

**Santos**

# **NARRABRI GAS PROJECT COMMUNITY CONSULTATIVE COMMITTEE MEETING**

March 2024



# Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

# Agenda

- Welcome
- Apologies
- Declaration of pecuniary or other interests
- Minutes of previous meeting
- Business arising
- Correspondence
- Santos update
  - Corporate update
  - NGP development update
  - Phase 1 activity
  - Hunter Gas Pipeline
  - Narrabri Lateral Pipeline
  - Exploration activity and other items
- Proponent reports
  - Advisory group updates
  - Member updates
- General business
  - Next meeting – TBC

March 2024 NGP CCC

Santos

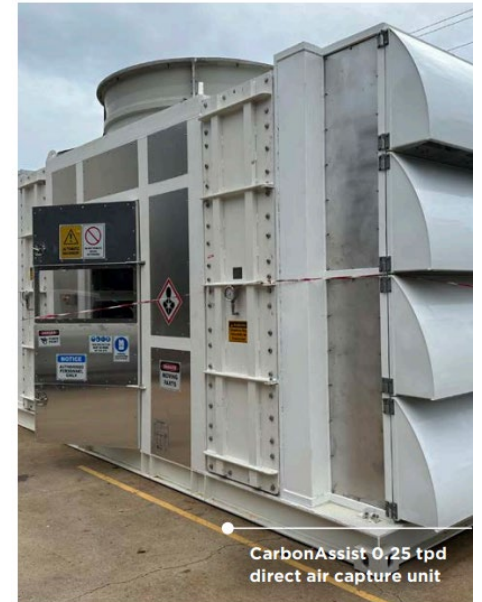




# Actions

## Question – 'How much carbon will actually be captured by Santos' Direct Air Capture project?'

- Direct air capture is a technology designed to capture carbon dioxide directly from the atmosphere. By capturing CO<sub>2</sub> from the atmosphere and storing it permanently, it provides a pathway to offset unavoidable CO<sub>2</sub> emissions or remove legacy emissions from the atmosphere. Alternatively, captured CO<sub>2</sub> could be used to create low carbon products, such as synthetic fuels, which could support decarbonisation of hard-to-abate sectors of the economy.
- In 2021, Santos partnered with the CSIRO to conduct a field demonstration of DAC units utilising Carbon Assist™ technology. The units were initially trialled in Perth and have since moved to locations close to Santos' Moomba CCS site. Commissioning of the first 0.25 tonne per day unit was completed in Q3 2023, with delivery to Moomba and the initial field trials commenced in Q4 2023.
- The next phase of the project will involve scaling the DAC technology to one tonne of CO<sub>2</sub> per day, on our pathway to achieving a cost target which is much lower than the average global costs of DAC technology today.
- When combined with the low cost of Moomba CCS and the large-scale carbon storage capacity of the Cooper Basin – up to 20 million tonnes of CO<sub>2</sub> annually for 50 years – DAC could be the start of an exciting phase for Santos' carbon management services.
- For further information please review Santos' Sustainability and Climate Report 2023 - [Sustainability-and-Climate-Report-2023.pdf \(santos.com\)](#)





# SANTOS CORPORATE & NGP UPDATE

# Santos corporate update

## 2023 Half year results

- Production of 45 million barrels of oil equivalent down 13%
- EBITDAX1 \$2,112 million down 23%
- Free cash flow from operations1 US\$1,129 million down 34%
- Underlying profit1 US\$801 million down 37%
- Statutory net profit after tax US\$790 million down 32%
- Interim dividend of US\$283 million, a 14 per cent increase to US8.7 cents per share unfranked
- 2023 guidance remains unchanged

## 2023 Full year results

- Sales revenue of US\$5.889 billion
- EBITDAX[1] of US\$4.083 billion
- Underlying profit[1] of US\$1.423 billion
- Final dividend of US17.5 cents per share unfranked (US\$569 million) bringing total dividends declared for the year to US26.2 cents per share – a record cash return of US\$852 million.

[1] EBITDAX (earnings before interest, tax, depreciation, depletion, exploration, evaluation and impairment, and underlying profit are non-IFRS measures that are presented to provide an understanding of the performance of Santos' operations. Underlying profit excludes the impacts of costs associated with asset acquisitions, disposals and impairments, hedging as well as items that are subject to significant variability from one period to the next. The non-IFRS financial information is unaudited however the numbers have been extracted from the financial statements which have been subject to review by the auditor. A reconciliation between net profit after tax and underlying profit is provided in the Appendix of the 2023 full year results presentation released to ASX on 21 February 2024.



# Narrabri Gas Project – Development update

- Phase 1 activity continues to progress
  - Shallow water bore program complete
  - Further works including deep aquifer monitoring bores and coreholes to be completed throughout 2024
- Santos will make a final investment decision subject to receiving all required approvals to support the development including the supporting pipelines
- Micro-siting including ecological and cultural heritage scouting for Phase 2 will remain ongoing through 2024
- Independent Environment Audit completed November 2023 available on Narrabri Gas Project website
- Annual Review due for submission to DPHI on 31 March 2024 will be available on Narrabri Gas Project website
- Planning for other activity required prior to Phase 2 underway



# Independent Environment Audit

- Audit required within one year of commencement
- To assess compliance of the activities against the SSD
- Independent audit team of 5 personnel with 35+ yrs of experience
- Audit period from 30 Sept 2020 to 15 Sept 2023
- Audit included site inspections, interviews with project personnel and the review of documents, records and data
- 210 conditions audited across 9 permits
- 131 compliant findings, 2 minor administrative non compliances, 77 not triggered findings, 89 observations
- Resulting documents were an audit report and Santos’ response to the report findings
- Documents submitted to DPHI 13 November 2023
- DPHI accepted the report 30 January 2024
- Report and Santos’ response available on the NGP website




August/September 2023 Audit

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**INTEGRATED ENVIRONMENTAL SYSTEMS PTY LTD**

**Santos Narrabri Gas Project  
Independent Environmental Audit Report 2023**

**Santos NSW (Eastern) Pty Ltd**  
Development Consent SSD 6456 (as of 30 September 2020)  
August/September 2023 Audit

Prepared for  
**NSW Government**  
Department of Planning and Environment

Report Version

Version	Date	Prepared by
Final Report	13 November 2023	Kurt Hammerschmid B.App.Sc. (Chem), M.Sc., MEI/ANZ Lead / Principal Auditor Integrated Environmental Systems Pty Ltd PO Box 98 Battery Point, Hobart, Tasmania 7004  Jamie Lees B.Sc. (Agriculture) Principal Consultant/Director ESG Consulting Chapel Hill Qld 4009  Adam Jones B.Sc. LL.B. B.Com., GradCertEnv Lawyer Suite 503, 9-13 Bronte Road Bondi Junction NSW 2022

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# Phase 1 activity and management plans

- Management plans
  - DPHI has approved 8 of the 9 revised management plans following the minor change to the corehole location
  - Biodiversity management plan and biodiversity offset strategy to be submitted
  - Revisions to plans have been predominately administrative in nature
  - Management plans and DPHI approvals are available on the NGP website
- Santos will progress engagement on Phase 2/3 management plans through 2024

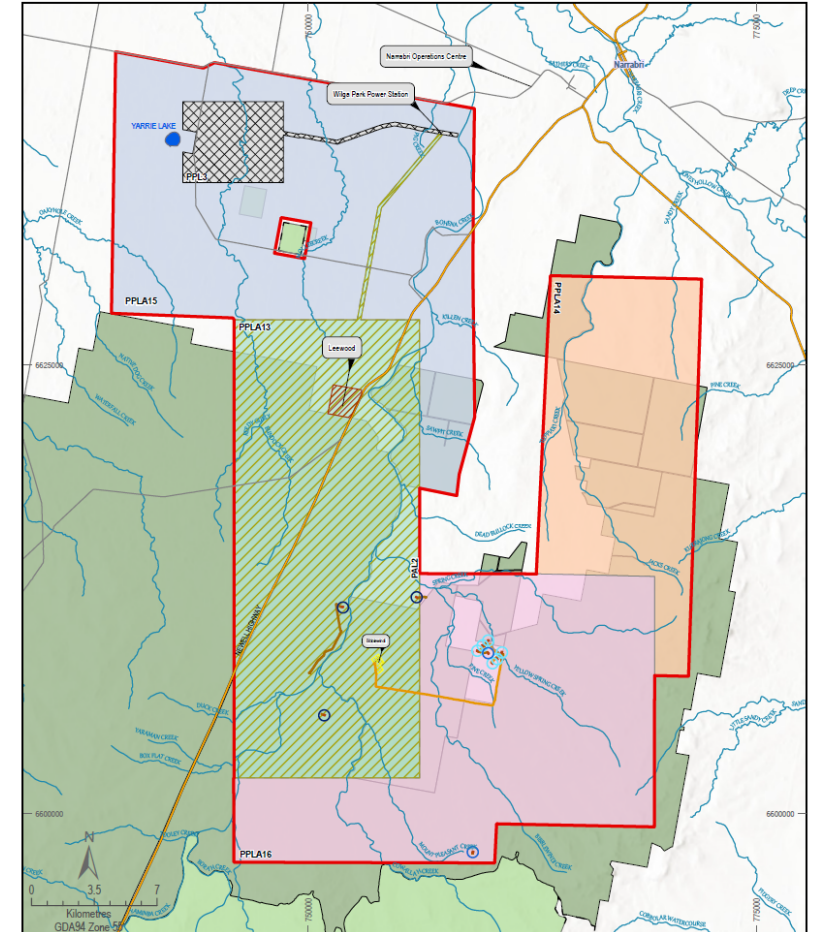


# National Native Title Tribunal

## National Native Title Tribunal determination & appeal

- Original decision handed down in December 2022, that proposed future acts, being the grants of Petroleum Production Lease Applications 13, 14, 15 and 16 for the Narrabri Gas Project, may be done
- An appeal was heard in Aug 2023
- Decision by the Full Federal Court in March 2024 to **allow the appeal** against the determination by the National Native Title Tribunal that proposed future acts, being the grants of Petroleum Production Lease Application Numbers 13, 14, 15 and 16 for the Narrabri Gas Project, may be done
- The Court has determined the National Native Title Tribunal erred at law by declining to have regard to evidence on climate impacts that was tendered on behalf of the Gomeroi applicant
- The Court did not make any adverse findings in relation to Santos' conduct. Santos has at all times negotiated with the Gomeroi people in good faith
- The Court's orders regarding next steps are yet to be made

Final investment decision is subject to receiving all required approvals to support the development including the supporting pipelines



**Santos**

**LEGEND**

<span style="border: 1px solid red; padding: 2px;"> </span> NGP boundary	<span style="background-color: #f0f0f0; border: 1px solid black; padding: 2px;"> </span> PPL238	<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> Leewood	<span style="border: 1px solid blue; padding: 2px;"> </span> Proposed phase 1 wells	<span style="border-bottom: 1px solid orange; width: 20px; display: inline-block;"></span> Highway
<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> PPL2	<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> Biblewind	<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> Phase 1 bowlines	<span style="border: 1px solid blue; padding: 2px;"> </span> Core hole	<span style="border-bottom: 1px solid grey; width: 20px; display: inline-block;"></span> Major roads
<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> PPL3	<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> Phase 1 access roads	<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> Phase 1 well pads	<span style="border: 1px solid blue; padding: 2px;"> </span> Groundwater monitoring bore	<span style="border-bottom: 1px solid blue; width: 20px; display: inline-block;"></span> Watercourse
<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> PPLA13			<span style="border: 1px solid blue; padding: 2px;"> </span> Pilot well	<span style="border-bottom: 1px solid black; width: 20px; display: inline-block;"></span> Railway
<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> PPLA14				<span style="background-color: #90ee90; border: 1px solid black; padding: 2px;"> </span> State Forest
<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> PPLA15				<span style="background-color: #90ee90; border: 1px solid black; padding: 2px;"> </span> Parks and reserves
<span style="background-color: #ffff00; border: 1px solid black; padding: 2px;"> </span> PPLA16				<span style="background-color: #0000ff; border: 1px solid black; padding: 2px;"> </span> Lakes and dams

**ONWARD**  
CONSULTING

**NARRABRI GAS PROJECT**

Figure 5.1  
Phase 1 Development Project  
Infrastructure Overview



# HUNTER GAS PIPELINE



# Hunter Gas Pipeline overview

The Narrabri Gas Project (NGP) supported by the Hunter Gas Pipeline (HGP) is critical for energy security and reliability in NSW with 100% of the gas committed to the domestic market.

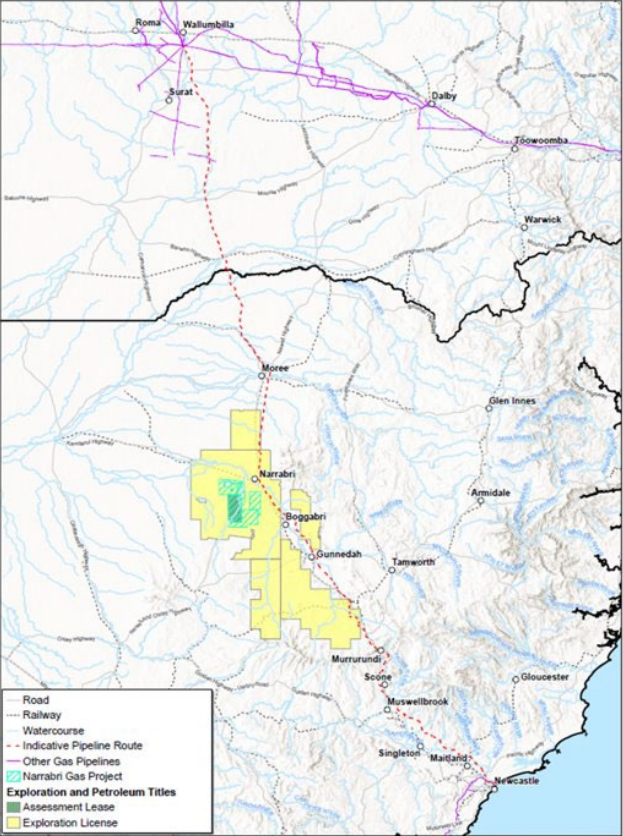
Declared Critical State Significant Infrastructure (CSSI) by NSW Government.

The underground pipeline route passes close to the Narrabri Gas Project and the 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 underground pipeline from locally produced gas will provide the cheapest gas available for NSW families and businesses.

The pipeline is expected to commence construction in 2025, once the route is finalised and all secondary approvals are completed.

Once constructed, it 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.



Santos - Hunter Gas Pipeline



# Hunter Gas Pipeline overview

- The 833-kilometre HGP has planning approval from the NSW and Queensland governments and was determined to be “not a controlled action” under EPBC legislation by Federal Government.
- Stage 2 will deliver gas from the Narrabri Gas Project to the East Coast Gas Market near Newcastle with offtake points at regional towns along the route.
- Consideration is being given to pipeline design so it may be used to transport hydrogen as customer demand evolves during the energy transition

Length	Total of ~ 833km Stage 1 – Early works sites Stage 2 - Narrabri to Hexham ~ 413km Stage 3 - Narrabri to Wallumbilla ~ 420km
Material	Epoxy coated high strength steel line pipe
Size	Nominally 20” or ~508mm diameter
Depth	Generally 900mm Minimum 750mm Maximum 1800mm
Design	Strictly in accordance with the latest version of Australian Standard (AS) AS2885 Pipelines Gas and Liquid Petroleum
Pipeline easement	Nominally 30m wide

# HGP Early Works

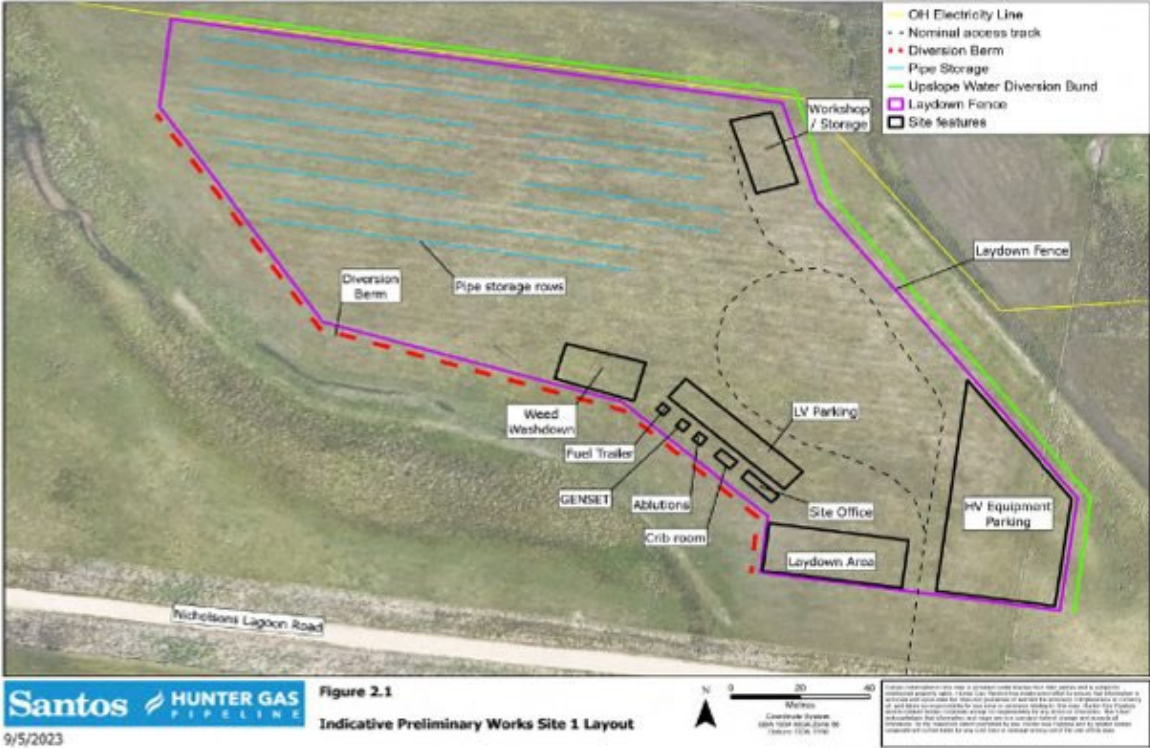
## Commencement of early works – establishment of laydown yards to support construction

Staging Request approved by DPE

- Stage 1 – Early works sites
- Stage 2 - Construction and operation of the Narrabri to Newcastle section of pipeline
- Stage 3 - Construction and operation of the Wallumbilla to Narrabri section of the pipeline

Stage 1 update

- Commenced construction in Q4 2023
- Development to support HGP pipeline construction including laydown area / site office prep / future pig launcher / receiver locations, geotechnical work, minor civil works, fencing etc.
- Management Plans approved to support activity
- Management Plans being updated to incorporate additional sites



# HGP Early Works

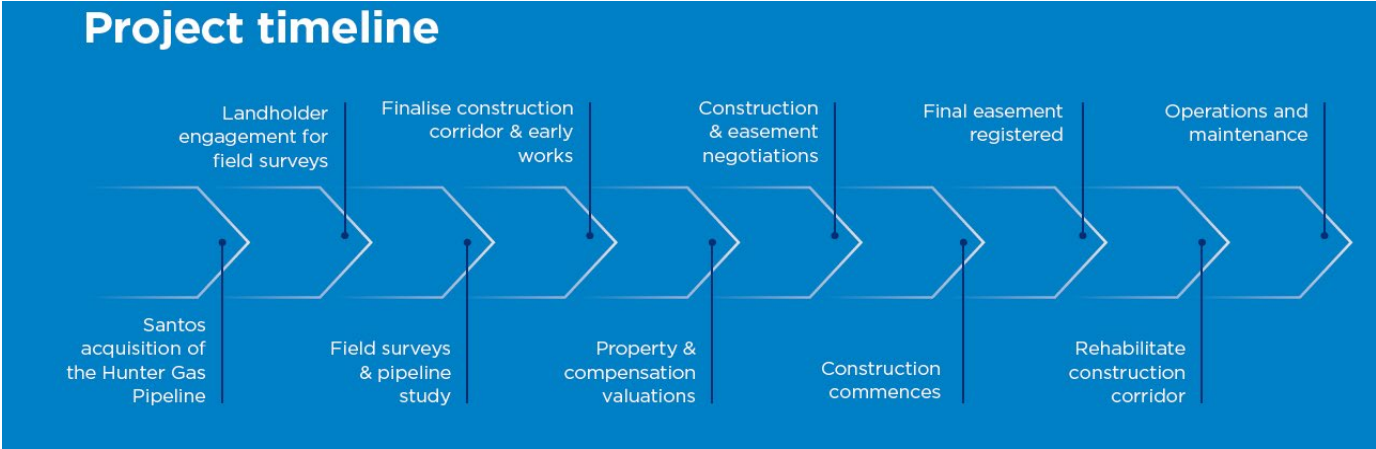


In December 2023, Santos commenced construction on the first laydown yard as part of approved stage one early works. The laydown yard will be utilised to store construction equipment, pipe and other construction related materials.



# Landholder engagement & survey activity

- Santos has been undertaking extensive engagement for access to undertake survey activities
- In excess of 6500 personal landholder engagements
- 35 community information sessions
  - Last round completed the week of 4 March 2024
- Continue to progress land access agreements and surveys
  - In excess of 180 lots surveyed to date
- Deed of Option Easement Agreement process underway







# NARRABRI LATERAL PIPELINE

# Narrabri Lateral Pipeline update

## NLP Summary

- The project will extend for about 50-60 kilometres from the approved NGP gas processing facility at Leewood to the HGP east of Baan Baa
- Connect the Narrabri Gas Project (NGP) to the HGP
- Design in accordance with the latest version of Australian Standard (AS) AS2885 Pipelines Gas and Liquid Petroleum
- Sizing - nominally 20" or ~508mm diameter consistent with HGP
- Declared Critical State Significant Infrastructure (CSSI) by NSW Government
- Santos is committed to minimising the impact on communities, landowners, and the environment

## Next Steps

- Continue to engage with directly affected landholders and other stakeholders to progress survey activities including voluntary agreements
- HGP / NLP Community Information Sessions completed during the week of 4 March 2024
- EPBC referral to Commonwealth Government is expected to occur in Q2 2024
  - Santos considering Pilliga bushfire impacts
- Prepare NLP EIS based on SEARs for submission to NSW DPE
- Following submission, the community will be provided the opportunity to provide feedback on the proposed activity

## Narrabri Lateral Pipeline Assessment Process

- 1 Santos commenced landholder/community engagement - November 2022
- 2 Narrabri Lateral Pipeline declared Critical State Significant Infrastructure by the NSW Minister for Planning - December 2022
- 3 Santos lodged scoping report and request for Secretary's Environmental Assessment Requirements (SEARs) - December 2022
- 4 NSW Department of Planning and Environment issue SEARs - February 2023
- 5 Santos continues consultation with identified stakeholders and the broader community to prepare the Environmental Impact Statement (EIS)
- 6 Santos prepares EIS
- 7 Santos submits EIS to the NSW Department of Planning and Environment
- 8 EIS is placed on public exhibition by the NSW Government for public comment
- 9 Santos prepares a response to submissions made during the exhibition period
- 10 NSW Government finalises assessment
- 11 NSW Government determination (if approved, conditions are likely to be imposed)
- 12 Commonwealth Government determination (if approved, conditions are likely to be imposed)



# **EXPLORATION & OTHER ACTIVITY**

# Exploration program and other activities

- PEL 1 - Kahlua pilot activity (workover of existing wells)
  - Wells now online
- PEL 1 - Scouting for future minimum tenure commitments
- PEL 238 / PAL 2 - Operations workovers and monitoring bore completions
- PEL 238 / PAL 2 - Tintsville Pilot workovers & pond upgrade works
- Brawboy 2 (PEL 456) P&A complete with rehabilitation to be progressed through 2024





# Santos in the community



AgQuip 2023



Duck Creek Bushfire support



Baradine Show Society  
2023 Baradine Show - Community Grant



Shared Table Volunteering



Challenge Disability Services - Donation



2024 Gunnedah Community Scholarship  
Fund Presentation Ceremony



St Xaviers Primary school new playground  
Community Grant



Narrabri Rugby Union Football Club  
2023 Season - Community Sponsorship



Wee Waa High School  
EDGE Job Ready Workshop



CEF Community Scholarship



Clontarf Academy - Partners Day



Gunnedah Youth Week Careers Expo



Yarrie Lake new shade shelter - Community  
Grant



Rotary Club of Narrabri  
2023 North West Science and Engineering  
Challenge - Community Grant



Narrabri Show Society  
2023 Narrabri Show - Community Grant



# Duck Creek Pilliga Forest bushfire



Images: Bibblewindi West high point vent and Bibblewindi Compressor Station gas inlet manifold post fires.

Santos has a comprehensive **bushfire management plan** approved by the NSW Department of Planning and Environment as a requirement of our conditions of consent.

As a precautionary measure, our operations were **shut in during the fire event**. Our equipment is designed to Australian standards to withstand the intensity of fires, and as expected there was **no damage to our major infrastructure**.

Works to auxiliary infrastructure (fences, signage and erosion and sediment control materials) is currently being undertaken now that full access has been granted to the forest.



# PROPONENT REPORTS

# General Business



- Advisory group updates
- Member update
- Next CCC meeting
- General business





**THANK YOU / QUESTIONS**

# Meeting Close

Review action items



**Santos**