

## Santos To Supply WA Mining Boom

Santos has secured two new lucrative gas contracts worth more than \$A60 million to supply mining projects in Western Australia with gas from the offshore John Brookes field, via the Goldfields Gas Transmission Pipeline.

Under a five year contract with a subsidiary of Barrick Gold Corporation, Santos will supply up to 7.3 PJ of gas to Plutonic operations in central WA. Revenue over the term of the contract is expected to be approximately \$A55 million, with first gas to be delivered on 1 July 2008.

The second contract is with Jabiru Metals for the supply of 1.7 PJ of gas over five years to their Jaguar copper-zinc project. Revenues are estimated to be approximately \$A8 million over the term of the contract, with gas deliveries to commence by mid-2008.

“The use of a gas-fired power supply at Jaguar will not only reduce annual operating costs, but stabilise the cost of energy to the project for the next five years”, a Jabiru spokesman said.

Jabiru has commissioned Cummins to build and install a gas-fired generating station and design

work is already underway for the 30 km gas pipeline. Total pipeline supply installation and connection will cost \$A8 million and Jabiru has already received regulatory approval for the pipeline access route. Jabiru expects the gas-fired station to be operational in the first quarter of 2008.

Santos has secured a trading price of approximately \$A7.00 a gigajoule for the gas, twice the domestic price, in recent years, of \$A2.30 to \$A2.50 a gigajoule. ■