

Santos Ltd
ABN 80 007 550 923
Ground Floor, Santos Centre
60 Flinders Street
Adelaide South Australia 5000
GPO Box 2455
Adelaide South Australia 5001
Direct: +61 8 8116 5000
Facsimile: +61 8 8116 5623



To: ASX Market Announcements
From: Company Secretary
Date 9 May 2013
Subject: **2013 Annual General Meeting**

Please find attached the Chairman, CEO & Managing Director, and Chairman Elect's addresses to the 2013 Annual General Meeting held in Adelaide today.

David Lim
Company Secretary

Address by Peter Coates AO, Chairman

Good morning ladies and gentlemen. My name is Peter Coates.

Welcome to the 2013 Annual General Meeting of Santos Limited.

As today's meeting is being webcast live, I also extend a welcome to shareholders joining us online.

Your Board and the Senior Management team are very pleased to be here with you today to review our progress during 2012, and to discuss our plans for 2013 and beyond.

Sadly, this will be my last address to you as Santos Chairman. Last month, I announced my retirement as Chairman, and this comes into effect today at the conclusion of this Annual General Meeting.

My decision to stand down as Chairman was a difficult one. This Company is in great shape and on the cusp of completing the exciting transformation that we commenced some six years ago.

Recently I accepted an invitation to take on an executive role with Glencore International. As a result, I will not have the time that I believe is required to fully carry out my responsibilities as Chairman of Santos. It is therefore appropriate that I stand aside from this role.

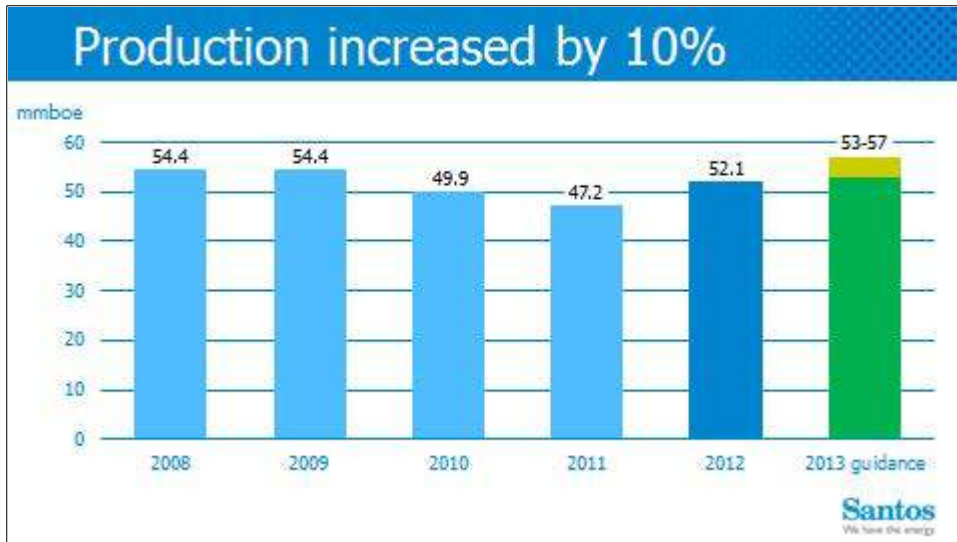
I can assure you that the Chairman's role is in very good hands. Ken Borda has been a non-executive director of Santos since 2007. He is amply qualified to lead your board, both in terms of his experience as a non-executive director of Santos and his international business career.

I am confident that the Santos Board under Ken's Chairmanship will continue to drive the company's strategy to create long-term value for shareholders.

I will remain a non-executive director to ensure an orderly handover of responsibilities. I will invite Ken to address you at the conclusion of today's meeting.

Let's turn now to the Company's performance in 2012. We clearly had a very good year. This is a testament to the focus on delivery across all parts of the business – in eastern Australia, Western Australia, and Asia.

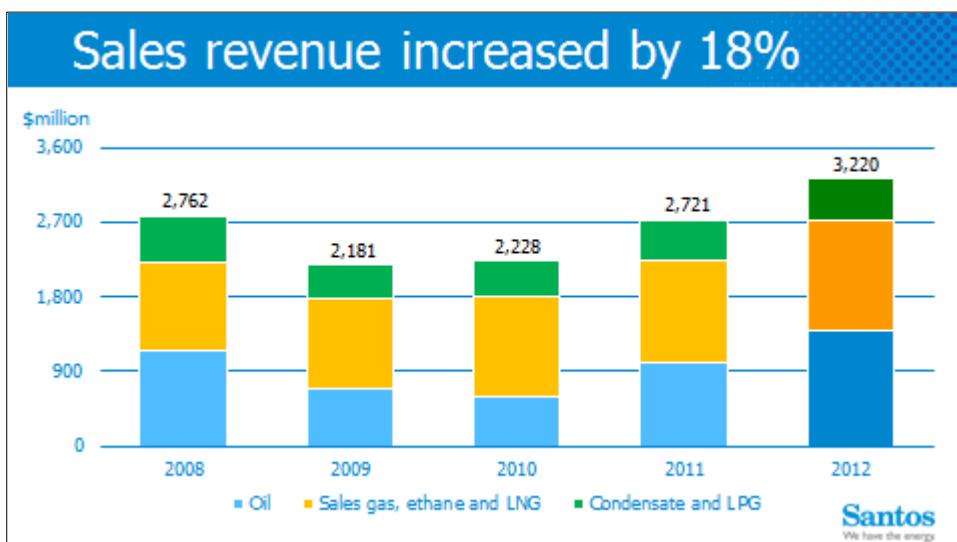
The two company-changing LNG projects in Gladstone and Papua New Guinea are on track. This moves us closer to our vision of being a leading oil and gas exploration and production company in both Australia and Asia.



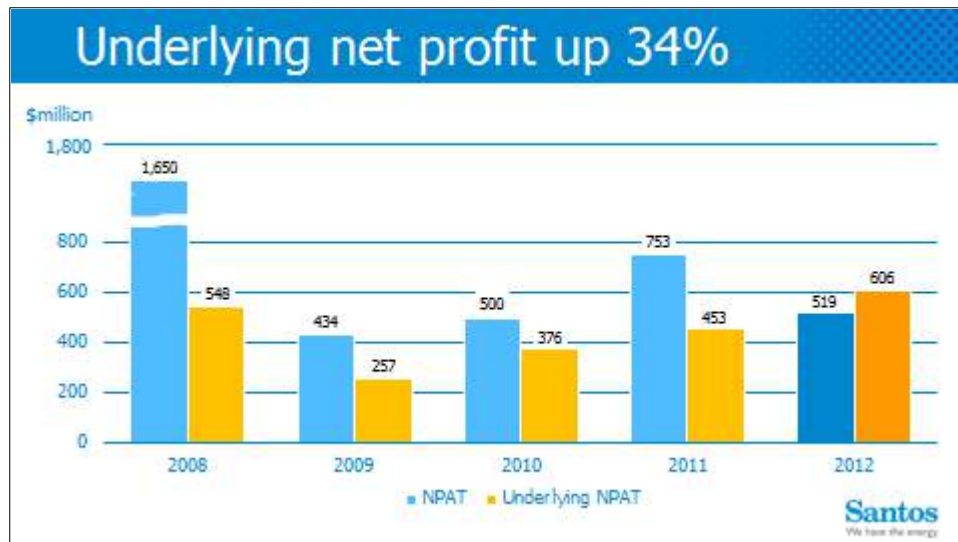
A core part of the strategy is to continue to increase production year-on-year from our base business. This is especially important while we invest heavily in the transformational LNG projects.

2012 production was up 10%. As well as the strong performance from the base business, this result included new producing assets such as the Chim São oil and Reindeer gas projects.

Our guidance for 2013 points to ongoing growth. We are again forecasting strong production from the base business. This includes the Fletcher Finucane oil project in the Carnarvon Basin. That project is progressing ahead of schedule. David will speak more about its imminent start up later in the meeting.



Increased production, higher third party oil sales and continuing strong oil and gas prices combined to deliver record sales revenue of \$3.2 billion in 2012. That's up 18% on the previous year.



Underlying net profit of \$606 million was 34% higher compared with 2011. This continues the growth trend since 2009 and represents a compound annual earnings growth rate of 33% over the past three years.

Reported profit of \$519 million was lower than the previous year, but that's because the 2011 result was boosted by gains on asset sales of \$408 million after tax.

We expect 2013 to be another busy year both for project delivery and our exploration program.

Our growth program remains well funded with \$5.8 billion of cash and available credit facilities as at last December. This is supported by our strong operating cash flow which over the past five years averaged more than \$1.3 billion per year. Whilst this is a very strong cash position we still have a large capital program ahead, so the Board remains conservative with the level of dividends to be paid in the short term.

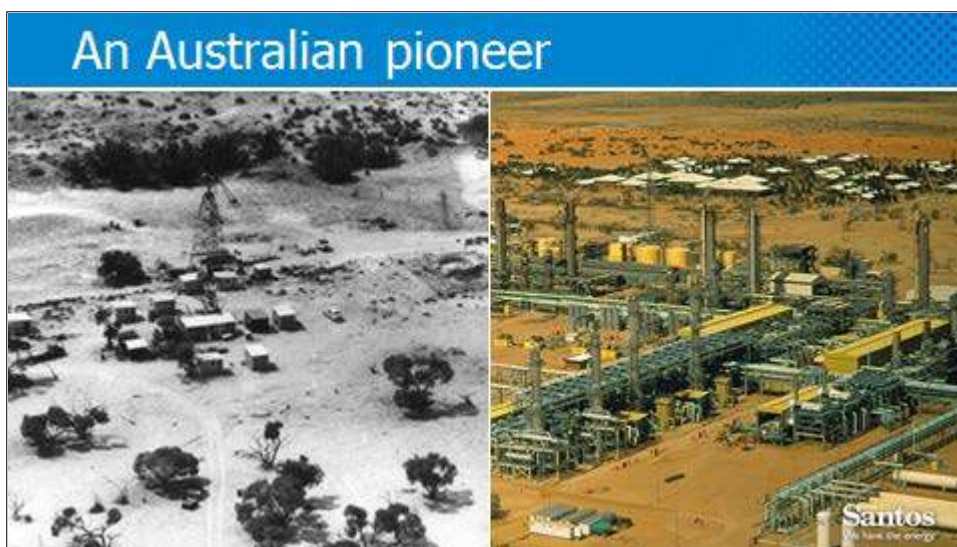
We will continue to offer a dividend reinvestment plan which will enable you to increase your shareholding at a 2.5% discount to the market price, and without brokerage.



The Board is very aware that the transformation program has required your patience with respect to dividend flow. However, I think this chart is a good reminder that your investment in Santos continues to generate long-term value growth. As the chart shows, Santos shares have strongly outperformed the benchmark ASX200 index over the past 10 years.

David Knox, the management team and staff have worked diligently to deliver a strong financial performance for shareholders. If we look back over the past three years we have seen sales revenue increase by 45% to the record \$3.2 billion in 2012. Underlying net profit has increased by more than 60% to \$606 million. And operating cash flow jumped by 30% over this time to the record \$1.7 billion last year.

So all in all ladies and gentlemen, I believe we can be pleased with the performance of the business over recent years in particular.



However, what is undoubtedly more important to discuss today is the transformation that is taking place at Santos and the potential for growth that this company continues to offer.

As I look back on my time as Chairman and more broadly at the Company's history, Santos has come a long way from the South Australian pioneer that found oil and gas in the Cooper Basin. That early find was important. It was the foundation on which Santos was created.

The Cooper Basin fields have provided natural gas for homes across eastern Australia, for industry, and for the generation of electricity for many years. Thanks to our new capacity to pursue unconventional sources of gas today, the Cooper will continue to supply eastern Australia for many more years to come.

Santos is now one of the largest producers of gas to the domestic market. Over the last three to four years, we have pursued a strategy to take advantage of not just the growth in the domestic market, but also the economic rise of Asia.



Asia's growth has seen a corresponding growth in energy demand. Recent estimates see global energy demand growing by more than a third between now and 2030. And, almost all of that growth will come from emerging economies such as China and India.

These changes in our region's demand for energy have provided Santos with the opportunity to transform itself, to become a significant oil and gas provider for both the Australian and Asian markets – in what is now clearly the Asian century.



The key to this transformation is the equity stakes Santos has established in four LNG projects, three of which are in Australia. You can see the four projects detailed on the screen behind me.

In pursuing these transformational projects we have partnered with global energy companies such as ExxonMobil, ConocoPhillips, Total, and GDF Suez.



These partnerships bring not only capital, but high levels of expertise. They have helped us build the skills and the teams needed for such projects.

We have also formed joint ventures with major Asian energy companies such as PETRONAS – Malaysia's national oil and gas company and the world's second largest LNG exporter, and also KOGAS, the world's largest buyer of LNG.

These joint ventures are not only securing major gas sales revenues over the coming decades, they are helping Santos better engage in the region. This will position us as a major energy partner of choice for the region.

Of course, meeting Australia's growing demand for gas remains a critical part of Santos' strategy. Gas demand on the eastern seaboard is expected to triple by 2016. Clearly, the LNG export projects in Queensland are a material part of that increase in demand, but local demand is also growing amongst both households and business consumers.

We have the capacity to satisfy both the domestic and export markets. We have the largest exploration and production acreage position of any company in Australia, with a presence in every major hydrocarbon basin.

Our acquisition of Eastern Star Gas in 2011 gave Santos the largest natural gas reserves position in New South Wales. These reserves give us the potential to supply at least 25% of the natural gas used annually by NSW homes and businesses.

We are also making encouraging but early progress on unconventional gas resources in the Cooper and new conventional gas opportunities in Western Australia.

Last year, our appraisal efforts throughout Asia and Australia have allowed us to again increase reserves. In fact, Santos has increased its reserves in eight of the past nine years. To put this in perspective, we have enough reserves today for 27 years of production based on last year's production levels.

It is the strength of these reserves that will deliver a significant step-change to both production and cash flow – ultimately delivering greater returns for shareholders.

Today, we are exporting around 300,000 tonnes per annum from Darwin LNG. Once GLNG and PNG LNG are fully ramped up – Santos will deliver over 3 million tonnes of LNG per annum into Asian markets. That's just under 1000% growth, which is, quite simply, extraordinary.

Challenges and opportunities

Ladies and Gentlemen, our future is clearly well set up and exciting but we are not overlooking the challenges ahead.

First amongst these is the regulatory uncertainty that continues at both the State and Federal level. The industry now faces substantial duplication of processes, uncertainty about further changes to the regulatory framework, and frankly not enough urgency on the part of governments to resolve these issues.

The result is a complex mix of regulatory and policy hurdles, without the appropriate coordination to ensure that developments can be assessed efficiently and effectively.

This is particularly important for NSW. Their gas is 95% imported from other states, and that supply is largely uncontracted from 2017 onwards. NSW now faces a substantial supply shortage in future years that it doesn't need to have. It has plenty of its own gas, but it must progress development more quickly to keep its future energy cost increases to a minimum.

We understand the need for Government to ensure that industry operates safely and sustainably. However, it is equally important that developments proceed in a timely manner, if a secure supply of gas is to be maintained.

Getting the balance right isn't easy – but it is essential. We have been working with both the NSW and the Commonwealth Governments to address the remaining regulatory uncertainty. However, before any firm project commitments can be made, these issues must be settled.

The second challenge that must be addressed is our cost competitiveness as a gas producing nation. Australia's gas industry is one that several other countries around the world aspire to. As Asia seeks to increase its security of supply it will look to diversify its supply sources.

As a destination for the world's capital, Australia has many advantages. Our geographic proximity to the growing Asian markets, our track record of reliable delivery, and our abundant resources put us in an enviable position. However, we must protect that position. LNG projects are being developed in Canada, East Africa and the US.

The challenge for Australia's projects and for policy makers is to ensure that Australia remains cost competitive. This is the only way that further Australian projects can be sanctioned to meet both domestic and Asian demand. If we don't remain competitive, others will step in.

For Santos that means being leaner, more efficient, and prioritising innovation throughout the business. For our industry, it means working together with government to ensure that we have certainty through long-term, stable and clear policy settings. I am certain that governments and the industry can work together to both protect and benefit from our natural advantage. But time is of the essence.

Conclusion

Ladies and Gentlemen, with those comments on our performance, our strategy, and our outlook, I conclude my final report to shareholders as your Chairman.

It has been a great honour to serve you during an essential transformation that I truly believe secures a great future for this company.

To my board colleagues, I wish to acknowledge a debt of gratitude for your support, insight and independence of thought about every aspect of good governance on behalf of shareholders.

I also extend my congratulations to David, members of the senior executive team, and each and every staff member on the successful and safe delivery of increased production, reserves, and solid strategic planning for the future.

And finally on behalf of the Board, I thank shareholders for your support. I trust that the company's results and our report to you today demonstrate that your Board and management remain fully focused on realising the company's potential to create substantial value for shareholders over the coming years.

I will now ask David Knox to address the meeting.

Address by David Knox, CEO & Managing Director

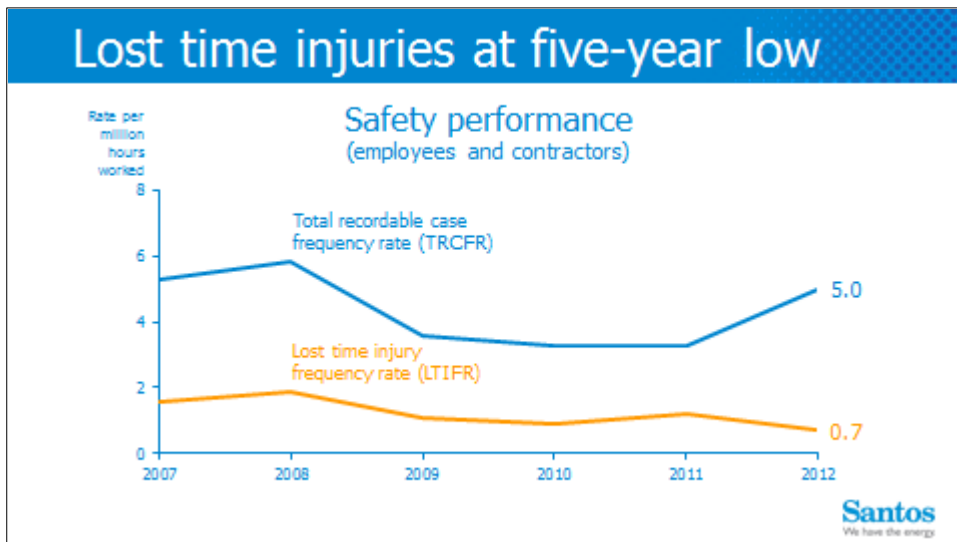
Thank you Peter, and good morning everyone.

Following Peter's update on our transformational strategy and performance, I want to focus on three things:

- First, the important role that the gas industry is playing in meeting both Australia, and our region's energy needs;
- Secondly, how Santos is responding to take advantage of the opportunities this is creating for our energy future; and
- Finally, further detail on our performance across the business to deliver growth for shareholders.

But let me start with safety. Exploring, developing, and operating oil and gas assets must be done in a safe manner.

At Santos, no business objective takes a priority over safety, and no task is so important or urgent that it cannot be done safely. This is part of our culture and a commitment we expect everyone at Santos to adopt.



As a result of our approach, in 2012 Santos recorded no serious safety incidents. A record 19 million people-hours were worked across the company, yet our lost time injury frequency was a five-year low of 0.7. This is a top-quartile performance in the global oil and gas industry.

Low severity injuries did increase. This reflected the record level of manual work being conducted on a day-to-day basis.

As our business expands, as more kit is built and production increases, we are placing even greater attention on safety. We are very focused on

influencing the behavior of new employees and contractors to instill within them the Santos way of doing things.

Australian gas supply

So let me turn to the first part of my discussion with you today – the role of the gas industry in Australia.

As Peter outlined, Asia's growth is leading to a sharp increase in the global projections for gas demand. In fact, the global demand for gas is projected to grow 50% faster than any other fossil fuel in the 25 years to 2035.

Natural gas is also fundamental to Australia's economic prosperity. Today, more than 5 million homes use natural gas. Natural gas supplies nearly half of the energy needs of the manufacturing and construction sectors, and provides over one fifth of the generation capacity in the national electricity market.

Recent modeling shows that gas is set to increase its share of energy supply in Australia from 23% in recent years to 35% by 2035.

The importance of natural gas for domestic use and for export markets is providing Australia with a large and growing market for our gas resources. And, the gas industry is responding to this opportunity in a way that will benefit the nation. Our industry – the gas industry – is continuing to invest.

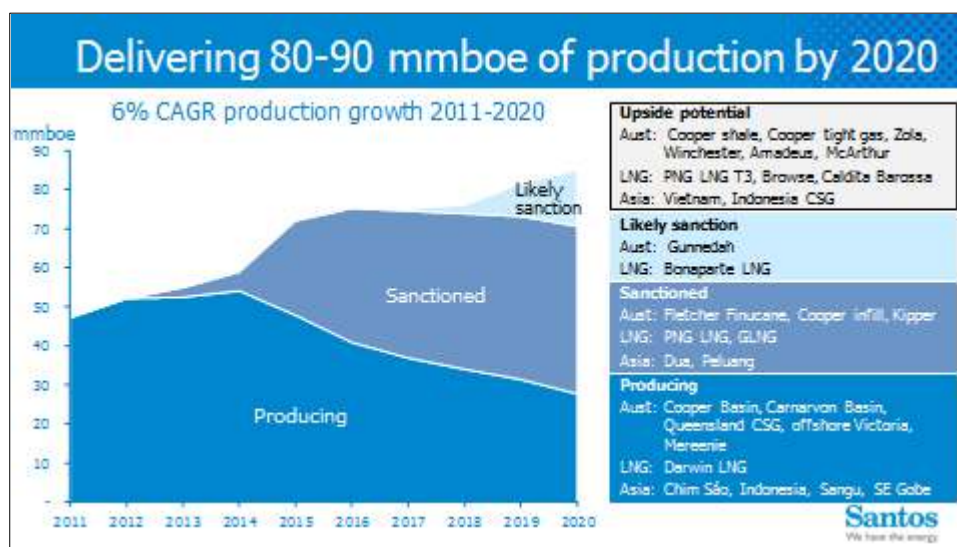
It is easy to focus on the negative, on announcements of projects that have stalled or not received project sanction. This is human nature. But rather than an industry that is stalling, the oil and gas industry is one that is building. Including our GLNG project, there are seven LNG projects being built around the country today at a combined investment of around \$180 billion.

Gas in Australia is abundant. Based on projected demand, Australia has more than 50 years of known gas reserves and resources to support both domestic and export markets. The challenge facing industry and government is to develop the gas in a timely manner so that it flows into the pipes to drive manufacturing and retail growth. We must simply get more of that gas out of the ground.

We are fortunate that for the last twenty years Australia has been well served by a bipartisan approach to energy reform and support for resource development.

I am confident that this bipartisanship will continue. We do have policy hurdles as Peter has outlined – they must be overcome. A steady hand on the tiller and a better recognition of the long-term nature of oil and gas investments is needed if the industry is to be able to continue delivering the jobs, infrastructure and income that our national and regional communities are benefitting from today. So that is the context for both our operations today, and our outlook.

Santos' strategy



This slide shows our plans to build production at 6% compound growth from 2011 to 2020. That's around 85 million barrels of oil equivalent in 2020, up from the 52 million barrels we produced last year.

Of real note to shareholders is the number of opportunities open to us in the light blue yet to be sanctioned, and grey, upside potential boxes at the top right of the slide.

If I focus on the upside potential late last year, we made a significant gas discovery at the Crown exploration well in the Browse Basin off the north-west coast of Australia. Moving the clock forward and you will see that we are currently drilling shale and tight gas in the Cooper Basin. Back across to the West again and we are drilling at 3,500 metres on a Zola appraisal well. At 2,000 metres we are drilling the exciting Winchester exploration prospect, and at 5,000 metres on the potentially large Basset West exploration well.

So, far from being a company which is entirely focused on delivering PNG LNG and GLNG, our upside activities are in full flow. Never has Santos had a more exciting exploration portfolio than it has today.

Of course, the drill bit never lies, so we have to wait and see the results – but the point is that there are plenty of opportunities to be harvested for Santos, and also for Australia.

Delivery across the business



As Peter has already pointed out in 2012, we delivered stronger production, record sales revenue, and higher underlying earnings.

The base business is making a significant contribution to our performance. It is generating strong cash flows from both our domestic operations, as well as our Asian portfolio. This is funding our growth projects and shareholder returns.

In Eastern Australia, we continue to be a leading producer. With the demand for natural gas in the eastern states expected to triple by 2016 – our assets, reserves and resources have positioned Santos very well for growth.

Of particular note is the Cooper Basin, where our company had its first success over 40 years ago. The Cooper continues to shine for Santos, delivering our highest oil production in three years.

The Cooper is currently undergoing a re-invigoration. We are unlocking gas previously too difficult or too costly to bring to the market. The key to this is technology – and our adoption of innovative drilling and completion techniques developed in the US over the last 10 years. By bringing this technology to bear, Santos has the opportunity to extract at least the same amount of gas out of the Cooper Basin going forward as has been produced over the last 40 years.

A stand out for 2012 in this area was our first use of multi-well pad drilling to improve efficiency and reduce our environmental footprint. Currently, we are testing a 16-well pad development in the Cooper. Already we are seeing greater efficiency through simultaneous drilling, fracturing and completion of wells.



Another exciting development in the Cooper Basin is the early success we are having with our unconventional gas program.

Many of Australia's known unconventional and shale plays are spread across remote areas like the Cooper Basin. However, the Cooper Basin has the advantage of existing processing facilities and transportation infrastructure. This makes it much easier and faster to deliver the gas to the east coast markets. If we can prove an unconventional play in the Cooper, I believe that Santos will be at a distinct advantage.

Towards this end, in the second half of 2012 Santos achieved a significant milestone. We commenced Australia's first commercial production of gas from a shale well – the Moomba-191 well. This well continues to flow at 2.3 million standard cubic feet per day, over seven months after it was connected to our Moomba processing plant.

We have also had an exciting result from our Gaschnitz-1 well, drilled earlier this year. Gaschnitz-1 demonstrated gas saturation over 1,000 metres across multiple targets, and is an important first step to proving the Basin Centred Gas play in the Nappamerri Trough.

Our next step is to define potential productivity of this resource. If this is successful, and we achieve similar upside results in other exploration wells, the play could be very big indeed.

Fletcher Finucane, WA



Turning to the Western Australia and Northern Territory business, I am very pleased to report that the Fletcher Finucane oil project is progressing well. This project was sanctioned only last year.

The project will be commissioned later this month ahead of schedule, and is expected to flow at an average gross oil rate of 15,000 barrels per day over the first 12 months. It is in the Carnarvon Basin offshore of Western Australia. This is an area in which Santos has existing assets, and considerable experience, and which delivered record gas production in 2012.

The remarkable story around this project is that it has only taken 16 months from sanction to first oil. It shows what is possible. It shows that with good management, and support from our suppliers, regulators and our partners, we can move at pace in Australia.

Bonaparte LNG



I should also mention that good progress has been made on Bonaparte LNG since we last met.

With our partner and operator GDF Suez, this project is seeking to develop a floating liquefaction project in the Timor Sea, 250 kilometres west of Darwin. Last year, we received environmental approval from the Federal Government – only the second floating LNG project to do so. We are now well into the concept definition stage and are aiming to enter into FEED at the beginning of 2014.



Moving on to Asia, Santos has a focused exploration-led portfolio of operations in Indonesia, Vietnam and Papua New Guinea.

Starting in Vietnam, we have built on the success of the Chim Sáo oil project with the sanctioning of the Dua oil project in August of last year. Dua is a three-well, subsea tie-back to Chim Sáo. It is expected to produce up to 10,000 barrels of oil per day, adding to the 25,000 barrels per day that Chim Sáo is currently producing. The project is now over 50% complete, a pleasing result in an environment of strong oil prices.

Preparations are also underway in Vietnam for drilling of the Hon Khoai exploration well in close proximity to Chim Sáo – again adding to the upside potential of our Asian portfolio.

Offshore East Java, Indonesia



Our business in Indonesia accounted for 10% of company-wide production in 2012. We sanctioned the Peluang project earlier this year. This project will be a tie-back to the existing Maleo asset. We expect peak production of 25 terajoules per day from the first half of 2014. Again if all goes to plan, the time from investment decision to first gas will be only around 14 months.

We have also had very encouraging initial results in the first of a six-well coal seam gas exploration program in the South Sumatra Basin in Indonesia. Together with Oyong, Peluang, Maleo and the Wortel gas project pictured here, the team in Indonesia continues to actively grow our asset portfolio.

Progress in delivering the transformational LNG projects

GLNG Project



I would now like to turn to our progress in delivering our transformational LNG projects. I'll begin with the Gladstone LNG Project, or GLNG.

GLNG is on track and now over 50% complete.

In the upstream, our drilling program is progressing well. Like the Cooper, we are adopting new technology through the use of multi-well pads. This approach has allowed us to expose more coal per well, drill wells both faster and cheaper, and also reduce our surface footprint.

We drilled 143 wells in 2012. In 2013, we expect to spud more than 200 wells.

GLNG is also delivering on its strategy to execute the most efficient gas supply for the project by also sourcing gas from underground storage, supply from our own Santos portfolio and supply from third parties. Importantly, this gas is all available for delivery in 2015 onwards.



In terms of construction, this year is critical. It is the year in which construction will peak, and as a result, today, more than 7,000 people are working on the project.

Approximately 1,700 of those are now working on upstream construction. The picture shows progress being made at one of the three hub compressor stations.



Construction of the pipeline is also progressing. Around 220 kilometres has been cleared and graded, 180 kilometres of pipe strung and over 11,000 welds completed.

At Gladstone, a team from our contractor Thiess recently completed the assembly of a 100-metre-long tunnel boring machine on site. This machine commenced tunneling on the 15th of April to begin the marine crossing underneath the Narrows in Gladstone Harbour.



Across the harbour on Curtis Island, construction continues to ramp up on the plant and port. The teams are rapidly moving from civil to mechanical works, with good progress being made on both trains, and the LNG tanks.

The project is on track to deliver first LNG in 2015 as expected, and with that to begin to generate substantial cash flow.



Turning now to PNG LNG. This is the largest single project in Papua New Guinea. It will provide a significant opportunity for the country to grow its economy and deliver training, education and social benefits for its people.

Operated by ExxonMobil, the project includes the development of gas and condensate resources in the Southern Highlands, Hela and Western Provinces of Papua New Guinea, construction of over 700 kilometres of pipeline and a two-train LNG plant near Port Moresby.

For Santos, PNG LNG will deliver over 15% of our total current production levels through one mega project. The potential to expand this project in the future provides even greater opportunity for Santos and our shareholders.

With a workforce of nearly 20,000 people, the project is now more than 80% complete.

In the past few weeks, PNG LNG celebrated a significant milestone with the completion of the Komo airfield. And, the first wells of the Hides drilling program are also underway, with two drilling rigs now in operation.

As you can see we have concrete reasons for our confidence in seeing the first LNG cargo next year, and the beginning of substantial cash flows to Santos from this project.

Conclusion

Ladies and Gentlemen, let me conclude my presentation by reaffirming that our business is in good shape, and is growing.

Our LNG portfolio, which is critical to achieving our vision of being a leading oil and gas company in the region – is on track. We are also becoming more efficient and daring to innovate.

The result is a very different Santos to the one you saw four years ago, but it will deliver significant value to shareholders.

Our strategy to unlock the company's resources and to do so safely, sustainably and profitably – will not change. We will always ensure that we do the right thing, and we will always look after our staff, and the communities in which we operate.

I want to sincerely thank our more than 3,200 employees for their commitment and hard work to deliver on these outcomes, and you the shareholders for supporting Santos.

I would also like to acknowledge the important role that Peter has played during his time as Chairman, and thank him for his leadership and guidance during a critical time of Santos' development.

Likewise, Ken Borda has contributed significantly to this company as a non-executive director through his depth of knowledge and business experience. Ken – I look forward to working with you in your new role as Chairman.

Thank you.

Address by Mr Ken Borda, Chairman Elect

Good morning ladies, gentlemen, and fellow shareholders. It's been quite a long meeting, so I will limit my remarks to three topics.

- Firstly, our strategy and positioning;
- Secondly, our dividend policy; and
- Thirdly, our engagement with our retail and non-institutional shareholders.

Following the post-AGM press conference, the Board including Peter, David and I will be in the foyer having a cup of tea – so please feel free to come and talk to us. We would be pleased to answer your questions and listen to any comments you may have.

It is fitting that my first address as Chairman Elect is to this Annual General Meeting, and to you, the individual and family shareholders. As individual shareholders you comprise more than 95% of our register. You own more than 30% of our shares.

Peter and David have outlined for us today the successful transformation of Santos to become a leading Australian energy resource company. We are now well on the way to becoming an energy partner-of-choice for the region, in this, the Asian century.

As Peter said, while we are expanding Santos to deliver resources to export markets, our commitment to the domestic market and our commitment to providing resources for the benefit of local industry is integral to our strategy. Our intention to remain as one of the leading suppliers of natural gas to Australian customers is clear cut.

I want to confirm that the Board's major priority is to ensure that the delivery of our major LNG projects is executed effectively and efficiently.

The journey that Santos has embarked on is not just good for shareholders and our company. It is one that will bring change that will be crucial to the success of Australia's future in our region.

Natural gas developed at scale and using the best technology has the potential to deliver long-term structural change to this country. It will support Australian manufacturing industries. It will also create a massive export industry that will help our region maintain its overall growth rate.

These twin outcomes are fundamental to a strong outlook for the Australian economy. By focusing on these twin outcomes we are underpinning jobs for Australians, and bringing new technology and practices to our shores.

The natural gas industry is here for the long-term, and I firmly believe it is an industry that we can all be proud of.

I agree with Peter's observations on the challenges that the industry faces. I will comment on two of the most significant of these challenges.

First of note is the high cost environment in which the oil and gas sector operates within Australia, especially over the last few years. Your Board remains committed to ensuring that Santos continues to operate efficiently, and in ensuring that the management team maintain a relentless approach to driving down costs in our business. We have to deliver significant reductions in the costs of drilling and other contract services.

On that matter, it is pleasing to see that some costs in Australia are already falling from their unsustainable high levels. We must leverage our position in all contract tenders to deliver further real cost savings.

Peter also raised the issue of regulatory uncertainty which must be eliminated. The best way to deliver gas to our customers at the most economic price is to increase exploration and production. Australia has the gas but we need to get it out of the ground. We can do that provided we are supported by sensible and consistent government policy.

A senior national political leader last week described Santos as a sensible company – and so we are. But if we are to deliver the gas that the nation needs to grow and prosper, we need to operate under sensible conditions, with sensible government policies and properly informed community attitudes.

The reality is that the oil and gas industry has traditionally operated offshore or many hundreds of kilometres from homes, from farmers, or from towns. Today, our operations are much more visible. As a result we can be seen as a new industry – but of course we are not.

We recognise that it is imperative that our industry demonstrates to communities, landowners and government representatives that we operate safely and sustainably, just as we have done for decades – out of sight, and therefore largely out of mind.

As we seek to develop our coal seam gas assets in Queensland and New South Wales, Santos is at the very centre of this change. With this position comes responsibility and accountability. We are committed to doing what is right.

I firmly believe that it is this approach that makes Santos the right company to help communities navigate through change. We intend to make sure the integrity of our people and our focus on operating responsibly for the long term will be what makes the difference.

On behalf of the Board, I would like to express our commitment to deliver the company's strategy. I would also like to express our confidence in David and

the management team's ability to deliver this strategy safely, sustainably. We must work to deliver positive outcomes to shareholders, investors, employees, the communities in which we operate, as well as our customers both here and abroad.

As your incoming Chairman, I want to recognise the many individual and family shareholders, many of whom are with us today and who have been with Santos and supported this company for many years.

It is important that we do our best to maintain and build upon the strong relationships we have with you. We must provide you with the opportunity to engage with us so that you can understand our operations, our decisions and our performance. And, of course, to allow you to have your say, your vote, when it matters.

Andrew Nairn, our head of investor relations – is here today. And Andrew is taking a series of steps to increase our engagement with retail brokers and self-managed super funds.

As shareholders you have been with us on the transformational journey that the company has embarked on. Your investment in this company over these years does not go unnoticed. This commitment to Santos will be recognised as we consider our capital management and dividend policies as the major LNG projects come on stream.

The Board is keenly aware that returns are a key priority for shareholders. It is our intent to review the dividend policy as we approach PNG LNG production.

We want to reward shareholders as earnings increase. But we need to do so in a way that strikes the right balance between dividends and ongoing investment for growth. Santos is a growth company, and as we change our dividend policy in line with higher earnings, that policy must be sustainable.

Now, as David mentioned to you earlier, progress on PNG LNG is on track. Last month I joined a number of Santos executives and Board Members in Papua New Guinea, to observe and understand the work that was being carried out. I was particularly impressed with the size and scale of the project, both in the upstream and at the LNG plant site in Port Moresby.

So that concludes my initial remarks to you.

I would like to take this opportunity to congratulate Peter on an excellent job as Chairman in working tirelessly and thoughtfully to steer Santos through some of the biggest investment and strategic decision making the company has ever faced in its almost six decades of operations.

Peter, it has been both a pleasure and a rewarding experience to work with you, and I thank you for staying on to assist with a smooth transition.

I would like to acknowledge and welcome Mr Stephen Gerlach AM and Mr John Ellice-Flint who are with us here today. Stephen was the Chairman, and John the CEO, when I joined the Board in 2007.

Ladies and Gentlemen, along with my board colleagues, I look forward to regularly reporting to you on our progress over the next twelve months.

I will now hand back to Peter to close the meeting.

Thank you.