

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

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Santos purchases 100% of WA-4-R (Spar gas field)

Santos today announced that its subsidiary, Santos Offshore Pty Ltd, had purchased a 100% interest in the WA-4-R permit which contains the majority of the undeveloped Spar gas field. Spar is located in the Carnarvon Basin, offshore Western Australia. The field extends into WA-13-L in which Santos also has a 45% interest.

The field is estimated to contain a gas resource of up to 600 petajoules with associated condensate of up to 8 million barrels. Santos will evaluate various options to optimally develop the field in the short to medium term.

The permit has been purchased from the Gorgon Project Joint Venture participants who have determined that the Spar field was unlikely to form part of the proposed Gorgon LNG project.

The terms and conditions of the sale are confidential.

The transaction is subject to customary approvals including registration and transfer of the permit interest.

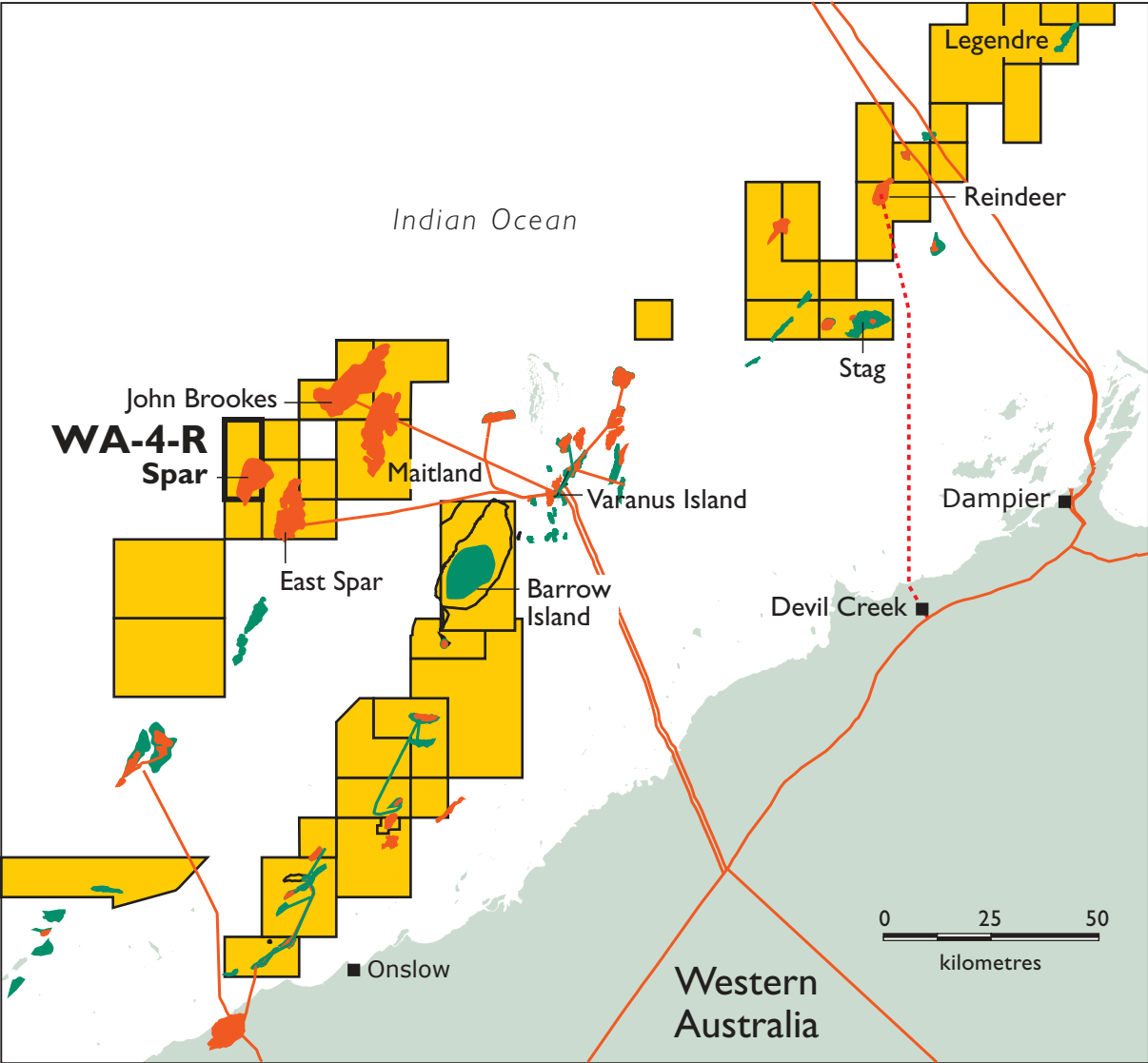
In addition, Santos, as a participant in the Barrow Island Joint Venture, has agreed an access regime to facilitate the Gorgon Project Joint Ventures plans for LNG processing and export from Barrow Island with geosequestration of reservoir carbon dioxide into the Dupuy Formation.

Map attached.

Ends

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

Spar Field – WA-4-R



LEGEND

- Santos Acreage
- Oil Field
- Gas Field
- Oil Pipeline
- Gas Pipeline
- - Proposed Gas Pipeline

