

26 November 2004

Santos secures further Indonesian exploration acreage

Santos Limited, on behalf of its wholly owned subsidiary, Santos (Donggala) Pty Ltd (Santos), announces that it has entered into agreements with Total and Inpex whereby Santos will obtain both companies' entire equity interests in the Donggala Production Sharing Contract (PSC) in the Kutei Basin, offshore Indonesia.

Under the agreement, Santos will take up a total equity interest of 65.45% in the Donggala PSC. Subject to further agreements with existing PSC participants Santos plans to farm-out up to half its new equity interest.

All transactions are subject to the approval of the Indonesian regulatory authority BPMIGAS.

It is the intention of the new PSC participants that once the transfer is approved by the authorities, Unocal, an existing PSC participant, will take over as Operator of the PSC from Total, the current Operator. After 31st December 2005 Santos will become Operator of the PSC.

Santos will assume its equity share of the PSC's future work program commitment including up to five wells over the next three contract years.

The Kutei Basin is a prolific hydrocarbon province with approximately four billion barrels of oil and 40 trillion cubic feet of gas discovered to date.

The Donggala PSC covers an area of 3,821km² and is located in the North Eastern Kutei Basin, offshore East Kalimantan in water depths ranging from 1650 to 2450 metres.

The PSC was originally awarded to Total and Inpex in November 2001. Unocal and Pertamina farmed-in to the PSC after the initial award.

The Donggala PSC lies between the Popodi and Papalang PSC's. Santos acquired a 20%, non-operating interests in these PSC's in May 2003.

"The addition of the Donggala PSC to our existing exploration acreage gives Santos a particularly strong presence in the Kutei Basin and adds to our growing Indonesian portfolio" said Santos' Managing Director Mr. John Ellice-Flint.

"Santos is pleased to build on its relationships with Unocal and Pertamina and is looking forward to being part of an active joint venture in exploring this frontier trend, he said.

"The Donggala PSC contains several prospects and the first well with the new joint venture is planned for early to mid 2005. Santos plans to participate in at least four wells in the Kutei basin during 2005."

Interests in the Donggala PSC are:

	Old equity (%)	New equity (%)
Total Donggala (Operator)	32.725	0
Inpex North Makassar, Ltd	32.725	0
Unocal Donggala Ltd	19.55	19.55
P T Pertamina (Persero)	15	15
Santos (Donggala) Pty Ltd	0	65.45*

*subject to further farm-out arrangements

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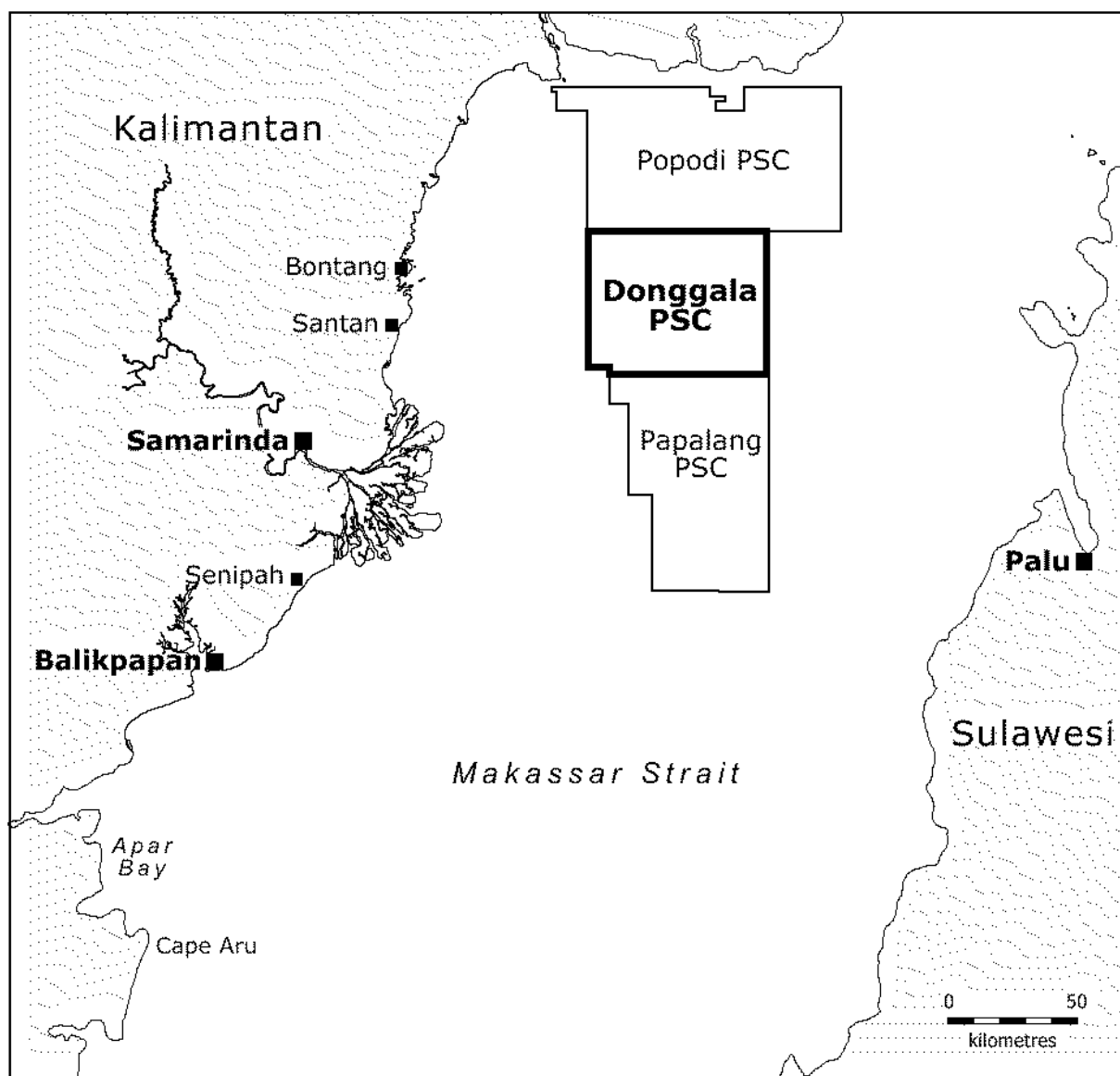
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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)

Map attached

Donggala PSC



LEGEND

□ Santos Acreage

