

27 June 2005

Santos awarded Egyptian acreage

Santos Limited (Santos) today announced that it has been awarded an exploration block in the Arab Republic of Egypt as part of a joint venture with affiliates of Devon Energy Corporation (Devon) and Teikoku Oil Company (Teikoku).

The joint venture, in which Santos has a 25% interest, has been awarded the onshore North Qarun Block located close to Cairo in the Gindi Basin of the Western Desert.

In total, the joint venture is committed to spend a minimum of US\$5 million (A\$6.5m) over the first three-and-a-half-year phase, drilling two exploration wells and acquiring and processing seismic data.

This follows Santos' initial entry into North Africa with the 2004 farm-in into an eight-well exploration program, covering three exploration blocks in Egypt with Devon Energy.

"The North Qarun block adds to Santos' growing international portfolio of exploration acreage, further diversifying and expanding our exploration options," said Santos Managing Director, Mr John Ellice-Flint.

"Importantly, it is close to existing oil and gas infrastructure with spare capacity", he said.

Mr Ellice-Flint said it was pleasing to be able to team up with successful companies like Devon and Teikoku, which both have excellent exploration credentials.

Santos expects the seismic program to commence late in 2005 with the first of the exploration wells tentatively planned for 2007.

The interest holders in the North Qarun Block are:

Devon Energy North Qarun, Ltd (operator)	50%
Santos Egypt Pty Ltd	25%
Teikoku Oil Co., Ltd	25%

Santos Limited's participation is through its wholly-owned subsidiary Santos Egypt Pty Ltd, in joint venture with wholly-owned subsidiaries of Devon Energy Corporation and Teikoku Oil Company.

FOR FURTHER INFORMATION PLEASE CONTACT:

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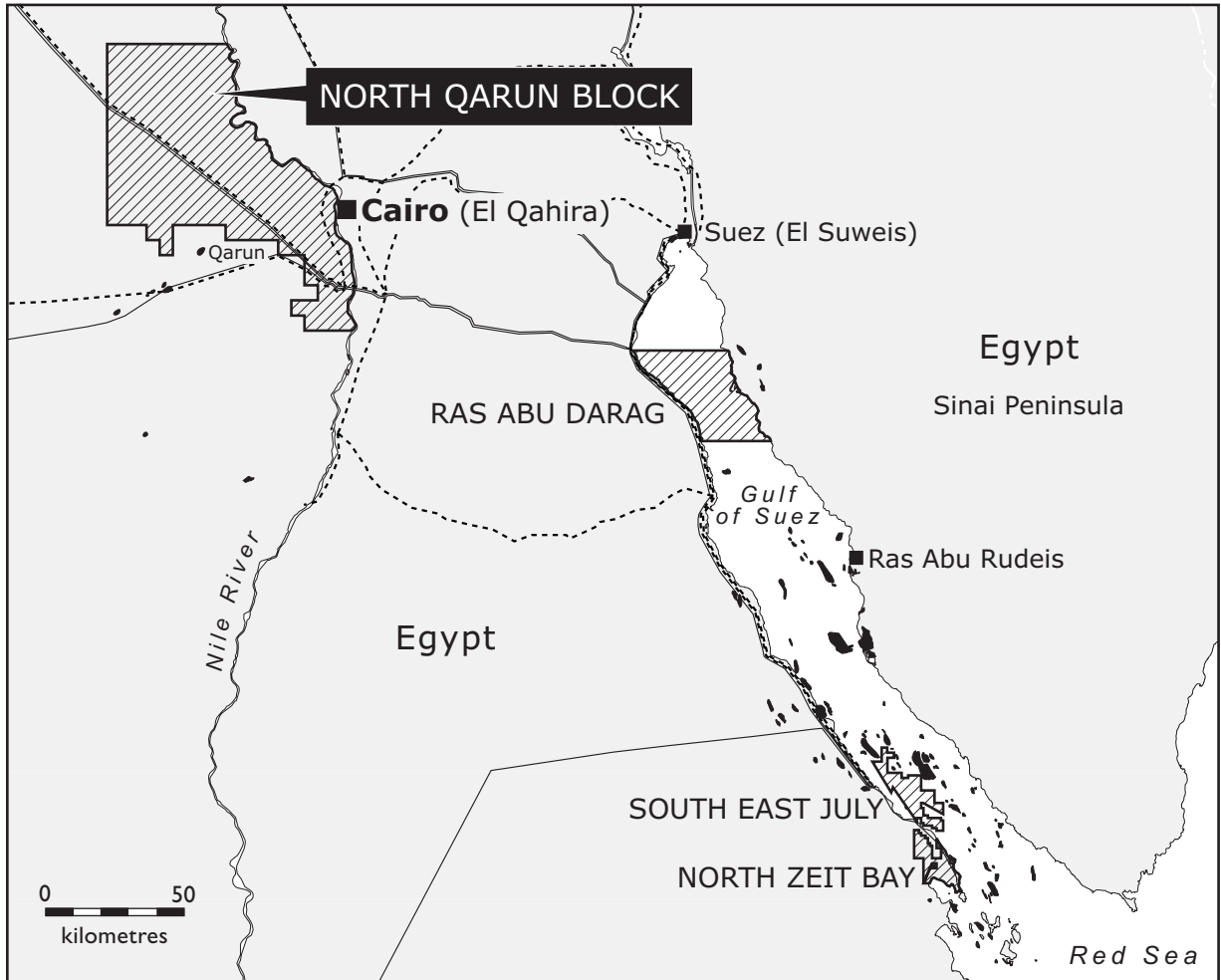
Investor enquiries

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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

Map attached

Egypt



LEGEND

- ▨ Santos Acreage
- Oil Field
- ▣ Gas Field
- Oil Pipeline
- Gas Pipeline

LOCATION MAP

