

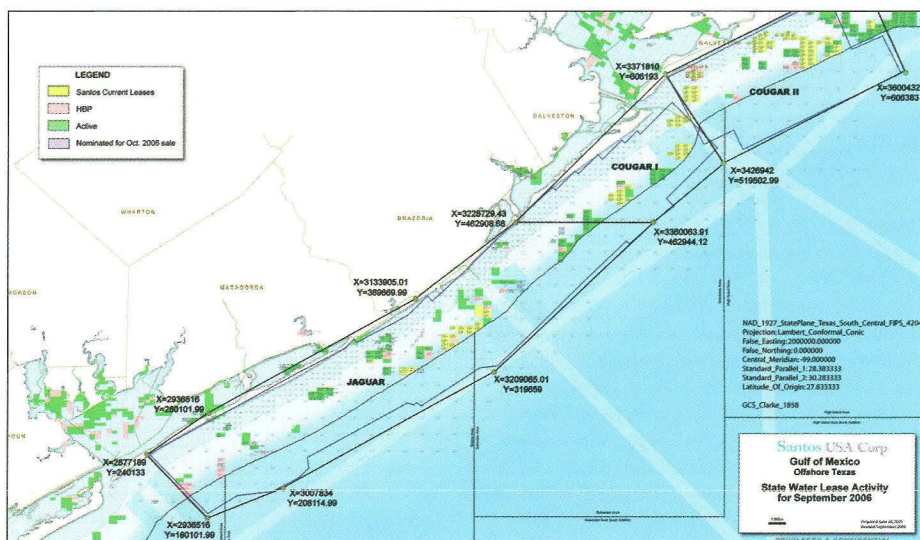
Korean Companies Farm In To Santos GoM Acreage

The Korea National Oil Corporation (KNOC) and Samsung Corporation, both of Korea, have farmed in to a shallow water exploration project, previously 100% owned by Santos subsidiary Santos USA Corporation, named Jaguar/Cougar located in Texas State Waters, in the Gulf of Mexico.

Santos Managing Director, John Ellice-Flint, said the Korea National Oil Corporation, through its subsidiary KNOC USA Corporation, will take a 15 - 25% interest - varying according to the location of the individual leases. Samsung Corporation, through its subsidiary, Samsung Oil & Gas USA Corporation, will take a 10% interest in the entire project.

Ellice-Flint said the farm-out is a further realisation of Santos's portfolio management strategy to share exploration risk and bring in strategic partners that provide opportunities for further deals. "Santos is pleased to welcome these highly respected Korean companies as new partners", he said.

Co-owners in various parts of the Jaguar/Cougar project include the private US oil company Sabco Oil and Gas Corporation



The Jaguar/Cougar project, which contains numerous deep gas prospects, is located in the offshore Texas State Waters in water depths of less than 30 m.

and Opicoil America, Inc., a wholly owned subsidiary of Overseas Petroleum and Investment Corporation, which is an affiliate of Chinese Petroleum Corporation, the State-owned oil company of Taiwan.

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