

Media enquiries
Matthew Doman
+61 8 8116 5260 / +61 (0) 421 888 858
matthew.doman@santos.com

Investor enquiries
Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

08 October 2008

Santos secures Moly Metals gas supply contract

Santos today announced that it had secured a new gas supply contract with Moly Metals Australia Pty Ltd for their Spinifex Ridge molybdenum and copper mine located in the Pilbara in Western Australia. Moly Metals Australia is a wholly owned subsidiary of Moly Mines Limited (ASX: MOL).

Under the contract, Santos will supply approximately 33 PJ of gas over six years commencing in mid-2010. The gas will be supplied from the offshore John Brookes gas field, processed at the East Spar gas processing facilities on Varanus Island, and transported to the mine through the Dampier Bunbury Pipeline.

Santos' ability to deliver on this contract is driven by an investment of approximately \$45 million (net) during 2008 and 2009 to increase the gas pipeline capacity from the East Spar Joint Venture facilities located on Varanus Island.

The gas price achieved in the contract is linked to international traded crude oil. The revenue is denominated in US dollars. Assuming a future oil price of US\$90 per barrel, the expected revenue derived from the contract will be approximately US\$380 million.

"Santos has again demonstrated a willingness to invest significant capital to ensure that the expanding energy demands of the Western Australia domestic gas market are met", Santos CEO, David Knox, said today.

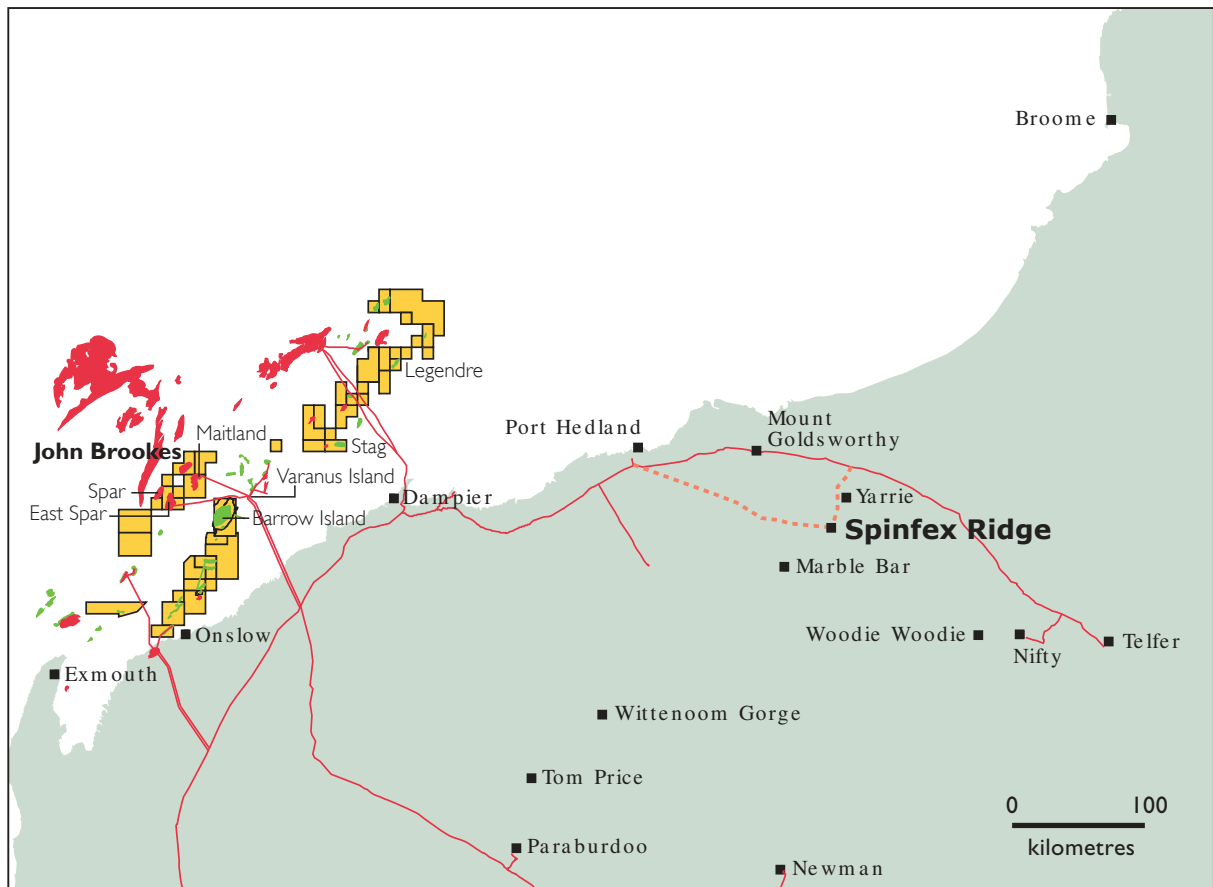
The contract is subject to customary conditions precedent including Moly achieving its capital raising objectives.

Map attached

Ends

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

John Brookes gas supply to Spinifex Ridge



LEGEND

- Santos Acreage
- Oil Field
- Gas Field
- Oil Pipeline
- Gas Pipeline
- Proposed Gas Pipeline
(alternate routes being evaluated by Moly)

