

02-01

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

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CORPORATE FINANCE

Name of entity
SANTOS LTD

ABN
80 007 550 923



05008961

ASX: STO NASDAQ: STOSY Securities Exchange Commission: Ref: # 82-34

We (the entity) give ASX the following information.

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Part 1 – All issues

1 Class of securities issued or to be issued

Options over ordinary shares granted pursuant to the Santos Executive Share Option Plan (SESOP).

Share Acquisition Rights (SARs) granted pursuant to the Santos Employee Share Purchase Plan (SESPP).

2 Number of securities issued or to be issued (if known) or maximum number which may be issued.

1,166,000 options, each over one ordinary share, exercisable subject to satisfaction of performance conditions.

862,600 SARs, each being a conditional entitlement to receive one fully paid ordinary share in the capital of the Company, subject to the satisfaction of performance conditions.

3 Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)

As to 139,800 options, see Section 1 of annexure page.

As to 342,900 options, see Section 2 of annexure page.

As to 683,300 options, see Section 3 of annexure page.

As to 286,500 SARs, see Section 4 of annexure page.

As to 270,100 SARs, see Section 5 of annexure page.

As to 306,000 SARs, see Section 6 of annexure page.

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APPENDIX 3B

New issue announcement, application for quotation of additional securities and agreement

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Part 1 – All issues

1 Class of securities issued or to be issued	Options over ordinary shares granted pursuant to the Santos Executive Share Option Plan (SESOP). Share Acquisition Rights (SARs) granted pursuant to the Santos Employee Share Purchase Plan (SESPP).
2 Number of securities issued or to be issued (if known) or maximum number which may be issued.	1,166,000 options, each over one ordinary share, exercisable subject to satisfaction of performance conditions. 862,600 SARs, each being a conditional entitlement to receive one fully paid ordinary share in the capital of the Company, subject to the satisfaction of performance conditions.
3 Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)	As to 139,800 options, see Section 1 of annexure page. As to 342,900 options, see Section 2 of annexure page. As to 683,300 options, see Section 3 of annexure page. As to 286,500 SARs, see Section 4 of annexure page. As to 270,100 SARs, see Section 5 of annexure page. As to 306,000 SARs, see Section 6 of annexure page.

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4	<p>Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>As to options, on exercise of options, shares will thereafter rank equally with other fully paid ordinary shares.</p> <p>As to SARs, shares allocated on vesting of SARs will rank equally with other fully paid ordinary shares.</p>	
5	Issue price or consideration	As to options and SARs, issued at no cost upon grant.	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Issue of options pursuant to the terms of the Santos Executive Share Option Plan.</p> <p>Issue of SARs pursuant to the terms of the Santos Employee Share Purchase Plan.</p>	
7	Dates of entering securities into uncertificated holdings or despatch of certificates	14 June 2005	
8	Number and class of all securities quoted on ASX (including the securities in clause 2 if applicable)	589,977,088	Fully paid ordinary shares.
		6,000,000	Franked Unsecured Equity Listed Securities (FUELS).
9	Number and class of all securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	Class
		32,400	Fully paid ordinary shares issued pursuant to the Santos Employee Share Purchase Plan: (i) held by eligible employees; and
		149,156	(ii) held by Sesap Pty Ltd as trustee for the benefit of eligible executives.
		61,000	Executive share plan '0' shares of 25 cents each paid to 1 cent.
		51,500	Executive share plan '2' shares of 25 cents each paid to 1 cent.
		862,600	SARs pursuant to the Santos Employee Share Purchase Plan.
		4,275,290	Executive options issued pursuant to the Santos Executive Share Option Plan.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

As to options, on exercise of options, shares will thereafter rank equally with other fully paid ordinary shares.

As to SARs, if the relevant performance conditions are satisfied the SARs vest and ordinary shares in the Company will be allocated and will thereafter rank equally with other fully paid ordinary shares.

Part 2 – Bonus issue or pro rata issue *NOT APPLICABLE*

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the securities will be offered

14 Class of securities to which the offer relates

15 Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has security holders who will not be sent new issue documents

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders

- | | | |
|----|---|--|
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | Despatch date | |

Part 3 – Quotation of securities **NOT APPLICABLE**

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

- (a) Securities described in Part 1
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36 If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 - and over

37 A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

38 Number of securities for which quotation is sought

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39 Class of securities for which quotation is sought

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40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and class of all securities quoted on ASX (including the securities in clause 38)

Number	Class

43 Number and class of all securities not quoted on ASX

Number	Class

Quotation Agreement

1. Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
2. We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under section 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Company Secretary

Date:

14 June 2005

Print name:

WESLEY JON GLANVILLE