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Update Dua-4X exploration well, Vietnam

Santos today announced an oil and gas discovery at the Dua-4X exploration well currently being drilled in exploration Block 12E, offshore Vietnam.

Santos is participating in the well having agreed in April this year to take a 37.5% interest in two Vietnam exploration permits - Block 12E and Block 12W. The farm-in will be fully effective after Santos has funded a proportion of the costs of a two-well drilling program.

Dua-4X was drilled down-flank from the 1974 Dua-1X discovery well that flowed 1,500 barrels of oil per day. Following the intersection of hydrocarbons in the Dua 4X vertical well, a sidetrack has been drilled (Dua-4X ST1) to provide further geological information.

Wireline testing of both Dua-4X and Dua-4X ST1 recovered oil samples, core and pressure data to help define the quantity and quality of hydrocarbons within the northern flank of the Dua structure. As planned no drill stem test was performed.

A second geological sidetrack, Dua-4X ST2, will now be drilled to evaluate potential gas and oil reservoirs in the southern fault block of the Dua structure.

Following completion of Dua-4X ST2, the 12E-CS-1X well will be drilled on the Blackbird prospect to explore a large tilted fault block updip of a pre-existing well (12E-LK-1X) which encountered very good oil shows.

“This is an encouraging start to our Vietnam drilling program in Block 12. We now look forward to the results from the side-track and the Blackbird exploration well which will follow,” said Santos Managing Director, John Ellice-Flint.

On completion of the farm-in, the interests in Block 12E will be:

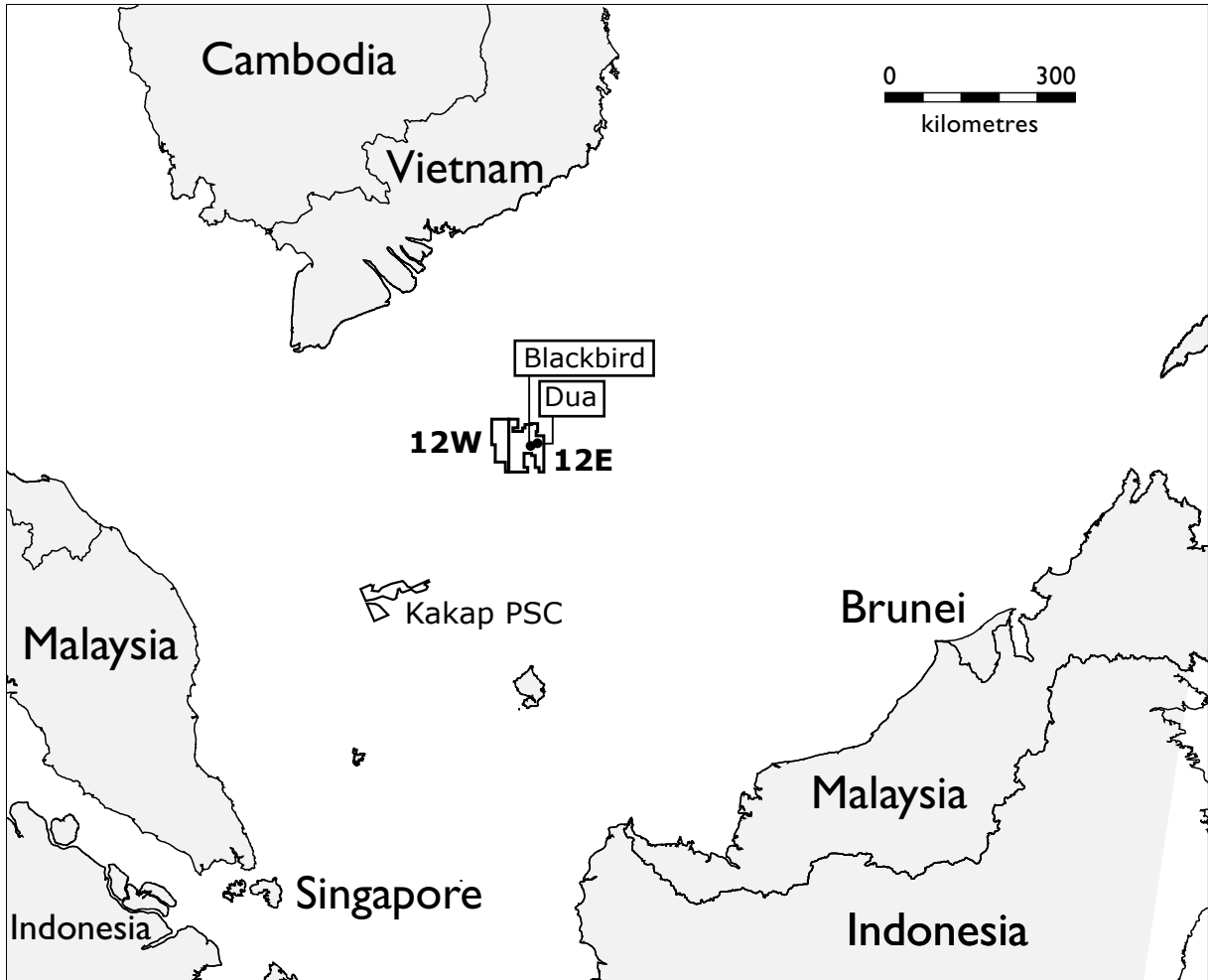
Santos International Holdings Pty Ltd	37.5%
Premier Oil PLC (operator)	37.5%
Delek Energy	25%

Ends

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

Map attached.

Vietnam



LEGEND

□ Santos Acreage