



Santos Ltd  
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10 October 2006

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

**BY ELECTRONIC LODGMENT**

**Queensland Gas Company Limited ACN 089 642 553  
Santos CSG Pty Ltd ACN 121 188 654 – substantial holder notice**

We attach, pursuant to section 671B(1)(c) of the Corporations Act, a substantial holder notice (ASIC form 603) setting out the information required under section 671B of the Corporations Act.

The enclosed notice is given pursuant to section 671B(6) of the Corporations Act.

**W. J. Glanville**  
**Company Secretary**

# Form 603

Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Queensland Gas Company Limited

ACN/ARSN 089 642 553

### 1. Details of substantial holder (1)

Name Santos CSG Pty Ltd

ACN/ARSN (if applicable) 121 188 654

The holder became a substantial holder on 10 October 2006

### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	18,576,616	18,576,616	3.86%

### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Santos CSG Pty Ltd	Relevant interest under section 608(1) of the Corporations Act as holder of the shares	18,576,616 ordinary shares
Santos Limited	Relevant interest under section 608(3)(b) of the Corporations Act	18,576,616 ordinary shares
The related bodies corporate of Santos Limited listed in Annexure A	Relevant interest under section 608(3)(a) of the Corporations Act	18,576,616 ordinary shares

### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Santos CSG Pty Ltd	Merrill Lynch (Australia) Nominees Limited	N/A	10,518,751 ordinary shares
Santos CSG Pty Ltd	Westpac Custodian Nominees Limited	N/A	8,057,865 ordinary shares

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Santos CSG Pty Ltd	11.8.06	\$404,350.00		500,000 ordinary shares
Santos CSG Pty Ltd	14.8.06	\$472,075.00		575,000 ordinary shares
Santos CSG Pty Ltd	15.8.06	\$1,229,519.92		1,500,000 ordinary shares
Santos CSG Pty Ltd	16.8.06	\$239,417.59		292,616 ordinary shares
Santos CSG Pty Ltd	17.8.06	\$1,496,941.76		1,699,000 ordinary shares
Santos CSG Pty Ltd	18.8.06	\$1,576,280.69		1,780,000 ordinary shares
Santos CSG Pty Ltd	21.8.06	\$618,169.72		670,000 ordinary shares
Santos CSG Pty Ltd	23.8.06	\$245,150.00		280,000 ordinary shares
Santos CSG Pty Ltd	24.8.06	\$258,805.16		290,000 ordinary shares
Santos CSG Pty Ltd	25.8.06	\$540,033.12		588,383 ordinary shares

Santos CSG Pty Ltd	28.8.06	\$230,450.00		250,000 ordinary shares
Santos CSG Pty Ltd	29.8.06	\$349,885.36		380,000 ordinary shares
Santos CSG Pty Ltd	30.8.06	\$126,502.99		136,643 ordinary shares
Santos CSG Pty Ltd	31.8.06	\$55,358.25		59,525 ordinary shares
Santos CSG Pty Ltd	4.10.06	\$2,061,739.04		1,898,000 ordinary shares
Santos CSG Pty Ltd	14.9.06	\$0.63 per share paid to the company on the exercise of rights pursuant to a rights issue prospectus issued by the company and dated 4 August 2006. The average price paid on-market by Santos CSG Pty Ltd for each of the rights was \$0.2572.		7,677,449 ordinary shares

## 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Santos Limited ACN 007 550 923	Santos Limited is an associate of Santos CSG Pty Ltd pursuant to section 12(2)(a)(ii) of the Corporations Act
The related bodies corporate of Santos Limited listed in Annexure A	Each company listed in Annexure A is an associate of Santos CSG Pty Ltd pursuant to section 12(2)(a)(iii) of the Corporations Act

## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Santos Limited, Santos CSG Pty Ltd and each company listed in Annexure A	Ground Floor Santos House 91 King William Street Adelaide SA 5000

## Signature

print name W. J. Glanville

capacity Company Secretary

sign here



date 10 October 2006

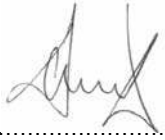
## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## Annexure A

This is the Annexure A of one page referred to in Form 603 (Notice of initial substantial holder) signed by me and dated 10 October 2006.



W.J. Glanville  
Company Secretary

Name	ACN/ARSN (if applicable) (or country of incorporation)	Name	ACN/ARSN (if applicable) (or country of incorporation)
Alliance Petroleum Australia Pty Ltd	004 559 951	<i>Controlled entity of Santos (BBF) Pty Ltd</i>	
Basin Oil Pty Ltd	000 628 017	Santos (SPV) Pty Ltd	116 866 043
Boston L.H.F. Pty Ltd	006 992 392	<i>Controlled entities of Santos (SPV) Pty Ltd</i>	
Bridgefield Pty Ltd	010 461 819	Novus Nominees Pty Ltd	094 398 937
Bridge Oil Developments Pty Limited	001 152 049	Santos Brantas Pty Ltd	110 095 031
Canso Resources Pty Ltd	002 133 833	Santos (Madura Offshore) Pty Ltd	085 618 711
Coveyork Pty Ltd	083 868 259	Santos UK (Kakap 2) Limited	UK
Doce Pty Ltd	010 498 487	Santos (Donggala) Pty Ltd	110 762 519
Fairview Pipeline Pty Ltd	118 281 333	Santos Egypt Pty Ltd	109 652 333
Fairview Power Pty Ltd	119 053 735	Santos Hides Ltd	PNG
Farmout Drillers Pty Ltd	000 393 635	Santos International Operations Pty Ltd	010 546 308
Kipper GS Pty Ltd	086 449 809	Santos Niugini Exploration Limited	PNG
<i>Controlled entity of Kipper GS Pty Ltd</i>		Santos (Nth Bali 1) Pty Ltd	106 393 622
Crusader (Victoria) Pty Ltd	005 699 436	Santos (Papalang) Pty Ltd	104 796 429
Moonie Pipeline Company Pty Ltd	009 719 484	Santos (Popodi) Pty Ltd	104 796 410
Reef Oil Pty Ltd	000 646 800	Santos Vietnam Pty Ltd	119 317 270
Santos Asia Pacific Pty Ltd	050 485 099	Santos (JPDA 06-104) Pty Ltd	119 728 504
<i>Controlled entities of Santos Asia Pacific Pty Ltd</i>		Santos (JPDA 91-12) Pty Ltd	056 937 752
Santos (Sampang) Pty Ltd	079 873 377	Santos (NGA) Pty Ltd	091 824 798
Santos (Warim) Pty Ltd	078 717 101	Santos (NARNL Cooper) Pty Ltd	004 761 255
Santos Australian Hydrocarbons Pty Ltd	010 850 487	Santos (N.T.) Pty Ltd	008 481 990
Santos (BOL) Pty Ltd	000 670 575	<i>Controlled entity of Santos (N.T.) Pty Ltd</i>	
<i>Controlled entity of Santos (BOL) Pty Ltd</i>		Bonaparte Gas & Oil Pty Limited	060 530 109
Bridge Oil Exploration Pty Limited	008 463 401	Santos Offshore Pty Ltd	005 475 589
Santos Darwin LNG Pty Ltd	008 651 269	Santos Oil Exploration (Malaysia) Sdn Bhd (in liquidation)	Malaysia
Santos Direct Pty Ltd	108 846 288	Santos Petroleum Pty Ltd	000 146 369
Santos Facilities Pty Ltd	008 031 007	Santos QNT Pty Ltd	083 077 196
Santos Finance Ltd	002 799 537	<i>Controlled entities of Santos QNT Pty Ltd</i>	
Santos (Globe) Pty Ltd	096 954 639	Santos QNT (No. 1) Pty Ltd	083 077 221
Santos International Holdings Pty Ltd	057 585 869	<i>Controlled entities of Santos QNT (No. 1) Pty Ltd</i>	
<i>Controlled entities of Santos International Holdings Pty Ltd</i>		Santos Petroleum Management Pty Ltd	009 898 284
Barracuda Limited	PNG	Santos Petroleum Operations Pty Ltd	010 829 017
Lavana Limited	PNG	TMOG Exploration Pty Ltd	010 118 822
Sanro Insurance Pte Ltd	Singapore	Santos QNT (No. 2) Pty Ltd	083 077 276
Santos Americas and Europe Corporation	USA	<i>Controlled entities of Santos QNT (No. 2) Pty Ltd</i>	
<i>Controlled entities of Santos Americas and Europe Corporation</i>		Associated Petroleum Pty Ltd	010 760 193
Santos USA Corp	USA	Moonie Oil Pty Ltd	009 713 188
Santos TPY Corp	USA	Petromin Pty Ltd	009 778 787
<i>Controlled entities of Santos TPY Corp</i>		Santos (299) Pty Ltd	008 953 991
Burro Pipeline Inc	USA	Santos Exploration Pty Ltd	005 784 305
Santos Queensland Corp	USA	Santos Gnuco Pty Ltd	066 042 411
Santos TOG Corp	USA	Transoil Pty Ltd	009 729 113
<i>Controlled entities of Santos TOG Corp</i>		Santos Resources Pty Ltd	010 407 664
Santos TPY CSG Corp	USA	Santos (TGR) Pty Ltd	098 099 908
Santos TOGA Pty Ltd	077 536 871	Santos Timor Sea Pipeline Pty Ltd	003 111 573
<i>Controlled entity of Santos TOGA Pty Ltd</i>		Sesap Pty Ltd	078 847 257
Santos TPC Pty Ltd	107 141 980	Vamgas Pty Ltd	006 245 110
Santos (Bawean) Pty Ltd	099 332 162		
Santos (BBF) Pty Ltd	116 866 016		