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Santos

News Release

Issued by Investor Relations

5 September 2000

Santos Reports Record Half Year

First half performance highlights:

- **Record earnings of \$207 million, up 148%.**
- **Earnings per share up 147% to a record 34 cents.**
- **Operating cash flow up 80% to \$440 million.**
- **Gearing (net debt to equity) down to 64.5% notwithstanding significant acquisition activity.**

Santos today announced a record after tax profit for the 2000 first half of \$207.0 million, a 147.6% increase on the 1999 first half result of \$83.6 million.

This result reflects record first half sales revenue, production and sales volume.

Included in this result is an equity accounted loss of \$18.7 million on the Company's investment in QCT Resources Ltd. Excluding this investment, Santos recorded earnings of \$225.7 million.

Operating cash flow increased by 79.6% to \$440.3 million.

Earnings per share were 34.1 cents compared with 13.8 cents in the 1999 first half. Net operating cash flow per share was 72.6 cents compared with 40.4 cents in the 1999 first half.

Directors have increased the interim ordinary dividend to 15 cents per share, fully franked, 3 cents higher than the 1999 interim dividend. Directors intend to review dividend policy at the end of the year in the light of the sustainability of oil prices. The dividend will be paid on 17 November 2000 to shareholders registered in the books of the Company at the close of business on 20 October 2000.

Commenting on the results the Managing Director, Mr Ross Adler said:

“This record result reflects the success of the Company’s growth program in recent years, together with strong oil and liquids prices.

Oil and liquids production was up by 26% over the previous first half year. The Stag and Elang oil fields did well and the purchase of the Shell Carnarvon Basin oil assets in March added materially to oil volumes.

The average realised Australian dollar oil price was a record \$43.59 per barrel.

Gas sales were a record 105 PJ, which was particularly significant because gas sales in the first half are generally lower due to seasonal factors.

Earnings were almost two and a half times higher than the 1999 first half.

Operating cash flow increased by almost \$200m, or by 80%.

On virtually every measure it was a record half year, and the Company is well positioned for a record full year result.”

For clarification contact:

Graeme Bethune – General Manager, Finance & Investor Relations on
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Santos Stock Symbols: Shares: STO (ASX)
ADR: STOSY (NASDAQ)

Financial Summary

	Half Year Ended 30/6/00	Half Year Ended 30/6/99	% Increase (Decrease)
PROFIT AND DIVIDEND (<i>\$ million</i>)			
Sales Revenue	712.4	412.8	72.6
Other Revenue	32.9	21.2	55.2
QCT Resources Ltd Equity Accounted Profit/(Loss)	(18.7)	0.5	
Total Revenue	726.6	434.5	67.2
Government Royalties	(45.0)	(20.2)	122.8
Depreciation & Depletion	(157.3)	(122.9)	28.0
Writedown of Exploration Expenditure	(4.7)	-	
Earnings before interest expense and tax	364.1	160.7	126.6
Interest Expense	(39.5)	(37.3)	5.9
Operating Profit before tax	324.6	123.4	163.0
Tax on operating profit	(117.6)	(39.8)	195.5
Operating profit after tax	207.0	83.6	147.6
Earnings per share (<i>cents</i>)	34.1	13.8	147.1
Ordinary dividend per share (<i>cents fully franked</i>)	15.0	12.0	25.0
CASH FLOW (<i>\$ million</i>)			
Net operating cash flow after tax	440.3	245.1	79.6
- per share (<i>cents</i>)	72.6	40.4	79.7
BALANCE SHEET (<i>\$ million</i>)			
Total shareholders' equity	2173.9	1920.3	13.2
Total assets	4679.7	4258.6	9.9
Net debt	1402.2	1363.6	2.8
CAPITAL EXPENDITURE			
Exploration Expenditure	36.0	34.9	3.2
Development expenditure (incl. plant & equip)	127.5	111.0	14.9
RATIOS			
Net debt/equity (%)	64.5	71.0	
Return on shareholders' equity (%) (<i>annualised</i>)	19.0	8.7	

SANTOS 2000 HALF YEAR RESULTS

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

1. PROFIT

Sales Volume

Sales volume increased from 23.8 million barrels of oil equivalent (boe) to a record 27.6 million boe reflecting higher gas sales volumes (1.7 million boe) and increased liquids sales (2.1 million boe).

Sales Revenue

Sales revenue increased by 72.6% to a record \$712.4 million reflecting increased sales volumes and higher prices received for all products.

Other Revenue

Other revenue increased by \$11.7 million to \$32.9 million.

QCT Resources Ltd Equity Accounted Result

QCT Resources Ltd (QRL) reported an abnormal writedown after tax of \$41.1 million of its coal development costs in the half year ended 30 June 2000. This contributed towards Santos reporting an equity accounted loss after tax of \$18.7 million which comprised Santos' share of QRL's operating loss after tax before abnormal writedown of \$3.7 million (after goodwill amortisation) and Santos' share of the abnormal writedown after tax (\$15.0 million). For the 1999 half year the equity accounted profit of QRL was \$0.5 million.

Expenses and Royalties

Operating costs increased by \$11.6 million due primarily to increased production. Average operating costs per boe produced decreased to \$4.48 (1999 - \$4.66/boe).

Total royalties increased by \$24.8 million to \$45.0 million principally due to higher sales revenue.

Depreciation and depletion increased by 28.0% to \$157.3 million, reflecting higher levels of production, particularly in higher cost offshore interests. Depreciation and depletion per boe increased to \$5.68 (1999 - \$5.10/boe).

There was a writedown in exploration expenditure of \$4.7 million (nil in the 1999 first half) in respect of interests in the United States.

Earnings Before Interest Expense and Tax

Earnings before interest expense and tax increased by 126.6% to \$364.1 million.

Interest expense increased slightly to \$39.5 million.

Operating profit before income tax increased by 163.0% to \$324.6 million. Income tax on operating profit increased by \$77.8 million, mainly due to the higher operating profit before tax, offset marginally by a lower company tax rate of 34% (1999 – 36%).

Operating Profit After Tax

Net profit after tax increased by 147.6% to \$207.0 million, with earnings per share of 34.1 cents.

The acquisition of interests in the Thevenard and Barrow Island assets contributed \$19.1 million towards this result.

2. CASH FLOW AND BALANCE SHEET

Cash flow from operations increased by 79.6% to \$440.3 million.

Cash flow per share was 72.6 cents compared with 40.4 cents in the 1999 first half.

Dividends of \$91.0 million (1999 - \$78.8 million) were paid to shareholders.

Net debt stood at \$1,402.2 million at 30 June 2000.

The net debt to equity ratio of 64.5% at 30 June 2000 was marginally higher than the level as at the end of 1999, notwithstanding the Shell asset acquisition of A\$257.2 million, and down from 71.0% at the end of June 1999.

After providing for the interim ordinary dividend of 15.0 cents per share, shareholders' equity at 30 June 2000 was \$2173.9 million compared with \$2,056.7 million at 31 December 1999. The higher ordinary dividend reflects the confidence Directors have in the future earnings outlook for the Company.

3. OTHER BUSINESS DEVELOPMENTS

(a) Acquisitions

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 and contributed 43 million boe (88% oil) of proved and probable reserves to Santos' reserve base.

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.

(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, a further East Spar gas contract 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.

(e) BHP/Mitsubishi Bid for QCT Resources Ltd

On 28 August BHP and Mitsubishi announced a joint takeover offer for QCT Resources at a price of \$1.20 per share.

The Board of QCT Resources Ltd has stated their belief that the offer undervalues the company and fails to recognise the intrinsic and strategic value of QRL's assets, QRL's marketing rights to its share of the CQCA and Gregory Joint Venture coals and recent and likely future improvements in the coal market.

The Board of Santos will consider the BHP-Mitsubishi offer in due course.

Santos will only proceed to take action on its investment in QCT Resources if it is confident of achieving fair value for Santos' shareholders.

4. EXPLORATION

During the first half of 2000, Santos participated in the drilling of 14 exploration wells at a total cost of \$36.0 million. A success rate of 50% was achieved.

	Wells Drilled		Successful Wells		Success
	Oil	Gas	Oil	Gas	Rate %
South Australia	1	2	1	2	100
Victoria	-	1	-	1	100
Queensland	3	2	1	2	60
Offshore Australia	4	-	0	-	0
South East Asia	-	-	-	-	-
USA	-	1	-	0	0
Total	8	6	2	5	50

Results of the first half exploration program included:

- The discovery of a new gas field (Penryn-1) in the onshore Otway Basin;
- The discovery of the Moomba-104 oil pool in the South Australian Cooper Basin; and
- The successful appraisal of the Scotia gas field in the Bowen Basin, eastern Queensland.

An additional 4 wells were spudded, but not completed, during the first half. All were subsequently completed with 2 of these being new field discoveries.

Including these 4 wells, in the second half of 2000 the Company expects to participate in the drilling of 35 exploration wells.

	Wells to be drilled		
	Gas	Oil	Total
Onshore Australia			
South Australia	4	1	5
South West Queensland	15	-	15
Surat/Denison	4	-	4
Offshore Australia	-	3	3
South East Asia	2	1	3
USA	5	-	5
Total	30	5	35

5. DEVELOPMENT

Expenditure on development (including plant and equipment) in the first half of 2000 was \$127.5 million, compared with \$111.0 million in the 1999 first half.

The development program was focussed on major project work, activity undertaken on producing assets and development studies.

Major development activity was associated with the Bayu-Undan liquids recovery development project and the Legendre oil development project.

Activity was also focussed on the Elang and Stag oil fields. On Elang a sidetrack was undertaken on Elang-1 and a workover performed on Elang-2. On Stag, preparatory work was undertaken on a work program which was undertaken subsequent to the completion of the first half. The program, which involved the drilling of Stag 21H and the sidetrack of Stag 15H, achieved positive results with gross production increasing from an average of 22,400 barrels of oil per day (bopd) during the first half to rates around 30,000 bopd.

Principal field development activity initiated during the first half included 30 gas development wells, 3 oil development wells and 49 other field development projects, including compression, connecting suspended wells and upgrading performance of wells already online.

Half yearly report

Name of entity

SANTOS LTD

ACN, ARBN or ARSN

Half yearly

Preliminary
final

Half year ended ('current period')

007 550 923



30 June 2000

Equity accounted results for announcement to the market

\$A million

Sales revenue (<i>item 1.1</i>)	up	72.6%	to	712.4	
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	140.1%	to	211.5	
Operating profit after tax attributable to members (<i>item 1.10</i>)	up	147.6%	to	207.0	
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	147.6%	to	207.0	
Exploration and development expenditure incurred:					
- non producing ares (<i>item 5.2</i>)				15.2	
- producing areas (<i>item 6.2</i>)				<u>99.6</u>	
Total exploration and development expenditure incurred	up	23.7%	to	114.8	
Exploration and development expenditure written off:					
- non producing ares (<i>item 5.3</i>)				4.7	
- producing areas (<i>item 6.4</i>)				<u>-</u>	
Total exploration and development expenditure written off				4.7	
Dividends	Amount per security	Franked amount per security at 34% tax	Franked amount per security at 36% tax		
Interim dividend (<i>item 15.6</i>)	15¢	15¢		N/A	
Previous corresponding period (<i>item 15.7</i>)	12¢	N/A		12¢	
Record date for determining entitlements to the dividend (<i>see item 15.2</i>)	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>20 October 2000</td> </tr> </table>				20 October 2000
20 October 2000					
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	712.4	412.8
1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	(18.7)	0.5
1.3 Other revenue	32.9	21.2
1.4 Operating profit before abnormal items and tax	324.6	123.4
1.5 Abnormal items before tax (detail in item 2.4)	-	-
1.6 Operating profit before tax (items 1.4 + 1.5)	324.6	123.4
1.7 Less tax	(117.6)	(39.8)
1.8 Operating profit after tax but before outside equity interests	207.0	83.6
1.9 Less outside equity interests	-	-
1.10 Operating profit after tax attributable to members	207.0	83.6
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)	207.0	83.6
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)	207.0	83.6
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	702.2	433.4
1.21 Dividends provided for or paid	(91.0)	(72.7)
1.22 Aggregate of amounts transferred to reserves	-	-
1.23 Retained profits at end of financial period	611.2	360.7

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 (item 1.8) and amortisation of goodwill	211.5	88.1
1.25 Less outside equity interests	-	-
1.26 Operating profit after tax (before amortisation of goodwill) attributable to members	211.5	88.1

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	4.5	-	-	4.5
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles	4.5	-	-	4.5
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)	N/A	N/A
3.2 Consolidated operating profit after tax attributable to members for the 2nd half year	N/A	N/A

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	93.3	97.9	64.0
4.2	Receivables	212.7	153.7	115.8
4.3	Investments	-	-	-
4.4	Inventories	98.4	90.1	83.3
4.5	Other	-	-	-
4.6	Total current assets	404.4	341.7	263.1
Non-current assets				
4.7	Receivables	-	-	-
4.8	Investments in associates	295.7	314.4	316.2
4.9	Other investments	36.6	34.9	34.2
4.10	Inventories	-	-	-
4.11	Exploration and development expenditure capitalised in areas in the exploration and development stage	307.0	282.0	272.5
4.12	Exploration and development expenditure capitalised in areas in which production has commenced (net)	2,243.6	2,076.0	2,075.0
4.13	Land and buildings, plant and equipment (net)	1,267.7	1,185.9	1,188.5
4.14	Intangibles (net)	40.1	44.6	49.1
4.15	Other	84.6	59.2	60.0
4.16	Total non-current assets	4,275.3	3,997.0	3,995.5
4.17	Total assets	4,679.7	4,338.7	4,258.6
Current liabilities				
4.18	Accounts payable	169.2	121.6	120.1
4.19	Borrowings	0.4	0.4	0.4
4.20	Provisions	240.4	183.7	147.6
4.21	Other	-	-	-
4.22	Total current liabilities	410.0	305.7	268.1
Non-current liabilities				
4.23	Accounts payable	-	-	-
4.24	Borrowings	1,495.1	1,398.6	1,427.2
4.25	Provisions	600.7	577.7	643.0
4.26	Other	-	-	-
4.27	Total non-current liabilities	2,095.8	1,976.3	2,070.2
4.28	Total liabilities	2,505.8	2,282.0	2,338.3
4.29	Net assets	2,173.9	2,056.7	1,920.3
Equity				
4.30	Capital	1,563.2	1,562.6	1,555.3
4.31	Reserves	(0.5)	(1.1)	4.3
4.32	Retained profits	611.2	495.2	360.7
4.33	Equity attributable to members of the parent entity	2,173.9	2,056.7	1,920.3
4.34	Outside equity interests in controlled entities	-	-	-
4.35	Total equity	2,173.9	2,056.7	1,920.3
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	9.9	13.4
- development	5.3	-
5.3 Expenditure written off during current period	(4.7)	-
5.4 Acquisitions, disposals, revaluation increments, etc.	14.5	98.8
5.5 Expenditure transferred to exploration and development in producing areas	-	(9.0)
5.6 Closing balance as shown in the consolidated balance sheet (item 4.11)	307.0	272.5

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	26.1	21.5
- development	73.5	57.9
6.3 Expenditure transferred from exploration and development in non-producing areas	-	9.0
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	167.6	(9.9)
6.6 Expenditure transferred to land and buildings, plant and equipment	-	-
Depletion	(99.6)	(77.6)
6.7 Closing balance as shown in the consolidated balance sheet (item 4.12)	2,243.6	2,075.0

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	692.9	416.3
7.2 Payments to suppliers and employees	(122.8)	(125.0)
7.3 Dividends received from associates	-	7.5
7.4 Other dividends received	1.0	-
7.5 Interest and other items of similar nature received	3.2	2.3
7.6 Interest and other costs of finance paid	(49.1)	(42.6)
7.7 Income taxes paid	(50.2)	(5.6)
7.8 Other:		
- overriding royalties, pipeline tariffs and other receipts	5.9	12.1
- government royalties paid	(40.6)	(19.9)
7.9 Net operating cash flows	440.3	245.1
Cash flows related to investing activities		
7.10 Payment for:		
- exploration	(40.8)	(53.8)
- development	(64.0)	(62.4)
- land and buildings, plant and equipment	(46.9)	(45.7)
- acquisition of oil and gas assets	(273.6)	(102.6)
- other investments	(1.1)	-
- restoration	(0.6)	(0.4)
7.11 Proceeds from sale of property, plant and equipment	10.8	8.2
7.12 Payment for purchases of equity investments	-	(14.2)
7.13 Proceeds from sale of equity investments	-	-
7.14 Loans to other entities	-	-
7.15 Loans repaid by other entities	-	-
7.16 Other	-	1.0
7.17 Net investing cash flows	(416.2)	(269.9)
Cash flows related to financing activities		
7.18 Proceeds from issues of securities (shares, options, etc.)	0.6	0.3
7.19 Proceeds from borrowings	60.1	49.5
7.20 Repayment of borrowings	-	-
7.21 Dividends paid	(91.0)	(78.8)
7.22 Other	-	-
7.23 Net financing cash flows	(30.3)	(29.0)
7.24 Net increase (decrease) in cash held	(6.2)	(53.8)
7.25 Cash at beginning of period	97.9	117.8
7.26 Exchange rate adjustments to item 7.25.	1.6	-
7.27 Cash at end of period	93.3	64.0

Non-cash financing and investing activities

None.

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	93.3	64.0
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other	-	-
8.5	Total cash at end of period (item 7.27)	93.3	64.0

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)	45.6%	29.9%
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)	9.5%	4.4%

Earnings per security (EPS)

		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with <i>AASB 1027: Earnings per Share</i>		
	(a) Basic EPS	34.1¢	13.8¢
	(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	606,423,915	605,940,164

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	3.2	2.3
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	39.5	37.3
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	6.0	3.3
12.5 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	163.3	125.4

Control gained over entities having material effect

13.1 Name of entity	N/A
	\$A million
13.2 Consolidated operating profit (loss) 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 (loss) 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 (or group of entities)	N/A
	\$A million
14.2 Consolidated operating profit (loss) 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 (loss) in item 14.2 has been calculated	N/A
14.4 Consolidated operating profit (loss) 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 (loss) 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	17 November 2000
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 CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	20 October 2000
15.3	If it is a final dividend, has it been declared?	N/A

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	N/A	N/A	N/A	N/A
15.5	Previous year	N/A	N/A	N/A	N/A
15.6	Interim dividend: Current year	15¢	15¢	N/A	Nil
15.7	Previous year	12¢	N/A	12¢	Nil

Total dividend per security (interim *plus* final)

	Current year	Previous year
15.8	Ordinary securities	N/A
15.9	Preference securities	N/A

Half yearly report - interim dividend on all securities

	Current period \$A million	Previous corresponding period - \$A million
15.10	Ordinary securities	91.0
15.11	Preference securities	-
15.12	Total	91.0

The dividend 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 plans

N/A

Any other disclosures in relation to dividends

None.

Details of aggregate share of profits (losses) of associate

Entity's share of associate's		Current period \$A million	Previous corresponding period - \$A million
	Operating profit (loss) before abnormal items and income tax	(1.3)	5.0
	Abnormal item – writedown of coal assets	(23.4)	-
16.1	Operating profit (loss) after abnormal item and before income tax	(24.7)	5.0
16.2	Income tax (expense)/benefit	6.0	(4.5)
16.3	Operating profit (loss) after income tax	(18.7)	0.5
16.4	Extraordinary items net of tax	-	-
16.5	Net profit (loss)	(18.7)	0.5
16.6	Outside equity interests	-	-
16.7	Net profit (loss) attributable to members	(18.7)	0.5

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 (loss) 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	36.4	36.4	(18.7)	0.5
17.2 Total			(18.7)	0.5
17.3 Other material interests				
	-	-	-	-
17.4 Total			(18.7)	0.5

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	606,496,653	606,344,953	N/A	N/A
Ordinary shares – Executive Share Plan	1,830,750	-	*	0.01
18.4 Changes during current period				
(a) Increases through issues	141,100	-	3.72	3.72
(b) Decreases through returns of capital, buybacks	-	-	N/A	N/A
(c) Converted from Santos Executive Share Plan	7,500	7,500	2.47	2.47
	7,500	7,500	3.70	3.70
(d) Quotation of employee Share Purchase Plan Shares	-	55,100	4.41	4.41
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 (Santos Executive Share Option Plan)			<i>Exercise price (\$)</i>	<i>Expiry date</i>
	4,850,000	-	6.32	24/07/2002
	3,150,000	-	5.59	30/04/2003
	2,525,000	-	4.84	15/06/2003
	2,875,000	-	5.12	14/06/2004
	900,000	-	3.92	17/04/2005
18.8 Issued during current period	900,000	N/A	3.92	17/04/2005
18.9 Exercised during current period	Nil	N/A	N/A	N/A
18.10 Expired during current period	150,000	N/A	6.32	24/07/2002
	250,000	N/A	4.84	15/06/2003
	50,000	N/A	5.12	14/06/2004
18.11 Debentures	Nil	N/A		
18.12 Unsecured notes	Nil	N/A		

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

Taxation

	Current period \$A million	Previous corresponding period - \$A million
The prima facie income tax on operating profit before abnormal items differs from income tax and is calculated as follows:		
Prima facie income tax expense at 34% (previous corresponding period: 36%)	110.4	44.4
Tax effect of permanent differences which increase/(decrease) income tax expense:		
Non-deductible depreciation & amortisation of buildings, plant & equipment	1.4	1.2
Non-deductible depletion of exploration and development expenditure	6.7	3.6
Amortisation of goodwill	1.6	1.6
Non-assessable items	(3.7)	(3.2)
Research and development allowances	(1.9)	(3.9)
Share of associated company's operating (profit)/loss after tax	6.3	(0.2)
Rebate on dividend income	(0.3)	-
Net effect of permanent differences	10.1	(0.9)
Income tax expense adjusted for permanent differences	120.5	43.5
Restatement of net deferred income tax due to change in future income tax rates	(2.9)	-
Income tax over provided in prior years	-	(3.7)
Income tax attributable to operating profit after abnormal items	117.6	39.8

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)

None.

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

Santos Ltd has \$153.0 million of franking credits at 34% available for future distribution of franked dividends, after adjusting for franking credits which will arise from the payment of the current income tax provision at 30 June 2000 and after deducting franking credits to be used in payment of the 2000 interim dividend.

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

N/A

Date

N/A

Time

N/A

Approximate date the annual report will be available

N/A

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 accounts upon which the report is based (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 accounts to which one of the following applies.

The accounts have been audited.

The accounts have been subject to review.

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

The accounts have *not* yet been audited or reviewed.

- 5 As this is a half yearly report the audit report by the auditor has been attached to this report to satisfy the requirements of the Corporations Law.

- 6 The entity has a formally constituted audit committee.

Sign here:

M G Roberts
Company Secretary

Date: 5 September 2000

Phone: (08) 8218 5111