

29 June 2021

Santos launches Dorado FEED

Santos today announced the launch of Front-End Engineering and Design (FEED) for the Dorado project in the Bedout Sub-basin, offshore Western Australia.

Dorado is an integrated oil and gas project which is planned to be developed in two phases. Phase 1 development involves the production of oil and condensate through a well head platform (WHP) and floating production, storage and offloading facility (FPSO). Phase 1 has an estimated gross capital cost of approximately US\$2 billion, assuming a purchased FPSO.

The selected concept of a FPSO and WHP allows for the optimal integrated development of both the gas and liquids resource and retains sufficient flexibility to support future exploration success. Gas will be reinjected in the initial phase to enhance oil and condensate recovery.

Phase 2 will then develop the significant natural gas resources in the Bedout Sub-basin and provide future backfill supply to Santos' current WA domestic gas infrastructure assets.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Dorado is expected to have an initial gross oil production rate of between 75,000 to 100,000 barrels per day of high-quality crude that is expected to earn a premium to regional pricing benchmarks.

"Entering FEED for the Dorado project is a significant milestone and has the project on schedule for a final investment decision around mid-2022, building on the investment decision on the Barossa gas project earlier this year," Mr Gallagher said.

"Dorado is on track to be the first development in the Bedout Sub-basin, with its high-quality reservoirs and shallow-water setting, making it a very cost-competitive project globally.

"Dorado is also a very low CO₂ reservoir with approximately 1.5 per cent CO₂, and with all gas reinjected in the initial phase, making it one of the lowest emission intensity oil projects in the region.

"After the initial phase of liquids production, gas export from the development allows for a future source of supply into our domestic gas infrastructure in Western Australia.

"Potential nearby tie-in opportunities, starting with the Pavo and Apus prospects to be drilled early next year, could be easily tied-back into the Dorado infrastructure and materially increase the value of the project, due to the very low cost of development," Mr Gallagher said.

FEED contracts for the FPSO and WHP design are being finalised and are expected to be awarded over the next few months. This follows the competitive pre-FEED phase of the project where top-tier contractors have been engaged for these major work packages.

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Santos has an 80 per cent interest in the Dorado project and is operator. The remaining interest is held by Carnarvon Petroleum.

Santos is currently undertaking a process to seek interest from the market in non-operated equity in Dorado and potentially other WA oil assets.

Ends.

This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.