

Thank you very much.

Bom Dia

I'd like to start by acknowledging:

- Minister of Petroleum and Mines Minister Victor Soares
- The Prime Minister Timor-Leste's representative
- Mr Florentino Soares Ferreira, President ANPM
- Mr Antonio De Sousa, President and CEO of Timor GAP
- To our joint venture partners, contractors and suppliers.
- Ladies and Gentleman.

It's a pleasure to be here with you in person, two years after Santos took operatorship of the Bayu-Undan Project.

Unfortunately, the pandemic of the last two years, meant this has been the earliest opportunity I've had to come and visit to see and meet you all in person.

The pandemic threw up many challenges, one of the most frustrating has been the inability to have these face-to-face conversations.

It's great to be here in this, a milestone year for Timor-Leste.

Twenty years of restoration of independence.

There is much to be proud of in your nation's young history and I know at Santos we're proud of working and developing together with the people of Timor for 20 years.

Timor has an important voice in the international community and particularly in our Indo-Pacific region.

You strongly stand for high levels of freedoms, of democracy and political choice, of the press and of religion.

Your hard fought freedoms and the strong people-to-people ties we share mean our relationships will only continue to strengthen.

I was reflecting last night about the people-to-people ties that we share. Those ties that have been built on the physical connection of the Bayu-Undan project from Timor-Leste to Australia.

That pipeline and the project represent the connectedness of our two countries

This week, we celebrate what has been achieved over the past two decades and we also look forward to the future and those priorities we will achieve together.

For Santos, we celebrate not only the 20 years of investing in Timor Leste and developing Bayu-Undan together but also two years since we took over operatorship from ConocoPhillips.

During the past two decades, the Bayu-Undan project has played a critical role in the financial independence of the Timorese people with over US\$21 billion contributed to the Timor Leste nation.

The project has created local jobs, it has generated revenues for government and driven investment in and strengthened communities.

Importantly, the Bayu-Undan project has a focus on local content and local employment. I believe at Santos, we will further strengthen this local focus.

Over its life, the project has invested more than US\$190 million on local content right here in Timor and almost 500 Timor-Leste nationals are employed across the project.

At the start of last year, Santos and our joint venture partners, commenced a 3-well infill drilling program at the Bayu-Undan field.

This program was not in the pipeline prior to us taking over the operator of the project. We know how important extending Bayu-Undan's field life is for the people of Timor and so, upon taking operatorship, we got straight to work on options to do exactly that.

The drilling program extended the life of the project by about a year and delivered value for both the Bayu-Undan joint venture and the people of Timor-Leste and the jobs and investment a program like this creates.

The drilling program was achieved on plan and on budget even with the increased difficulties that operating during a pandemic caused. Those outstanding results are a testament to many of you in the room and I want to thank not only the Santos people, the government and regulator, but all of our partners, our suppliers and our contractors on delivering that result.

As a result of that campaign through last year, we spent more than \$5 million on goods and services from Timorese businesses.

Extracting this additional value benefits our people and their families, the communities who rely on our business and investment and delivers Government's increased revenues.

Strengthening and being a part of the communities where we operate is a core value at Santos.

Our commitment to the community here in Timor, is focussed on the three key pillars of education, health and the environment.

Our projects strengthen communities through the jobs and investments they create.

Here in Timor, included in our community program are:

- A Scholarship program, which enables Timorese students to undertake post-graduate studies on energy-related fields in the US. So far, the program has had 25 participants and we are exploring ways to continue this program into the future with a focus on studies within the Australian tertiary education sector.
- A Vocational Training on Electrical and Instrumentation program that equips young Timorese with electrical and instrumentation skills. Working with the ANPM, two groups have commenced and are currently included in the public and private sectors, with the third program about to commence – so if you are interested in seeing how you

can get involved, please reach out to one of our team at the event here today.

- A nursing development program that, in partnership with St John of God, builds capacity in the Timorese health system to improve public health outcomes across the country based in the Dili National Hospital.
- And, a reforestation project that has planted 37,000 trees across 21 and a half hectares.

While these ongoing programs have long term benefits for both individuals and communities, Santos is also committed to supporting the here and now.

Last April, we stood shoulder-to-shoulder with the people of Timor-Leste during the devastation that occurred as a result of the significant floods.

We donated \$250,000 to the Red Cross to assist with getting people out of harms way to safety, and we assisted with the provision of helicopter support for emergency relief. However, we know the true devastation of these natural disasters last well after the immediate, emergency response.

We have continued to support those recovery efforts and I'm glad to have heard about those efforts since arriving here yesterday.

While extremely proud of the bonds and partnerships we have fostered over many years, I am personally very excited about our future.

As I'm sure you would all be aware, Bayu-Undan is coming to the end of its field life.

While the previous operator had plans to move straight to decommissioning of the facilities, we thought there still might be opportunities to be found and so our team, in conjunction with the ANPM and the JV, have done some great work about firstly how to extend the project's field life through optimisation activity and the 3C in-fill drilling program, and secondly, to come up with a long term plan for the facilities.

Together with the Timorese Government and the ANPM, that critical work has led us to develop a plan for the world's largest CCS project.

We are seeing a global energy security crisis play out at the moment. The Russian invasion of Ukraine and the supply strike we have seen over recent years has led to a global supply crunch and inflated prices.

What this energy security crisis has shown us is that LNG will continue to be in strong demand for decades to come.

With this demand for natural gas remains strong, we must at the same time, explore ways to make that gas lower emissions.

This where carbon capture and storage will be a game changer and we believe could be a significant new industry for Timor-Leste.

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 International Energy Agency 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 CO₂ 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.

While for Santos, our Moomba project is the first out of the blocks, our project here in Timor-Leste at Bayu-Undan is not far behind!

Earlier this year with our joint venture partners, we entered FEED on the project building on the signing of an MOU with ANPM in September of 2021.

We are looking at a storage capacity of around 10 million tonnes of CO₂ per year – using existing infrastructure, once production from the field ceases.

Prior to the CCS project and at the cessation of production, the first step would be to make the facility safe and clear of hydrocarbons through a “Suspension of Operations” phase.

Once safe, removal of facilities such as the floating storage offtake vessel and associated in-field infrastructure can occur.

Decommissioning the FSO will create significant opportunities for the local community. We will have a focus on local content during this phase, particularly for the cleaning prior to disposal of equipment.

It will be critical to ensure the appropriate regulatory frameworks are in place for this work and we are currently working with the Government and regulator ANPM on this.

Following the suspension of operations phase, the Bayu-Undan facility would be in a state ready to transition to a CCS project if

that is what our Joint Venture partners and the Government of Timor-Leste support.

Given that the wells and the facilities are already in place, Bayu-Undan CCS could be a low-cost, large-scale, commercial CCS project that could store CO₂ from regional projects, including any future Timor Leste developments.

This CO₂ storage capacity at Bayu-Undan has the potential to provide the carbon solution for undeveloped fields in the region.

Bayu-Undan CCS has the potential to be the catalyst for the development of other fields. Santos' Barossa project could be the foundation customer, delivering 2.3 million tonnes of CO₂ per year, making Barossa one of the lowest-carbon intensity LNG projects in the world.

As we move through the FEED process, I'm excited to continue to explore the opportunities this project could deliver for the people of Timor-Leste.

Further to Bayu-Undan CCS, we believe there remains undiscovered resources in Timor-Leste.

This enthusiasm is demonstrated in Santos bidding for, and being awarded, the opportunity to explore Block R which is the acreage surrounding the Bayu Undan Field and where our team believes both oil and gas prospectivity exists.

It's been a great visit so far and I'm looking forward to meeting as many of you as possible over the rest of today.

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.

Obrigadu (thank you).