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GLNG[®] Completes Environmental Milestone

Santos has confirmed its leadership in coal seam gas-sourced liquefied natural gas (LNG) with the submission of a draft of the Environmental Impact Statement (EIS) for its multi-billion dollar Gladstone LNG (GLNG[®]) project.

GLNG is the first major integrated coal seam gas (CSG) to LNG project to submit its EIS.

GLNG President Rick Wilkinson said the GLNG EIS is the largest and most comprehensive document of its kind submitted for assessment in Queensland, at almost 13,500 pages of general and technical information.

“The Statement represents almost 18 months of environmental investigations and reports across 24,000 square kilometres from Roma in the State’s south east, to Curtis Island, off Gladstone in Central Queensland,” Mr Wilkinson said.

“A team of more than 50 people have been directly involved in developing the EIS.

“In addition, Santos embarked on a major stakeholder engagement program of 25 information sessions in 11 locations throughout Queensland, more than 140 project briefings with stakeholders and formal responses to more than 250 phone, fax and email inquiries on the project.”

GLNG is set to become the world’s first major project to produce LNG sourced from CSG. Gas will be piped from fields near Roma via a 435 kilometre pipeline to Curtis Island, where it will be cooled to minus 161 degrees Celsius in a liquefaction plant and shipped to global markets.

The EIS assesses the impacts of the following major components of the project:

- Coal seam gas fields (near Roma)
- Transmission gas pipeline (435km pipeline connecting Roma to Curtis Island)
- LNG liquefaction and export facility on Curtis Island
- Bridge, roads and service corridors to Curtis Island
- Dredging in Gladstone Harbour

GLNG released its draft EIS Terms of Reference for comment in May last year, which was finalised in August 2008.

The EIS was submitted on 30 March. The State Government will examine the EIS against the Terms of Reference agreed for the project's assessment, before the document is made public. The Queensland community will then have an opportunity to review the EIS and make submissions.

Background

In July 2007 Santos announced its intention to develop the world's first major CSG to LNG operation in Gladstone, and transporting it by pipeline to Gladstone for processing and export as LNG – thus providing clean Australian energy for Asia.

The project involves extracting gas from the Surat and Bowen Basins in south east Queensland. PETRONAS, Malaysia's national oil company and Asia's largest LNG producer, took a 40% interest in GLNG[®] (for US\$2.5 billion) in May 2008.

The GLNG team has grown significantly with around 250 employees working on the project today, with plans for a further 80 new employees by year end 2009. By the end of next year, Santos and PETRONAS expect to have close to 900 employees based in south east Queensland and an additional 1000 operations and construction staff working throughout Queensland.

About Santos

Santos is a major Australian oil and gas exploration and production company with interests and operations in every major Australian petroleum province and in Indonesia, Papua New Guinea, Vietnam, India, Bangladesh, and Kyrgyzstan. Santos is one of Australia's largest domestic gas producers, supplying sales gas to all mainland Australian states and territories, ethane to Sydney, and oil and liquids to domestic and international customers. Through its interest in the Darwin LNG project, Santos is already a producer of liquefied natural gas which is exported to customers in Japan.

Ends

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