

21 July 2011

### Comparative performance at a glance

<b>Quarterly Comparison</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Change</b>
Production (mmboe)	11.9	11.0	+8%
Sales (mmboe)	14.5	13.1	+11%
Sales revenue (A\$ million)	599	501	+20%
<b>Corresponding Period</b>	<b>Q2 2011</b>	<b>Q2 2010</b>	<b>Change</b>
Production (mmboe)	11.9	11.9	+0%
Sales (mmboe)	14.5	14.9	-3%
Sales revenue (A\$ million)	599	580	+3%
<b>Year to Date Comparison</b>	<b>2011</b>	<b>2010</b>	<b>Change</b>
Production (mmboe)	22.9	24.2	-5%
Sales (mmboe)	27.6	28.5	-3%
Sales revenue (A\$ million)	1,101	1,091	+1%

### Higher quarterly production as operations recover from wet weather

- > Production of 11.9 million barrels of oil equivalent (mmboe) in the June quarter was 8% higher than the first quarter of 2011 and in line with the corresponding period in 2010.
- > Following adverse weather conditions in the first quarter, Cooper Basin production operations and well construction activities are returning to normal as conditions dry out and access improves, however several fields remain flood-affected.
- > Quarterly natural gas, ethane and LNG production was 6% above the first quarter due to higher production from the Cooper Basin, John Brookes and Victoria. The average realised gas price was \$4.61 per gigajoule, 5% higher than the corresponding period.
- > Quarterly crude production was 21% above the first quarter due to higher production from Western Australian assets and the Cooper Basin. Timing of oil shipments resulted in a 595,000 barrel net crude oil underlift in the first half, which is expected to be recovered during the remainder of 2011.
- > Production guidance for 2011 is maintained at 47 to 50 mmboe.

### Key activities during the period

- > Construction progressing to schedule and budget on the US\$16 billion, 7.8 million tonne pa GLNG project; clearing of the LNG plant site on Curtis Island is well advanced and the first concrete pour was made during the quarter.
- > A significant gas discovery at the Zola-1 exploration well, located in the Carnarvon Basin offshore Western Australia. The well intersected more than 100 metres of net pay in a good quality reservoir.
- > Oil discovery at the Finucane South exploration well, also located in the Carnarvon Basin and near to the existing Santos-operated oil production facilities at Mutineer-Exeter.
- > Gas production commenced ahead of schedule from the Halyard well offshore Western Australia.
- > New three-rig drilling fleet commissioned in the Cooper Basin.
- > Growth projects in the base business (Chim São, Reindeer and Wortel) remain on schedule for first production this year.
- > Successfully acquired and analysed a shale core in the Moomba 185 well. Desorption testing indicates results commensurate with US producing shale gas basins.

#### Media enquiries

Jeremy Milne  
+61 8 8116 5529 | +61 (0) 438 803 549  
[jeremy.milne@santos.com](mailto:jeremy.milne@santos.com)

#### Investor enquiries

Andrew Nairn  
+61 8 8116 5314 | +61 (0) 437 166 497  
[andrew.nairn@santos.com](mailto:andrew.nairn@santos.com)

**Santos Limited** ABN 80 007 550 923  
GPO Box 2455, Adelaide SA 5001  
T: +61 8 8116 5000 | F: +61 8 8116 5131  
[www.santos.com](http://www.santos.com)

Santos Chief Executive Officer David Knox said that while recovery from the flooding in central Australia was well underway, several fields remain flood-affected and the company's operations in the Cooper Basin would continue to be impacted for several months.

"Gas and liquids production from the Cooper Basin improved in the June quarter, and we expect continued progress in coming months. It is also pleasing to report higher oil production from our Western Australian assets at a time of strong oil prices."

Mr Knox said construction of the GLNG project was progressing to schedule and budget.

"GLNG construction activity is ramping up quickly. Site clearing and bulk earthworks at the LNG plant site on Curtis Island are well underway.

"GLNG is off to a good start. We are on schedule for first LNG in 2015," Mr Knox said.

Santos announced on 18 July 2011 the acquisition of 100% of the outstanding ordinary shares in Eastern Star Gas Limited (ESG) via a recommended Scheme of Arrangement. Santos also announced the sale of a 20% working level interest in ESG's permits in the Gunnedah Basin to TRUenergy for \$284 million.

"The acquisition of ESG is a unique opportunity to consolidate our Gunnedah Basin interests and establish the leading position in Australia's next major natural gas province. TRUenergy, one of Australia's leading integrated energy companies, is an ideal partner to develop ESG's permits with Santos," Mr Knox said.

Completion of the acquisition of ESG and sale of interests to TRUenergy is expected by late October 2011.

## 2011 Guidance

All guidance for 2011 is maintained as shown in the table below.

Item	2011 Guidance
Production (mmboe)	47 - 50
Production costs (\$m)	550 - 590
Depreciation, depletion & amortisation (DD&A) expense (\$/boe)	12 - 13
Royalty-related taxation expense (\$m after tax)	80 - 100
Capital expenditure (including exploration and evaluation) (\$m)	3,000

Royalty-related taxation expense guidance assumes an oil price of A\$90 per barrel for the remainder of the year. Capital expenditure guidance includes \$2 billion for LNG projects, \$400 million for other sanctioned growth projects (Reindeer, Spar, Chim São, Wortel and Kipper) and \$150 million for conventional exploration.

Further detail of 2011 year-to-date capital expenditure, including exploration and evaluation expenditure, is reported in the table on page 6 of this release.

Santos will announce its results for the half-year ended 30 June 2011 on Friday 19 August 2011. The half-year report (incorporating Appendix 4D) and associated investor briefing slide presentation will be available on Santos' website at [www.santos.com](http://www.santos.com). A webcast briefing including investor/analyst questions will also be available on Santos' website from 11:00am AEST on 19 August 2011.

## I. Sales & Production

	Quarter Ended			YTD		Full Year
	Q2 2011	Q2 2010	Q1 2011	2011	2010	2010
<b>Sales Gas, Ethane and LNG (PJ)</b>						
Cooper Basin	16.1	15.8	14.8	30.9	31.1	66.6
Surat/Bowen/Denison	3.5	3.2	3.7	7.2	6.9	14.5
GLNG	2.3	4.8	2.4	4.7	9.7	19.6
Amadeus	0.2	0.3	0.2	0.4	1.2	1.6
Otway/Gippsland	5.1	5.2	4.3	9.4	9.1	19.2
Carnarvon	11.2	11.6	10.3	21.5	24.0	47.7
Bonaparte	3.6	2.0	3.7	7.3	5.6	15.0
Indonesia	9.9	9.6	10.0	19.9	19.3	38.2
Bangladesh	1.0	1.2	0.7	1.7	2.2	3.8
<b>Total Sales Gas, Ethane and LNG Production</b>	<b>52.9</b>	<b>53.7</b>	<b>50.1</b>	<b>103.0</b>	<b>109.1</b>	<b>226.2</b>
<b>Total Sales Volume (Own Product)</b>	<b>53.0</b>	<b>58.5</b>	<b>50.2</b>	<b>103.2</b>	<b>113.7</b>	<b>242.1</b>
<b>Total Sales Volume (Third Party)</b>	<b>17.5</b>	<b>11.2</b>	<b>13.7</b>	<b>31.2</b>	<b>20.0</b>	<b>35.6</b>
<b>Gas Price (Avg A\$/GJ)</b>	<b>4.61</b>	<b>4.38</b>	<b>4.20</b>	<b>4.41</b>	<b>4.37</b>	<b>4.31</b>
<b>Total Sales Revenue (A\$m)</b>	<b>324.7</b>	<b>305.4</b>	<b>268.6</b>	<b>593.3</b>	<b>584.0</b>	<b>1196.9</b>
<b>Condensate (000's bbls)</b>						
Cooper Basin	242.2	232.0	233.6	475.8	450.9	945.8
Surat/Denison/GLNG	0.8	0.7	0.9	1.7	1.1	4.3
Amadeus	5.0	9.4	5.9	10.9	12.5	25.9
Otway	5.0	3.4	4.3	9.3	12.6	23.5
Carnarvon	108.1	115.4	98.1	206.2	239.5	474.4
Indonesia	1.3	1.6	1.6	2.9	2.5	3.8
Bonaparte	306.5	224.1	337.8	644.3	589.4	1367.0
Bangladesh	0.1	0.1	0.2	0.3	0.4	0.4
<b>Total Condensate Production</b>	<b>669.0</b>	<b>586.7</b>	<b>682.4</b>	<b>1351.4</b>	<b>1308.9</b>	<b>2845.1</b>
<b>Total Sales Volume (Own Product)</b>	<b>608.9</b>	<b>551.2</b>	<b>581.8</b>	<b>1190.7</b>	<b>1305.9</b>	<b>2918.5</b>
<b>Total Sales Volume (Third Party)</b>	<b>59.4</b>	<b>48.8</b>	<b>44.4</b>	<b>103.8</b>	<b>50.4</b>	<b>90.6</b>
<b>Condensate Price (Avg A\$/bbl)</b>	<b>99.36</b>	<b>97.33</b>	<b>116.86</b>	<b>107.84</b>	<b>90.18</b>	<b>84.13</b>
<b>Condensate Price (Avg US\$/bbl)</b>	<b>105.81</b>	<b>85.99</b>	<b>117.85</b>	<b>110.79</b>	<b>81.01</b>	<b>78.29</b>
<b>Total Sales Revenue (A\$m)</b>	<b>66.4</b>	<b>58.4</b>	<b>73.2</b>	<b>139.6</b>	<b>122.3</b>	<b>253.1</b>
<b>LPG (000 t)</b>						
Cooper Basin	33.6	30.5	28.4	62.0	63.3	132.7
Surat/Denison/GLNG	0.0	0.1	0.0	0.0	0.1	0.1
Bonaparte	17.8	12.9	19.2	37.0	34.3	77.7
<b>Total LPG Production</b>	<b>51.4</b>	<b>43.5</b>	<b>47.6</b>	<b>99.0</b>	<b>97.7</b>	<b>210.5</b>
<b>Total Sales Volume (Own Product)</b>	<b>58.7</b>	<b>42.5</b>	<b>41.6</b>	<b>100.3</b>	<b>100.8</b>	<b>221.2</b>
<b>Total Sales Volume (Third Party)</b>	<b>0.0</b>	<b>0.9</b>	<b>0.6</b>	<b>0.6</b>	<b>1.9</b>	<b>3.3</b>
<b>LPG Price (Avg A\$/t)</b>	<b>889.81</b>	<b>885.50</b>	<b>860.12</b>	<b>877.39</b>	<b>854.97</b>	<b>820.12</b>
<b>Total Sales Revenue (A\$m)</b>	<b>52.2</b>	<b>38.4</b>	<b>36.3</b>	<b>88.5</b>	<b>87.8</b>	<b>184.1</b>
<b>Crude Oil (000's bbls)</b>						
Cooper Basin	713.8	622.4	635.8	1349.6	1218.8	2557.8
Surat/Denison/GLNG	23.0	18.0	26.3	49.3	33.6	84.1
Amadeus	25.1	15.3	20.5	45.6	39.0	86.3
Thevenard	66.2	67.9	47.3	113.5	124.7	254.0
Barrow	146.4	140.9	108.2	254.6	283.4	561.1
Stag	469.2	431.3	345.2	814.4	835.6	1430.6
Mutineer Exeter	121.5	161.0	54.2	175.7	284.0	572.6
Indonesia	66.3	159.8	111.3	177.6	313.1	578.8
SE Gobe	20.5	24.7	21.4	41.9	47.9	93.2
Other <sup>1</sup>	0.0	87.5	0.0	0.0	178.2	308.7
<b>Total Crude Oil Production</b>	<b>1652.0</b>	<b>1728.8</b>	<b>1370.2</b>	<b>3022.2</b>	<b>3358.3</b>	<b>6527.2</b>
<b>Total Sales Volume</b>	<b>1313.5</b>	<b>1981.2</b>	<b>1114.0</b>	<b>2427.5</b>	<b>3414.4</b>	<b>6797.5</b>
<b>Oil Price (Avg A\$/bbl)</b>	<b>118.68</b>	<b>89.64</b>	<b>110.70</b>	<b>115.02</b>	<b>86.99</b>	<b>87.35</b>
<b>Oil Price (Avg US\$/bbl)</b>	<b>126.38</b>	<b>79.28</b>	<b>111.64</b>	<b>118.16</b>	<b>78.21</b>	<b>81.29</b>
<b>Total Sales Revenue (A\$m)</b>	<b>155.9</b>	<b>177.6</b>	<b>123.3</b>	<b>279.2</b>	<b>297.0</b>	<b>593.8</b>
<b>TOTAL</b>						
<b>Production (mmboe)</b>	<b>11.9</b>	<b>11.9</b>	<b>11.0</b>	<b>22.9</b>	<b>24.2</b>	<b>49.9</b>
<b>Sales Volume (mmboe) Own Product</b>	<b>11.4</b>	<b>12.9</b>	<b>10.7</b>	<b>22.1</b>	<b>25.0</b>	<b>53.0</b>
<b>Sales Volume (mmboe) Third Party</b>	<b>3.1</b>	<b>2.0</b>	<b>2.4</b>	<b>5.5</b>	<b>3.5</b>	<b>6.2</b>
<b>Sales Volume Total</b>	<b>14.5</b>	<b>14.9</b>	<b>13.1</b>	<b>27.6</b>	<b>28.5</b>	<b>59.2</b>
<b>Sales Revenue (A\$m)</b>	<b>599.2</b>	<b>579.8</b>	<b>501.4</b>	<b>1100.6</b>	<b>1091.1</b>	<b>2227.9</b>

<sup>1</sup> Includes Jabiru, Challis and Legendre which ceased production in 2010.

## Production by Area

*Comparisons between periods for gas, condensate and LPG production are made between the current quarter and the same quarter from the previous year, as production is heavily influenced by seasonal factors. Conversely, comparisons for crude oil are made with the immediate previous quarter, as oil production rates are not generally subject to seasonal variations. Both comparisons are available in the preceding table.*

### Cooper Basin

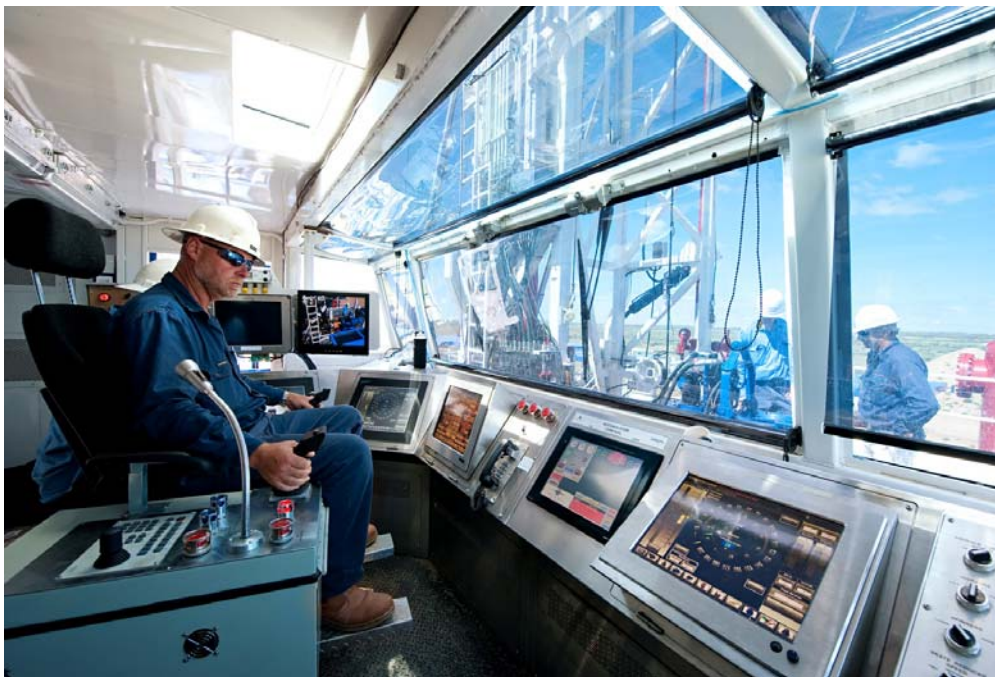
Field access conditions improved in the Cooper Basin in the second quarter following the breakdown of the La Nina weather pattern that brought high rainfall and flooding through 2010 and the first quarter of 2011. Production operations and well construction activities are returning to normal as conditions dry out and access improves, however several fields remain flood affected.

Sales gas and ethane production of 16.1 petajoules (PJ) was 2% higher than Q2 2010 primarily due to improving field access.

Crude oil production of 0.7 million barrels (mmbbls) was 12% higher than Q1 2011 as access to field infrastructure improved. Nine oil wells were brought online during the second quarter.

Condensate production of 0.2 mmbbl was 4% higher than Q2 2010 due to higher gas production.

The fleet of three new drilling rigs began operations in the Cooper Basin during the second quarter. The Saxon Advanced Technology Double (ATD) rigs feature the latest innovations in rig design and have been built to suit multi-well pad developments and infill drilling, as well as unconventional oil and gas shales. State-of-the-art electric and hydraulic systems mean the rigs are significantly quieter than other models, and a compact layout reduces the rig's footprint. Two of the new rigs have been initially assigned to the gas drilling program and one to the oil program. Performance from the rigs to date is encouraging with efficiencies recorded in drill-time and fuel consumption compared to the previous fleet.



Driller's console on new Saxon rig, Cooper Basin.

## Surat Basin/Bowen Basin/Denison Trough

Sales gas production of 3.5 PJ was in line with Q2 2010.

## GLNG

Sales gas production of 2.3 PJ was lower than Q2 2010 due to Santos' interest in GLNG reducing from 60% in Q2 2010 to 30% in Q2 2011 following the sale of interests in the project to Total and KOGAS.

## Otway Basin/Gippsland Basin

Aggregate sales gas production of 5.1 PJ was in line with Q2 2010.

## Amadeus Basin

Sales gas production of 0.2 PJ was in line with Q2 2010.

## Carnarvon Basin

Gas production from the John Brookes field of 11.2 PJ recovered from the cyclone-impacted first quarter but was 3% lower than Q2 2010 due to lower customer nominations.

Mutineer-Exeter production of 0.12 mmbbl was significantly higher than the previous quarter when the FPSO was offline for repairs and maintenance. Field production increased at the end of the second quarter following a successful workover on one of the Mutineer wells. A workover on an Exeter well is currently underway.

Stag production of 0.47 mmbbl was 36% higher when compared to Q1 2011 due to new wells coming on line following the drilling campaign in the first quarter.

## Bayu-Undan / Darwin LNG

Gross Bayu-Undan gas production of 50.6 PJ was significantly higher than Q2 2010 due to the planned full field shutdown completed in the corresponding period. Santos' net entitlement production was 3.6 PJ.

Gross Bayu-Undan condensate production of 5 mmbbl was 49% higher than Q2 2010. Santos' net entitlement production was 0.31 mmbbl.

Gross Bayu-Undan LPG production of 246,100 tonnes was 44% higher than Q2 2010. Santos' net entitlement production was 17,800 tonnes.

## Indonesia

Sales gas production of 9.9 PJ was 3% higher than Q2 2010 due to higher customer nominations at Maleo. Santos' net entitlement crude oil production of 0.07 mmbbl was lower when compared to Q1 2011 mainly due to Oyong oil field natural decline.

## 2. Capital Expenditure

Total exploration, evaluation and development expenditure is summarised in the table below.

\$million	Quarter Ended			YTD	
	Q2 2011	Q2 2010	Q1 2011	2011	2010
<b>Capital Expenditure Summary</b>					
Exploration	27	35	30	57	48
Evaluation including CSG	34	51	16	50	86
Development and Other PP&E	640	390	629	1,269	725
<b>Total Capital Expenditure</b>	<b>701</b>	<b>476</b>	<b>675</b>	<b>1,376</b>	<b>859</b>
<b>Exploration and Evaluation Expensed Summary</b>					
From current year expenditure					
- Exploration	9	19	8	17	34
- Evaluation	17	6	6	23	14
	26	25	14	40	48
Write-off of net amounts capitalised in prior years	3	8	-	3	7
<b>Total Expensed</b>	<b>29</b>	<b>33</b>	<b>14</b>	<b>43</b>	<b>55</b>

### 2.1 Exploration Activity

Well	Basin/Area	Target	Santos %	Well Status
Zola-1	Carnarvon Basin, offshore WA	Gas	24.75	Gas discovery
Finucane South-1	Carnarvon Basin, offshore WA	Oil	33.4	Oil discovery

Zola-1, located in the offshore Carnarvon Basin in Western Australia, reached a total depth of 4,877 metres on 10 April 2011. The well intersected over 100 metres of net gas pay sands over a 400-metre gross interval in the primary target formation. Following completion of wireline logging the well was plugged and abandoned as planned. For more information refer to ASX release of 4 April 2011. A high resolution 3D seismic survey has subsequently been recorded over the field so that the appraisal of the discovery can be optimised.

Finucane South-1, located in the offshore Carnarvon Basin in Western Australia, reached a total depth of 3,090 metres on 24 May 2011. The well intersected a net oil column of 18 metres in excellent quality reservoir sands in the Angel Formation. The well was suspended as planned following completion of the evaluation program. The Finucane South discovery is located approximately seven kilometres from the Fletcher oil field discovered in 2009 and approximately 14 kilometres from existing oil production facilities at Mutineer-Exeter. For more information refer to ASX release of 25 May 2011.

### 2.2 Seismic Activity

Permit	Area/Basin	Survey	Type	km/km <sup>2</sup>	Status
PL10/PL11/ATP336P	Bowen Basin	Gunbar 2D	2D land	170	Completed
ATP526P/ATP337P	Bowen Basin	Wamdoo 2D	2D land	27	Ongoing
OL4	Amadeus Basin	Mereenie 2D	2D land	9	Completed

## 2.3 Development Projects

*Development expenditure during the second quarter of 2011 was A\$640 million. The status of development projects during the second quarter are as follows:*

### Reindeer project (Santos 45%, Apache operator)

Reindeer was sanctioned in April 2008 and involves the development of an unmanned, minimum facility wellhead platform located in 65 metres of water from which gas will be exported to the Devil Creek processing plant via a single 105-kilometre pipeline. During the quarter, Santos and Apache executed the third Gas Sales and Purchase Agreement (GSPA) from Reindeer. The GSPA is for a period of six years commencing in 2013.

All offshore installation works, including the wellhead platform and raw gas pipeline to shore, are complete. The construction of the onshore gas plant at Devil Creek is well advanced and pre-commissioning is now underway. The overall project remains on schedule for first gas in the fourth quarter of 2011.

### Spar project (Santos 45%, Apache operator)

The Spar project involves the staged development of the Spar gas field, initially at the Halyard subsea well and followed by the tie-in of the Spar-2 well. The Halyard well, located approximately 16 kilometres north-west of the existing East Spar facilities, has been drilled and completed. The initial stage of the project was completed in June when first gas and condensate from Halyard began flowing to East Spar via a new pipeline and then on to Varanus Island for processing.

The second stage of the development involves the Spar-2 well, which has been completed as a production well and will be tied into the Halyard facilities for eventual processing at Varanus Island. The Spar-2 well is located two kilometres from Halyard and is expected to be online in 2013.

### Chim Sáo project (Santos 31.875%, Premier Oil operator)

Chim Sáo was sanctioned in December 2009 and is located in the Nam Con Son Basin, approximately 350 kilometres offshore southern Vietnam within Block 12W. Chim Sáo oil and associated gas will be produced via an unmanned, minimum facility wellhead platform located in approximately 100 metres of water. Liquids will be exported from the platform via FPSO and gas offtake will be connected to the existing Nam Con Son pipeline.

Conversion of the FPSO is complete and the vessel has arrived in the field for hook-up and commissioning. The development drilling program continues in accordance with the project schedule with drilling now complete on eight of the planned 15 wells. First oil remains on schedule for the second half of 2011.

### Wortel project (Santos 45%, operator)

The Wortel project was approved for development in November 2010. Wortel is located seven kilometres west of the Santos-operated Oyong oil and gas field, offshore Madura Island in the Sampang PSC, East Java, Indonesia. The project includes two gas wells, a minimum facility wellhead platform and a 10-kilometre gas pipeline to the existing Oyong well head platform. Wortel gas production will then flow through the existing 60-kilometre pipeline to the onshore gas processing facility at Grati for processing and onward sale.

Construction of the Wortel wellhead platform is progressing to plan and first gas is scheduled for the end of 2011.

### Kipper project (Santos 35%, ExxonMobil operator)

Kipper was sanctioned in December 2007 and involves the development of subsea wells tied back to existing processing infrastructure. Drilling and completion of the Kipper wells was completed in 2010, as was fabrication of the subsea equipment and umbilicals. The first two flow bases and trees have been installed.

As of the end of June, the coolers and manifold have been installed in accordance with the schedule. The operator has informed the joint venture that first gas will be deferred beyond the previous expectation of the first half of 2012. The scope and schedule for the works required to deliver Kipper gas, including the design and installation of mercury removal facilities, is under review by the operator. Additional works will be conducted by the Gippsland Basin Joint Venture.

### PNG LNG project (Santos 13.5%, ExxonMobil operator)

Sanctioned in December 2009, the PNG LNG project will develop gas and condensate resources in the Hides, Angore and Juha fields and associated gas resources in the operating oil fields of Kutubu, Agogo, Gobe and Moran in the Southern Highlands and Western Provinces of Papua New Guinea. The gas will be transported by pipeline to a gas liquefaction plant 25 kilometres north-west of Port Moresby with a capacity of 6.6 mtpa. First LNG exports are expected in 2014. PNG LNG has binding LNG sales agreements with four Asian buyers.

Construction for supporting infrastructure is progressing at the LNG plant and at upstream locations. Design and procurement work for the major EPC contracts is in progress. At the Hides gas conditioning plant, construction focus is on camps and bulk earthworks. Survey work for the onshore and offshore pipelines continues, and delivery of the line-pipe is nearing completion. At the LNG plant site, the train-1 process plant and tank foundations and structural steel are in progress. Piling for the offloading jetty has commenced.

### GLNG project (Santos 30%, operator)

Sanctioned in January 2011, GLNG includes the development of coal seam gas resources in the Bowen and Surat Basins in south-east Queensland, construction of a 420-kilometre gas transmission pipeline to Gladstone, and two LNG trains with a combined nameplate capacity of 7.8 mtpa on Curtis Island. First LNG exports are expected in 2015. GLNG has binding LNG sales agreements with PETRONAS and KOGAS for seven mtpa in aggregate.

Construction of GLNG is progressing to schedule and budget.

Clearing of the LNG plant site on Curtis Island commenced during the quarter and is 50% complete. Bulk earthworks on site have commenced. The temporary offloading facility on Curtis Island will be operational in July, on schedule. The GLNG logistics site at Fisherman's Landing on the mainland is complete and operational, and works continue on schedule at the RG Tanna and Port Central logistics sites.

The pipeline survey licence for the 420 kilometre gas transmission pipeline was approved by the Queensland Government during the quarter and geotechnical activities are underway. Marine crossing line-pipe is ready for coating at the yard in Indonesia.

Fluor continues the detailed engineering for the upstream surface facilities with 450 staff working on the project. During the quarter, GLNG and Fluor finalised the contracting terms for a cost-reimbursable performance incentive contract. The capital cost exposure to GLNG under the contract includes a mixture of fixed price and cost-reimbursable elements, based predominately on fixed unit rates. Forty-eight coal seam gas wells were drilled in the GLNG project areas in the first half.



Aerial view of GLNG site on Curtis Island, 4 July 2011.



### 3. Abbreviations and Conversion Factors

Abbreviations		Conversion Factors	
PJ	petajoules	Sales gas & ethane, 1 PJ	171.937 boe x 10 <sup>3</sup>
TJ	terajoules	Crude oil, 1 barrel	1 boe
mmbbl	million barrels	Condensate (naphtha), 1 barrel	0.935 boe
mmboe	million barrels of oil equivalent	LPG, 1 tonne	8.458 boe
mtpa	million tonnes per annum	LNG, 1 PJ	18,040 t
t	tonnes		
P&A	plugged and abandoned		
C&S	cased and suspended		
C&C	cased and completed		
P&S	plugged and suspended		
CTU	coiled tubing unit		
WI	water injector		
CSG	coal seam gas		
pa	per annum		
FPSO	floating production, storage & offloading		

## 4. Appendix

### 4.1 Evaluation Wells and CSG Wells

The table below details wells drilled during the second quarter and their status.

Well Name	Basin/Area	Target	Santos (%)	Well Status
Maxwell South 2	Cooper/Eromanga - QLD	Oil	100	C&S, successful oil
Dinojue 1	Cooper/Eromanga - QLD	Oil	100	P&A
Wandilo South 1	Cooper/Eromanga - QLD	Oil	55.5	P&A
Bridge Creek 5	Surat	CSG	100	C&S, successful gas
Bridge Creek 6	Surat	CSG	100	C&S, successful gas
Hilltop 3	Bowen	CSG	35.81	C&S, successful gas
Hilltop 4	Bowen	CSG	35.81	C&S, successful gas
Hilltop 5	Bowen	CSG	35.81	Drilling
Hilltop 6	Bowen	CSG	35.81	C&S, successful gas
Scotia 38	Bowen	CSG	30.0	C&S, successful gas
Scotia 39	Bowen	CSG	30.0	Drilling
Springwater 7A#	Bowen	CSG	23.85	C&S, successful gas
Fairview 119	Bowen	CSG corehole	23.85	C&S, successful gas
Clematis Creek East 1	Bowen	CSG corehole	30.0	Drilling
Doce Hill 1	Bowen	CSG corehole	23.85	Suspended
Moonah 2	Bowen	CSG corehole	23.85	Drilling
Springwater 5	Bowen	CSG corehole	23.85	C&S, successful gas
Spring Rock 4	Bowen	CSG corehole	23.85	C&S, successful gas
Spring Rock 6	Bowen	CSG corehole	23.85	Drilling
Taringa 7	Bowen	CSG corehole	30.0	P&A
Waddy Brae 1*	Bowen	CSG corehole	47.7	C&S, successful gas
Yallambee 2*	Gunnedah	CSG corehole	35.0	P&A as planned
Dewhurst 19	Gunnedah	CSG corehole	35.0	P&A as planned
Collyrga 1	Gunnedah	CSG corehole	100	P&A as planned
Culgoora 2#	Gunnedah	CSG corehole	35.0	Suspended for further deepening

\*Spudded during first quarter 2011.

#Spudded during fourth quarter 2010.

## 4.2 Development Wells

The table below details development wells drilled during the second quarter and their status.

Well Name	Basin/Area	Target	Santos (%)	Well Status
Moomba 184	Cooper/Eromanga - SA	Gas	66.6	C&S, successful gas
Moomba 185	Cooper/Eromanga - SA	Gas	66.6	C&S, successful gas, deepened for shale core
Moomba 186	Cooper/Eromanga - SA	Gas	66.6	C&S, successful gas
Nephrite South 6	Cooper/Eromanga - SA	Gas	66.6	Drilling
Moomba 187	Cooper/Eromanga - SA	Gas	66.6	Drilling
FV10-19 1	Bowen	CSG	23.85	C&S, successful gas
FV10-21 1	Bowen	CSG	23.85	Drilling
FV15-02 1	Bowen	CSG	23.85	C&C, successful gas
FV15-04 1	Bowen	CSG	23.85	Suspended
FV15-06 1	Bowen	CSG	23.85	Suspended
FV15-07 1	Bowen	CSG	23.85	C&C, pending deepening
Fairview 339DW1	Bowen	CSG	23.85	Drilling
Fairview 521ST1	Bowen	CSG	23.85	C&S, successful gas
Fairview 516	Bowen	CSG	23.85	C&S, successful gas
Fairview 518	Bowen	CSG	23.85	C&S, successful gas
Fairview 520*	Bowen	CSG	35.78	C&S, successful gas
Fairview 522	Bowen	CSG	23.85	C&S, successful gas
Fairview 523*	Bowen	CSG	47.7	C&S, successful gas
12W-CS N1P	Nam Con Son	Oil	31.875	Drilling
12W-CS N2P	Nam Con Son	Oil	31.875	Drilling
12W-CS N3P	Nam Con Son	Oil	31.875	C&C, successful oil
12W-CS N4I	Nam Con Son	Injector	31.875	Drilling, injector
12W-CS S6P	Nam Con Son	Oil	31.875	C&C, successful oil
12W-CS S9P	Nam Con Son	Oil	31.875	Drilling
12W-CS S11P	Nam Con Son	Oil	31.875	Drilling
12W-CS S14I	Nam Con Son	Injector	31.875	Drilling, injector
12W-CS S15I	Nam Con Son	Injector	31.875	Drilling, injector

\*Spudded during first quarter 2011.