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Santos sells Golden Beach interest

Santos Limited (Santos) has entered into an agreement to sell its 100% working interest in permit VIC/RL1, which contains the undeveloped Golden Beach gas field, to Cape Energy Group.

Golden Beach was discovered in 1967 and is located in the offshore Gippsland Basin, 4 kilometres off the eastern Victorian coast.

The agreement includes Santos Direct purchasing up to 44 petajoules of sales gas produced from the Golden Beach field.

The sale follows Santos' acquisition earlier this year of OMV Australia Pty Ltd's Gippsland assets, which included a 33% stake in Golden Beach.

"This transaction continues Santos' strategy of rationalising its portfolio by selling non core assets," said Santos Managing Director Mr John Ellice-Flint.

"It also provides Santos Direct with another option for gas supply, in addition to our share of the Minerva gas field," he said.

The Golden Beach agreement is expected to be completed by the third quarter of 2005, subject to government approvals.

The sale agreement was completed by Santos Limited and Cape Energy (Victoria) Pty Ltd, a wholly-owned subsidiary of Cape Energy Group SA, which is a private group involved in oil and gas development and production activities. The Group is focused on the acquisition and exploitation of hydrocarbon assets in the Asia Pacific region which others may perceive to be mature, marginal, or 'non-material'.

FOR FURTHER INFORMATION PLEASE CONTACT:

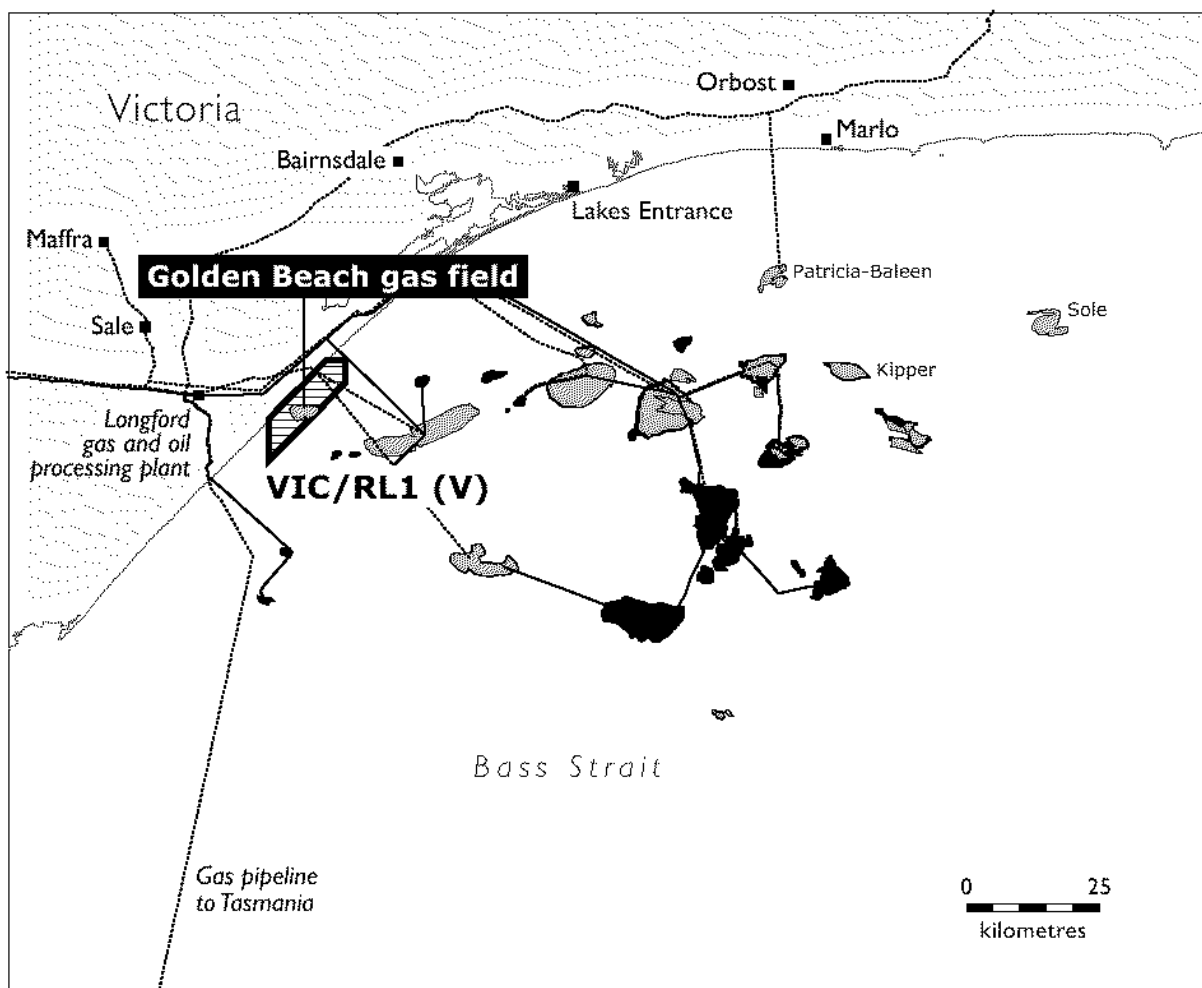
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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

Map attached.

Golden Beach Gas Field



LEGEND

- Oil Field
- ▨ Gas Field
- Oil Pipeline
- Gas Pipeline

Location Map

