

# Santos

## GLNG Project

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### Powerlink Revenue Proposal 2012/13 – 2016/17

The Santos GLNG Project is a major \$16 billion development that will use world-first technology to convert Queensland coal seam gas (CSG) into liquefied natural gas (LNG) for overseas export. The project is a partnership between Santos, one of Australia's largest domestic gas producers, PETRONAS, Malaysia's national oil and gas company, French energy major, Total, and KOGAS, the world's largest buyer of LNG. It is expected that the Project will deliver huge economic benefits for Queensland, create thousands of new jobs and promote a cleaner energy fuel for the future.

The Santos GLNG Project plans to develop cleaner energy for its gas processing and water treatment facilities in the Surat Basin. In furtherance of cleaner energy, we believe the use of electric driven gas compression equipment will help to minimise the local emission, noise and physical footprints of the gas processing facilities. The aggregation of the processing and treatment facilities achieved with the utilisation of electrical transmission systems will allow access to large scale, more efficient and market competitive generation plant.

Therefore, the Santos GLNG Project entered an agreement with Powerlink in December 2011 which supports the early works necessary to progress the upgrading of the planned transmission system to the Comet Ridge area of the Surat Basin. A longer term agreement is currently under negotiation to detail the transmission arrangements to this area which includes the sharing of costs with other resource developers which also require electricity supply. A prerequisite to the economic development of these projects is often the availability of secure and reliable grid-connected power.

The Santos GLNG Project understands that the Australian Energy Regulator is currently considering Powerlink's proposed revenue requirements for the next five year budget period. Santos GLNG considers it essential that AER allow Powerlink sufficient funding to continue to develop the electricity transmission system in a way that supports further development of Queensland's resources industries in a timely and efficient manner. Santos GLNG makes this submission in support of the Powerlink's Revenue Proposal in terms of their planned transmission development in the Surat basin.

Yours sincerely,



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GLNG is a Santos PETRONAS Total KOGAS project.

