

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 6723

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

**TO:** ASX Market Announcements  
ASX Limited

**FROM:** Company Secretary

**DATE:** 15 May 2012

**SUBJECT:** **APPEA Investor Briefing**

Please find attached an APPEA Investor Briefing, which will be presented by David Knox (CEO and MD) in Adelaide today.

**David Lim**  
Company Secretary



## APPEA Investor Briefing

WA&NT Business Unit  
Eastern Australia Business Unit

15 May 2012



**Santos**  
We have the energy.

## Disclaimer and Important Notice

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

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



Devil Creek gas plant, WA






## Western Australia & Northern Territory Business Unit


John Anderson  
WA&NT Vice President

3

## WA&NT – a material business

Domestic Gas	<ul style="list-style-type: none"> <li>▪ Strong growth market, linked to Asian resource demand</li> <li>▪ Supplying the domestic market from two (of WA's three) gas hubs</li> <li>▪ Targeting additional growth</li> </ul>	
Carnarvon Oil	<ul style="list-style-type: none"> <li>▪ Arrested decline in oil production</li> <li>▪ Fletcher Finucane oil project sanctioned in January 2012</li> <li>▪ Other oil growth options to be tested in 2012</li> </ul>	
Timor Bonaparte	<ul style="list-style-type: none"> <li>▪ Darwin LNG/Bayu Undan continued strong cash flow</li> <li>▪ Bonaparte LNG progressing</li> <li>▪ Unlock Caldita Barossa</li> <li>▪ Drill material Browse acreage</li> </ul>	

4



## Carnarvon Gas: two domestic hubs

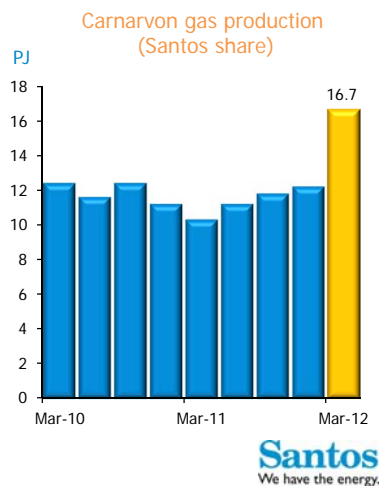
Highest ever Carnarvon gas production of 16.7 PJ in Q1 2012

Production driven by two new projects delivered in 2011 on schedule and on budget

- Spar (Halyard well) online in June 2011
- Reindeer/Devil Creek online in December 2011
- Projects making strong contribution to domestic gas production and revenue growth

Attractive domestic gas market

- Domestic market forecast to increase 35% by 2020 (*Santos estimate*)
- Growth driven by strong Asian demand for WA resources



5

## Carnarvon Oil: Fletcher Finucane

Sanctioned 8 months after discovery, an industry-leading transition

Project	Fletcher Finucane
Location	Carnarvon Basin
Santos interest	Operator with 44% effective interest (post recent sell-down of 4% to Kufpec)
Project description	<ul style="list-style-type: none"> <li>▪ \$490 million gross oil project</li> <li>▪ 3 well sub-sea tie-back to Mutineer Exeter FPSO</li> </ul>
Gross production rate	Average of 15,000 barrels per day for the initial 12 months
Project status	<ul style="list-style-type: none"> <li>▪ Sanctioned by partners in January 2012</li> <li>▪ Engineering near completion/ fabrication of key subsea equipment well underway</li> <li>▪ Development drilling commences June</li> </ul>
First oil	2H 2013



Santos  
We have the energy.

6

## Timor Bonaparte

A critical region for Santos, now and into the future

### Darwin LNG

- Continued strong production
- 300<sup>th</sup> LNG cargo
- Planned shutdown underway

### Bonaparte LNG

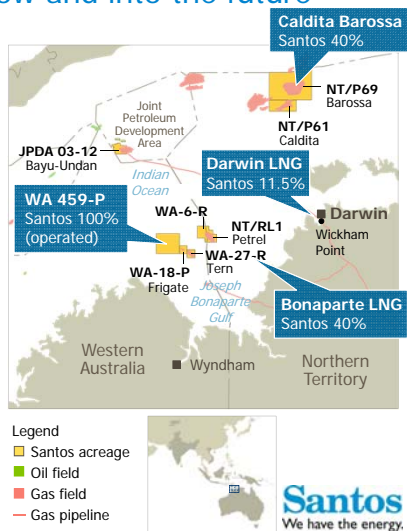
- Concept Select phase concluded, preparing for Concept Definition
- On schedule for FID 2014

### Caldita Barossa

- An increasingly strategic asset

### WA-459-P

- New exploration permit



7

## High-impact WA campaign in 2012-13

Exciting drilling campaign, including three offshore Santos operated rigs

### Browse Basin gas

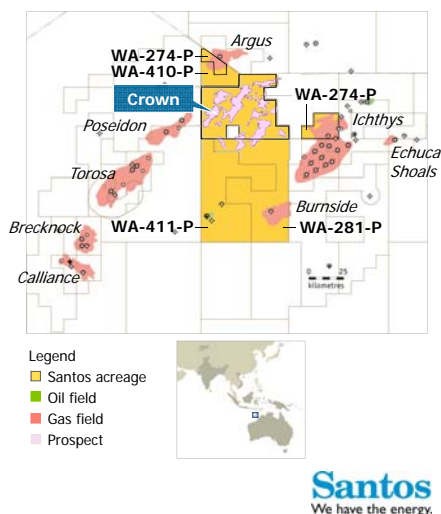
- Exploration - Crown

### Carnarvon Basin gas

- Appraisal – Zola, Hurricane
- Exploration – Winchester

### Carnarvon Basin oil

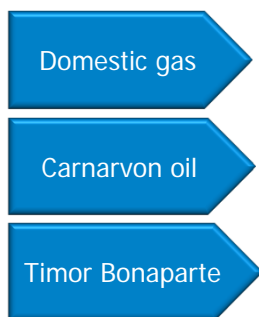
- 3 development wells for Fletcher Finucane
- 5 appraisal and development wells for Stag
- Exploration - Hoss, Clark



8

## WA&NT - Delivering growth on a quality base

High quality base business and material growth opportunities with the capacity to double our production



### A pipeline of material growth opportunities

- Bonaparte LNG
- Winchester
- Browse
- Zola
- Caldita Barossa
- Hurricane
- Hoss
- Greater Mutineer-Exeter

9


**Santos**  
We have the energy.




**Santos**  
We have the energy.

## Questions

10



Moomba plant, Cooper Basin







## Eastern Australia Business Unit

James Baulderstone  
EA Vice President

11

## Eastern Australia – capturing the future

<b>Growth Market</b>	Permanent structural shift in east coast gas demand causing upward pressure on gas prices	   
<b>Resource base</b>	Large, high quality reserve and resource base across Eastern Australia	
<b>Operating capability</b>	Track record of reserve expansion and operational delivery	
<b>Critical infrastructure</b>	Owner, operator of key critical infrastructure to accelerate development and commercialisation	
<b>Licence to operate</b>	Collaborative long-term relationships with landholders, community and government	

12

## Significant resource base in Eastern Australia

Santos has 10,900 PJ of gas reserves and resources in Eastern Australia, excluding GLNG

Basin	2P reserves <sup>1</sup>	2C resources <sup>1</sup>
Cooper	1,130	3,598
Gunnedah	1,141	2,768
Otway/Gippsland	358	258
Surat/Bowen <sup>2</sup>	222	1,183
Amadeus <sup>3</sup>	123	121
<b>Total</b>	<b>2,974</b>	<b>7,928</b>



1. All Santos share. Reserve and resource numbers are in PJ (as at 31 December 2011) and include ethane.  
 2. Excludes Santos reserves and resources held within GLNG project.  
 3. Post completion of the Mereenie acquisition and sell-down of Palm Valley/Dingo

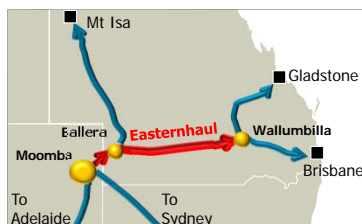
13

## Strategic advantage through existing infrastructure

Santos operates infrastructure required to commercialise Cooper infill, shale and other unconventional gas

### Secured pipeline capacity to send gas east to Wallumbilla

- Additional capacity agreed in April 2012, with options for further expansion
- Adds to existing 15 year, 147 TJ/day agreement to signed in October 2010
- Secured 15-year compression services agreement from Epic Energy



### Operator of critical Cooper Basin infrastructure

- Moomba and Ballera gas processing plants have substantial gas processing capability ~550 TJ/d
- Gas storage facilities located near Moomba and Ballera



**Santos**  
We have the energy.

14



## New well construction techniques are a game changer

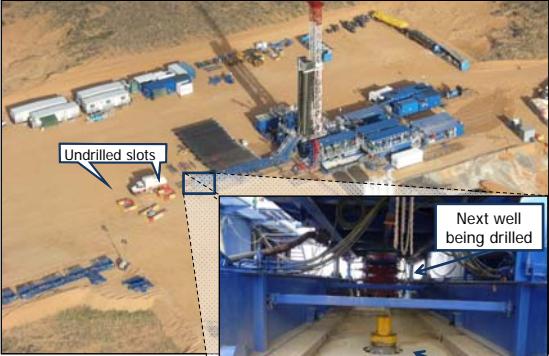
### Pads / SIMOPS key to cost and cycle time improvement

**Cooper infill progressing well**


- Drilling of 6-well multi-pad trial at Tindilpie almost complete
- Up to 15 mmscfd of liquid-rich gas targeted
- Pathway to delivering a 25%+ cost reduction
- 16-well pad to commence operation later this year


**Key benefits include**

- On-site simultaneous operations
- Ability to undertake continuous frac logistics
- Reduced surface impact
- Cost reduction from shared surface facilities
- Work over rig operations
- Reduced flowline connections



Saxon Rig at multi-well pad, Tindilpie





15

## Leading the way on Cooper unconventional

### Unconventional resource gas plays underway in 2012

**Moomba-191 shale gas well**


- 3 fracs placed in REM\* shale with over 135,000 cubic meters fluid and 200 tonnes of proppant placed at pressures up to 15,000 psi
- Core results met expectations of gas content and rock properties for fracking
- Completion and flowback works underway - frac results expected Q2 2012

**Moomba North shale well**


- Well design in progress for drilling in Q4 2012
- First horizontal well, 1000-2000 feet lateral length with multiple frac stages

**Other unconventional gas resources**

- Drilling four wells in 2H 2012
- Applying contemporary technology, testing basin centred gas sands and other unconventional horizons including deep coal



Moomba-191 shale gas well



\* Roseneath, Epsilon and Murteree shale zones

16

## NSW CSG - significant and ideally located

Santos has established a significant CSG acreage position in NSW which is ideally located to supply NSW domestic and export markets

**Significant CSG asset**

- Gunnedah Basin
- 62,720 km of quality exploration acreage
- Working interest Santos 80%, TRUenergy 20%
- Santos is the operator of all permits
- Proximity to Central Ranges Pipeline

**Multiple commercialisation options**

- ~1,000PJ/a east coast domestic market by 2020 with substantial growth forecast
- Positioned to access ~1,500PJ/a\* east coast LNG export market

\* Assumes six LNG trains by 2020

**Santos**  
We have the energy.

## NSW - development & engagement

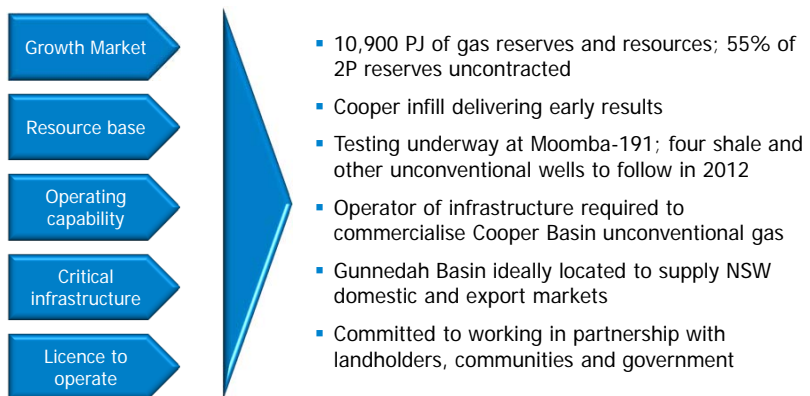
Segments of the community have concerns, which are being addressed and managed while exploration and appraisal progresses

Focused 3 year work program	Strength in stakeholder engagement	Regulatory updates
<p><b>Narrabri (PEL 238)</b></p> <ul style="list-style-type: none"> <li>▪ Demonstrated deliverability in continuous flows from existing pilots</li> <li>▪ New pilots to test drilling technology</li> <li>▪ Build 2P reserves</li> </ul> <p><b>Bando (PEL 1 &amp; 12)</b></p> <ul style="list-style-type: none"> <li>▪ Commence appraisal program targeting 2P reserve build</li> <li>▪ Trial lateral technology via additional pilots and coreholes</li> </ul>	<p style="font-size: small;">Through investment, royalties and jobs, the recognised benefits to local communities are significant</p> <ul style="list-style-type: none"> <li>▪ Santos is committed to working in partnership with agriculture for sustainable resource management</li> <li>▪ Active community consultation and engagement program underway</li> <li>▪ Key Governmental recognition and support escalating</li> </ul>	<p><b>NSW Upper House Report</b></p> <ul style="list-style-type: none"> <li>▪ Rejected moratorium on exploration</li> <li>▪ Recognised need to proceed with development</li> <li>▪ Acknowledged agriculture and resources must and can co-exist</li> <li>▪ Recognised NSW future energy security needs</li> </ul> <p><b>Draft Strategic Regional Land Use Policy</b></p> <ul style="list-style-type: none"> <li>▪ Positive intent to provide framework for co-existence</li> <li>▪ Rejects blanket land exclusions</li> </ul>

**Santos**  
We have the energy.

## EA - capturing the future

Integrated Eastern Australian portfolio can double production within the next decade and grow margins



19

**Santos**  
We have the energy.



Moomba plant, Cooper Basin

**Santos**  
We have the energy.

Questions

20

## Contact information

**Head office****Adelaide**

Ground Floor, Santos Centre  
60 Flinders Street  
Adelaide, South Australia 5000  
GPO Box 2455  
Adelaide, South Australia 5001  
Telephone: +61 8 8116 5000  
Facsimile: +61 8 8116 5050

**Useful email contacts**

Share register enquiries:  
[web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

Investor enquiries:  
[investor.relations@santos.com](mailto:investor.relations@santos.com)

**Andrew Nairn**

Group Executive Investor Relations  
Level 10, Santos Centre  
Direct: + 61 8 8116 5314  
Email: [andrew.nairn@santos.com](mailto:andrew.nairn@santos.com)

**Nicole Walker**

Investor Relations Manager  
Level 10, Santos Centre  
Direct: + 61 8 8116 5302  
Email: [nicole.walker@santos.com](mailto:nicole.walker@santos.com)

Website:  
[www.santos.com](http://www.santos.com)