

23 April 2018

Barossa enters FEED providing pathway to more than double Santos' Northern Australia production

Santos today announced that agreement has been reached with our joint venture partners to enter the front-end engineering and design (FEED) phase for the development of the Barossa project to backfill Darwin LNG (DLNG).

Santos Managing Director and Chief Executive Officer, Mr Kevin Gallagher, said "The Barossa FEED decision consolidates its position as the leading candidate for DLNG backfill when Bayu-Undan production ceases in the early 2020s."

"It's a great step forward for Santos because our higher equity position means that a successful Barossa development would more than double our current production out of Northern Australia."

"Barossa's development would extend the operating life of DLNG for more than 20 years, help supply growing demand for natural gas in Asia to clean up Asian air pollution and reduce global carbon emissions, and provide significant jobs and business opportunities in the Northern Territory as well as export income here in Australia," Mr Gallagher said.

The Barossa gas field, 300 kilometres north of Darwin, sits within Santos' Northern Australia portfolio, one of the company's core long-life, natural gas assets.

FEED activities will involve engineering and commercial work aimed at finalisation of the project's technical detail, costs, LNG sales agreements and negotiation of access arrangements with the owners of DLNG and the Bayu-Undan to Darwin gas pipeline. A final investment decision (FID) is targeted towards the end of 2019. Contracts for field surveys and engineering for the floating production, storage and offloading facility (FPSO), subsea facilities and export pipeline will be awarded shortly.

The Barossa development concept consists of an FPSO, six subsea production wells to be drilled in the initial phase, supporting in-field subsea infrastructure and a gas export pipeline tied into the existing Bayu-Undan to Darwin pipeline, all located in Australian Commonwealth waters.

The project area encompasses petroleum permit NT/RL5 over the Barossa field and petroleum permit NT/RL6 to the south over the Caldita field to be developed as a potential future phase of the project.

Santos remains committed to working with our joint venture partners in Northern Australia to commercialise the company's significant discovered resource base in the region through a range of ullage opportunities and expansion of existing projects.

Santos holds a 25% interest in the Barossa Caldita joint venture along with partners ConocoPhillips (37.5% and operator) and SK E&S (37.5%). Santos is also a joint venture partner in Darwin LNG with an 11.5% interest.

Media enquiries

Joanna Vaughan,
+61 2 9276 1134 / +61 (0) 419 111 779
joanna.vaughan@santos.com

Investor enquiries

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

Santos Limited ABN 80 007 550 923
GPO Box 2455, Adelaide SA 5001
T +61 8 8116 5000 F +61 8 8116 5131
www.santos.com