

6 July 2005

Santos strengthens Sorell Basin exploration position

Santos Limited has further expanded its oil and gas exploration acreage in the Sorell Basin, offshore Tasmania.

The Company has been awarded a permit by the Commonwealth and Tasmanian governments to explore for oil and gas in Block T/40P, located 100 kilometres off Tasmania's north western coast.

The new permit area, covering approximately 3155 square kilometres, is the fifth offshore exploration permit held by Santos in the Sorell Basin.

Santos has been awarded the block for a period of six years with a work program which may result in expenditure of up to \$23 million being invested in 2D and 3D seismic and the drilling of one well.

"This builds on Santos' strong operating position in the waters off Southern Australia's Otway and Sorell Basins, where we now hold the exploration rights to eight blocks", Santos' Managing Director, Mr John Ellice-Flint, said today.

"The new block not only adds to our established position in the area but also is on trend with our other deep water blocks in the Otway and Sorell Basins," he said.

"Acquiring this block – which is largely in water depths of less than 200 metres - enables us to further evaluate the Cretaceous Shipwreck Group reservoirs along trend from existing fields and opportunities."

Santos holds a 100 per cent interest in T/40P and is the operator.

FOR FURTHER INFORMATION PLEASE CONTACT:

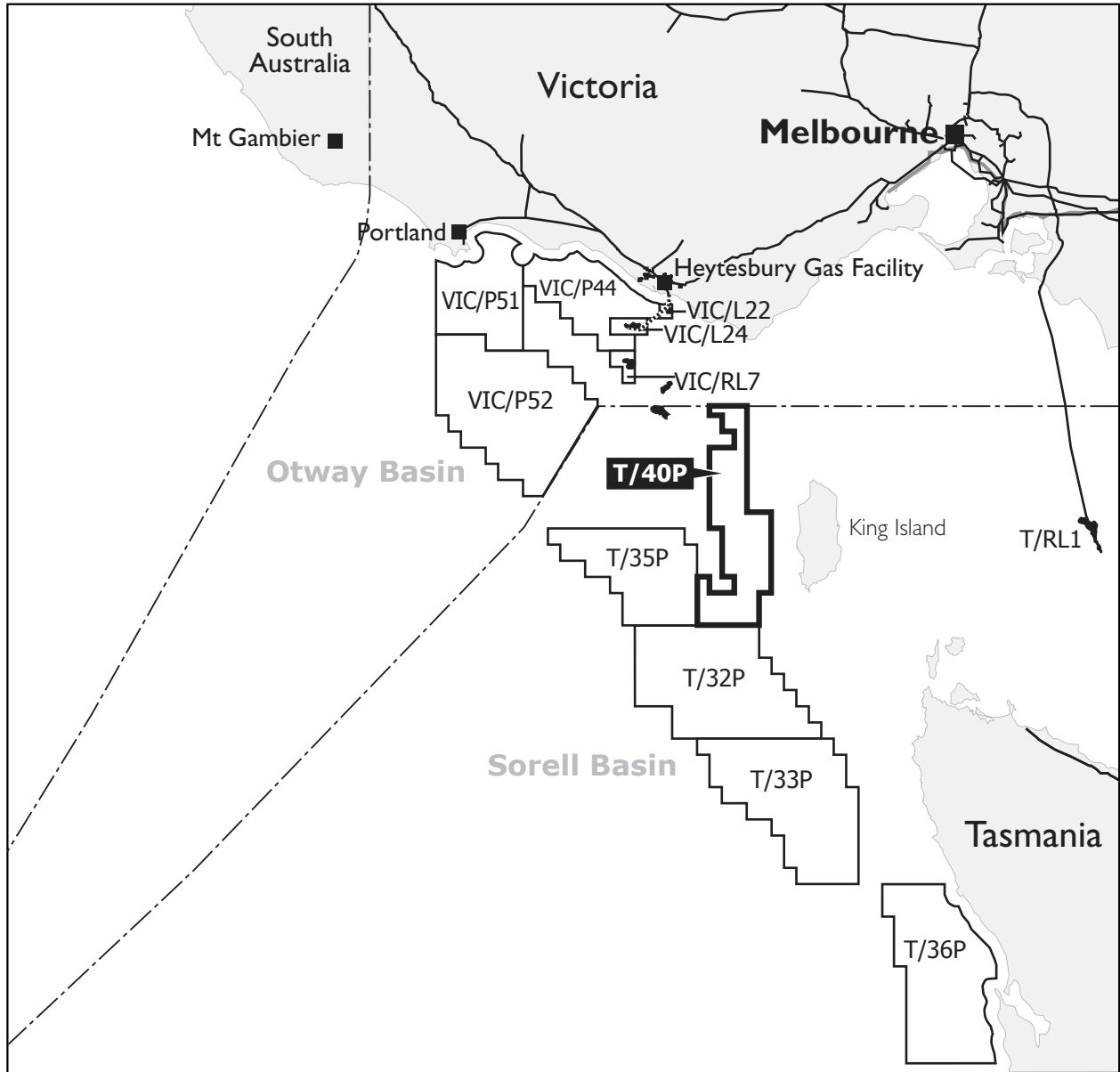
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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

Map attached.

Southern Margins Otway & Sorell Basins



LEGEND

- Santos Acreage
- Oil Field
- Gas Field
- Gas Pipeline
- Proposed Gas Pipeline
- Oil Pipeline

