Reserves Statement

For the year ending 31 December 2015

19 February 2016

Reserves Summary

- Proved (1P) reserves at year end were 485 mmboe, 22% lower than 2014.
- Proved plus probable (2P) reserves were 945 mmboe, 24% lower than 2014.
- The impact of the lower oil price environment combined with asset divestments and 2015 production of 58 mmboe were the key factors in the reduction in booked reserves in 2015.
- Gunnedah Basin reserves reclassified to contingent resources.
- Developed 2P reserves represent 51% of total 2P reserves, up from 43% in 2014.
- 2P Reserves life of 16 years, based on 2015 production of 58 mmboe.

Santos today announced that proved plus probable (2P) petroleum reserves were 945 million barrels of oil equivalent (mmboe) as at the end of 2015, 24% lower than 2014.

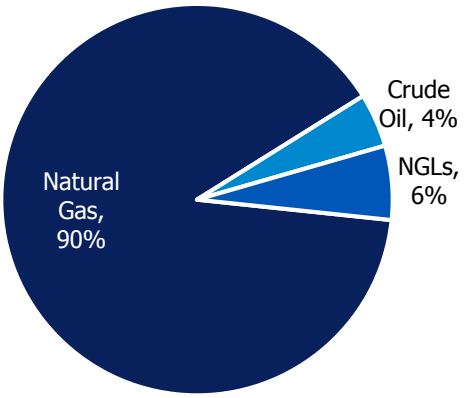
The key movements in 2P reserves before production in 2015 were:

- 133 mmboe reduction due to the reclassification of Gunnedah Basin reserves to contingent resources.
- 66 mmboe reduction due to the sale of interests in the Kipper, Mereenie and Stag assets.
- 38 mmboe reduction in Cooper Basin reserves due mainly to lower oil price assumptions and work program results.

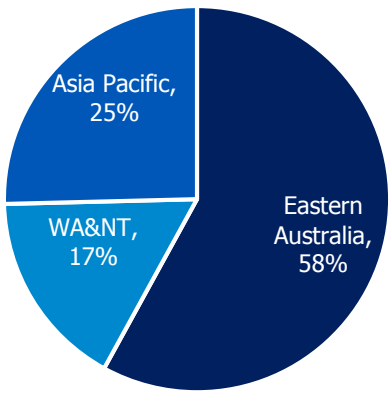
Reserves and 2C contingent resources (Santos share)

Santos share		**2015**	**2014**	**%change**
Proved reserves	mmboe	485	622	(22)
Proved plus probable reserves	mmboe	945	1,245	(24)
Contingent resources	mmboe	1,853	1,721	8

Proved plus probable reserves by product



Proved plus probable reserves by area



Media enquiries
Chandran Vigneswaran
+61 8 8116 5856 / +61 (0) 467 775 055
chandran.vigneswaran@santos.com

Investor enquiries
Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

Santos Limited ABN 80 007 550 923
GPO Box 2455, Adelaide SA 5001
T: +61 8 8116 5000 / F: +61 8 8116 5131
www.santos.com

Cooper Basin

Cooper Basin proved plus probable reserves by product (Santos share)

Santos share		2015	2014	%change
Sales gas	PJ	726	972	(25)
Crude oil	mmbbl	20	26	(22)
Condensate	mmbbl	11	15	(23)
LPG	000 tonnes	1,457	1,791	(19)
Total	mmboe	**168**	**222**	**(24)**

Sales gas proved plus probable reserves decreased by 19% before 2015 production, primarily due to the adoption of lower oil and gas price assumptions and the consequent removal or reclassification of sub-economic projects. Revisions were also made based on work program results and project updates, primarily in the Baryulah, Coonatie, Tirrawarra-Gooranie, Big Lake and Moomba fields.

GLNG

GLNG Reserves and 2C contingent resources (GLNG share)

GLNG share		2015	2014	%change
Proved reserves	PJ	2,540	2,245	13
Proved plus probable reserves	PJ	5,546	5,603	(1)
Contingent resources	PJ	1,328	1,202	10

GLNG proved reserves increased 15% before 2015 production, while proved plus probable reserves were broadly in-line with the prior year.

In addition to the reserves in the table above, GLNG has executed Santos portfolio and third party gas supply agreements for an aggregate of between approximately 2,100 PJ and 2,500 PJ over periods of up to 20 years.

Gunnedah Basin

Santos' focus in the current lower oil price environment is to improve the operating efficiency of its producing assets and reduce capital expenditure. While the company is progressing the evaluation and approvals processes for the proposed Narrabri Gas Project, reserves in the Gunnedah Basin have been reclassified as contingent resources.

2C Contingent resources

Contingent resources increased by 8% or 132 mmboe to approximately 1.8 billion barrels of oil equivalent.

Key movements in contingent resources included:

- 46 mmboe addition following the integration of successful appraisal drilling results in the Barossa field.
- 29 mmboe addition from exploration discoveries, including the Bestari oil discovery offshore Malaysia.
- 50 mmboe reduction from asset divestments, including Meerenie, Sole and Stag.
- 83 mmboe net overall increase due to a categorisation review and the reclassification of Gunnedah Basin reserves to contingent resources.

Oil price assumptions

In undertaking its 2015 reserves process, Santos has taken into account its oil price forecasts used for impairment analysis in its 2015 full-year accounts.

Proved reserves

Year-end 2015 (Santos share)

Basin/Area	Sales gas PJ	Crude oil mmbbl	Condensate mmbbl	LPG 000 tonnes	All products mmboe		
					Developed	Undeveloped	Total
Eastern Australia							
Surat/Bowen	903	0	0	-	78	77	155
Cooper/Eromanga	336	9	5	628	45	31	76
Gippsland/Otway	49	-	0	-	2	7	8
Gunnedah	0	-	-	-	0	-	0
Total EA	1,288	9	5	628	125	115	240
Western Australia & Northern Territory							
Carnarvon	360	3	4	-	47	21	69
Bonaparte	72	-	2	96	14	1	15
Amadeus	17	2	0	149	3	3	6
Total WA&NT	450	5	6	245	65	25	90
Asia Pacific							
Papua New Guinea	752	0	12	-	90	51	141
Vietnam	8	7	-	-	8	-	8
Indonesia	36	0	0	-	6	-	6
Total Asia Pacific	796	7	12	-	105	51	155
Total 1P	**2,534**	**21**	**23**	**873**	**295**	**191**	**485**
Proportion of total proved reserves that are unconventional							32%

Proved reserves reconciliation

Product		Reserves Year-end 2014	Production	Revisions and extensions	Discoveries	Net acquisitions and divestments	Reserves Year-end 2015
Sales gas	PJ	**3,204**	(261)	(226)	-	(184)	**2,534**
Crude oil	mmbbl	**28**	(8)	3	-	(3)	**21**
Condensate	mmbbl	**32**	(4)	(2)	-	(4)	**23**
LPG	000 tonnes	**1,520**	(152)	(36)	-	(459)	**873**
Total 1P	**mmboe**	**622**	**(58)**	**(37)**	**-**	**(42)**	**485**

Proved plus probable reserves

Year-end 2015 (Santos share)

Basin/Area	Sales gas PJ	Crude oil mmbbl	Condensate mmbbl	LPG 000 tonnes	All products mmboe		
					Developed	Undeveloped	Total
Eastern Australia							
Surat/Bowen	2,136	0	0	-	89	279	367
Cooper/Eromanga	726	20	11	1,457	106	61	168
Gippsland/Otway	74	-	0	-	4	9	13
Gunnedah	0	-	-	-	0	-	0
Total EA	2,935	20	11	1,457	199	349	548
Western Australia & Northern Territory							
Carnarvon	606	9	7	-	78	41	119
Bonaparte	93	-	3	178	17	3	20
Amadeus	61	4	1	299	12	6	18
Total WA&NT	760	12	11	476	107	50	157
Asia Pacific							
Papua New Guinea	1,173	0	20	-	153	68	220
Vietnam	11	9	-	-	11	-	11
Indonesia	52	0	0	-	9	-	9
Total Asia Pacific	1,236	9	20	-	172	68	240
Total 2P	**4,931**	**42**	**42**	**1,933**	**478**	**466**	**945**
Proportion of total proved plus probable reserves that are unconventional							39%

Proved plus probable reserves reconciliation

Product		Reserves Year-end 2014	Production	Revisions and extensions	Discoveries	Net acquisitions and divestments	Reserves Year-end 2015
Sales gas	PJ	**6,450**	(261)	(1,028)	-	(231)	**4,931**
Crude oil	mmbbl	**61**	(8)	(3)	-	(8)	**42**
Condensate	mmbbl	**53**	(4)	(2)	-	(6)	**42**
LPG	000 tonnes	**3,002**	(152)	(221)	-	(697)	**1,933**
Total 2P	**mmboe**	**1,245**	**(58)**	**(184)**	**-**	**(59)**	**945**

2C Contingent resources

Year-end 2015 (Santos share)

Basin/Area	Sales gas PJ	Crude oil mmbbl	Condensate mmbbl	LPG 000 tonnes	All products mmboe
Eastern Australia	5,715	35	25	3,370	1,070
Western Australia & Northern Territory	3,559	20	42	56	672
Asia Pacific	273	62	2	-	111
Total 2C	**9,547**	**118**	**69**	**3,426**	**1,853**

2C Contingent resources reconciliation

Product	Contingent resources Year-end 2014	Production	Revisions and extensions	Discoveries	Net acquisitions and divestments	Contingent resources Year-end 2015
Total 2C (mmboe)	**1,721**	**-**	**153**	**29**	**(50)**	**1,853**

Notes

1. This reserves statement:

   a. is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, the qualified petroleum reserves and resources evaluators listed in note 14 of this reserves statement. Details of each qualified petroleum reserves and resources evaluator's employment and professional organisation membership are set out in note 14 of this reserves statement; and

   b. as a whole has been approved by Barbara Pribyl, who is a qualified petroleum reserves and resources evaluator and whose employment and professional organisation membership details are set out in note 14 of this reserves statement; and

   c. is issued with the prior written consent of Barbara Pribyl as to the form and context in which the estimated petroleum reserves and contingent resources and the supporting information are presented.

2. The estimates of petroleum reserves and contingent resources contained in this reserves statement are as at 31 December 2015.

3. Santos prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE).

4. This reserves statement is subject to risk factors associated with the oil and gas industry. It is believed that the expectations of petroleum reserves and contingent resources reflected in this statement are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering 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.

5. All estimates of petroleum reserves and contingent resources reported by Santos are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator or evaluators. Processes are documented in the Santos Reserves Guidelines which are overseen by a Reserves Committee. The frequency of reviews is dependent on the magnitude of the petroleum reserves and contingent resources and changes indicated by new data. If the changes are material, they are reviewed by the Santos internal technical leaders, prior to overall approval by management and the Reserves Committee.

6. Santos engages independent experts Gaffney, Cline & Associates, Netherland, Sewell & Associates, Inc. and DeGolyer and MacNaughton to audit and/or evaluate reserves and contingent resources. Each auditor found, based on the outcomes of its respective audit and evaluation, and its understanding of the estimation processes employed by Santos, that Santos' 31 December 2015 petroleum reserves and contingent resources quantities in aggregate compare reasonably to those estimates prepared by each auditor. Thus, in the aggregate, the total volumes summarised in the tables included in this reserves statement represent a reasonable estimate of Santos' petroleum reserves and contingent resources position as at 31 December 2015.

7. Unless otherwise stated, all references to petroleum reserves and contingent resources quantities in this reserves statement are Santos' net share.

8. Reference points for Santos' petroleum reserves and contingent resources and production are defined points within Santos' operations where normal exploration and production business ceases, and quantities of produced product are measured under defined conditions prior to custody transfer. Fuel, flare and vent consumed to the reference points are excluded.

9. Petroleum reserves and contingent resources are aggregated by arithmetic summation by category and as a result, proved reserves may be a very conservative estimate due to the portfolio effects of arithmetic summation.

10. Petroleum reserves and contingent resources are typically prepared by deterministic methods with support from probabilistic methods.

11. Any material concentrations of undeveloped petroleum reserves that have remained undeveloped for more than 5 years: (a) are intended to be developed when required to meet contractual obligations; and (b) have not been developed to date because they have not yet been required to meet contractual obligations.

12. Petroleum reserves replacement ratio is the ratio of the change in petroleum reserves (excluding production) divided by production.

13. Information on petroleum reserves and contingent resources quoted in this reserves statement is rounded to the nearest whole number. Some totals in the tables may not add due to rounding. Items that round to zero are represented by the number 0, while items that are actually zero are represented with a dash "-".

14. Qualified Petroleum Reserves and Resources Evaluators

Name	**Employer**	**Professional Organisation**
B Pribyl	Santos Ltd	SPE
P Lyford	Santos Ltd	SPE
B Camac	Santos Ltd	SPE, PESA
A Western	Santos Ltd	SPE
M Woolley	Santos Ltd	SPE
A Hill	Santos Ltd	PESA
E Klettke	Santos Ltd	SPE, APEGA
N Pink	Santos Ltd	SPE
A Wisnugroho	Santos Ltd	SPE
J Telford	Santos Ltd	SPE
R Price	Santos Ltd	SPE
C Harwood	Santos Ltd	PESA, AAPG
D Smith	NSAI	SPE

SPE: Society of Petroleum Engineers
APEGA: The Association of Professional Engineers and Geoscientists of Alberta
PESA: Petroleum Exploration Society of Australia
AAPG: American Association of Petroleum Geologists

Abbreviations and conversion factors

Abbreviations		Conversion factors	
1P	proved reserves	Sales gas and ethane, 1 PJ	171,937 boe
2P	proved plus probable reserves	Crude oil, 1 barrel	1 boe
GJ	gigajoules	Condensate, 1 barrel	0.935 boe
LNG	liquefied natural gas	LPG, 1 tonne	8.458 boe
LPG	liquefied petroleum gas		
mmbbl	million barrels		
mmboe	million barrels of oil equivalent		
NGLs	natural gas liquids		
PJ	petajoules		
TJ	terajoules		