

From: Moody, Annie
Sent: Wednesday, 18 September 2013 4:46 PM
To: Moody, Annie
Subject: Stakeholder Activity Update - September 2013

Good Afternoon

As part of our ongoing commitment to informing key stakeholders of activities that we are undertaking in the Narrabri Region, I would like to advise you that Santos has a number of activities taking place in the coming weeks. These activities are also reported individually in our various updates to relevant landholders, neighbouring landholders, the Narrabri CCC and included in our Activity Update in the Narrabri Courier, however this is a summary of current activities for your information.

Santos is committed to developing gas resources in a safe and environmentally sustainable manner and we have an extensive program of gathering the vital scientific information that will underpin any future decision to progress towards development and production. This includes the compilation and assessment of baseline conditions for water aquifers, flora and fauna biodiversity, cultural heritage and air studies. Santos is committed to ensuring robust scientific rigour is applied to all development activities across the region and these studies form an integral part of this commitment.

Ecological Studies

Santos is undertaking ecological surveys of flora and fauna in the Narrabri Region during September and October 2013. The ecological surveys build on work that has been undertaken in the north-east Pilliga Forest over the past 10 years. These surveys will provide a more comprehensive data set to inform and guide the ecological component of Santos' overall operations through the provision of updated baseline data on the abundance, distribution, ecology, and habitat preference and habitat value of native species. The ecological survey will be undertaken by a consultancy firm, Eco Logical Australia that is contracted by Santos to undertake this work. Landholder participation in these surveys is voluntary, with approximately 20 areas scheduled to be surveyed.

Methane Testing

The methane testing program being undertaken in PEL 238 and the broader Gunnedah Basin area is a voluntary data collection process that Santos is undertaking to inform our baseline data sets. It is intended that this data will be analysed and reported as part of our ongoing environmental studies. The next round of testing is expected to occur in late October 2013.

Shallow Aqua Monitoring Bores

Santos has a current schedule to install eight shallow aqua monitoring bores (SAMB), with four of these on State Forest (Biblewindi 26, Biblewindi 27, Biblewindi 28 and Dewhurst 3) and four on private properties for which we will negotiate a voluntary access agreement with landholders (Dewhurst 14, Bohena 14, Nyora and one other yet to be finalised). The purpose of the SAMB program is to ensure that appropriate groundwater monitoring infrastructure is in place to assess baseline groundwater conditions prior to the commencement of gas extraction in the broader Narrabri Gas Project area. These activities are subject to approval from the New South Wales Office of Water for the installation of the water bores. The work is scheduled to continue through December 2013, however timeframes may vary depending on weather conditions and water bore drilling equipment availability.

Exploration Core Hole and Deep Aqua Monitoring Bore

Santos will be drilling an exploration core hole (Dewhurst 8A) on a property adjacent to the State Forest in the Jacks Creek area for which we have negotiated a voluntarily access agreement with the landholder. The purpose of the core hole is to improve our understanding of the geology surrounding the Hoskisson and Bohena coal seams. When the core material has been extracted, the hole will be fitted with aqua monitoring equipment to provide baseline deep groundwater information and the core hole sealed. It is anticipated that the work will commence around mid-October 2013, however timeframes may vary depending on weather conditions and rig availability.

Site Survey and Scouts

Scouts will be undertaken at Petroleum Exploration Licence 238 (PEL 238) exploration and appraisal sites Dewhurst 32 – 37 and Petroleum Assessment Lease 2 (PAL 2) sites Bibblewindi 33 – 38 and Bibblewindi 39 – 44 and from October 2013. A scout is the first step in compiling the information required for the various environmental, cultural heritage and petroleum exploration assessments that are undertaken prior to any on-ground work being undertaken. Land access to undertake scouts is negotiated on a voluntary basis with individual landholders.

Workover Rig

Santos will be undertaking work associated with our exploration and appraisal program within PAL 2. A workover will be undertaken on the existing well at Bibblewindi 14 with preliminary lease preparation work expected to occur in late September 2013 in readiness for the workover to commence work in early October 2013, however timeframes may vary depending on weather conditions and rig availability.

Please don't hesitate to contact me if you require further information on these activities.

Rgds, Annie

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