

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

26 March 2010

Santos sells interest in Evans Shoal for up to \$200 million

Santos today announced that it has agreed to sell its entire working interest in NT/P 48 (Evans Shoal) in the Bonaparte Basin offshore Northern Australia to Magellan Petroleum Australia Limited (Magellan) for up to \$200 million.

The transaction is a further outcome arising from Santos' ongoing review of commercialisation options for its substantial gas assets in the Bonaparte Basin and follows the sale of 60% of the Petrel, Tern and Frigate fields to GDF SUEZ for up to US\$370 million announced in August 2009.

Magellan will pay Santos a cash consideration of \$100 million for its interest in Evans Shoal with completion expected to occur in the second half of 2010. Magellan will also pay Santos an additional \$50 million on any final investment decision to develop Evans Shoal and \$50 million upon first gas production from NT/P 48.

"The sale of Evans Shoal is consistent with Santos' ongoing program to monetise certain non-core assets in its expanding business in WA and NT," said John Anderson, Santos Vice President Western Australia and Northern Territory.

"Santos remains well positioned in its Northern Australia LNG business through its interest in Darwin LNG (supplied from Bayu Undan) operated by ConocoPhillips and the Bonaparte floating LNG project in partnership with GDF SUEZ. Santos also holds a 40% working interest in the Barossa and Caldita fields in the Bonaparte and is considering commercialisation options for these assets", Mr Anderson said.

The transaction is subject to customary consents and regulatory approvals.

Santos has a 40% interest in NT/P 48 and is the operator. The other participants are entities of PETRONAS (25%), Shell (25%) and Osaka Gas (10%).

Ends.