

Media enquiries

Tom Baddeley
+61 8 9333 9616 / +61 (0) 419 834 321
tom.baddeley@santos.com

Investor enquiries

Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

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Fletcher Finucane oil development sanctioned Santos lifts interest in project

Santos today announced the final investment decision (FID) approving the \$490 million Fletcher Finucane oil project in the Carnarvon Basin, offshore Western Australia.

The project will be developed through a three well sub-sea tie back to the existing Santos-operated floating production, storage and offloading facility located at Mutineer Exeter.

First oil production is expected in the second half of 2013, at an estimated average gross production rate of 15,000 barrels per day for the initial 12 months.

Santos Chief Executive Officer David Knox said the development approval of Fletcher Finucane had come little more than six months after the discovery of the Finucane South field, reflecting a rapid transition from exploration to development.

"This is a great achievement and I would like to acknowledge the work of the project team and the joint venture partners, not only of Fletcher Finucane but also Mutineer Exeter, in getting us to this point so quickly," he said.

Santos Vice President WA&NT John Anderson said Fletcher Finucane not only gave Santos additional oil production from 2013 but extended the economic life of Mutineer Exeter and gave the partners scope to pursue other opportunities in the area.

"New oil production from Fletcher Finucane will extend the economic life of Mutineer Exeter by up to four years and it will give the Fletcher Finucane and Mutineer Exeter participants more time to examine other opportunities within tie back distance of the existing facilities," he said.

Fletcher Finucane's gross proved and probable reserves are estimated at approximately 14 million barrels.

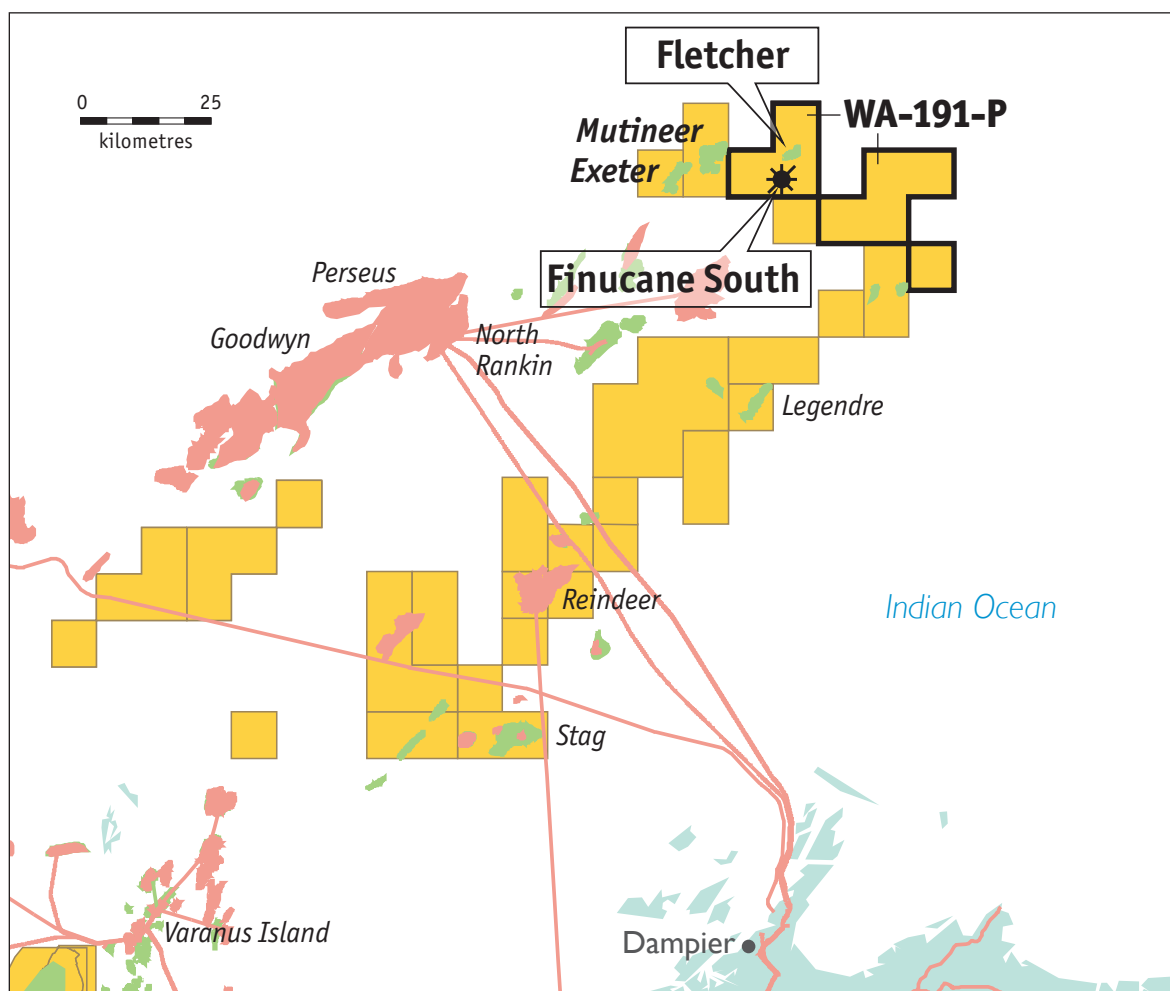
Santos today also announced it had increased its equity in Fletcher Finucane, buying the interests of Tap Oil for \$18 million, plus Tap's project costs incurred since 1 July 2011. Accordingly, Santos now holds an effective 48% aggregate interest in the Fletcher Finucane project and is the operator. Other participants are Kufpec Australia and JX Nippon Oil & Gas.

Santos' share of Fletcher Finucane project capital expenditure at FID is \$236 million.

Map attached.

Ends.

Fletcher Finucane



LEGEND

- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline

