

12 March 2020

Narrabri Gas Project referred to Independent Planning Commission for public hearings and determination

Santos is pleased to announce the referral of the Narrabri Gas Project (NGP) by the NSW Minister for Planning to the Independent Planning Commission (IPC) for determination.

This is a key milestone in the independent approvals process. The next step is for the NSW Department of Planning to complete its assessment report and provide the report to the IPC for its consideration.

The Minister has requested that the IPC hold public hearings and make a determination regarding the Narrabri Gas Project within 12 weeks of receiving the Department's assessment report.

Santos Managing Director and Chief Executive Officer Kevin Gallagher welcomed the referral, noting that a decision on whether or not Narrabri can proceed is vital for Santos to determine where it will invest in new natural gas developments to supply the east coast gas market over the coming decade.

Santos is seeking approval to develop the Narrabri Gas Project, which has the potential to supply enough natural gas to meet up to half of NSW' natural gas demand. Santos has committed 100 per cent of Narrabri gas to the domestic market.

In NSW more than one million family homes, ~33,000 businesses and ~300,000 jobs rely on natural gas as a source of energy. With the commercial and industrial sector currently making up almost 50 per cent of total gas consumption in NSW, reliable and competitively-priced natural gas is essential for a strong NSW economy.

Mr Gallagher said, "We have applied the best science to the environmental impact statement for Narrabri. We are confident that it will stand on its merits and that the project could be safely and sustainably developed to protect water resources and the environment. Santos will participate openly and transparently in the IPC process."

NSW imports more than 95 per cent of its gas from other states and as a result, NSW businesses are at a cost disadvantage compared to their peers in other states. According to the NSW Business Chamber, a commercial baker in Sydney pays \$26,400 more for gas every year than they would in Brisbane.

Mr Gallagher said, "If we can develop Narrabri gas, it will be the most competitively-priced gas for NSW customers, and it will always be cheaper than LNG imports, especially when gas prices are high in Asia. Ours is a cyclical business and we must not lose sight of the fact that the current low price and market conditions are not permanent. Demand, and with it, prices, will ultimately recover, and therefore, we must continue to focus on how and when we need to develop future gas sources at the lowest possible cost of supply to increase competition."

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