



## Media Release

7 August 2023

### **Bayu-Undan joint venture and TIMOR GAP sign MOU to cooperate on carbon capture and storage**

Santos and its Bayu-Undan joint venture partners have signed a Memorandum of Understanding (MOU) with Timor-Leste's national oil company TIMOR GAP to explore partnership opportunities for the proposed Bayu-Undan carbon capture and storage (CCS) project offshore Timor-Leste.

The MOU follows four non-binding MOUs for CO<sub>2</sub> supply to Bayu-Undan CCS that indicate demand for CO<sub>2</sub> storage at Bayu-Undan CCS could be more than 10 million tonnes per annum (Mtpa).

The MOU with TIMOR GAP includes sharing information about Bayu-Undan CCS and exploring potential partnership opportunities, including equity participation for TIMOR GAP in the Bayu-Undan CCS project.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Bayu-Undan CCS is well positioned to provide future carbon management services to the Asia Pacific region.

"This could be an exciting new industry for Timor-Leste, putting it at the leading edge of the global energy evolution and generating revenue, local jobs and business opportunities for the nation," Mr Gallagher said.

"Santos and our joint venture partners are delighted to be working with TIMOR GAP on partnership opportunities to advance Bayu-Undan CCS as a carbon storage hub for customers in Australia, Japan, Korea and across Asia as those countries seek to decarbonise their economies.

"This MOU is yet another agreement highlighting the strong interest in carbon capture and storage, and its broad acceptance as a safe, proven technology that is absolutely critical to achieving the world's climate goals.

"We look forward to working with TIMOR GAP and the Timor-Leste and Australian governments to progress the necessary commercial, fiscal and legislative arrangements to support the development of the Bayu-Undan CCS project."

Bayu-Undan CCS ex-Darwin will provide a cost-competitive carbon solution because of its large scale and ability to utilise existing pipelines and other infrastructure.

In addition, the storage reservoirs are well understood, have previously held gas and condensate in place for tens of millions of years, and will provide safe and permanent CO<sub>2</sub> storage.

#### **Media enquiries**

Ken McGregor  
+61 (0) 401 037 140  
Ken.McGregor@santos.com

#### **Investor enquiries**

Brian Massey  
+61 8 8116 7354 | +61 (0) 432 099 391  
Brian.Massey@santos.com

#### **Santos Limited**

ABN 80 007 550 923  
GPO Box 2455, Adelaide SA 5001  
T +61 8 8116 5000 | F +61 8 8116 5131  
santos.com

The project has the potential to reduce the absolute emissions and emissions intensity of Australian and Timor-Leste gas and LNG projects, as well as other hard to abate industries in the region.

It also means that Australian and Timor-Leste gas and LNG projects will have a competitive advantage in a low-carbon world, with the potential to offer abated gas as a premium product for customers.

The Bayu-Undan CCS project is part of Santos' three-hub CCS strategy that includes the Moomba CCS project, now 70 per cent complete and on track to store up to 1.7 million tonnes of CO<sub>2</sub> per year commencing in 2024.

Santos has a 43.4% operated interest in Bayu-Undan. The remaining interest is held by SK E&S (25%), INPEX (11.4%), Eni (11%) and Tokyo Timor Sea Resources (9.2%).