

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

24 June 2008

John Brookes Production Interruption Update

Santos provides the attached Media Release issued yesterday by Apache Energy Limited (the Operator of the East Spar, John Brookes and Harriet Joint Ventures) in relation to the Varanus Island incident.

The incident occurred on 3 June and has resulted in a total cessation of production from both the East Spar Joint Venture (processing and exporting gas from the John Brookes field) and the Harriet Joint Venture (processing and exporting gas from various Harriet fields). The processing and export facilities for both of these Joint Ventures are located on Varanus Island. Santos has a 45% interest in the John Brookes gas field and the East Spar Joint Venture gas processing facilities and no interest in the Harriet Joint Venture.

The Operator has advised that the resumption of production from Varanus Island is planned to commence with gas from the John Brookes field. The Operator's recent advice is that the East Spar Joint Venture (processing John Brookes field gas) will achieve partial processing and export capacity of approximately 200 TJ/d gross (Santos share 45%) in mid August.

Assuming the Operator's schedule to complete repairs and commence gas processing is achieved, the net production loss to Santos in 2008 is estimated at 1.2 mmmboe.

Santos will continue to work with the Operator to resume production in a safe and environmentally responsible manner as soon as possible.

Ends

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



News Release

2000 Post Oak Boulevard
Suite 100
Houston, Texas 77056-4400
(713) 296-6000
www.apachecorp.com

Apache Completes Initial Damage Assessment and Estimates Timetable for Re-Establishing Production at Varanus Island Western Australia

PERTH, Australia, June 23, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Apache Northwest Pty Ltd, a subsidiary of Apache Corporation (NYSE, Nasdaq: APA), said today it has completed an initial assessment of damage at its Varanus Island processing hub and a timetable for restoring production.

"Our estimated timetable is to restore gross production at a rate of 180 million cubic feet (MMcf) of natural gas per day (200 Tj per day) through the East Spar Joint Venture processing facilities by Aug. 15, ramping up to 315 MMcf (350 Tj) per day in December as the Harriet Joint Venture facilities are returned to production," said Tim Wall, managing director of Apache Northwest Pty Ltd.

"We are making every effort to meet or beat this timetable," Wall said. "We have 146 people on Varanus Island conducting clean-up and reconstruction efforts. Since the incident occurred on June 3, Apache engineering teams have been canvassing the world for replacement equipment in an effort to minimize repair time."

The East Spar J.V. facilities are located the greatest distance from the rupture and sustained less damage. Export pipelines and associated valves, two compressors, instrumentation and control facilities are being repaired to meet the timetable of restoring production by mid-August.

The Harriet J. V. processing facilities are located adjacent to the rupture and will require significant repairs to meet the goal of restoring production in December. Damage occurred at three sales gas compressors, the hot oil system, control system and flare stacks. In addition, evaluation of damage to several processing vessels is continuing.

"Apache understands the hardship that this disruption has caused, not just for our customers but also for many others in Western Australia," said G. Steven Farris, Apache Corporation president and chief executive officer. "We are committed to restoring production as soon as possible.

"Apache has been a major supplier of natural gas to Western Australia for the last 15 years," Farris said. "We have four new oil and gas projects under development that will contribute to the expanding Western Australia economy. Our Reindeer project, which includes construction of a 68-mile (110 km) offshore pipeline and an onshore gas processing facility at Devil Creek, will provide an entirely new source of gas for the domestic market in mid-2010."

Prior to the June 3 incident, total production through Varanus Island, which is located approximately 60 miles (100 km) from Karratha on Australia's Northwest Shelf, was 315 MMcf (350 Tj) per day. Apache has a 68.5-percent interest in the Harriet J.V. and a 55-percent interest in the East Spar J.V.

Apache continues to assist the Department of Industry and Resources (DoIR) and the National Offshore Petroleum Safety Authority (NOPSA) with their inquiries.

Apache Corporation is a large independent oil and gas exploration and production company with operations in the United States, Canada, the United Kingdom North Sea, Egypt, Australia and Argentina.

This news release contains certain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 including, without limitation, expectations, beliefs, plans and objectives regarding production and exploration activities. Any matters that are not historical facts are forward-looking and, accordingly, involve estimates, assumptions, risks and uncertainties, including, without limitation, risks, uncertainties and other factors discussed in our 2007 Form 10-K and on our Web site, <http://www.apachecorp.com>. There is no assurance that Apache's expectations will be realized, and actual results may differ materially from those expressed in the forward-looking statements. We assume no duty to update these statements as of any future date.