

Santos

2009 Full Year Results
Delivering Transformational Growth

18 February 2010

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Results Highlights & Strategy

David Knox
CEO & Managing Director

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2009 Profits Impacted by Lower Product Prices

2009 Full Year Result

Oil Price	A\$78.83 per bbl
Production	54.4 mmboe
Sales Revenue	\$2,181 million
Underlying Net Profit After Tax	\$257 million
Net Profit After Tax	\$434 million
Operating Cash Flow	\$1,155 million
Final Dividend	20 cents per share

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The Santos Strategy

Using quality assets, Santos will safely deliver:

Base business

- **Eastern Australia:** Margin growth and resource conversion
- **Indonesia:** Established business with incremental growth
- **WA:** Growing a material domestic gas business

LNG growth

- **GLNG:** A leading CSG to LNG project, FID mid-2010
- **PNG LNG:** FID Dec-09, first LNG production mid-2014
- **Darwin LNG:** Mature brownfield LNG growth
- **Bonaparte LNG:** Innovative floating LNG project

Focused growth in Asia

- **Vietnam:** Develop Chim Sao and exploration-led growth
- **India/ Bangladesh:** Bay of Bengal exploration-led growth

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Delivering Transformational Growth

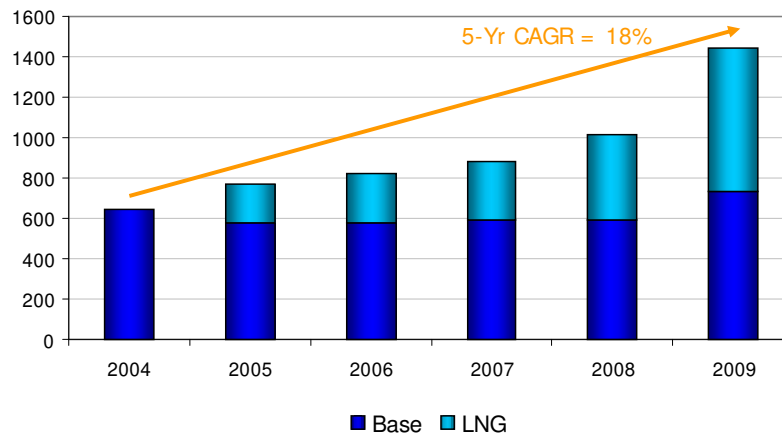
	Target	Delivery
Base Business	2009 production 53 – 56 mboe	<ul style="list-style-type: none"> 54.4 mboe in line with guidance
	Next phase of projects on schedule	<ul style="list-style-type: none"> Oyong Phase 2 (Indonesia) – first gas delivered on schedule Henry (Vic) – first gas 1H10 Kipper (Vic) – first gas 1H11 Reindeer (WA) – first gas 2H11
	Portfolio management	<ul style="list-style-type: none"> Acquisition of additional acreage and investment in ESG \$300 million in asset sales executed including Petrel/Tern/Frigate
LNG Growth	GLNG	<ul style="list-style-type: none"> Binding HoA with PETRONAS for 2mtpa with 1mtpa option underpins first LNG train EIS & Supplemental EIS lodged, public submissions closed 1 Feb 10 FEED studies well advanced, long lead engineering orders placed Fairview produced water approval
	PNG LNG	<ul style="list-style-type: none"> FID 8 December 2009 on schedule 6.6mtpa capacity fully contracted
	Funding for growth	<ul style="list-style-type: none"> Successful \$3 billion equity raising
Asia	India / Bangladesh	<ul style="list-style-type: none"> Bay of Bengal 3D seismic survey completed
	Vietnam	<ul style="list-style-type: none"> Chim Sao project sanctioned - first oil 2H11

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Transformational Reserves Growth

2P Reserves (mmboe)



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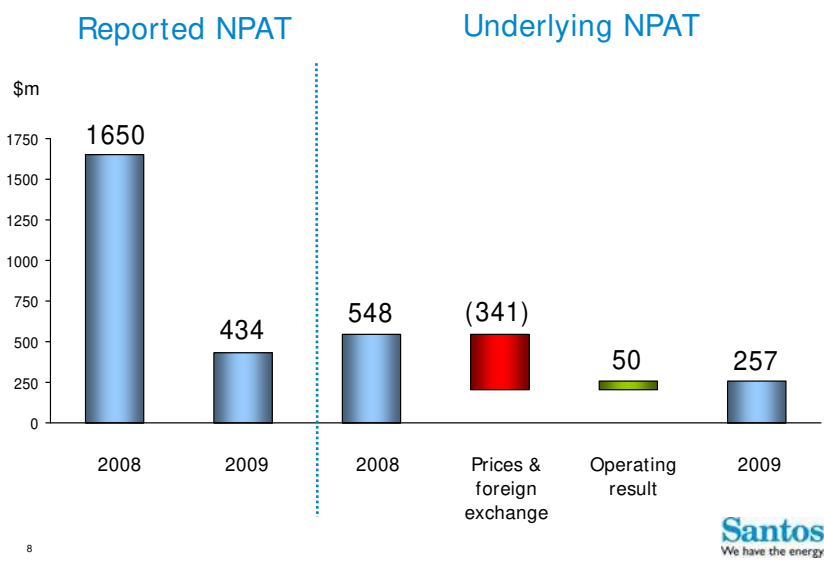
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2009 Full Year Results

Peter Wasow
Executive Vice President & CFO

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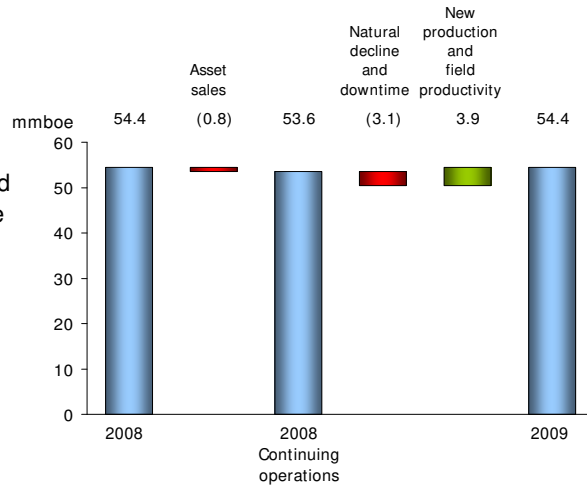
Reported & Underlying Profits



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Production on Guidance

- Production from continuing operations grows 0.8 mmbse
- Natural decline and effect of downtime events offset by new production

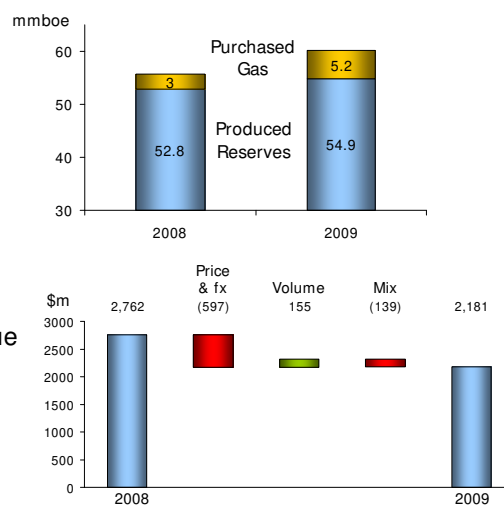


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Sales Volumes Grow 8%

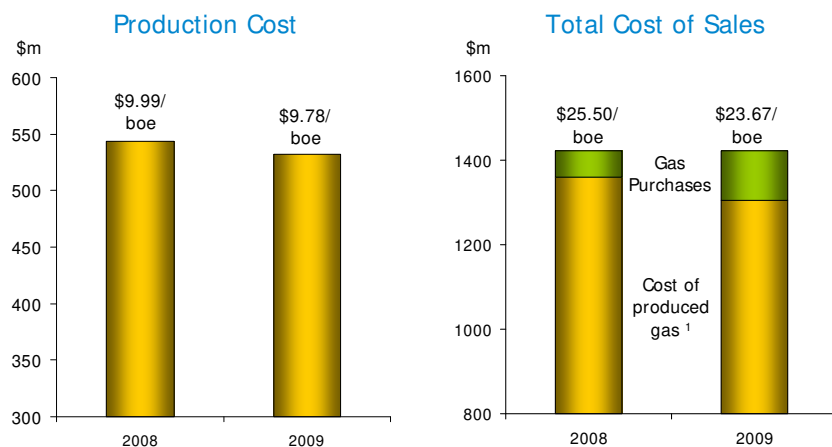
- 3rd party gas emerges as profit centre
- Oil production continues decline
- Gas production more than offsets lower oil outcome
- Third party gas revenue \$131 million



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Production Cost, Cost of Sales Lower



¹ Includes production cost, tariffs, tolls and pipeline costs, royalties, inventory and DD&A

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Segment EBITDAX Summary

Segment	2009	2008
Eastern Australia	625	900
WA&NT	630	862
GLNG	38	58
Asia Pacific	99	208
Gains on sale of assets	261	1,697
Corporate and unallocated items	(65)	(42)
Total EBITDAX	1,588	3,683

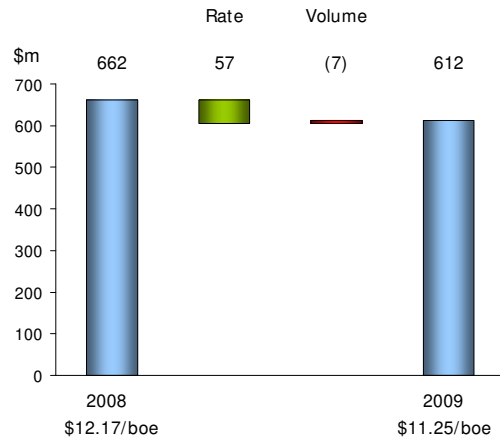
Eastern Australia	Lower liquids prices and production volumes
WA&NT	Higher gas volumes but lower liquids prices and volumes
GLNG	Expanding field operations increasing production costs
Asia Pacific	Higher gas production, lower liquids prices and volumes

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DD&A Declines by \$50 million

- Additional reserve bookings in Cooper and Indonesia drive lower depletion rate
- Slight increase in depreciation on GLNG facilities



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\$5 Billion of Funding Capacity

\$m

31 December 2009

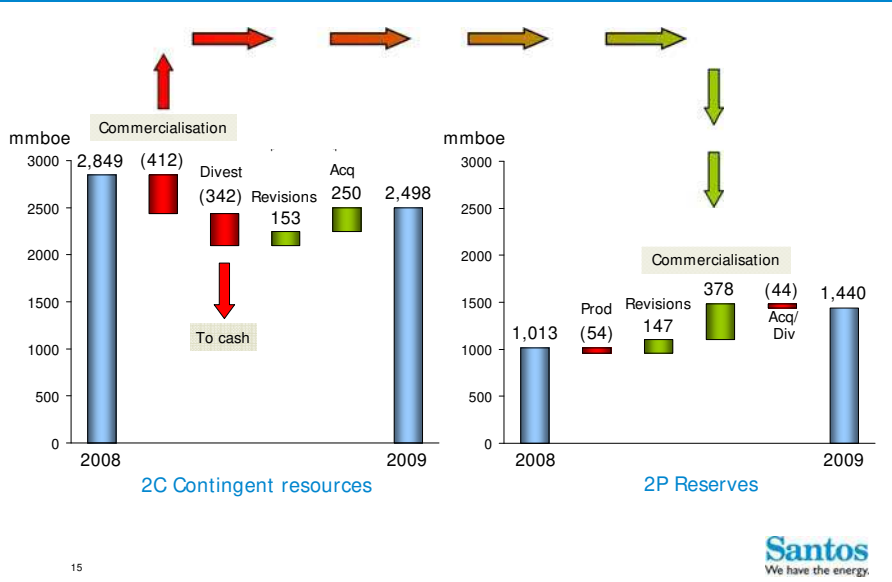
Cash & term deposits	2,240
Undrawn, committed corporate lines	700
Undrawn, committed project line*	2,117
Cash & committed debt lines	5,057

* Converted at year end exchange rate

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Reserves Growth and Resource Conversion



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Looking Forward

David Knox
CEO & Managing Director

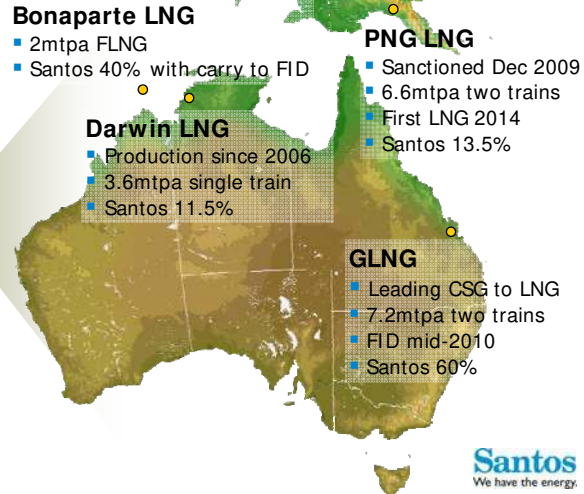
LNG is a key component of Santos' Growth Strategy

Strategy Components

Deliver the Base Business

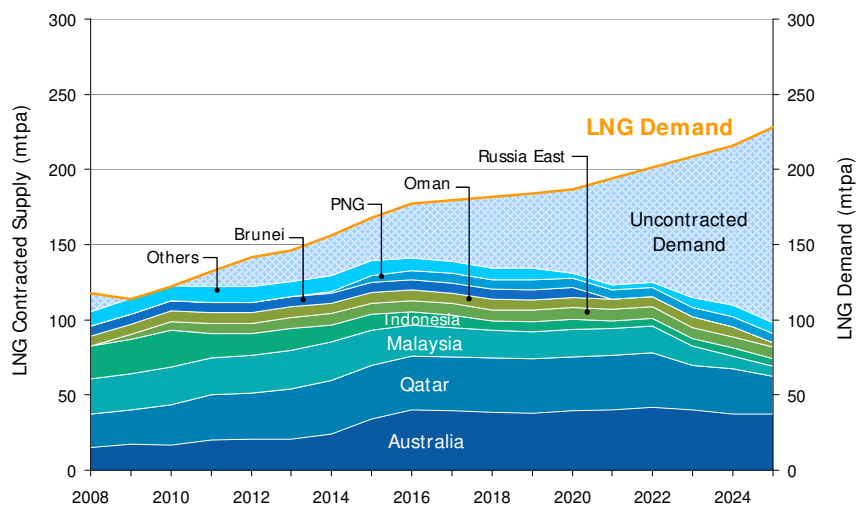
LNG Growth

Focused growth in Asia



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Strong Asia Pacific LNG Demand Outlook



Source: Wood Mackenzie
Others includes: Alaska, Trinidad, Egypt, Yemen, UAE, Iran

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GLNG Milestones Achieved

GLNG is progressing key milestones

- Two trains, five train site
- Downstream FEED 90% complete
- Upstream FEED 75% complete
- Binding off-take agreement
- Supplementary EIS lodged
 - Public submission period closed
- Long lead engineering orders placed
- Water solution
 - 1 million trees planted
- FID 1st train **Mid 2010**
- First cargo **2014**



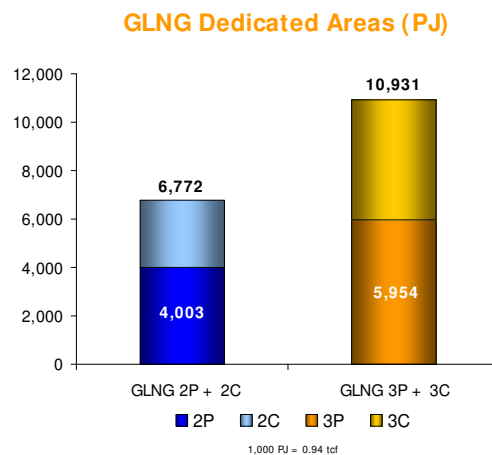
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GLNG Reserves and Resources

GLNG has dedicated reserves and resources in excess of 10 tcf

- 2P reserves exceed requirement for first train
- 95% uncontracted and available to project
- Dedicated reserves & resources in excess of 10tcf
- Portfolio gas provides optionality
- GLNG will execute the most capital efficient reserves build



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GLNG Upstream Update

GLNG has a comprehensive program to prove up reserves and deliverability

Wells

- 130 CSG wells were drilled for GLNG in 2009
- Successful deviated drilling trials: reduces cost and increases productivity

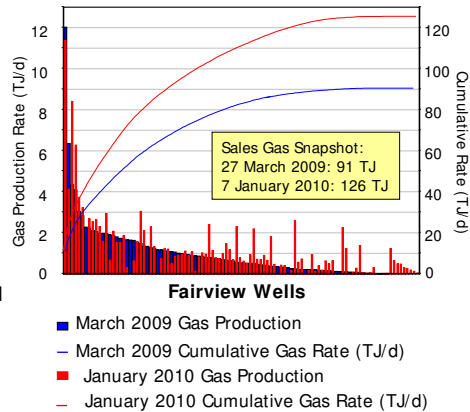
Environment

- Supplementary EIS lodged Dec 09, public submissions closed 1 Feb 2010
- Water management approved. Fairview forage irrigation and hardwood plantation established
 - 1 million trees planted so far

Upstream FEED

- Dual competitive FEEDs 75% complete
- FEED finalisation 2Q10

Well Production Comparison
March 2009 vs January 2010



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GLNG Downstream update

Curtis Island site

- EIS application for 10mtpa capacity (3 trains)

Downstream FEED

- Bechtel appointed
- 2-train FEED 90% complete
- Curtis Island geotechnical site survey work complete

Pipeline FEED

- FEED 90% complete (GHD)
- Pipeline tender released

Marketing

- Binding offtake agreement with PETRONAS for 2mtpa plus 1mtpa at GLNG sole option
- Ongoing detailed discussions with other Asian customers for offtake and equity



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Summary

Continued delivery of Santos' growth strategy

- Robust operating performance
 - Delivered 2009 production in line with original guidance
 - Costs lower
- Delivery of transformational LNG growth strategy
- Reserve growth and resource conversion
- Strong financial position to fund growth

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Reference slides

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Significant Items (after tax)

\$m	2009	2008
Underlying profit	257	548
Significant items	177	1,102
Net profit after tax	434	1,650
Significant items:		
Gain on sale of oil and gas assets/controlled entities	180	1,188
Impairment of oil and gas assets	(17)	(140)
Provision of contract losses: rigs and offices	(17)	-
Foreign currency losses/gains	(21)	18
Remediation and related costs of incidents	19	11
Change in fair value of embedded derivatives	3	(9)
Investment Allowance	21	-
Income tax	6	28
Net profit/(loss) impact of fair value hedges	3	6
Total	177	1,102

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2010 Guidance

Item	2010 Guidance
Production (mmbœ)	51 – 54
Production costs (\$m)	540 - 560
DD&A expense (\$/boe)	11.70
Royalty related taxation expense ¹ (\$m after tax)	90 to 110
Capital expenditure (including exploration & evaluation) ² (\$m)	2,800

1 Royalty related taxation expense guidance assumes an oil price of A\$90 per barrel.

2 Capital expenditure guidance includes \$150 million for conventional exploration.

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2010 Sensitivities

Sensitivity	Change	NPAT Impact A\$m
US dollar oil price	US\$1/bbl	9
Gas price	10 cent/GJ	18
A\$/US\$ exchange rate	1 cent	8
Interest rates	1%	1

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

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