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Santos commences Bayu-Undan Phase 3C infill drilling campaign

Santos, as operator of the Bayu-Undan Joint Venture, today announced the Phase 3C infill drilling program has commenced at the Bayu-Undan field, in Timor-Leste offshore waters.

The program, given a Final Investment Decision in January this year, comprises of three production wells and will develop additional natural gas and liquids reserves, extending field life as well as production from the offshore facilities and the Darwin LNG plant.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said the wells will be drilled using the Noble Tom Prosser jack-up rig, with first production expected in 3Q 2021.

“Only by way of a close and constructive working relationship with the Timor-Leste Government, through the Autoridade Nacional do Petróleo e Minerais (ANPM), and our joint venture partners have we been able to move so quickly towards our shared goal of safely maximising value from the Bayu-Undan field,” Mr Gallagher said.

“The infill drilling program will add over 20 million barrels of oil equivalent gross reserves and production at a low cost of supply and importantly extends the life of Bayu-Undan and the jobs and investment that rely on it.

“With more than 400 Timorese currently working on Bayu-Undan activities, this will make an important economic contribution to Timor-Leste and keep our workforce both in Timor-Leste and Darwin in jobs for longer.”

ANPM President Florentino Soares Ferreira said: “The Phase 3C drilling campaign is another milestone in the history of Timor-Leste. It will mark the first drilling campaign in the Bayu-Undan field as Timor-Leste offshore waters, following ratification of the Maritime Boundary Treaty (MBT) between Timor-Leste and Australia.

“The decision for the Phase 3C infill well investment has gone through a thorough assessment taking into consideration relevant critical workstreams which include the Phase 3C economic and technical review, procurement and local content strategy and regulatory approval to preserve the value and economics of the project.

“The ANPM acknowledges commitments shared by Santos and its Joint Venture in relation to the Phase 3C infill wells investment. It is another opportunity to maximize hydrocarbon production recovery and extension of production life, which will ultimately ensure economic benefit for all stakeholders and the State” Mr. Ferreira said.

Santos has a 43.4% operated interest in Bayu-Undan. The remaining interest is held by SK E&S (25%), INPEX (11.4%), Eni (11%), JERA (6.1%), and Tokyo Gas (3.1%).



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