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CEO ADDRESS: AUSTRALIA – AN ENERGY SUPERPOWER IN AN UNCERTAIN WORLD

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Thank you very much Greg.

I too acknowledge the Ngunnawal people as the traditional custodians of the land where we meet – and pay my respects to their Elders past and present.

I extend my respect and thanks to:

- All the Aboriginal and Torres Strait Islander people who support Santos and work with us right across Australia.
- Landholders in Papua New Guinea.
- And the Alaskan Native communities who partner with us on our projects there.

Welcome also to our joint venture partners, domestic and international customers, diplomatic representatives and industry colleagues here today.

And a special shout out to the business representatives who have come all the way from Roma, Narrabri and Darwin.

They represent the thousands of regional businesses around the nation who have benefited from a strong Australian resources sector and want to see it stay strong.

To the National Press Club, thank you for the opportunity to speak today on: Australia – an energy superpower in an uncertain world.

Energy is heavily contested territory.

It is a matter of national and global importance.

And it holds the keys to Australia's future prosperity.

The world is at war for energy security, even in the places where the guns are silent.

Two conflicts.

Ukraine.

The Middle East and the Strait of Hormuz.

One common thread – each has torn into the pipelines, sea lanes and energy production infrastructure that keep the global economy running.

The world has learnt how much it still relies on traditional forms of energy, particularly oil and gas.

The conflict in the Middle East has removed crude oil supply equivalent to seven to 10 per cent of global daily demand – more than any disruption since the 1970s.

Almost all the world's spare capacity sits in that region – as does about 11 per cent of global refining capacity[1], hitting diesel and jet fuel supplies essential to agriculture, construction, transport and logistics.

One-fifth of the world's LNG supply comes from Qatar – the second-largest producer globally – and it is sitting behind a blocked Hormuz Strait.

Thirty per cent of globally traded urea is also blocked – enough to threaten a global food crisis.

No single geopolitical event since the 1970s has hit this many essential commodity systems, this hard, at the same time.

Australian families, tradespeople and delivery drivers are feeling it at the bowser.

Energy – and the cost of it – is embedded in **every good and service** we purchase and use, and it is driving inflation.

Australia has discovered how vulnerable we are to global crude oil, refined product and fertiliser supply chains – relying on imports for roughly 90 per cent of our liquid petroleum products.

The Asian refiners who supply us are reliant on the Middle East for around 40 per cent of their crude oil feedstock.

And with the lowest emergency fuel reserves in the OECD, Australia is uniquely exposed to an extended crisis.

[1] Energy Institute, Statistical Review of World Energy 2026, June 2026

Before we talk about where the world is going, I think it is worth pausing to consider where we have come from.

Because the story of the past two centuries is, in large part, the story of what happens when human beings gain access to abundant, reliable and affordable energy.

For most of that period, that energy has come from hydrocarbons.

Coal, oil and natural gas have powered industrialisation.

They have transformed agriculture, enabled mass transportation, modern manufacturing and global trade, allowed us to heat and cool our homes, refrigerate our food, build hospitals and manufacture medicines.

The results have been extraordinary.

Billions of people have moved from subsistence living into modern economies.

Global life expectancy has risen dramatically.

Infant mortality has fallen.

Energy is not the whole story of the most prosperous age in human history.

But **without** abundant energy, modern prosperity is impossible.

We should be very careful about forgetting just how much the hydrocarbon age has delivered.

At the same time, there is a legitimate and necessary global effort to reduce greenhouse gas emissions.

Australia is part of that effort.

So is the Australian oil and gas industry, so is Santos – and so am I.

Our Moomba carbon capture and storage project alone contributed about one-third of the reduction in Safeguard-covered emissions in the last reporting year – real emissions reduction, at scale.

Decarbonising the production of oil and gas is critical because hydrocarbons still supply more than 80 per cent of primary energy demand globally, little changed from 50 years ago.

In Australia, they supply about 91 per cent of primary energy demand – unchanged for three years.

Renewables have grown fast, but still supply only around 15 per cent of the world's energy, wind and solar about three per cent.

It is a common myth that when oil and gas prices spike, the world switches to renewables.

It doesn't.

It switches to coal.

That's what happened across Europe in 2022, and it's happening now.

In the US last year, coal use in electricity generation jumped 10 per cent as power companies temporarily switched back from higher-priced gas to keep power bills stable – a continuing trend as LNG exporters offset Middle Eastern supply losses.

In Japan, coal-fired power generation increased by almost five per cent in June and gas power generation was cut by about 16 per cent, compared to last year.

This is a direct response to fears of LNG supply shortages.

Japan's power sector successfully conserved an estimated half a million tonnes of LNG, prioritising immediate national energy security over short-term emissions reduction.

Vietnam too has been increasing coal-fired power generation this year as LNG prices became unaffordable for this developing economy.

Even in Australia, with gas development stalled and gas locked out of the Capacity Investment Scheme, state governments in New South Wales and Victoria have had to subsidise and extend the life of coal-fired power stations.

According to the International Energy Agency, gas has around half the lifecycle emissions of coal.

But when it is in short supply and prices rise, the world repeatedly switches back to coal.

The IEA’s latest data shows that the world has still not seen peak demand for any of coal, oil or gas.

Renewables are also expanding rapidly.

These are not contradictory.

The world can add enormous amounts of renewable energy and continue to consume enormous amounts of oil and gas because the energy system is far more complicated than electricity generation alone.

We can electrify many things.

But electricity is only around 22 per cent of total final energy consumption globally.

We live in a world of "energy addition" – driven by demand for data centres, petrochemicals and aviation, and above all, by the developing world where 85 per cent of the population lives on around two barrels of oil per person per year compared with nine in the EU and 22 in the US.

This matters enormously for public policy.

Because if we prematurely withdraw supply of something the world still needs, we do not eliminate demand.

We simply change who supplies it.

Last year, demand for every single energy source grew.

Oil.

Gas.

Coal.

Nuclear at record output.

Renewables at record deployment levels.

Emissions at a record high.

The world did not swap one energy source for another – it took more of everything.

Australia has an extraordinary comparative advantage in energy that few countries can match.

Geoscience Australia's 2026 Energy Commodity Resources Report confirms our role as a major global energy supplier.

Energy commodity exports generated 180 billion dollars in 2023–24, making up roughly 27 per cent of Australia's total export earnings.

We were the second-largest coal exporter globally and the third-largest LNG exporter.

We have more than 240,000 petajoules of demonstrated gas resources – enough gas to keep producing at today's rate – for domestic and export markets – for around 40 years.

Australia does not have a gas shortage.

It just needs to **get more gas out of the ground**.

As I said, demand for oil and gas is not going away.

The only question is who supplies it.

In 2015, the United States exported next to no LNG.

Qatar was the undisputed leader, shipping around 80 million tonnes a year.

Australia was producing just under 30 million tonnes.

By 2019, Australia was the largest LNG supplier in the world producing nearly 80 million tonnes a year, mostly into Asia, while the US remained a distant third.

By 2025, the United States shipped 114 million tonnes, more than a quarter of all LNG traded globally.

It has been the world’s top supplier since 2023 and in 2025 it delivered roughly 93 per cent of all global supply growth.

A country with almost no LNG industry a decade ago is now the market's swing supplier.

By comparison, Australia’s LNG industry has stagnated.

We could have grown, but chose not to.

At the same time, Canada is entering the LNG market, unlocking its vast gas resources for domestic and Asian markets.

With shipping routes directly across the Pacific to Asia, Canada is stepping into the LNG supply gap Australia has allowed to emerge.

Every LNG cargo Canada locks in for the future, is a cargo Australia foregoes.

This is not a future risk – it's happening now as investors and customers in Tokyo, Seoul and Kuala Lumpur look to shore up their long-term LNG security – and hedge against the uncertain outlook **they perceive** for Australian LNG.

Australia is blessed with natural resources.

Iron ore. Coal. Natural gas. Oil. Uranium. Lithium. Critical minerals.

Alongside a sophisticated financial system, world-class technical expertise, strong institutions and secure trade routes to the fastest-growing energy markets in the world.

That is not an accident.

It is our comparative advantage.

The resources sector accounts for two-thirds of Australia's merchandise exports and is our largest industry for foreign direct investment.

We should be proud of that.

But too often in Australian public debate there is a tendency to regard the resources industry as something Australia will eventually grow out of.

Worse – that it is something we **should** grow out of.

Australia's future resource industries will include critical minerals, renewable energy and low-emissions products.

That doesn’t mean abandoning the resource industries we already possess while those new industries develop.

The sensible strategy is to do both.

Develop new advantages while capitalising on existing ones – growing the economic pie, not redistributing it.

If we want to grow real wages for Australian workers, the first place to **grow jobs** is in oil and gas – Australia’s highest-paying industry – with average full-time salaries more than 50 per cent higher than the national average.

KPMG found each worker produced nearly three million dollars of gross value-added in 2021-22 – **16 times** the Australian average.

Australian Energy Producers estimates the oil and gas industry contributed approximately 105 billion dollars to the economy in 2024-25, supported around 215,000 jobs and paid nearly 22 billion dollars in taxes and royalties.

And the broader resources economy directly accounts for well over 10 per cent of Australia's total GDP, making it the single largest corporate contributor.

This is one of Australia's great economic strengths.

And we should be **growing it** for future generations, so they too can enjoy the rising living standards that most of us here today have enjoyed.

Ours is an industry that needs no subsidies, nor asks for them.

Yet, some of our leaders are quick to say we've lost our social license.

This is not the reality for communities from Perth, Karratha, Darwin, Gladstone, Roma, Narrabri or across South Australia.

But it **is** what some leaders say.

So it is unsurprising that in our biggest cities big business is not trusted, oil and gas companies are blamed for rising energy costs or not paying their way.

And the profits that support high wages, small and family business opportunities, regional development, tax revenues and national export income – are frowned upon.

It is a myth that Australia gets less out of its oil and gas industry than Norway and Qatar.

Norway taxes net income from oil and gas at 78%, but it is also a co-investor and participant in the industry.

It shares downside risk, refunds losses and owns 67 per cent of Equinor, which controls 70 per cent of all oil and gas production on the Norwegian shelf.

Qatar too takes an ownership stake in its oil and gas projects through its national company QatarEnergy.

By contrast, Australia does not share upfront project costs and risks – it expects the private sector to bear them, and most Australians would expect that too.

We should not forget that when big businesses are profitable, everyone benefits – a rising tide lifts all boats.

Which is why governments and industry should be working together, not against one another.

Australians rightly expect their own needs to be met before we export gas overseas.

But it is not true that east coast gas supply issues were caused by Queensland's LNG export industry, nor that there is an imminent supply or price crisis.

The Australian Energy Market Operator's Gas Statement of Opportunities finds the east coast adequately supplied to 2030.

But it warns that new investment is essential from 2030 to offset declining Bass Strait production.

The ACCC's June report shows spot prices and new long-term gas contract prices have fallen from previous peaks, with long-term contracts averaging 13 to 15 dollars.

Both acknowledge the need for new gas supply.

Requiring gas producers to subsidise gas and electricity inputs of manufacturers won't solve that problem.

The fact is there has not been enough investment in new gas supply sources on the east coast for more than a decade – a direct result of moratoriums and bans in New South Wales and Victoria over the last 15 years.

Despite strong support from the Minns government, Santos is still trying to get the Narrabri gas project approved and developed, spending more then 1.5 billion dollars since 2012 – a project **100 per cent committed to the domestic market** that would alleviate southern shortfalls anticipated beyond 2030.

The Beetaloo sub-basin in the Northern Territory is thought to hold at least 500 trillion cubic feet of gas.

After seven years of moratoriums, scientific studies, regulatory reform and comprehensive regional baseline studies between 2016 and 2023, the potential to develop the Beetaloo safely and responsibly has been clearly demonstrated.

Activity is ramping up and Santos is commencing a three-well appraisal program this year.

This resource could serve domestic and export markets for 40 years or more.

I have publicly supported domestic reservation as part of its development since 2018 – the time to put a reservation in place is now, **before** billions of dollars are invested.

The Beetaloo could transform the Northern Territory, just as Queensland was transformed during the coal seam gas boom.

Queensland's LNG industry unlocked coal seam gas resources that now supply around 30 per cent of east coast domestic demand.

But the domestic market alone could never have supported the capital-intensive development of those resources without LNG investors.

Modelling by Lawrence Consulting shows that, between 2014 and 2024, Queensland's coal seam gas and LNG industry contributed an estimated 127 billion dollars to gross state product.

It supported almost 60,000 full-time equivalent jobs.

Every single cargo that leaves Gladstone represents more than 11 million dollars spent with local businesses, and 4.5 million dollars in royalties paid directly to the Queensland Government.

That is social license in action.

And this is not the only way we contribute to communities.

Critical for Santos, and our social license, is leaving communities stronger than when we arrived.

It’s great to see members of those communities here today – from Roma, Narrabri and Darwin – we appreciate your support.

Last year, Santos invested more than 10 million dollars in local communities around Australia, working with 386 community partners and organisations.

Our Barossa Aboriginal Future Fund is investing up to 10 million dollars a year in projects supporting Top End Aboriginal coastal communities with a focus on life-changing education and jobs pathways.

And our Santos Foundation has expanded from Papua New Guinea to the Northern Territory where we are partnering with Danila Dilba, supporting Aboriginal Health Practitioners and investing in community laundries.

The laundries are about much more than convenience – it’s about basic health, preventing rheumatic heart disease that is 100 times more prevalent in remote Aboriginal communities than in the general Australian population.

Everything I have just talked about speaks to the opportunity ahead for the Northern Territory and New South Wales.

As IEA Head Fatih Birol said when he was in Australia earlier this year, the leaders of the oil and gas companies around the world are ready to support governments to overcome the difficulties their countries and communities are facing.

That is true of Santos and of all the companies here in this room today.

Birol also said that energy investors are like butterflies – when they are scared they fly away.

It matters to make capital feel welcome and safe – so the wealth of Australia’s energy resources **can be** unlocked for Australia and the region.

This means being able to count on a stable taxation and regulatory regime, timely and workable approvals that can be relied on, and rules that don’t change after investments are made.

All of the LNG export projects in Australia are joint ventures with investors from Japan, South Korea, Malaysia and China.

Their governments count on Australia to be reliable and predictable.

They count on us for their energy security.

Australia supplied nearly 30 per cent of Asian LNG imports in 2025[2] and across Asia, LNG demand could nearly double by 2050[3].

For more than six decades, Australia has built its prosperity alongside the growth of Asia, earning a reputation as one of the region's most reliable partners in trade, investment and energy security.

Japanese investment in Australian resources in the 1960s and 1970s helped forge a model of long-term partnership based on trust, transparency and the rule of law.

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[2] Energy Institute, Statistical Review of World Energy 2026, June 2026
[3] Wood Mackenzie, Global Gas Strategic Planning Outlook, April 2026

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That foundation expanded across the region as South Korea, China and Malaysia invested billions of dollars in Australian projects, confident in the stability of its institutions and the certainty of its contracts.

Australia remains a cornerstone of Asia's energy security and also relies on Asia for liquid fuel security and the high-quality, affordable manufactured goods found in every household across the nation.

The story of Australia's engagement with Asia is ultimately a story of reliability that has forged regional peace, friendships and alliances.

As Japanese ambassador Suzuki Kazuhiro said in Canberra in June, “LNG and resources that flow between our countries are not bridges to be crossed and then burned; they are a route to be valued, maintained, and built upon.”

Our future prosperity, like our past success, is inseparable from the growth and stability of Asia.

Australia cannot afford to retreat into resource nationalism – nor should it.

We must also make sure our own energy needs are met – reliably and affordably.

But the fact is – here at home we do not have a gas shortage.

We have enormous gas resources.

We just have to **get more gas out of the ground**.

As the world enters a new era where energy security is inseparable from economic, social and regional security, unlocking the wealth of Australia's energy resources continues to be our comparative advantage.

Australia's opportunity is to grasp this advantage with both hands to drive energy costs down, reinvigorate growth in Australian living standards and foster a stronger, more stable Indo Pacific region.

As I said, this means being able to count on a stable taxation and regulatory regime, timely and workable approvals that can be relied on, and rules that don't change after investments are made.

A genuinely prospective domestic gas reservation policy would be welcomed by the industry – so we know what the rules are before we invest.

Therefore, the government's assurances that its proposed domestic gas reservation will honour existing contracts and provide long-term certainty for commercial gas production and investment – are very welcome.

As is its constructive engagement with the industry.

But clear, transparent rules and property rights must be enshrined in legislation, not subject to sweeping ministerial discretion.

The long-term investment horizons for gas development must be recognised – setting annual rates of supply and conditions would be like setting a new tax rate every year – no-one could invest on that basis.

And, a reservation must not force supply into an oversupplied market.

It must allow the price signals the market needs to invest in new gas supply development – to operate.

The practical solution here is to replace the ‘must sell’ provision with ‘must offer on commercial terms’ – the same as the Western Australian reservation.

If gas is not able to be sold on term contracts then it should be made available on domestic spot hubs.

This would maintain the architecture of the domestic gas reservation the Government has announced – but importantly it would let the market, rather than arbitrary forecasts – balance supply and demand.

And it would work for customers, LNG producers and domestic-only gas producers by:

- Creating a durable incentive for long-term domestic supply, set by real market demand rather than administrative rationing.
- Ensuring gas is always available to domestic buyers on known and transparent terms.
- Creating deeper and more liquid domestic gas markets, so buyers can access gas when they need it, particularly during periods of peak demand.
- And allowing the market to operate in a more open, competitive way with fewer unintended consequences.

But reservation without new gas supply won’t work.

There is plenty of undeveloped gas – in Bass Strait, in the Otway, onshore Victoria, in Narrabri and the Gunnedah Basin, and in the Northern Territory’s Beetaloo.

The ACCC puts the cost of new gas supply at around $12-$13/GJ and rising.

That is higher than manufacturers want to pay for gas.

But it is not the whole story.

And it is why the LNG industry is so important.

On our west coast there would be no domestic gas industry without the LNG industry.

On the east coast, the Surat Basin coal seam gas fields would never have been developed at scale without the LNG industry.

And without the LNG industry, domestic gas prices would be higher, not lower – especially as historic supply sources such as Bass Strait decline.

It is too often forgotten that LNG capacity is limited to the size of the LNG plants we have built – when the LNG plants are full, the only place **for** excess gas is the domestic market.

That's why domestic gas prices in Western Australia have been among the lowest in the world for decades.

It's why we have to get more gas out of the ground – the only long-term solution to domestic gas supply security.

And it is a legitimate way to drive domestic gas prices down closer to the short-run marginal cost of supply.

In closing – the hydrocarbon age has not been perfect.

It has created environmental challenges that we must address.

But it has also done something remarkable.

It has helped humanity produce more food, move more people, build skyscrapers, make amazing materials and life-changing goods, live longer lives and create levels of prosperity that would have been unimaginable to previous generations.

We should acknowledge that history honestly.

Australia has an extraordinary resource endowment.

We have geology – but we also have skills, technology, capital markets, stable governments and institutions, infrastructure and proximity to Asian markets.

And, very importantly, we still have a reputation for being a reliable supplier of energy resources – built over more than half a century.

Our job should be to build on those advantages—not surrender them.

We should develop our oil and gas resources responsibly, make more gas available to Australian households and industry, and continue supplying LNG to our neighbours.

We should attract the investment needed to replace declining production and grow our oil, gas and LNG industries.

And we should create the regulatory and investment environment in which exploration and development can happen efficiently.

Australia should be ambitious about – and proud of – its resources future.

We should be confident enough to say that Australia can be both a clean-energy leader **and** a world-class energy resources nation.

Australia should not voluntarily leave its comparative advantage in the ground – **because future generations will be left poorer as a result.**

Thank you.