

14 September 2021

Bayu-Undan Joint Venture and Timor-Leste's ANPM sign MOU on Bayu-Undan Carbon Capture and Storage

Santos, as operator of the Bayu-Undan Joint Venture, today announced it had signed a Memorandum of Understanding (MOU) with the Timor-Leste regulator Autoridade Nacional do Petróleo e Minerais (ANPM) to progress Carbon Capture and Storage (CCS) at Bayu-Undan in the Timor Sea.

The MOU details the areas the Bayu-Undan Joint Venture and the ANPM, with the support of the Timor-Leste Government, will work on collaboratively to test the viability of repurposing the existing Bayu-Undan facilities and using the Bayu-Undan reservoir for CCS. These include sharing technical, operational and commercial information, assessing the regulatory framework, evaluating local capacity opportunities and establishing a decision timeline.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said: "We believe the Bayu-Undan reservoir and facilities have the potential to be a world-leading CCS project and we are delighted to be working together with the ANPM and the Timor-Leste Government to progress this opportunity.

"CCS is recognised by the International Energy Agency and the Intergovernmental Panel on Climate Change as being a critical technology to achieve the world's climate goals. Santos' experience with the globally-competitive Moomba CCS project in outback South Australia will bring invaluable experience to the project.

"CCS at Bayu-Undan has potential capacity to safely and permanently store approximately 10 million tonnes per annum of CO₂ and could build a new job-creating and revenue-generating industry for Timor-Leste.

"This has the potential to be a win-win; good for the environment, good for industry and opening up an exciting opportunity for the people of Timor-Leste, so we look forward to progressing this MOU in partnership with the ANPM."

ANPM President Florentino Soares Ferreira said: "This is a milestone for Timor-Leste. With the signing of the CCS MOU between Santos (representing its Joint Venture partners) and ANPM proves that Timor-Leste is proactively taking the lead in integrating its oil and gas sector towards Timor-Leste's commitment of accelerating decarbonization and meeting the U.N. net zero target by 2050.

"Despite Timor-Leste being one of the lowest emission countries in the world, and that the Paris Agreement provides waiver or concession to the developing and less developed nations such as Timor-Leste; we understand that carbon trading or carbon credits market is an integral part of our future economy. We don't want to miss this opportunity; and I believe this will become one of the largest CCS projects in the Southern Hemisphere. This will enable both Timor-Leste and Australia to exploit its untapped resources in meeting energy

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demands as well as offsetting its carbon emissions and transitioning towards carbon neutral economies.”

Santos has a 43.4% operated interest in Bayu-Undan. The remaining interest is held by SK E&S (25%), INPEX (11.4%), Eni (11%) and Tokyo Timor Sea Resources (9.2%).

Ends.



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