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## **Reindeer Project Sanctioned**

Santos today announced the Final Investment Decision for the Reindeer Gas Project located offshore Western Australia.

The Reindeer gas field was discovered in 1997 and is located in the Carnarvon Basin, offshore Western Australia within exploration permit WA-209-P.

First gas is targeted by the end of 2010. Reindeer gas will be produced via an unmanned, minimum facility wellhead platform located in 65 metres of water. Gas and liquids will be exported from the platform to a new onshore gas processing plant via a single 105 kilometre pipeline. The processing plant, to be located at Devil Creek, will have an unspared capacity of 215TJ/day (gross) and will deliver sales gas and stabilised condensate. Sales gas will be compressed and exported to the Western Australian domestic gas market via the Dampier - Bunbury Natural Gas Pipeline.

The Reindeer field proven and probable (2P) reserves are estimated at approximately 485 Petajoules (Santos share approximately 220 Petajoules) of sales gas and 1.6 million barrels (Santos share approximately 0.7 million barrels) of condensate.

Santos Chief Executive Officer, David Knox said the formal approval of the Reindeer Gas Project represents another important step in monetising Santos' significant gas resources and highlights the positive impacts of bringing a significant new source of gas supply into the rapidly growing Western Australian market.

"It is evident that recent higher gas prices will help to facilitate significant investments in long term gas supply for Western Australia. Reindeer is a great example of that," he said.

Santos has a 45% interest in the Reindeer Gas Project. The remaining interest is held by Apache Northwest Pty Ltd (55% and Operator).

Santos' share of the Operator's estimated project capital cost is \$379 million.

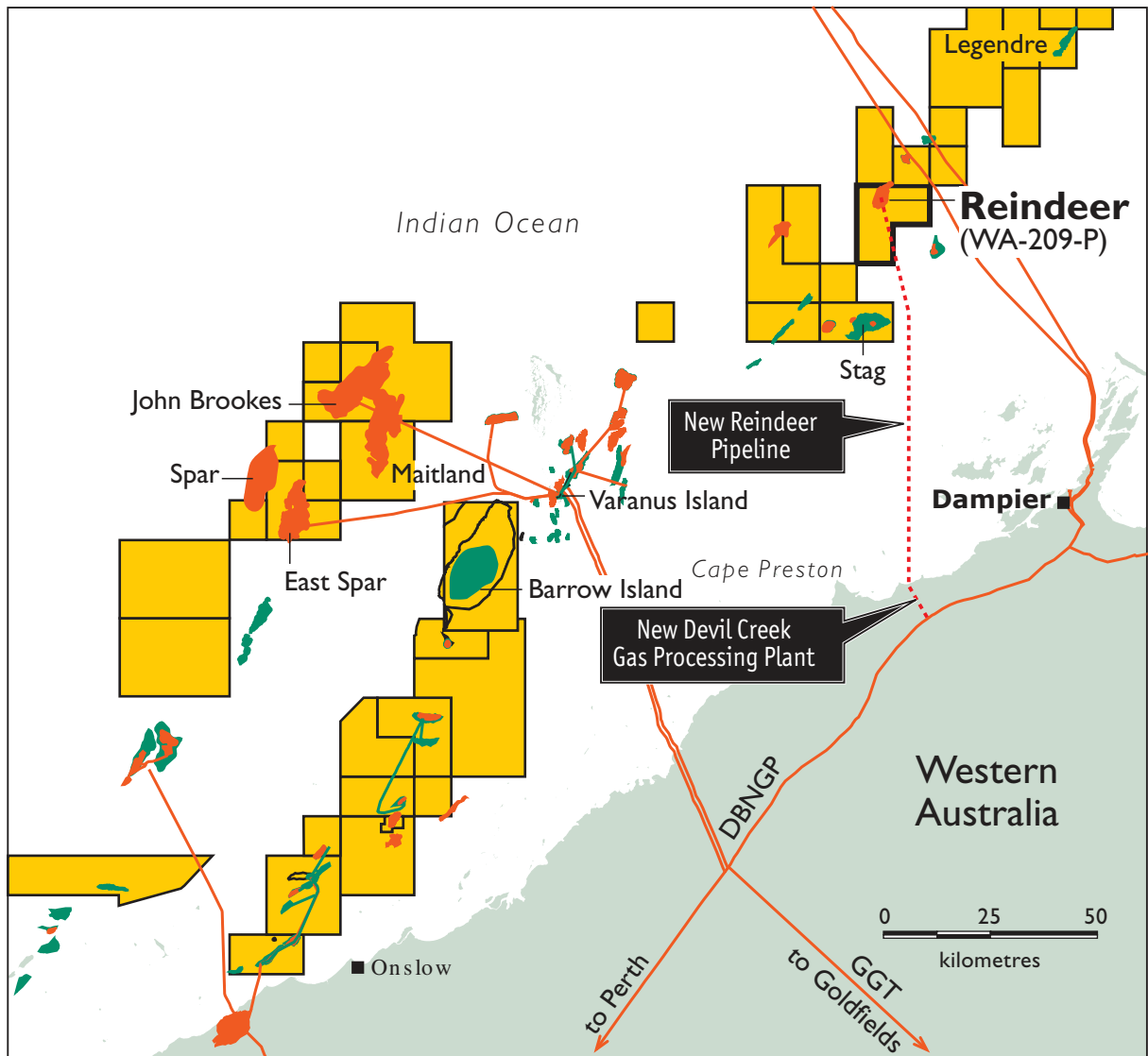
Map and project schematic attached.

Ends

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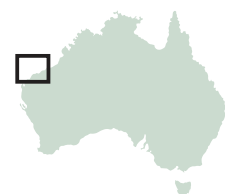
**Santos stock symbols: STO (Australian Securities Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)**

# Proposed Reindeer Gas Development



**LEGEND**

- Santos Acreage
- Oil Field
- Gas Field
- Oil Pipeline
- Gas Pipeline
- Proposed Gas Pipeline



# Proposed Reindeer Gas Development

