

Santos Gets Busy At Home And Abroad

Final project approval for the development of the giant Santos operated Oyong gasfield in Indonesia is one step closer after the joint venture partners signed a major long-term gas sales agreement with a local electricity generator.

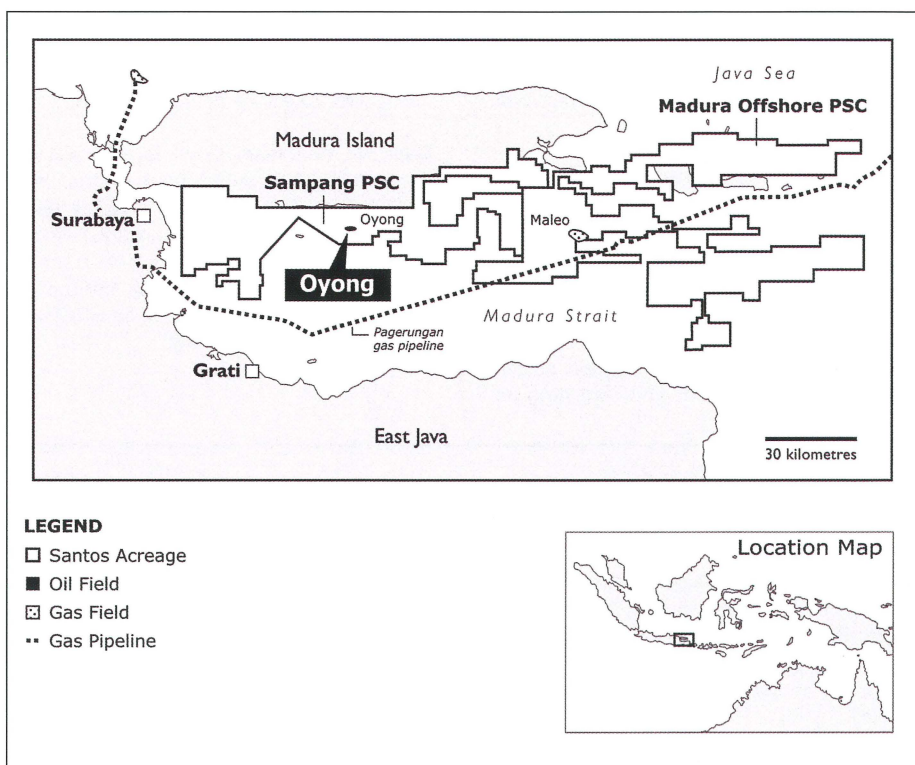
Together with joint venture partners, Coastal Indonesia Sampang and Cue Sampang, Santos said the agreement with PT Indonesian Power was for a minimum of 40 MMcfd of gas for up to 10 years for the entire reserves of the Oyong field.

Santos Managing Director, John Ellice-Flint, said the Oyong Joint Venture is working to complete development approval as soon as possible and the final investment decision is expected to be reached by the end of the third quarter 2003. "This agreement is a major step towards final project approval, expected before the end of the year", he said.

The Oyong field, located in the Sampang PSC, was discovered in August 2001 and is said to hold 90 Bcf of proven and probable gas reserves, together with a conservative estimate of 5 MMbbl of recoverable oil. Gas sales are expected to commence in early 2005.

In Santos news closer to home, the oil and gas major increased its offshore Western Australian acreage by 73% after acquiring interests in three exploration licences.

The company acquired two Browse Basin permits, WA-274P and WA-338P, and one

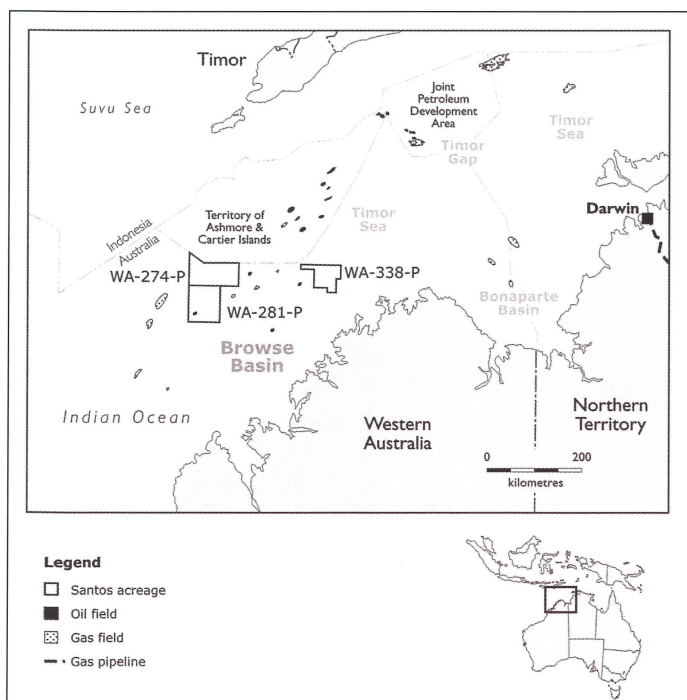


Oyong gasfield.

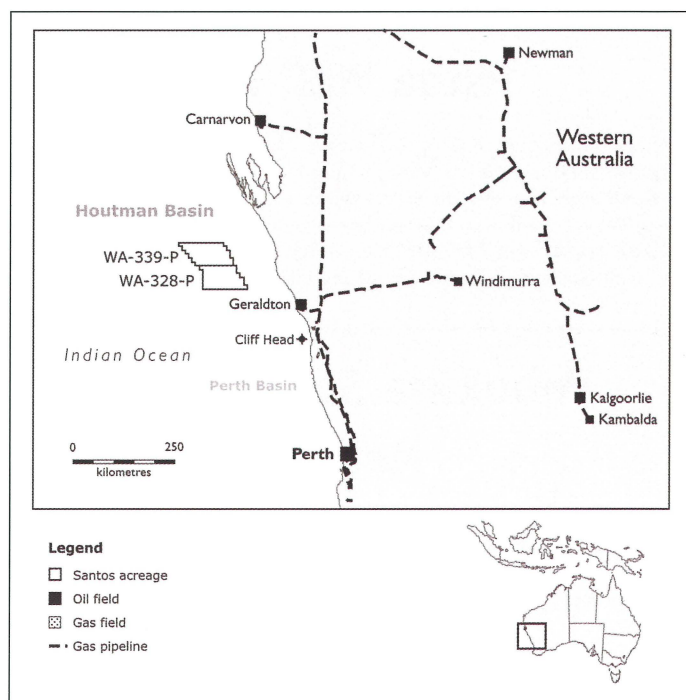
permit, WA-339P, in the underexplored Houtman Basin.

Santos said it plans to spend approximately \$5.6 MM over the next two to three years on new exploration in these permit areas. "Our

strategy is to capitalise on our existing interests as well as taking on new opportunities in frontier areas. These permits fit well within our strategy", said Ellice Flint. ■



Browse Basin.



Houtman Basin.