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# Santos

# News Release

Issued by Investor Relations

1 May 1998

## ANNUAL GENERAL MEETING

The Santos Annual General Meeting was held in Adelaide today with the Chairman Mr John Uhrig and the Managing Director Mr Ross Adler addressing shareholders.

### CHAIRMAN'S ADDRESS

#### 1997 Result

Mr Uhrig described 1997 as being a good year for the company. Sound financial results were achieved, the ordinary full year dividend was a record 25 cents per share and a successful \$267 million rights issue was completed.

#### Exploration

Mr Uhrig commented on the company's 1997 exploration program which resulted in Santos' level of reserves exceeding one billion barrels of oil equivalent for the first time. This level of reserves is significant by world standards.

#### Acquisitions and Divestments

The acquisitions of petroleum assets of MIM Holdings Ltd and interests from WMC Resources Limited were finalised during the year.

On divestments, Mr Uhrig spoke of the Group's decision to seek offers for the sale of the Group's oil and gas interests in the United Kingdom. Initial interest in these assets has been encouraging.

#### Gas Contracts

Mr Uhrig commented on the new gas sale contracts secured. In particular four contracts for the sale of gas from East Spar have been signed since the beginning of 1997, with the latest contract announced this week.

## **Environment**

Mr Uhrig stressed the importance the company placed on its environmental responsibilities. The Chairman made particular reference to the seismic exploration program undertaken in the Coongie Lakes which was completed to the satisfaction of both the South Australian government and the independent ecologist working with the seismic party.

## **1998 Outlook**

Mr Uhrig commented on the sound outlook for the company.

"It is expected that the financial results in the first half will be somewhat lower compared with 1997" Mr Uhrig said.

"During the second and third quarters of 1998 a number of development projects are expected to come on line which will add to production.

At the same time lower oil and liquids prices than in 1997 are expected to continue throughout the year.

Allowing for these offsetting factors, the financial results for the full year are expected to be broadly comparable to those in 1997.

Given the significant impact of lower liquids prices, this would be a positive outcome".

## **MANAGING DIRECTOR'S PRESENTATION**

Mr Ross Adler provided an overview of recently completed development projects together with those projects currently in progress.

Project development is an important growth driver for the company. New production projects commencing from April 1998 are expected to contribute approximately 6 million barrels of oil equivalent to total production during the balance of the year.

Mr Adler noted that two projects - first gas to Mt Isa and oil production from SE Gobe - had commenced in April and that first production from the Stag oil field was expected to commence in the first week of May.

For clarification contact:

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