

19 April 2013

Comparative performance at a glance

| Corresponding period | Q1 2013 | Q1 2012 | Change |
|-----------------------------|----------------|----------------|---------------|
| Production (mmboe) | 12.1 | 12.4 | -2% |
| Sales (mmboe) | 13.0 | 14.0 | -7% |
| Sales revenue (\$million) | 713 | 754 | -5% |

| Quarterly comparison | Q1 2013 | Q4 2012 | Change |
|-----------------------------|----------------|----------------|---------------|
| Production (mmboe) | 12.1 | 13.2 | -8% |
| Sales (mmboe) | 13.0 | 15.5 | -16% |
| Sales revenue (\$million) | 713 | 876 | -19% |

Growth projects on track; first quarter production impacted by planned shutdowns

- > Santos today announced first quarter production of 12.1 million barrels of oil equivalent (mmboe), 2% lower than the first quarter of 2012.
- > Gas production of 52.8 PJ (9.1 mmboe) was in line with the corresponding period, with higher Otway Basin production offset by lower production from the Cooper Basin due to major planned shutdowns.
- > The average gas price of \$5.43/GJ for the March quarter was a record and 4% higher than the corresponding quarter, driven by higher Eastern Australian and Asian gas prices.
- > Quarterly crude oil production of 2.0 mmbbl was 19% below the previous quarter, due to the planned dry docking of Mutineer-Exeter and lower oil production from Stag and the Cooper Basin.
- > Sales revenue of \$713 million for the March quarter was 5% lower than the corresponding quarter, primarily due to lower sales of third party gas.
- > Production guidance for 2013 is maintained at 53 to 57 mmboe.

Key activities during the period

- > The Fletcher Finucane oil project, offshore Western Australia, is progressing well with first oil expected ahead of schedule by mid-2013.
- > PNG LNG over 80% complete and on track for first LNG in 2014.
- > GLNG over 50% complete and on track for first LNG in 2015.
- > High-impact Western Australian drilling campaign underway with the drilling of the Bassett West prospect in the Browse Basin well advanced and the spudding of the Winchester exploration and Bianchi (Zola appraisal) wells in the Carnarvon Basin.
- > First well of the 16-well Cowralli pad in the Cooper Basin drilled in early-April.
- > Peluang gas project, offshore East Java Indonesia, sanctioned in February 2013, with first gas expected in the first half of 2014.

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Santos Chief Executive Officer David Knox said that Santos remained focused on major project delivery in 2013.

“The progress on our Fletcher Finucane project, offshore Western Australia, has been pleasing and we look forward to first oil over the next few months to add to our growing Western Australian business.”

“Construction is also progressing well on our LNG projects with PNG LNG and GLNG remaining on track for first LNG in 2014 and 2015 respectively.”

“We continue to build our position in Asia, and during the quarter we sanctioned the Peluang gas project in Indonesia, continued construction of the Dua oil project in Vietnam and spudded our first CSG well in South Sumatra, Indonesia,” Mr Knox said.

2013 guidance

All 2013 guidance is maintained.

| Item | 2013 guidance |
|---|---------------|
| Production (mmboe) | 53 - 57 |
| Production costs (\$million) | 630 - 660 |
| Depreciation, depletion & amortisation (DD&A) expense (\$/boe) | 16.50 |
| Royalty-related taxation expense (\$million after tax) ¹ | 50 |
| Capital expenditure (including exploration and evaluation) (\$billion) ² | 4.0 |

¹Royalty-related taxation expense guidance assumes an average realised oil price of A\$100 per barrel.

²Capital expenditure guidance excludes capitalised interest.

Further detail of 2013 year-to-date capital expenditure, including exploration and evaluation expenditure, is reported in the table on page 6 of this release.



Well clean-up, Fletcher Finucane, Carnarvon Basin

1. Production

| | Quarter ended | | | Full-year 2012 |
|---------------------------------------|----------------|----------------|----------------|-------------------|
| | Q1 2013 | Q1 2012 | Q4 2012 | |
| Sales gas, ethane and LNG (PJ) | | | | |
| Carnarvon | 16.5 | 16.7 | 15.5 | 65.0 |
| Cooper | 13.7 | 15.2 | 17.3 | 66.6 |
| Indonesia | 7.1 | 7.0 | 6.4 | 28.1 |
| Otway | 4.8 | 4.1 | 5.0 | 19.4 |
| Darwin LNG | 4.0 | 3.9 | 4.0 | 14.4 |
| Denison/Scotia/Spring Gully | 2.9 | 3.0 | 3.0 | 11.2 |
| GLNG | 2.2 | 2.5 | 3.1 | 10.8 |
| Bangladesh | 1.1 | 0.5 | 1.7 | 4.9 |
| Vietnam | 0.5 | 0.2 | 0.4 | 2.1 |
| Total production (PJ) | 52.8 | 53.1 | 56.4 | 222.5 |
| Total production (mmboe) | 9.1 | 9.1 | 9.7 | 38.3 |
| Condensate (000 bbls) | | | | |
| Bayu-Undan | 295.2 | 317.6 | 295.5 | 1,174.1 |
| Cooper | 202.7 | 293.4 | 251.7 | 1,030.7 |
| Carnarvon | 162.0 | 161.8 | 157.2 | 635.6 |
| Amadeus | 7.2 | 7.5 | 7.3 | 29.9 |
| Otway | 4.4 | 3.7 | 6.0 | 19.7 |
| Indonesia | 1.2 | 1.6 | 1.2 | 5.6 |
| Queensland | 0.5 | 0.6 | 0.1 | 1.8 |
| Total production (000 bbls) | 673.2 | 786.2 | 719.0 | 2,897.4 |
| Total production (mmboe) | 0.6 | 0.8 | 0.7 | 2.7 |
| LPG ('000 tonnes) | | | | |
| Cooper | 28.9 | 31.2 | 30.9 | 125.1 |
| Bayu-Undan | 17.5 | 18.6 | 17.6 | 69.4 |
| Total production (000 tonnes) | 46.4 | 49.8 | 48.5 | 194.5 |
| Total production (mmboe) | 0.4 | 0.4 | 0.4 | 1.6 |
| Crude oil (000 bbls) | | | | |
| Vietnam | 708.2 | 604.7 | 746.8 | 2,870.2 |
| Cooper | 706.0 | 739.9 | 817.7 | 3,226.1 |
| Stag | 221.6 | 266.3 | 406.3 | 1,411.6 |
| Barrow | 135.4 | 141.6 | 138.6 | 566.6 |
| Indonesia | 73.6 | 71.6 | 79.2 | 340.2 |
| Amadeus | 45.5 | 49.9 | 46.6 | 198.0 |
| Thevenard | 43.3 | 48.3 | 56.7 | 180.6 |
| PNG | 15.7 | 21.6 | 14.4 | 73.8 |
| Queensland | 11.6 | 21.1 | 11.9 | 66.8 |
| Mutineer-Exeter | - | 162.1 | 113.5 | 604.0 |
| Total production (000 bbls) | 1,960.9 | 2,127.1 | 2,431.7 | 9,537.9 |
| Total production (mmboe) | 2.0 | 2.1 | 2.4 | 9.5 |
| TOTAL | | | | |
| Production (mmboe) | 12.1 | 12.4 | 13.2 | 52.1 |

2. Sales volumes and sales revenue

| | Quarter ended | | | Full-year 2012 |
|---|---------------|-------------|-------------|-------------------|
| | Q1 2013 | Q1 2012 | Q4 2012 | |
| Sales gas, ethane and LNG | | | | |
| Sales volumes – own product (PJ) | 50.2 | 48.0 | 52.5 | 216.7 |
| Sales volumes – third party (PJ) | 3.5 | 11.8 | 7.4 | 40.0 |
| Total sales volumes (PJ) | 53.7 | 59.8 | 59.9 | 256.7 |
| Total sales volumes (mmboe) | 9.2 | 10.3 | 10.3 | 44.1 |
| Average gas price (A\$/GJ) | 5.43 | 5.21 | 5.06 | 5.14 |
| Total sales revenue (\$million) | 291 | 311 | 303 | 1,319 |
| Condensate | | | | |
| Sales volumes – own product (000 bbls) | 472.0 | 732.7 | 843.5 | 2,982.7 |
| Sales volumes – third party (000 bbls) | 4.2 | 49.1 | 51.0 | 197.8 |
| Total sales volumes (000 bbls) | 476.2 | 781.8 | 894.5 | 3,180.5 |
| Total sales volumes (mmboe) | 0.5 | 0.7 | 0.9 | 3.0 |
| Average condensate price (A\$/bbl) | 96.07 | 101.22 | 99.77 | 101.04 |
| Average condensate price (US\$/bbl) | 99.87 | 105.86 | 103.63 | 104.64 |
| Total sales revenue (\$million) | 46 | 79 | 89 | 321 |
| LPG | | | | |
| Sales volumes – own product (000 tonnes) | 51.0 | 55.3 | 41.5 | 181.7 |
| Sales volumes – third party (000 tonnes) | 0.7 | 1.3 | 0.7 | 10.0 |
| Total sales volumes (000 tonnes) | 51.7 | 56.6 | 42.2 | 191.7 |
| Total sales volumes (mmboe) | 0.4 | 0.5 | 0.3 | 1.6 |
| Average LPG price (A\$/tonne) | 865.83 | 930.36 | 1,120.32 | 933.52 |
| Average LPG price (US\$/tonne) | 900.11 | 973.06 | 1,163.68 | 966.75 |
| Total sales revenue (\$million) | 45 | 53 | 47 | 179 |
| Crude oil | | | | |
| Sales volumes – own product (000 bbls) | 2,027.1 | 1,946.0 | 3,019.7 | 9,532.7 |
| Sales volumes – third party (000 bbls) | 872.3 | 603.3 | 1,006.4 | 2,776.8 |
| Total sales volumes (000 bbls) | 2,899.4 | 2,549.3 | 4,026.1 | 12,309.5 |
| Total sales volumes (mmboe) | 2.9 | 2.5 | 4.0 | 12.3 |
| Average crude oil price (A\$/bbl) | 114.12 | 121.90 | 108.46 | 113.78 |
| Average crude oil price (US\$/bbl) | 118.64 | 127.49 | 112.66 | 117.83 |
| Total sales revenue (\$million) | 331 | 311 | 437 | 1,401 |
| Total | | | | |
| Sales volume – own product (mmboe) | 11.5 | 11.3 | 13.2 | 51.1 |
| Sales volume – third party (mmboe) | 1.5 | 2.7 | 2.3 | 9.9 |
| Total sales volume (mmboe) | 13.0 | 14.0 | 15.5 | 61.0 |
| Total sales revenue (\$million) | 713 | 754 | 876 | 3,220 |

3. Production by area

Comparisons between periods for gas, condensate and LPG production are made between the current quarter and the same quarter from the previous year, as production is heavily influenced by seasonal factors. Conversely, comparisons for crude oil are made with the immediate previous quarter, as oil production rates are not generally subject to seasonal variations. Both comparisons are available in the table on page 3.

Cooper Basin

Sales gas and ethane production of 13.7 petajoules (PJ) during the quarter was 10% lower than Q1 2012, primarily due to major planned shutdowns in the Moomba plant and several large satellites. Stage one of this year's shutdown activity, which is part of a multi-year program to conduct major maintenance work, has been completed. The smaller stage two of the 2013 shutdown program is planned for Q4 2013. Sales gas production is expected to ramp up through the remainder of 2013, reflecting the planned capacity build to meet future contractual demand.

Drilling activity increased over the prior quarter with the drilling of nine gas development wells, of which eight were cased and suspended as future producers. This included the commencement of drilling activity on the 16-well Cowralli pad. Multi-well pad drilling will deliver significantly reduced well spud to on line times and capital expenditure savings. Drilling activity through the remainder of 2013 will continue to increase with a third gas development rig commencing operations late in the first quarter. Also during the quarter, a new contract for fracture stimulation services was completed, which will deliver significant cost reductions.

The Cooper unconventional gas exploration program continued during the quarter with the Roswell-1 and Gaschnitz-1 exploration wells drilled. Roswell-1 will be used for micro-seismic monitoring of the Roswell-2 horizontal well, which is expected to be spudded in the second half. Gaschnitz-1 was gas bearing through the entire 1,000 metre Permian section. Following wireline logging, the well was cased and suspended with a multi-stage fracture stimulation program scheduled for mid-2013. The Moomba-191 unconventional shale well, commissioned in September 2012, continued to flow at an average rate of 2.3mmscf/day as at the end of the quarter.

Condensate and LPG production during the quarter was lower due to lower sales gas production.

Crude oil production of 706,000 barrels was 14% below the previous quarter, primarily due to wet weather impacting access to trucked fields, workovers on key oil wells, planned maintenance activities and natural field decline. Drilling activity for the quarter was heavily focused on exploration with four near field exploration oil wells and one appraisal oil well drilled in the quarter, with the Cuisinier-7 well cased and suspended as a future Murta oil producer.

Denison/Scotia/Spring Gully

Sales gas production of 2.9 PJ was in line with Q1 2012. Three appraisal pilot wells and three appraisal coreholes were drilled in the Denison field, with four wells successfully cased and suspended.

Gunnedah

Santos continues to target the development of over 1,400 PJ of natural gas reserves in and around the Pilliga Forest near Narrabri in north west NSW. A workover rig completed rehabilitation on six wells in the Pilliga Forest during the first quarter, with activity on a new corehole and pilot well drilling program expected to start in mid-2013. Approval was received to construct two water treatment ponds at Leewood.

GLNG

Sales gas production of 2.2 PJ was 12% lower than Q1 2012, due to lower customer nominations partially offset by higher injections into Roma underground storage.

Otway

Sales gas production of 4.8 PJ was 17% higher than Q1 2012, due to the deferral of the 2013 planned shutdown of the Iona gas plant from March to April. Production from the Casino hub was 4.2 PJ of sales gas and 2,800 barrels of condensate. Minerva production was 0.6 PJ and 1,700 barrels of condensate.

Carnarvon

Gas production of 16.5 PJ and condensate production of 162,000 barrels were in line with Q1 2012.

Total oil production for the quarter was 400,300 barrels, 44% below Q4 2012 primarily due to the dry docking of the Mutineer-Exeter FPSO in Singapore for planned maintenance. The FPSO returned to the field in early April 2013. Stag production of 221,600 barrels was 45% lower than the previous quarter, impacted by cyclone activity, workovers on two wells and drilling activity on the Stag-48 horizontal development well.

Bayu-Undan/Darwin LNG

Gross Bayu-Undan gas production of 52.7 PJ was in line with Q1 2012. Santos' net entitlement to production was 4.0 PJ.

Gross Bayu-Undan condensate production of 4.4 mmbbl was 13% lower than Q1 2012. Santos' net entitlement to production was 0.30 mmbbl.

Gross Bayu-Undan LPG production of 228,400 tonnes was 11% lower than Q1 2012. Santos' net entitlement to production was 17,500 tonnes.

Indonesia

Santos' net entitlement to gas production of 7.1 PJ was in line with the corresponding period, with higher production from Wortel and Oyong offsetting lower production at Maleo driven by lower customer nominations. Oil production from Oyong was 7% lower than Q4 2012 due to natural field decline.

Vietnam Block 12W

Gross average oil production from Chim Sáo during the March quarter of 25,628 barrels per day was lower than the previous quarter, primarily due to power and steam system constraints on the FPSO. Santos' net entitlement to production was 708,200 barrels. Santos' share of gas production during the March quarter was 0.5 PJ.

Bangladesh

Sales gas production of 1.1 PJ was higher than Q1 2012 due to production from Sangu-11 which was brought on line in mid-June 2012.

4. Capital expenditure

Total exploration, evaluation and development expenditure is summarised in the table below.

| | Quarter ended | | | Full-year 2012 |
|--|---------------|---------|---------|-------------------|
| | Q1 2013 | Q1 2012 | Q4 2012 | |
| Capital expenditure (\$million) | | | | |
| Exploration | 53 | 23 | 71 | 162 |
| Evaluation including CSG | 21 | 33 | 53 | 161 |
| Development and other PP&E | 799 | 578 | 865 | 2,853 |
| Capitalised interest | 64 | 16 | 49 | 183 |
| Total capital expenditure | 937 | 650 | 1,038 | 3,359 |

| Exploration and evaluation expensed (\$million) | | | | |
|--|-----------|----|----|-----|
| From current year expenditure: | | | | |
| Exploration | 10 | 21 | 19 | 77 |
| Evaluation | 11 | 13 | 20 | 86 |
| Total current year expenditure | 21 | 34 | 39 | 163 |
| Write-off of amounts capitalised in prior years | 3 | 2 | - | 2 |
| Total expensed | 24 | 36 | 39 | 165 |

4.1 Exploration activity

| Well name | Basin/ area | Target | Santos % | Well status |
|---------------------|---------------------------|--------|----------|-------------|
| Bassett West-1 | Browse – WA | Gas | 30 | Drilling |
| Winchester-1 | Carnarvon – WA | Gas | 75 | Drilling |
| Roswell-1 | Cooper/Eromanga – SA | Gas | 66 | C&S |
| Gaschnitz-1 | Cooper/Eromanga – SA | Gas | 66.6 | C&S |
| Van Der Waals-1 | Cooper/Eromanga – SA | Gas | 66.6 | Drilling |
| Moomba 192 (Aurora) | Cooper/Eromanga – SA | Gas | 66.6 | Drilling |
| OIG 1 | South Sumatra – Indonesia | CSG | 60* | Drilling |

*Santos currently has a 10% interest in OIG-1 and subject to the satisfaction of certain conditions has the option to increase its interest to 60%.

The Bassett West-1 wildcat, located in WA-408-P in the Browse Basin, was spudded on 17 December 2012 and is currently drilling towards a total depth of 5,275 metres.

The Winchester-1 well, located in WA-323-P in the Carnarvon Basin, was spudded on 7 April 2013 and is currently drilling towards a total depth of 4,803 metres. The Winchester prospect is a structural horst block whose primary target is the Triassic sandstone reservoirs.

Roswell-1 in the Cooper Basin, the vertical well of a combined vertical/horizontal shale gas pair drill program, was spudded on 11 December 2012 and reached a total depth of 3,218 metres. Following wireline logging, the well was cased and suspended and the rig released on 21 January 2013. Roswell-1 will be used for micro-seismic monitoring of the Roswell-2 horizontal well, which is expected to be spudded in the second half.

Gaschnitz-1 was spudded on 3 November 2012 to test the basin centred gas accumulation and unconventional shale gas resources within the Nappamerri Trough region of the Cooper Basin. The well reached a total depth of 3,890 metres and was gas bearing through the entire 1,000 metre Permian section. Following wireline logging, the well was cased and suspended with a multi-stage fracture stimulation program scheduled for mid-2013.

In April, the Cooper unconventional gas exploration program continued with the spudding of two wells. Van Der Waals-1 was spudded on 7 April 2013 to test the basin centred gas play within the Nappamerri Trough. Moomba-192 (Aurora 1), the vertical well of a dual vertical/horizontal Roseneath Epsilon Murteree (REM) shale well pilot, was spudded on 8 April 2013.

The OIG-1 exploration core hole was spudded on 27 March 2013 to test the potential of the CSG play in South Sumatra. The well is located in the Ogan Komerling PSC and is Santos' first CSG well in Indonesia. Coring operations are currently underway within the target Muara Enim formation. The Ogan Komerling acreage is close to the existing infrastructure of the South Sumatra to West Java gas pipeline.

4.2 Seismic activity

| Permit | Basin/ area | Survey | Type | km/ km ² | Status |
|---------------------------|-----------------------|-----------------|------------|---------------------|--------------|
| PL80/PL136/PL156 /ATP259P | Cooper/Eromanga – QLD | Durham Downs 3D | Onshore 3D | 228 km ² | Complete |
| PL100/PL 232 | Fairview – QLD | Fairview 3D | Onshore 3D | 122 km ² | Complete |
| ATP631P/ATP336P | Roma – QLD | Yuleba South 2D | Onshore 2D | 72 km | 80% complete |

5. Development projects

Development expenditure during the first quarter of 2013 was \$799 million. The status of development projects during the first quarter is as follows.

Fletcher Finucane (Santos 44%, operator)

The Fletcher Finucane oil project is located in permit WA-191-P in the Carnarvon Basin, offshore Western Australia. Fletcher Finucane was sanctioned in January 2012 and involves the development of a three-well subsea tie-back to the existing Santos-operated FPSO facility at Mutineer-Exeter. The project is 93% complete and on track for first oil in mid-2013, with an expected average gross production rate of 15,000 barrels per day for the initial 12 months of production.

All three development wells have been drilled and completed, and offshore installation of the subsea facilities is over 60% complete. The Nan Hai 6 rig has been demobilised, providing access for the installation vessel to lay flowlines and umbilicals into the Finucane well centre. The installation and commissioning of the Fletcher Finucane equipment on the Mutineer-Exeter FPSO has been completed in Singapore and the FPSO has arrived back in the field.

Dua (Santos 31.875%, Premier Oil operator)

The Dua oil project is located in Block 12W in the Nam Con Son Basin, offshore Vietnam. The project was sanctioned in August 2012, and involves the development of a three-well subsea tie-back to the existing Chim São facilities. First oil production is on track for the first half of 2014 at an estimated average gross production rate of between 8,000 and 10,000 barrels per day for the first 12 months of production.

The project is over 45% complete. The subsea pipeline elements between the Chim São FPSO and the Dua drilling template have been installed. The manifolds, risers and testing will be completed as part of a later campaign. Work is continuing on the long-lead material deliveries and fabrication. Modifications of the FPSO have commenced and preparations for drilling are in progress.

Peluang (Santos 67.5%, operator)

Sanctioned in February 2013, the Peluang gas project is located in the Maleo gas field, offshore East Java in Indonesia. It will be developed as a tie-back to the existing facilities at Maleo, and will include one horizontal gas well, a minimum facility stand-alone wellhead platform and a pipeline to the Maleo platform.

First gas is expected in the first half of 2014, with an anticipated gross peak production of 25 mmscf/day. The engineering, fabrication and installation tender processes are now in progress, and procurement for long-lead material has commenced.

PNG LNG (Santos 13.5%, ExxonMobil operator)

Sanctioned in December 2009, the PNG LNG project will develop gas and condensate resources in the Hides, Angore and Juha fields and associated gas resources in the operating oil fields of Kutubu, Agogo, Gobe and Moran in the Southern Highlands, Hela and Western Provinces of Papua New Guinea. The gas will be transported by pipeline to a gas liquefaction plant 25 kilometres north-west of Port Moresby with a capacity of 6.9 mtpa. PNG LNG has binding LNG sales agreements with four Asian buyers.

The overall project is now over 80% complete and remains on track for first LNG in 2014. Construction continues to progress at the LNG plant and upstream locations and the workforce has completed over 122 million work hours to date.

At the Hides Gas Conditioning Plant, the major civil works are complete and construction activity is focused on structural steel, piping and cabling installation. The Komo airfield is nearing completion and the first cargo flights which will carry Hides Gas Conditioning Plant equipment are targeted for May 2013. Drilling continues on three wells at Hides, with two drilling rigs now in operation.

600 kilometres of onshore and offshore pipeline have been completed, and are on schedule to receive commissioning gas later this year. Construction is progressing on the remaining 100 kilometre section of onshore pipeline between Kutubu and the Hides Gas Conditioning Plant and wells.

At the LNG plant site, the processing equipment is in place for the two LNG trains and installation of piping, instrumentation and cabling is progressing. The load-out jetty is in a pre-commissioning phase and both LNG tanks have been tested. The plant flare system is complete and the utilities and power generation units are being prepared for commissioning.

PNG LNG (Santos 13.5%, ExxonMobil operator) continued



Hides Gas Conditioning Plant, March 2013



LNG plant site, March 2013

GLNG project (Santos 30%, operator)

Sanctioned in January 2011, GLNG includes the development of CSG resources in the Bowen and Surat Basins in south-east Queensland, construction of a 420-kilometre underground gas transmission pipeline to Gladstone, and two LNG trains with a combined nameplate capacity of 7.8 mtpa on Curtis Island. The project has an estimated gross capital cost of US\$18.5 billion from final investment decision to the end of 2015, based on foreign exchange rates which are consistent with the assumptions used at FID (A\$/US\$ 0.87 average over 2011-15). The project is over 50% complete and remains on track for first LNG in 2015.

During the first quarter, GLNG converted its existing binding Heads of Agreements (HOAs) into fully-termed Sales and Purchase Agreements (SPAs) with PETRONAS and Kogas for 7.2 million tonnes per annum of LNG in aggregate.

Upstream

Forty-nine wells were spudded in the GLNG acreage during the first quarter. This included 45 development wells and four appraisal wells – one of which encountered significant coals (70 metres net) in the Arcadia acreage. 19 development wells were spudded at Fairview and 26 development wells at Roma.

Construction continues at the three upstream gas hub sites and over 120 long-lead items have been installed. At Fairview Hub 4, foundations were completed for the nodal compressor station together with the lube oil coolers and scrubbers, and pond lining was installed. At Fairview Hub 5, lube oil cooler foundations were poured and installation of the underground piping was completed. At Roma Hub 2, foundation works on the nodal compressor station were completed and underground piping commenced.

Gas transmission pipeline

Development of the pipeline progressed during the quarter. Over 180 kilometres of the mainland pipeline right-of-way has been cleared and graded and 140 kilometres of the pipeline has been strung. One manual and two automatic weld crews are now mobilised and have completed over 9,600 welds on the pipe of the 35,000 required. In March, the rehabilitation works commenced in the Arcadia Valley replacing original topsoil and sowing grass seed, with over 60 kilometres of pipeline buried.

For the marine crossing, the tunnelling machine has been assembled within the launch shaft and tunnelling works on the 4.3 kilometre tunnel underneath the Narrows Crossing commenced on 15 April. The tunnelling will take about 12 months to complete and once constructed, the tunnel will be flooded and the pipeline pulled through.

LNG plant

Construction continues to ramp up on the LNG plant and port, with a current workforce of over 2,000. Ships containing key equipment are now being received at the material offloading facility, with the Train 1 CO₂ absorber and cold boxes arriving in March and the modules for the main electrical substation buildings for the LNG plant arriving in April.

Heavy-lifts are well underway on the Train 1 site, with all six refrigeration compressors, the ethylene and methane cold boxes and CO₂ absorber placed on their foundations. At Train 2, the formwork on the compressor deck foundation has commenced and the concrete pours for the ethylene and methane cold box foundations have been completed.

Eight of the nine concrete wall lifts required for LNG Tank B have been completed, with preparations underway for the ninth wall lift. At LNG Tank A, assembly of the arched steel roof segments is underway and preparations continue for the fourth concrete wall lift.

Progress on the LNG jetty continued, with 10 of the 22 bents completed and 26 of the 35 jetty-head loading platform piles cut to level.

At the module yard in Batangas, assembly of 49 of the 82 Train 1 modules continues and 14 Train 1 modules are in the final stages of completion, with preparations underway for dispatch of first modules to site. Assembly has also commenced on two of the 29 Train 2 modules.

GLNG project (Santos 30%, operator) continued



Fairview Hub-4 compressor station construction, March 2013



Train 1 cold boxes arriving at the material offloading facility on Curtis Island, March 2013

7. Drilling summary

7.1 Appraisal/evaluation wells

The table below details wells drilled during the first quarter and their status.

| Well name | Basin/ area | Target | Santos % | Well status |
|-------------------------------|-----------------------|--------------|----------|-----------------------|
| Cudgel-1 [*] | Cooper/Eromanga – QLD | Oil | 70 | P&A |
| Cuisinier-7 | Cooper/Eromanga – QLD | Oil | 45 | C&S, successful oil |
| Rheims-2 | Cooper/Eromanga – QLD | Oil | 70 | P&A |
| Achilles-1 | Cooper/Eromanga – QLD | Oil | 70 | P&A |
| Moe-1 | Cooper/Eromanga – SA | Oil | 100 | P&A |
| Humboldt Creek-2 [#] | Denison – QLD | CSG corehole | 30 | P&A |
| Scrubber Gully-2 [#] | Denison – QLD | CSG corehole | 30 | P&A |
| Turkeys Nest 1 [#] | Denison – QLD | CSG corehole | 30 | C&S, successful CSG |
| Mira-2 [#] | Denison – QLD | CSG | 30 | C&S, successful CSG |
| Mira-4 [#] | Denison – QLD | CSG | 30 | C&S, successful CSG |
| Mira-5 [#] | Denison – QLD | CSG | 30 | C&S, successful CSG |
| Scotia-44 | Scotia – QLD | CSG corehole | 30 | C&S, successful CSG |
| Fairview 299_OB1 | Fairview – QLD | CSG corehole | 23.85 | C&S, observation well |
| Bottle Tree-2 | Arcadia – QLD | CSG corehole | 23.88 | C&S, successful CSG |
| Wattanooka-2 | Roma – QLD | CSG corehole | 30 | C&S, successful CSG |
| Bianchi [#] | Carnarvon – WA | Gas | 24.75 | Drilling |

7.2 Development wells

The table below details development wells drilled during the first quarter and their status.

| Well name | Basin/ area | Target | Santos % | Well status |
|--------------------------------|-----------------------|--------|----------|---------------------|
| Baryulah-13 | Cooper/Eromanga – QLD | Gas | 60.06 | C&S, successful gas |
| Baryulah-14 | Cooper/Eromanga – QLD | Gas | 60.06 | C&S, successful gas |
| Baryulah-16 [*] | Cooper/Eromanga – QLD | Gas | 60.06 | P&A |
| Lepard-2 | Cooper/Eromanga – QLD | Gas | 60.06 | Drilling |
| Brumby-13 | Cooper/Eromanga – QLD | Gas | 60.06 | C&S, successful gas |
| Dullingari-61 | Cooper/Eromanga – SA | Gas | 66.6 | C&S, successful gas |
| Dullingari North-20 | Cooper/Eromanga – SA | Gas | 66.6 | C&S, successful gas |
| Goyder-6 | Cooper/Eromanga – SA | Gas | 66.6 | C&S, successful gas |
| Munkarie-10 | Cooper/Eromanga – SA | Gas | 66.6 | C&S, successful gas |
| Burke-12 | Cooper/Eromanga – SA | Gas | 66.6 | C&S, successful gas |
| Cowralli-22 | Cooper/Eromanga – SA | Gas | 66.6 | Drilling |
| Hides B1 [^] # | Papuan – PNG | Gas | 13.5 | Drilling |
| Hides B2 [^] # | Papuan – PNG | Gas | 13.5 | Drilling |
| Finucane South 2H [*] | Carnarvon – WA | Oil | 37.5 | Drilling |
| Stag 48H [#] | Carnarvon – WA | Oil | 66.67 | Drilling |
| FV05-16 2 | Fairview – QLD | CSG | 23.85 | C&C, successful CSG |
| FV05-16 3 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV11-17 2DQ1 | Fairview – QLD | CSG | 23.85 | Drilling |

| Well name | Basin/ area | Target | Santos % | Well status |
|-------------|----------------|--------|----------|---------------------------------|
| FV11-31 2 | Fairview – QLD | CSG | 23.85 | Suspended for further deepening |
| FV11-31 3 | Fairview – QLD | CSG | 23.85 | Suspended for further deepening |
| FV11-31 4 | Fairview – QLD | CSG | 23.85 | Drilling |
| FV11-33 2 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV11-33 3 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV11-40-2 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV12-11 1 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV12-15 1 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV12-15 2 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV12-16 1 | Fairview – QLD | CSG | 23.85 | Suspended for further deepening |
| FV12-16 2 | Fairview – QLD | CSG | 23.85 | Suspended for further deepening |
| FV12-16 3 | Fairview – QLD | CSG | 23.85 | Drilling |
| FV12-25 2A* | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV12-25 3* | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV12-25 4 | Fairview – QLD | CSG | 23.85 | Suspended for further deepening |
| FV15-03 2 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV15-03 3 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV17-31 1 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV17-34 1 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| FV17-34 2 | Fairview – QLD | CSG | 23.85 | C&S, successful CSG |
| RM02-28 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-02 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-02 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-05 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-05 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-08 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-08 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-09 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-09 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-10 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-10 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-11 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-12 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-12 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-15 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-15 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-16 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-16 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-22 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-23 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM07-23 2 | Roma – QLD | CSG | 30 | P&A |
| RM08-19 1 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM08-19 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM08-19 3 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM08-19 4 | Roma – QLD | CSG | 30 | C&S, successful CSG |

| Well name | Basin/ area | Target | Santos % | Well status |
|-----------|-------------|--------|----------|---------------------|
| RM13-11 2 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM13-11 3 | Roma – QLD | CSG | 30 | C&S, successful CSG |
| RM13-11 4 | Roma – QLD | CSG | 30 | C&S, successful CSG |

* Spudded during fourth quarter 2012.

^ Spudded during third quarter 2012.

Not operated by Santos.

8. Abbreviations and conversion factors

| Abbreviations | | Conversion factors | |
|---------------|---|----------------------------|-------------------------------|
| PJ | petajoules | Sales gas and ethane, 1 PJ | 171.937 boe x 10 ⁹ |
| TJ | terajoules | Crude oil, 1 barrel | 1 boe |
| GJ | gigajoules | Condensate, 1 barrel | 0.935 boe |
| mmbbl | million barrels | LPG, 1 tonne | 8.458 boe |
| mmboe | million barrels of oil equivalent | LNG, 1 PJ | 18,040 t |
| mmbtu | million British thermal units | | |
| mmscf | million standard cubic feet | | |
| mtpa | million tonnes per annum | | |
| t | tonnes | | |
| P&A | plugged and abandoned | | |
| C&S | cased and suspended | | |
| C&C | cased and completed | | |
| P&S | plugged and suspended | | |
| WI | water injector | | |
| ST | side track | | |
| CSG | coal seam gas | | |
| LNG | liquefied natural gas | | |
| pa | per annum | | |
| PSC | Production sharing contract | | |
| FPSO | floating production, storage & offloading | | |