

### Indices and Prices

All Ordinaries	6,372
Energy Index	11,199
Brent AU\$/bbl	\$ 100
AUS\$/US\$	\$ 0.716
Live Gold/AU\$	\$ 1,781

As at close 16 April 2019

## Santos (STO)

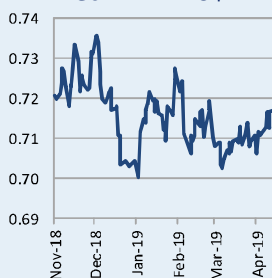
**Santos (STO)** and **Central Petroleum (CTP)** have embarked on drilling a 3,600 metre deep well at the Dukas prospect in EP-112 in Central Australia. The sub-salt wildcat well is targeting a "multi-Tcf" gas resource with potential to yield associated valuable helium gas, which has a market price that is 10-20 times that of methane.

If history is a guide, drilling will be tough and slow going while the target zone could be over-pressured, creating interesting drilling conditions! Results should be known by mid-June.

Santos is earning a 70% interest in the project by paying for this well, leaving CTP with a free-carried 30% stake.



### GOLD LIVE AU\$



### ALL ORDINARIES



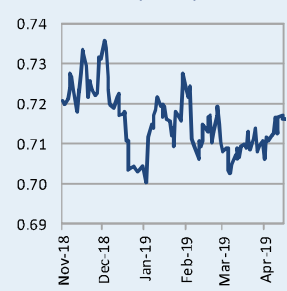
### S&P ASX 200 ENERGY INDEX



### BRENT CRUDE OIL \$AU/BARREL



### AU\$/US\$



Risky Valuation Matrix		Prospective Res		POS	ISV
Target		mmbbl	Pj	%	\$m
Dukas		5	1500	18%	\$ 1,430
<b>In-ground Value Assumptions</b>					
Oil \$A/bbl		\$ 16 /bbl			
gas A\$/GJ		\$ 0.90 /GJ			
<b>Discovery Value per share</b>		<b>STO</b>	<b>CTP</b>		
% post farm-down		70%	30%		
Dukas		\$ 0.48	\$ 0.55		
<b>Total Risk Adjusted Value</b>		<b>\$ 0.089</b>	<b>\$ 0.102</b>		
Current Price		\$ 6.94	\$ 0.150		
Leverage to success		7%	363%		

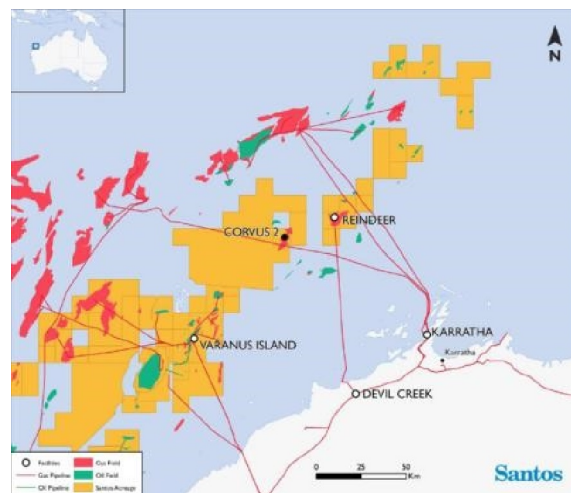
StockAnalysis assesses a 1.5 Tcf discovery, ascribing an insitu value of A\$0.90 per GJ to any gas discovered in this location. Gas from the permit could be developed for delivery north, along the NT's Amadeus pipeline and into the NEG, taking gas east into the lucrative Eastern States gas market where prices are around A\$8 to A\$11/GJ.

In the success case, Santos could add \$0.48 per share with its 70% interest while Central would see a whopping \$0.55 per share, if the market was as generous as StockAnalysis, and ascribed a value of 90 cents per GJ to a 1.5 Tcf discovery in what is described only as a multi-Tcf target!

Meanwhile, **Santos** has been busy appraising the 100% held Corvus gas field within assets it purchased as part of the **Quadrant Energy** acquisition. The Quadrant purchase also gave Santos 100% of the Reindeer and Devils Creek domestic gas business along with 100% of the Varanus Island domestic gas and oil operations.

Drilling at Corvus in WA-45-R surprised the company, finding a record 638 metre gas column containing 245 metres of net pay located about 3 kilometres from the discovery well drilled in 2000. StockAnalysis estimates that the Corvus field could yield as much as 1.6 Tcf of gas plus 16 mmbbls of condensate.

With a tie-in to the Varanus Island facility located just 62 km to the southwest and the Reindeer production platform located 28 kilometres to the northeast, Santos has opened up multiple options to keep these facilities in full operation well into the 2030s by developing the gas for domestic use in WA.



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