

28 December 2016

Gas discovery at Muruk

Santos today advises that the Muruk 1 exploration well in PPL 402 in Papua New Guinea has reached total depth of 3,130 metres. Following wireline logs, the preliminary interpretation is that the well has encountered gas and condensate within the primary target Toro Formation, and results are in line with pre-drill expectations.

Subject to Joint Venture approval, the rig will commence drilling a geological sidetrack down dip to the north east, to attempt to delineate the hydrocarbon-water contact within the Toro Formation.

Santos previously announced its farm-in to PPL 402 in November 2016 for a 20% interest. PPL 402 is located approximately 40 kilometres northwest of the Hides gas field and production facilities, and within the highly prospective thrust and fold belt trend.

Santos has operated in PNG since the late 1980's. PNG is one of Santos' five core assets and the company is committed to working with its long-term partners in-country to explore and develop.

PPL 402 participants are affiliates of Santos (20%), affiliates of ExxonMobil (42.5%) and Oil Search (37.5%, operator). Santos' farm-in is subject to customary regulatory approvals.

Ends.

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