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Santos discovers oil at Finucane South

Santos today announced an oil discovery at Finucane South in the Carnarvon Basin, offshore Western Australia. Well logs and wire line testing have confirmed a net oil column of 18 metres in excellent quality reservoir sands in the Angel Formation.

The Finucane South oil discovery is located approximately 7 kilometres from the Fletcher oil field discovered in 2009 and approximately 14 kilometres from existing oil production facilities at Mutineer Exeter. Both Finucane South and Fletcher are located within WA-191-P.

Engineering studies for a dual field development of the Finucane South and Fletcher discoveries are well advanced, with the WA-191-P participants expected to be in a position to make a final investment decision before the end of 2011.

A number of development options have been considered, including a sub-sea tie back to the Santos operated floating production, storage and offloading facility servicing Mutineer Exeter. This would enable first oil production from Finucane South and Fletcher by the end of 2013.

Santos Vice President Exploration and Subsurface Trevor Brown said the Finucane South result was on the high side of pre-drill expectations and is another valuable discovery for Santos following the Zola gas discovery in April this year.

Santos Vice President WA & NT John Anderson said Finucane South when combined with Fletcher would allow the WA-191-P partners to progress an oil development with an exceptionally quick cycle time to first oil production.

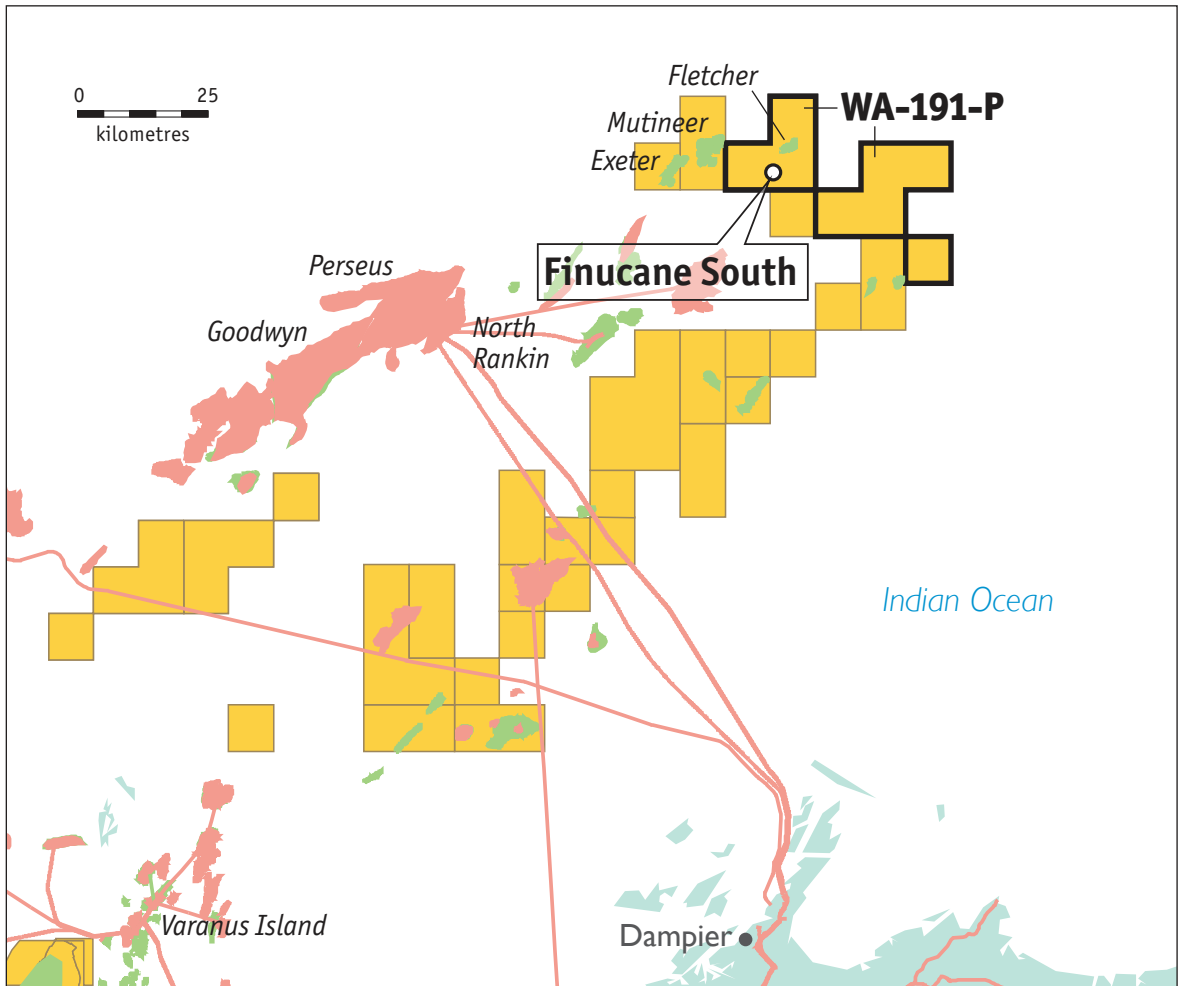
The well will be suspended after finalisation of the evaluation program.

Santos holds a 33.4% interest in WA-191-P and is operator. Other participants are Kufpec Australia (33.4%), JX Nippon Oil & Gas Exploration Corporation (25%) and Tap Oil (8.2%).

Map attached.

Ends.

Finucane South



LEGEND

- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline

