

# Third Quarter Activities Report

For period ending 30 September 2017

# Santos

19 October 2017

## Key highlights

### Balance sheet strengthened

- Net debt reduced to US\$2.8 billion at the end of the quarter, down from US\$3.5 billion at the end of 2016
- Euro 1 billion Subordinated Notes redeemed and replaced by US\$800 million 10-year Reg-S bond, resulting in significant annual interest cost savings of approximately US\$40 million per annum from 2017 levels

### Production and sales guidance upgraded

- 2017 production guidance upgraded to 58-60 mmboe
- Sales guidance upgraded to 79-82 mmboe

### Record PNG LNG performance

- PNG LNG operated at an annualised rate of 8.6 mtpa for the quarter, the highest quarterly rate since start-up

### Increasing east coast domestic gas supply

- Santos announced new arrangements for the supply of more than 125 petajoules of gas into the south-east domestic market over 2017-20

Santos Managing Director and Chief Executive Officer Kevin Gallagher said: "The company's third quarter results continue to highlight the value of our disciplined operating model in delivering a low-cost, reliable and high performance business that can generate significant free cash flow in the current oil price environment."

"Compared to the end of 2016, our net debt position is US\$700 million lower at US\$2.8 billion and our forecast free cash flow breakeven for 2017 sits at US\$33 per barrel<sup>1</sup>, well below the US\$47 per barrel at the beginning of 2016."

Production was up 2% compared to the previous quarter, driven by a 4% increase from the five core assets, primarily due to higher production from the Cooper Basin, Queensland, PNG and WA Gas assets. Sales volumes were in-line with the previous quarter while sales revenues were up 3% to US\$793 million, primarily due to higher LNG, condensate and LPG prices. As a result of this continued strong operating performance, Santos has upgraded its production and sales volume guidance for 2017 to 58-60 mmboe and 79-82 mmboe, respectively.

Mr Gallagher said drilling activity was increased in both the Cooper Basin and GLNG, with 16 Cooper and 53 GLNG wells drilled in the quarter. This increase in activity is a result of the significant improvements in the drill, complete and connect upstream operations unit cost performance over the last 18 months.

Santos also announced during the quarter its role in the supply of more than 125 petajoules of gas into in the south-east domestic market over the coming years.

"As an Australian company, we understand the importance of reliable and affordable energy for Australian businesses and households, and are committed to playing our role in supplying the domestic market," Mr Gallagher said.

<sup>1</sup> Free cash flow breakeven is the average annual oil price in 2017 at which cash flows from operating activities (including hedging) equals cash flows from investing activities. Forecast methodology uses corporate assumptions. Excludes one-off restructuring and redundancy costs and asset divestitures.

## Comparative performance

Santos share	Units	Q3 2017	Q2 2017	Change	YTD 2017	YTD 2016	Change
Production	mmboe	15.0	14.7	+2%	44.5	46.6	-4%
Sales volume	mmboe	21.5	21.5	+0%	61.6	62.2	-1%
Average realised oil price	US\$/bbl	53.3	53.0	+1%	54.3	44.5	+22%
Sales revenue	US\$million	793	769	+3%	2,246	1,841	+22%
Capital expenditure <sup>1</sup>	US\$million	157	190	-17%	483	456	+6%

<sup>1</sup> Capital expenditure including restoration expenditure, acquisition of exploration assets but excluding capitalised interest.

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## Sales volumes (Santos share)

Product	Unit	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
LNG	000 t	743.4	754.8	755.5	2,227.2	2,057.6
Domestic sales gas and ethane	PJ	59.6	60.7	57.3	168.1	171.0
Crude oil	000 bbls	2,589.3	2,684.7	2,793.1	7,360.6	9,443.8
Condensate	000 bbls	1,202.3	991.8	1,244.5	3,240.6	3,119.7
LPG	000 t	62.7	26.7	34.5	132.2	99.7
<b>Sales</b>						
Own product	mmboe	15.2	15.0	16.4	44.3	47.7
Third party	mmboe	6.3	6.5	4.9	17.3	14.5
<b>Total sales volume</b>	<b>mmboe</b>	<b>21.5</b>	<b>21.5</b>	<b>21.3</b>	<b>61.6</b>	<b>62.2</b>

## Sales revenues (Santos share)

Product	Unit	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
LNG	US\$m	293	290	227	855	617
Domestic sales gas and ethane	US\$m	271	279	226	762	642
Crude oil	US\$m	137	142	135	399	420
Condensate	US\$m	64	48	51	170	127
LPG	US\$m	27	10	11	59	35
<b>Sales</b>						
Own product	US\$m	557	557	482	1,618	1,395
Third party	US\$m	236	212	168	628	446
<b>Total sales revenue</b>	<b>US\$m</b>	<b>793</b>	<b>769</b>	<b>650</b>	<b>2,246</b>	<b>1,841</b>
Third party product purchases	US\$m	189	159	128	467	378

Third quarter sales volumes were in-line with the prior quarter, while sales revenues were up 3%, primarily due to higher LNG, condensate and LPG prices.

## Average realised prices

	Unit	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
LNG price	US\$/mmBtu	7.50	7.32	5.72	7.31	5.71
Domestic sales gas price	US\$/GJ	4.56	4.60	3.97	4.54	3.75
Oil price	US\$/bbl	53.28	52.96	48.43	54.26	44.46
Condensate price	US\$/bbl	52.72	48.49	41.21	52.38	40.81
LPG price	US\$/t	421.27	372.81	314.08	445.42	353.63

## Production (Santos share)

Product	Unit	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
Sales gas to LNG plant	PJ	32.0	30.9	30.3	94.1	83.8
Domestic sales gas and ethane	PJ	39.7	39.3	42.2	117.7	132.5
Crude oil	000 bbls	1,576.1	1,672.8	1,796.8	4,875.9	5,876.4
Condensate	000 bbls	795.9	810.7	935.1	2,462.3	2,705.3
LPG	000 t	36.8	34.7	41.8	107.4	114.9
<b>Total production</b>	<b>mmboe</b>	<b>15.0</b>	<b>14.7</b>	<b>15.5</b>	<b>44.5</b>	<b>46.6</b>

Third quarter production was higher than the previous quarter due to increases in production from the core assets.

## Oil price hedging

2.7 million barrels of oil hedging expired in the third quarter under the zero-cost three way collar hedges, resulting in a positive cash settlement of US\$0.8 million being received during the quarter. Hedging of 2018 oil exposures continued during the quarter. The following oil price hedging positions were in place as at 9 October 2017.

Open oil price positions	2017	2018
Zero-cost three-way collars (barrels) <sup>1</sup>	2,760,000	12,501,250
Brent short call price (\$/bbl)	US\$62.85	US\$60.30
Brent long put price (\$/bbl)	US\$50.00	US\$48.48
Brent short put price (\$/bbl)	US\$40.00	US\$40.80

<sup>1</sup> When Brent price is above the weighted average short call price, Santos realises short call price. When Brent price is between the long put price and the weighted average short call price, Santos realises Brent price. When Brent price is between the long put price and the short put price, Santos realises the long put price. When Brent price is below the short put price, Santos realises Brent price plus the difference between the long put price and the short put price.

## 2017 Guidance

Sales volumes guidance is upgraded to 79-82 mmboe and production guidance to 58-60 mmboe. All guidance is shown in the table below.

Item	Previous guidance	Updated guidance
Sales volumes	77-82 mmboe	79-82 mmboe
Production	57-60 mmboe	58-60 mmboe
Upstream production costs	US\$8-8.25/boe produced	No change
Depreciation, depletion and amortisation (DD&A)	US\$700-750 million	No change
Capital expenditure (including exploration, evaluation and restoration, excl cap. int.)	US\$700-750 million	No change

Further detail of 2017 third quarter capital expenditure, including exploration and evaluation expenditure, is reported in the table on page 9 of this report.

## Strengthening the balance sheet

Net debt was reduced to US\$2.8 billion as at 30 September 2017, down from US\$3.5 billion at the end of 2016, through a combination of free cash flow, previously announced asset sales and proceeds from the Share Purchase Plan.

On 8 September 2017, the company announced that it had successfully priced a US\$800 million, 10 year senior unsecured fixed rate bond transaction in the US Dollar Regulation-S market. The bonds were priced at a fixed coupon of 4.125% for a period of 10 years, maturing on 14 September 2027. Proceeds of the issuance were used to redeem the company's Euro 1 billion subordinated notes on 22 September 2017.

## Core assets

### Cooper Basin

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Sales volume</b>						
Sales gas and ethane						
Own product	PJ	17.5	16.9	21.2	52.6	57.7
Third party	PJ	0.7	0.7	0.2	2.0	3.2
Total	PJ	18.2	17.6	21.5	54.6	60.9
Condensate						
Own product	000 bbls	534.5	336.1	280.8	1,242.2	783.6
Third party	000 bbls	85.4	40.1	43.2	164.0	116.3
Total	000 bbls	619.9	376.2	324.0	1,406.2	899.9
LPG						
Own product	000 t	42.6	19.1	17.5	94.2	64.1
Third party	000 t	7.3	2.0	4.0	11.3	6.6
Total	000 t	49.9	21.1	21.4	105.5	70.7
Crude oil						
Own product	000 bbls	583.7	667.3	629.4	1,663.8	1,840.7
Third party	000 bbls	1,048.8	1,070.6	1,232.1	2,849.6	3,677.9
Total	000 bbls	1,632.5	1,737.9	1,861.4	4,513.4	5,518.5
<b>Total sales volume</b>	<b>mmboe</b>	<b>5.7</b>	<b>5.4</b>	<b>6.0</b>	<b>16.1</b>	<b>17.4</b>
<b>Total sales revenue</b>	<b>US\$million</b>	<b>212</b>	<b>204</b>	<b>195</b>	<b>591</b>	<b>539</b>
<b>Production</b>						
Sales gas and ethane	PJ	14.4	13.9	15.0	43.0	46.5
Condensate	000 bbls	219.9	198.2	215.0	633.8	699.9
LPG	000 t	29.1	26.1	29.3	82.5	87.2
Crude oil	000 bbls	644.0	682.9	637.6	1,976.6	1,983.9
<b>Total production</b>	<b>mmboe</b>	<b>3.6</b>	<b>3.5</b>	<b>3.7</b>	<b>10.7</b>	<b>11.4</b>
Capital expenditure	US\$million	54	46	36	138	126

Sales gas and ethane sales volumes were higher than the previous quarter primarily due to higher gas sales to LNG and domestic markets.

Sales gas and ethane production was 4% higher than the previous quarter due to higher field capacity from new wells on line. Condensate production was higher due to higher yields. Crude oil production was lower than the previous quarter due to natural field decline partially offset by new wells on line.

Sixteen development and NFE/appraisal wells (eight gas and eight oil) were drilled during the quarter.

All eight gas development and appraisal wells were successful, and cased and suspended for future production.

Of the four development oil wells, three were cased and suspended for future production and one was drilling at month end. All four appraisal oil wells drilled in the quarter were cased and suspended for future production.

An increased focus on exploration in 2017 has delivered four successful near field exploration (NFE) gas wells during the year, and it is anticipated that at least two of these wells will be connected and producing by the end of the year. Two further oil NFE prospects are planned to be drilled in the fourth quarter. An increased exploration program is planned in 2018.

## Queensland

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Sales volume</b>						
GLNG						
LNG - own product	000 t	162.9	145.5	170.8	481.3	410.0
LNG - third party	000 t	221.9	222.3	217.0	672.3	570.0
<b>LNG – total</b>	<b>000 t</b>	<b>384.8</b>	<b>367.8</b>	<b>387.9</b>	<b>1,153.6</b>	<b>980.0</b>
Domestic contracts	PJ	9.1	7.9	2.7	18.9	13.6
Eastern Queensland (non-operated) <sup>1</sup>	PJ	2.1	4.8	5.5	11.4	15.5
<b>Total sales volume<sup>2</sup></b>	<b>mmboe</b>	<b>5.6</b>	<b>5.6</b>	<b>5.0</b>	<b>16.2</b>	<b>13.9</b>
<b>Total sales revenue<sup>2</sup></b>	<b>US\$million</b>	<b>188</b>	<b>187</b>	<b>142</b>	<b>542</b>	<b>359</b>
<b>Production</b>						
GLNG						
Sales gas to LNG	PJ	10.9	10.4	9.2	31.1	21.7
Domestic contracts	PJ	0.7	0.8	0.9	2.4	3.6
Eastern Queensland (non-operated) <sup>1</sup>	PJ	5.7	5.7	4.8	16.6	14.6
<b>Total production<sup>2</sup></b>	<b>mmboe</b>	<b>3.0</b>	<b>2.9</b>	<b>2.6</b>	<b>8.6</b>	<b>6.9</b>
Capital expenditure	US\$million	50	47	60	125	156

<sup>1</sup> Combabula, Ramyard, Spring Gully, Denison and Tardrum

<sup>2</sup> Total sales volume, sales revenue and production include minor condensate production from Denison

GLNG - operational data (gross)	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Production</b>						
LNG <sup>1</sup>	000 t	1,230	1,073	1,310	3,670	3,258
Sales gas to LNG plant						
Own product	PJ	34	30	35	96	83
Third party	PJ	40	36	45	126	116
<b>Total sales gas to LNG plant</b>	<b>PJ</b>	<b>74</b>	<b>66</b>	<b>80</b>	<b>223</b>	<b>200</b>
LNG cargoes shipped		20	21	21	62	53

<sup>1</sup> Includes LNG produced from GLNG equity gas, Santos portfolio gas and third-party quantities

Upstream equity sales gas production was approximately 4% higher than the previous quarter primarily due to strong field performance from Fairview and higher Roma production. 53 new development wells were drilled in the GLNG fields in the quarter, with 40 development wells connected to sales in the Fairview and Roma fields.

Gross daily production of 470 TJ/day from the Fairview field at the end of the quarter was in line with forecast. All 12 wells of the Fairview infield project have been top-set with the first well online expected in October. Drilling commenced on the Fairview Dawson Bend project, with 10 wells drilled to the end of the quarter. The remaining well will be drilled in October with the first well expected to be online in December.

The Roma field continues to de-water with gross daily production of 50 TJ/day at the end of the quarter, in line with forecast. The Roma 2B project is 94% complete with all wells online, while the Roma 3A project is 98% complete with all 29 wells online.

Gross daily production from the Scotia field at the end of the quarter was steady at 28 TJ/d. The Scotia CF1 project is 53% complete, with 60 wells drilled. The first well is expected to be online in October with the final well online by July 2018, 11 months ahead of schedule. Gross daily production from the Arcadia field at the end of the quarter was steady at 8 TJ/d.

The LNG train 2 statutory shutdown was successfully completed in June and the LNG train 1 shutdown successfully completed in July.

Eastern Queensland (non-operated) sales lower due primarily to higher gas banking from Combabula production.

## PNG

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Sales volume</b>						
PNG LNG						
LNG <sup>1</sup>	000 t	285.7	300.1	272.8	818.6	791.7
Condensate	000 bbls	503.3	352.3	433.7	1,230.3	1,246.0
Crude oil	000 bbls	1.4	5.5	6.1	11.9	20.5
<b>Total sales volume</b>	<b>mmboe</b>	<b>3.2</b>	<b>3.2</b>	<b>3.0</b>	<b>9.0</b>	<b>8.7</b>
<b>Total sales revenue</b>	<b>US\$million</b>	<b>139</b>	<b>127</b>	<b>104</b>	<b>387</b>	<b>312</b>
<b>Production</b>						
PNG LNG						
Sales gas to LNG <sup>1</sup>	PJ	17.1	15.7	15.9	48.9	46.3
Condensate	000 bbls	384.9	357.8	378.1	1,119.8	1,111.7
Crude oil	000 bbls	4.6	5.4	5.8	15.0	19.6
<b>Total production</b>	<b>mmboe</b>	<b>3.3</b>	<b>3.1</b>	<b>3.1</b>	<b>9.5</b>	<b>9.0</b>
Capital expenditure	US\$million	<b>3</b>	<b>4</b>	<b>3</b>	<b>11</b>	<b>4</b>

<sup>1</sup> Includes SE Gobe

PNG LNG operational data (gross)	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Production</b>						
LNG	Mt	2.2	2.0	2.0	6.2	5.9
Sales gas to LNG plant	PJ	128	119	120	368	348
Condensate <sup>1</sup>	000 bbls	2,832	2,658	2,795	8,276	8,213
Sales gas (SE Gobe) <sup>2</sup>	PJ	5	5	5	13	12
LNG cargoes shipped		29	27	27	82	80

<sup>1</sup> Measured at the Kutubu entry point

<sup>2</sup> Purchased by PNG LNG

During the quarter, PNG LNG continued to operate well above nameplate capacity at a record annualised rate of approximately 8.6 mtpa.

LNG sales volumes were lower than the previous quarter due to timing of shipments.

Planning continues for the drilling an appraisal well on the Muruk gas discovery in early-2018 and a potential exploration well on the adjacent Karoma prospect in late-2018.

## Northern Australia

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Sales volume</b>						
Darwin LNG						
LNG	000 t	72.9	87.1	94.8	255.0	285.9
Bayu Undan						
Condensate	000 bbls	59.8	133.6	252.7	380.9	538.7
LPG	000 t	12.8	5.6	13.0	26.7	28.9
<b>Total sales volume</b>	<b>mmboe</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>3.0</b>	<b>3.5</b>
<b>Total sales revenue</b>	<b>US\$million</b>	<b>34</b>	<b>36</b>	<b>36</b>	<b>112</b>	<b>108</b>
<b>Production</b>						
Darwin LNG						
Sales gas to LNG	PJ	4.0	4.8	5.2	14.1	15.8
Bayu Undan						
Condensate	000 bbls	69.4	130.6	217.8	355.7	499.0
LPG	000 t	7.7	8.6	12.5	24.9	27.7
<b>Total production</b>	<b>mmboe</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>2.9</b>	<b>3.4</b>
Capital expenditure	US\$million	8	23	4	48	5

Darwin LNG / Bayu-Undan operational data (gross)	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Production</b>						
LNG	000 t	715	794	842	2,406	2,748
Sales gas to LNG plant	PJ	43	48	51	145	166
Condensate	000 bbls	1,345	1,316	2,221	4,334	5,447
LPG	000 t	78	71	123	237	284
LNG cargoes shipped		11	12	14	37	43

Darwin LNG sales volumes and production were lower than the previous quarter in-line with the delivery schedule of 11 LNG cargoes for the month.

Condensate sales volumes and production were lower than the previous quarter due to a prior-period adjustment to net entitlement production and lower net entitlement compared to the previous quarter.

Following positive results from the two-well appraisal campaign in the Barossa field, good progress is being made on the proposed development to supply backfill gas to Darwin LNG, with a FEED-entry decision expected in early-2018.

## Western Australia Gas

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Sales volume</b>						
Sales gas	PJ	14.6	14.1	12.4	40.0	33.9
Condensate	000 bbls	16.8	129.3	229.5	219.2	424.4
<b>Total sales volume</b>	<b>mmboe</b>	<b>2.6</b>	<b>2.5</b>	<b>2.3</b>	<b>7.1</b>	<b>6.2</b>
<b>Total sales revenue</b>	<b>US\$million</b>	<b>59</b>	<b>65</b>	<b>51</b>	<b>175</b>	<b>125</b>
<b>Production</b>						
Sales gas	PJ	13.7	12.5	12.1	37.6	38.1
Condensate	000 bbls	119.6	118.8	116.8	344.7	371.4
<b>Total production</b>	<b>mmboe</b>	<b>2.5</b>	<b>2.2</b>	<b>2.2</b>	<b>6.8</b>	<b>6.9</b>
Capital expenditure	US\$million	13	3	11	18	21

Sales gas volumes and production were higher due to higher customer nominations from Varanus Island and Reindeer. Condensate sales volumes were lower than the prior quarter due to the timing of liftings.

## Other assets

### Asia, New South Wales and Western Australia Oil (ANWO)

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Sales volume</b>						
Sales gas <sup>1</sup>	PJ	5.0	5.6	9.2	17.3	28.8
Condensate <sup>2</sup>	000 bbls	2.5	0.4	2.8	3.8	7.8
Crude oil <sup>3</sup>	000 bbls	964.4	948.7	944.9	2,868.1	3,963.7
<b>Total sales volume</b>	<b>mmboe</b>	<b>1.9</b>	<b>1.9</b>	<b>2.5</b>	<b>5.9</b>	<b>8.9</b>
<b>Total sales revenue</b>	<b>US\$million</b>	<b>80</b>	<b>79</b>	<b>88</b>	<b>247</b>	<b>305</b>
<b>Production</b>						
Sales gas <sup>4</sup>	PJ	5.2	6.3	9.4	18.1	29.7
Condensate <sup>2</sup>	000 bbls	2.3	5.1	6.6	8.2	21.9
Crude oil <sup>3</sup>	000 bbls	927.5	984.5	1,153.4	2,884.3	3,872.9
<b>Total production</b>	<b>mmboe</b>	<b>1.8</b>	<b>2.1</b>	<b>2.8</b>	<b>6.0</b>	<b>9.0</b>
Capital expenditure	US\$million	15	17	17	54	60

<sup>1</sup> Indonesia, Vietnam, Victoria and Mereenie. Victorian assets and Mereenie sold effective 1 January 2017.

<sup>2</sup> Indonesia and Victoria. Victorian assets sold effective 1 January 2017.

<sup>3</sup> Mutineer-Exeter/Fletcher Finucane and Barrow Island (Western Australia), Vietnam, Indonesia and Mereenie. Mereenie sold effective 1 January 2017. Stag (Western Australia) sold effective 11 November 2016.

<sup>4</sup> Indonesia, Vietnam, NSW, Victoria and Mereenie. Victorian assets and Mereenie sold effective 1 January 2017.

Total production and sales volumes from the ANWO assets were lower than the previous corresponding period due to the sale of the Victorian, Mereenie and Stag assets.

Sales gas production in Vietnam was in line with the previous quarter and in Indonesia, sales volumes were lower than the prior quarter due to lower customer nominations and natural field decline. Oil production was in line with the previous quarter in Vietnam and Western Australia. Oil production in Indonesia ceased at the end of the second quarter.



## Corporate, exploration and eliminations

Santos share	Units	Q3 2017	Q2 2017	Q3 2016	2017 YTD	2016 YTD
<b>Total sales volume</b>	<b>mmboe</b>	<b>1.7</b>	<b>1.9</b>	<b>1.2</b>	<b>4.3</b>	<b>3.5</b>
<b>Total sales revenue</b>	<b>US\$million</b>	<b>81</b>	<b>71</b>	<b>34</b>	<b>192</b>	<b>94</b>
Capital expenditure	US\$million	14	47	24	84	66

Sales volumes and revenues in the corporate segment primarily represents gas trading activities. Capital expenditure primarily represents exploration and evaluation activities not recorded against assets.

Capital expenditure was lower primarily due to the farm-in to Muruk in PNG in the second quarter.

## Capital expenditure

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

US\$million	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
<b>Capital expenditure</b>					
Exploration <sup>1</sup>	13	43	34	86	74
Evaluation	17	36	14	70	71
Development and other capex (including restoration)	127	108	107	322	293
<b>Capital expenditure excl capitalised interest</b>	<b>157</b>	<b>187</b>	<b>155</b>	<b>478</b>	<b>438</b>
Capitalised interest	(0)	3	3	5	18
<b>Total capital expenditure<sup>1</sup></b>	<b>157</b>	<b>190</b>	<b>158</b>	<b>483</b>	<b>456</b>
<b>Exploration and evaluation expensed</b>					
Exploration	9	10	8	49	36
Evaluation	9	4	7	17	26
<b>Total current year expenditure</b>	<b>18</b>	<b>14</b>	<b>15</b>	<b>66</b>	<b>62</b>
Write-off of amounts capitalised in prior years	-	1	-	5	0
<b>Total expensed</b>	<b>18</b>	<b>15</b>	<b>15</b>	<b>71</b>	<b>62</b>

<sup>1</sup> Includes acquisition of exploration assets

## Exploration activity

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

Well name	Basin/area	Target	Santos %	Well status
Humboldt South 1 <sup>#</sup>	Mahalo - QLD	Gas	30.00%	P&A, successful corehole

<sup>#</sup> Not operated by Santos.

## Drilling summary

### Near-field exploration (NFE) / Appraisal wells

Well name	Basin/area	Target	Santos %	Well status
Okotoko North 1	Cooper - QLD	Gas	60.06%	C&S, successful gas
Koree South 2	Cooper - SA	Gas	66.60%	C&S, successful gas
Tennaperra 5	Cooper - QLD	Oil	70.00%	C&S, successful oil
Merrimelia 63	Cooper - SA	Oil	66.60%	C&S, successful oil
Merrimelia 65	Cooper - SA	Oil	66.60%	C&S, successful oil
Merrimelia 67	Cooper - SA	Oil	66.60%	C&S, successful oil
Judga 4	Cooper - QLD	Gas	60.10%	C&S, successful gas

### Development wells

Well name	Basin/area	Target	Santos %	Well status
12WCS N51PST#	Block 12W Chim Sao Vietnam	Oil	31.90%	Drilling
Big Lake 143*	Cooper - SA	Gas	86.81%**	C&S, successful gas
Combabula 67#	Combabula - QLD	Gas	7.28%	Drilling
Combabula 97#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 144#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 251#	Combabula - QLD	Gas	7.28%	Drilling
Combabula 252#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 270#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 271#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 272#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 273#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 274#*	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 293#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 294#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 295#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 296#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 313#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 314#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 316#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 317#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 318#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 337#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 338#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 339#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 340#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 353#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 360#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 444#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Combabula 445#	Combabula - QLD	Gas	7.28%	C&S, successful gas
Durham Ranch 86#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas
Durham Ranch 113#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas

Well name	Basin/area	Target	Santos %	Well status
Durham Ranch 114#	Spring Gully - QLD	Gas	4.00%	Drilling
Durham Ranch 115#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas
Durham Ranch 171#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas
Durham Ranch 277#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas
Durham Ranch 377#	Spring Gully - QLD	Gas	4.00%	Drilling
Durham Ranch 393#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas
Durham Ranch 874#	Spring Gully - QLD	Gas	4.00%	C&S, successful gas
FV11-49-2 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-56-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-59-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-60-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-61-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-62-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-65-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-66-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV11-67-1 (re-entry)	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-22-4	Fairview - QLD	Gas	30.00%	Drilling
FV12-37-1*	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-37-2	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-38-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-39-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-40-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-41-1	Fairview - QLD	Gas	30.00%	Plugged back and side-tracked
FV12-41-1ST1	Fairview - QLD	Gas	30.00%	Plugged back and side-tracked
FV12-41-1ST2	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-42-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV12-43-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV13-28-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
FV13-29-1	Fairview - QLD	Gas	30.00%	C&S; successful gas
Irtalie East 6	Cooper - QLD	Oil	55.50%	C&S, successful oil
Jack Lake 6	Cooper - SA	Gas	66.60%	C&S, successful gas
Jack Lake 7	Cooper - SA	Gas	66.60%	C&S, successful gas
Kellsall 4	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 5	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 6	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 7	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 8	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 9	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 10	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 11	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 12	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 13	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 14	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 15	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 16	Scotia - QLD	Gas	30.00%	C&S; successful gas
Kellsall 17 (top hole)	Scotia - QLD	Gas	30.00%	Suspended for later deepening
Meadows 1	Fairview - QLD	Gas	30.00%	C&S; successful gas

Well name	Basin/area	Target	Santos %	Well status
Merrimelia 66	Cooper - SA	Oil	66.60%	Drilling
Mount Kingsley 14	Arcadia - QLD	Gas	30.00%	C&S; successful gas
Mount Kingsley 15	Arcadia - QLD	Gas	30.00%	C&S; successful gas
Mount Kingsley 16	Arcadia - QLD	Gas	30.00%	C&S; successful gas
Mount Kingsley 17	Arcadia - QLD	Gas	30.00%	C&S; successful gas
Mount Kingsley 18	Arcadia - QLD	Gas	30.00%	C&S; successful gas
Mount Kingsley 19	Arcadia - QLD	Gas	30.00%	C&S; successful gas
Reedy Creek 53 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 62 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 63 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 88 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 94 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 95 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 96 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 120 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 121 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 126 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 127 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 148 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 150 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 155 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 156 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 157 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 181 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
Reedy Creek 182 <sup>#</sup>	Combabula - QLD	Gas	7.28%	C&S, successful gas
RM02-55-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM02-56-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM07-24-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM07-95-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM08-14-5	Roma - QLD	Gas	30.00%	C&S; successful gas
RM08-16-5	Roma - QLD	Gas	30.00%	C&S; successful gas
RM08-89-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM08-90-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM09-14-3	Roma - QLD	Gas	30.00%	C&S; successful gas
RM09-15-2	Roma - QLD	Gas	30.00%	C&S; successful gas
RM09-61-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM12-06-5	Roma - QLD	Gas	30.00%	C&S; successful gas
RM12-69-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM12-70-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM12-72-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM13-02-5	Roma - QLD	Gas	30.00%	C&S; successful gas
RM13-57-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM13-59-1	Roma - QLD	Gas	30.00%	C&S; successful gas
RM13-60-1*	Roma - QLD	Gas	30.00%	C&S; successful gas
Roti 5	Cooper - QLD	Gas	60.10%	C&S; successful gas
Roti 6	Cooper - QLD	Gas	60.10%	C&S; successful gas
Scotia 46 (top hole)	Scotia - QLD	Gas	30.00%	Suspended for later deepening

Well name	Basin/area	Target	Santos %	Well status
Scotia 52	Scotia - QLD	Gas	30.00%	C&S; successful gas
Scotia 57 (top hole)	Scotia - QLD	Gas	30.00%	Suspended for later deepening
Scotia 58	Scotia - QLD	Gas	30.00%	C&S; successful gas
The Rock 6	Scotia - QLD	Gas	30.00%	C&S; successful gas
Woodroyd 2 (top hole)	Scotia - QLD	Gas	30.00%	Suspended for later deepening
Zeus 11	Cooper - QLD	Oil	70.00%	C&S; successful oil
Zeus 12	Cooper - QLD	Oil	70.00%	C&S; successful oil

# Not operated by Santos

\* Spud in Q2 2017, completed in Q3 2017

\*\* LTAP = Less than all parties

## Seismic activity

The table below details seismic activity during the third quarter and status.

Permit	Basin/area	Survey	Type	km/km <sup>2</sup>	Status
WA459P	Bonaparte	Fishburn 3D	3D	600 km <sup>2</sup>	100% complete
ATP752B, ATP1189AB, PL303, PL508, PL509	Cooper	Barta West 3D	3D	350 km <sup>2</sup>	100% complete
ATP1189P, PL80, PL112, PL136, PL152, PL156, PL1013	Cooper	Bolah 3D	3D	220.5 km <sup>2</sup>	56% complete

## Abbreviations and conversion factors

Abbreviations		Conversion factors	
C&C	cased and completed	Sales gas and ethane, 1 PJ	171.937 boe x 10 <sup>3</sup>
C&S	cased and suspended	Crude oil, 1 barrel	1 boe
gas	coal seam gas	Condensate, 1 barrel	0.935 boe
DES	delivered ex ship	LPG, 1 tonne	8.458 boe
FPSO	floating production, storage and offloading	LNG, 1 PJ	18,040 tonnes
GJ	Gigajoules	LNG, 1 tonne	52.54 mmBtu
kbbbls	thousand barrels		
kt	thousand tonnes		
LNG	liquefied natural gas		
LPG	liquefied petroleum gas		
m	Million		
mmbbl	million barrels		
mmboe	million barrels of oil equivalent		
mmBtu	million British thermal units		
mmscf	million standard cubic feet		
mt	million tonnes		
mtpa	million tonnes per annum		
NFE	near-field exploration		
P&A	plugged and abandoned		
pa	per annum		
PJ	petajoules		
PSC	production sharing contract		
t	tonnes		
TJ	terajoules		