

29 September 2005

New gas field discovered offshore Northern Territory

Santos Limited, on behalf of its wholly-owned subsidiary Santos Offshore Pty Ltd, today confirmed the discovery of a new gas field offshore Northern Territory with the drilling of the Caldita 1 exploration well.

Caldita 1 commenced drilling on July 7 and reached a total depth of 4037 metres. The well encountered a significant hydrocarbon column in a high quality reservoir interval.

A Drill Stem Test in the primary objective flowed gas at a rate of approximately 33 million cubic feet per day through a 1" choke. The test was constrained by the limitations of surface equipment.

The well will now be plugged and abandoned as per the planned program. The Caldita discovery is located in exploration permit NT/P61 265 kilometres north-northwest of Darwin in 137 metres of water.

"This is an encouraging result and further evaluation will be carried out to assess the appraisal and development potential of Caldita and nearby resources," said Santos Managing Director, Mr John Ellice-Flint.

The participants in NT/P61 are:

Santos Offshore Pty Ltd	40%
ConocoPhillips Australia Exploration PTY Ltd (operator)	60%

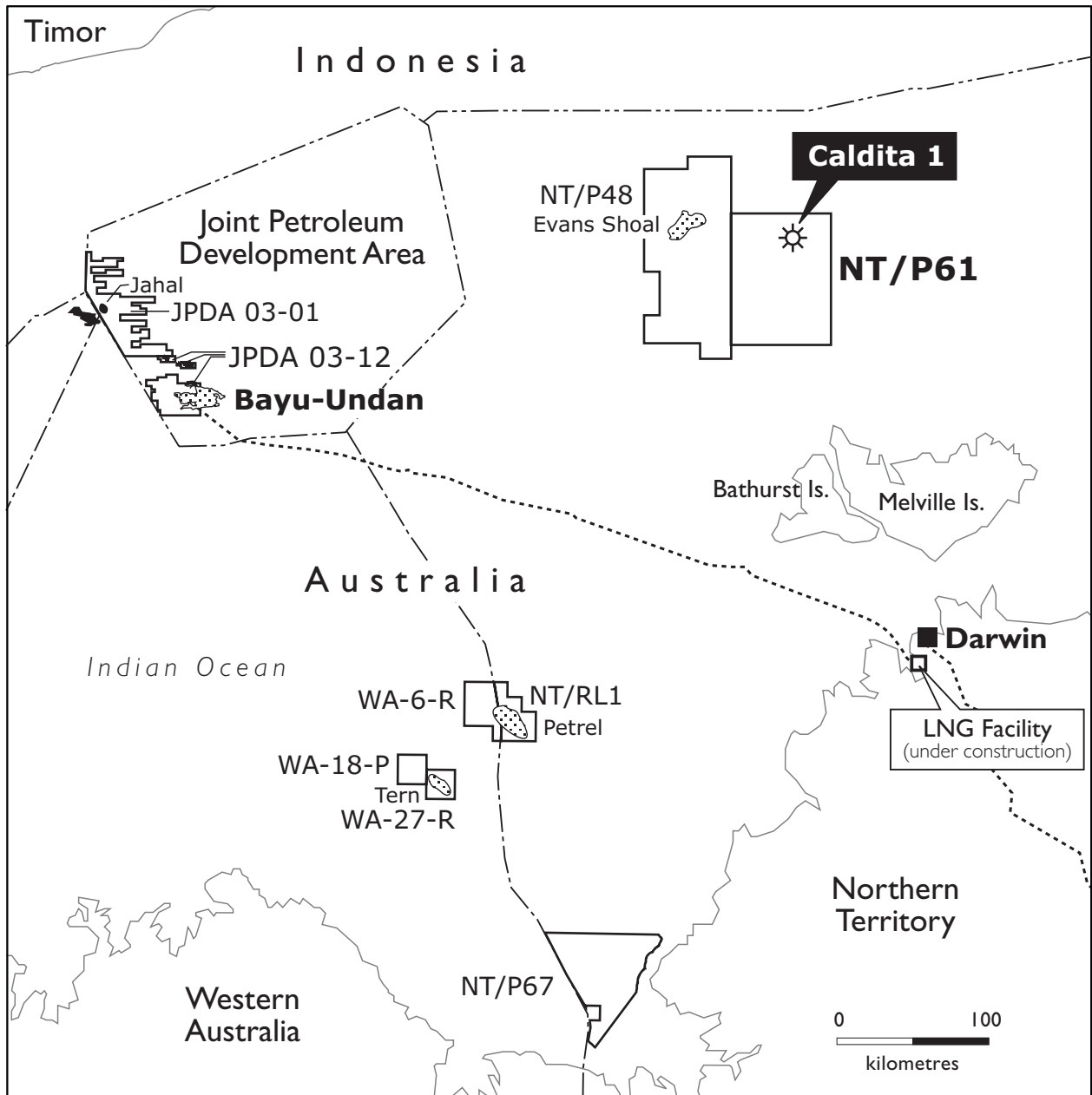
FOR FURTHER INFORMATION PLEASE CONTACT:

Media enquiries	Investor enquiries
Kathryn Mitchell	Mike Hanzalik
(08) 8218 5260 / 0407 979 982	(08) 8224 7725 / 0439 892 143





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

Map attached.

Timor Sea



Legend

-  Santos acreage
-  Oil Field
-  Gas Field
-  Gas Pipeline

