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12 November 2006

QGC shareholders in the dark: Santos Chairman

Santos today called on the Board of Directors of Queensland Gas Company (QGC) to provide QGC shareholders with sufficient information to enable them to make a properly informed judgement about Santos' \$1.26 a share cash offer for their shares.

Speaking on the eve of QGC's Annual General Meeting – to be held tomorrow (Monday) in Brisbane - Santos Chairman, Mr Stephen Gerlach, said the annual meeting presented the perfect opportunity for the QGC Board to answer a number of important shareholder questions, including whether QGC has decided to commission an expert's valuation report in relation to Santos' offer – and if not, why not.

"Santos is concerned that QGC shareholders may be left in the dark if QGC does not follow the common practice of including an Independent Expert's Report in its Target's Statement," Mr Gerlach said.

"The Netherland, Sewell and Associates Inc (NSAI) report mentioned on Wednesday by QGC is not a substitute for a comprehensive valuation of QGC shares, which is needed so that QGC shareholders have all of the information required to make an informed assessment of the Santos offer," he said.

"Further, the upgrade of QGC's gas reserves based on the NSAI report contains some significant uncertainties – including whether these increased reserves can be commercially produced.

"Shareholders also need to know how much of the recently announced reserves increase has come from drilling during the last six weeks as part of QGC "growth acceleration strategy" as distinct from previously drilled areas.

"With this information in hand, shareholders will be in a much better position to judge whether the Target's Statement is a credible basis on which to make a decision on whether to accept Santos' offer of \$1.26 a share," Mr Gerlach said.

Ends

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