ASX/Media Release



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30 July 2007

Moonie to Brisbane Pipeline Incident

On Saturday 28 July 2007 a leak occurred in Santos' Moonie to Brisbane oil pipeline (MBP) in the Brisbane suburb of Algester. Approximately 205 cubic metres (1,300 barrels) of liquids (crude oil and water) has been removed from the site.

Santos has worked closely with emergency services and the Queensland Environmental Protection Agency to contain and remove the oil, and to provide support to affected households.

The MBP has been shut in and that part of the pipeline in the vicinity of the incident has been further isolated. The majority of surface oil has been recovered and storm water drains in the area have been cleaned.

An investigation into the cause of the incident has commenced and the leak site will be excavated for investigation early this week.

Santos has mobilised alternative arrangements for the trucking of crude oil production while the pipeline is repaired. The production impact of the incident is not material for Santos.

Santos maintains appropriate insurance coverage for these types of incidents.

Ends

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