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Mutineer-13 Drilling Result

Santos advises that the Mutineer-13 appraisal well has reached its total depth and will now be plugged and abandoned, with the primary reservoir objective intersected low to prognosis and water saturated.

Mutineer-13 was an appraisal well located approximately 1.8 kilometres west-south-west of the Mutineer-3 well, and was designed to test for a potential south westerly extension of the Mutineer field.

This result has no impact on Santos' existing proven and probable (2P) oil reserves for the Mutineer and Exeter fields, however it has the effect of removing some of the possible (3P) reserve and production upside attributable to this well location.

The Songa Mercur drilling rig will now proceed with planned work-over activity on existing Mutineer-Exeter production wells.

Further drilling in the vicinity of the Mutineer-Exeter fields is planned for 2008 with several appraisal and near field exploration wells under consideration for a campaign commencing in the second quarter of 2008.

Ends

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