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Santos secures \$100 million Newmont gas supply extension in Western Australia

Santos today announced that it had secured a four year extension to its existing gas supply contract with Newmont Mining Services Pty Ltd in Western Australia.

Gas will be used in Newmont's mining operations at Jundee and in its part owned Parkeston Power Station in Kalgoorlie. Newmont Mining Services is a wholly owned subsidiary of the Newmont Mining Corporation.

Commencing in late 2009, total sales revenue under the 4-year contract will be approximately \$100 million.

The gas will be supplied from the offshore John Brookes gas field, processed at the East Spar gas processing facilities on Varanus Island, and transported through the Goldfields Gas Transmission Pipeline.

"Santos is pleased to build on its strong relationship with Newmont who are a valued customer", said John Anderson, Santos Vice President Western Australia & Northern Territory.

"This agreement demonstrates there is strong demand for natural gas in Western Australia and reflects Santos' desire to continue to grow its position as a domestic gas supplier in WA", Mr Anderson said.

Santos owns 45% of John Brookes with gas marketed separately by the partners. The Newmont contract is fully supplied from Santos' share of production.

Ends

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