

First Production From The John Brookes Gas Development

Production commenced from the \$300 MM Apache-operated, John Brookes offshore gas development in the Carnarvon Basin in mid-September at an initial flow rate of approximately 60-80 TJ a day, according to Santos.

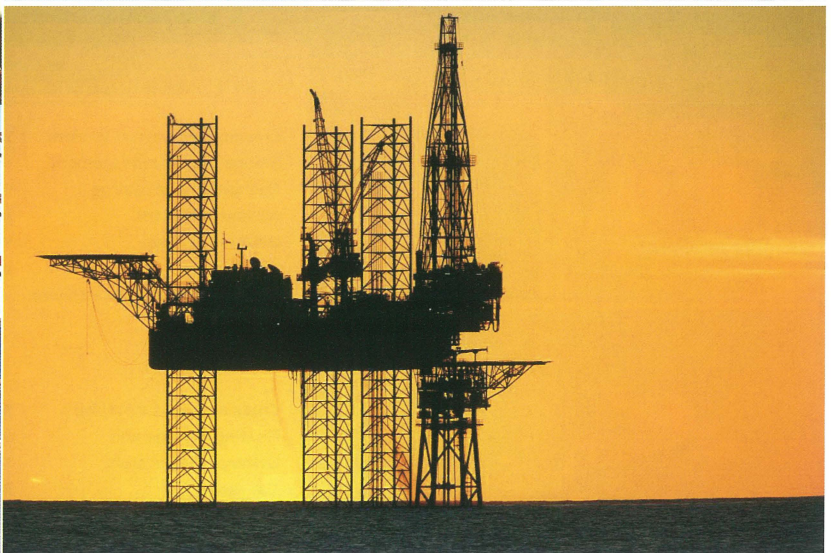
The field development incorporates an unmanned platform which has a limited number of facilities and three production wells interconnected via a pipeline to processing facilities on Varanus Island.

Its processing capacity will increase to approximately 240 TJ a day after an upgrade of the existing Varanus Island facilities, which is expected to be completed by the end of 2005. Gross proven and probable (2P) reserves in the field were estimated to be approximately 1200 PJ of gas at the end of December 2004.

Sales gas will be exported from Varanus Island into the Dampier to Bunbury pipeline to meet existing East Spar contracts and supply three new long-term contracts. The contracts include 229 PJ to NewGen Power through 15 years for a new power station to be built in Kwinana in WA, 58 PJ to EDL LNG (WA) Pty Ltd through 15 years for its West Kimberly Power project in WA, and 120 PJ to Newcrest Mining Limited through 15 years for its Telfer gold mine in the Pilbara region of WA.

"This is an important project for Santos, as the successful development of the John Brookes field continues to further diversify our production base," stated Santos managing director, John Ellice-Flint. "It is proving to be one of our most significant assets, and has been fast-tracked to meet growing demand for energy from new and existing WA projects."

The John Brookes field was discovered in 1998. The platform is in 47 m of water within licence area WA-29-L (Apache 55% and operator; Santos 45%), 120 km offshore from Western Australia. Start-up of this development follows production start-up of Santos' largest offshore oil project, Mutineer Exeter, in March 2005. ■



Jack-up drill rig over John Brookes wellhead, Carnarvon Basin, Western Australia.