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Resumption of Dividend Reinvestment Plan

Santos Limited advises that the Company's Dividend Reinvestment Plan (DRP) has been recommenced as of 1 January 2005.

The plan enables investors to increase their shareholdings in the Company without brokerage.

Santos' Chairman Stephen Gerlach said the reintroduction of the DRP reflected demand from shareholders generally.

"The resumption has seen Santos join 33 of Australia's top 50 companies in offering a DRP," Mr Gerlach said.

The Santos DRP will apply to dividends commencing with the 2004 final dividend, payable on 31 March 2005. There will be no share price discount, maintaining equity between participants and non-participants.

The Board has adopted new rules for the recommenced DRP, to reflect changes to the law and practice since the DRP was last operative in 1995. All relevant documentation, including a full copy of the revised rules will be sent to eligible shareholders shortly. A copy of the revised DRP rules will be provided to the ASX at that time.

As well as being available to Australian shareholders, shareholders in a number of overseas countries will also be able to participate in the Santos DRP.

FOR FURTHER INFORMATION PLEASE CONTACT:

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