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## **Successful testing of the Chim Sao North appraisal well**

Santos today announced the successful completion of drilling and testing of the Chim Sao North appraisal well (12W-CS-2X) on Block 12W in Vietnam.

The target Middle Dua sand sequence was encountered as expected. Following successful coring of the reservoir and wireline logging operations, two reservoir zones were drill stem tested.

The first zone tested flowed oil at a sustained rate of 1650 barrels of oil per day ("bopd") plus 1.4 million standard cubic feet of gas per day ("MMscfd") on a 40/64 inch choke. The second zone tested flowed oil at a sustained rate of 2680 bopd plus 2.1 MMscfd on a 48/64 inch choke. No water was produced on either test.

The well will be suspended as a future producer. The rig will now move to carry out the exploration program in Block 12W with the drilling of the Chim Ung and Chim Cong exploration prospects.

"The positive results from the Chim Sao North appraisal well are encouraging and we are working closely with our partners towards a final investment decision on the Chim Sao development." Santos' Acting Chief Executive Officer David Knox said.

"Santos entered Vietnam in 2006 and has made very good progress since with oil discoveries at Chim Sao and Dua," Mr Knox said.

Interests in Block 12W are:

Santos International Holdings Pty Ltd	37.5%
Premier Oil plc (Operator)	37.5%
Delek Energy	25%

Note: Interests will change if and when PetroVietnam exercise their right to back in for 15% of the equity in the project.

Ends

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**Santos stock symbols: STO (Australian Securities Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)**