

Santos Ltd  
ABN 80 007 550 923  
GPO Box 2455  
Adelaide SA 5001  
Telephone: 08 8218 5111  
Facsimile: 08 8218 5131  
www.santos.com.au

# Santos

## News Release

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### **PNG Gas Project**

Santos Ltd. confirms that, as of 1 January 2002, the Group is not party to the new Heads of Agreement for the PNG Gas Project.

Santos has been unable to reach agreement with the Project Operator, ExxonMobil on new commercial terms governing interaction between the participants, which are contained in the new Agreement.

Santos Managing Director, Mr John Ellice-Flint said, "Santos remains committed to the development of the PNG Gas Project but it must first be satisfied with the commercial foundations on which the Project would be based".

Santos will continue to work with the other Project participants to achieve resolution of the commercial issues in question.

Santos Group, through PNG subsidiaries, holds a 31 % interest in Petroleum Development Licence No.1. This contains the Hides Gas Field, which is expected to be a major source of gas for the Project.

For further information contact Graeme Bethune, General Manager Finance and Investor Relations on (08) 8218 5157 or 0419 828 617

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