Letter from Rosemary Nankivel published in The Financial Review 15 Feb. 2012.

Nearly four years ago, Santos came to the Liverpool Plains promising, among many things, that it was an extremely professional operator.

It sought to distance itself from the alleged cowboy gas companies operating in Queensland and NSW.

Santos was adamant that it followed “best practice” at all times.

Alas, the recent much-publicised exposure of the leaks, spills and contamination in the Pilliga State Forest exposes Santos as being just as bad, if not worse, than the companies from which it seeks to distance itself.

There has been little mention in the media that Santos, up until last year, held a 20 per cent shareholding in Eastern Star Gas (ESG) and a 35 per cent equity interest in various exploration permits operated by ESG, making Santos one of the largest shareholders in ESG.

There was a long-term perception held by the ESG board and shareholders that Santos would eventually buy out ESG, consolidating both companies.

This eventually occurred in November last year.

As Santos looks to escape negative publicity about the massive spills and contamination in the Pilliga forest, Santos shareholders would be justified in asking why it failed to practise due diligence in assessing exactly what it was investing in.

Surely such an expenditure and Santos’s much touted level of corporate responsibility would warrant closer scrutiny of the operations of the Pilliga gas field.

Had these spills and contamination not been exposed by a local landholder, would Santos have disclosed to the appropriate authorities these breaches of their licensing conditions?

As chairwoman of the coal seam gas committee for the Caroona Coal Action Group, it is little wonder that farmers and environmentalists view the antics of coal seam gas companies with suspicion and distrust as they see future destruction of agriculture on the Liverpool farming plains. Their actions speak louder than words.

Rosemary Nankivell

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