



Media Release

19 October 2023

Australian Energy Regulator proceedings for inadequate record keeping

Santos notes that the Federal Court proceedings commenced by the Australian Energy Regulator today relate solely to historical record keeping practices between 1 March 2019 and 8 June 2021.

Importantly, the alleged record-keeping issues had no impact on supply or price in the east coast domestic gas market.

Santos always acted and will continue to act in good faith in respect of nomination and renomination behaviour in the domestic gas market, and there are no allegations otherwise.

The National Gas Rules were introduced on 1 March 2019. The process to update compliance systems is complex and in recognition of this the AER issued a discussion paper on guidance for record-keeping under the rules in April 2023.

Despite recognising this complexity, the AER instituted a policy of strict compliance from day one (1 March 2019). This is contrary to the approach taken for other gas market regulations.

Santos is disappointed proceedings have been instituted. The conduct alleged arises from record keeping of nominations and renominations over a period of around 27 months. The number of occasions alleged by the AER is of limited relevance to the outcome of these proceedings. Factors which will be relevant include the fact that there has been no impact on pricing or supply and the steps Santos has taken to put in place robust and best practice compliance systems that have been operating effectively since June 2021.

Santos continuously reviews and improves our business systems and processes to comply with the National Gas Rules and other regulations that apply to our domestic gas activities, and we are confident we have a robust and effective compliance management program in place. The AER has acknowledged this.

Ends.

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