



Santos

Compensation

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Landholder and Community Compensation

Santos' NSW Landholder and Community Compensation Scheme will increase benefits to the landholders who work with us and the local communities which host our activities

- Landholders compensated 120% of the value of their land plus \$30,000 for their time in working with Santos.
- Once in the production phase their compensation will align with long term project success. We estimate this compensation pool will amount to more than \$150 million over 20 years.
- Similarly, we will set up a pool of funds to be accessed by local communities and we estimate this will exceed \$300 million over 20 years.



For Landholders

Exploration

- An agreed Farm Management Plan (FMP) prior to any exploration activity to ensure profitability and sustainability of the landholder's business is not compromised.
- A first year payment equal to 120% of the value of any land utilised by Santos.
- An ongoing annual payment equal to 60% of the value of the land utilised.
- A \$30,000 annual Fee for Service in exchange for general upkeep and monitoring of facilities.

Production

- A first year payment equal to 120% of the value of any land utilised by Santos.
- In subsequent years, an annual share of the Landholders Incentive Fund (the fund will be equal to 5% of Santos' Royalty payments associated with private land within a production licence area).
- A private landholder's compensation will be based on the individual landholder's proportionate land area impacted by Santos' activities.
- A \$30,000 annual Fee for Service for as long as Santos facilities remain on the land.

For the Community

We estimate our new Regional Community Benefit Fund will see local communities benefit by more than \$300m over 20 years

- Santos contribution to this fund will be equivalent to 5% of the Government Royalty payment within our production licence area.
- Santos' contribution will be matched by the NSW Government.
- The funds will be used for major initiatives and infrastructure projects which directly benefit the communities where we operate in NSW.
- The fund would be administered by a governance body comprising local and state government and licence holder representatives.

Questions?

Santos

Recent EBA Investigation in the Pilliga

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Recent EPA investigation in the Pilliga

NSW EPA Actions:

- Eastern Star Gas (ESG) fined \$3,000 discharging elevated salinity water to Bohena Creek in the Pilliga during 2010
- Santos warned for elevated levels of cyanide and ammonia/nitrogen discharged into Bohena creek
 - Occurred immediately after Santos takeover of ESG in 2012



Santos Actions:

- Santos ceased operation of Eastern Star Gas water treatment plant in late 2011, soon after Santos retained ownership from ESG
- Fines reflect EPA's view that no harm was caused by these isolated incidents
 - Salt - elevated but found to cause no harm
 - Cyanide – discharge level within Australian drinking water standards
 - Ammonia/Nitrogen – slightly elevated but found to cause no harm