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FUELS Dividend Rate

Santos Limited today announced that the dividend rate for its Franked Unsecured Equity Listed Securities (FUELS) will be 5.0412% per annum for the dividend period from and including 31 March 2006 to 29 September 2006. (The next dividend period will be from 30 September 2006 to 30 March 2007 inclusive).

After incorporating the value of expected franking credits, the grossed-up dividend rate equates to 7.2017% per annum for the dividend period.

In accordance with the FUELS terms of issue, the non-cumulative floating rate dividend on the FUELS, incorporating, on a grossed-up basis, the value of franking credits, has been set at a 1.55% gross margin above the 180 day bank bill swap rate for the applicable dividend period.

This bank bill swap rate on the first day of the dividend period (31 March 2006) was 5.6517%.

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