Media Release



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26 September 2006

Santos to supply Wesfarmers domestic LNG plant

Santos today announced that it had secured a long-term contract to supply gas to Wesfarmers Limited's new \$138 million domestic liquefied natural gas (LNG) plant in Western Australia.

Wesfarmers announced today that they will construct a small LNG plant at Kwinana, south of Perth.

Under the contract Santos will supply up to 37 petajoules of gas to the plant for its first 10 years of operations. The gas will be supplied from the offshore John Brookes gas field with first gas delivery planned for early 2008.

The new plant is expected to produce 175 tonnes of LNG per day, adding significantly to Western Australia's domestic LNG supply. LNG is a replacement for diesel fuel and will be used for the heavy-duty vehicle, industrial gas and remote power generation markets.

The Wesfarmers plant will be one of the first domestic gas-to-LNG projects in Australia. It is an important development for a competitive energy market, providing a clean fuel alternative to customers who are not connected to a gas pipeline grid.

Construction of the plant is expected to begin in November 2006, with commissioning scheduled for the end of the first quarter of 2008.

"Santos is pleased to be awarded this contract. It represents a valuable partnership between Santos and Wesfarmers to supply gas to the Western Australian domestic market," said Santos Managing Director, John Ellice-Flint.

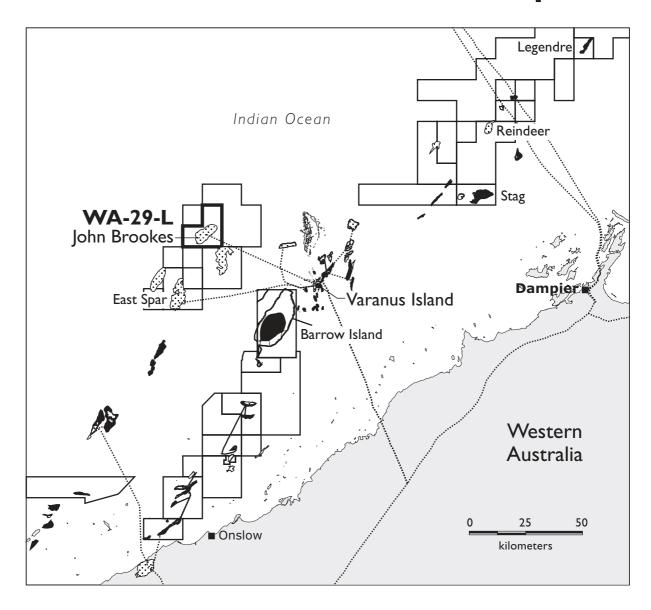
Map attached.

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

News Release Santos

John Brookes Gas Development



LEGEND

- ☐ Santos Acreage
- Oil Field
- ☐ Gas Field
- Oil Pipeline
- ···· Gas Pipeline

