

28 June 2017

Barossa appraisal program successfully completed, strengthening Darwin LNG backfill project

Santos today announced positive results from the two-well appraisal drilling campaign in the Barossa field, strengthening the field's position as lead candidate to supply backfill gas to Darwin LNG.

Well logs and pressure data from the Barossa-5 and Barossa-6 wells confirm that the primary Elang reservoir section is gas saturated and in pressure communication with previous wells drilled on the Barossa field, located in NT/RL5, Bonaparte Basin offshore Northern Territory.

The successful outcome from the two appraisal wells justified further production testing in the field to confirm reservoir productivity and acquire critical dynamic data to support field development planning.

The Elang reservoir interval in Barossa-6 is similar to the high quality reservoir penetrated in the offset Barossa-3 well, drilled in 2014, some 4.3 kilometres to the east. Barossa-6 flowed gas and condensate from an interval between 4,103 metres to 4,144 metres at a maximum rate of 65 million standard cubic feet (mmscf) per day on a 68/64" choke. A condensate gas ratio of 7 barrels per mmscf was measured at surface with gas composition analysis indicating inerts were as expected. The well flow rate was constrained by test facilities. Multiple hydrocarbon samples were collected for further analysis.

The two-well Barossa appraisal drilling programme has now been successfully concluded with results significantly reducing resource uncertainty and further confirming the high deliverability potential of the primary Elang reservoir. Subsurface data obtained from the appraisal program will now be integrated into subsurface models to support a Front End Engineering Design (FEED) entry decision in early 2018.

The Barossa gas field, 300 kilometres north of Darwin, sits within Santos' Northern Australia asset, one of the company's five core assets. Santos remains committed to working with its joint venture partners in Northern Australia to commercialise the company's significant discovered resource base in the region through backfill and/or expansion of existing projects.

Santos holds a 25% interest in the Barossa-Caldita joint venture along with partners ConocoPhillips (37.5% and operator) and SK E&S (37.5%). Santos is also a joint venture partner in Darwin LNG with an 11.5% interest.

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