

15 May 2017

Further positive results at Muruk

Santos today announced further positive results from the Muruk 1 exploration well being drilled in the Papua New Guinea Highlands.

Following the successful gas discovery at Muruk 1 announced in December 2016, an additional sidetrack (Muruk 1ST3) has been successfully drilled through the Toro reservoir objective to the south west of the Muruk 1 gas discovery.

Well logs and pressure data have confirmed that the entire Toro reservoir section is gas saturated. The Toro Sandstone interval in Muruk 1ST3 is similar to the excellent, high quality reservoir penetrated in the original Muruk 1 wellbore.

After cementing the 7" liner at 3,921 metres, Muruk 1ST3 penetrated the top Toro at 3,968 metres and was drilled to a depth of 4,025 metres. Two cores were cut and the well was then deepened to 4,130 metres, to enable a full suite of logs and pressure data to be acquired. No hydrocarbon contact was penetrated.

The data acquired from logging, cores and pressure samples is now being evaluated. Subject to Joint Venture approval, a production test will be undertaken, to assess the deliverability and potential flow rates from the Toro. After completion of the final evaluation and testing programme, the well will be plugged and abandoned, as planned.

The Muruk drilling programme confirms the discovery of a potentially significant new gas field, 21 kilometres north west of the Hides production facilities. The data from the Muruk drilling program will be evaluated to assist in the definition of forward appraisal options.

Santos has operated in PNG since the late 1980's. PNG is one of Santos' five core assets and the company is committed to working with its long-term partners in-country to explore and develop.

Muruk participants are affiliates of Santos (20%), affiliates of ExxonMobil (42.5%) and Oil Search (37.5%, operator). Santos' farm-in is subject to customary regulatory approvals.

Ends.

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