Media Release

Santos

1 February 2017

Narrabri Gas Project Environmental Impact Statement submitted

Santos today submitted the State Significant Development Application and associated Environmental Impact Statement (EIS) for its Narrabri Gas Project to the NSW Department of Planning and Environment.

The proposed Narrabri Gas Project, located in North West NSW, could supply up to 50% of NSW gas needs and provide significant benefits to the region and the state more broadly. Santos will make the gas available to NSW and the east coast domestic market via a pipeline linking into the existing Moomba to Sydney Pipeline. The pipeline will be constructed by APA Group and will be subject to a separate approval.

Santos' Managing Director and Chief Executive Officer, Kevin Gallagher, said Santos has spent time producing a comprehensive EIS so the local Narrabri community and stakeholders can be confident the environment and water will be protected as the Project is developed.

"The EIS has concluded the Project can proceed safely with minimal and manageable risk to the environment," Mr Gallagher said.

"The Narrabri Gas Project has the potential to play a significant role in the domestic energy space. Natural gas has a vital role to play in delivering energy security, whilst having the additional benefit of being 50% cleaner than coal resulting in a significant reduction in carbon emissions. The development of new natural gas resources is crucial in assisting Australia's move towards a clean energy future.

"In NSW alone, more than one million homes and 33,000 businesses rely on natural gas as a source of energy."

The NSW Government estimates the top 500 industrial gas users provide more than 300,000 jobs which rely on an affordable, secure supply of natural gas and has recognised the project's significance, declaring it a Strategic Energy Project.

The Project could create about 1300 jobs during the initial construction phase and around 200 ongoing jobs, many of which will be locally based.

Over its life, the project will generate around $1.2 billion in State royalties to help provide important services like education, health and transport infrastructure. The local community will also benefit from a Gas Community Benefit Fund totalling up to $120 million which will support local programs and initiatives.

The EIS includes extensive studies and modelling on the environment in the Project area, including on water, flora, fauna, soil, noise, air quality and cultural heritage. Santos has drawn upon more than 13,000 hours of on ground environmental surveys, carried out by environmental scientists.

Santos has also considered potential social impacts and conducted thorough community and stakeholder consultation.

Santos has used the best available science to gain a comprehensive understanding of any potential effect our work might have on local water. A Groundwater Impact Assessment (GIA) was developed for the EIS to determine what impact the Project would have on local water. The GIA found the Project would have a negligible impact on existing water users.

This work has given Santos a comprehensive understanding of the Project area allowing processes and procedures to be put in place to ensure the Project is developed safely and the impact of our work is minimised.

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Santos' operations will be located on about 1000 hectares in and around the Pilliga near Narrabri. The majority of the Project will be on State land in parts of the Pilliga that were set aside by the NSW Government for uses including forestry and extractive industries, following a thorough ecological assessment – the Brigalow and Nandewar agreement.

When the EIS is placed on public exhibition by the NSW Department of Planning and Environment, submissions will be invited during the exhibition period. The EIS will be made publicly available at this time. The EIS will be thoroughly assessed against the requirements of the NSW and Commonwealth Governments to ensure the Project meets high environmental standards and potential risks have been identified and mitigation strategies developed.