

Media enquiries

Kathryn Mitchell
+61 8 8218 5260 / +61 (0) 407 979 982
Kathryn.mitchell@santos.com

Investor enquiries

Andrew Seaton
+61 8 8218 5157 / +61 (0) 410 431 004
andrew.seaton@santos.com

17 November 2006

Santos oil discovery offshore Vietnam

Santos today announced that the Blackbird well, offshore Vietnam, has intersected four oil bearing intervals encountering a total net oil pay in excess of 70 metres.

The Blackbird well (12E-CS-1X), which has been drilled to a total depth of 4,058 metres, is located in Block 12E offshore Vietnam, approximately 21 kilometres to the south-west of the recent successful wells announced by Santos in the Dua field.

The well drilled a large tilted fault block and discovered four oil bearing intervals in the main Middle Dua target, up-dip of a previous well (12E-LK-1X) that encountered good oil shows. These intervals have been wireline logged with oil samples recovered for further evaluation.

Preparations are ongoing for Drill Stem Tests over a number of the intervals.

“The discovery of oil at Blackbird is very encouraging, and we await the results of testing to provide additional clarity on the likely resources,” Santos’ Managing Director, Mr John Ellice-Flint, said today.

“The success at Dua and now Blackbird in the Nam Con Son Basin, plus the recent signing of a Production Sharing Contract in northern Vietnam’s Song Hong Basin, are encouraging steps towards our plans to grow Santos’ operations in Vietnam.”

Interests in Block 12E are*:

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

* Santos has recently been advised that all necessary approvals required from the Government of the Socialist Republic of Vietnam in connection with the farmout agreement with Premier announced on 26 April 2006 have now been received. Accordingly, Santos is now proceeding to finalise the completion of the acquisition of its interests in Blocks 12E and 12W under the farmout agreement.

Map attached.
Ends

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

Vietnam



LEGEND

□ Santos Acreage

*Santos has recently been advised that all necessary approvals required from the Government of the Socialist Republic of Vietnam in connection with the farmout agreement with Premier announced on 26 April 2006 have now been received. Accordingly, Santos is now proceeding to finalise the completion of the acquisition of its interests in Blocks 12E and 12W under the farmout agreement.

