

The Narrabri Gas Project Native Title and the Right to Negotiate

Santos

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Santos' aim is to create enduring and mutually beneficial relationships with Aboriginal communities across all our Australian operations, including the Narrabri Gas Project

The Gomeri People

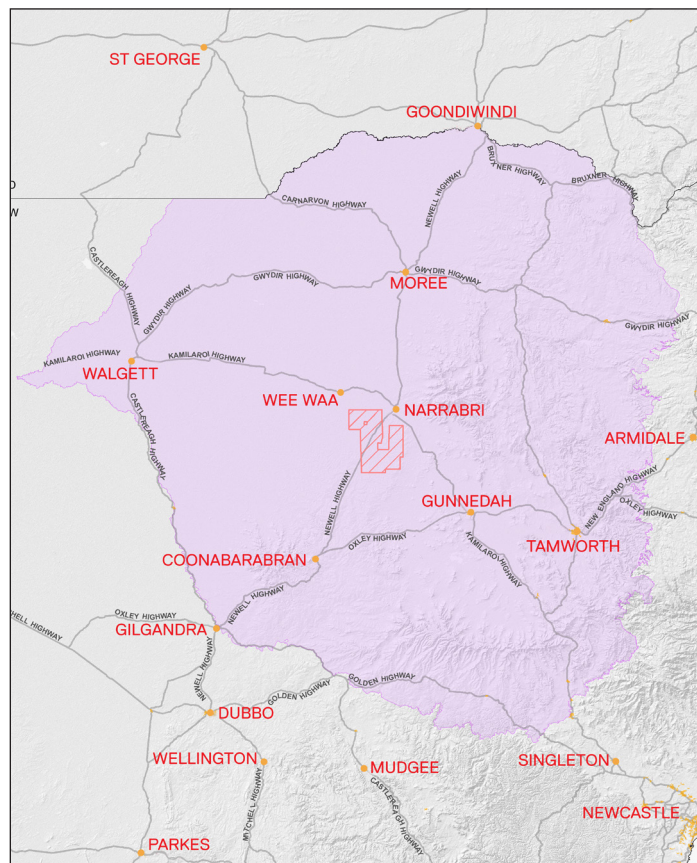
The Gomeri People's native title claim extends over the Narrabri Gas Project area.

Santos is negotiating with the elected representatives of the Gomeri People, the nineteen members of the Gomeri Applicant Group, on a native title agreement for the Narrabri Gas Project.

These negotiations are a requirement of the Native Title Act and consider how the Project impacts on the Gomeri People's native title rights and interests. These negotiations include discussion on what can be done to avoid or minimise any impacts, and how the Gomeri People can be compensated where this impact cannot be avoided.

Santos recognises that the native title negotiation with the Gomeri People must address:

- + A commitment by Santos to the highest standard of operations
- + A clear framework for the Gomeri's involvement in the management of Aboriginal cultural heritage
- + An appropriate compensation framework for any impact to native title rights and interests



Map showing the Gomeri People's Native Title Claim area (shaded area) and the Narrabri Gas Project area (red hatched area south of Narrabri and Wee Waa)

Project overview

The Narrabri Gas Project could supply up to half of the natural gas used by NSW homes, small business, major industries and electricity generators every day.

Operations will be focussed on land in and around the Pilliga, near Narrabri.

The Project will create around 1,300 jobs during construction and bring substantial economic benefits to Narrabri and the region, while delivering a clean, reliable source of energy to NSW.

Supporting informed decision-making

To support the Gomeri Applicants in their decision making process, Santos has agreed to assist the Applicant Group:

- + Obtain independent advice on important aspects of the Project
- + Meet and share information with members of the Gomeri People's native title claim group during the Right to Negotiate process

Right to Negotiate Process and Timeframe

Santos has been meeting with the Gomeri Applicant Group since the Gomeri People's claim was registered in 2012. These meetings have focused on presentation of information about Santos, natural gas operations and the proposed Narrabri Gas Project.

In May 2014, the Right to Negotiate process commenced between Santos and The Gomeri Applicant Group. It is expected that this process will be completed in 2015.

Steps in the negotiation process

Step 1

- + Santos applies for licences to produce gas
- + NSW Department of Industry, Resources and Energy advertises "Section 29 Notice"

Step 2

- + Santos and the Gomeri Applicant Group meet to negotiate in good faith
- + These meetings take place over at least 6 months but negotiations can take longer if required to reach an agreement

Step 3

- + Agreement has been reached

Step 4

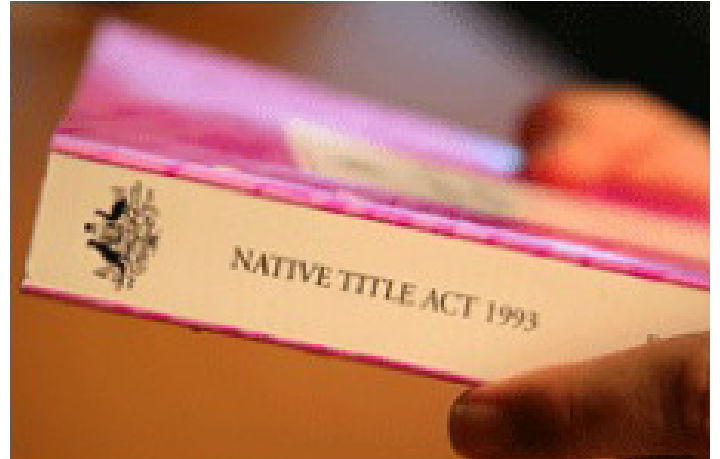
- + Following acceptance the Gomeri Applicant Group will sign native title documents
- + Documents include compensation to be paid by Santos, and any other agreed initiatives

Step 5

- + Documents signed by Santos and the NSW Department of Industry, Resources and Energy
- + Licences can be granted consistent with the Native Title Act

Step 6

- + Gomeri People Native Title Claim Group will establish a corporation to receive funds and use them for the benefit of the Gomeri People.



The Native Title Act and the Project

- + As part of the Narrabri Gas Project, Santos has applied for licences to produce gas for the NSW energy market
- + Under the Native Title Act, Santos must negotiate with the Gomeri People's Applicant Group (19 elected representatives) regarding the granting of these licences
- + This Right to Negotiate is not a right of veto but gives the Gomeri Applicant Group the opportunity to discuss the effect of the Project on native title rights and interests, with the aim of reaching agreement with Santos
- + The Right to Negotiate requires Santos and the Gomeri Applicant Group to negotiate in good faith. This means that parties must negotiate with an open mind and a genuine desire to reach agreement

Working with the Aboriginal community

Just as we respect and acknowledge native title rights and interests, Santos understands that the Aboriginal communities of the NSW north-west have rich and diverse histories.

Santos is working with local and regional Aboriginal communities and organisations including the Gomeri Applicants and Local Aboriginal Land Councils. We have also provided the Narrabri Local Aboriginal Land Council with all the information gathered during Santos-commissioned studies of Aboriginal cultural heritage in the region. We believe that Aboriginal people should own and manage their cultural information, and we will work with the Aboriginal community to protect cultural heritage.

About Santos

An Australian energy pioneer since 1954, Santos is one of Australia's largest domestic gas producers with a long history of safe, responsible operations.

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