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Extension to Cooper Basin ethane contract with Qenos

Santos today announced that the South Australian Cooper Basin Producers have extended their current contract to supply ethane to Qenos.

Under the contract extension, the Producers will supply a total of up to 56 additional petajoules of ethane to Qenos' Botany plant in Sydney from late 2007 until the beginning of 2013.

"This extension continues the Producers' longstanding relationship with Qenos for ethane supply which commenced from the Cooper Basin in 1996. It also reaffirms the Moomba plant as an important hub for delivering ethane and sales gas into the eastern and southern Australian markets," said Santos' Managing Director, Mr John Ellice-Flint.

The price paid to the Producers by Qenos for the ethane is linked to world oil prices.

Interests in the South Australian Cooper Basin Producers are held by wholly owned subsidiaries of:

Santos Limited	66.60%
Beach Petroleum	20.21%
Origin Energy	13.19%

Ends

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