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## **Dua-5X appraisal drilling update**

Santos today announced that testing of the Dua-5X well, offshore Vietnam, has been successfully completed, with the well discovering multiple gas and oil reservoirs in the southern fault block of the Dua structure.

Two reservoir intervals have been tested with the primary reservoir target flowing oil at a stable rate of 5,543 barrels of oil per day (bopd) plus 6.76 million standard cubic feet of gas per day through a 2 inch choke.

A deeper secondary reservoir flowed at a rate of 247 bopd through a 28/64" choke. Neither zone produced water on test.

Work will now commence on the resource assessment and preparation of a reservoir evaluation report, which is the first step in the commercialization process within the PSC terms.

Immediately prior to drilling the southern fault block, the Dua-4X and Dua-4X ST1 wells were drilled in the northern fault block of the Dua structure. These wells were step-outs from the 1974 Dua-1X discovery well which flowed at a rate of 1,500 bopd from the main reservoir. Wireline testing of both Dua-4X and Dua-4X ST1 recovered oil samples and pressure data.

Following completion of operations on Dua-5X, the rig will be moved to drill well 12E-CS-1X on the Blackbird prospect also in Block 12E. This well will explore a large tilted fault block up-dip of a previous well that encountered very good oil shows.

Commenting on the successful testing, Santos' Managing Director, John Ellice-Flint said "This is an encouraging result from our initial drilling program in Vietnam. We are also continuing to assess other opportunities to increase our exploration exposure in this country."

Interests in Block 12E are:

	Post farm-in*	Pre farm-in
Santos International Holdings Pty Ltd	37.5%	-
Premier Oil plc (operator)	37.5%	75%
Delek Energy	25%	25%

\* On completion of the farmout agreement announced on 26th April 2006, and subject to receipt of the approvals required from the Government of the Socialist Republic of Vietnam.

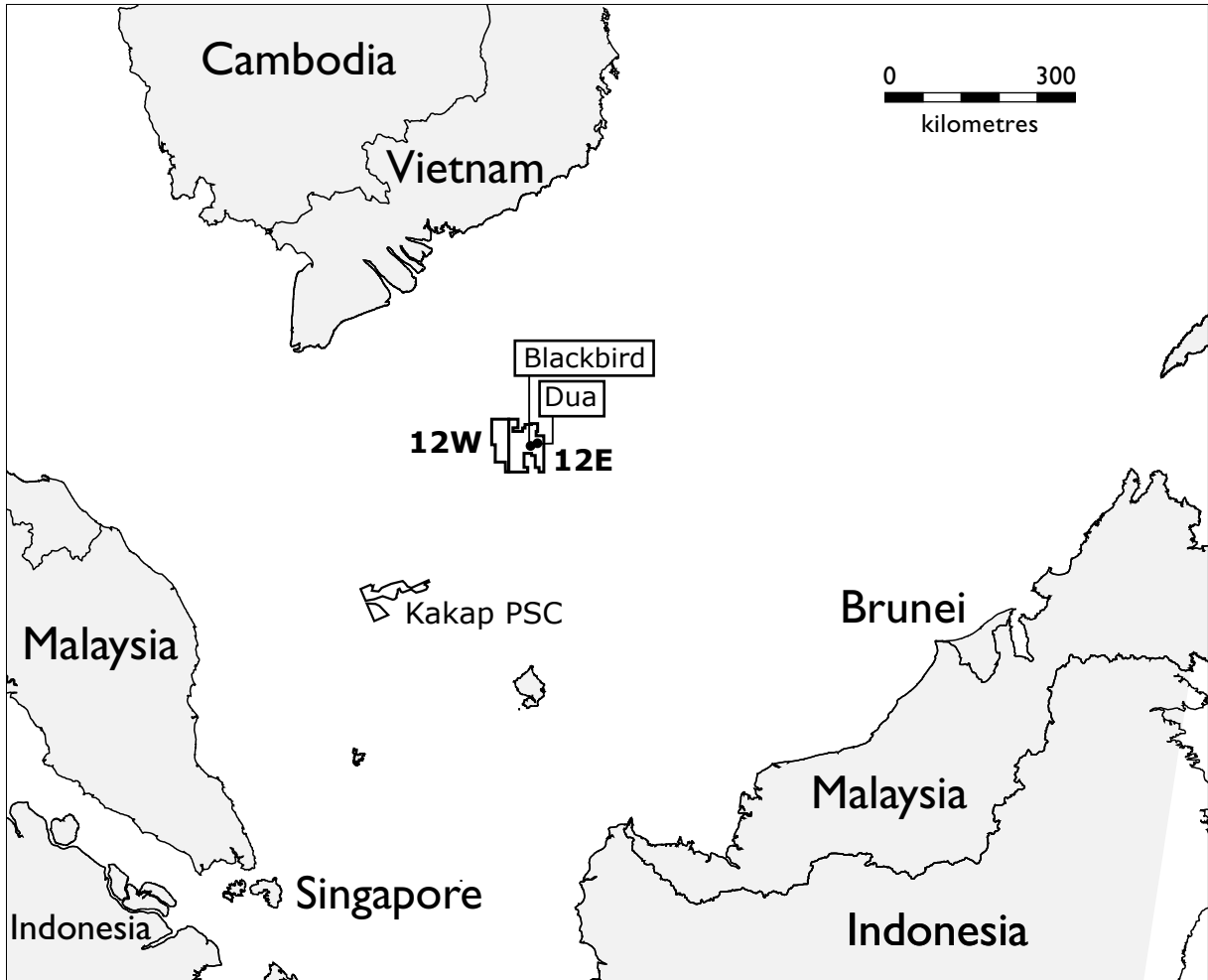
Map attached.  
Ends

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

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**Vietnam**



**LEGEND**

□ Santos Acreage