



27 March 2014

GLNG signs gas purchase agreement with Meridian joint venture

Santos today announced that the GLNG project participants have executed a binding heads of agreement with the Meridian SeamGas joint venture for the purchase of gas for supply to the GLNG project.

The agreement will commence in 2015 for gas supply over a 20 year period. The gas price will be oil-linked from 2016.

The gas will be supplied from the Meridian gas fields in Queensland and delivered into GLNG's gas transmission pipeline, which passes adjacent to the fields. The Meridian fields are a joint venture between WestSide Corporation (51% and operator) and Mitsui E&P Australia (49%). The fields have a current installed compression capacity of 30 terajoules of gas per day.

Vice President Downstream GLNG Rod Duke said the GLNG project was approaching 80% complete and remains on schedule and budget for first LNG in 2015.

"GLNG is progressing well and we are on track to deliver our first LNG cargo next year."

"Upstream field performance from Fairview and Roma continues to perform either in line or above expectations. All of the gas transmission pipeline is now buried and work has commenced on pushing the pipeline through the marine crossing tunnel, and the first train 2 module shipment left the yard last week," Mr Duke said.

"Today's agreement with the Meridian joint venture builds on GLNG'S existing diverse gas supply portfolio, which includes gas from the GLNG acreage, underground storage, supply from Santos' portfolio and other third parties."

"When combined with GLNG's quality offtake agreements, this gas supply portfolio delivers significant value to the project," Mr Duke said.

Santos has a 30% interest in GLNG. The other participants are PETRONAS (27.5%), Total (27.5%) and KOGAS (15%).

Ends.

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