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The Santos logo is displayed in a bold, blue, serif font.

**TO:** Company Announcements Office  
ASX Limited

**FROM:** Company Secretary

**DATE:** 12 April 2011

**SUBJECT:** **WA & NT Business Unit Briefing Presentation**

Please find attached a Santos WA & NT Business Unit Briefing, which is being presented in Perth on Tuesday 12 April 2011.

**David Lim**  
Company Secretary

Reindeer wellhead platform installation

Stena Clyde drilling rig

Devil Creek Gas Plant

Installation of Halyard Modules

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Western Australia & Northern Territory  
Business Unit  
Investor Briefing  
12<sup>th</sup> April 2011

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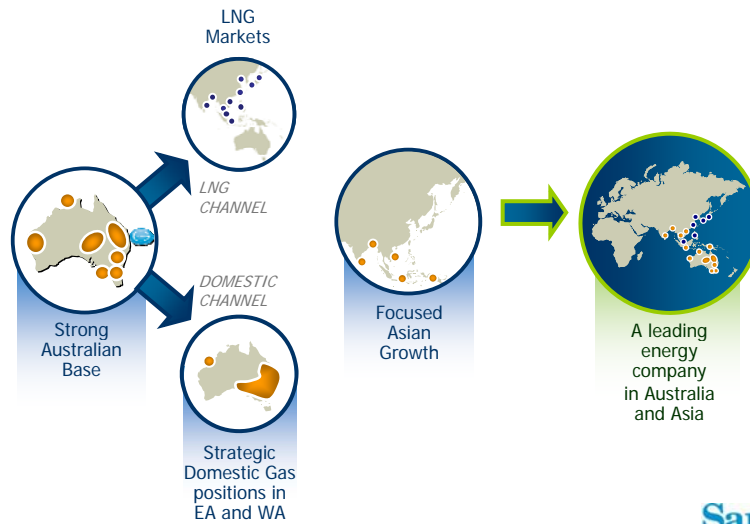
## Disclaimer & Important Notice

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

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## Santos vision and strategy



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## WA & NT - A Material Business



### Three key Business Unit segments:

- **Western Australia Domestic Gas**
  - In two gas hubs with strong growth options. Leveraged to Asian resource demand from WA
- **Northern LNG**
  - Santos' first producing LNG project (Darwin LNG). Floating LNG opportunity (Bonaparte LNG). Strong position in Browse and Barossa Caldita still to play out
- **Carnarvon Oil**
  - Arresting decline in oil production and exposing Santos to new opportunities to increase production

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# WA & NT Growth Pipeline



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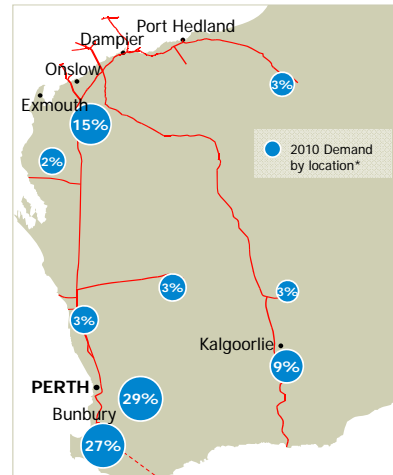
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Domestic Gas

# WA Domestic Gas: Market Segments

Demand Driver	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 – 1,535 TJ 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



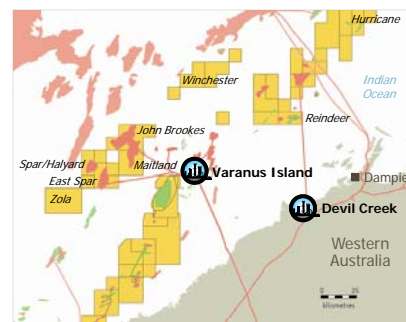
# WA Domestic Gas – Santos supply

## Varanus Island

- John Brookes (Santos 45%)
- Spar / Halyard (Santos 45%)
- East Spar (Santos 45%)
- Follow up opportunities
  - Beam Exploration well Q3 2011
  - East Spar 9 completion and tie back well

## Reindeer / Devil Creek

- Reindeer (Santos 45%)
  - CITIC Pacific Iron Ore gas sale
  - Rio Tinto gas sale
  - Two other contracts close to finalisation
- Follow up opportunity
  - Hurricane



Legend  
 Santos acreage  
 Oil field  
 Gas field  
 Oil pipeline  
 Gas pipeline



Equity alignment with Apache allows optimisation across two gas hubs



## Project Update: Reindeer/Devil Creek

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

<b>Project</b>	Reindeer/Devil Creek
<b>Location</b>	Carnarvon Basin, offshore WA
<b>Santos interest</b>	45%
<b>Partner</b>	Apache 55%, operator
<b>Project scope</b>	<ul style="list-style-type: none"> <li>▪ Wellhead platform</li> <li>▪ 105-km pipeline to shore</li> <li>▪ Devil Creek gas plant</li> </ul>
<b>Gross production capacity</b>	215 TJ/day (Devil Creek gas plant) <sup>#</sup>
<b>Project status</b>	<ul style="list-style-type: none"> <li>▪ Reindeer jacket and deck installed</li> <li>▪ Pipelay complete</li> <li>▪ Devil Creek gas plant construction continues with all modules delivered to site</li> <li>▪ 90% complete &amp; on budget</li> </ul>
<b>First gas</b>	On schedule for Q4 2011



*Reindeer wellhead platform installed*



*Devil Creek gas plant*

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<sup>#</sup> Reflects plant capacity. Plant is planned to operate at 120TJ/d sales

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## Project Update: Spar field

### Development through Halyard (WA-13-L) and then Spar (WA-4-R)

<b>Project</b>	Spar field
<b>Location</b>	Carnarvon Basin, offshore WA
<b>Santos interest</b>	45%
<b>Partner</b>	Apache 55%, operator
<b>Project scope</b>	<ul style="list-style-type: none"> <li>▪ Tie-back of Halyard and Spar wells to Varanus Island via existing East Spar pipeline</li> <li>▪ Modifications to John Brookes platform</li> </ul>
<b>Gross production capacity</b>	50 TJ/day (Halyard) 100 TJ/day (Halyard + Spar)
<b>Project status</b>	<ul style="list-style-type: none"> <li>▪ Halyard well drilled and completed</li> <li>▪ Spar-2 well drilled and completed</li> <li>▪ Wing deck module installed on John Brookes platform</li> <li>▪ Flowline and umbilical fabrication complete</li> <li>▪ 88% complete &amp; on budget</li> </ul>
<b>First gas</b>	On schedule for mid-2011



*Wing deck module installed on John Brookes platform*

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Northern LNG

## Bayu Undan / Darwin LNG

A key asset now. . .

- Santos' first producing LNG asset
- ConocoPhillips operated
- Santos interest 11.5%
- Bayu Undan field
  - producing ~1.1bcf raw gas per day (gross)
  - approximately 100,000 bbl/d liquids (gross)
- DLNG 3.6mpta plant
- Offtakers:
  - Tokyo Electric Power Co Inc
  - Tokyo Gas Co Ltd
- Relatively new LNG plant (2006 start up)
- Santos remains well positioned for future value capture via Barossa Caldita (40%)

. . .and well in to the future



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## Bonaparte LNG

### A partnership with French energy giant GDF SUEZ to develop floating LNG. . .

- A 60/40 joint venture, will full carry of Santos' share of costs to FID (2014)
- The 3 fields, 250km west of Darwin, are an ideal fit for FLNG:
  - Low in CO<sub>2</sub>
  - Low in liquids
- Project teams established in Perth (upstream) and Paris (midstream)
- The project will:
  - Have small environmental footprint
  - Produce around 2 million tonnes of LNG per annum
- The project entered pre-FEED in Jan 2011



  
Bonaparte LNG

...to deliver first LNG in 2018

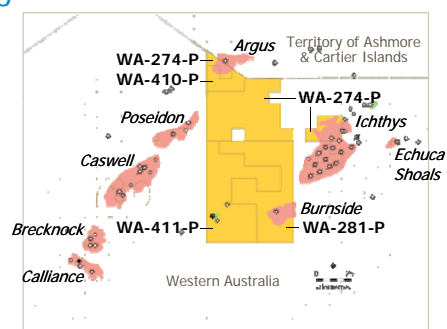
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## Browse Basin

### Building an exploration program for 2012. . .

- Well positioned
  - Material prospects
  - All Santos operated
  - Liquids rich
  - Materiality means could have standalone development options
- Alternative commercialisation options
- Exploration Program
  - Targeting 2-3 wells in 2012 (with follow up potential)
  - Unlock 3-10 TCF resource



Legend  
■ Santos acreage  
■ Oil field  
■ Gas field



...that could unlock a key long term growth option for Santos

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## Carnarvon Oil

### Carnarvon Oil

#### Stag

- Santos 66.7% - key asset
- Cumulative production > 50 mmbbls
- Field production lifted to over 8,000 bopd following two new wells coming online (Jan 2011)
- Additional program in 2011 (Q2-Q3) targeting to take field to over 10,000 bopd production
- Good follow on opportunities

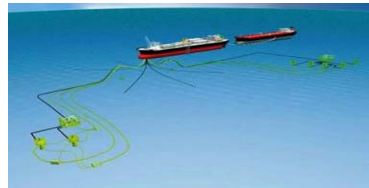


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## Carnarvon Oil

### Mutineer Exeter

- Santos operated and 33.4% equity
- Cumulative production > 50 mmbbls
- Two work overs planned in Q2 2011 (extends field life)
- Possible Fletcher and/or Finucane tie back opportunity would defer abandonment



### Fletcher Finucane

- Finucane South: Operated exploration well Q2 2011
- Potential to trigger a new oil development with first oil 2013

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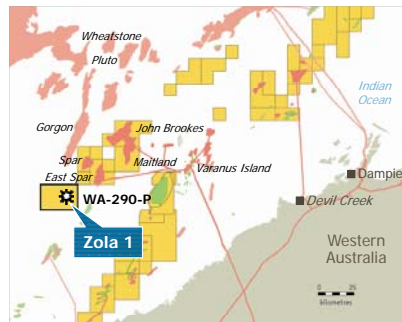
*Testing exploration play Spar 2*

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New Opportunities

## Zola Discovery

- Zola 1 successful gas test of Triassic horst block on trend from Gorgon field
- >100m of net gas pay in excellent quality reservoir
- Multiple development options available
- New high resolution 3D to be recorded by Q3 2011
- Follow-up appraisal drilling likely in 2012
- Commercial discussions with JV expected to commence shortly
- Santos increased its equity to 24.75%



Legend  
 ■ Santos acreage  
 ■ Oil field  
 ■ Gas field  
 — Oil pipeline  
 — Gas pipeline

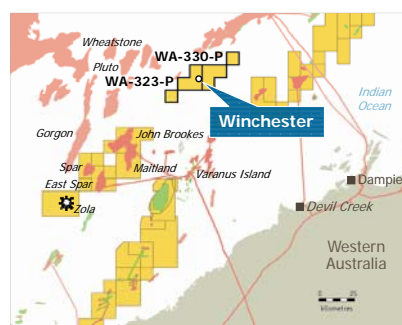


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## Winchester

- Winchester prospect is a Triassic horst analogous to Zola
- Primary risk is reservoir due to depth of target (4,200mSS-4,600mSS) as was the case with Zola
- Over-pressured section as was the case with Zola
- New high resolution 3D seismic to be recorded Q3 2011 & prospect is planned to be drilled in 2012
- Permits (WA-330-P & WA-323-P) have been renewed
- 75% and operatorship
  - Material prospect
  - Shallow water (60m-80m)
  - Different development options



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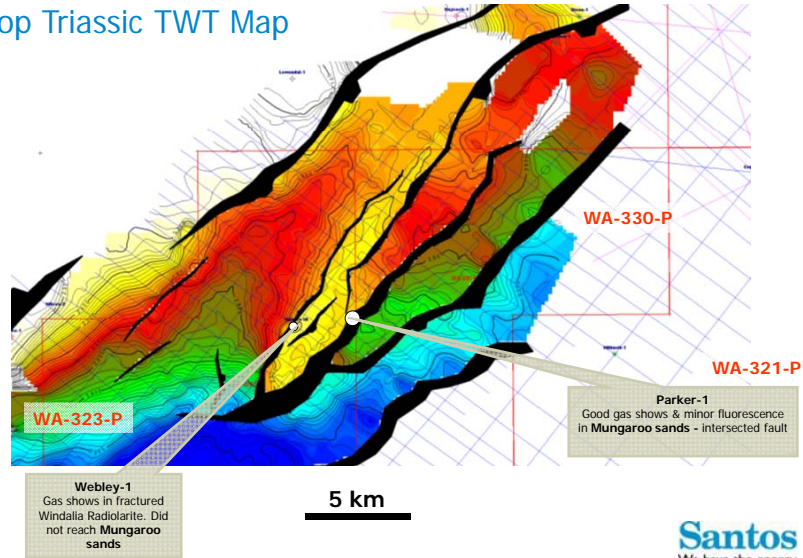


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# Winchester Prospect

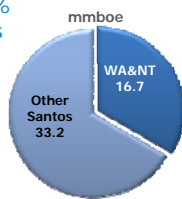
Top Triassic TWT Map



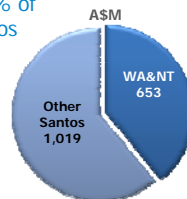
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# WA & NT - A Material Business

Delivering 33% of total Santos production in 2010...



...and 39% of total Santos EBITDAX



**From three key Business Unit segments:**

- Western Australian Domestic Gas
- Northern LNG
- Carnarvon Oil

...each with strong growth options

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Reindeer wellhead platform installation

Stena Clyde drilling rig

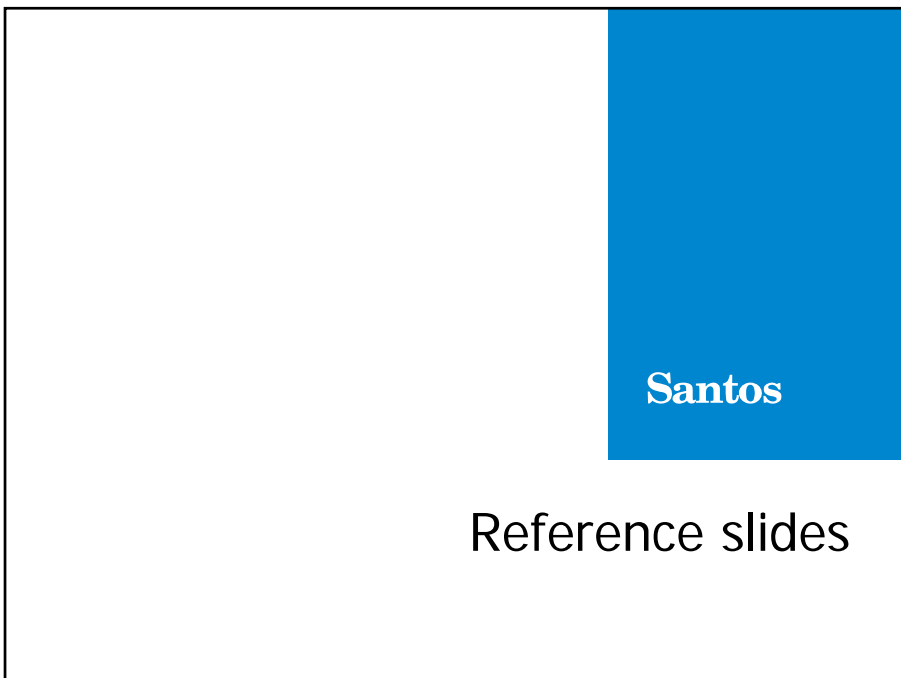
Devil Creek Gas Plant

Installation of Halyard Modules

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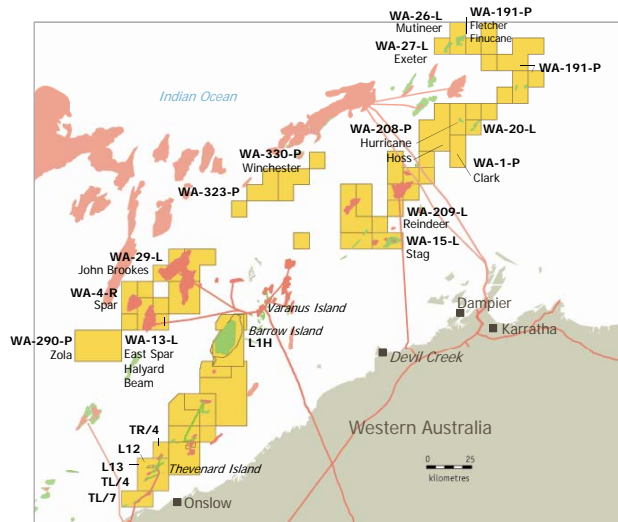
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Reference slides

# Carnarvon Basin

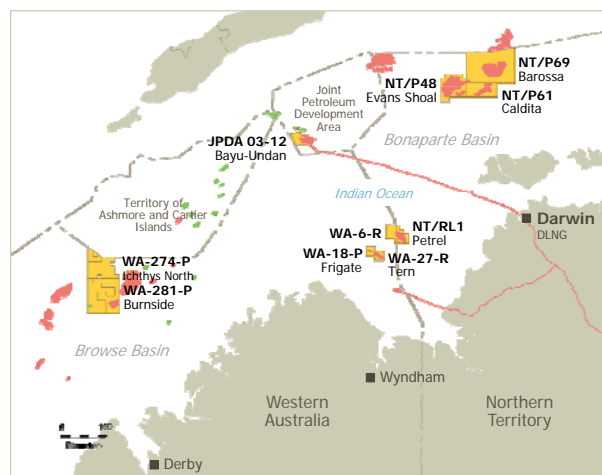


- Legend
- Santos acreage
  - Oil field
  - Gas field
  - Oil pipeline
  - Gas pipeline

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# Browse & Bonaparte Basins



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

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## 2011 Drilling Program: WA & NT

Well name	Well type	Timing
Zola	Exploration (gas)	Q1
Finucane South*	Exploration (oil)	Q2
Mutineer 4*	Workover (oil)	Q2
Exeter 4*	Workover (oil)	Q2
Petrel 7*	Appraisal (gas)	Q3
Stag 38H	Development (oil)	Q2
Stag 39H	Development (oil)	Q3
Stag 40	Development (oil)	Q3
Beam	Exploration (gas)	Q3
Hoss*	Exploration (oil)	Q3
Clark	Exploration (oil)	Q4

\*Santos operated

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