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13 April 2010

Santos signs Gas Sale and Purchase Agreement with Wesfarmers

Santos today announced that it has signed a Gas Sale and Purchase Agreement with Wesfarmers Energy (Gas Sales) Limited for the supply of up to 60 petajoules of gas over more than five years.

The gas will be sourced from the John Brookes gas field offshore Western Australia and processed at the Varanus Island gas hub. Supply will commence in the second half of 2010.

This contract will be solely supplied by Santos from its share of John Brookes' production. Santos has a 45 per cent non-operating interest in the John Brookes gas field, with operator Apache Energy holding the other 55 per cent stake.

Wesfarmers extracts LPG from the Dampier to Bunbury transmission pipeline for domestic and export markets, as it has done since 1988. Wesfarmers purchases gas to replace energy content it takes from the pipeline, to ensure the fulfilment of gas supply to other pipeline users.

"We are pleased to build on our important relationship with Wesfarmers in Western Australia" said John Anderson, Santos Vice President Western Australia & Northern Territory.

"Santos is a leading natural gas supplier to Western Australia, and this agreement further enhances our position in the domestic market," he said.

Ends.