

28 July 2021

Bayu-Undan Phase 3C infill production exceeds expectations

Santos, as operator of the Bayu-Undan Joint Venture, today announced that production from the Phase 3C infill drilling program at the Bayu-Undan field had begun with the first well producing a better than anticipated outcome.

The first well has been brought online at 178 million standard cubic feet per day (mmscfd) of gas and 11,350 barrels per day (bbl/d) of liquids, significantly increasing liquids production to over 25,000 bbl/d from the field and increasing offshore well capacity for supply of gas to the Darwin LNG plant.

The Noble Tom Prosser jack-up rig has now commenced drilling the second of the three wells, with the program expected to be completed early next year and will maximise value from the Bayu-Undan field.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said: “We are delighted to see first production from the 3C program, which is immediately delivering value to both the Bayu-Undan Joint Venture and the people of Timor-Leste and importantly helps extend the life of Bayu-Undan and the jobs and investment that rely on it.

“Following the successful result from the first of the Van Gogh Phase 2 infill wells, today’s results are another example of Santos creating incremental value from acquired assets.

“We’ve seen a better than expected reservoir outcome with this first well of the campaign, with successful results across both the primary and secondary targets in the well and a much higher initial gas production rate than expected.”

“It has not come without its challenges, managing crew movements with COVID-19 outbreaks either side of the Timor Sea, so I want to acknowledge the efforts of our team, our Joint Venture partners and specifically the Timor-Leste regulator, Autoridade Nacional do Petróleo e Minerais (ANPM), in keeping this exciting program on track.”

The successful drilling and tie-in of the first of three new wells comes six months after a Final Investment Decision and has lifted natural gas and liquids production for the field in Timor-Leste offshore waters.

ANPM President Florentino Soares Ferreira said: “From the outset, the Phase 3C program has been seen as an opportunity to maximise the ultimate recovery in the Bayu-Undan field. This was of course a calculated decision from the regulatory side considering we are working under the Production Sharing Agreement regime in which the cost recovery scheme is a fundamental element in our assessment.

“Managing the mobilisation of the crews between Bayu-Undan and hotspot areas during the pandemic has been a challenging task, but with great synergy between the Operator and ANPM, the Phase 3C operation has been smooth.

Media enquiries

James Murphy
+61 (0) 478 333 974
james.murphy@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

“The successful result of the first 3C well has proven to us that our decision for approval was correct. We can now give additional hope to Timor-Leste with the increase of production and extension of the Bayu-Undan field life, and we look forward to the success of the two remaining 3C wells.”

Santos has a 43.4% operated interest in Bayu-Undan. The remaining interest is held by SK E&S (25%), INPEX (11.4%), Eni (11%), JERA (6.1%), and Tokyo Gas (3.1%).

Ends.



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