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Cooper Basin Producers win expanded Pasminco contract

Santos Limited and the other south west Queensland Gas Producers (Producers) have signed a new gas contract with Pasminco Century Mine Limited for Cooper Basin gas.

Gas sold by the Producers will be delivered to the Mount Isa Power Station which will generate power for the Century Mine at Lawn Hill in north west Queensland.

Under the new contract the Producers will provide the total gas needs for the Century Mine over the next three and a half years from the Cooper Basin. The Producers have been supplying approximately 50 per cent of Pasminco's gas requirements since mid 2001 on a short term basis.

Pasminco has agreed to purchase up to a total of 15 PJ of gas. Supplies under the new contract commenced this week and will continue until the end of 2006.

"This is a good outcome for Cooper Basin gas as it increases the quantity of gas to Pasminco and on a firm supply basis for the next three and a half years," said Mr John Ellice-Flint, Santos' Managing Director.

"Santos is pleased to have signed this new contract with Pasminco.

"The Century Mine is one of the largest zinc mines in the world and Santos is delighted to be associated with such a significant Queensland and Australian resource project."

The interests of the South West Queensland Gas Producers are:

Santos	60.1%
Delhi (ExxonMobil)	23.2%
Origin Energy	16.5%
Oil Company of Australia	0.2%

Santos Limited is a major Australian oil and gas exploration and production company with interests in all Australian hydrocarbon provinces. The Santos Group also operates in the USA, Indonesia and PNG.

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Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR)