

Media enquiries
Matthew Doman
+61 8 8116 5260 / +61 (0) 421 888 858
matthew.doman@santos.com

Investor enquiries
Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

8 April 2008

Santos appoints pre-FEED contractors for Gladstone LNG™

Santos today announced the award of two parallel pre-Front End Engineering Design (pre-FEED) contracts to Foster Wheeler and Bechtel to each undertake a six month study for the Company's Gladstone LNG™ (GLNG™) project.

The award of these contracts enables Santos to maintain its project schedule, with a decision to move to a formal FEED process anticipated by the end of this year or early next year, a Final Investment Decision (FID) by the end of 2009, and first LNG cargos early in 2014.

By appointing two contractors to separately undertake this evaluation work, Santos will consider the optimum technical design, cost and schedule implications of two different process technologies for GLNG™, namely:

- ConocoPhillips Optimised Cascade Process (Bechtel); and
- Air Products C3MR Process (Foster Wheeler).

Commenting on the contract award, Santos' Acting Chief Executive Officer David Knox highlighted the progress that the company is making in the GLNG™ project.

"This is clearly a significant milestone, and further demonstrates the momentum which is building around GLNG™. Today's dual pre-FEED contract awards have been achieved in line with the project schedule as previously communicated to the market."

"It is pleasing to have such experienced, world class contractors appointed to the project. These organisations have been directly involved in the design and construction of the last two LNG projects built in Australia - Foster Wheeler in Western Australia, and Bechtel in Darwin."

"Since announcing the project mid last year, Santos has made significant progress in terms of growing our upstream gas resources, securing a freehold liquefaction plant site in Gladstone, lodging key environmental approval documents, and commencing a process to secure a potential partner for the GLNG™ project."

Ends

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