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3 October 2008

Market Price for Santos' off-market buy-back

The Market Price for Santos' off-market share buy-back (as defined in the Buy-Back booklet) is \$18.8724. On this basis, the tender discounts are equivalent to the following tender prices (rounded to the nearest cent):

<u>Tender discount</u>	<u>Tender price</u>
14%	\$16.23
13%	\$16.42
12%	\$16.61
11%	\$16.80
10%	\$16.99
9%	\$17.17
8%	\$17.36

Santos also advises that the Tax Value has been determined as \$16.42¹.

Issuer Sponsored Holders who wish to amend or withdraw their tenders must submit a withdrawal/amendment form to the registry or use the online tender facility at www.santos.com. Any amendment or withdrawal will not be effective unless it is received by 7.00pm (Eastern Standard Time) today.

CHESS Holders who wish to amend or withdraw their tenders will need to instruct their controlling participant (normally their broker) in sufficient time for them to process the withdrawal or amendment by 7.00pm (Eastern Standard Time) today.

Alternatively, CHESS Holders may submit a withdrawal/amendment form via fax on +613 9473 2529 so that it is received by no later than 7.00pm (Eastern Standard Time) today.

The results of the buy-back, including the buy-back price and any scale back, are expected to be announced on Monday, 6 October 2008 and will be available on Santos' website (www.santos.com).

¹ Calculated as \$17.14 adjusted for the movement in the Oil & Gas Exploration & Production subset of the S&P/ASX 200 Index ('Oil & Gas Exploration & Production Index') since the announcement of the buy-back on 21 August 2008.

Shareholder enquiries in relation to the buy-back may be directed to Santos' dedicated enquiry line on 1300 727 634 within Australia or +613 9946 4447 from outside Australia.

Important notice

Not for distribution or release in or into the United States or Canada

This press release does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase any securities in any jurisdiction, nor shall it or the fact of its distribution be relied on in connection with any contract thereof. No indications of interest in the buy-back are sought by this press release.

Shareholders who are (or nominees who hold Santos Limited shares on behalf of or for the account of persons who are) in the United States or US persons, (within the meaning of Regulation S under the United States Securities Act of 1933), residents of Canada or who are otherwise excluded foreign persons will not be eligible to participate in the off-market buy-back described in this press release. ADRs and restricted employee shares may not be tendered into the buy-back. Buy-back documents, including the booklet describing the terms of the buy-back and tender forms, are not being distributed or sent into the United States or Canada.

Forward looking statements

This press release contains forward looking statements, including statements regarding the implementation of the off-market buy-back and its effects on our business and securities. The results and effects of the off-market buy-back may differ materially from those expressed in, or implied by, these forward looking statements. Factors that could cause or contribute to such differences include the number of shares bought back, the buy-back price and the general trading and economic conditions affecting our business. We do not undertake any obligation to revise these forward looking statements to reflect any future events or circumstances.

Ends

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