

31 March 2026

**Secretary**  
**Legislative Scrutiny Committee**  
GPO Box 3721  
DARWIN NT 0801  
[LSC@nt.gov.au](mailto:LSC@nt.gov.au)

**Confidential**

## **Pipelines and Petroleum Legislation Amendment (Industry Development) Bill 2026**

Dear Secretary,

Santos recognises the Northern Territory Government's commitment to developing a competitive and sustainable energy sector and welcomes the opportunity to provide comment in support of the *Pipelines and Petroleum Legislation Amendment (Industry Development) Bill 2026* (the Bill) that was referred to the Legislative Scrutiny Committee on 18 March 2026.

### **Support for the Bill**

Santos supports the passage of this legislation, as the Bill modernises the Northern Territory petroleum and pipeline regulatory framework to enable pursuit of critical decarbonisation technologies as well as timely development of the Beetaloo Basin.

The Bill proposes to remove barriers to investment and deliver regulatory certainty for tenure matters as they relate to petroleum licencing, expand pipeline infrastructure capability including establishing provision to transport carbon dioxide, and contemporise compliance frameworks like those under various other legislation.

### **Operational Context: Carbon Capture and Storage and Development of the Beetaloo Basin**

Santos is an experienced and reliable operator of Moomba CCS, Australia's first large-scale onshore carbon capture and storage hub, with capacity to store up to 1.7 million tonnes per year. We are now progressing similar decarbonisation plans across our business, with Darwin Liquefied Natural Gas (DLNG) a central hub to this. The construction and operation of the DLNG infrastructure, interconnector and repurposing of the pipeline for CO<sub>2</sub> conveyance within Northern Territory jurisdiction is referred to as the DLNG Carbon Capture & Aggregation Project (CCAP). It will capture carbon dioxide from Barossa feed gas and transport it via the repurposed Bayu-Undan Gas Export Pipeline for offshore storage in either the depleted Bayu-Undan reservoirs in Timor-Leste waters or Greenhouse Gas Assessment Permit G-11-AP in the Bonaparte Basin.

In October 2025, Santos commenced community engagement to advise our intent to design, engineer, and submit approvals for the DLNG Carbon Capture & Aggregation Project required to support capture and transport. Santos plans to refer its proposal to the Northern Territory Environment Protection Authority for assessment in Q2 2026.

Santos continues working with the Australian and Timor-Leste Governments to progress Bayu-Undan CCS, which has predicted storage capacity of around 10 million tonnes of carbon dioxide per annum. While Barossa LNG is one potential source, this project offers a whole-of-region solution that can support decarbonisation efforts from multiple sources.

Santos was awarded permit G-11-AP in 2022, and we have submitted an Environment Plan to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to acquire a three-dimensional marine seismic survey to complete appraisal of its carbon storage potential. We have also commenced consultation to develop an Environment Plan supporting a three-well appraisal drilling campaign to identify subsea geological formations for carbon dioxide injection and storage in this same permit. Subject to regulatory approval, we are targeting commencement of this campaign in late 2026.

Onshore gas projects are long-term developments that sustain regional communities and drive broader economic benefits. The scale of shale gas resources in the Beetaloo Basin, if confirmed through appraisal, could be transformational for the Northern Territory and for domestic gas and LNG export markets. Increased gas supply would support energy security, create jobs and drive economic growth in the NT and beyond, while supporting Australia's position as a reliable energy supplier.

Since 2012, Santos has carried out seismic and drilling exploration within EP161. We are now seeking approval to conduct further appraisal works to determine the size, potential production rate and characteristics of the shale gas reservoir. These appraisal activities are critical to understanding the commercial viability of the resource and informing future development decisions.

Santos' experience in pioneering onshore gas development across the Cooper, Bowen and Surat Basins means we are well placed to deliver the energy, economic and social benefits of the Beetaloo Basin.

Santos submitted an Environment Management Plan to the Department of Lands, Planning and Environment for assessment in December 2025, covering the installation of up to 12 new petroleum appraisal wells at two well pads within EP161, and targeting commencement of activity in Q3 2026.

## **Key Features of the Bill**

- **Practical Improvements**

The Bill makes various improvements that provide regulatory consistency and predictability for Santos' operations, including unifying workplace safety standards through transfer of occupational health and safety responsibility to NT WorkSafe; aligning inspector functions and powers across related legislation; and simplifying processes for the variation, suspension or waiving of pipeline licence conditions, which may also include altering licence areas or routes. Additionally, the Bill also introduces electronic service of documents and approved forms, to streamline administrative processes.

- **Division and Amalgamation Framework**

The proposed tenure division and amalgamation provisions offer material improvements to project development efficiency, helping to attract investment and achieve more effective planning by enabling strategic consolidation of interest areas to optimise resource development; enhance coordination between adjacent developments; and accelerate progression of commercially viable resources.

- **Petroleum Transfer Provisions**

The petroleum transfer provisions enable Santos to transport gas from multiple separate areas to centralised processing facilities, eliminating the previous requirement to construct processing equipment at each individual location. This allows Santos to operate more efficiently through shared infrastructure across different sites, reducing operational footprint and capital costs, and improving project economics. These provisions remove a significant regulatory barrier that previously prevented the transition from appraisal activities to expanded development scenarios. The complementary adjustments to licensing pipelines are also welcomed.

- Tenure Certainty

The Bill removes outdated restrictions that previously limited tenure security in shale gas developments. Santos can now apply for retention licences across multiple adjacent exploration permits, providing broader coverage that reflects how shale reserves naturally extend beyond individual permit boundaries. The amendments eliminate the requirement for retention licence areas to contain a physical discovery well, instead allowing Santos to secure tenure based on modern seismic technology that identifies petroleum reserves beneath the surface. New processes also enable Santos to divide or combine retention licence titles as exploration progresses, providing flexibility to adjust tenure arrangements and development strategies as geological understanding improves.

- Carbon Management Infrastructure

The Bill enables carbon dioxide transmission through energy pipelines, directly supporting Santos' planned carbon capture and aggregation project at Darwin LNG. Previously, restrictive definitions prohibited carbon dioxide transport, creating a fundamental barrier to establishing necessary infrastructure. These amendments remove this barrier and enable Santos to develop comprehensive decarbonisation capabilities that can serve not only our own operations but potentially aggregate emissions from other industrial facilities across the region.

### Conclusion

Santos supports passage of this Bill and looks forward to working with the Northern Territory Government to ensure its effective implementation and additionally would welcome the opportunity to be involved as any new or amended regulations are developed that may be relevant to current and future operations.

Should you wish to discuss further, I invite you to contact Peta Haughey, Government and Stakeholder Relations Manager NT by email at [REDACTED] or by phone on [REDACTED].

Yours sincerely

[REDACTED]

Brett Darley

**Chief Operating Officer, Australia and PNG Upstream Oil and Gas**