

Media Release

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Santos secures Moomba carbon capture and storage finance to drive decarbonisation

Santos has secured finance for the company's share of the US\$220 million Moomba carbon capture and storage (CCS) project in South Australia.

The facilities, with a five-year tenor and totalling US\$150 million, will be used to cover project costs incurred to date and to draw down upon as the project progresses to first injection targeted for mid-2024.

Santos CEO and Managing Director Kevin Gallagher highlighted the willingness of banks to fund energy transition projects at very competitive rates and said this indicated their recognition of CCS as a vital tool in reaching the world's net-zero ambitions.

"The strong support Santos has received is underpinned by the progress we are making on our Climate Transition Action Plan that is focused on reducing our own emissions and those of our customers, as well as on developing low-carbon fuels as customer demand evolves," Mr Gallagher said.

"The median of IPCC¹ 1.5-degree scenarios assumes Asian gas demand will increase slightly out to 2050 (compared to 2020) with some scenarios assuming demand increase of 40 per cent or more. Abating the emissions associated with natural gas is critical to reduce greenhouse gas emissions and tackle climate change, and our Moomba CCS project will help achieve this. It is encouraging that financiers are recognizing the important role of CCS in abating emissions as we transition to net zero."

The first phase of the Moomba CCS project is now 80 per cent complete and is targeting about US\$24 per tonne lifecycle breakeven storage costs, which will make it one of the lowest-cost CCS projects globally and very competitive with other carbon-abatement technologies and opportunities.

The project will have capacity to store up to 1.7 million tonnes of CO₂ per year (with actual volumes depending on availability of CO₂ for storage). That's equivalent to delivering – every year – about 28 per cent of the total emissions reduction achieved in Australia's electricity sector last year.²

The Cooper Basin will play a significant role in the energy evolution as it transforms into a decarbonisation hub with the potential to produce low-carbon fuels and offer CCS services which could reduce emissions from critical fuels such as LNG and from hard-to-abate sectors such as steel, aluminium and cement.

Santos has recently [signed a series of agreements with international third parties](#) to evaluate the potential to capture, transport and sequester their emissions at Moomba.

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

¹ Intergovernmental Panel on Climate Change, 2022

² <https://www.climatechangeauthority.gov.au/sites/default/files/documents/2023-11/2023%20APR%20-%20Part%20-%20Chapter%203.pdf>, page 65.

