

3 May 2018

## Santos announces sale of non-core Asian assets

Santos today announced the sale of its non-core Asian portfolio to Ophir Energy plc (Ophir) for US\$221 million.

The sale is consistent with Santos' strategy to realise value from its late-life non-core assets and will result in Santos making country exits from Vietnam, Indonesia<sup>1</sup>, Malaysia and Bangladesh.

The assets sold to Ophir include the following interests:

- 31.875% in the Block 12W PSC<sup>2</sup> (Chim Sáo and Dua oil fields), Vietnam;
- 67.5% in the Madura Offshore PSC (Maleo and Peluang gas fields), Indonesia;
- 45% in the Sampang PSC (Oyong and Wortel gas fields), Indonesia;
- 20% in the Deepwater Block R PSC (Bestari oil discovery), Malaysia;
- 45% in the SS-11 PSC, Bangladesh;
- 50% in Block 123 PSC and 40% in Block 124 PSC, Vietnam.

All Santos employees associated with these assets will transfer to Ophir as part of the sale.

The producing assets sold are relatively late-life and are not prioritised for capital in the Santos portfolio. Santos' share of production from the assets in the first quarter of 2018 was 1.4 million barrels of oil equivalent.

Under the terms of the sale, the transaction will have an effective date of 1 January 2018. Completion is expected in the second half of 2018 and is subject to customary consents and approvals for a transaction of this nature. Completion is also subject to approval by Ophir shareholders as required under London Stock Exchange regulations, expected to take place in June 2018.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said: "The sale of the Asian assets further delivers on our undertaking to simplify our business and focus on our five core long-life natural gas assets in Australia and Papua New Guinea."

"We have always believed the Asian assets are a quality portfolio and are pleased to achieve an attractive outcome for our shareholders. Santos will work with Ophir to ensure a smooth transition, including the transfer of all the Santos employees to Ophir."

Proceeds from the sale will be applied to further reduce Santos' net debt, which stood at US\$2.5 billion at the end of March 2018.

<sup>1</sup> Santos' 50% interest in the North West Natuna PSC (Ande Ande Lumut) oil development in Indonesia is not included in the transaction package, with the intention that Santos exit this asset separately.

<sup>2</sup> Production Sharing Contract

### Media enquiries

Joanna Vaughan  
+61 2 9276 1134 / +61 (0) 419 111 779  
joanna.vaughan@santos.com

### Investor enquiries

Andrew Nairn  
+61 8 8116 5314 / +61 (0) 437 166 497  
andrew.nairn@santos.com

### Santos Limited

ABN 80 007 550 923  
GPO Box 2455, Adelaide SA 5001  
T +61 8 8116 5000 F +61 8 8116 5131  
www.santos.com

RBC is acting as financial adviser and Herbert Smith Freehills is acting as legal adviser to Santos.

## **About Ophir Energy**

Ophir Energy is an independent upstream oil and gas exploration and production company focused on Asia and Africa. It is headquartered in London and listed on the London Stock Exchange. [www.ophir-energy.com](http://www.ophir-energy.com)

Ends.