

Santos loading Barossa's first LNG cargo

CEO admits Australian project delay was 'disappointing'



An LNG carrier loading at the Darwin LNG terminal in Australia's Northern Territory.

Photo: CONOCOPHILLIPS

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Asia Bureau Chief | Singapore

Published 22 January 2026, 17:52

Santos is loading the first liquefied natural gas cargo from its Barossa project in Australia, following around two months of delays due to technical problems on the BW Opal floating production, storage and offloading vessel.

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Santos leans in on Barossa

First cargo sets up next cash-flow test

Rueben Hale & Russell Yeo



Santos presses for Barossa cashflow. Pictured: Santos CEO Kevin Gallagher alongside the Barossa oil and gas production platform. | Credits: Santos

22 January 2026

Santos' Barossa LNG has crossed a critical milestone, now processing gas with a first cargo bound for Japan.

And so the Adelaide gas giant is counting on the ramp-up to drive the next wave of cash flow.

A strong December quarter delivered ~\$380m in free cash flow, helping fund heavy project spend while pushing gearing lower.

The market's question has shifted: can Santos convert Barossa's first LNG cargo into steady-state volumes and reliable earnings after commissioning delays on the BW Opal FPSO?

Santos is banking on the ramp-up of Barossa LNG to deliver the next leg of cash flow as it continues to bring down leverage, after a December-quarter uplift helped push gearing lower and support another...

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ASX/Media Release

27 January 2026

Santos announces first Barossa LNG cargo

Santos today announced the first LNG cargo from Barossa LNG has been successfully loaded to the Kool Blizzard. The cargo departed Darwin LNG on Sunday 25th January and will be delivered to the Sakai terminal in Japan on a delivered ex-ship basis.

Santos is the operator and has a 50 per cent interest in the Barossa Gas Project, with joint venture partners PRISM Energy International Australia (37.5 per cent) and JERA Australia (12.5 per cent).

Santos Managing Director and Chief Executive Officer Kevin Gallagher said today's announcement marks a major milestone for Barossa LNG, with Santos delivering the project within approximately six months of the planned start date and within the original budget – without drawing on the additional contingency.

Mr Gallagher said, "This is an outstanding achievement for a project of this scale and complexity in the global offshore upstream sector. It demonstrates Santos' self-execution capability in delivering major development projects and the success of our disciplined, low-cost operating model.

"I am proud of the way the whole Santos team navigated through the impacts of the COVID-19 pandemic, regulatory approvals, legal challenges and supply chain disruptions during the construction phase. I thank our partners, contractors, suppliers, financiers, community stakeholders and shareholders for their support. In addition, we have had strong bipartisan support from the Northern Territory government since day one. Together, we have built a world-class LNG project that we can all be proud of.

"We took a final investment decision for Barossa LNG in March 2021 at a time when the economy was re-emerging from the COVID-19 lockdowns, and job-creating and business-generating projects like Barossa were critical for the Northern Territory and Australia. At the time, Barossa was the biggest investment Australia's oil and gas sector had seen for almost a decade.

"At the same time, Barossa LNG will continue to drive a stronger economy for the Northern Territory and Territorians. The 2025-26 Northern Territory budget papers forecast Gross State Product to rebound by 7.8 per cent for the year, largely driven by Barossa LNG exports, before growing a further 5.9 per cent in 2026-27 on the back of the LNG industry.

"Barossa LNG will secure approximately 300 permanent positions in the Northern Territory for the next 20 years, with an estimated A\$2.5 billion worth of wages and contracts expected to flow for Territorians over that time.

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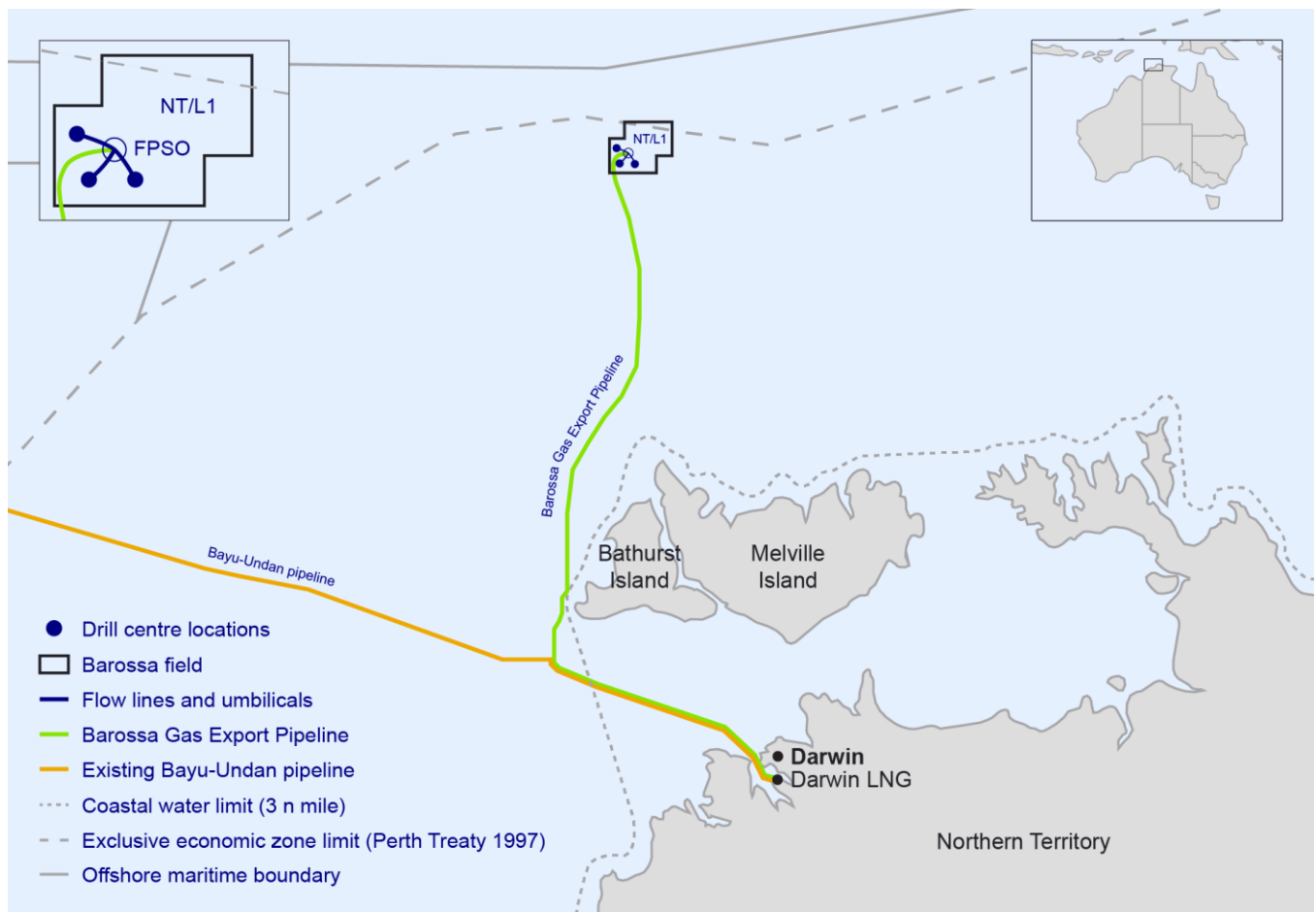
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“In addition, Santos and our joint venture partners have established the Barossa Aboriginal Future Fund to invest in Northern Territory Aboriginal coastal communities. The fund will receive up to \$10 million per year from Barossa LNG and will invest in projects and programs to improve community and homeland infrastructure and services, establish pathways to training, jobs and business opportunities, and enable Aboriginal people to maintain cultural practices, carry out cultural obligations and care for their country. I am proud of the industry-leading investment Barossa LNG is making to help close the gap for Aboriginal Territorians,” Mr Gallagher said.

Ends.

This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.



Barossa LNG: FPSO and pipeline locations (illustrative only, not to scale).