



Darwin LNG

Transforming through LNG

UBS Australian Resources & Energy Conference
Sydney, 14 June 2012



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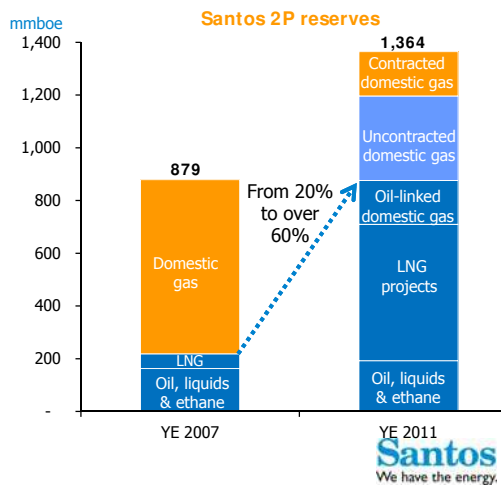
All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

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Asset base is transformed through LNG

Material growth in reserves and over \$4 billion cash from asset sales since 2008

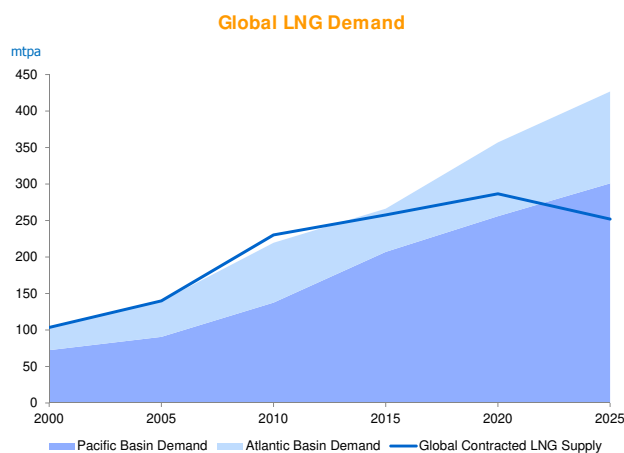
- Over 60% of reserves now linked to oil prices
- 2P organic reserve replacement ratio of 511% over past 4 years
- Over 500 mmboe of 2P reserves divested
- Over \$4 billion cash received from divestments of reserves and resources
 - Sell-down of interests in GLNG project to PETRONAS, Total and KOGAS
 - 60% interest sold in Petrel, Tern and Frigate to GDF Suez
 - Sale of entire interest in Evans Shoal to Eni
 - Sale of 20% of ESG's permits to TRUenergy



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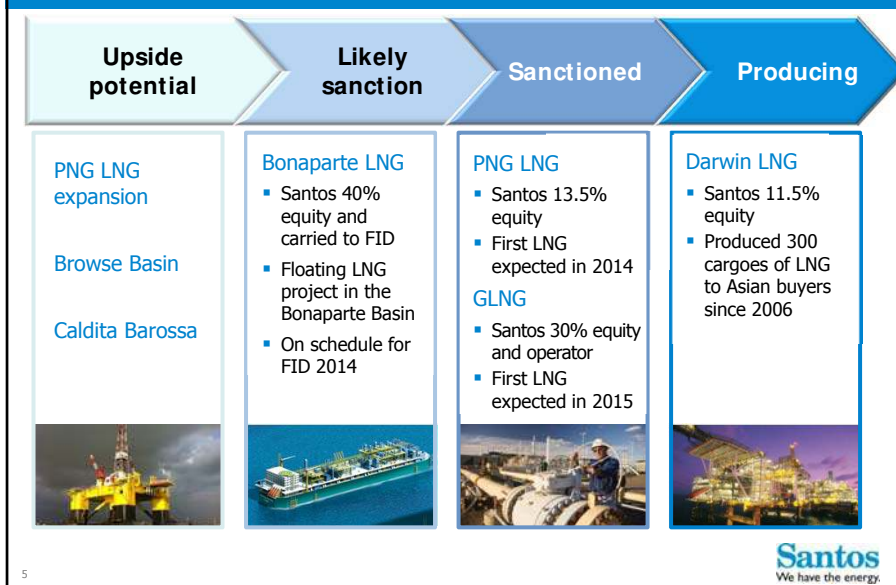
Demand for LNG remains strong

By 2025, demand for LNG is forecast to exceed contracted LNG supply by 170 mtpa



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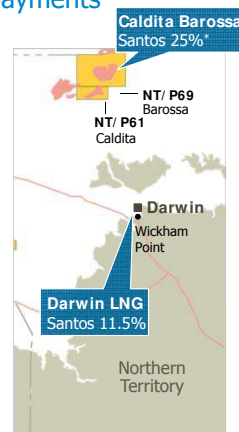
Santos' LNG growth pipeline



Progressing Caldita Barossa

New partnership with SK E&S who will fund up to US\$520 million in appraisal drilling, pre-FEED, FEED and milestone payments

Quality partners	<ul style="list-style-type: none"> Operated by ConocoPhillips SK E&S is part of the South Korean conglomerate SK Group Consistent with Santos strategy to introduce partners to commercialise assets
Key terms of the agreement	<ul style="list-style-type: none"> SK E&S will earn a non-operated 37.5% interest in Caldita and Barossa through a proportionate reduction by Santos and ConocoPhillips SK E&S will fund up to US\$520 million in appraisal drilling, pre-FEED, FEED and milestone payments Three-well appraisal program expected to begin in 2013
Multiple development concepts	<ul style="list-style-type: none"> Floating LNG Tie back to existing facilities at Darwin for expansion, backfilling Bayu-Undan or a combination of both



* Following completion of the SK E&S transaction

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Browse Basin: Crown well in 2H 2012

"Excellent street address"

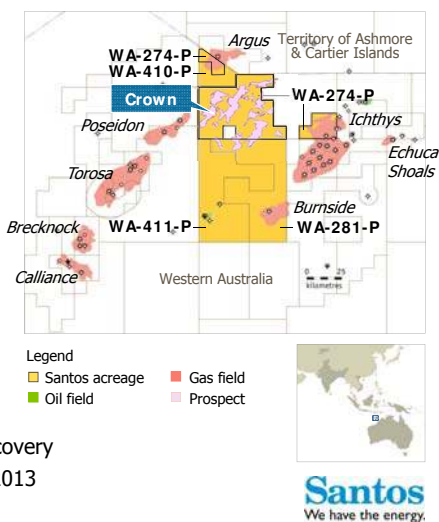
- Surrounded by the Browse, Ichthys and Prelude LNG Projects
- Acreage is all Santos operated
- Liquids rich prospects; materiality could provide stand-alone development options

Crown well drilling planned for 2H 2012

- Rig secured
- Santos operator with 30% equity interest

Numerous other prospects

- Processing 3D seismic on Burnside discovery
- Burnside appraisal well scheduled for 2013

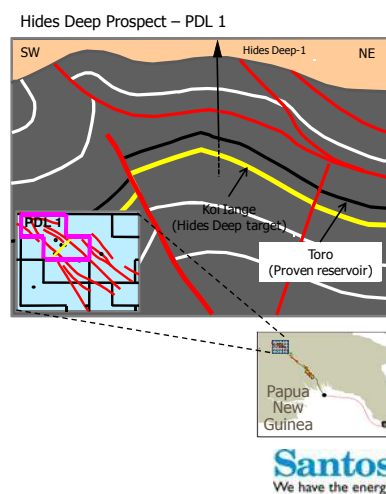


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PNG expansion

Existing infrastructure will provide strong platform for PNG LNG expansion

- Hides and Angore development drilling will provide better understanding of potential
- Currently evaluating Hides Deep prospect
 - Located in PDL1 (Santos 24% equity)
 - Potential well in 2013-14
- Potential for third-party gas



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BLNG building momentum; >2Tcf resource

- Santos 40% equity and carried to FID (GDF SUEZ 60% and operator)
- Concept Select phase concluded, preparing for Concept Definition
- 150 people working on the project
- Project progressing with the following expected milestones:
 - FEED 2013
 - FID 2014
 - First LNG 2018
- Successful Petrel-7 appraisal programme in 2011; extended testing to assist with design



Petrel-7 appraisal program, Stena Clyde



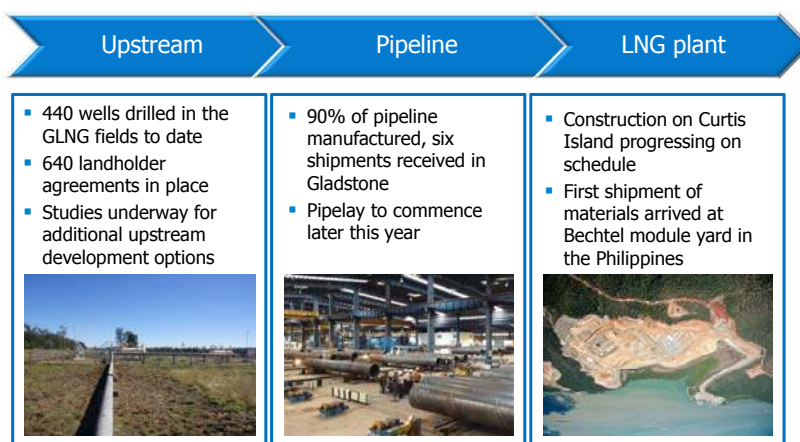
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GLNG project progress

First LNG expected in 2015



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GLNG upstream

440 wells drilled, upstream construction underway

Drilling

- Six drilling rigs operating
- First of four new Saxon rigs to start later this year
- Fairview average well flow rates of 1.3 TJ/day

Construction of upstream facilities

- Site preparation underway for gas hubs
- Over 700 bed accommodation available
- Over 450 construction workers in the field

Landholder agreements

- 640 agreements signed to date

Gas supply

- Santos to supply 140 TJ/day of portfolio gas over 15 years
- Agreement signed in May 2012 with Origin Energy for 100 TJ/day over 10 years
- Ongoing third party gas supply negotiations, including with Santos
- Conceptual studies are underway for additional upstream development options in the GLNG acreage, including optimisation of the existing upstream designs.



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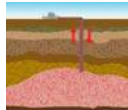
Gas supply: key challenge is deliverability

GLNG has a portfolio of upstream gas supply options to manage front-end deliverability build into the LNG trains

GLNG indigenous fields



Roma storage



LNG plant, Curtis Island



Santos portfolio gas



Third party gas



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GLNG plant site, Curtis Island



LNG plant and tank area



PNG LNG

First LNG expected in 2014

- Project progressing well, recent milestones include:
 - Roof of first LNG tank in place
 - Offshore pipeline nearing completion
 - 50% Komo bulk earthworks complete and achieved record productivity of earthworks
 - Over half of the process area steel erected and half of the pipe fabricated and installed on Train 1
 - Completion and delivery of the second drilling rig to Papua New Guinea.
- Hides drilling program imminent



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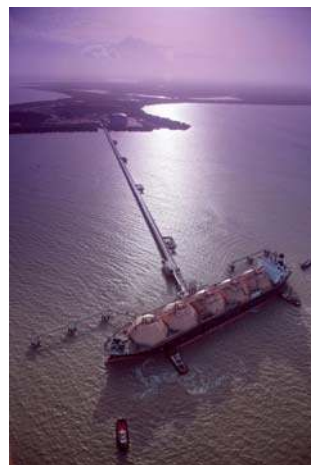
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PNG LNG Train 1



Transforming through LNG

- Over 60% of 2P reserves linked to oil prices
- PNG LNG first LNG expected in 2014 and GLNG in 2015
- Drilling in the Browse Basin and PNG LNG this year
- New partnership with SK E&S to progress Caidita Barossa development
- Bonaparte LNG progressed to concept definition stage
- Uniquely positioned to benefit from re-rating of Eastern Australian domestic gas markets



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