



Media Release

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Santos and SK E&S to collaborate on cross-border carbon capture and storage

Santos has further strengthened its position as a carbon capture and storage (CCS) leader, by formalising a Memoranda of Understanding (MOU) to collaborate on carbon solutions with Korean energy company, SK E&S.

The MOU provides for Santos and SK E&S to cooperate in seeking to develop a low-carbon hub at Darwin in Northern Territory after a CO₂ storage permit was awarded for G-11-AP, within the Bonaparte basin, off the coast of Western Australia in 2022.

Santos and SK E&S will also collaborate on securing additional CO₂ storage including the Bayu-Undan field and develop a transboundary business model to aggregate and transport CO₂ from Korea to Australia for safe and secure storage underground.

Santos CEO and Managing Director Kevin Gallagher said the MOU highlighted the important role CCS is expected to play in decarbonising the large energy-consuming economies of Asia.

“Just as Australia has been a reliable energy producer for Asian economies for more than half a century, there is an enormous opportunity for Australia to be at the forefront of helping them decarbonise using our natural competitive advantage in carbon storage resources and knowhow,” Mr Gallagher said.

“The International Energy Agency 2023 Net-zero update says about 6GTpa of storage from CCS will be required by 2050 – that’s about 100 times higher than today’s operational capacity.

“And the Agency recently noted *“Australia is well-suited to large-scale deployment of CCS to facilitate domestic CO₂ abatement and support regional emissions reductions.*

“As demand for CO₂ transport and storage continues to grow, Santos and SK E&S intend to collaborate under the terms of the MOU to work with relevant governments to urgently progress the necessary regulatory, fiscal and carbon credit frameworks required to support international collaboration on CCS to decarbonise our region.

“We know a large scale-up of CCS is required to meet the world’s climate objectives and Santos has the technology, infrastructure and knowledge to be able to deliver low-cost CCS competitively on a global scale.”

Mr Gallagher said the agreement follows the signing of four other MOUs with third parties for carbon capture and storage at Santos’ proposed Darwin and Bayu-Undan CCS Hub, indicating strong customer-led demand for CCS as a relatively low-cost decarbonisation solution.

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“These MOUs complement a further MOU with Timor-Leste’s national oil company, TIMOR GAP, to explore partnership opportunities for the proposed Bayu-Undan CCS,” Mr Gallagher said.

“CCS is a proven technology that is critical to achieving climate goals throughout the region and executing these MOUs demonstrates the increasing demand for CCS and the broad acceptance of CCS as a decarbonisation strategy.

“Santos is making excellent progress on our planned three-hub CCS strategy with our Moomba CCS project on track for first injection in 2024, front end engineering and design at Bayu-Undan CCS nearing completion, and plans for Reindeer, offshore Western Australia, continuing to progress.”

[G-11-AP](#) has been awarded to Santos Offshore Pty Ltd (40% and Operator), Chevron Australia Pty Ltd (30%) and SK E&S (30%) and covers an area of 26,239 km² within the Bonaparte Basin.