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TO: Company Announcements Office
ASX Limited

FROM: Company Secretary

DATE: 6 June 2011

SUBJECT: INVESTOR PRESENTATION JUNE 2011

Please find attached a Santos Investor Presentation, which is being presented in the US during June 2011.

David Lim
Company Secretary



Disclaimer & Important Notice

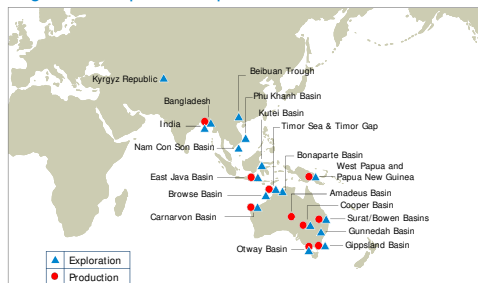
This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends 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, 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.

Santos overview

- One of Australia's leading upstream oil and gas companies and has been operating since 1954
- Current production:
 - ~ 600 mmscf/d of gas
 - ~ 30 kbbbls/d of liquids
- Employs 2,400 people
- 107,000 shareholders
- Top-25 ASX listed company: market capitalisation US\$12 billion (June 2011)
- Australia's largest domestic gas producer and key stakeholder in Darwin LNG, PNG LNG, GLNG and Bonaparte LNG

Regional footprint of operations



Key statistics (YE 2010)

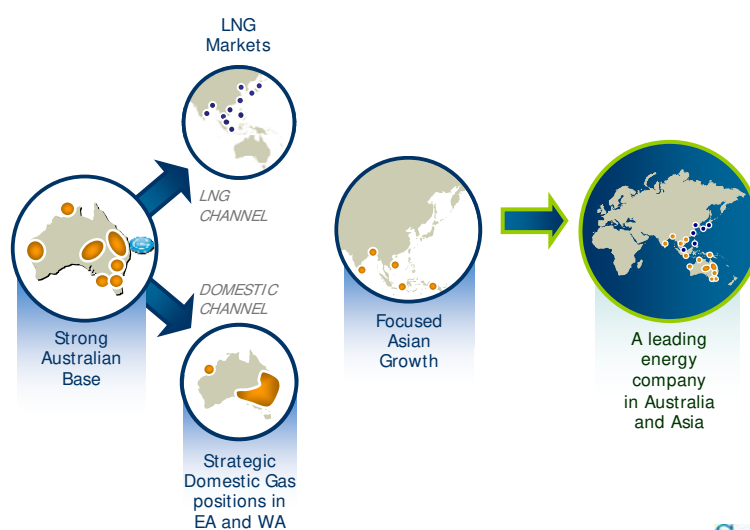
1P reserves	646 mmboe
2P reserves	1,445 mmboe
Contingent resources	2,261 mmboe
2010 production	50 mmboe
2010 2P reserve replacement ratio	331%*

*2010 2P organic RRR

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Santos vision and strategy

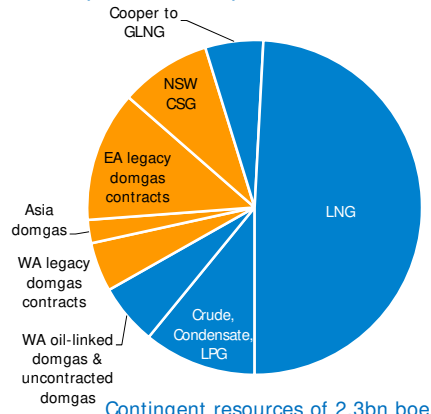


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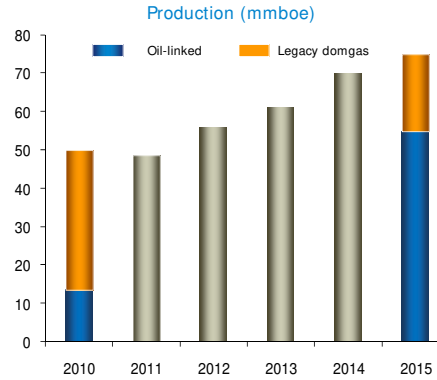
Transforming to oil-linked pricing

70% of 1.4bn boe 2P reserves exposed to oil prices



Contingent resources of 2.3bn boe has a similar pattern

Asset base is transformed through sanctioned projects



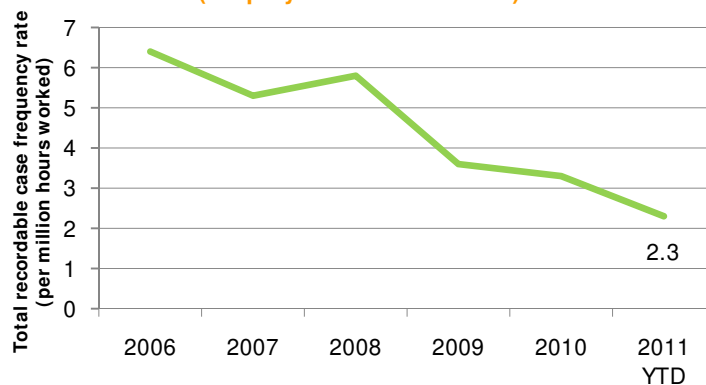
Production exposed to oil price rises from 27% in 2010 to 70% in 2015

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Safety performance

Santos TRCFR performance (Employees & Contractors)



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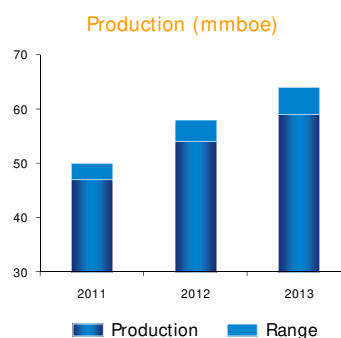
6

Base production grows to record levels

Four projects in the base commence production in 2011

Project	Santos interest	Gross production capacity	First production
Reindeer/ Devil Creek WA	45%	215 TJ/d ¹	4Q 2011
Spar WA	45%	50 TJ/d ²	2 June 2011
Chim São Vietnam	31.875%	25,000 bbl/d	2H 2011
Wortel Indonesia	45%	90 TJ/d ³	End 2011

- 1 Gross processing capacity of Devil Creek gas plant. Plant is initially planned to operate at 120TJ/d sales.
 2 Gross capacity from Halyard well. Capacity to increase to 100 TJ/d gross in early-2013 with the tie-in of Spar-2 well.
 3 Combined gross production from the Oyong and Wortel fields.



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Underlying net profit up 46%

2010 full-year result

		Change on 2009	
Production	49.9 mmboe	↓	(8%)
Sales Revenue	\$2,228 million	↑	2%
EBITDAX	\$1,672 million	↑	5%
Net Profit After Tax	\$500 million	↑	15%
Underlying Net Profit	\$376 million	↑	46%
Operating Cash Flow	\$1,267 million	↑	10%
Final Dividend	15 cents per share	↓	5 cents

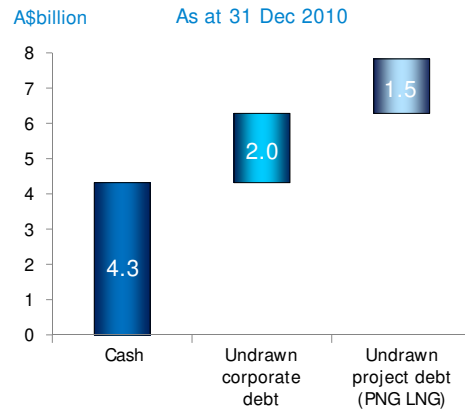
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\$8 billion of funding capacity

Comprehensive funding plan executed including:

- A\$2 billion bilateral bank facility
- €1 billion hybrid with 100% equity credit from S&P
- A\$500 million institutional placement to complete equity funding required for GLNG



Cash balance of \$4.3 billion excludes proceeds from the sale of a 15% interest in GLNG to Total and KOGAS announced in December 2010 – transactions completed in early 2011.

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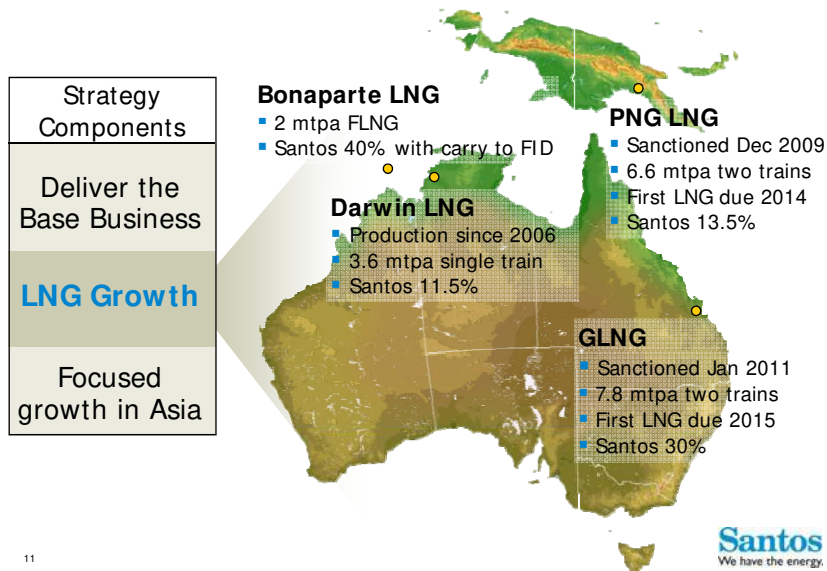
GLNG FID signing ceremony, 13 January 2011
L to R: Mike Sangster (Total), Heung Bog Lee (KOGAS), David Knox, Datuk Anuar Ahmad (PETRONAS)

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Growth in LNG

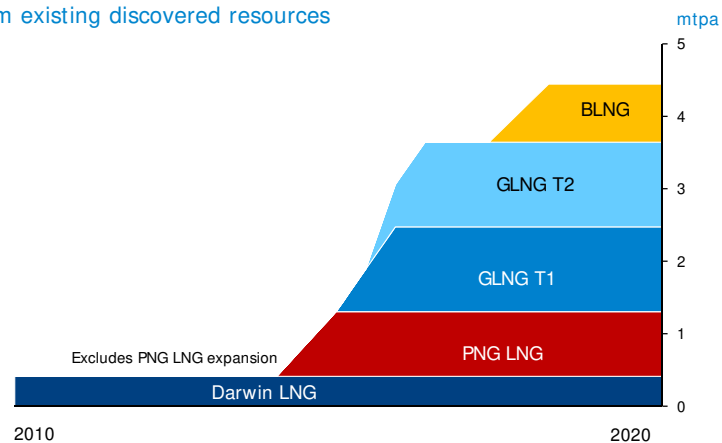
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LNG is a key component of Santos' growth strategy



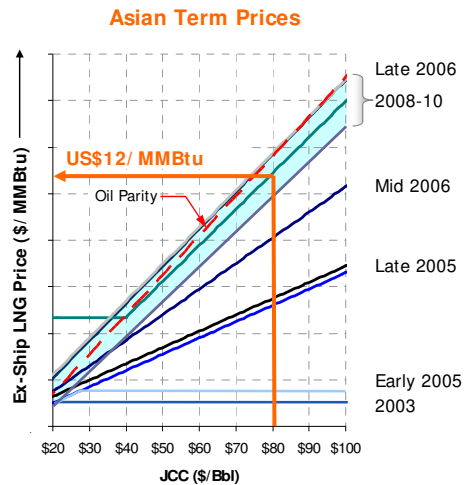
Strategy delivers material LNG growth

Santos equity LNG production
from existing discovered resources



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Continue to see strong long-term LNG pricing



Source: Poten & Partners

13

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- Recent contracts point to strong underlying demand
- Pricing reflects new supply-demand equilibrium
- Long-term Asia-Pacific pricing remains oil-linked



GLNG

14

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GLNG

Two-train 7.8 mtpa GLNG project under construction

- FID January 2011
- All permits for access to Curtis Island and mainland sites at Gladstone delivered in accordance with project schedule
- Orders placed for long leads
- Construction work underway on Curtis Island and mainland sites
- Marine crossing line pipe fabrication completed and being shipped
- US\$16 billion capital cost includes US\$2 billion in contingencies
- On schedule for first LNG in 2015



The Hon. Julia Gillard MP, Prime Minister of Australia, officially launches works on the GLNG plant on Curtis Island, 27 May 2011

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World-class GLNG contractors

Predominantly fixed price EPC contracting strategy

Project Component	Description	Contractor	Contract Type
Upstream surface facilities	All coal seam gas and water gathering and processing infrastructure	FLUOR	EPC contract with material level of fixed price
Gas transmission pipeline	420-kilometre gas transmission pipeline from the gas fields to Gladstone	Eni Saipem	Fixed price lump sum turnkey EPC contract
LNG Plant	7.8mtpa 2-train LNG plant plus associated infrastructure	BECHTEL	Fixed price lump sum turnkey EPC contract

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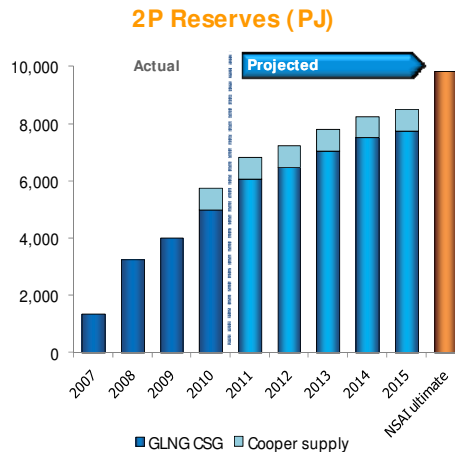
GLNG 2P reserves for two trains

- 5,009 2P CSG reserves at Dec-10¹
- NSAI estimated higher 2P reserves of 5,377 PJ as at end Oct-10¹
- In addition to CSG reserves, Santos to supply 750 PJ of portfolio gas, primarily from the Cooper Basin
- NSAI estimates GLNG ultimate 2P CSG reserves maturation of 9,848 PJ from existing acreage¹

¹ Excludes 750 PJ of Santos portfolio supply

NSAI: Netherland, Sewell & Associates, Inc. Based on their analysis, NSAI believe that continued development and appraisal drilling in the GLNG dedicated areas has a reasonable likelihood of extending the 2P reserves area into most of the regions now categorized as possible reserves or 2C contingent resources.

17



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PNG LNG, Darwin LNG
and Bonaparte LNG

18

PNG LNG

PNG LNG construction continues to ramp-up

Project	PNG LNG
Location	Papua New Guinea
Santos interest	13.5%
Partners	ExxonMobil 33.2%, Oil Search 29%, State of PNG 16.8%, Nippon Oil 4.7%, MRDC 2.8%
Project scope	<ul style="list-style-type: none"> Upstream gas & condensate fields Gas transmission pipeline 2-train LNG plant
Gross production capacity	6.6 mtpa of LNG
LNG buyers	<ul style="list-style-type: none"> Sinopec: 2.0 mtpa TEPCO: 1.8 mtpa Osaka Gas: 1.5 mtpa CPC: 1.2 mtpa
Project status	<ul style="list-style-type: none"> FID Dec-2009 Under construction Gross capex US\$15 billion
First LNG	On schedule for 2014



Pipeline stringing



LNG plant site construction camp

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PNG LNG

PNG LNG plant site, Port Moresby



20

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Bayu-Undan / Darwin LNG

Darwin LNG: continuing strong production

Project	Bayu-Undan/Darwin LNG
Location	Timor Gap, Australia/Timor-Leste
Santos interest	11.5%
Partners	ConocoPhillips, ENI, INPEX, TEPCO, Tokyo Gas
Project scope	<ul style="list-style-type: none"> Offshore gas & condensate fields Gas transmission pipeline Single train LNG plant at Darwin
Gross production capacity	3.6 mtpa of LNG 100,000 bbl/d of condensate
LNG buyers	<ul style="list-style-type: none"> TEPCO Tokyo Gas
Project status	<ul style="list-style-type: none"> Commenced LNG production 2006 LNG capacity upgraded in 2010 to 3.6 mtpa



Bayu-Undan offshore platforms



Darwin LNG plant

21

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Bonaparte LNG

Innovative floating LNG project; Santos carried to FID

Project	Bonaparte LNG
Location	Bonaparte Basin, Australia
Santos interest	40%
Partners	GDF SUEZ 60%
Project scope	Floating LNG production
Gross production capacity	2 mtpa of LNG proposed
Project status	<ul style="list-style-type: none"> Project teams in Paris and Perth Pre-FEED contracts awarded Jan-2011 Santos carried to FID
FID	Planned for 2014



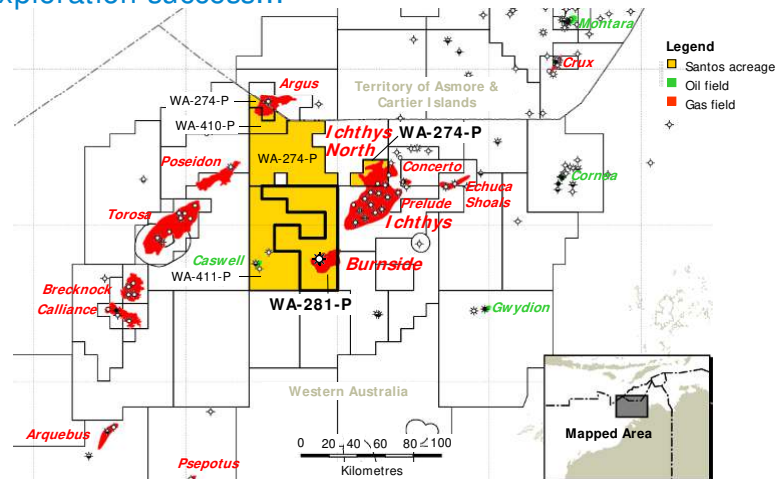
22

 **Bonaparte LNG**

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Burnside discovery

Exploration success...



...in a great street address

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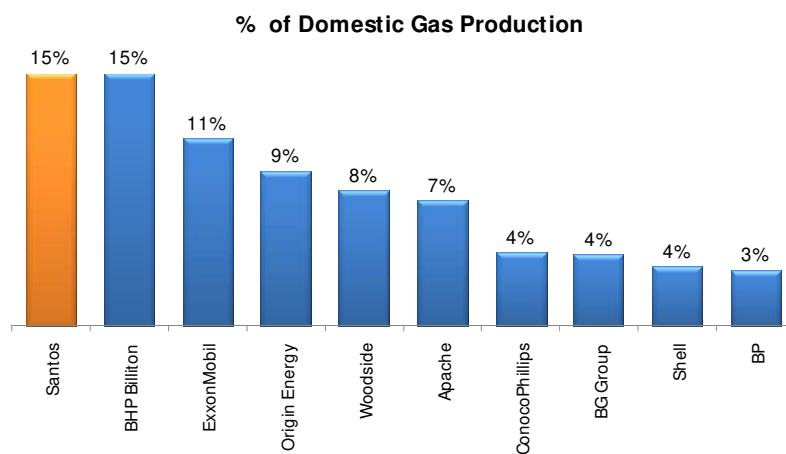


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Australia Domestic Gas

Australia's leading domestic gas producer

Santos is Australia's Leading Domestic Gas Producer

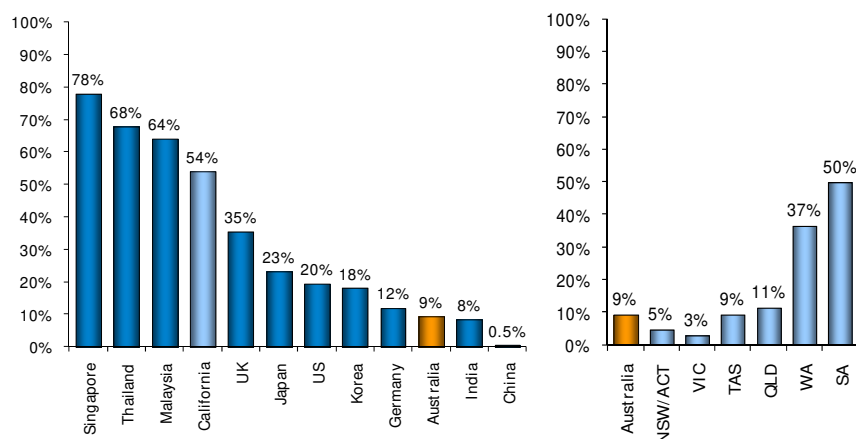


25 Source: Energy Quest May 2011

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Domestic channel – Room to grow

Gas Penetration as % of Power Generated



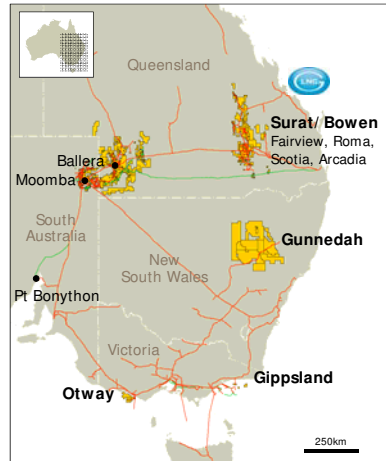
26 Source: EIA, AER, Santos

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Eastern Australia

Santos' gas supply infrastructure in eastern Australia provides substantial flexibility in gas supply

- Santos has assets in every producing basin
- Santos' portfolio gas provides significant optionality in gas supply: eg 750 PJ supply contract to GLNG
- GLNG connected to existing integrated gas infrastructure



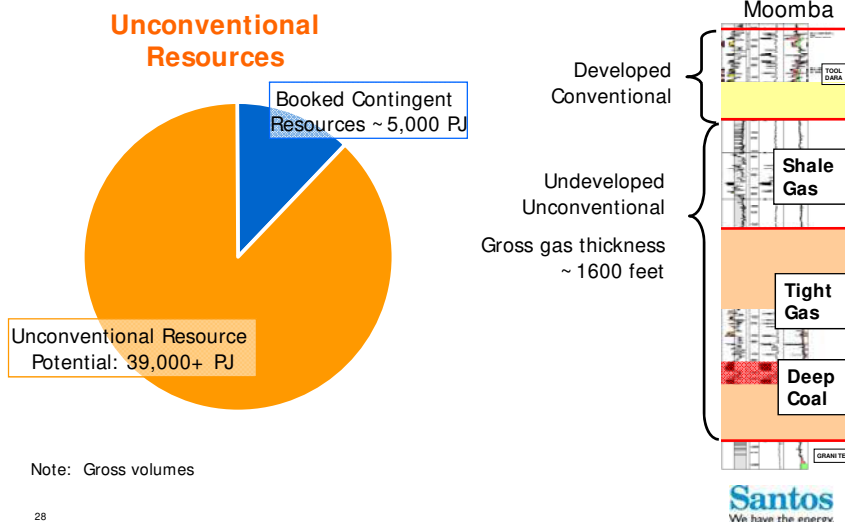
Legend
 Santos permits
 Oil pipeline
 Gas pipeline

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Reports of the Cooper's Death are Greatly Exaggerated

Gross Unrisked Resource Potential

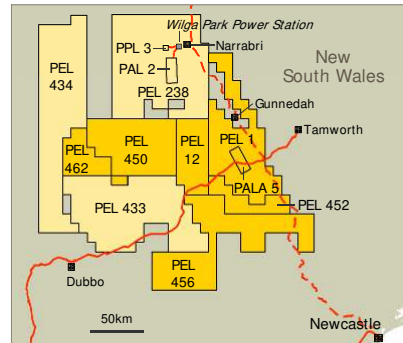


28

Gunnedah Basin – Next major play in coal seam gas

Basin master position with > 50 tcf prospective potential

- Santos and Eastern Star Gas (ESG) operated permits cover 60,000 km²
- Santos holds 35% interest in ESG operated permits and owns 20.97% interest in ESG Ltd
- Santos interests in Santos operated permits:
 - 100%: PEL 450, 452 & 462
 - 25%: PEL 1 & 12¹
 - 15%: PEL 456²
- Santos net 2P reserves 739 PJ as at Dec-2010³
- Initial exploration underway in Santos operated areas
- Focussed on commercialisation



Legend

- Santos operated acreage
- Eastern Star operated acreage
- Gas pipeline
- Proposed gas pipeline

¹ Santos can increase its interest in PEL 1 & 12 to 65% via farm-in

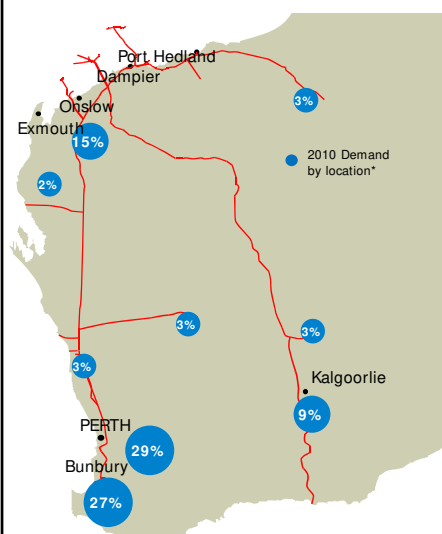
² Santos can increase its interest in PEL 456 to 50% via farm-in

³ Net economic interest in reserves including beneficial interest via Santos shareholding in ESG

29

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WA Domestic Gas: Increasing Demand



Demand	2010	2020
Mining	20%	34%
Electricity (SWIS)	30%	28%
Alumina and Ammonia	41%	31%
Residential/Commercial	9%	7%

- Expect demand to increase from 960 TJ per day (2010)* to 1,230 – 1,535TJ per day (2020)*
- Asian demand for WA mineral exports is driving energy demand growth in WA
- Mining sector growth significantly outpaces other sectors. Iron ore is the key driver.
- Growth expected across the market in absolute terms

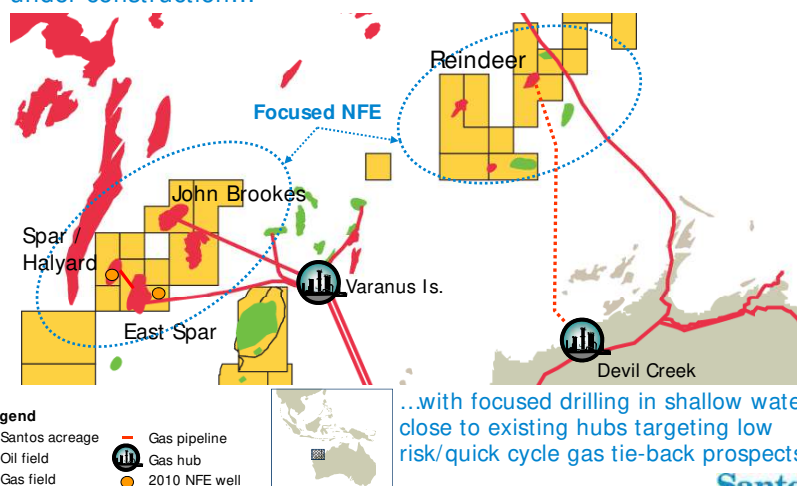
* Source: McKinsey / Santos

30

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Hub-led strategy

Santos supplies gas via one of two existing hubs and one new hub under construction...



...with focused drilling in shallow water close to existing hubs targeting low risk/quick cycle gas tie-back prospects

Reindeer/Devil Creek, WA

Reindeer/Devil Creek – WA's new domestic gas hub

Project	Reindeer/Devil Creek
Location	Carnarvon Basin, offshore WA
Santos interest	45%
Partner	Apache 55%, operator
Project scope	<ul style="list-style-type: none"> Unmanned, minimum facility wellhead platform 105-km pipeline to shore Devil Creek gas plant
Gross production capacity	215 TJ/day (Devil Creek gas plant) ¹
Project status	<ul style="list-style-type: none"> Reindeer wellhead platform installed Pipelay complete Devil Creek gas plant construction continues with all modules delivered to site
First gas	On schedule for fourth quarter 2011



Reindeer wellhead platform installed



Devil Creek gas plant

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¹ Gross processing capacity of Devil Creek gas plant. Plant is initially planned to operate at 120TJ/d sales.

Spar, WA

Spar – Development of Halyard (WA-13-L) and Spar (WA-4-R)

Project	Spar
Location	Carnarvon Basin, offshore WA
Santos interest	45%
Partner	Apache 55%, operator
Project scope	<ul style="list-style-type: none"> Tie-back of Halyard and Spar wells to Varanus Island via existing East Spar pipeline Modifications to John Brookes platform
Gross production capacity	50 TJ/day (Halyard) 100 TJ/day (Halyard + Spar)
Project status	<ul style="list-style-type: none"> Halyard well drilled and completed Spar-2 well drilled and completed Fabrication, testing and installation of wing deck module for John Brookes platform complete Flowline and umbilical fabrication complete
First gas	Commenced 2 June 2011



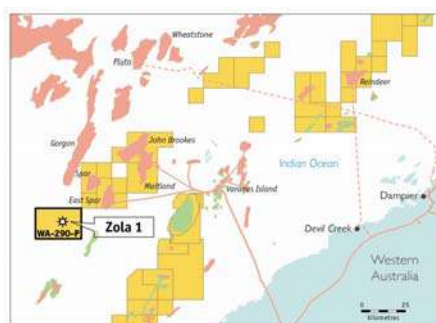
Wing deck module installed on John Brookes platform

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Zola gas discovery

- Zola-1 successful gas test of Triassic horst block on trend from Gorgon field
- Over 100m of net gas pay over a 400 metre gross interval in excellent reservoir quality
- Further high resolution 3D acquired
- Follow-up appraisal drilling in 2012
- Santos increased its equity to 24.75%



LEGEND

- Santos acreage
- Oil Field
- Gas Field
- Oil pipeline
- Gas pipeline
- Gas pipeline proposed

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34



Indonesia: Madura Offshore PSC

Maleo performing beyond expectation; incremental growth from Peluang

- Maleo**
 - Production since 2006
 - Gross gas production ~ 115 TJ/d
 - Long term sales gas contract to PT Perusahaan Gas Negara
- Peluang**
 - Peluang-1 well drilled in 1Q 2009
 - Potential tie back to Maleo to maintain plateau

Legend

- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline

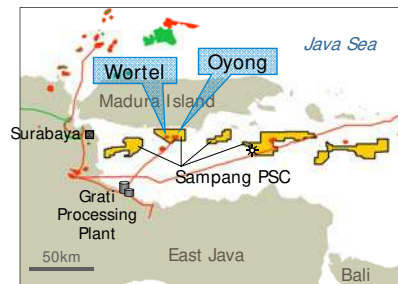
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Indonesia: Sampang PSC

Oyong Phase 2 delivered; incremental growth from Wortel

- **Oyong Phase 1 (oil)**
 - Production performance above expectation at ~ 3500 bbl/day (gross)
- **Oyong Phase 2 (oil and gas)**
 - Gas production start-up on time (Q309) and plateau of ~ 60 TJ/d (gross) reached within 20 days
 - Gas sales to PT Indonesia Power
- **Wortel**
 - Tie back to Oyong
 - FID Nov-2010
 - First gas forecast end-2011



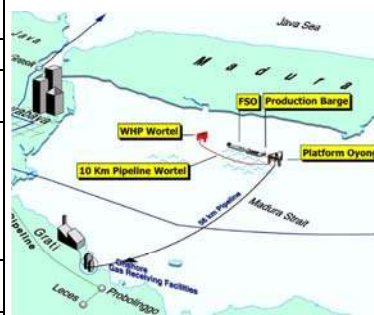
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Wortel, Indonesia

Wortel – Third operated project in Indonesia

Project	Wortel
Location	Sampang PSC, offshore East Java, Indonesia
Santos interest	45%, operator
Partners	SPC 40% Cue Energy Resources, 15%
Project scope	<ul style="list-style-type: none"> ▪ Unmanned, minimum facility wellhead platform ▪ 10-km gas pipeline to existing Oyong platform ▪ Gas export via existing 60-km pipeline to Grati
Gross production capacity	90 TJ/day from combined Oyong/Wortel fields
Project status	<ul style="list-style-type: none"> ▪ Sanctioned November 2010 ▪ Jacket fabrication underway
First gas	On schedule for the end of 2011



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Chim Sáo, Vietnam

Chim Sao – New oil production for Santos

Project	Chim Sáo
Location	Block 12W, offshore Vietnam
Santos interest	31.875%
Partners	Premier 53.125%, operator PetroVietnam 15%
Project scope	<ul style="list-style-type: none"> Unmanned, minimum facility wellhead platform Liquids processing and export via FPSO Gas export via 100-km pipeline
Gross production capacity	25,000 bbl/day
Project status	<ul style="list-style-type: none"> Wellhead platform and field pipelines installed Development drilling program and FPSO conversion continue in accordance with project schedule
First oil	On schedule for second half 2011



Lewek Emas FPSO under conversion in Singapore

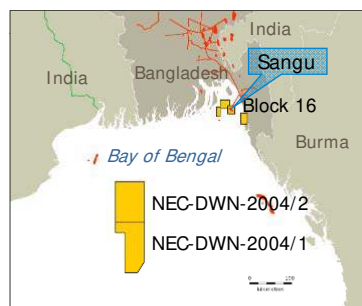
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Bay of Bengal

Potential for medium term exploitation business in Bangladesh and long term business in India

- **Bangladesh**
 - Chittagong gas market significantly undersupplied
 - Sangu well optimisation is extending field life
 - Free market gas rights obtained for Magnama
 - Recent seismic acquisition has matured drilling opportunities
- **India**
 - Targeting material gas prospectivity for domestic market
 - 3D seismic program largely complete
 - Work programme on hold pending border resolution




Legend

- Santos acreage
- Gas field
- Oil pipeline
- Gas pipeline



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Reference Slides

41


2011 Guidance

Item	2010 Actual	2011 Guidance
Production	49.9 mmboe	47 – 50 mmboe
Production costs	\$537m	\$550 – \$590m
DD&A expense	\$11.94/boe	\$12 – \$13/boe
Royalty related taxation expense (after tax) ¹	\$51m	\$80 – \$100m
Capital expenditure (including exploration & evaluation) ²	\$1.9 billion	\$3 billion

1 Royalty related taxation expense guidance for 2011 assumes an oil price of A\$90 per barrel.

2 Capital expenditure guidance for 2011 includes \$2 billion for LNG projects, \$400 million for other sanctioned growth projects (Reindeer, Spar, Chim São, Wortel & Kipper) and \$150 million for conventional exploration.

42



2011 Forward exploration schedule

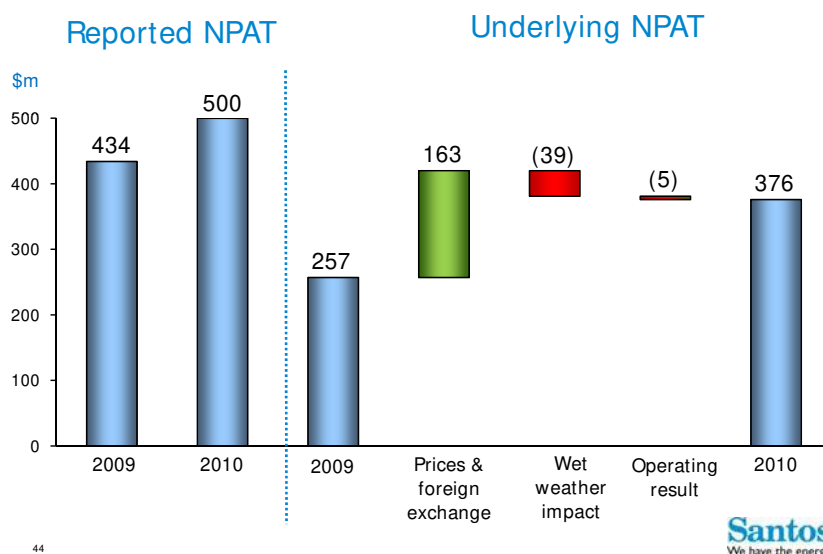
Well Name	Basin / Area	Target	Santos Interest %	Timing
Zola-1	Carnarvon	Gas	24.8	Gas discovery
PEL 1 corehole	Gunnedah	CSG	25.0	CSG corehole
Finucane South-1	Carnarvon	Oil	33.4	Oil discovery
Beam-1	Carnarvon	Gas	45.0	Q3
Hoss-1	Carnarvon	Oil	31.3	Q3
Tuy Hoa-1	Phu Khanh	Oil	50.0	Q3
PEL 462 corehole	Gunnedah	CSG	100	Q3
PEL 433 corehole	Gunnedah	CSG	35.0	Q3
ATP685P corehole	Surat	CSG	50.0	Q3
South Sangu Exploration	Bay of Bengal	Gas	100	Q4
Sangu Exploration	Bay of Bengal	Gas	100	Q4

The exploration portfolio is continuously being optimised therefore the above program may vary as a result of rig availability, drilling outcomes and maturation of new prospects

43

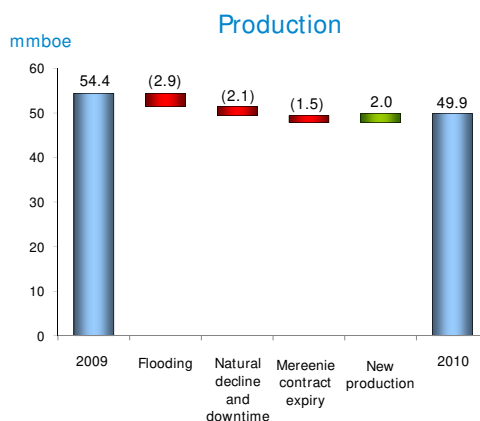
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Reported & underlying profits



Production impacted by flooding

- Production in line with guidance
- Total wet weather and flood impact on Cooper Basin was 2.9 mmboe
- Stronger gas production in WA and Indonesia
- Mereenie (NT) gas sales contract expired end-2009

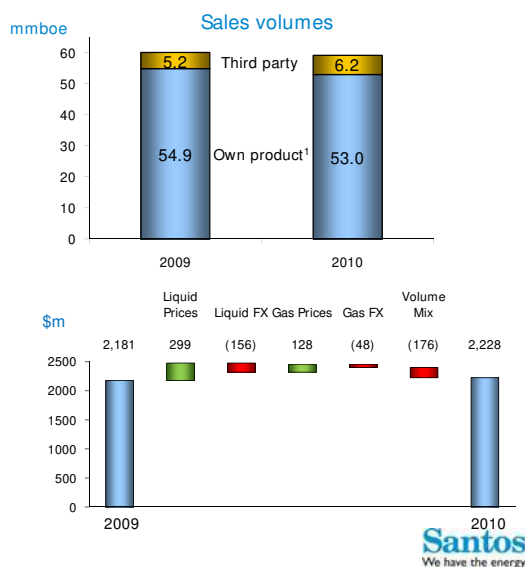


45

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Sales volumes and revenue

- Higher realised prices for all products
- Cooper gas volumes met by production and gas from storage
- Higher volumes of third party gas offset lower own product volumes
- Third party gas revenue \$185 million

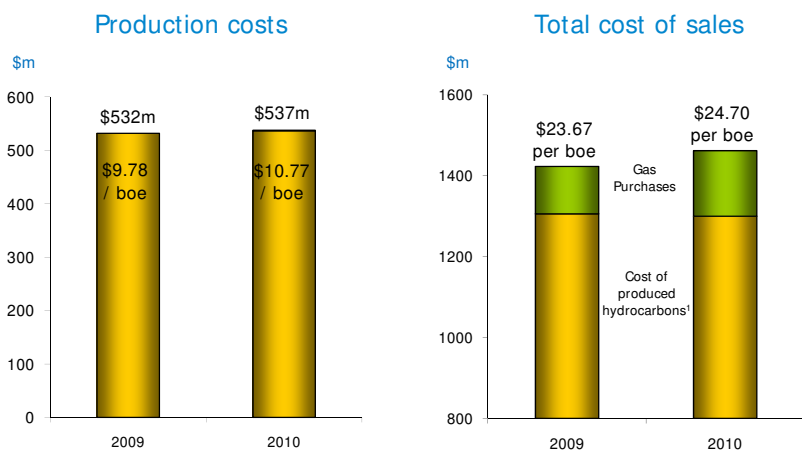


¹ Includes gas from storage

46

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Production cost and cost of sales



¹ Includes production costs, tariffs, tolls and pipeline costs, royalties, inventory and DD&A

47

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Business Unit EBITDAX

Segment	\$m 2010	\$m 2009	Change %
Eastern Australia	565	616	(8)
WA&NT	653	629	4
GLNG	48	29	66
Asia Pacific	111	95	17
Gains on sale of assets	313	246	27
Corporate and unallocated items	(18)	(27)	33
TOTAL EBITDAX	1,672	1,588	5

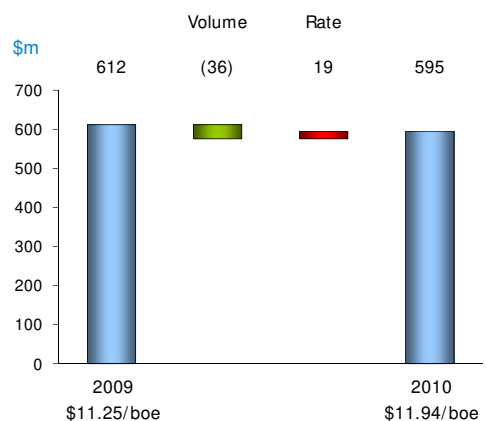
Eastern Australia | Higher prices offset by lower liquids volumes due to wet weather
 WA&NT | Higher prices offset by lower volumes
 GLNG | Higher volumes and lower costs
 Asia Pacific | Higher volumes and lower costs

48

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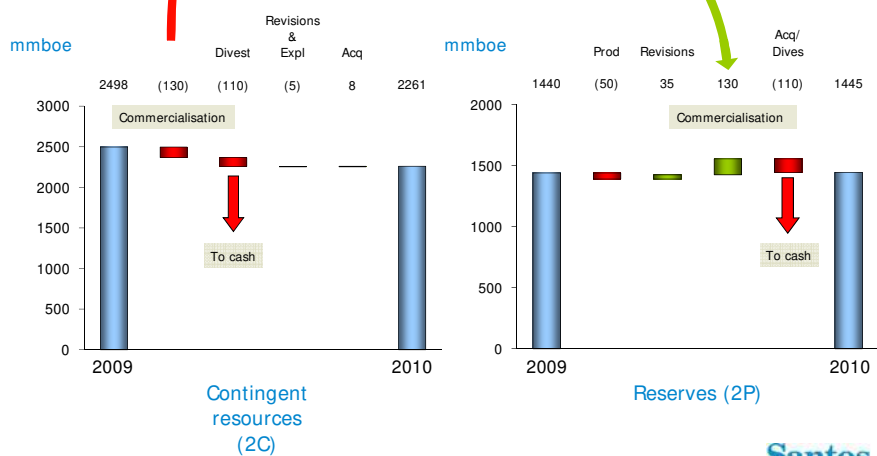
DD&A declines by \$17 million

- Lower depletion primarily due to lower production volumes
- Partially offset by impact of higher rates
- 2011 guidance \$12/boe



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Reserves growth and resource conversion



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Significant items (after tax)

\$m	2010	2009
Underlying profit	376	257
Significant items	124	177
Net profit after tax	500	434
Significant items included:		
Net gains on asset sales	214	180
Impairment of non-current assets	(101)	(17)
Impairment of receivables	(22)	-
Provision of contract losses: rigs and offices	-	(17)
Foreign currency losses	(7)	(21)
Remediation and related costs of incidents	4	19
Change in fair value of embedded derivatives	-	3
Net profit/(loss) impact of fair value hedges	(5)	3
Investment Allowance	4	21
Other income tax	37	6
Total	<u>124</u>	<u>177</u>

51

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2011 Sensitivities

Sensitivity	Change	NPAT Impact A\$m
US dollar oil price	+ US\$1/bbl	+ 9
Gas price	+ 10 cent/GJ	+ 17
A\$/US\$ exchange rate	+ 1 cent	-8

52

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