

7 December 2003

Bayu-Undan Production

Further to an article that appeared in the Weekend Australian (6-7 December 2003), Santos Limited advises that the gross 2004 liquids production from the gas recycling project of 12 million barrels - as referred to in the article - is consistent with estimates already provided to the market by Santos over the past few months.

The Operator (ConocoPhillips) has advised that it expects first gas for commissioning purposes to commence by year end and first production to occur in April 2004 (as previously advised by Santos).

As also previously advised, but of increasing significance, Santos has US\$168 million of Bayu-Undan liquids revenue hedged at an average AUD/USD exchange rate of 56.29 cents.

Santos released the Operator's project production profile out to 2013 at its recent Investor Conference held in Adelaide.

Santos Limited is a major Australian oil and gas exploration and production company with interests in all Australian hydrocarbon provinces. The Santos Group also operates in the USA, Indonesia and PNG.

**FOR FURTHER INFORMATION PLEASE CONTACT:
Graeme Bethune
General Manager Business Development
Santos Ltd**

08-8218 5157 or Mobile 0419 828 617

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