

21 September 2022

Federal Court decision

Santos notes today's decision by Justice Bromberg of the Federal Court to set aside the acceptance by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) of an environmental plan covering the drilling and completion activities in relation to the Barossa Gas Project.

The relevant drilling activities were to occur at a site in the Timor Sea, approximately 140 kilometres north of the Tiwi Islands.

As a result of the decision, the drilling activities will be suspended pending a favourable appeal outcome or the approval of a fresh Environment Plan. Santos will be seeking to expedite these processes.

The Court's decision was based on a finding that NOPSEMA could not be lawfully satisfied that the Drilling Environment Plan met the criteria required by the Regulations¹ and in particular failed to assess whether the Drilling Environment Plan demonstrated that Santos consulted with each person that it was required by the Regulations to consult with.

This is a disappointing outcome. Consistent with previous practice, Santos engaged about the proposed drilling activities with the Tiwi Land Council, a representative body with statutory authority under the Aboriginal Land Rights (Northern Territory) Act 1976. Similarly, Santos had engaged about the proposed drilling activities with the Northern Land Council, the Native Title representative body for the Tiwi Islands. NOPSEMA had accepted our efforts to consult with Tiwi Islanders in accordance with the Regulations when it decided to accept the Environment Plan for those activities.

Given the significance of this decision to us, our international joint venture partners and customers, and the industry more broadly, we consider that it should be reviewed by the Full Federal Court on appeal.

Santos is committed to continuous improvement in our consultation processes. Our relationships with the Traditional Owners, local communities and landholders where we operate are very important to us.

Barossa is an important gas project for the nation, enhancing jobs, exports, and our relationships with investors and gas customers in Asia who have depended on Australia for their energy security for decades.

The Barossa Gas Project is approximately 46 per cent complete. The drilling activities are not on the critical path for the project and we have headroom in the project cost contingency.

¹ Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009

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Santos appreciates the strong support from our Japanese and Korean joint venture partners, who have, in good faith, and on the back of Australia's historical reputation as a safe and stable investment destination, invested in this project.

Project approval uncertainty is a public policy issue that should be urgently addressed by Australian governments to reduce risk for trade and investment in projects around the country.

Ends.

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