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5 July 2005

Santos Accelerates Tipperary Acquisition

Further to the announcement from Santos Limited ("Santos") dated 1 July 2005 regarding the proposed acquisition of Tipperary Corporation ("Tipperary") and Tipperary Oil and Gas Australia Pty Ltd ("TOGA"), Santos today announced that it has entered into a definitive agreement with Slough Estates plc, the parent company of Slough Estates USA, Inc. ("Slough") to accelerate the acquisition of Slough's interests in Tipperary and TOGA.

Slough's interests, comprising approximately a 54% shareholding in Tipperary, a 10% equity interest in TOGA, and debt owed to Slough by Tipperary will be acquired by Santos effective 13 July 2005 (US time).

The acquisition price for the Tipperary shares and warrants held by Slough is based on US\$7.39 per share. Santos has also agreed with Tipperary to increase to US\$7.43 per share the amount to be received by the minority shareholders under the previously announced merger. Total cash consideration for the acquisition, including the assumption of debt, remains unchanged at approximately US\$466 million.

Following settlement of the Slough interests, Santos will be entitled to appoint a majority of the members of the Tipperary Board. Three independent directors will continue to serve on the Board pending the Tipperary shareholders' meeting to approve the merger, which is expected to take place early in the fourth quarter. At this meeting, Santos will vote its Tipperary shareholdings in favour of the merger, and those votes will count towards the two-thirds shareholder approval required to approve the merger.

FOR FURTHER INFORMATION PLEASE CONTACT:

Media enquiries:

Kathryn Mitchell

(08) 8218 5260 / 0407 979 982

Investor enquiries:

Andrew Seaton

(08) 8218 5157 / 0410 431 004

Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)