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newsrelease

3 June 2003

Santos secures further SE Asian acreage

Santos Limited announces that it has taken up a 20 per cent non-operated interest in two deep-water exploration permits off-shore Indonesia.

This is a continuation of Santos' strategies to add higher impact exploration acreage and build its South East Asian energy business.

The Popodi and Papalang Production Sharing Contract (PSC) areas lie in the deepwater portion of the Kutei Basin, offshore East Kalimantan, in water depths ranging from 1,650 to 2,450 metres (5,500 to 8,000 feet).

They are located seaward of West Seno, Indonesia's first deep-water producing oil-field which is scheduled to come on-stream in the third quarter of 2003.

The PSC's were originally awarded to Zodan N.V. and Zudavi N.V. respectively (operators), with majors Unocal and AGIP farming-in shortly after the blocks were awarded by the Indonesian government in November 2001.

Three exploration wells targeting oil are planned to be drilled during the three year exploration program - two in the Popodi PSC and one in the Papalang PSC. Unocal will be drilling the wells. The first well is expected to be drilled in the Popodi PSC in October 2003. The work program for both PSC's includes the licensing and acquisition of 2D and 3D seismic data.

"This is frontier acreage in deep-water that adds to Santos' high-impact exploration program. It is high risk, but it is a good strategic fit and with the right joint venture team to do the job", said Santos' Managing Director, Mr John Ellice-Flint.

"Acquiring good acreage is critical to building Santos' exploration portfolio. In line with our strategy, this acreage builds on our existing interests in Indonesia while opening up new frontier opportunities for Santos."

The Kutei Basin is a prolific hydrocarbon province with approximately four billion barrels of oil and forty trillion cubic feet of gas discovered to date.

The acquisition of the interests is subject to Indonesian regulatory consent. Approval of the farm-in is currently being processed by BPMIGAS.

Following the farm-in, interests in the PSC's will be:

Santos Ltd ABN 80 007 550 923

GPO Box 2455 • Adelaide SA 5001 • Telephone: 08 8218 5111 • Facsimile: 08 8218 5131

Popodi PSC:		Papalang PSC:	
Unocal Popodi, Ltd	24%	Unocal Papalang, Ltd	24%
AGIP Popodi Ltd	25%	AGIP Papalang Ltd	25%
Zodan N.V. (Operator)	31%	Zudavi NV. (Operator)	31%
Santos (Popodi) Pty Ltd	20%	Santos (Papalang) Pty Ltd	20%

Santos Limited is a major Australian oil and gas exploration and production company with interests in all Australian hydrocarbon provinces. The Santos Group also operates in the USA, Indonesia and PNG.

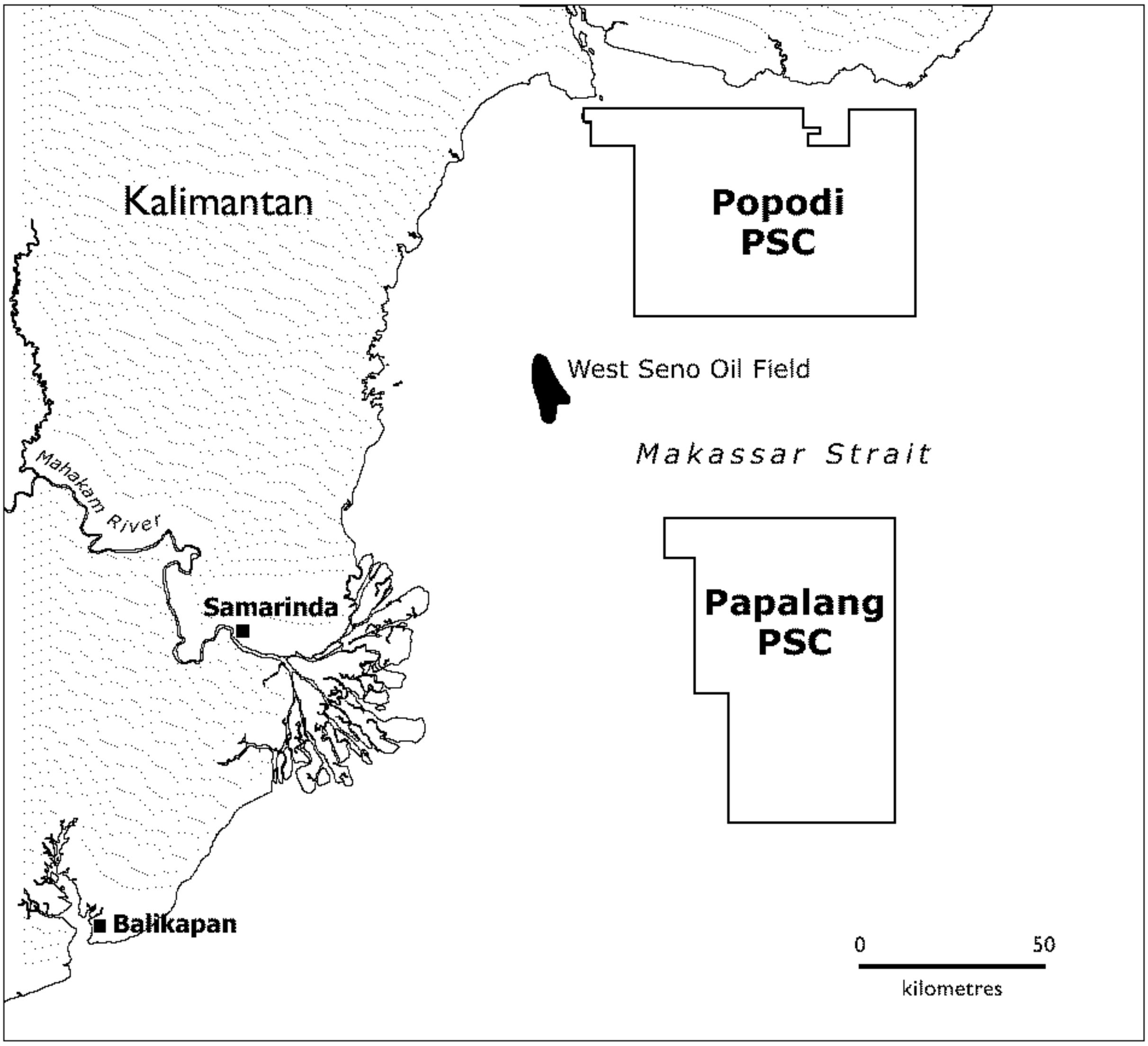
FOR FURTHER INFORMATION PLEASE CONTACT:

Media enquiries:
Kathryn Mitchell
Santos Limited
(08) 8218 5260 / 0407 979 982

Investor enquiries:
Mark Kozned
Santos Limited
(08) 8218 5939 / 0407 747 908

Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)

Popodi & Papalang PSCs



LEGEND

☐ Santos Acreage

■ Oil Field