

## SA Business Index – keynote address

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Thank you, Nicole, for that introduction and good afternoon everyone.

I'd like to start by acknowledging the Kurna (GAR – NA) people as the Traditional Owners of the land where we are meeting today and pay my respects to their Elders, past, present and emerging.

Santos has a strong connection with Australia's Traditional Owners and for decades, as part of our operations, we've been building relationships with Aboriginal communities where we operate, respecting their cultural heritage and custodianship of the land.

In fact, we work with 23 Traditional Owner Groups and seven Aboriginal Land Councils in our operations right across Australia. We also work closely with indigenous populations right across our operations.

Without these strong ties with community and the support of our Traditional Owner and Land Council groups, we wouldn't operate so I acknowledge and thank them for the important role they play.

Santos is proud of our South Australian heritage and the role we play in this state, with our origins going back more than 65 years.

From what started out with a couple of blokes searching for natural gas in the 1950s in the far northeast of the state, we have grown to become South Australia's largest publicly listed company and a global energy company.

Back in 1969, when we first delivered natural gas from reservoirs in the Cooper Basin to a home in suburban Adelaide, no one would have ever imagined we'd be in this position today.

Today, we are a truly global company, with operations spanning Australia, PNG, Timor-Leste and North America, positioning us in the top 20 oil and gas companies worldwide.

In fact, we're a top 10 global independent energy producer, with a balanced and diversified portfolio of long-life assets, weighted to gas and liquefied natural gas (LNG).

For the first in the company's history, earlier this year we reached a market cap of \$25 billion – where we still sit today. We also have a global customer base, the majority of which are based in our neighbouring Asian countries.

While we've got operations spanning two continents and four countries, it is a privilege to have our corporate headquarters based right here in Adelaide and to give back to the South Australian economy.

We find a lot of our interstate and international staff love the lifestyle and culture of Adelaide and SA, and thankfully since the borders reopened, we've had several opportunities this year to showcase the state to some of our Papua New Guinean, Timorese and North American colleagues.

Locally, we directly employ almost 1,000 South Australians in well-paying, highly skilled, secure jobs, ranging from front-line trainees and apprentices, university graduate positions, experienced engineering roles, office workers, and executives.

Our total spend on wages alone in South Australia is in the realm of AU\$250 million. We are proud to employ South Australians, but even more so, we're proud to be able to support local businesses.

In addition to the wages, this year so far our investment is close to \$400 million through direct spending, community initiatives or procuring local services across 400 suppliers.

All in all, that's close to around AU\$650 million that Santos invests every year directly in South Australia. If we were to include our spending we undertake on behalf of our partners and vendors linked to our operations in SA, that figure would almost double to take our total investments in the state close to AU\$1.1 billion.

South Australia is a great place to do business. To our CEO, who is originally Scottish – and to myself, a West Australian – Adelaide is home and we're happy doing business and supporting businesses here.

Most businesses need to transform, build and grow to remain competitive, and Santos is no different. I've worked for the company

since 2013 and it's really impressive to see how the company, and the industry, has changed, grown and developed in that time.

Santos is built on a strong, low-cost base business supplying natural gas to meet our customer demand. We have a clear action plan to develop cleaner energy and we're committed to efforts to bring that affordable, sustainable and cleaner energy to the world.

My role spans both these areas as I oversee our traditional plants and infrastructure across our Australasian operations, but also lead our decarbonisation and clean fuels businesses.

At Santos, we are working to decarbonise those traditional products so we can supply our customers with natural gas and oil that is carbon neutral. We also work with our customers to provide emission reduction solutions, including carbon capture and storage services to safely and permanently store CO<sub>2</sub> emissions, and drive other carbon solutions.

And at Santos, this is where we are harnessing technology as well as being agile and innovative.

Carbon capture and storage is the process whereby carbon dioxide is captured from a facility, then dehydrated and compressed for transportation via pipeline to a storage site. The CO<sub>2</sub> is then injected into a geological formation that provides safe and permanent storage deep underground.

Essentially, we're capturing CO<sub>2</sub> from the atmosphere and using technology that has been used in the industry for decades, injecting it back into the depleted reservoirs in the ground.

Excitingly, the centrepiece of Santos' carbon capture and storage story starts right here in South Australia with our Moomba Carbon Capture and Storage, or CCS, project.

It's very fitting that some 50 years after we first delivered natural gas from the Cooper Basin to a home in the suburbs, those exact same reservoirs where the gas came from are now a key component in the future of Santos.

Works are underway on Moomba CCS, with it now around 20 per cent complete and major groundworks to commence later this year. 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.

Come 2024 when we reach first injection, it will capture up to 1.7 million tonnes of CO<sub>2</sub> per annum and safely and permanently store that CO<sub>2</sub> underground.

But for Santos, our plans to reduce emissions don't stop at Moomba.



As a company we have set a clear climate transition strategy and action plan to become a net-zero emissions (equity scope 1 and 2) business by 2040.

Not only is this target more ambitious than widespread targets for Net Zero by 2050, but it is also underpinned by planned projects and associated capital investment.

The Moomba project forms part of our three-hub carbon capture and storage strategy, with a project offshore Northern Australia progressing, and plans for a Western Australia CCS hub continuing.

Our priority is to build around our existing long-life natural gas assets and grow new revenue streams through decarbonisation and clean fuels.

But what is more exciting is the potential opportunities for clean energy solutions, including hydrogen and hydrogen-based fuels, that will come from the carbon capture storage technology.

We're also working on a host of other ways to deliver on those industry-leading net zero emissions by 2040 targets, including hydrogen in the Cooper Basin, as well as Direct Air Capture technology also happening here in South Australia, and nature-based solutions to generate carbon offsets.

As a company, we are committed to storing more carbon than we are emitting by 2040.

Around the world there's an increasing focus on renewables and alternate energy sources.

What might surprise you is that last year, instead of continuing to switch away from coal to cleaner fuels such as natural gas, coal-fired electricity generation increased by nine per cent to a global all-time high.

Reducing emissions is a global challenge, not one we can solve solely here in Australia. The world needs all affordable, available, and reliable energy solutions; and a critical enabler is decarbonisation, not De-fossilisation.

About 80 per cent of the world's energy still comes from hydrocarbons including natural gas. New supply investment is still required to meet the world's ongoing demand for these products, so it is essential that we decarbonise their production.

At Santos and across the industry, it's clear that natural gas will remain an important part of the energy mix out to 2050 and beyond. At Santos

– just as it is for all businesses – it’s all about adapting to the changing circumstances.

Today we are focusing on making these fuels cleaner and toward net zero by decarbonising our existing products, while creating new revenue streams from carbon offsets and clean fuels. For example, we only sell our products to those countries that are signatories to the Paris accord, ensuring that as a producer and consumer of our products we are delivering a shared path for decarbonisation.

Carbon capture and storage is a key enabler for Santos’ energy transition strategy and a critical technology to achieve the world’s emission reduction target goals.

Based on our vast tracts of pastoral and cropping land and our depleted oil and gas reservoirs, Australia has the potential to become a carbon storage superpower.

But what is most exciting for me is that we're driving that change from right here in South Australia, where the potential for business to transform, build and grow, is endless.

Thank you.