

Thank you very much.

It's an honour to be here this afternoon, representing not just Australia, but also the company I lead – Santos.

I want to begin by acknowledging this important initiative of the new Korean President, Mr Yoon, and the Foreign Minister, Mr Park and I'd like to acknowledge the Deputy Minister for Economic Affairs, Ministry of Foreign Affairs Minister Yun.

I'd also like to acknowledge the Australian Ambassador to Korea, Catherine Raper, and thank her for continuing to strengthen the ties between our two countries.

Ties that are based on our shared commitment to a peaceful, rules-based world and a shared commitment to climate action – net zero by 2050.

To our joint venture partners, suppliers and customers, we value the strong relationships we have built together.

Relationships that are centred around contributing to Korea's energy security through trade and investment in Australian LNG.

Importantly, Korea's investment in the development of Australian natural gas and LNG has helped secure our own domestic energy security.

This is because the small size of Australia's domestic market compared with Asian markets could never have underpinned the scale of investment required to develop Queensland's coal seam gas resources or our remote offshore gas resources in northwestern Australia.

This summit comes at a time of great uncertainty in the world when energy security is under threat for many nations.

And when the challenge to achieve net zero emissions by 2050 has never been greater.

It's a testament to Mr. Yoon's political leadership that this summit is being held so early in his administration.

It's been a fascinating and enjoyable week for me here in Korea, firstly in Daegu for the World Gas Conference and now today in Seoul, meeting with our customers and joint venture partners.

These face-to-face conversations are so important in building enduring partnerships and relationships.

So it's great to be back travelling, meeting with people and having these very important conversations.

While our engagement over the past week has focussed very much on the future, importantly we have also acknowledged, and reflected, on the friendship and trust between us.

Korea has been receiving shipments of Australian LNG for nearly 30 years, since 1993.

I'm proud to say that Korea is an equity investor in two Australian LNG projects – Darwin and Gladstone – both operated by Santos.

I'm also proud that Santos, and other Australian projects and companies have been stable and reliable suppliers of LNG to Korea over the past three decades.

In 2020 Australia accounted for 20 per cent of Korea's imports with Korea being our third-biggest LNG export market.

With our established reputation as a stable and reliable LNG supplier, our proximity to Korea and our large natural gas reserves, Australia can keep building on this strong LNG trade and investment relationship, while supporting Korea's goal of net-zero emissions by 2050.

This is thanks to our large natural gas resources of nearly 270,000 petajoules – as well as our enormous carbon storage resources, capable of injection at a rate of 300 million tonnes per annum for at least 100 years.

Australia's gas industry is also renowned for its best-practice health and safety.

We have strong environmental regulations.

Our emissions measurement and management is world leading.

Our Indigenous and local communities share in the benefits of our industry.

All of this means that our investors and customers can be confident that Australian LNG is underpinned by sustainable resource development.

With 10 LNG projects and 89 million tonnes of capacity, spanning Western Australia, the Northern Territory and Queensland, Australia is a very important supplier of LNG across the Asian region.

We retained our position as the world's number one exporter of LNG in 2021, supplying just over 80 million tonnes of LNG into Asia.

And we remain committed to growing our LNG industry, at the same time reducing carbon emissions from production and helping our customers to reduce their emissions from consumption.

Partly we will do this through displacing higher-emitting fuels such as coal.

I note that in 2019 Korea proposed measures to cut particle emissions by restricting around a quarter of Korea's coal-fired power capacity during winter and that it hopes to almost halve its coal-fired generation by 2030.

Carbon capture and storage will also be a game changer when it comes to emissions reduction from energy, including LNG.

I will return to this later.

With a strong economy, extensive gas infrastructure, plans to reduce dependence on imported oil and increase use of cleaner energy, LNG demand in Korea is set to grow.

Santos and Australia will be there to support the growth in the Korean LNG market.

Santos alone will bring another 3 million tonnes per year of LNG to market by 2027.

Our competitive advantage is the ability to develop globally competitive resources close to our existing LNG infrastructure.

Each year, Santos and our joint venture partners – including Korea's Kogas – invest around A\$1 billion in the development of coal seam gas resources in Queensland to keep supply flowing to our Gladstone LNG plant.

Last year, Santos, together with our joint venture partners – including Korea's SK – took a US\$3.6 billion final investment decision on the Barossa offshore gas project, which will backfill our Darwin LNG plant.

Barossa is one of the lowest-cost new LNG supply projects in the world.

Combined with carbon capture and storage at Bayu-Undan in the Timor Sea, Barossa would also be one of the lowest-carbon LNG supply projects in the world.

Darwin has significant growth potential, with two additional LNG trains already approved, that could be developed by aggregating a wide variety of gas resources, both onshore and offshore the Northern Territory and the Timor region.

Santos' decision on Barossa was followed by Woodside's decision this year on the Scarborough project offshore Western Australia, which will supply a new LNG train at Pluto and also backfill Pluto Train 1.

This is an 8 million tonnes per year project with the first LNG cargo expected in 2026.



North of Scarborough in the Bedout Basin, Santos is looking to develop a new liquids-rich province with low-carbon oil and natural gas resources.

These are just some of the opportunities available across Australia.

On our doorstep in Papua New Guinea lies another world-class LNG project with significant expansion potential – PNG LNG – operated by Exxon, and in which Santos has a 42.5 per cent interest.

Santos also has a 22.8 per cent interest in the Papua LNG project adjacent to the existing PNG LNG project.

Papua LNG is expected to bring another 5.6 million tonnes per year of LNG to market by 2028.

Korea's LNG imports are forecast to peak in 2039 – almost two decades away – at just over 48 million tonnes, before declining to about 42 million tonnes in 2050.

That is still more than Korea's LNG imports in 2020.

In 2050, Korea is expected to be the world's fourth-largest LNG importer.

Korean energy policy supports natural gas as a fuel to improve air quality and reduce carbon emissions, affirming gas as the main backup for variable renewable generation in the absence of batteries, and promoting coal-to-gas conversion projects.

This is a great opportunity for trade and investment in Australian LNG, to deliver energy security and cleaner energy for Korea for another three decades.

While we know the world, and particularly our region, will continue to demand natural gas for decades to come, we must maintain our focus on achieving net zero by 2050.

Last year global CO<sub>2</sub> emissions from energy combustion and industrial processes reached their highest level ever.

Coal-fired power plants met half the increase in global electricity demand in 2021, with total coal generation also reaching an all-time high, up 9 per cent last year.

As gas demand increased, a lack of new supply saw prices rise and we saw some countries switch back from gas to coal.

Except for the fact that coal prices followed oil and gas upwards, coal-fired power generation would have been even higher.

The emissions reduction progress the world was making through coal-to-gas switching over the last decade suddenly went into reverse.

This was a direct consequence of supplier nations' policies slowing down new gas supply.

We also saw a reversal in our progress towards achieving universal access to clean and affordable energy – there are

now more people in the world without access to reliable electricity than before the pandemic.

This occurred despite renewables-based electricity generation also reaching an all-time high.

The six per cent increase in CO2 emissions in 2021 was in line with the rise in global economic output of 5.9 per cent – the strongest coupling of CO2 emissions with Gross Domestic Product growth since 2010, after the Global Financial Crisis.

So, if we are serious about decarbonisation and keeping our economies strong, we must find ways – through technology – to make natural gas and other hydrocarbons cleaner.

No technology can make a bigger difference to the energy transition than carbon capture and storage, with the IEA saying it will be almost impossible to achieve net zero by 2050 without it.

Carbon capture and storage will enable us to reduce emissions from the production of natural gas and LNG, but more

importantly, it provides the opportunity to help our customers reduce or offset emissions from consumption.

And it will enable the production of clean fuels such as hydrogen from natural gas combined with carbon capture and storage – eliminating Scope 1, 2 and 3 emissions, and at prices that customers will be willing to pay.

In 2050, under the IEA's Net Zero scenario, about half the world's gas production would be used to make hydrogen and about 40 per cent of the world's hydrogen would be made from natural gas.

We know CCS works, it's been done before and there are now 27 commercial projects operating around the world today.

The biggest CCS project in the world is in Australia at Gorgon's LNG project in Western Australia.

It has successfully stored six million tonnes of CO<sub>2</sub> since it started up in 2019.

And at Santos, we are building a 1.7 million tonne per year CCS project at Moomba, in South Australia's Cooper Basin.

The exciting thing about the Cooper Basin is that there is storage capacity for up to 20 million tonnes of CO<sub>2</sub> per year for up to 50 years.

Not only will our Moomba project be one of the biggest in the world today, it will be one of the lowest cost, at around US\$24 per tonne.

That is very competitive compared to prices in a number of carbon markets today.

At Moomba, we are also trialling CSIRO and other Direct Air Capture and Post Combustion Capture technologies.

These exciting technologies have the potential to negate emissions elsewhere in the economy, especially in hard-to-abate sectors that Australia still needs.

Sectors that manufacture essential everyday products like fertilisers, cement, steel and polymers.

I believe that CO<sub>2</sub> is about to become the fastest growing commodity in the world!

Earlier this year Santos and our joint venture partners, including our Korean partner SK, entered FEED on our Bayu-Undan CCS project in the Timor Sea, northwest of our Darwin LNG project.

We are looking at a storage capacity of around 10 million tonnes of CO<sub>2</sub> per year – using existing infrastructure, once production from the field ceases.

This would enable us to store 2.3 million tonnes of CO<sub>2</sub> per year from our Barossa gas project.

As I said earlier, this would make Barossa one of the lowest-carbon intensity LNG projects in the world.

Bayu-Undan is a low-cost, large-scale, commercial CCS proposal that could also store CO<sub>2</sub> from our customers in Asia, including here in Korea – and this has been the subject of some of our discussions over the past week.

In Western Australia we are looking at the potential for our Reindeer facilities to be used for CCS when gas production ends.

Just as our customers in Asia have looked to Australia for energy resources for decades, they are now looking to us to help them decarbonise their economies through CCS.

Importantly, our CCS projects are at the low end of the global CCS cost curve, giving Santos and Australia a critical competitive advantage at a time when the need to accelerate CCS deployment globally has never been greater.

According to the IEA's Net Zero by 2050 scenario, CCS will be required to store 7.6 billion tonnes of CO<sub>2</sub> each year by 2050, nearly 200 times the amount we store each year today.



The energy security partnership that Australia and Korea have enjoyed through LNG over the last 30 years is set to continue for the next 30 years.

Our LNG trade and investment will continue to grow and there will be new, exciting opportunities in decarbonisation through carbon capture and storage, and clean fuels projects such as hydrogen and methanisation.

I hope our people-to-people relationships will also deepen through our trade and investment partnerships, our shared values in support of a peaceful, rules-based international order, and as a result of meaningful climate action.

Thank you.