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Santos offer for QGC

As a result of the ACCC's decision announced to the ASX yesterday, Santos notes that the first condition of Santos' offer to Queensland Gas Company Limited dated 15 February 2007 ("QGC Offer") (announced to the ASX on that day), will not be satisfied by the acceptance deadline of 5 March 2007.

Santos therefore confirms that it does not intend to proceed with the QGC Offer.

Ends

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