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Santos' Managing Director remuneration arrangements

Santos today provided an update to the remuneration arrangements put in place for the Company's Managing Director and Chief Executive Officer, Mr John Ellice-Flint. These arrangements were previously outlined in an ASX release on 17 March 2006, and in the 2006 Remuneration Report.

Santos' Board has now completed a further review of Mr Ellice-Flint's remuneration arrangements in light of the Federal Government's changes to the taxation of superannuation initially announced in the 2006 Federal Budget.

As a result of this review, Mr Ellice-Flint's pre-existing superannuation arrangements have been retained, and the share loan arrangements approved by shareholders at the 2006 AGM have not been implemented.

This results in a preferable outcome from the perspective of the cost to the Company and also as a retirement vehicle for Mr Ellice-Flint.

All other details of Mr Ellice-Flint's remuneration are as approved by shareholders at the 2006 AGM.

Full details of Mr Ellice-Flint's superannuation benefits will be set out in the Remuneration Report which will be released in late March 2007 as part of the Company's 2006 Annual Report.

Ends

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