



Back Barossa Gas and Darwin LNG – Securing the Territory’s Future

Thank you Steph, for such a warm welcome and for organising this event and hosting us all at lunch today.

It’s great to be back in Darwin amongst friends of our industry and to see so many of you here supporting the Energy Club.

I too acknowledge the Larrakia people who are the Traditional Owners of the lands on which we meet, and in particular Bill Risk who is with us here today.

For more than two decades, Santos has worked with the Larrakia whose traditional lands include Wickham Point where our Darwin LNG plant is located.

There are also a number of Aboriginal community leaders here today from the Tiwi Islands, Timber Creek and Maningrida.

Your assistance and support over the last year as we have consulted with communities across the Top End about our Barossa Gas Project has been greatly appreciated by the Santos team.

I also acknowledge and thank members of the NT government, opposition and public service here today for your commitment to a stronger economic and social future for the Territory.

It’s a goal that Santos shares and we will continue to work with you to deliver that outcome.

Thank you also to Trent Northover and the KAEFER team for sponsoring this event.

KAEFER is a valued partner of Santos, not just in Darwin but around the country.

Trent and I share the same commitment to growing our presence in Darwin and providing local jobs, training and other opportunities.

KAEFER is a great example of what projects like Barossa and Darwin LNG can do for communities.

Since we announced a final investment decision for Barossa back in 2021, KAEFER in Darwin has grown from 25 to 60 employees.

Back then, it had four Aboriginal employees and at the end of February, 15 Aboriginal apprentices will start work as part of a jobs and training partnership between our two companies.

I’d like to give a special shoutout to Kylie Thorn from KAEFER, who has done all the hard work to make this possible.

Santos and the Darwin LNG joint venture will provide \$3 million to fund KAEFER’s delivery of this program which will provide traineeships and apprenticeships in trades, administration and HSE over the next four years.

We are committed to real action to help close the gap on Aboriginal disadvantage in the Northern Territory.

Training, education and good jobs are a universal foundation for ensuring every man, woman and child has the chance to achieve a quality of life most Australians – especially in our big cities – take for granted.

They are the building blocks for individual social and economic empowerment, and just as importantly, for stronger, more resilient families and communities.

Employment outcomes have declined over the last 15 years or more.

Investments like those Santos is making in the Territory can help to turn this around.

Under my watch, Santos has ramped-up its investment in the Territory by driving the DLNG life extension, working to deliver gas from the Barossa field and launching plans to transform Bayu-Undan into a carbon capture and storage hub.

CCS is an exciting potential new industry for Darwin and for Timor Leste.

Encouragingly, we have strong demand for carbon storage at the Bayu-Undan field with Korean and Japanese customers looking to capture their energy and industrial emissions, and ship CO2 to Australia for safe and permanent storage in depleted oil and gas reservoirs.

Bayu-Undan CCS would make Barossa one of the lowest carbon LNG projects in the world.

From day one, Barossa will be a net-zero reservoir emissions LNG project, utilising offsets until CCS is available.

Santos is committed to the Territory and we're here for the long haul.

We're investing because we can see the Territory's enormous potential.

With its natural resources, from solar energy to gas – offshore and onshore – to carbon storage and the minerals needed to drive the energy transition – the Territory is in pole position.

It has a great harbour and port facilities, an industrial hub at Wickham Point and a vision for the Middle Arm Sustainable Development Precinct.

It is close to the massive markets of Asia.

And it has great people.

I'm sure all of us here today know how important it is to work together to unlock their potential and their energy to deliver a stronger, better economic and social future for all Territorians.

The importance of Santos's Barossa and Darwin LNG to the economic and social fabric of the NT cannot be overstated.

DLNG, **which has a 100 per cent local Darwin workforce**, generates about **\$100 million** a year in supply and service opportunities for Territory businesses.

And every four years when Darwin LNG does its major maintenance shutdown, it brings another 600 jobs to town and injects up to \$50 million into the Territory economy through local supply and service opportunities.

To prepare for Barossa gas over the next 18 months, a **A\$925 million** DLNG life extension will boost local jobs and businesses and create **300** new construction and maintenance jobs.

Meanwhile the 180 workers who operate the Darwin LNG plant will be redeployed in other Santos operations so they can return to work at DLNG when the life extension program is completed – keeping them and their families in Darwin, contributing to the local community and the Territory economy.

What really excites me is that for the next 20 years, Barossa will create **300** new permanent operations and maintenance jobs with about **\$2.5 billion in wages, supply and service purchases expected to flow to Territorians in that time.**

The NT Government expects economic growth to be driven by the Barossa Project over the forward estimates.

And while the Territory economy grew by 4.7 per cent in the 2022 financial year, it contracted by 5.3 per cent in 2022-23.

This shows just how critical the LNG industry is to the Territory and to the prosperity of Territorians.

The contraction of the economy was largely due to declining output in 2022-23 as the Bayu-Undan gas field neared the end of its life and disruptions that occurred at Ichthys LNG in the second half of 2022.

Myself and my colleagues, some of whom are here in the room today, understand how important these projects are to Territorians and we are very proud of our role in helping to secure a better future for people living in the Top End.

To those representing local businesses in this room, with direct or indirect links to these projects, those billions in wages, service and supply purchases are opportunities for you to secure your own economic future.

So, it is important for us all to stand up for, and back these projects – and others like them – against misguided activism.

The Territory also has an important global role to play.

I have always been a strong advocate of open, competitive markets and global trade and investment.

It has been the foundation of the peaceful world that we have largely enjoyed since World War Two.

But we cannot take that for granted any more.

Australia must remain an active and collaborative member of the Asian region by using our resources to help our neighbours secure their energy needs and decarbonise their economies.

However, Australia's position as a leading and trusted gas supplier for the giant energy-consuming economies of Asia has been in decline recently.

Our neighbours have been concerned about apparent ambivalence to their energy security and its apathy towards the success and growth of the gas industry, despite the clear role that gas will play in the region for decades to come.

Therefore, I am pleased to see both federal, and state and territory ministers, taking steps to turn that around.

According to Wood Mackenzie, Australia's gas industry will remain important with gas demand in Asia forecast to grow by around 50 per cent between now and 2050.

So if the gas does not come from Australia – where environmental and safety standards are among the highest in the world – it will come from Russia, the Middle East, Africa or North America.

And if Australia decides to leave its gas resources in the ground, we will be sacrificing:

- Skilled, secure, well-paid jobs for Australian workers
- Business opportunities for Australian companies
- The vitality of regional communities like Darwin, Karratha, Whyalla and Roma
- Our domestic gas supply which largely depends on export projects
- Government revenues that fund health and education
- And export income.

Exports are just as important as making things here in Australia.

It was lower exports, mainly LNG – down 23.8 per cent last year – that largely drove last year's contraction of the NT economy.

Lower exports means less jobs, less business opportunities and less prosperity.

While gas exports are important, we must also address the challenges of the global energy transformation and the race to net zero.

As I've been saying for a number of years, there is a fundamental disconnect between what the world says it wants from the energy transformation and its consumption patterns.

Put simply, we cannot turn off the taps on oil and gas before replacement technologies are technically feasible, affordable and available.

Fossil fuels still account for around 80 per cent of primary energy today – the same as 45 years ago – and peak consumption has not yet occurred.

So if we are serious about reducing emissions, we have to be serious about abating emissions from fossil fuels, which is why our Bayu-Undan CCS project is so important.

As the IEA's recent World Energy Outlook says, "Simply cutting spending on oil and gas will not get the world on track for the NZE Scenario."

The slower than expected pace of the renewables rollout, the need for firming of renewables to deliver 24/7 power – and the lack of demand growth for new fuels, particularly hydrogen – has meant continued strong demand for traditional energy products.

It has also meant strong demand for carbon capture and storage services, because, as the IEA has said, it will be almost impossible to reach net zero by 2050 without this technology.

So I am very pleased that we have recommenced both drilling and pipelaying for the Barossa project.

Barossa is now **66.4 per cent complete** with first gas still expected in 2025.

While it is more likely to be in the third quarter of 2025, we are still working hard to achieve an earlier startup.

This is a great milestone for a project of critical importance for the Northern Territory, Australia, and our region as a whole and I thank and congratulate everybody involved for their contribution to its progress.

And while our investments in these projects are of vital importance, Santos recognises that we must also reinvest part of the proceeds from them into the communities who have supported them.

As you are probably aware, yesterday we announced the Barossa Aboriginal Future Fund, which will invest \$10 million in Northern Territory coastal Aboriginal communities and homelands as the development phase of the project progresses.

We also announced our support to establish a fund from commencement of production for the life of the project, which I expect will result in investments of more than \$100 million flowing to these communities over the next 20 years or more.

We want to create an enduring legacy with the fund investing over the long-term in community infrastructure and services that improve health, education, housing, community resilience and economic outcomes for Aboriginal people in the Northern Territory.

It is intended that Aboriginal communities will have a real voice in establishing governance arrangements and the investment mandate for the fund, and in selecting priority projects for funding.

Santos deeply respects the cultural heritage of Aboriginal people and we will continue to consult with them on all aspects of Barossa as the project progresses.

In particular, I acknowledge the courage and conviction of the 11 Tiwi Island witnesses who gave evidence to the Court for Santos about their cultural heritage and their views on the Barossa project.

We are bringing Aboriginal people to the table regarding decisions that impact them and making sure they have a say in what their communities need.

Sharing the benefits of projects like Barossa is a practical and meaningful step we can take towards closing the gap through providing employment, infrastructure, health, training and education.

Here in the Top End, our commitment to local communities and local business continues to grow and develop.

We're here to listen and learn from you about how we can do this better.

So I'm pleased to say our new shopfront in the Smith St Mall will open to the public on Monday.

It's a place for the local community to find out more about Santos's activities in the NT, job and business opportunities.

And we want to hear from you about how we can do things better. When you get a chance, please drop in and meet our local team.

Thank you.