

11 August 2004

Total and Mitsui join Santos in new exploration venture

Santos Limited announced today that the international groups, Total SA of France and Mitsui Oil Exploration Co Ltd (MOECO) of Japan, will farm into a deep water exploration block located north of Bali, Indonesia held under a production sharing contract (PSC) by Santos (Nth Bali I) Pty Ltd.

Total, through its subsidiary, Total E&P North Bali I, will take a 39.9% interest with the right, subject to certain conditions, to obtain a further 10.1% interest in the PSC.

MOECO, through its subsidiary, Moeco North Bali Co Ltd, will take a 20% interest.

This agreement is subject to Indonesian Government approval.

Santos (Nth Bali I) Pty Ltd was originally awarded a 100% interest in the PSC in October 2003 by the Indonesian Government.

The block is located in the offshore East Java Basin, 210 kilometres east of Surabaya and 10 kilometres north of Bali Island in water depths ranging from 100 to 970 metres.

The East Java Basin is considered highly prospective for oil, and several substantial oil and gas fields have been discovered within the vicinity.

Santos (Nth Bali I Pty Ltd) has already acquired two dimensional seismic within the exploration block and an exploration well, Agung 1, is scheduled to be drilled by October 2004.

Santos' subsidiary will retain operatorship during the exploration phase of the PSC. The Total subsidiary, Total E&P North Bali I, will take over the operatorship after the first three-year exploration period where Total's experience will assist Santos in enhancing its offshore development skills for deep water operations.

Santos' Managing Director, Mr John Ellice-Flint, said that the farmout is a further realisation of Santos' portfolio management strategy to share exploration risk and bring in credible co-venturers that provide opportunity for further deals.

"Santos is pleased to join forces with highly respected groups such as Total and MOECO," said Mr Ellice-Flint.

The Total/MOECO agreement follows joint venture exploration agreements reached last month by Santos with two other global oil and gas giants – Devon Energy Corporation and ConocoPhillips.

Santos has joined Devon in a joint eight-well exploration venture over three years in the Gulf of Suez, Egypt, and has also teamed up with ConocoPhillips to explore a major Timor Sea gas prospect.

Interests in North Bali I PSC will be:

Santos (Nth Bali I) Pty Ltd	40.1% (decreasing subsequently to 30%)
Total E&P North Bali I	39.9% (increasing subsequently to 50%)
Moeco North Bali Co Ltd.	20%

FOR FURTHER INFORMATION PLEASE CONTACT:

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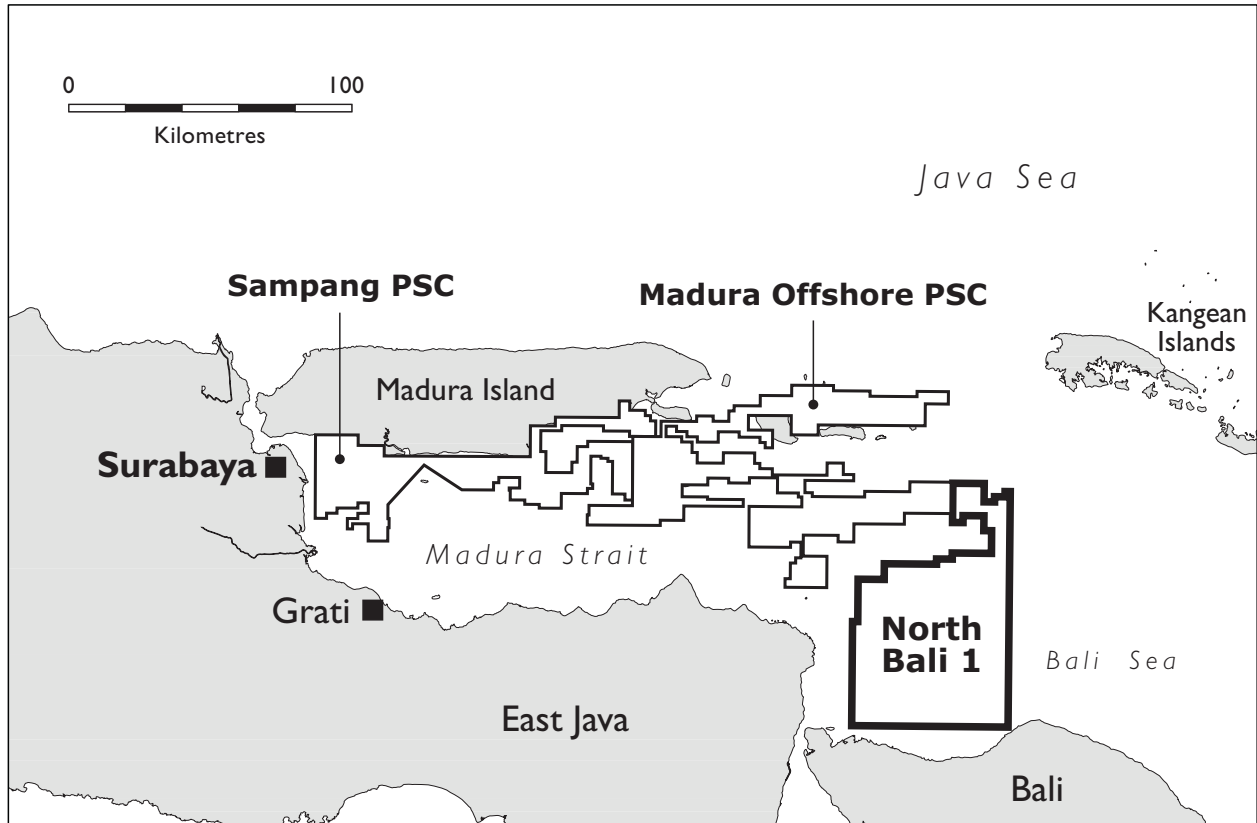
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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)

North Bali 1 Production Sharing Contract Area



LEGEND

□ Santos Acreage

