

24 September 2015

GLNG starts LNG production on schedule

Santos today announced the GLNG project has started producing its first liquefied natural gas (LNG) on Curtis Island, Queensland, on schedule and within budget.

LNG is currently being produced from Train 1 ahead of the first cargo, which is expected to be shipped to Asian markets in the coming weeks.

Work on the second train is continuing to progress well, with Train 2 expected to be ready for start-up by the end of the year.

Santos Managing Director and Chief Executive Officer David Knox said today's announcement marked the most significant milestone to date for Santos' first operated LNG project.

"We said we'd produce first LNG around the end of the third quarter, and that's exactly what we've done," Mr Knox said.

"Our upstream facilities are fully operational and performing well, we're producing LNG on Curtis Island, and we're now looking forward to safely delivering our first LNG cargo in the coming weeks."

"Project revenue is underpinned by binding long-term LNG sales contracts covering more than 90% of the plant's capacity."

"I would like to thank our joint venture partners, PETRONAS, Total and KOGAS for their support in the successful delivery of this major milestone."

"Production from GLNG will be a significant addition to Santos' growing LNG portfolio, which already includes the Darwin LNG and PNG LNG projects."

GLNG is a pioneering venture which produces natural gas from Queensland's coal seams and converts it into LNG. It involves gas field development in the Surat and Bowen Basins, a 420-kilometre gas transmission pipeline and a two-train LNG plant on Curtis Island, near Gladstone which will have the capacity to produce 7.8 million tonnes of LNG per year when fully operational.

Santos is the operator and has a 30% interest in the project. Other co-venturers include PETRONAS (27.5%), Total (27.5%) and KOGAS (15%).

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