

The Australian

Gladstone LNG project gets Santos board approval

- **UPDATED** Matt Chambers
- From: **The Australian**
- January 13, 2011 10:24AM

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An LNG export ship being loaded. Picture by Justin Sanson

Source: The Advertiser

SANTOS surged more than 2 per cent this afternoon on news its \$US16 billion (\$16.1bn) Gladstone LNG project had won official board approval.

Adelaide-based oil and gas company **Santos** went into a trading halt early this morning. Emerging from the halt by early afternoon, Santos surged 30 cents (2.28 per cent) to \$13.46.

It is understood the two-train liquefied natural gas project has been approved by the board, under its last stated schedule of first LNG in 2015, despite the Queensland floods.

However, this does not mean there will be no delays as a result of the flooding, given Santos only last month put the first-LNG timetable back from 2014.

Gladstone LNG aims to ship up to 7.8 million tonnes of LNG to customers in South Korea and Malaysia from 2015, joining a list of major natural gas projects that are set to make Australia the world's second-biggest LNG exporter after Qatar within a decade.

Queensland Premier Anna Bligh said the Gladstone LNG project will deliver millions of dollars in state royalties and create 6,000 jobs, giving the flood-hit region a shot in the arm as it grapples with reconstruction of "post-war" proportions.

"At times like this we need to be able to look to the future with hope and optimism and the LNG industry will play an important part in our state's recovery from this flood crisis," Ms Bligh said.

Resources and Energy Minister Martin Ferguson said it was positive news that "even in the midst of this crisis companies are still making substantial investments" in Queensland's resources sector.

"The Gladstone LNG project and economic development more generally is important in underpinning the skills, tax revenue, wealth and capacity to respond and re-build in the aftermath of these tragic events," Mr Ferguson said.

Additional reporting Dow Jones Newswires

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