

22 December 2004

Santos releases first Sustainability Review

Santos Limited (Santos) today released its first public review which provides details of the social, environmental and economic impacts, or "sustainability factors", of its day-to-day operations.

Titled *First Steps, Sustainability Review 2004*, the review outlines a framework by which Santos will measure its future sustainability performance.

As the basis for its maiden review, Santos used the United Nations Environment Program's Global Reporting Initiative criteria to provide a framework of relevant issues for consideration, identifying areas of good performance and areas for improvement.

"This first Sustainability Review illustrates our commitment to operating on a sustainable basis and to continually strive to improve practices and procedures as they affect the communities in which we work and the interests of all of our stakeholders," Santos' Managing Director, Mr John Ellice-Flint, said.

"Importantly, it sets a line in the sand as a starting point for the collection of sustainability data so that we can measure on an annual basis, and progressively improve, Santos' overall performance in this regard," Mr Ellice Flint said.

"Our environmental and social goals at Santos are inherently linked to our financial and operating targets.

"Operating in a sustainable manner makes good business and economic sense and keeps our accountability transparent."

On top of Santos' financial contribution, a recently commissioned study found that the Company contributes \$1.6 billion per annum to South Australia's gross state product.

Such contributions comprise the value of employment, purchase of goods and services, state taxes and royalties, donations and sponsorships.

Some of Santos' key sustainability achievements discussed in the Sustainability Review include:

- being recognised with a maximum five star rating for corporate governance by Howarth and the University of Newcastle in 2002, 2003 and 2004

- reducing greenhouse gas emissions through the introduction of solar powered air compressors at well sites
- leading the campaign to have the world-renowned Coongie Lakes wetlands area in northern South Australia declared a National Park
- participating in Clean Up Australia Day with more than 300 Santos staff participating in the program around Australia
- committing \$25 million over 10 years towards the Australian School of Petroleum at the University of Adelaide.

Mr Ellice-Flint said some of Santos' future commitments to operating in a sustainable manner included:

- reporting annually on sustainability performance
- pursuing a greenhouse emission intensity reduction target (greenhouse emissions/unit of production) of 20% from 2002 to 2008
- implementing strategies to reduce and prevent pollution, manage waste, use water efficiently and address cultural heritage and biodiversity issues
- implementing a program to measure and report the volume of produced formation water discharged from each site to identify minimisation strategies
- reviewing environmental impact of goods and services provided by suppliers
- implementing strategies to continue to reduce the frequency and severity of injuries
- developing a strategy to improve organisational culture in support of business performance
- ensuring the company's sponsorship program reflects the geographic spread of Santos' interests and priorities
- continuing to review existing policies and codes of conduct to ensure compliance with changes in legislation and community expectations and compatibility with Australian Stock Exchange Corporate Governance Best Practice Recommendations.

A copy of the Sustainability Review can be downloaded from the Santos website at www.santos.com

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

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