

9 April 2019

## Moomba South appraisal phase 1 successfully completed

### Key Highlights:

- The Moomba South multi-phase appraisal campaign is designed to delineate and convert a significant contingent resource in Patchawarra tight gas sandstone reservoirs in Moomba South to reserves.
- All eight vertical wells in phase 1 intersected gas-bearing Patchawarra sandstone fluvial channel reservoirs.
- Individual stabilised well test rates have been recorded up to 8.7 mmscf/d with preliminary indications of higher natural gas liquids content and approximately 50% lower CO<sub>2</sub> compared to adjacent field production.
- Seven wells are on line through existing infrastructure with preliminary assessments confirming Patchawarra resource to reserve maturation in line with expectations.
- Several additional gas-bearing zones have been encountered in the shallower Toolachee and Epsilon formations.
- Two new plays with significant resource potential have been identified in the Granite Wash and the Fractured Granite intervals. Both intervals are hydrocarbon saturated and have been flowing on test. Further appraisal of these new basin-opening plays will be undertaken during the next phase of appraisal.

Santos today announced the successful completion of the Moomba South Patchawarra Formation phase 1 appraisal program in the Cooper Basin.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos is investing in the Cooper Basin to find more gas for the east coast domestic market.

“I am very pleased that the Moomba South phase 1 appraisal program has confirmed a significant gas resource and resulted in seven new wells now producing in the Cooper.”

“The program also successfully targeted two exciting new plays in the Granite Wash and Fractured Granite which have the potential to add significant new resources. Testing of both plays resulted in stable gas flows to surface,” Mr Gallagher said.

The Moomba South appraisal program is the first of several large-scale project appraisal phases in the Cooper Basin focused on contingent resource maturation.

The Patchawarra reservoir system on the deeper flanks of the Moomba South field has been assessed to contain significant gas potential in thick, well-developed, gas-charged tight sandstone reservoirs.

The current appraisal program has been enabled by Santos’ disciplined, low-cost operating model and targeted the maturation of a significant 2C contingent gas resource within the Lower and Middle Patchawarra Formation. These reservoir targets are proven productive intervals in the adjacent Big Lake and Moomba North fields.

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Eight appraisal wells were drilled to total depths ranging from 3,034 to 3,303 metres and all intersected gas pay in the target Patchawarra Formation. Gas pay in the wells ranged from 16 to 64 metres, in line with assumptions underpinning pre-drill contingent resource estimates. The wells were stimulated with between four to six stages.

Preliminary gas sample analysis indicates a higher natural gas liquids content and lower CO<sub>2</sub> content compared to the adjacent and overlying Moomba field production areas. Additional analysis is under way to confirm the gas composition and associated gas liquids volumes.

Seven of the appraisal wells have now been tested and brought online. A peak stabilised single-well gas flow of 8.7 mmscf/d has been established. One well was plugged and abandoned.

In addition to the Patchawarra, significant upside in the Toolachee, Daralingie and Epsilon reservoir complexes has also been demonstrated, with a number of wells encountering near-virgin pressures and better than expected porosity and permeability.

Two emerging exploration opportunities with significant resource potential were also targeted in the appraisal campaign: the Granite Wash play and the Fractured Granite play.

The Granite Wash has recently shown to be a proven producing horizon on the flanks of the Moomba North field. The majority of the Moomba South appraisal wells penetrated this interval improving the overall understanding of this play. A number of the appraisal wells have been tested and flowed stabilised gas rates from intervals of elevated gas shows through the Granite Wash. Stimulation and testing of the Fractured Granite in one of the eight wells has also demonstrated stable gas flows to surface.

The results of the appraisal programme will inform field development planning for the Moomba South project. Planning is under way to undertake further drilling on Moomba South towards the end of 2019. This further drilling may include horizontal wells to further appraise the field.

Reserve and resource estimates for Moomba South will be determined as part of the preparation of the 2019 Reserves Statement.

The Moomba South appraisal program is located in PPL 8 and PPL 9 (Santos 66.6% and operator, Beach 33.4%).

Attachment – Moomba South location map and subsurface schematic.

Ends.

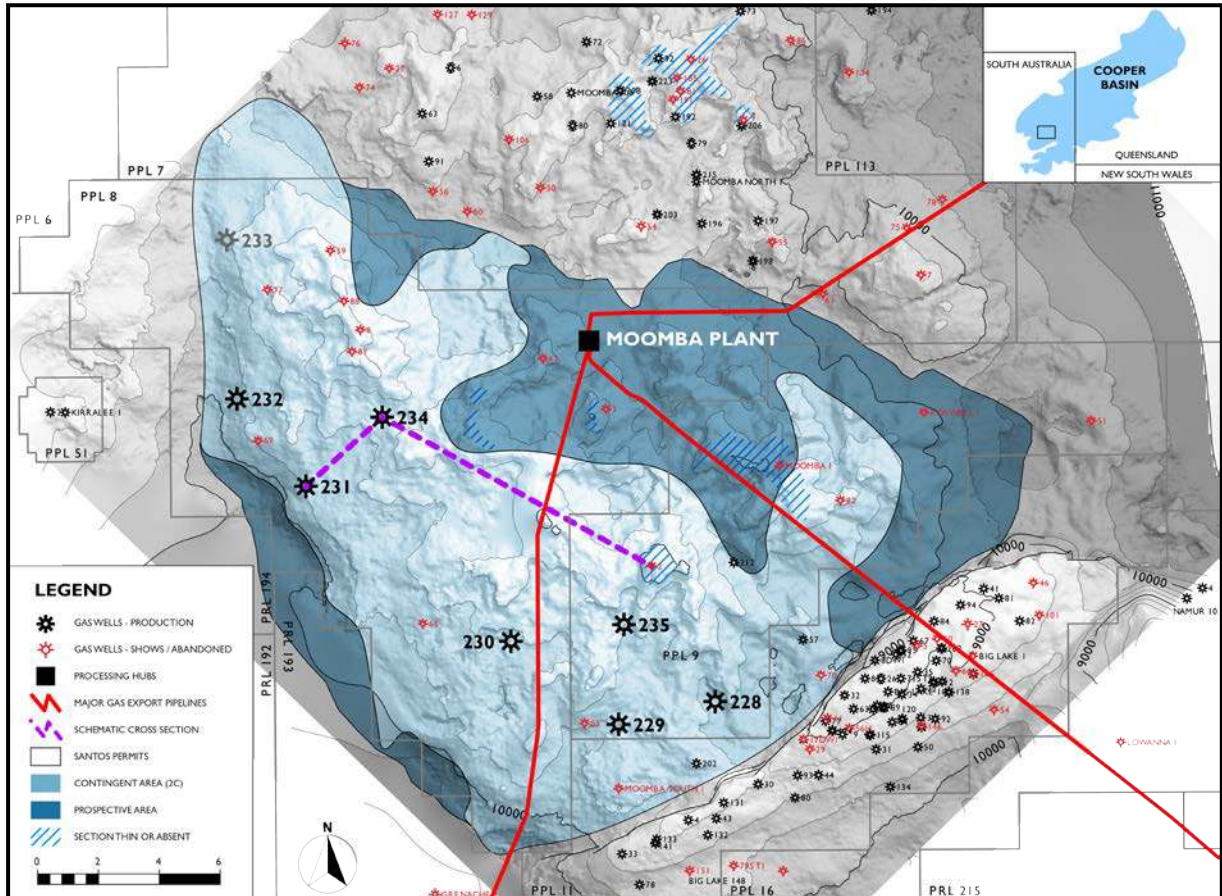


Figure 1 – Moomba South appraisal program phase-1 location map

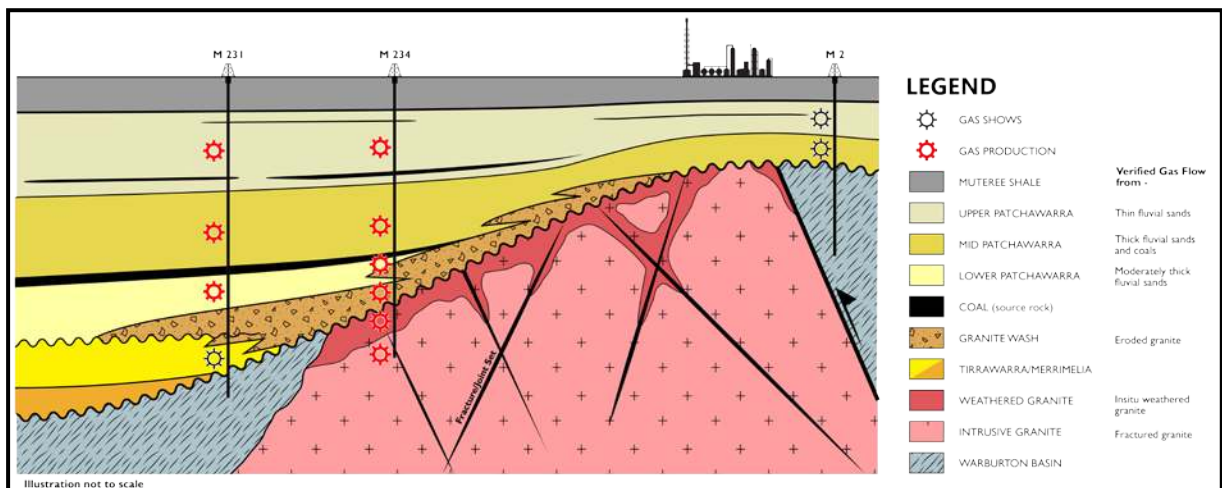


Figure 2 – Subsurface schematic showing productive intervals in the Patchawarra Fm, Granite Wash and fractured granite at Moomba South field based on results of the phase-1 appraisal