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First gas from Oyong Phase-2 in Indonesia

Santos today announced that gas production has commenced from the Oyong Phase-2 project located off Madura Island, East Java, Indonesia.

Oyong commenced oil production in September 2007 and has produced over four million barrels to date. Oyong Phase-2 was sanctioned in December 2007 and involves modifications to the offshore facilities and construction of a 60-kilometre pipeline to a new onshore gas processing facility located in East Java. The gas will be sold to PT Indonesia Power Grati for use in the Grati power station. After an initial ramp-up period, gross gas production rates are expected to be about 50-60 mmscf during the plateau period.

“Delivery of Oyong Phase-2 production is an important milestone for Santos and our Indonesian base business,” said Santos Chief Executive Officer David Knox.

“Gas production has commenced on time and with an excellent safety performance which reached 2,600,000 manhours without a lost time injury, demonstrating our capability to deliver projects,” Mr Knox said.

The Oyong field is located in the Sampang Production Sharing Contract, approximately 70 kilometres from Surabaya in the East Java region of Indonesia. Santos (Sampang) Pty Ltd is operator with a 45% interest. Other shareholders are Singapore Petroleum Company (40%) and Cue Energy (15%).

Map and photo attached.

Ends.



Santos Onshore Processing Facility (OPF), Lekok sub-district, Pasuruan, East Java

