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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.

The Santos logo, featuring a stylized wave graphic and the word "Santos" in a white font.

Agenda

Overview

Focused Growth Strategy

Enhancing existing core areas

Maturing emerging core areas

Identifying new core areas

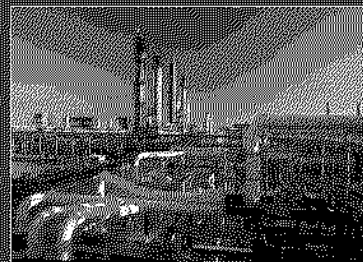
Why Santos?

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Introduction to Santos

An Australian based upstream energy company operating internationally

- Commenced operations in 1954
- Australia's largest domestic natural gas producer
 - 500 mmcf/d gas
 - 50,000 bbl/d liquids
- 1600 employees
- Market capitalisation US\$5.6 billion
- 85,000 shareholders



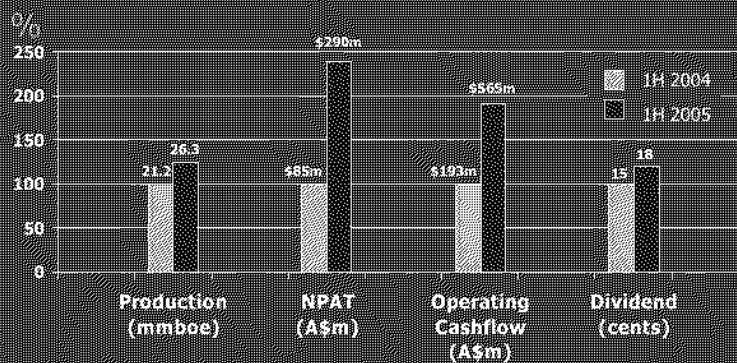
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Areas of Operation



Operational and Financial Highlights

Percentage increase 1H05 versus 1H04

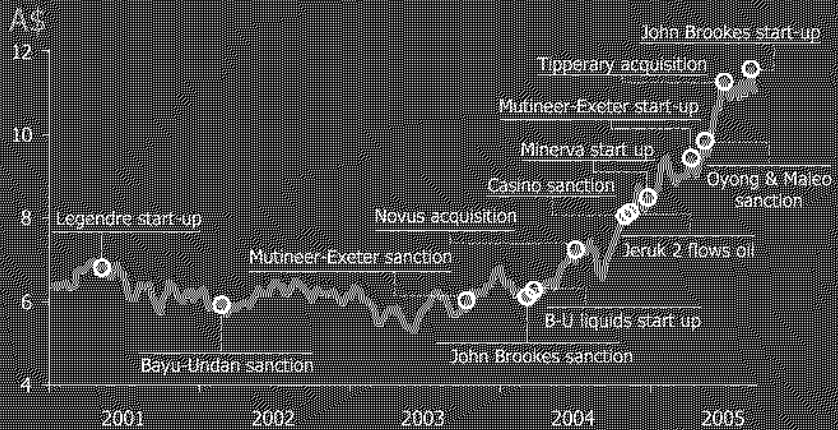


Production guidance

- 2005 full year 55 mmboe up 17%
- 2006 at least 10% above 2005

Building Momentum

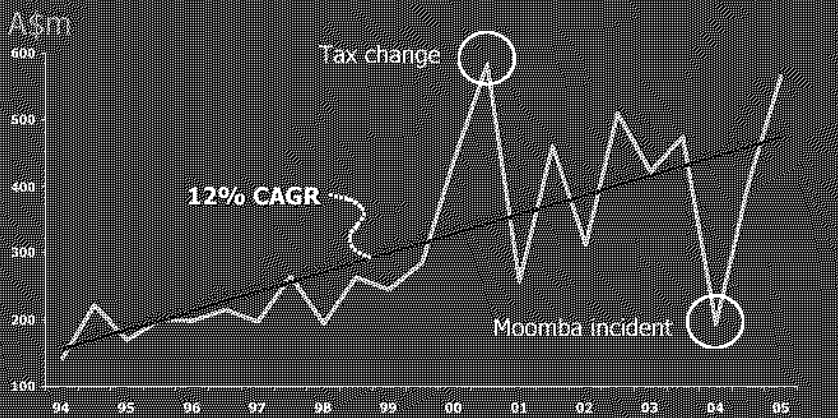
Santos Share Price Performance



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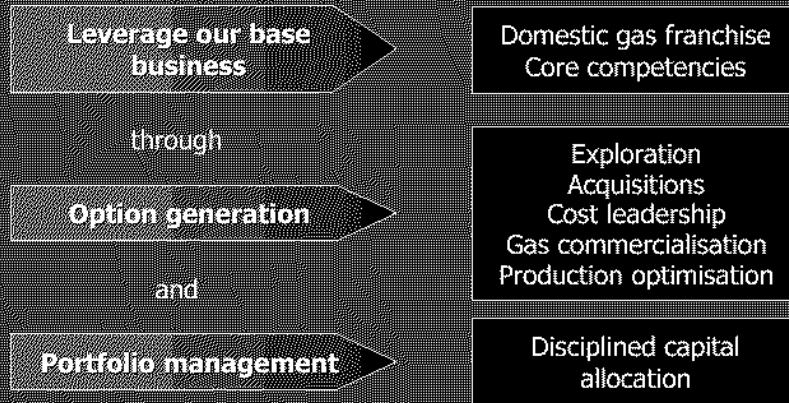
Strong Cash Generation

Half yearly operating cash flow



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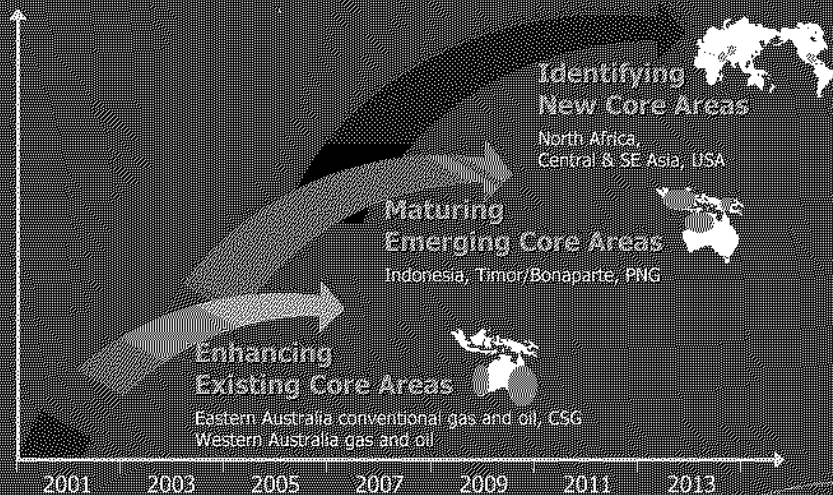
Growth Levers



- Strategy unchanged for last 4 years
- Continually reviewed, remains relevant

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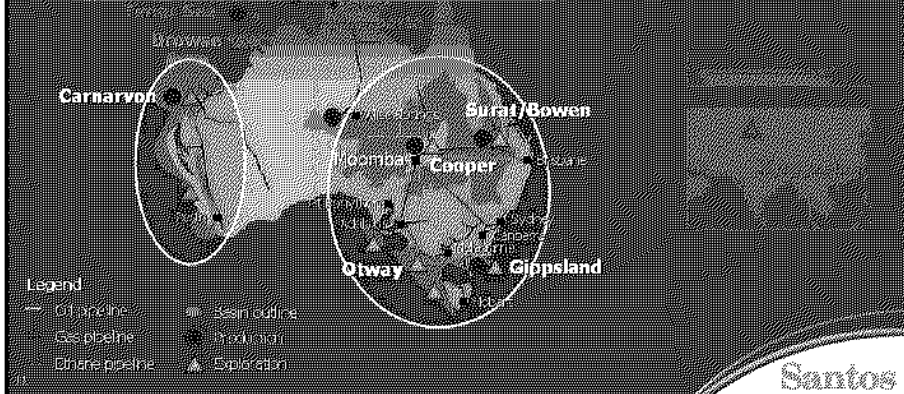
Focused Growth Strategy



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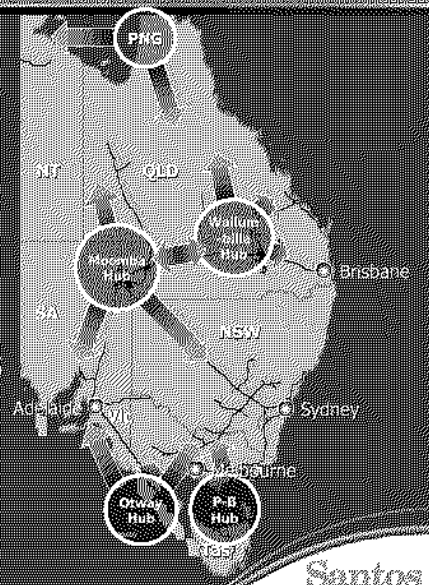
Enhancing Existing Core Areas

Production	89%
2P Reserves	78%
Contingent Resources	26%



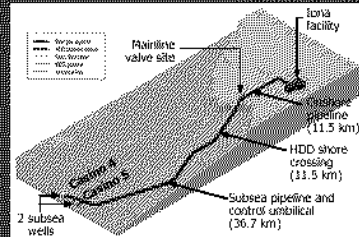
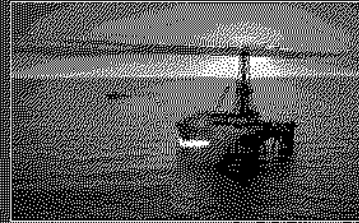
Gas Commercialisation - Eastern Australia

- "Hub and Spoke" strategy
- Interests in all major supply basins
- Extensive infrastructure position
- Acquisition of OMV Cooper and Gippsland interests
- Tipperary coal seam gas acquisition to complete Q4 2005



Development - Casino Gas

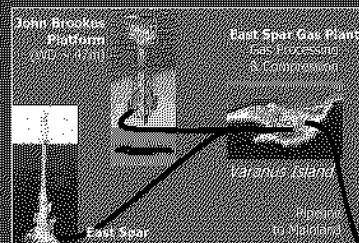
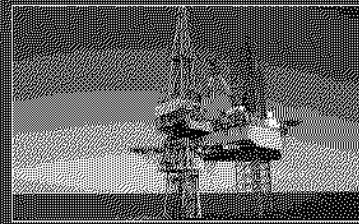
- 50%, operator
- 2P reserves 270 bcf
- Capex \$200 million
- Construction 63% complete with 1Q 2006 on-line target
- 90 mmcf/d contracted production
- Henry 1 discovery to supplement Casino
- Additional exploration potential



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Development - John Brookes Gas

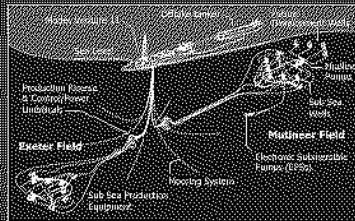
- 45%, Apache operated
- 2P reserves 1182 bcf
- Capex \$300 million
- Production commenced September 2005
- Initially 60 to 80 mmcf/d
- Capacity 240 mmcf/d
- Successful appraisal drilling results



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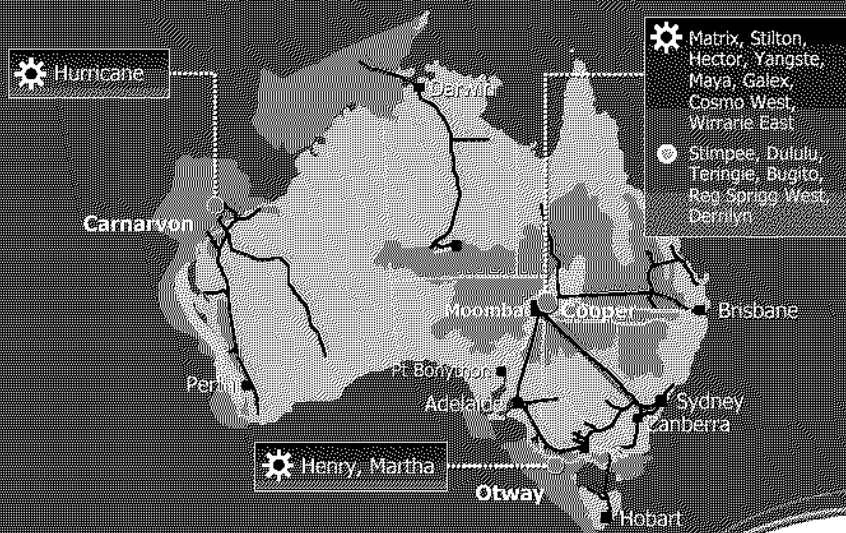
Development – Mutineer-Exeter Oil

- 33.4%, operator
- 2P reserves 61 mmbbls
- Capex \$440 million, 10% under budget
- Commenced production March 2005, 3 months early
- Averaged 72,000 bopd in Q2
- Continues to perform well
- Rapid payback
- Successful appraisal at Mutineer 11



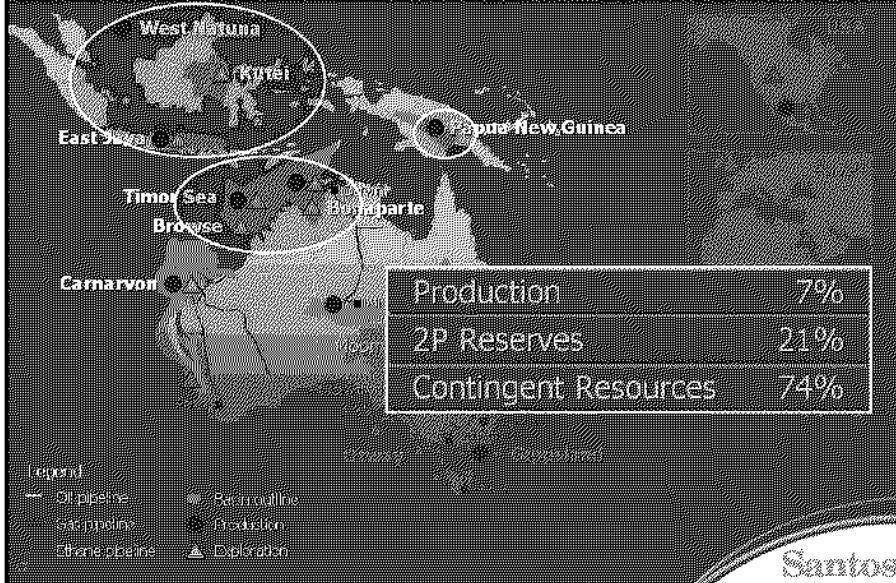
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Exploration – Existing Core Areas



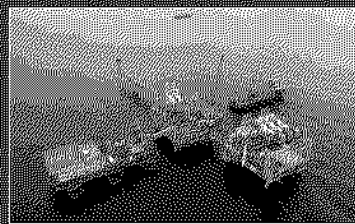
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Maturing Emerging Core Areas



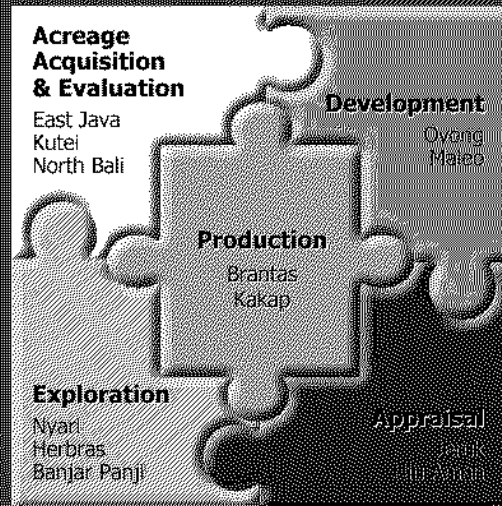
Development - Bayu-Undan Gas & Liquids

- 10.6%, ConocoPhillips operated
- 2P reserves 3.8 tcf, 530 mmbbls
- Capex US\$3.3 billion
- Liquids recycle on stream since early 2004 at 100,000+ bpd
- First LNG 1Q 2006
- Ramp up to 3 MT/yr
- Strategic infrastructure position
- Exploration drilling at Caldita and Firebird



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Indonesia Core Area Established

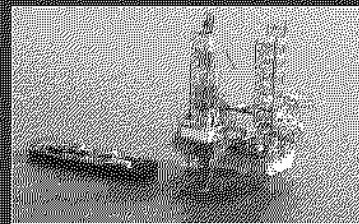


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Development - Oyong Oil and Gas



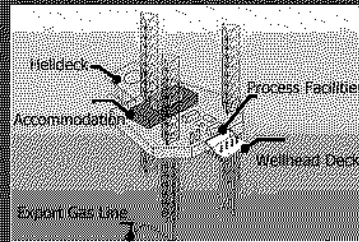
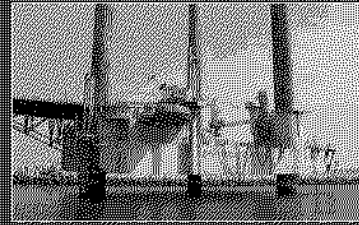
- 45%, operator
- 2P reserves 128 bcf, 8.3 mmbbls
- Capex approx US\$120 million
- First phase: oil production to start early 2006
- Development drilling in progress
- Second phase: gas likely 2007



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Development - Maleo Gas

- 75%, operator
- 2P reserves 241 bcf
- Capex US\$75 million
- Start-up second half 2006
- Gas sales agreement signed
- Gas reserves sold for electricity
- Production up to 110 mmcf/d



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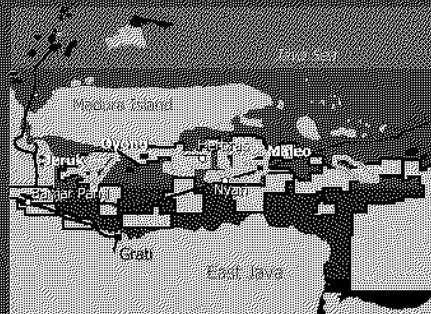
Exploration - East Java

Regional Exploration

- 3D seismic survey acquired
- Data being processed
- Two to three wells planned to be drilled during second half

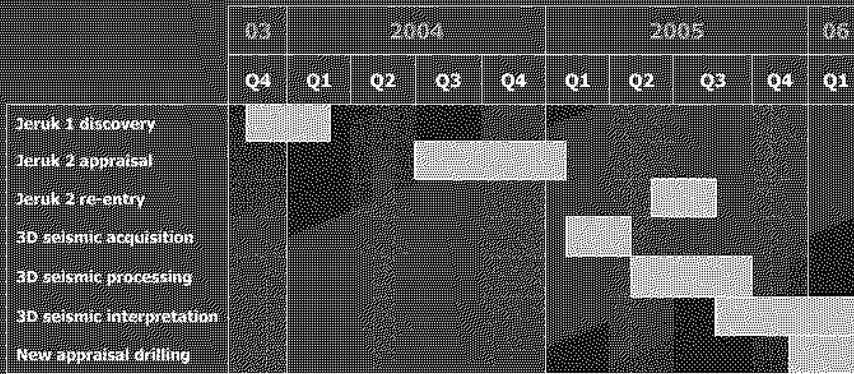
Jeruk (45%, operator)

- Early appraisal phase
- 3D seismic interpretation
- Further appraisal drilling commencing around year end

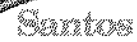


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Jeruk Appraisal Timeline

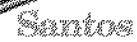
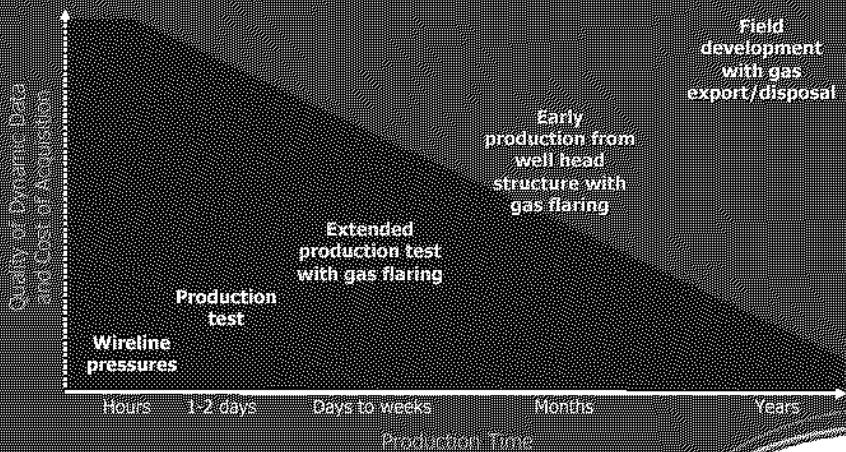


- Appraisal drilling may extend through to late 2006
- Early production concept design continues in parallel



Jeruk Dynamic Data Acquisition

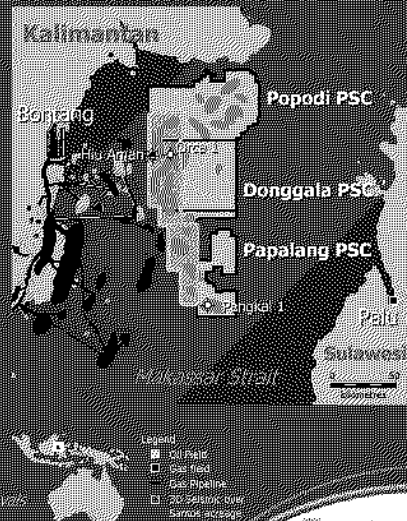
Quality of the dynamic data is a function of the time and cost of acquiring the data



Exploration - Kutei

Regional Exploration

- Acquired 50% operated interest in Donggala PSC*
- Three wells drilled YTD
- Discovered gas and oil at Hiu Aman
- 2006 exploration and appraisal drilling program in preparation



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Identifying New Core Areas

Production	4%
2P Reserves	1%
Contingent Resources	nil



- Legend**
- Oil pipeline
 - Gas pipeline
 - Ethane pipeline
 - Basin outline
 - Production
 - Exploration

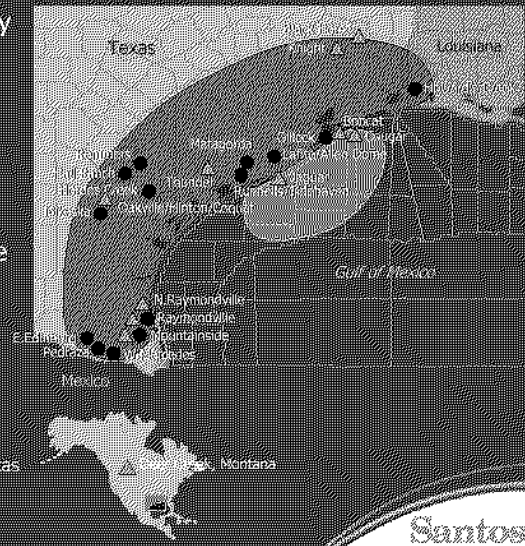
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Exploration - USA

- Gas prices reflect energy value
- Testing material prospects
- Bobcat offshore Texas due to commence
- Results will shape future strategy

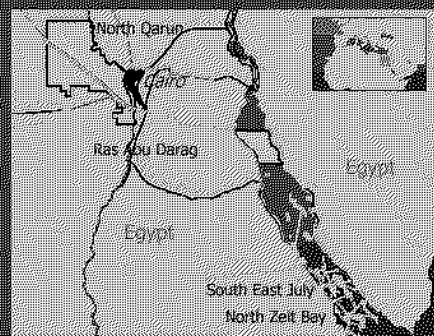
Activity Areas

- Onshore Texas Gulf Coast
- Shallow Water Offshore Texas
- ▲ Exploration
- Production



Exploration - Egypt

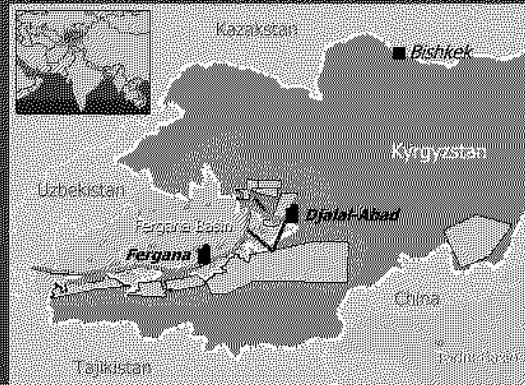
- Devon operated
- Four exploration areas. North Qarun recently awarded.
- Eight well 3 year farm-in program
- Active drilling program targeting oil
- Preparing to commence fourth well



Exploration - Kyrgyzstan



- Recent farm-in
- Staged work program 2005 to 2008
- 16,500 km² in 10 blocks
- Operator, earning 80% equity



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Future Growth Options

Projects 2006–2009+



- Casino gas
- Bayu-Undan LNG
- Oyong oil
- Maleo gas
- Cooper oil
- Coal seam gas expansion
- Stag water flood
- US exploration



- Oyong gas
- Jeruk early production
- Henry
- Sole
- Kipper
- Mutineer-Exeter near field exploration
- Hurricane delineation



- Bayu-Undan expansion
- Hides
- Indonesia delineation
 - Kutei (Hiu Aman)
 - East Java
- Otway delineation
- Reindeer
- Evans Shoal
- Petrel-Tern

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Why Santos ?

- Growing production profile
 - 55 mmboe in 2005, at least 10% increase in 2006
- Active development portfolio
 - John Brookes commissioned September 2005
 - Four new projects on stream in next 15 months
- Multiple gas commercialisation options
 - 1.5 billion boe of contingent resources
- Attractive appraisal opportunities
 - Jeruk, John Brookes, Reindeer, Hurricane, Hiu Aman
- Material exploration program
 - 19 wildcats in second half

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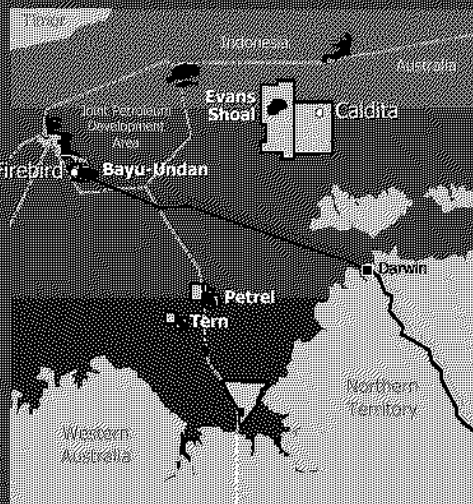
Upcoming Exploration

Well Name	Basin / Area	Target	Upgrade Resource Potential (mmboe)				Santos Interest %	Timing
			1 - 50	50 - 100	100 - 250	>250		
Caldita	Bonaparte	Gas				✓	40	Drilling
Bobcat A	Texas state waters	Gas	✓				100	Drilling
Crescent	Bowen	Gas	✓				50	Drilling
Khuft	Gulf of Suez	Oil		✓			20	Third
Saratoga	Cooper	Oil	✓				60	Third
Banjai Pang	East Java	Oil	✓				18	Fourth
Firebird	Bonaparte	Gas			✓		21	Fourth
MZB-2	Gulf of Suez	Oil	✓				50	Fourth
Nyari (Nuri)	East Java	Oil		✓			75	Fourth
Herbas	East Java	Oil			✓		45	Fourth
Bricklandring	Barrow	Oil		✓			43	Fourth
Black Horse	Texas	Gas	✓				100	Fourth
MZB-3	Gulf of Suez	Oil	✓				50	Fourth
Collier LB54	Texas state waters	Gas	✓				100	Fourth
Rawnee	Gulf of Suez	Oil		✓			50	Fourth

The exploration portfolio is constantly being updated therefore the above program may vary as a result of rig availability, drilling outcomes and as new projects mature

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Timor/Bonaparte Acreage & Infrastructure



Legend
 ■ Santos acreage
 ■ Oil Field
 □ Gas Field
 - Gas Pipeline

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2005 Second Half Sensitivities

Sensitivity	Change	NPAT Impact (A\$m)
US dollar oil price	US\$1/bbl	8.0
\$A/\$US exchange rate	1 cent	5.0
Interest rates	1%	5.0

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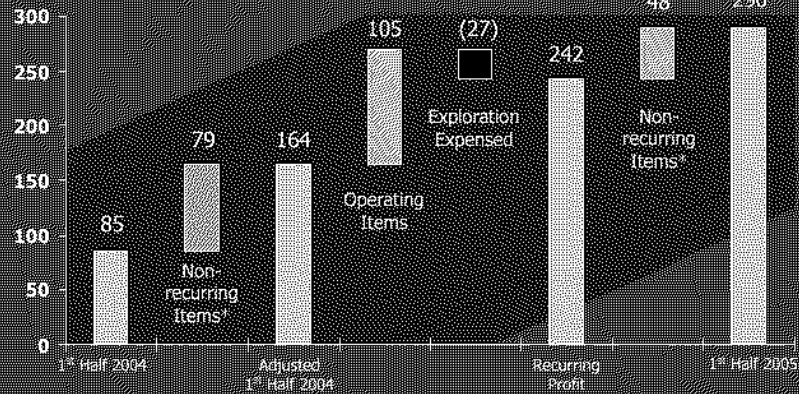
2005 Capital Expenditure Outlook

\$m	2005	2004
Exploration	173	126
Delineation	122	91
Development	716	713
TOTAL	1,011	930
Acquisitions	612	127

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Underlying Profit Up 48%

\$m [†] Non-recurring items detailed in reference slides

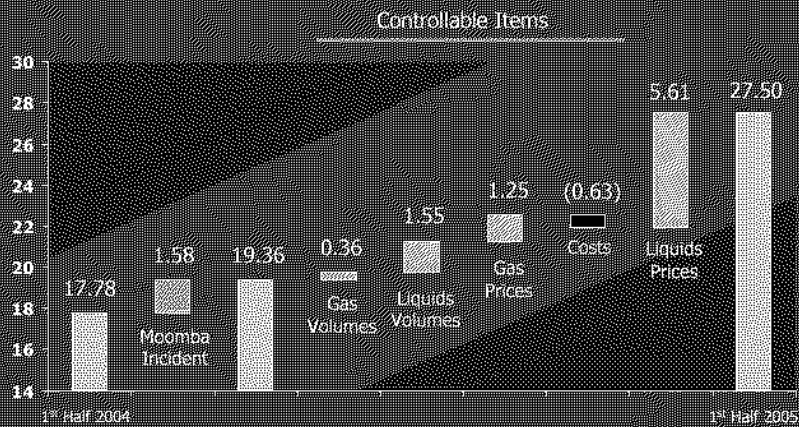


... headline profit up 240%

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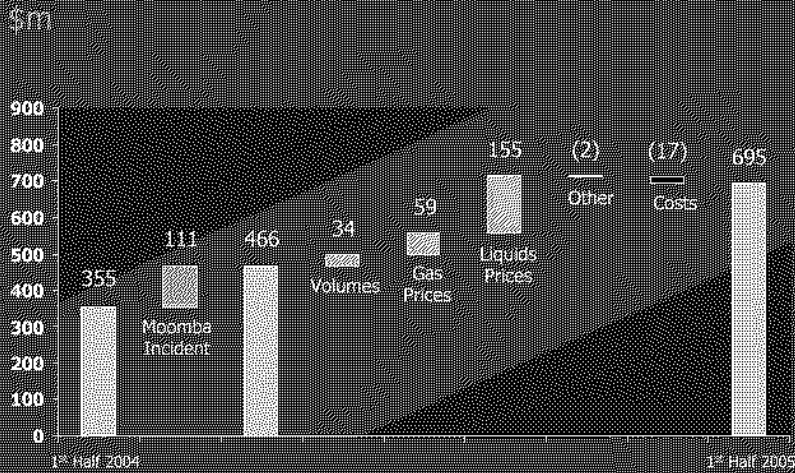
Margins Higher

\$/boe netback



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EBITDAX Higher

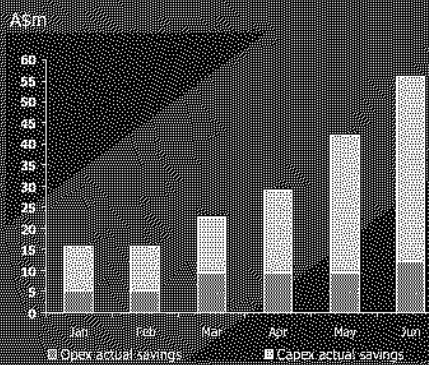


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Savings Projects Reduce Cost Pressure

June YTD savings \$56m, on track to achieve full year target of \$120m

Key Initiatives:	A\$m
Supply & contracting	17
Drilling	10
Organisational redesign	8
Engineering initiatives	5
Shared business services	5
Other savings	11
Total	56



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Prices & Exchange Rates

	Half Year 2005	Half Year 2004	Change %
Realised Oil Price (US\$/bbl)	49.67	31.70	+56.7
Realised Oil Price (A\$/bbl)	67.11	45.43	+47.7
Santos Average Gas Price A\$/GJ	3.53	3.21	+10.0
A\$/US\$ Exchange Rate (after hedging)	74.01	69.78	-6.1

