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Milestone for new Australian oil field development

The development of Australia's newest offshore oilfield - the Mutineer-Exeter project off Western Australia - has taken another key step forward with completion of a state-of-the-art Floating Production Storage and Offloading (FPSO) facility.

The FPSO – named the **MODEC Venture 11** – will leave Singapore in early 2005 to take up anchorage off the WA coast where first oil production from the Mutineer-Exeter field is planned for mid-2005.

The vessel was christened today (see attached photograph) in the Jurong shipyard in Singapore by Ms Catherine Ellice-Flint, wife of Santos Limited's Managing Director, Mr John Ellice-Flint.

The Mutineer-Exeter oil discovery is being developed by the Santos, KUFPEC, Nippon Oil and Woodside joint venture.

"Mutineer-Exeter is a landmark project for Santos as it is our first offshore oil development as Operator," Mr Ellice-Flint said.

"Today's naming ceremony is therefore a major milestone in the project's progress," he said.

"The vessel sailed into the shipyard only 10 months ago as a Suez Max class tanker and has undergone an exceptional and rapid conversion into one of the world's most modern FPSO facilities.

"The conversion was achieved over one and a half million man-hours without a lost time injury and this excellent safety performance will be reinforced during the re-location voyage, and when operational."

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