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Santos wins gas contract for new Queensland power station

Santos Limited has secured a 10-year contract to supply gas to a new Queensland power station being developed by Babcock & Brown and ERM Power.

Santos announced today that the long-term contract is to supply up to 45 petajoules of gas to the \$340 million Braemar Power Project ("Braemar"), a 450 MW gas-fired power station at Braemar in southeast Queensland.

The new contract means Santos will be supplying gas to three of Queensland's largest gas-fired gas power stations - Braemar, Swanbank E near Ipswich and Mica Creek at Mount Isa.

Gas supplies for the Braemar contract will be sourced from Santos' eastern Queensland gas fields, with first supplies commencing in 2006.

Santos' Managing Director, Mr John Ellice-Flint, said the Company was pleased to welcome Braemar as a gas customer.

"This contract significantly increases the volumes of Santos gas being used in power generation in southeast Queensland," Mr Ellice-Flint said.

"The growth in new gas-fired power projects in eastern Australia, such as Braemar, will continue to significantly increase demand for gas over the next decade, and Santos is well placed to further participate in this growth opportunity."

Santos Limited's participation is through its wholly-owned subsidiary, Santos QNT Pty Ltd, in conjunction with Braemar Power Project Pty Ltd, Babcock & Brown and ERM Power Pty Ltd.

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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)