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**Santos awards upstream early works contract for GLNG  
and selects Fluor Australia as the preferred Upstream EPC Contractor**

Santos today announced the appointment of Fluor Australia Pty Ltd as the preferred contractor to carry out Engineering, Procurement and Construction (EPC) of the upstream facilities component of the GLNG project.

Santos anticipates awarding an EPC contract subject to a final investment decision.

In the interim, Santos will extend Fluor's engineering design contract to include early works activities of approximately A\$50 million.

Rick Wilkinson, Santos President GLNG and Queensland said the selection of Fluor Australia - a tier-one EPC company with significant experience in major project engineering, procurement and construction both in Australia and internationally – marked a major project milestone.

“The appointment of Fluor as preferred EPC contractor followed a dual front-end engineering and design (FEED) process with bidders submitting comprehensive proposals for the EPC role,” Mr Wilkinson said.

“The process delivered significant value to the GLNG project shareholders through high quality engineering and innovation in the upstream facilities design and execution planning.”

The GLNG upstream scope comprises all coal seam gas and associated water gathering and processing infrastructure for both the Fairview and Roma fields.

“We will, in conjunction with Fluor, continue to work closely with industry stakeholders including local business, the Industry Capability Network and local interest groups to ensure opportunities for Australian industry are maximised as preparation for project execution progresses.”

Mr Wilkinson said GLNG remains on track for delivery of the first LNG cargo in 2014.

**Additional information:**

GLNG (Gladstone Liquefied Natural Gas) is a pioneering project to convert coal seam gas from the Surat and Bowen basins in Queensland into liquefied natural gas, representing a major investment in a cleaner energy source for the future.

The project proponents include Santos, Australia's largest domestic gas producer, in partnership with PETRONAS, Malaysia's national oil and gas company and the second largest LNG producer in the world.

Upstream surface facilities include wellhead facilities, gas and water gathering lines, water storage, desalination and processing facilities, gas compression, power generation and associated infrastructure including roads, power distribution networks, and camp and office facilities, but exclude drilling and completions.

Following gathering and processing, coal seam gas will be transported via a gas export pipeline between the coal seam gas fields and an LNG plant at Curtis Island.

Fluor Australia Pty Ltd is the Australian subsidiary of Fluor Corporation, a NYSE-listed company.

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