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Santos welcomes CCS method for Emissions Reduction Fund, clearing way for Moomba CCS Project to apply for registration

Santos welcomes the Federal Government's release of the carbon capture and storage (CCS) method for the Emissions Reduction Fund and will today commence the process to apply to register our Moomba CCS Project with the Clean Energy Regulator and generate Australian Carbon Credit Units (ACCUs).

Santos' A\$210 million Moomba CCS Project will be one of the biggest in the world and will safely and permanently store 1.7 million tonnes of carbon dioxide per year in the same reservoirs that held oil and gas in place for tens of millions of years.

The International Energy Agency's (IEA's) Sustainable Development Scenario requires a hundredfold increase in CCS between now and 2050 to achieve the world's climate goals – going from 40 million tonnes of CO₂ stored each year today to 5.6 billion tonnes by 2050.

Just last week, International Energy Agency executive director, Fatih Birol said: "Our numbers show that reaching net zero goals without CCS will be almost impossible."

Santos Managing Director and Chief Executive Officer Kevin Gallagher said this announcement from the Minister for Energy and Emissions Reduction, Angus Taylor, puts Australia at the forefront of CCS deployment, which the IEA and the Intergovernmental Panel on Climate Change (IPCC) say is critical to limit global temperature increase.

"CCS will reduce Australia's carbon emissions and is set to underpin a new, large-scale carbon storage industry for the nation, creating new skilled, secure, well-paid jobs," Mr Gallagher said.

"The Australian Government's focus on CCS and other low-emission technologies sets Australia up to capitalise on our natural assets and become a carbon storage superpower, building on the position we have established as an energy superpower over more than half a century.

"Therefore, zero-emissions technologies like CCS that make hydrocarbon fuels cleaner are essential to meet the world's emissions reduction targets.

"With the new CCS method now approved, Santos will seek to have the Moomba CCS Project registered and generate ACCUs through the Emissions Reduction Fund. Once the project has been registered, we will be in a position to make a Final Investment Decision to proceed.

Santos Chief Operating Officer, Midstream, Infrastructure and Clean Fuels Brett Woods said: "Australia needs low-cost abatement to maintain our position as a leading energy exporter and to decarbonise manufacturing of energy-intensive materials such as steel, cement, bricks, chemicals, plastics and the many everyday products that are made from oil and

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gas. Using natural gas combined with CCS is also the fastest, lowest-cost way to develop a new hydrogen industry for Australia.

“The world still relies on hydrocarbon fuels for 80 per cent of its primary energy and 60 per cent of clothing fibres along with essential products such as the plastic gloves, syringes and medical equipment that have got us through the global pandemic,” Mr Woods said.

Ends.

This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.