ASX/Media Release

Santos

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Further shale gas success at Moomba-194 in the Cooper Basin

Santos today announced that the Moomba-194 vertical shale gas well in the Cooper Basin is flowing gas at an average rate of 3 million standard cubic feet per day (mmscf/d).

Moomba-194 is a follow-up to the existing successful shale gas well Moomba-191 within Santos' Cooper Basin unconventional resource exploration program.

Moomba-194 was drilled to a depth of 3,368 metres to appraise the gas potential in various unconventional and shale plays. Five standard fracture stimulation stages were placed within selected targets across the Permian section, including the Patchawarra deep coal, Patchawarra tight sand, Upper Patchawarra hybrid shale, Murteree shale and Epsilon hybrid shale zones. Initial production logging indicates all five zones are contributing to gas flow.

Following completion of the stimulation activities on 8 December, the well has been on production test for over one week and recorded a gas flow prior to production logging of 3.1 mmscf/d at 1,075 psi through a 28/64 inch choke, with an associated CO_2 content consistent with that historically produced in the Moomba North area of the Cooper Basin.

The Moomba-194 result:
- demonstrates a potentially material extension to the Moomba North field;
- proves flow from multiple shale gas targets located outside of structural closure; and
- represents a further step towards commercialisation of the greater Nappamerri Trough where Santos has an active exploration program underway, including its first horizontal shale well, Roswell-2.

Santos VP Eastern Australia James Baulderstone said Moomba-194 is another significant milestone in Santos' ongoing program to unlock the large Cooper Basin unconventional resource.

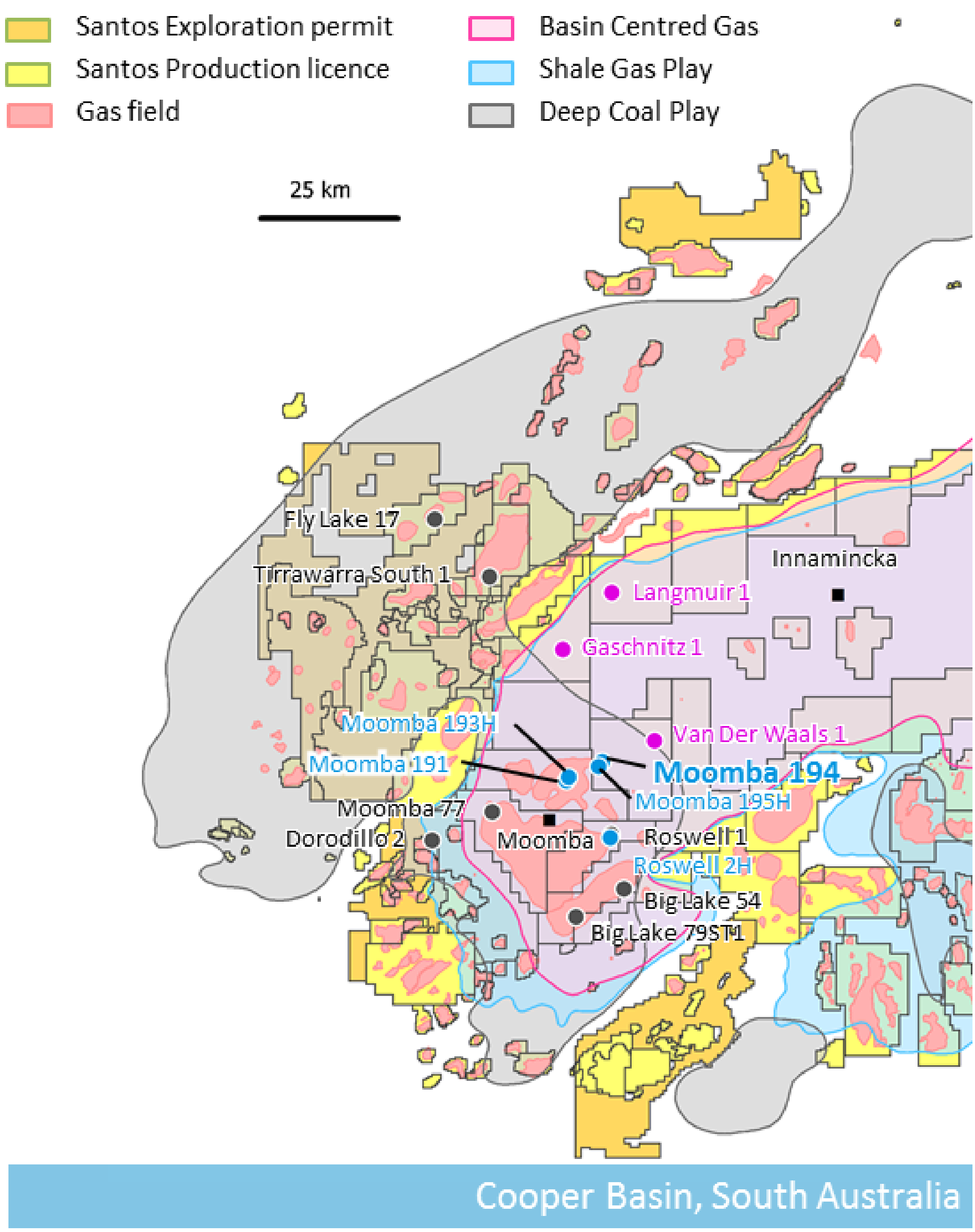
"Santos' deep understanding of the Cooper Basin, plus our access to critical infrastructure, enables us to lead the way in realising Australia's unconventional gas potential."

"Moomba-194 is well positioned, only 2 kilometres from existing infrastructure and Santos expects to rapidly tie this well into our production network," Mr Baulderstone said.

Moomba-194 is within PPL 113, located 2 kilometres outside the established Moomba field limits and within the Nappamerri Trough, in the South Australian Cooper Basin. Santos as operator holds 66.6% while joint venture partners Beach Energy hold 20.21% and Origin Energy 13.19%.

Map attached.

Ends.



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