

4 March 2004

## Santos farm-out for Corowa

Santos Limited announces that its wholly owned subsidiary, Santos Offshore Pty Ltd, has agreed to farm-out 25% of its equity in the Exploration Permit WA-264-P to Beach Petroleum Limited.

The Permit is located in offshore Western Australia and contains the Corowa-1 oil discovery.

Under the agreement, the Santos Group will sell down 16.67% of its interest and retain 50% equity and the operatorship.

Beach Petroleum will participate in the next exploration well in the Permit which is expected to be drilled in the second half of 2004.

Corowa-1 was discovered in June 2001 intersecting an 11 metre oil sandstone with no defined oil-water contact. The well, which flowed at 4,534 barrels of oil per day, is located in 84 metres of water, 40 km west of the Thevenard Island production facility.

"The farm-out is good portfolio management. Bringing in a new joint venturer means we can accelerate the appraisal and development of the Corowa field," said Santos' Managing Director, Mr John Ellice-Flint.

"We welcome Beach Petroleum to the joint venture."

The agreement is subject to attaining all relevant Government approvals and is effective from 4 February 2004, the beginning of the second year of the Permit which is not due to expire until February 2008.

The new interests in WA-264-P are:

Santos Offshore Pty Ltd (operator)	50.00%
Kufpec Australia Pty Ltd	33.33%
Beach Petroleum Ltd	16.67%

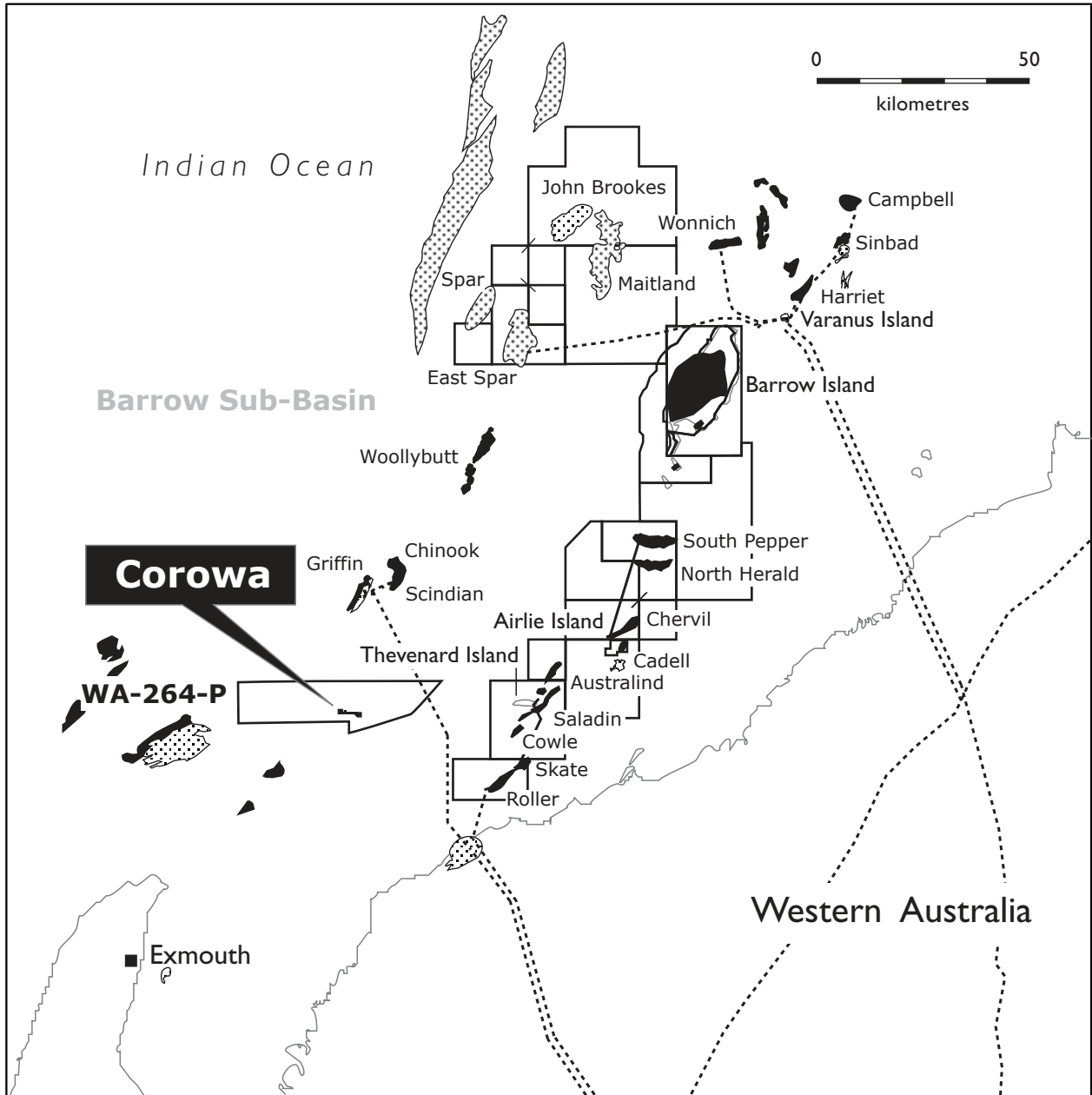
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**Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)**

# Corowa Field



**Legend**

- Santos acreage
- Oil Field
- ▤ Gas Field
- Oil Pipeline
- Gas Pipeline

