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Santos steps up exploration in 2005

Santos Limited today announced a 25 well, high-impact exploration program for 2005.

The Company will invest a total of \$153 million testing prospects within its expanding domestic and international exploration portfolio – up 21% from the \$126 million spent on exploration in 2004.

Oil is the main focus of the 2005 program with most activity in the Kutei and East Java Basins offshore Indonesia, the Gulf of Suez in Egypt, the Bonaparte Basin in the Timor Sea and the Carnarvon Basin offshore Western Australia.

“The 2005 program reflects the increasing materiality of our exploration portfolio and continues Santos’ emphasis on more globally-focused exploration as an important part of our growth strategy,” said Santos’ Managing Director, John Ellice-Flint.

“We are commencing 2005 with a very high activity level in the first quarter,” he said.

Key wells in the first quarter are: three deep water wells in the Kutei Basin, one of which has already spudded; the Agung oil prospect in the North Bali 1 PSC, which will spud within days; two wells in the Gulf of Suez and the Cougar prospect offshore Gulf of Mexico.

Throughout the remainder of the year other key wells are planned in the Gulf of Suez, the Kutei Basin, East Java, the Otway Basin, the Bonaparte Basin, the Carnarvon Basin and onshore in the United States.

Santos has also commenced an extensive 3D seismic acquisition program in the Sampang and Madura Offshore Production Sharing Contracts in East Java.

The exploration portfolio is constantly being optimised so the program is likely to vary as a result of drilling outcomes and as new prospects mature.

The table below details the proposed 2005 exploration drilling program.

Well/Prospect	Basin/Area	Target	Indicative Prospect Upside Resource Potential (mmboe) Unrisked					Santos Interest %	Quarter Drilling Expected to Commence
			TBA	1-50	50-100	100-250	>250		
Ras Abu Darag	Gulf of Suez	Oil			✓			50	Drilling
Jeruk 2	E. Java (Sampang PSC)	Oil	✓					50	Drilled
Hurricane 1	Carnarvon	Oil			✓			31	Drilled
Hiu Aman 1	Kutei (Donggala PSC)	Oil				✓		40	Drilling
Orca	Kutei (Donggala PSC)	Oil				✓		40	Q1
Raksasa	Kutei (Donggala PSC)	Oil					✓	40	Q1
North Zeit Bay A	Gulf of Suez (onshore)	Oil	✓					50	Q1
Cougar B	Gulf of Mexico (offshore)	Gas		✓				55	Q1
Agung 1	E. Java (N. Bali 1 PSC)	Oil					✓	30	Q1
Pangkal	Kutei (Papalang PSC)	Oil				✓		20	Q2
North Zeit Bay B	Gulf of Suez (onshore)	Oil	✓					50	Q2
Caldita	Bonaparte	Gas					✓	40	Q2
Thunder	Gulf of Mexico (onshore)	Gas		✓				60	Q2
Khufu	Gulf of Suez (offshore)	Oil		✓				20	Q2
Phoenix	Bonaparte	Gas				✓		40	Q2
Pecten East	Otway	Gas		✓				50	Q3
Herbras	E. Java (Sampang PSC)	Oil		✓				45	Q3
Pawnee	Gulf of Suez (offshore)	Oil			✓			50	Q3
Banjar Panji	E. Java (Brantas PSC)	Oil		✓				18	Q3
Little Joe	Carnarvon	Oil		✓				31	Q3
Greenmount	Eastern Qld	Gas		✓				50	Q3
Yamala	Eastern Qld	Gas		✓				50	Q3
North Zeit Bay C	Gulf of Suez (onshore)	Oil	✓					50	Q4
Brick Landing	Carnarvon	Oil			✓			44	Q4
Lindsay	Otway	Gas		✓				40	Q4

TBA = To Be Announced

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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)