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ASX/Media Release

Santos

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Santos acquires Hunter Gas Pipeline Pty Ltd to get Narrabri gas to domestic market as soon as possible

Santos has acquired Hunter Gas Pipeline Pty Ltd which owns an approved underground gas pipeline route from Wallumbilla in Queensland to Newcastle in New South Wales.

The underground pipeline route passes close to Santos' Narrabri Gas Project and our goal is to work with infrastructure developers and owners to construct the pipeline and deliver much-needed gas to east coast domestic markets in the shortest timeframe possible.

The pipeline will also be designed to transport hydrogen as customer demand evolves during the energy transition.

Santos' Midstream and Clean Fuels President Brett Woods said the acquisition provides a pathway for the delivery of gas from the Narrabri Gas Project to the domestic market, subject to a short connection to the main pipeline, which is currently in the planning phase.

"At a time when the ACCC is forecasting domestic gas shortfalls, our Narrabri project, which is 100 per cent committed to the domestic market, will inject new supply into southern domestic markets and put downward pressure on gas prices for New South Wales businesses, manufacturers and families," Mr Woods said.

"It will make more gas available to cover peak demand periods, especially in circumstances where gas power generators are called on unexpectedly to replace wind, solar and coal outages, as we have seen this winter.

"Acquiring the Hunter Gas Pipeline route is an important step for the Narrabri project, with appraisal drilling planned later this year, pending various native title and environmental management plan approvals.

"Once fully operational, Narrabri has the potential to deliver more than half NSW's gas demand, creating a more secure, local and affordable supply for businesses, manufacturers and families."

The Hunter Gas Pipeline already has planning approval and, once constructed, will potentially connect the Wallumbilla Gas Supply Hub in Queensland to NSW, providing a second route to southern markets for Queensland gas and adding competition to the domestic market.

This would remove occasional supply constraints in existing pipelines, which occur at exactly the times when demand for Queensland gas is highest in southern markets. With Queensland the main source of gas supply growth for the whole east coast market, this pipeline will be vital to secure southern supplies over time.

Media enquiries
Claire Hammond
+61 (0) 401 591 488
Claire.hammond@santos.com

Investor enquiries
Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@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
www.santos.com

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“The route of the underground pipeline was specifically chosen to ensure minimum impact on communities, landholders and the environment, but there is room to make further improvements as needed,” Mr Woods said.

“There are also offtake points at several regional towns along the route to Newcastle, providing a new opportunity for gas supply to power generators, manufacturers, businesses and households in the Hunter region.

“The cheapest gas supply will always be the gas on your doorstep because that reduces transport, storage and other handling costs. We will work in partnership with landholders and the local councils that represent communities the pipeline will traverse, to deliver new gas supply to domestic markets and maximise social and economic benefits of both the Narrabri Gas Project and the Hunter Gas Pipeline.”

Subject to receiving remaining government approvals, construction of the pipeline is expected to commence in early 2024.

Ends.

This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.

Santos Limited ABN 80 007 550 923
GPO Box 2455, Adelaide SA 5001
T +61 8 8116 5000 F +61 8 8116 5131
www.santos.com