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Santos

News Release

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SANTOS RECORD FULL YEAR PROFIT OF \$487 MILLION

- **Net profit after tax up 122% to \$487 million.**
- **Earnings per share a record 80 cents.**
- **Final dividend of 25 cents per share comprising a 15 cent ordinary dividend and a 10 cent per share special dividend, both fully franked.**
- **Total dividends of 40 cents for 2000, fully franked.**
- **Cash flow from operations \$1,023 million (\$1.68 per share).**
- **Gearing (net debt to equity) down to 38%.**

Santos today announced a record after-tax profit for the 2000 full year of \$486.8 million, more than double the 1999 (pre abnormals) result.

Higher sales volumes (up 15%) and a significant increase in realised oil prices drove the record profit in 2000. The average realised oil price in 2000 was A\$46.54 after hedging (A\$27.57 in 1999). Increased oil production from existing assets and the acquisition of the Barrow and Thevenard Island assets from Shell Australia enabled the company to achieve record returns during a period of sustained high oil prices.

Cashflow from operations increased to \$1,023 million and contributed to the 33% fall in net debt to \$867 million, notwithstanding spending of \$694 million on exploration, development and acquisitions. Santos received \$326 million for sale of its interest in QCT Resources Limited. The gearing ratio fell to a 20 year low of 38%.

Return on average equity increased to 22% (11% in 1999), earnings per share before abnormals was 80 cents (up 121%) and net operating cash flow was \$1.68 per share (\$0.87 in 1999).

Commenting on the results the Managing Director of Santos, Mr John Ellice-Flint said:

“This is an excellent result for Santos and our shareholders. It is pleasing that we have been able to provide benefits to shareholders through the total dividend payment of 40 cents per share fully franked for the full year.

The outlook for the coming year is good. We expect to at least maintain the record 2000 level of production, with continued control over the cost structure.

The combination of the good outlook for 2001 and record low gearing gives us substantial scope for future growth. Growth opportunities are currently being assessed as part of our strategic review”.

Dividend

Directors have declared a final dividend of 15 cents per share (fully franked) increasing the total ordinary dividends to 30 cents per share (fully franked) for 2000. This is a 3 cent per share increase over the total 1999 dividend payment.

In view of the record 2000 profit result and strong cash flow Directors have also declared a special dividend of 10 cents per share (fully franked).

The final dividend will be paid on 27 April 2001 to shareholders registered in the books of the company at the close of business on 3 April 2001.

Earlier Reporting

For the 2001 Interim Result Santos intends to both report its results and pay its dividend significantly earlier than in the past.

Strategic Review

A strategic review of Santos’ activities is underway, the purpose of which is to put in place a plan for further growth to benefit shareholders.

For clarification contact:

Dr Graeme Bethune – General Manager, Finance and Investor Relations on 08 8218 5157 or 0419 828 617.

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

Financial Summary

	Full Year Ended	Full Year Ended	%Increase (Decrease)
	31/12/2000	31/12/1999	
PROFIT & DIVIDEND (\$ million)			
Sales Revenue	1,497.1	944.5	59
Other Revenue	58.1	51.1	14
Total Revenue from Operating Activities	1,555.2	995.6	56
Profit on Sale of Associated Companies	29.8	-	-
Share of Associated Companies Operating (Loss)/Profit after Tax	(18.7)	2.5	(848)
Depreciation & Depletion	(323.5)	(256.8)	26
Writedown of exploration expenditure	(9.7)	(7.6)	28
Earnings before interest expense & tax	811.7	414.0	96
Interest Expense	(85.8)	(74.4)	15
Operating Profit before tax	725.9	339.6	114
Tax on operating profit	(239.1)	(120.4)	99
Operating profit after tax & before abnormals	486.8	219.2	122
Earnings per share before abnormals (<i>cents</i>)	80.0	36.2	121
Abnormal Income Tax item (gain)	-	(89.9)	(100)
Operating profit after tax & abnormals	486.8	309.1	57
Earnings per share after abnormals (<i>cents</i>)	80.0	51.0	57
Dividends per share (<i>cents fully franked</i>)	40.0	27.0	48
CASH FLOW (\$ million)			
Net operating cash flow after tax	1,023.0	529.9	93
- per share (<i>cents</i>)	168.2	87.4	92
BALANCE SHEET (\$ million)			
Total shareholders' equity	2,310.9	2,056.7	12
Total assets	4,659.8	4,338.7	7
Net debt	866.6	1,301.1	(33)
CAPITAL EXPENDITURE (\$million)			
Exploration expenditure	100.1	78.1	28
Development expenditure (inc. plant & equip)	340.6	219.3	55
RATIOS			
Net debt/equity (%)	37.5	63.3	(41)
Return on average shareholders' equity (%) (before abnormals)	22.3	11.0	103
Return on average shareholders' equity (%) (after abnormals)	22.3	15.5	44
Return on average capital employed (%) (before abnormals)	16.7	8.1	106

SANTOS 2000 FULL YEAR RESULTS

(Unless otherwise stated, comparisons are with the corresponding period in 1999)

1. PROFIT

Sales Volume

Sales volume increased to a record 55.7 million boe, from 48.5 million barrels of oil equivalent (boe), due to higher gas sales volumes and increased sales of crude oil.

Sales Revenue

Sales revenue increased by 59% to a record \$1497.1 million reflecting increased sales volumes and higher prices received during 2000. Sales volume and price increases accounted for 30% and 70%, respectively, of the increase in sales revenue.

Investment Income

Investment income increased to \$12.5 million primarily due to the gain on sale of Santos' investment in QCT Resources Limited (QRL) (\$29.8 million) which was partly offset by the equity accounted loss on QRL in the first half year 2000 (\$18.7 million). Other dividends contributed \$1.4 million.

Expenses

Operating costs increased by 19.6% to \$264.0 million due primarily to increased gas and oil production from the Cooper/Eromanga Basins, Stag, Elang-Kakatua, Barrow and Thevenard Island oil fields. Average operating costs per boe produced increased slightly to \$4.71 (1999 - \$4.49/boe).

Depreciation and depletion increased by 26% to \$323.5 million reflecting mostly higher levels of production from offshore Australia, which incurs higher depletion rates. Depreciation and depletion per boe increased to \$5.78 (1999 - \$5.22/boe).

Royalties increased by 109% to \$102.2 million reflecting higher sales revenue.

Earnings Before Interest Expense and Tax

Earnings before interest expense and tax increased by 96% to \$811.7 million.

Net interest expense increased by 15% to \$85.8 million principally due higher average debt and the fact that the reduction in debt arising from the sale of the investment in QCT Resources Ltd accrued late in the year. Gross interest expenditure (prior to capitalisation) increased by 19% to \$98.1 million.

Operating profit before income tax increased by 114% to \$725.9 million. Income tax on operating profit increased to \$239.1 million due to the higher operating profit before tax.

Operating Profit After Tax

A net profit after tax of \$486.8 million was achieved, with earnings per share of 80 cents. No abnormal items were recorded in 2000.

Opportunity Cost of Hedging

During the year the Company had in place various oil price and foreign currency hedging arrangements. The average oil price in 2000 was A\$52.83 per barrel before hedging and A\$46.54 per barrel after hedging. The opportunity cost of the oil price hedging arrangements was \$52.1 million after tax and the opportunity cost of the currency hedging was \$26.7 million after tax.

2. CASH FLOW AND BALANCE SHEET

Cash flow from operations increased by 93% to a record \$1,023 million.

Operating cash flow per share was \$1.68 compared with \$0.87 in 1999.

Dividends of \$243.9 million (1999 - \$163.7 million) were declared to shareholders.

The net debt to equity ratio at year end was 38% compared with 64% at the end of June 2000 and 63.3% at the end of 1999.

3. OTHER BUSINESS DEVELOPMENTS

(a) Acquisitions and Divestments

1. Carnarvon Assets

In March, the Santos Group acquired a number of oil and gas assets from Shell Development (Australia) Pty Ltd, effective 1 January 2000. The assets included a 28.57% interest in Barrow Island and a 35.71% interest in Thevenard Island. The interests contributed 43 million boe (88% oil) of proved and probable reserves to Santos' reserve base.

2. *Kipper Gas Field*

In March, the Santos Group increased its total economic interest in VIC/RL2 to 20%. VIC/RL2, located in the Gippsland Basin, contains the majority of the Kipper gas field.

3. *QCT Resources Limited*

On 17 October 2000 Santos accepted MetCoal Holdings (Qld) Pty Ltd's revised offer for QCT Reserves Limited (QRL) realising approximately \$326 million from the sale of its 36.4% shareholding in QRL.

(b) CS Energy Ltd Gas Sale Agreement

In June, Santos announced that it would sell up to 120 petajoules of gas to Queensland power generator, CS Energy Ltd, over a 10 to 15 year period commencing on 1 July 2002.

Gas will be sourced from Santos' 100% owned Scotia field in PL 176 in eastern Queensland.

(c) East Spar Gas Contract

In February, gas supply from East Spar began under an agreement to supply gas to the South-West Cogeneration Joint Venture.

(d) South-West Queensland Gas Contract

In January, a long term agreement to supply south-west Queensland gas to WMC's Phosphate Hill fertiliser project at Mt Isa commenced.

4. 2000 EXPLORATION, DEVELOPMENT & RESERVES

2000 Exploration program highlights included:

- A high overall success rate for the Cooper Basin gas program in South Australia (100%) and South West Queensland (53%).
- Successful appraisal of the Scotia Field in Eastern Queensland resulting in decision to commercialise the field.
- South Australian Moomba oil discoveries.
- Runnells #3 and Mew #1 new gas discoveries in the onshore US.

Santos drilled 42 wells for a 52% success rate with total expenditure of \$100 million during 2000. A total of 31 gas and 11 oil wells were drilled with a majority focused on the onshore gas program. Santos acquired 5,674 kilometres of 2-dimensional seismic and 2,048 kilometres of 3-dimensional seismic. Santos booked an additional 24 mboe of reserves from wildcat exploration and appraisal wells.

Exploration expenditure in 2001 is expected to rise 40% to around \$140 million as both the onshore and offshore exploration program are accelerated.

Development spending increased to \$341 million in 2000 reflecting significant spending increases on Cooper Basin and offshore Australia projects.

Major projects included an accelerated works program undertaken on existing producing fields in onshore Australia as well as extensive field development focused on gas deliverability. A total of 60 development wells were drilled in South Australia and Queensland, 10 compression projects undertaken and 76 projects in existing well bores.

Offshore Australia activity included further drilling and remedial work at Stag which lifted peak production above 30,000 barrels of oil per day (bopd) (gross basis), the Bayu-Undan development, and ongoing work on the Legendre development which is expected to commence production mid 2001. Production rates improved from both Stag and Elang-Kakatua oil fields during 2000, far exceeding budget production rates.

2001 development expenditure is expected to rise to around \$462 million, with spending of around \$162 million on offshore Australia. Offshore Australia will focus on development of the Bayu-Undan project.

Proved and probable reserves at the end of 2000 were 921 million boe, a decrease of 20 million boe. The reduction in reserves resulted from a record production of 56 million boe, 14 million boe booked from wildcat exploration, 10 million boe from appraisals, 49 million boe added from acquisitions and a 37 million boe downward reserve revision primarily in the Cooper Basin and Northern Territory.

The Company plans to complete a review of reserves to enable it to be able to separately report Proved, Probable and Possible reserves by this time next year.

Total reserve life at the end of 2000 was 16.5 years (19 years for gas and 11.5 years for oil) at 2000 production levels.

At the end of 2000 42% of reserves were located outside of the Cooper Basin.

Proved & Probable Hydrocarbon Reserves - Net

	Sales Gas (incl Ethane) PJ	Crude Oil Million Barrels	Condensate Million barrels	LPG '000 tonnes	Total Million boe
Estimated reserves at 31/12/99	4338	70	86	5326	941
1999 Production	(215)	(13)	(4)	(263)	(56)
Additions from 1999 Exploration (incl prior year)	62	2	1	71	14
Appraisal existing fields	51	-	1	63	10
Revisions existing fields	(202)	(2)	(3)	256	(37)
Reserves from Acquisitions/Divestments	50	40	0	52	49
Estimated reserves at 31/12/00	4084	97	81	5505	921

5. CAPITAL MANAGEMENT

Directors have declared a final dividend of 15 cents per share, increasing the total ordinary dividend to 30 cents for the year. This is a three-cent increase over the total 1999 dividend payment. The dividend continues to be fully franked.

In view of the record profit result directors have also decided to pay a special dividend of 10 cents per share, fully franked.

The dividend will be paid on 27 April 2001 to shareholders registered in the books of the Company at the close of business on 3 April 2001.

Historically Santos has been relatively late to report its results and to make its dividend payments. From the 2001 Interim Result, Santos intends to both report its results and pay its dividends significantly earlier than in the past. The Company expects to announce its 2001 Interim Result on 22 August 2001 (previously 5 September in 2000) and to pay its interim dividend on 28 September 2001 (previously 17 November in 2000).

A strategic review of Santos' activities is under way, the main purpose of which is to put in place a plan for further growth to benefit shareholders.

The review includes an assessment of the Company's ongoing capital management, taking into account funding requirements for the growth program, changes to taxation law affecting shareholders and the Company's surplus of franking credits.

Preliminary Final Report

Name of entity

SANTOS LTD

ACN, ARBN or ARSN

Half yearly
(tick)Preliminary
final (tick)

Financial year ended ('current period')

007 550 923



31 December 2000

Equity accounted results for announcement to the market

			\$A million
Sales revenue (<i>item 1.1</i>)	Up	58.5% to	1,497.1
Abnormal items after tax attributable to members (<i>item 2.5</i>)			Nil
Operating profit after tax (before amortisation of goodwill) attributable to members (<i>item 1.26</i>)	Up	55.9% to	495.8
Operating profit after tax attributable to members (<i>item 1.10</i>)	Up	57.5% to	486.8
Extraordinary items after tax attributable to members (<i>item 1.13</i>)			Nil
Operating profit and extraordinary items after tax attributable to members (<i>item 1.16</i>)	Up	57.5% to	486.8
Exploration and development expenditure incurred:			
- non-producing areas (<i>item 5.2</i>)			33.0
- producing areas (<i>item 6.2</i>)			254.2
Total exploration and development expenditure incurred	Up	47.4% to	287.2
Exploration and development expenditure written off:			
- non-producing areas (<i>item 5.3</i>)			5.0
- producing areas (<i>item 6.4</i>)			4.7
Total exploration and development expenditure written off			9.7
Dividends	Amount per security	Franked amount per security at 34% tax	Franked amount per security at 36% tax
Current period			
Final dividend – ordinary	15.0¢	15.0¢	N/A
Final dividend - special	10.0¢	10.0¢	N/A
Total final dividend (<i>item 15.4</i>)	25.0¢	25.0¢	N/A
Previous corresponding period (<i>item 15.5</i>)	15.0¢	N/A	15.0¢
Record date for determining entitlements to the dividend (<i>see item 15.2</i>)	3 April 2001		
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:			
None			

Consolidated profit and loss account

	Current period \$A million	Previous corresponding period \$A million
1.1 Sales revenue	1,497.1	944.5
Proceeds from sale of associated entity	325.5	-
1.2 Share of associate's net profit (loss) attributable to members (equal to item 16.7)	(18.7)	2.5
1.3 Other revenue	58.1	51.1
1.4 Operating profit before abnormal items and tax	725.9	339.6
1.5 Abnormal items before tax (detail in item 2.4)	-	-
1.6 Operating profit before tax (items 1.4 + 1.5)	725.9	339.6
1.7 Less tax	(239.1)	(120.4)
Abnormal income tax item	-	89.9
1.8 Operating profit after tax but before outside equity interests	486.8	309.1
1.9 Less outside equity interests	-	-
1.10 Operating profit after tax attributable to members	486.8	309.1
1.11 Extraordinary items after tax (detail in item 2.6)	-	-
1.12 Less outside equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
1.14 Total operating profit and extraordinary items after tax (items 1.8 + 1.11)	486.8	309.1
1.15 Operating profit and extraordinary items after tax attributable to outside equity interests (items 1.9 + 1.12)	-	-
1.16 Operating profit and extraordinary items after tax attributable to members (items 1.10 + 1.13)	486.8	309.1
1.17 Retained profits at beginning of financial period	495.2	378.3
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause	-	(28.5)
1.19 Aggregate of amounts transferred from reserves	-	-
1.20 Total available for appropriation	982.0	658.9
1.21 Dividends provided for or paid	(243.9)	(163.7)
1.22 Aggregate of amounts transferred to reserves	-	-
1.23 Retained profits at end of financial period	738.1	495.2

Profit restated to exclude amortisation of goodwill

	Current period \$A million	Previous corresponding period \$A million
1.24 Operating profit after tax before outside equity interests (items 1.8) and amortisation of goodwill	495.8	318.1
1.25 Less outside equity interests	-	-
1.26 Operating profit after tax (before amortisation of goodwill) attributable to members	495.8	318.1

Intangible, abnormal and extraordinary items

	<i>Consolidated – current period</i>			
	Before tax \$A million	Related tax \$A million	Related outside equity interests \$A million	Amount (after tax) attributable to members \$A million
2.1 Amortisation of goodwill	9.0	-	-	9.0
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles	9.0	-	-	9.0
2.4 Abnormal items	-	-	-	-
2.5 Total abnormal items	-	-	-	-
2.6 Extraordinary items	-	-	-	-
2.7 Total extraordinary items	-	-	-	-

Comparison of half year profits

	Current year \$A million	Previous year \$A million
3.1 Consolidated operating profit after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly report)	207.0	83.6
3.2 Consolidated operating profit after tax attributable to members for the 2nd half year	279.8	225.5

Consolidated balance sheet		At end of current period \$A million	As shown in last annual report \$A million	As in last half yearly report \$A million
Current assets				
4.1	Cash	182.5	97.9	93.3
4.2	Receivables	234.7	153.7	212.7
4.3	Investments	-	-	-
4.4	Inventories	98.8	90.1	98.4
4.5	Other	20.8	-	-
4.6	Total current assets	536.8	341.7	404.4
Non-current assets				
4.7	Receivables	-	-	-
4.8	Investments in associate	-	314.4	295.7
4.9	Other investments	33.8	34.9	36.6
4.10	Inventories	-	-	-
4.11	Exploration and development expenditure capitalised in areas in the exploration and development stage	302.6	282.0	307.0
4.12	Exploration and development expenditure capitalised in areas in which production has commenced (net)	2,321.1	2,076.0	2,243.6
4.13	Land and buildings, plant and equipment (net)	1,344.0	1,185.9	1,267.7
4.14	Intangibles (net)	35.6	44.6	40.1
4.15	Other	85.9	59.2	84.6
4.16	Total non-current assets	4,123.0	3,997.0	4,275.3
4.17	Total assets	4,659.8	4,338.7	4,679.7
Current liabilities				
4.18	Accounts payable	285.9	121.6	169.2
4.19	Borrowings	61.5	0.4	0.4
4.20	Provisions	416.5	183.7	240.4
4.21	Other	-	-	-
4.22	Total current liabilities	763.9	305.7	410.0
Non-current liabilities				
4.23	Accounts payable	-	-	-
4.24	Borrowings	987.6	1,398.6	1,495.1
4.25	Provisions	597.4	577.7	600.7
4.26	Other	-	-	-
4.27	Total non-current liabilities	1,585.0	1,976.3	2,095.8
4.28	Total liabilities	2,348.9	2,282.0	2,505.8
4.29	Net assets	2,310.9	2,056.7	2,173.9
Equity				
4.30	Capital	1,572.6	1,562.6	1,563.2
4.31	Reserves	0.2	(1.1)	(0.5)
4.32	Retained profits	738.1	495.2	611.2
4.33	Equity attributable to members of the parent entity	2,310.9	2,056.7	2,173.9
4.34	Outside equity interests in controlled entities	-	-	-
4.35	Total equity	2,310.9	2,056.7	2,173.9
4.36	Preference capital included as part of 4.33	-	-	-

Exploration and development expenditure capitalised in areas in the exploration and development stage

	Current period \$A million	Previous corresponding period \$A million
5.1 Opening balance	282.0	169.3
5.2 Expenditure incurred during current period:		
- exploration	21.7	18.5
- development	11.3	5.9
5.3 Expenditure written off during current period	(5.0)	(7.6)
5.4 Acquisitions, disposals, revaluation increments, etc.	14.7	108.7
5.5 Expenditure transferred to exploration and development in producing areas	(22.1)	(12.8)
5.6 Closing balance as shown in the consolidated balance sheet (item 4.11)	302.6	282.0

Exploration and development expenditure capitalised in areas in which production has commenced

	Current period \$A million	Previous corresponding period \$A million
6.1 Opening balance	2,076.0	2,074.1
6.2 Expenditure incurred during current period:		
- exploration	78.4	59.6
- development	175.8	110.9
6.3 Expenditure transferred from exploration and development in non-producing areas	22.1	12.8
6.4 Expenditure written off during current period	(4.7)	-
6.5 Acquisitions, disposals, revaluation increments, etc.	177.9	(18.3)
6.6 Expenditure transferred to land and buildings, plant and equipment	-	-
Depletion	(204.4)	(163.1)
6.7 Closing balance as shown in the consolidated balance sheet (item 4.12)	2,321.1	2,076.0

Consolidated statement of cash flows

	Current period \$A million	Previous corresponding period \$A million
Cash flows related to operating activities		
7.1 Receipts from customers	1,533.8	912.7
7.2 Payments to suppliers and employees	(301.3)	(249.7)
7.3 Dividends received from associates	-	11.3
7.4 Other dividends received	1.4	0.7
7.5 Interest and other items of similar nature received	9.0	3.8
7.6 Interest and other costs of finance paid	(85.9)	(84.2)
7.7 Income taxes paid	(72.2)	(45.0)
7.8 Other		
- pipeline tariffs and other receipts	17.9	13.7
- overriding royalties received	15.0	12.2
- government royalties paid	(94.7)	(45.6)
7.9 Net operating cash flows	1,023.0	529.9
Cash flows related to investing activities		
7.10 Payment for		
- exploration	(93.7)	(95.0)
- development	(159.1)	(118.4)
- land and buildings, plant and equipment	(138.6)	(95.1)
- acquisition of oil and gas assets	(302.5)	(112.5)
- other investments	(0.4)	-
- restoration	(0.7)	(2.2)
7.11 Proceeds from sale of property, plant and equipment	11.3	19.8
7.12 Payment for purchases of equity investments	-	(15.3)
7.13 Proceeds from sale of equity investments	325.5	-
7.14 Loans to other entities	-	-
7.15 Loans repaid by other entities	-	-
7.16 Other	0.5	0.3
7.17 Net investing cash flows	(357.7)	(418.4)
Cash flows related to financing activities		
7.18 Proceeds from issues of securities (shares, options, etc.)	10.0	1.9
7.19 Proceeds from borrowings	-	18.0
7.20 Repayment of borrowings	(411.9)	-
7.21 Dividends paid	(182.1)	(151.5)
7.22 Other	-	-
7.23 Net financing cash flows	(584.0)	(131.6)
7.24 Net increase (decrease) in cash held	81.3	(20.1)
7.25 Cash at beginning of period	97.9	117.8
7.26 Exchange rate adjustments to item 7.25.	3.3	0.2
7.27 Cash at end of period	182.5	97.9

Non-cash financing and investing activities

Not applicable.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A million	Previous Corresponding period \$A million
8.1	Cash on hand and at bank	182.5	97.9
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other	-	-
8.5	Total cash at end of period (item 7.27)	182.5	97.9

Ratios

		Current period	Previous corresponding Period
Profit before abnormals and tax / sales			
9.1	Consolidated operating profit before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	48.5%	36.0%
Profit after tax / equity interests			
9.2	Consolidated operating profit after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	21.1%	15.0%

Earnings per security (EPS)

		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
	(a) Basic EPS	80.0¢	51.0¢
	(b) Diluted EPS	N/A	N/A
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	608.3 million	606.1 million

NTA backing

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	N/A	N/A

Details of specific receipts/outlays, revenues/ expenses

	Current period \$A million	Previous corresponding period \$A million
12.1 Interest revenue included in determining item 1.4	9.4	3.8
12.2 Interest revenue included in item 12.1 but not yet received	-	-
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	85.8	74.4
12.4 Interest costs excluded from item 12.3 and capitalised in asset values	12.3	8.0
12.5 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles	-	-
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	323.5	256.8

Control gained over entities having material effect

13.1 Name of entity	N/A
	\$A million
13.2 Consolidated operating profit and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired	N/A
13.3 Date from which such profit has been calculated	N/A
13.4 Operating profit and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1	Name of entity	N/A
		\$A million
14.2	Consolidated operating profit and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit in item 14.2 has been calculated	N/A
14.4	Consolidated operating profit and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to consolidated operating profit and extraordinary items from sale of interest leading to loss of control	N/A

Reports for industry and geographical segments

Santos Ltd and its controlled entities operate predominantly in one industry, namely exploration, development, production, transportation and marketing of hydrocarbons and in one geographical segment, namely Australia. Operations are also conducted in Indonesia, Papua New Guinea and the United States but are not material to the Group results. Revenue is derived from the sale of gas and liquid hydrocarbons and transportation of crude oil.

Dividends

15.1	Date the dividend is payable	27 April 2001
15.2	Record date to determine entitlements to the dividend (ie, on the basis of registrable transfers received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	3 April 2001
15.3	If it is a final dividend, has it been declared?	Yes

Amount per security

	Dividends	Amount per security	Franked amount per security at 34% tax	Franked amount per security at 36% tax	Amount per security of foreign source dividend
15.4	Final dividend: Current year ordinary	15.0¢	15.0¢	N/A	Nil
	Current year special	10.0¢	10.0¢	N/A	Nil
	Current year total	25.0¢	25.0¢	N/A	Nil
15.5	Previous year	15.0¢	N/A	15.0¢	Nil
15.6	Interim dividend: Current year	15.0¢	15.0¢	N/A	Nil
15.7	Previous year	12.0¢	N/A	12.0¢	Nil

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities – ordinary dividend	30.0¢	27.0¢
Ordinary securities – special dividend	10.0¢	-
15.8 Ordinary securities – total	40.0¢	27.0¢
15.9 Preference securities	N/A	N/A

Preliminary final report - final dividend on all securities

	Current period \$A million	Previous corresponding period \$A million
Ordinary securities – ordinary dividend	91.7	91.0
Ordinary securities – special dividend	61.2	-
15.10 Ordinary securities – total	152.9	91.0
15.11 Preference securities	-	-
15.12 Total	152.9	91.0

The dividend or distribution plans shown below are in operation.

The Santos Dividend Reinvestment Plan has been suspended until further notice.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends

None

Details of aggregate share of profits of associate

Entity's share of associate		Current period	Previous corresponding period
		\$A million	\$A million
	Operating profit (loss) before abnormal items and income tax	(1.3)	9.2
	Abnormal item	(23.4)	-
16.1	Operating profit (loss) after abnormal item and before income tax	(24.7)	9.2
16.2	Income tax (expense)/benefit	6.0	(6.7)
16.3	Operating profit (loss) after income tax	(18.7)	2.5
16.4	Extraordinary items net of tax	-	-
16.5	Net profit (loss)	(18.7)	2.5
16.6	Outside equity interests	-	-
16.7	Net profit (loss) attributable to members	(18.7)	2.5

Material interests in entities which are not controlled entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to operating profit and extraordinary items after tax (item 1.14)	
	Current Period	Previous corresponding period	Current period \$A million	Previous corresponding period \$A million
17.1 Equity accounted associate				
QCT Resources Limited to date of acceptance of offer to purchase on 17 October, 2000.	36.4	36.4	(18.7)	2.5
17.2 Total			(18.7)	2.5
17.3 Other material interests	-	-	-	-
17.4 Total			(18.7)	2.5

Issued and quoted securities at end of current period

Category of securities		Total number	Number quoted	Issue price per security \$	Amount paid up per security \$
18.1	Preference securities	Nil	N/A	N/A	N/A
18.2	Changes during current period	Nil	N/A	N/A	N/A
18.3	Ordinary securities				
	Ordinary shares	609,605,403	609,435,203	N/A	N/A
	Ordinary shares – Executive Share Plan	838,250	-	*	0.01
18.4	Changes during current period				
	(a) Increases through issues	237,150	237,150	5.86	5.86
		141,100	-	3.72	3.72
		29,100	-	5.76	5.76
		1,000,000	1,000,000	-	-
	(b) Decreases through returns of capital, buybacks	-	-	N/A	N/A
	(c) Converted from Santos Executive Share Plan	50,000	50,000	1.88	1.88
		217,500	217,500	2.47	2.47
		56,250	56,250	2.48	2.48
		20,000	20,000	2.65	2.65
		50,000	50,000	2.83	2.83
		467,500	467,500	3.70	3.70
		126,250	126,250	3.72	3.72
		20,000	20,000	3.97	3.97
	(d) Quotation of employee Share Purchase Plan Shares	-	55,100	4.41	4.41
		-	10,600	4.38	4.38
	(e) Exercise of options (Santos Executive Share Option Plan)	100,000	100,000	4.84	4.84
		750,000	750,000	5.59	5.59
18.5	Convertible debt securities	Nil	N/A	N/A	N/A
18.6	Changes during current period	Nil	N/A	N/A	N/A
18.7	Options			<i>Exercise price (\$)</i>	<i>Expiry date</i>
	Santos Executive Share Option Plan				
		4,850,000	-	6.32	24/07/2002
		2,400,000	-	5.59	30/04/2003
		2,075,000	-	4.84	15/06/2003
		2,725,000	-	5.12	14/06/2004
		900,000	-	3.92	17/04/2005
		3,000,000	-	5.83	25/08/2010
18.8	Issued during current period	900,000	N/A	3.92	17/04/2005
		3,000,000	N/A	5.83	25/08/2010
18.9	Exercised during current period	100,000	100,000	4.84	15/06/2003
		750,000	750,000	5.59	30/04/2003
18.10	Expired during current period	150,000	N/A	6.32	24/07/2002
		600,000	N/A	4.84	15/06/2003
		200,000	N/A	5.12	14/06/2004
18.11	Debentures	Nil	N/A		
18.12	Unsecured notes	Nil	N/A		

* Balance to be called up is not quantified and will depend upon the event giving rise to the call.

Taxation

The prima facie income tax on operating profit before abnormal items differs from income tax and is calculated as follows:

	Current period \$A million	Previous corresponding period \$A million
Prima facie income tax expense at 34% (1999: 36%)	246.8	122.3
Tax effect of permanent differences which increase/(decrease) income tax expense:		
Gain on sale of associated company	(1.6)	-
Rebate on dividend income	(9.0)	(0.4)
Other	2.9	(1.5)
Net effect of permanent differences	(7.7)	(1.9)
Income tax attributable to operating profit before abnormal items	239.1	120.4
Abnormal income tax item		
Restatement of net deferred income tax due to change in future income tax rates	-	(89.9)
Income tax attributable to operating profit after abnormal items	239.1	30.5

Comments by directors

Basis of accounts preparation

Material factors affecting the revenues and expenses of the economic entity for the current period

Refer to attached commentary

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Balance of franking account credits at 34% (1999: 36%) available for future distribution of franked dividends, after adjusting for franking credits which will arise from the payment of current income tax provision at 31 December 2000 and after deducting franking credits to be used in the payment of the 2000 final dividends:

- | | |
|-----------------------|---|
| - Consolidated Entity | \$359.6 million (1999: \$179.3 million) |
| - Santos Ltd | \$57.4 million (1999: \$61.1 million) |

Changes in accounting policies since the last annual report are disclosed as follows.

None

Annual meeting

The annual meeting will be held as follows:

Place	The Auditorium at The Adelaide Town Hall Function Centre, 128 King William Street, Adelaide, South Australia
Date	4 May 2001
Time	11.00 AM
Approximate date the annual report will be available	30 March 2001

Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.

Identify other standards used

Nil

2 This report, and the financial statements prepared under the Corporations Law (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on financial statements to which one of the following applies.

The financial statements have been audited.

The financial statements have been subject to review.

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

5 The auditors' report is attached

6 The entity has a formally constituted audit committee.

Sign here: Date:

M G Roberts
Company Secretary

Phone: (08) 8218 5111