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Santos

News Release

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Nephrite 1

Santos Ltd, as Operator for the Patchawarra Southwest Block, announces the discovery of a new gas field in the South Australian section of the Cooper/Eromanga Basins. This follows the successful Judga North 1 well in the Queensland section of the Cooper/Eromanga Basins, announced last week.

The exploration well, Nephrite 1 flowed gas at 230,000 cubic metres per day (8.09 million cubic feet per day) from reservoir sands in the Early Permian Patchawarra Formation over the interval 2756-2795m. The test was run through a 13mm (0.5") surface choke.

Nephrite 1 well is located 9.0 km north of the Jack Lake Field and approximately 55 km northwest of the Moomba gas plant. The well is near existing facilities and will provide an early connection opportunity.

The well will drill ahead to a total depth of 3271m.

Commenting on the find, Mike Hannell, General Manager of the South Australian Business Unit said "This well, which has a good flow rate, follows 8 gas field discoveries in the South Australian sector of the Cooper/Eromanga Basins in 1996 and is part of the \$200 million accelerated exploration program in South Australia announced in February 1996".

The interest holders in the Patchawarra Southwest Block consequent upon the Agreement to adopt fixed factors in the South Australian Cooper Basin (announced 9/12/96) are:

Santos Group	59.75%
Delhi Petroleum Pty Ltd	20.21%
Boral Energy Resources Limited	13.19%
Crusader Resources NL	4.75%
Basin Oil NL	2.10%

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