

7 January 2004

## **Successful appraisal of John Brookes advances field development and Santos increases field interest through acquisition**

Santos Limited announces that the John Brookes joint venture has further delineated the gas resource in the John Brookes field with the second appraisal well, Thomas Bright-2.

The well has successfully appraised the southern area of the field with a significant 3.2-kilometre step-out from the first Thomas Bright-1 well, drilled in March 2003. A gross gas column of 51.5 metres between 2822 and 2873.5 metres sub-sea was intersected in the well which was in line with the pre-drill prognosis.

A preliminary estimate of the gas resource in the field following the drilling of Thomas Bright-2 indicates a gross 2P (proven and probable) volume of approximately 800 billion cubic feet (BCF) up from an earlier projection of 400 BCF.

The John Brookes joint venture has signed a letter of intent with Newcrest Mining Limited for 20 million cubic feet a day over 15 years with sales expected to commence in the fourth quarter of 2004.

The John Brookes discovery is located in exploration permit WA 214-P, in the Carnarvon Basin, offshore Western Australia. The field was discovered in 1998 with the drilling of John Brookes-1.

Work on the development plan for John Brookes will now be completed, with project sanction expected during the first quarter of 2004 and first production in mid 2005.

"The successful appraisal of Thomas Bright-2 gives us greater confidence to market this gas," said Santos' Managing Director, Mr John Ellice-Flint.

In addition, Santos has taken a further 7.5 per cent interest in the exploration permit WA 214-P increasing its interest from 37.5% to 45% effective December 1, 2003 prior to drilling the Thomas Bright-2 appraisal well.

Apache has also increased its interest in the permit from 37.5% to 55%.

Santos (45%) and Apache (55% and operator) are also joint venturers in the East Spar gas field (WA 13L) and the related processing and gas export facilities on Varanus Island.

“This transaction aligns the commercial interests of the East Spar Joint Venture and the John Brookes Joint Venture, delivering a more focussed approach to exploration, development and gas commercialisation,” said Mr Ellice-Flint.

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

Interests in WA 214-P are now:

Apache North West Pty Ltd (operator)	55%
Santos (BOL) Pty Ltd	45%

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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

Map attached