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Santos Announces New Queensland Headquarters

One of Australia's leading oil and gas companies, Santos Limited, has announced a new Queensland office for up to 600 employees as it gears up to deliver the world's first major Coal Seam Gas (CSG) to Liquefied Natural Gas (LNG) project.

Vice President of Gladstone LNG™ (GLNG™) and Queensland Rick Wilkinson and CEO of GLNG Operations Roger Kennett today signed a multi-million dollar long term lease with Queensland developers Nielson Properties.

The 36-storey state-of-the-art commercial tower, to be called *Santos Place*, is currently under construction at 32 Turbot Street, in the North Quarter precinct in Brisbane's CBD. Developed by Nielson Properties and designed by internationally acclaimed architects Donovan Hill, it is just 500 metres from the Queen Street Mall.

"This is a significant commitment by Santos and our partner Petronas to Queensland, and an endorsement of doing business in this state as we edge closer to full development of the state's coal seam gas industry," Mr Wilkinson said.

"Right now we have an ambitious recruiting target of one person per day to sustain our overall growth plans here.

"For GLNG alone, we've grown from just eight employees in January 2008 to 220 today, with plans for a further 120 new employees on the project in 2009. By the end of next year, we'd expect to have close to 900 Santos and GLNG employees throughout Queensland, 600 of them based in Brisbane.

"Santos will have eight floors of the new building with the possibility of further expansion in the future."

Mr Kennett said Santos' aim was to create an exciting new working environment for its Queensland staff and potential new employees from around Australia and overseas.

"Our Queensland employees are currently working from four separate buildings in the Brisbane CBD – so we're looking forward to bringing everyone together at *Santos Place* in mid-2009."

Mr Kennett said the new building reinforced the company's commitment to develop cleaner energy. "*Santos Place* will use just one-third of the energy of a conventional office building of the same size.

"It will include energy efficiency initiatives such as high performance double glazing, substantial external sun shading, state of the art ventilation and an energy-efficient gas-powered trigeneration system (which allows energy lost in conversion to be used)."

Santos Place will have five star Environmentally Sustainable Design and National Australian Built Environment Rating System (NABERS) ratings, and will be an entirely open plan layout with interconnected floors.

Employees will have access to the building's 280 secured basement bicycle parks, and a private two-level gym.

"We are proud to have signed this deal with Santos and see the renaming of the tower to Santos Place as a significant step in the building's continuing emergence as a landmark on Brisbane's skyline," Nielson Properties General Manager Ward Gough said.

"With over 70 percent of the building now pre-committed, Santos' relocation continues a trend of leading businesses moving to the North Quarter precinct."

Santos has taken an eight year lease to commence in mid-2009, with two further options each of five years.

Background

GLNG™ is a multi-billion project set to deliver the world's first major CSG to LNG operation. The project involves extracting gas from the Surat and Bowen Basins in the state's south west, and piping it 435km to Gladstone where it will be reduced to minus 161 degrees Celsius and liquefied for transport by ship to overseas markets.

Petronas, Malaysia's national oil company and third largest LNG producer in the world, took a 40% interest in GLNG (for US\$2.5 billion) on 29 May 2008.

Nielson Properties has been developing and investing in Brisbane property for 21 years. Santos Place represents their largest deal to date and reinforces their commitment to Queensland, having been designed by internationally acclaimed Brisbane architects Donovan Hill and built by leading Queensland construction company Hutchinson Builders.

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, Kyrgyzstan and Egypt. Santos is Australia's largest domestic gas producer, 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 a producer of liquefied natural gas which is exported to customers in Japan. Santos is developing a major LNG plant at Gladstone in Queensland and is a partner in the PNG LNG project. The Cooper Basin, which Santos and its joint venture partners have developed, is Australia's largest onshore resources project. Santos has more than 1,750 employees and produced 59 million barrels of oil equivalent in 2007. Santos has the largest Australian exploration portfolio by area of any company - 192,000 square kilometres - and is pursuing new venture opportunities with a focus on Asia.

Ends

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