NEWS RELEASE

Barossa Offshore Project Enters Front-End Engineering Design (FEED) Phase

PERTH - The Barossa joint venture, consisting of ConocoPhillips Australia Exploration Pty Ltd (ConocoPhillips), SK E&S Australia Pty Ltd and Santos Offshore Pty Ltd, have approved entering the Front-End Engineering Design (FEED) phase on the Barossa Offshore Project.

Barossa is an offshore gas and light condensate project that proposes to provide a new source of gas to the existing Darwin LNG facility, subject to suitable commercial arrangements being put in place. The offshore development concept includes a Floating Production Storage and Offloading (FPSO) facility, subsea production system, and gas export pipeline, located in Commonwealth waters about 300 kilometres north of Darwin. The existing Darwin LNG infrastructure owners are assessing several options to backfill the facility from 2023 when the current offshore gas supply from Bayu-Undan is expected to be exhausted.

“As operator of the Barossa project, we believe Barossa is a leading candidate to extend the life of the Darwin LNG facility for another two decades, hence our decision to enter the FEED phase,” said Chris Wilson, president, ConocoPhillips Australia West. “Developing the Barossa field utilising existing infrastructure and applying strong cost discipline, together with positive appraisal results, has enabled Barossa to compete in our global portfolio and provide the confidence required to make this significant FEED commitment. It is imperative that this cost discipline is continued and project value is preserved in order to support a Final Investment Decision (FID) at the end of 2019.”

“Barossa would meet future global demand for natural gas and contribute significant income, employment and other benefits to the Northern Territory and Australia through continued operation of the DLNG facility for a further 20 plus years,” added Wilson. “During the FEED phase the costs and technical definition for Barossa will be matured, access arrangements negotiated with the owners of the Darwin LNG facility and Bayu-Undan to Darwin pipeline, and LNG sales agreements negotiated and finalised. The major engineering FEED contracts for the FPSO, subsea infrastructure and gas export pipeline facilities will be awarded shortly. The primary goal of FEED is to provide sufficient certainty of cost, schedule and execution planning to support FID.”

In March, the Barossa Offshore Project received initial environmental acceptance from the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA) and approval of its Australian Industry Participation (AIP) Plan. These important milestones provided added confidence for the project to progress into the next phase.

About the Barossa Offshore Project
The Barossa joint venture partners are ConocoPhillips (operator, 37.5%), SK E&S Australia Pty Ltd (37.5%) and Santos Offshore Pty Ltd (25.0%). The offshore development area encompasses petroleum retention lease NT/RL5 and potential future phased development in the smaller Caldita Field to the south in retention lease NT/RL6. Gas would be exported to Darwin LNG via a new export pipeline tied into the existing Bayu-Darwin Pipeline, subject to agreement with the infrastructure owners.

About ConocoPhillips
ConocoPhillips is the world’s largest independent E&P company based on production and proved reserves. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 17 countries, $73 billion of total assets, and approximately 11,400 employees as of Dec. 31, 2017. Production, excluding Libya, averaged 1.356 thousand barrels of oil equivalent per day in 2017, and proved reserves were 5.0 billion BOE as of Dec. 31, 2017.

ConocoPhillips’ Australia and Timor-Leste portfolio includes the Bayu-Undan field in the Joint Petroleum Development Area of the Timor Sea, Darwin LNG facility in the Northern Territory and Australia Pacific LNG facility in Queensland as well as exploration and appraisal projects in northern Australia including Caldita-Barossa, Greater Poseidon and Greater Sunrise. For more information go to www.conocophillips.com.au
CAUTIONARY STATEMENT FOR THE PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

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