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Gas discovery at Bianchi in the Carnarvon Basin

Santos today announced a gas discovery at the Bianchi-1 well in Retention Lease WA-49-R, located in the Carnarvon Basin offshore Western Australia.

Wireline logging and pressure testing has confirmed 112 metres of net gas pay between 4,748 metres and 5,343 metres in the primary target Triassic-aged Mungaroo formation.

Preliminary wireline evaluation has highlighted good reservoir properties in line with those observed at Zola-1, discovered in April 2011.

The gas column lies within a separate fault block down dip of the Zola-1 gas discovery, which is approximately 6 kilometres to the south-west. The water depth at the well location is 240 metres.

Santos Vice President Western Australia and Northern Territory John Anderson said Bianchi confirmed a significant northern accumulation in the greater Zola complex, materially adding to the resource potential of the area.

"The Zola and Bianchi discoveries are strategically placed near proposed and existing gas infrastructure and these additional volumes bolster joint venture discussions around commercialisation options," Mr Anderson said.

Santos Head of Exploration Bill Ovenden said the success at Bianchi was a further promising step in the evaluation of the prospectivity of the Zola structural trend.

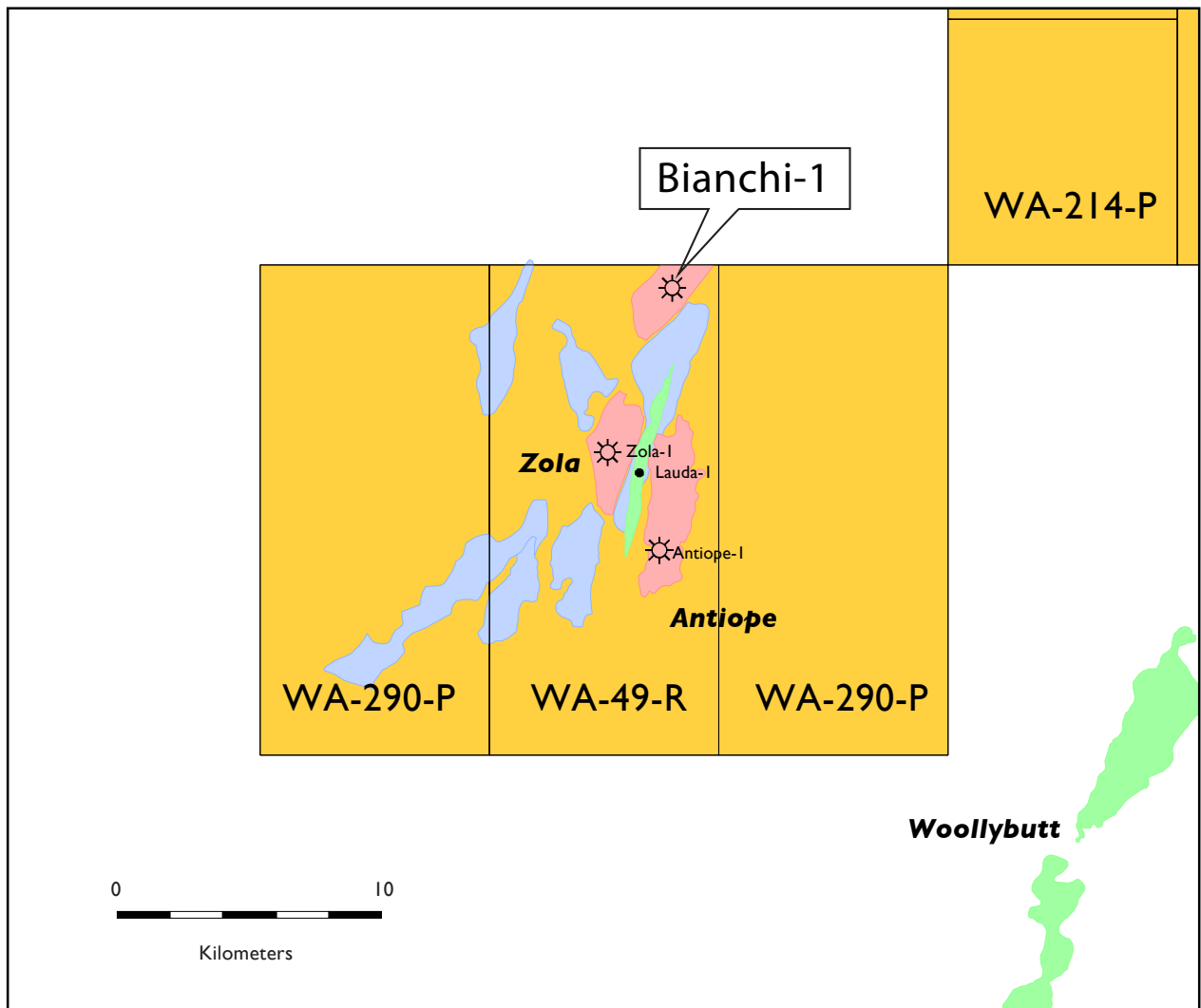
"This well has provided us with confidence that multiple material, low-risk drilling opportunities exist within the retention lease and within the adjacent WA-290-P license areas," he said.

Santos holds 24.75% of WA-49-R and WA-290-P. Apache (operator) holds 30.25%, OMV Australia 20%, JX Nippon 15% and Tap Oil 10%.

Map attached.

Ends.

Bianchi-1



LEGEND

- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline
- Prospects

