

16 September 2004

Second contract for John Brookes gas field

Santos Limited announced today that its wholly owned subsidiary, Santos (BOL) Pty Ltd (Santos), has signed a second gas sales contract for the John Brookes gas field.

Under the contract, Santos (45%) and Apache Northwest Pty Ltd (55% and Operator) will supply EDL LNG (WA) Pty Ltd, a subsidiary of Energy Developments Limited (EDL) with 58 petajoules (PJ) of gas over 20 years.

EDL will use the gas to supply four gas-fired power stations under construction as part of their West Kimberley Power project in the West Kimberly region of Western Australia.

EDL will convert the gas to liquefied natural gas (LNG) at a new facility to be built at Karratha. The LNG will then be transported by road tankers to fuel gas-fired power stations located in Broome, Derby, Fitzroy Crossing and Halls Creek. The electricity will then be sold under a recently executed power purchase agreement with Western Power Corporation.

Under the contract, which will commence in the first half of 2006, the initial supply commitment is 6 terajoules per day (TJ/d) and will then increase over the life of the contract to 9 TJ/d. Santos and Apache also have the opportunity to increase daily contract quantities in the future subject to gas availability and their consent.

Mr John Ellice-Flint, Santos' Managing Director said "This contract will assist Santos to fully exploit the value of the investment being undertaken to develop the John Brookes gas field."

"EDL's West Kimberly Power project is an innovative project supporting further development of the Kimberly region.

"The gas-fired power stations will replace the existing diesel power stations and deliver cleaner power for these Kimberley communities", said Mr Ellice-Flint.

The contract is subject to the power purchase agreement becoming unconditional, project financing being secured and the satisfaction of all required approvals.

The John Brookes field is located in exploration permit WA 214-P, in the Carnarvon Basin, offshore Western Australia.

The John Brookes field was discovered in 1998 with the drilling of the John Brookes 1 exploration well and successfully appraised by the Thomas Bright 1 and 2 wells during 2003.

Interests in the John Brookes Joint Venture are:

Apache Northwest Pty Ltd (operator)	55%
Santos (BOL) Pty Ltd	45%

FOR FURTHER INFORMATION PLEASE CONTACT:

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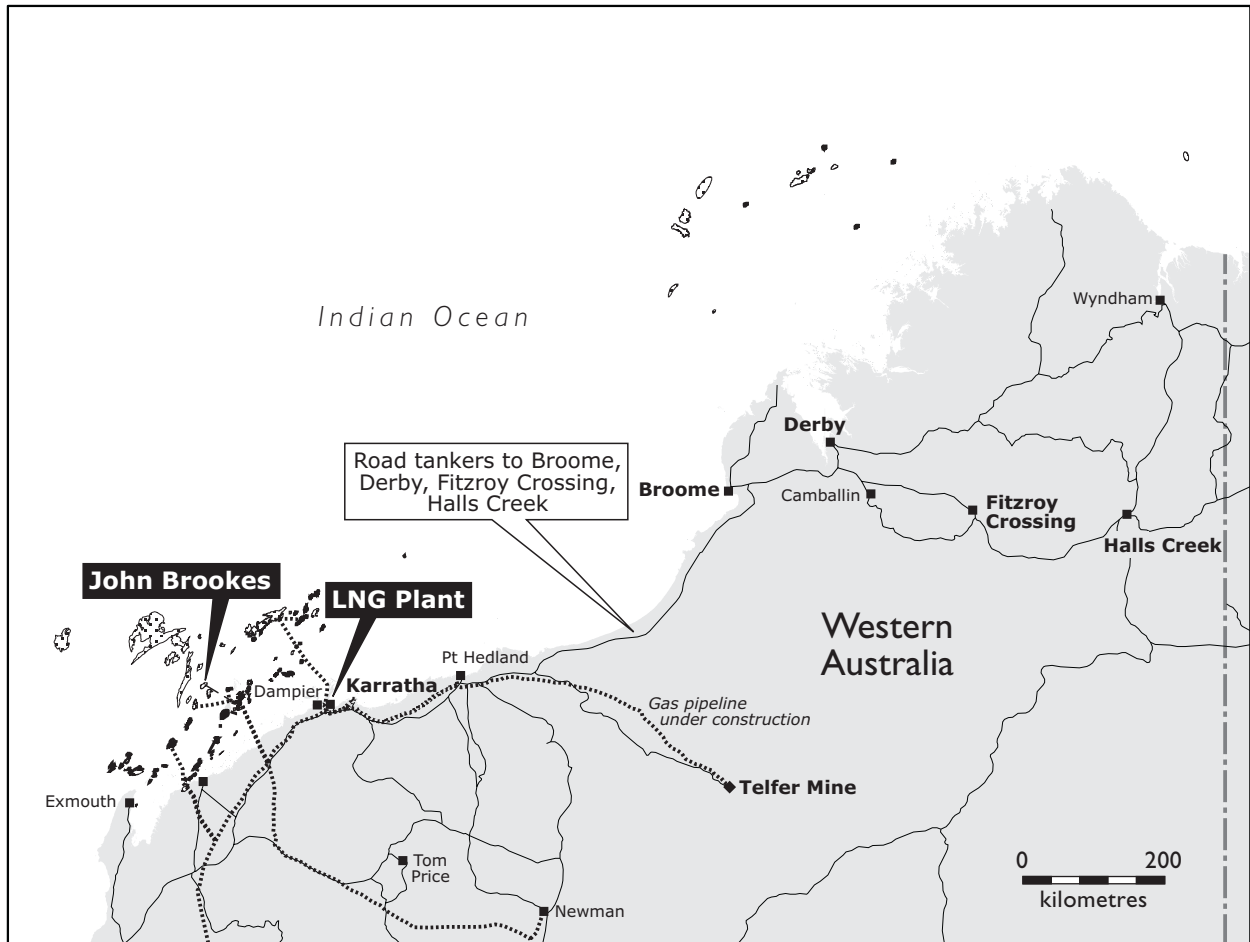
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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)

Map attached.

John Brookes



Legend

- Oil Field
- ▣ Gas Field
- Oil Pipeline
- Gas Pipeline
- - Proposed Pipeline
- Road

