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SECURITIES AND EXCHANGE COMMISSION
CORPORATE FINANCE

SUPPL

Santos Accelerates Tipperary Acquisition

Further to the announcement from Santos Limited ("Santos") dated 1 July 2005 regarding the proposed acquisition of Tipperary Corporation ("Tipperary") and Tipperary Oil and Gas Australia Pty Ltd ("TOGA"), Santos today announced that it has entered into a definitive agreement with Slough Estates plc, the parent company of Slough Estates USA, Inc. ("Slough") to accelerate the acquisition of Slough's interests in Tipperary and TOGA.

Slough's interests, comprising approximately a 54% shareholding in Tipperary, a 10% equity interest in TOGA, and debt owed to Slough by Tipperary will be acquired by Santos effective 13 July 2005 (US time).

The acquisition price for the Tipperary shares and warrants held by Slough is based on US\$7.39 per share. Santos has also agreed with Tipperary to increase to US\$7.43 per share the amount to be received by the minority shareholders under the previously announced merger. Total cash consideration for the acquisition, including the assumption of debt, remains unchanged at approximately US\$466 million.

Following settlement of the Slough interests, Santos will be entitled to appoint a majority of the members of the Tipperary Board. Three independent directors will continue to serve on the Board pending the Tipperary shareholders' meeting to approve the merger, which is expected to take place early in the fourth quarter. At this meeting, Santos will vote its Tipperary shareholdings in favour of the merger, and those votes will count towards the two-thirds shareholder approval required to approve the merger.

FOR FURTHER INFORMATION PLEASE CONTACT:

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

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Santos Ltd ABN 80 007 550 923

newsrelease



Santos Limited
Acquisition of Premier
Coal Seam Methane
Position

Investor Briefing
 4 July 2007

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Important Notice

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, gas commercialisation, development progress, operating results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

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Transaction Structure

- Cash "merger" offer for Tipperary Corp
- Recommended by Board
- 66.7% shareholder approval
- 54% Slough stake voted in favour
- Anticipated close early 4Q

- Acquisition of Slough's 10% direct holding in Tipperary Oil and Gas Australia

Net Result
100% equity in
Tipperary Corporation
&
100% equity in
Tipperary Oil and Gas
Australia

- Total consideration: US\$466m, including assumption of debt
- Funded from internal resources

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Assets Acquired

- Key asset is Fairview CSM field in Queensland's Bowen Basin

Working Interest of approx 75%

Reserves (1)	1P	578 bcf	103 mmboe
	2P	1,365 bcf	243 mmboe

- Commenced production in 1994, currently 38Tcf/day
- Over 4,000km² Bowen Basin exploration acreage
- Adjacent to Santos Denison and Mahalo acreage
- Relatively small US asset base
- 3 bcf 1P reserves, 220 bcf 2P
- Strategy to be reviewed

100% of reserves acquired by Tipperary Oil and Gas Australia as a result of the acquisition on 26 April 2001

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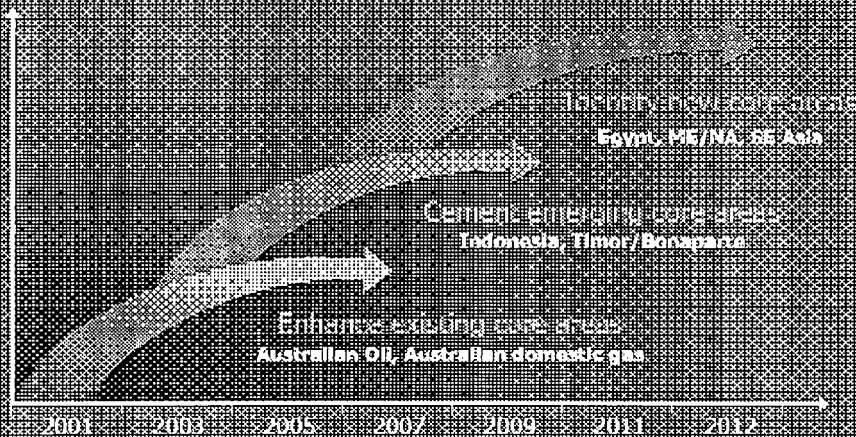
Financial Summary

- Implied 2P reserves multiple of A\$0.45/mcfe
- Priced favourably against comparables
 - Origin acquisition of OCA minorities (2003) implied A\$0.55/mcfe¹⁵
 - CH4 trading at A\$0.60/mcfe
 - Oil/Gas trading at A\$0.47/mcfe
- Mildly dilutive to earnings in early years, then accretive
- Neutral impact on cash flow per share in first years, then accretive

15. Based on 2003 implied reserves and 2003 OCA's implied reserve of A\$1.00 per barrel. OCA's implied reserve is based on a 2003 implied reserve of 1.00 barrels of oil equivalent per acre foot. OCA's implied reserve is based on a 2003 implied reserve of 1.00 barrels of oil equivalent per acre foot.

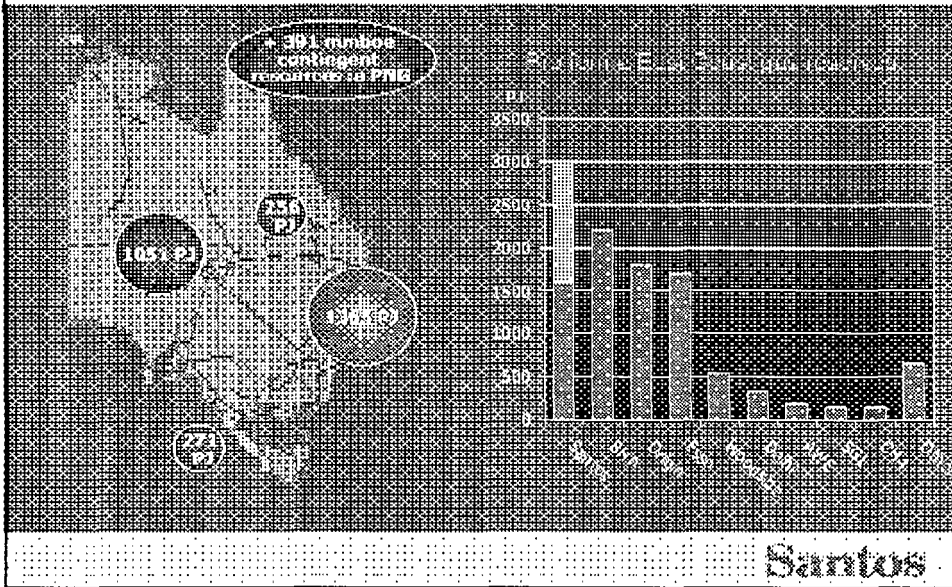
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Santos strategy in three parts

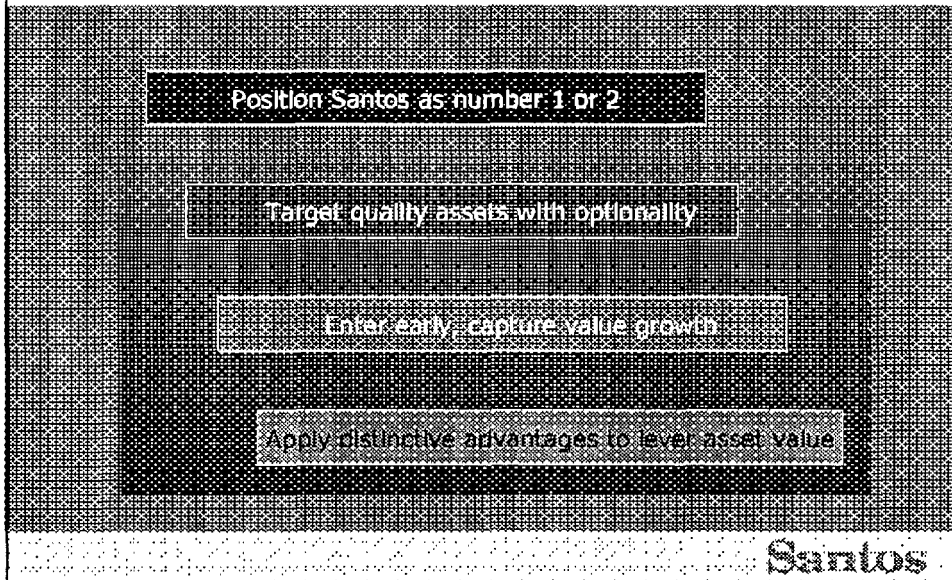


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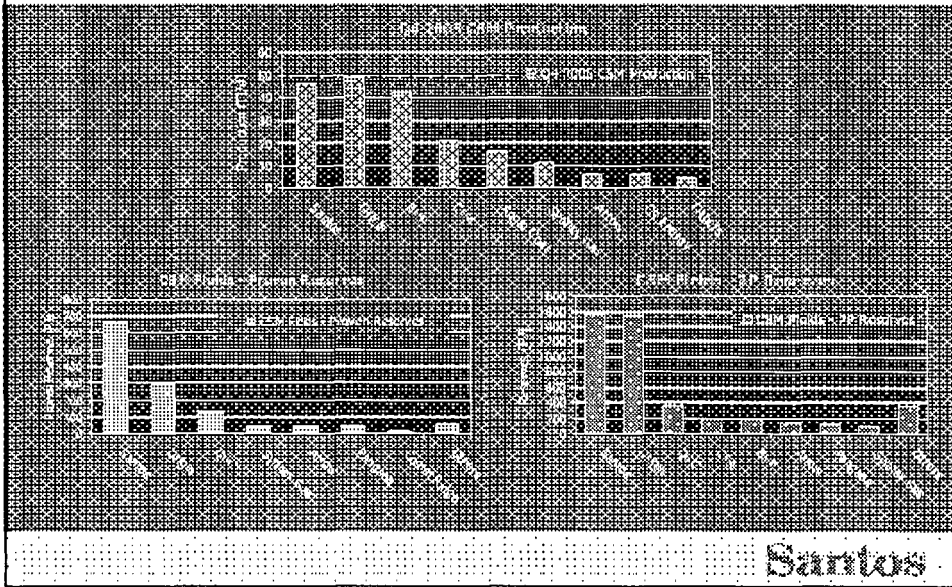
Core gas business is enhanced



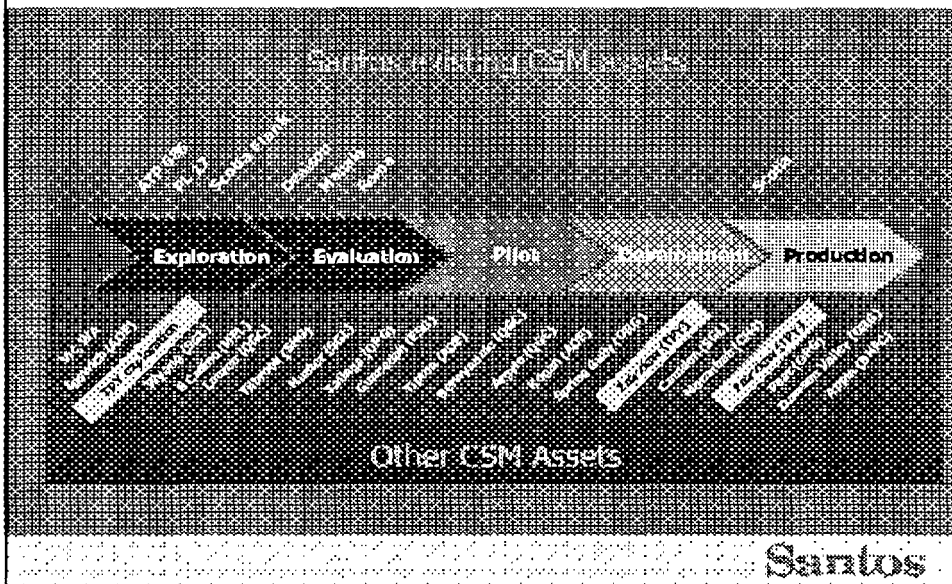
Coal Seam Methane Strategy



Position Santos as # 1 or 2 in CSM

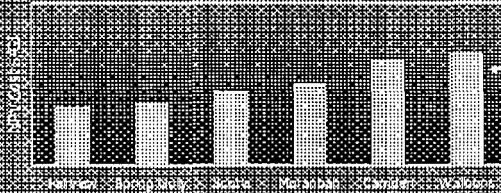


Position Santos as # 1 or 2 in CSM



Target quality assets: resources

USV Costs, Developments & Production



Low cost production

High quality resource

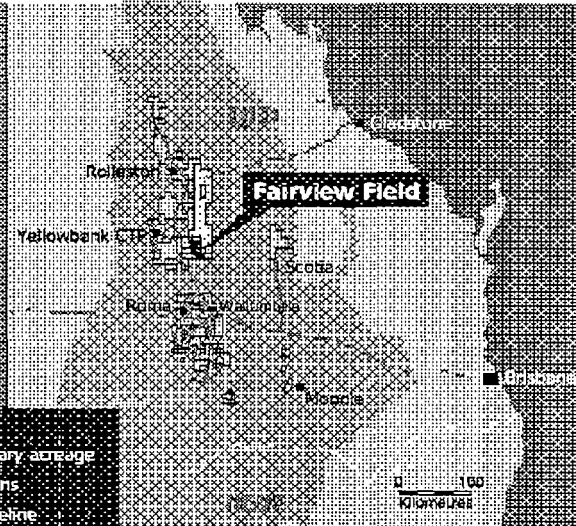
- 10 years of proven production
- Operatorship

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fairview	***	***	**	***	***	***	***	***	***	***	***	***	***
Santa	***	**	***	***	***	***	***	***	***	***	***	***	***
ROC	**	**	**	**	**	**	**	**	**	**	**	**	**
Wellbore	**	***	***	***	***	***	***	***	***	***	***	***	***
San Juan	***	**	***	***	***	***	***	***	***	***	***	***	***
Powder River	**	***	***	***	***	***	***	***	***	***	***	***	***
Black Warrior	***	**	***	***	***	***	***	***	***	***	***	***	***

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Target quality assets: location

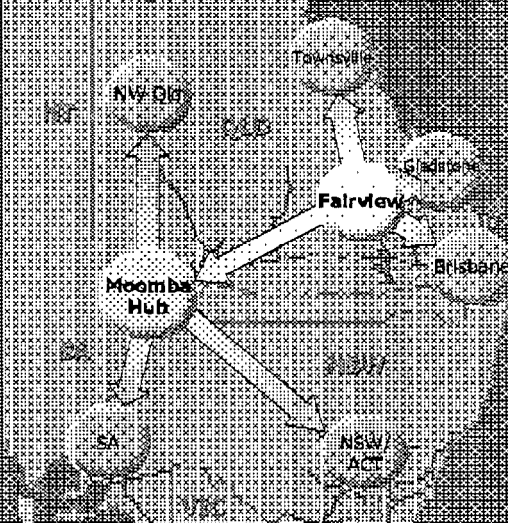
- Near markets
- Near infrastructure
- Complements existing acreage
- Synergies with other Santos assets
- Cost reduction opportunities
- Extends exploration acreage position



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Target quality assets: market options

- Existing strong contract base
- Swap opportunities
- Multiple gas contracting options



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Enter early: capture value growth

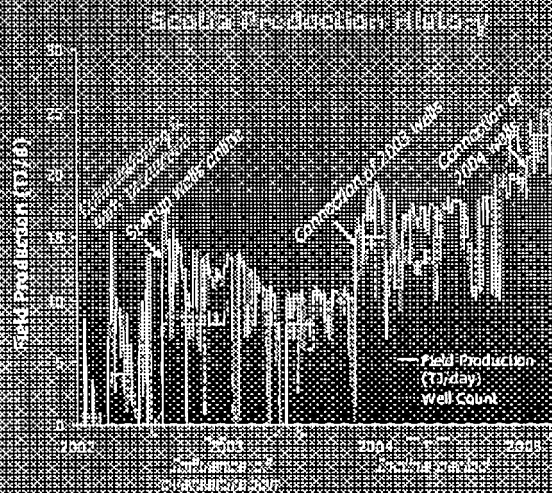
From an initial CSM focus to a broad-based gas producer

1970-80's	1990's	2000-2004	Now/Future
Reserves / Explore	Disposal Production Innovation Testing	Broad based Commercialisation	Value Added Growth Consolidation
CSM Industry			
<ul style="list-style-type: none"> 1970-80's 1980-90's 1990-2000 2000-2004 2004-2008 2008-2012 2012-2016 2016-2020 2020-2024 2024-2028 2028-2032 2032-2036 2036-2040 2040-2044 2044-2048 2048-2052 2052-2056 2056-2060 2060-2064 2064-2068 2068-2072 2072-2076 2076-2080 2080-2084 2084-2088 2088-2092 2092-2096 2096-2100 	<ul style="list-style-type: none"> 1970-80's 1980-90's 1990-2000 2000-2004 2004-2008 2008-2012 2012-2016 2016-2020 2020-2024 2024-2028 2028-2032 2032-2036 2036-2040 2040-2044 2044-2048 2048-2052 2052-2056 2056-2060 2060-2064 2064-2068 2068-2072 2072-2076 2076-2080 2080-2084 2084-2088 2088-2092 2092-2096 2096-2100 	<ul style="list-style-type: none"> 1970-80's 1980-90's 1990-2000 2000-2004 2004-2008 2008-2012 2012-2016 2016-2020 2020-2024 2024-2028 2028-2032 2032-2036 2036-2040 2040-2044 2044-2048 2048-2052 2052-2056 2056-2060 2060-2064 2064-2068 2068-2072 2072-2076 2076-2080 2080-2084 2084-2088 2088-2092 2092-2096 2096-2100 	<ul style="list-style-type: none"> 1970-80's 1980-90's 1990-2000 2000-2004 2004-2008 2008-2012 2012-2016 2016-2020 2020-2024 2024-2028 2028-2032 2032-2036 2036-2040 2040-2044 2044-2048 2048-2052 2052-2056 2056-2060 2060-2064 2064-2068 2068-2072 2072-2076 2076-2080 2080-2084 2084-2088 2088-2092 2092-2096 2096-2100
	Santos commences exploration	Santos commences production	Santos acquires Tippecanoe

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Enter early: proven concept and capability

- First CSM exploration at Santos (1996)
- Gas sales contract for up to 120 PJ with CS Energy (2000)
- Santos production (2002)
- Separate Santos CSM team established (2004)

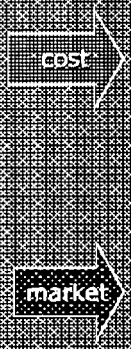


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Apply distinctive advantages

Value driver

- Faster, reducing capital costs
- Reducing operating costs
- Acceleration of development
- Market acceptance of CSM
- Market penetration



Santos competitive advantage

- Largest onshore driller and operator
 - Economies of scale
 - CSM experience
 - Synergies opportunities
 - Santos infrastructure
-
- Reserve optionality
 - Production alternatives
 - Unique market position
 - Santos infrastructure

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Santos is Australia's
premier domestic
gas company

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