lack of supply close to market.

This is why the Narrabri Gas Project is so important with Santos committing 100 per cent of Narrabri gas to the domestic market.

Santos Chief Executive Office and Managing Director Kevin Gallagher said, "The only way to address gas shortfalls and price spikes at times of high demand is by developing local gas resources close to market instead of relying on imports from other states or overseas.

"With pipelines often full during periods of peak demand, there is no physical pathway to get more gas from Queensland into New South Wales and so the need for projects like Narrabri has never been more important for NSW.

"The Narrabri Gas Project was approved almost a year ago, but we are still waiting for the outcome of an appeal against the approval.

"The Narrabri community is looking forward to the jobs, business opportunities and regional development that the project would bring, and NSW gas customers are looking forward to having more reliable and more affordable gas from Narrabri," Mr Gallagher said.

Santos amended our PEL renewal applications to relinquish or surrender approximately 70 per cent of our total exploration acreage, far in excess of our statutory obligations.

Santos was prepared to make these additional relinquishments and surrenders in recognition of the importance to the NSW Government of providing greater certainty to local communities that only the most prospective areas would remain covered by exploration tenures.

Santos is disappointed that the NSW Government sought to extinguish further areas with no regard to the investment that has already been made.

The Statement means that NSW customers will still have limited access to new gas supply sources, consigning the State's businesses and manufacturers to reliance on higher-priced gas imports from other states or overseas.

It means that NSW regional communities will miss out on the jobs and business opportunities that have made Queensland gas communities like Roma, Chinchilla, Dalby, Toowoomba and

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Gladstone thriving regional centres with great services and infrastructure, including better schools, hospitals and telehealth, roads, airports and telecommunications.

And NSW farmers will miss out on the opportunity for landholder payments for gas infrastructure that Queensland farmers have welcomed to drought-proof their properties and diversify their income.

“As we have seen over the past couple of weeks, energy security is increasingly becoming an issue and it has never been more important to develop gas close to the markets that use it,” Mr Gallagher said.

**ENDS**