



# Carbon Expo 2010: Australia's role in Action on Climate Change

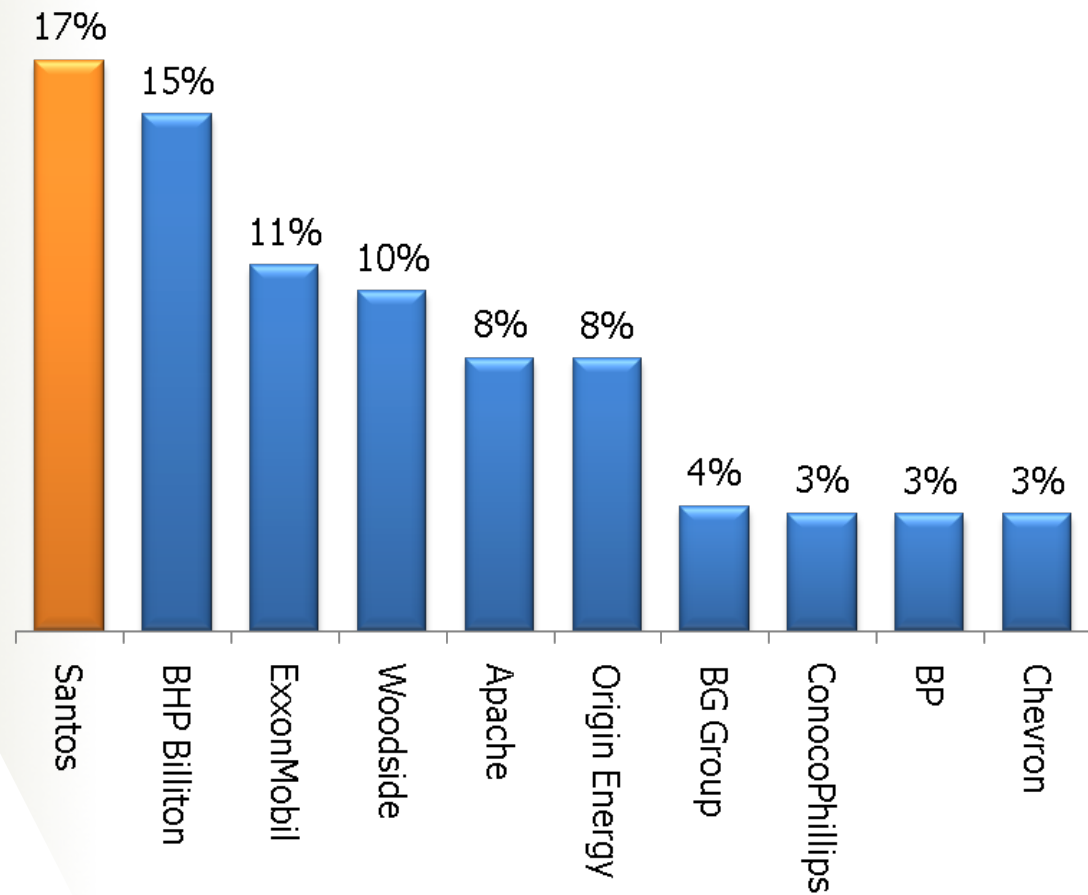
James Baulderstone, 12 October 2010

# Santos: Australia's Leading Gas Producer

Strategy Components
<b>Performance from the Base</b>
Deliver LNG Growth
Focused growth in Asia

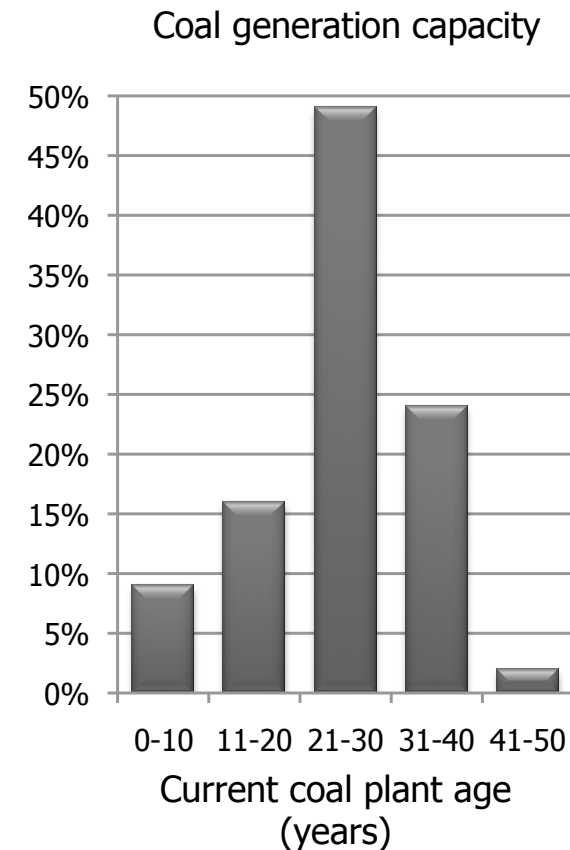
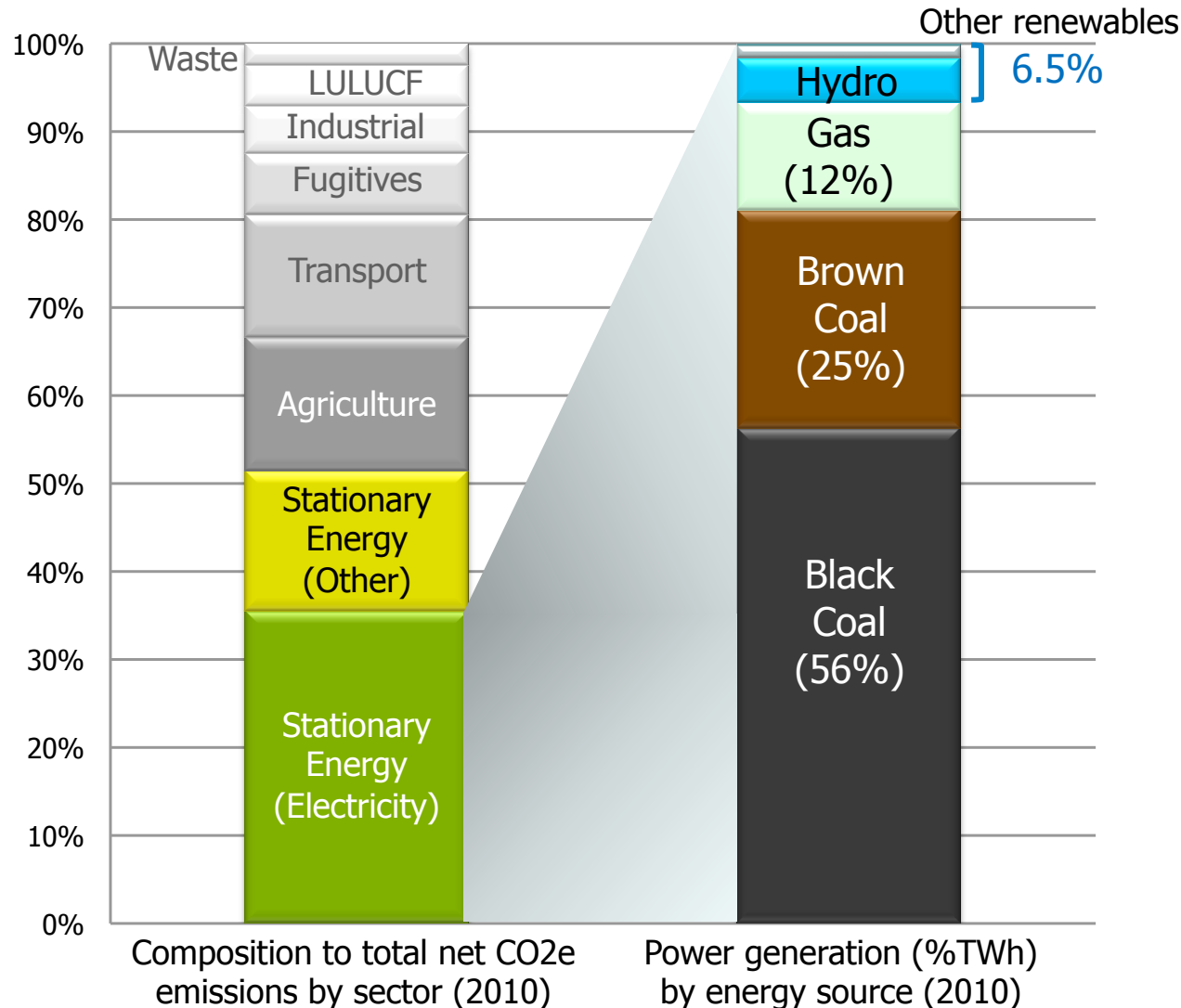
## Santos is Australia's Leading Domestic Gas Producer

### % of Domestic Gas Production



# Action on Power Generation the Key

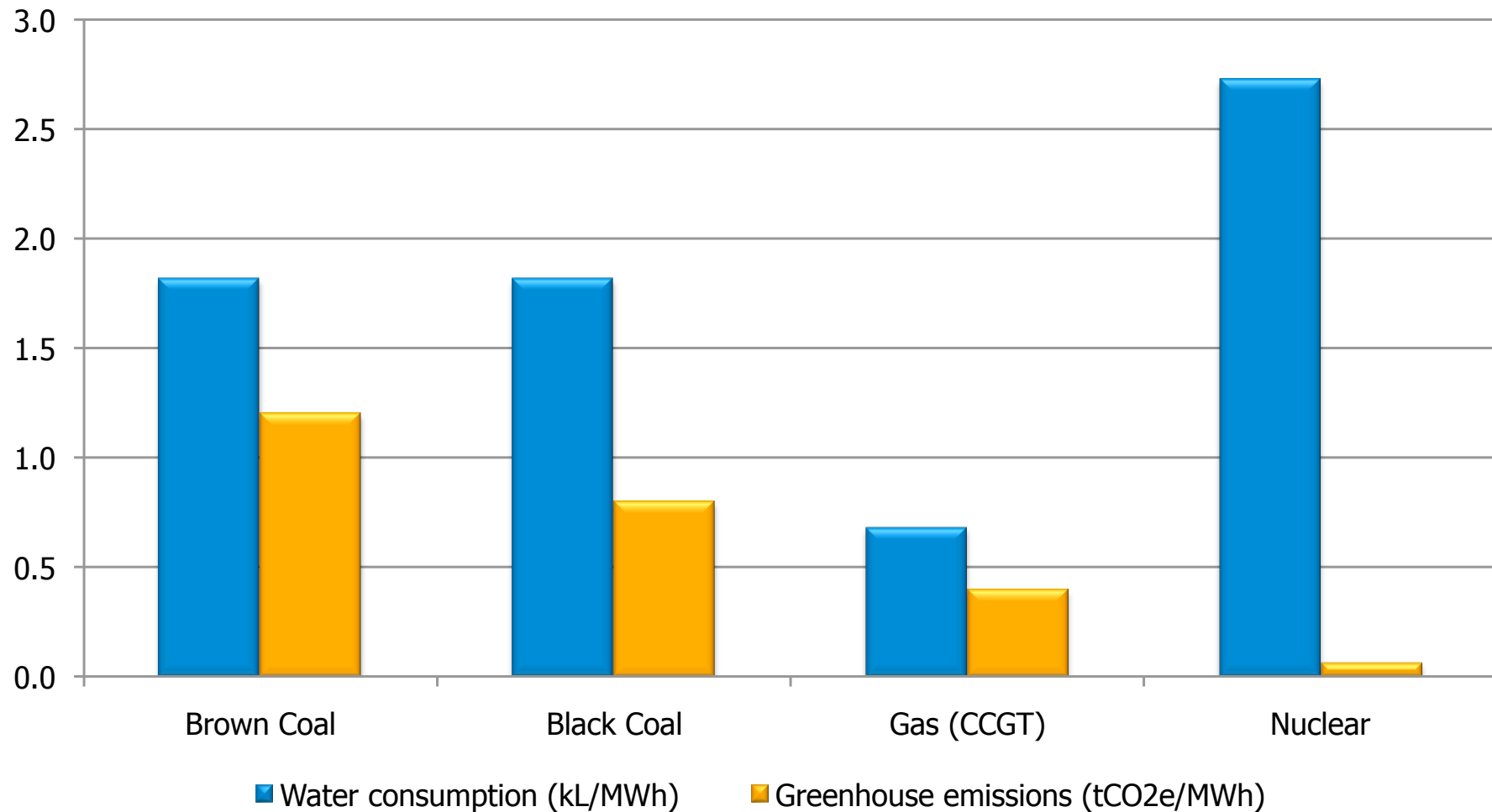
A new paradigm is needed for low carbon baseload power



Sources: National Greenhouse Gas Inventory, May 2010; Electricity Gas Australian, 2010 ESAA;  
 3 DRET Discussion Paper, 'Strategic Directions Paper', p.3, March 2009.

# A Low Emission Baseload Alternative

Greenhouse and water intensity of baseload power generation options



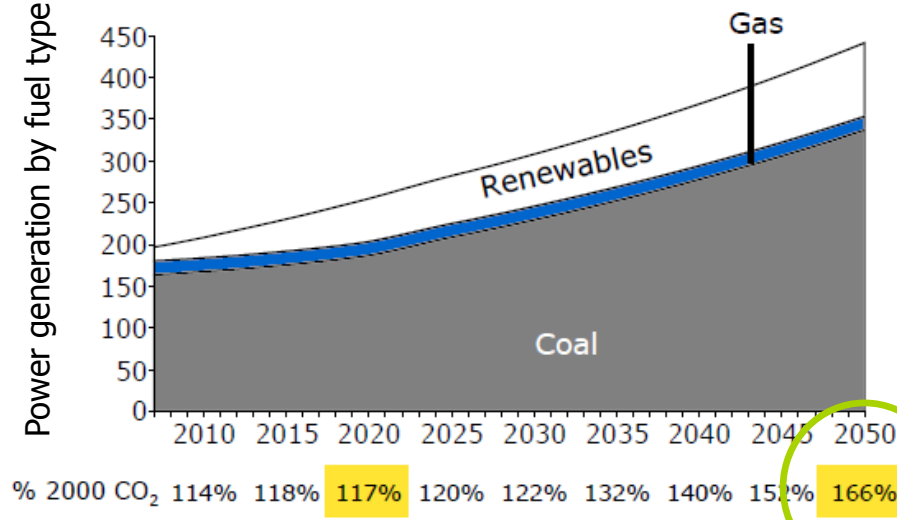
Source: (Water) U.S. Department of Energy, Energy Demands on Water Resources Report to Congress on the Interdependency of Energy and Water December 2006 (Table B-1 Water Use by Thermoelectric Power Plants).

4 (Greenhouse Emissions): Adapted from National Greenhouse Accounts.

# What Natural Gas can Deliver

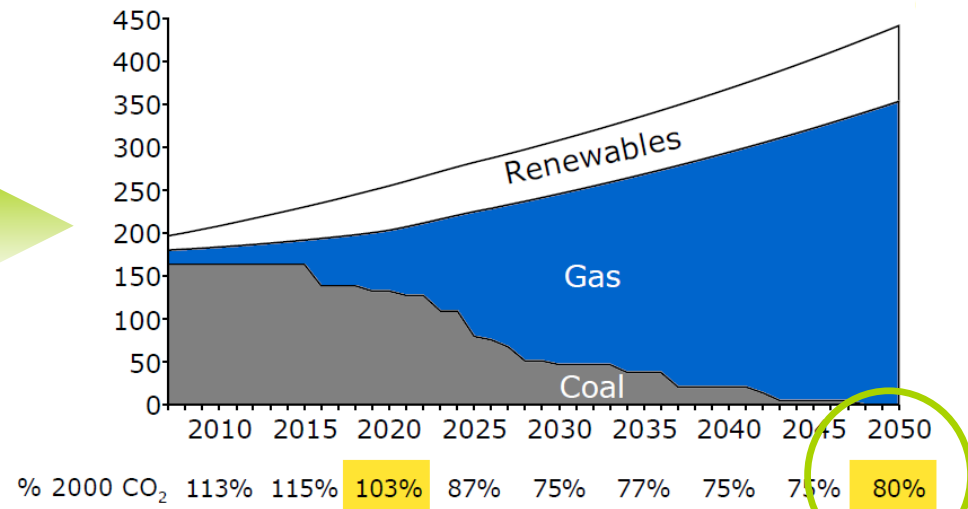
Natural gas can underwrite a 20% reduction of carbon emissions by 2050 while still doubling the level of power generation.

**Old coal replaced with new coal**



166% of  
2000 emissions

**Old coal replaced with new gas**

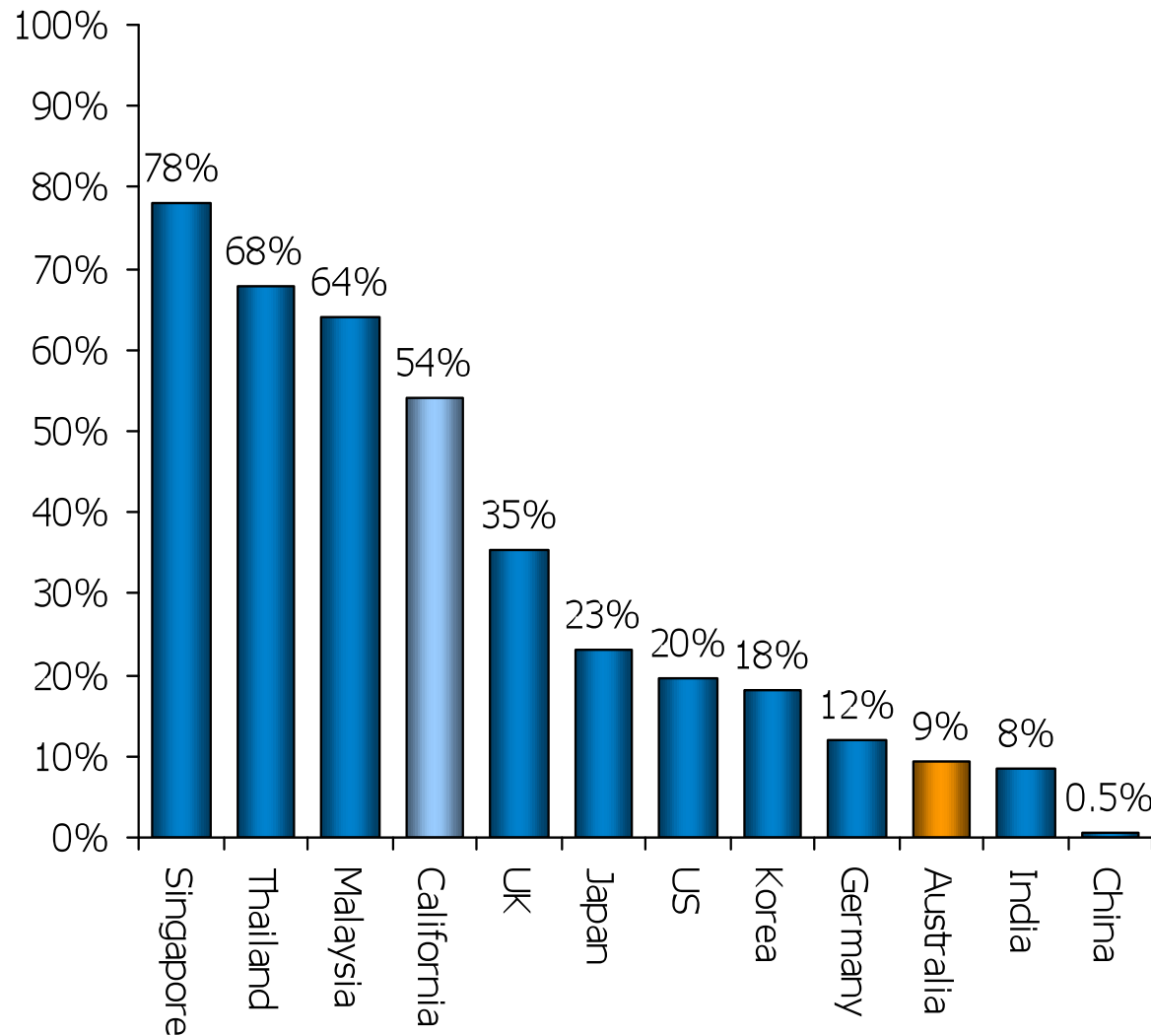


80% of  
2000 emissions

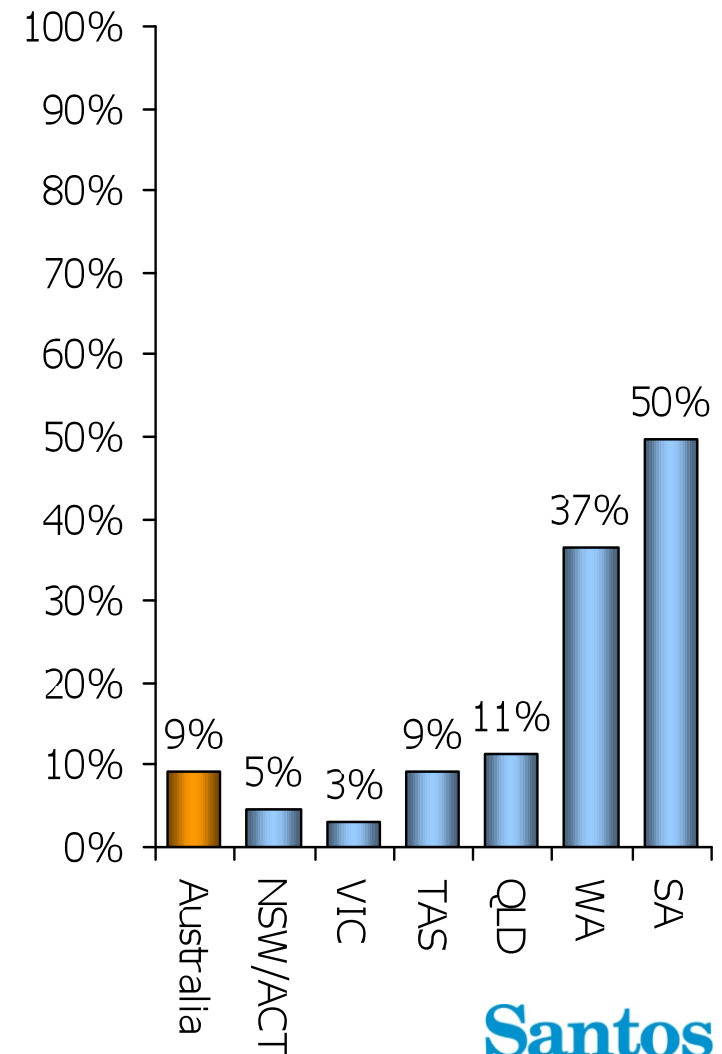
5 Note: Assumes CCS is not viable; Assumes no plant closes during transitional assistance; Assumes 40 year plant life; EA only. Source: NEMMCO energy forecasts; ESAA EGA 2008; Bain analysis

# Gas is Under-utilised in Australia...

## Gas Penetration as Percentage of Power Generated

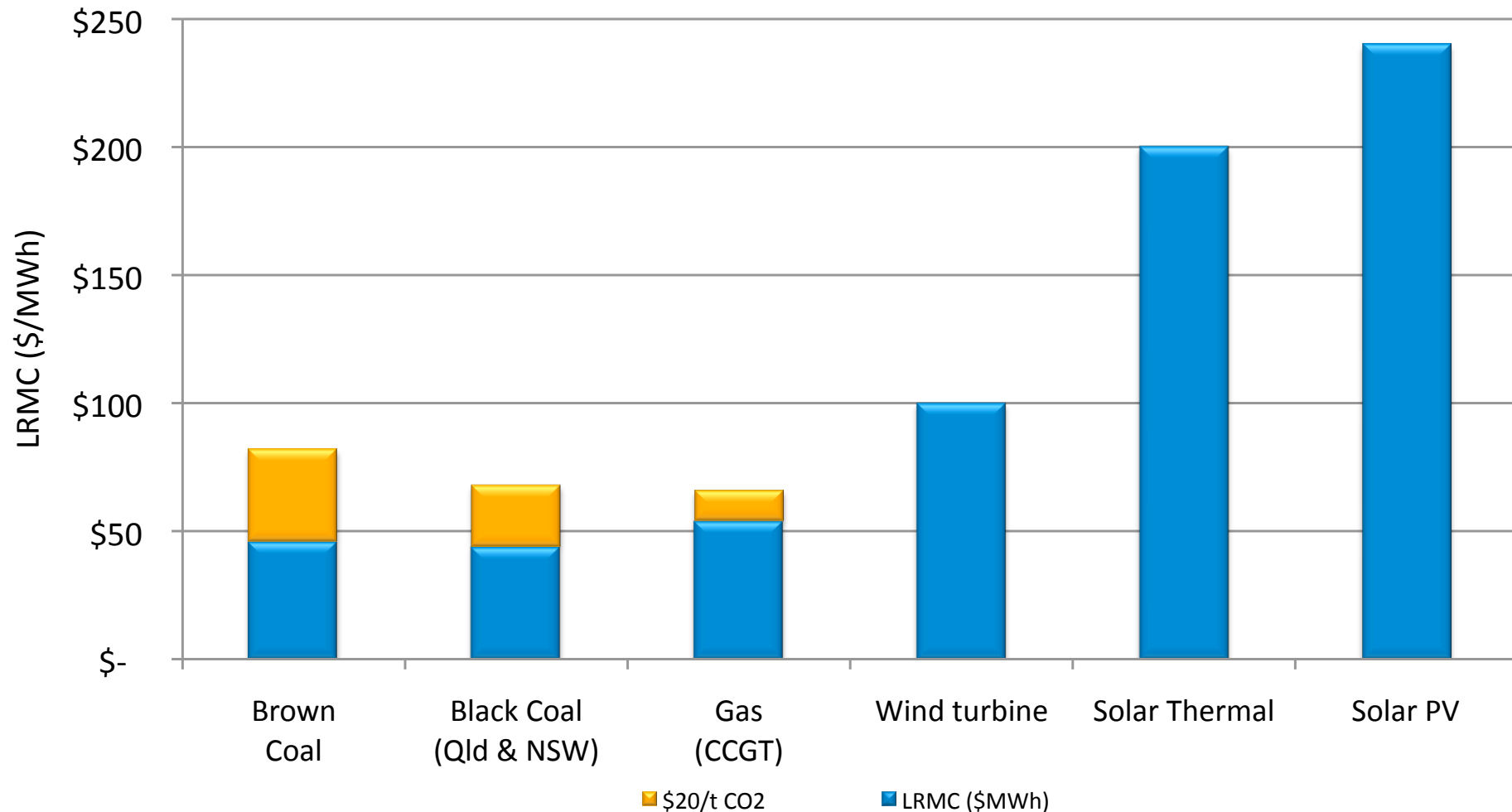


6 Source: EIA, AER, Santos



# Analysing price impact

Combined cycle gas turbine (CCGT) generation is increasingly competitive in a carbon constrained environment.



Source: Adapted from ACIL Tasman: The impact of an ETS on the energy supply industry: (p12, table 5)

7 Note: All prices based on Victorian market, except Black Coal, which is based on NSW and QLD prices.

# Disclaimer & Important Notice

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