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PNG LNG Project signs LNG Sale and Purchase Agreement with CPC

Santos today announced that the PNG LNG Project participants have finalised a binding Sale and Purchase Agreement (SPA) with CPC Corporation of Taiwan for the long-term sale and purchase of liquefied natural gas (LNG) totaling approximately 1.2 million tonnes per annum.

Under the agreement, the PNG LNG Project will supply LNG to CPC Corporation for a period of 20 years.

With the finalisation of this SPA, all of the PNG LNG Project's production capacity has been committed on a long-term basis. Finalisation of the financing arrangements with lenders is expected later this month.

A copy of the PNG LNG Project operator's news release is attached to this release.

About PNG LNG

The PNG LNG Project is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and LNG plant facilities with a capacity of 6.6 million tonnes per annum. Santos has a 13.5% interest in PNG LNG. Other participants are entities of ExxonMobil (33.2% and operator), Oil Search (29%), Independent Public Business Corporation (PNG Government, 16.6%), Nippon Oil Exploration (4.7%), Mineral Resources Development Company (PNG landowners, 2.8%) and Petromin PNG Holdings Limited (0.2%).

Ends.



Media Release

PNG LNG Project and CPC Finalise Sale and Purchase Agreement Long-term sale and purchase totals 1.2 MTA

Port Moresby, Papua New Guinea, March 2, 2010 – Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation and operator of the PNG LNG Project, today announced that the Project participants have finalised a Sale and Purchase Agreement (SPA) with CPC Corporation, Taiwan (CPC) for a long-term supply of liquefied natural gas (LNG) totalling approximately 1.2 million tonnes per annum (MTA).

Under the agreement, the PNG LNG Project will supply LNG to CPC for a period of 20 years.

“This important agreement with CPC will deliver a reliable supply of cleaner-burning natural gas to meet Taiwan’s growing energy demand and begin a new and lasting relationship between Taiwan’s largest energy importer and PNG’s first LNG project,” said Ron Billings, vice president, LNG, ExxonMobil Gas and Power Marketing. “It also marks a significant step forward for the PNG LNG project. With this SPA, all of the Project’s production capacity has been committed on a long-term basis. We are now looking forward to the finalisation of the financing arrangements with lenders which is expected in the first quarter of 2010.”

The PNG LNG project is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facility with the capacity of 6.6 million tonnes per year. Participating interests include affiliates of ExxonMobil (including Esso Highlands Limited as operator, 33.2 percent), Oil Search Limited (29.0 percent) Independent Public Business Corporation (PNG Government, 16.6 percent), Santos Limited (13.5 percent), Nippon Oil Exploration (4.7 percent), Mineral Resources Development Company (PNG landowners, 2.8 percent) and Petromin PNG Holdings Limited (0.2 percent).

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