

8 August 2018

Barikewa-3 confirms significant natural gas resource in PNG

Santos today announced the Barikewa-3 well, located in Papua New Guinea's onshore Forelands region, intersected 25 metres of net gas pay within the Toro and Hedinia reservoir objectives.

Reservoir quality exceeded pre-drill expectations and the appraisal well successfully intersected a gas-water contact in the Hedinia.

A drill-stem test was carried out across the Toro interval at 1,729 to 1,743 metres and flowed gas to surface at 35 million standard cubic feet of gas per day (mmscf/d) on a 68/64" choke. On-site analysis of the gas from the drill-stem test and earlier wireline sampling confirms a dry gas with approximately 20% nitrogen and very low levels of other impurities, in line with pre-drill expectations.

The well, in petroleum permit PRL9, reached total depth of 1,943 metres on 15 July and will be plugged and abandoned as planned upon completion of the test and data retrieval.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said: "The Barikewa-3 result is encouraging and confirms that there are significant natural gas resources close to PNG LNG infrastructure still to be developed."

"Barikewa is located approximately 10 kilometres from the PNG LNG gas pipeline and is therefore well placed to play a part in future LNG expansion projects," Mr Gallagher said.

Santos has been exploring in Papua New Guinea since the 1980s, is a foundation partner in the PNG LNG Project and has identified PNG as one of its five core long-life natural gas assets for growth. Santos' strategy in PNG is to work with its partners to align interests, and support and participate in backfill and expansion opportunities at PNG LNG.

Santos, through its wholly owned subsidiary Barracuda Limited, holds a 40% interest in the PRL9 joint venture, operated by Oil Search.

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