

31 May 2018

Santos GLNG announces final investment decision on A\$400 million Arcadia project

Santos and our GLNG Partners will invest more than A\$400 million in the 137-well Arcadia gas project in the Bowen Basin in Queensland's Central Highlands region.

The A\$400 million Arcadia investment is in addition to the A\$900 million we are investing in upstream developments in the Maranoa, Western Downs, Central Highlands and Banana regions of Queensland this year.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said, "The Arcadia gas project will create up to 300 construction jobs and local business opportunities in the Central Highlands region, helping to sustain and boost the benefits of Santos' and GLNG's earlier investments."

"This initial phase of the Arcadia development will at its peak deliver in excess of 75 TJ/day to the gas supply for the GLNG project. This is great news for both the domestic gas market and our LNG exports."

The project, located near Injune, about 680km northwest of Brisbane, will involve drilling 137 new wells and constructing a 140 km gas and water gathering network, two 4G communication towers, a new compression station, a 4 ML per day water treatment plant, a 5 MW gas-fired power station, and associated roads and infrastructure.

Mr Gallagher said the decision to sanction the project follows a very successful 13-well pilot program which tested changes to the planned well design and operating philosophy.

"We have reduced our connected well costs in Queensland by more than 70 per cent since 2015 to become Australia's lowest cost onshore operator," Mr Gallagher said.

"If you want to put downward pressure on gas prices, reducing the cost of supply is a good place to start.

"Santos will apply our low cost operating model, and a well design and water management approach tailored for the Arcadia field, to extract more gas for less money.

"Santos is delighted to support jobs and investment in regional Queensland and we want to continue to invest here for many years to come."

Santos and our GLNG partners have already invested significantly in regional Queensland since 2011 and this new investment is a huge vote of confidence in the state.

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