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



Agenda

► Overview

Financial performance

Strategy on Track

Enhance existing core areas

Mature emerging core areas

Identify new core areas

Q&A

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Record Financial Result

John Ellice-Flint
CEO & Managing Director

2005 Full Year Result

Production	56.0 mmboe	up 19%
Sales Revenue	\$2,463 million	up 64%
EBITDAX	\$1,839 million	up 60%
NPAT	\$762 million	up 115%
EPS	\$1.24	up 130%
Operating Cash Flow	\$1,458 million	up 141%
Dividend	38c	up 15%
Gearing	35%	increased 3%

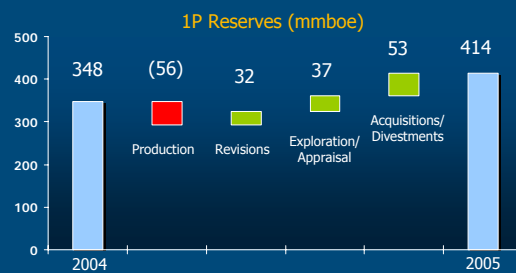
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Strong Reserve Replacement

2005 Year End Reserves

1P Reserves	414 mmboe	up 19%
2P Reserves	774 mmboe	up 20%
Contingent Resources	1,971 mmboe	up 37%
2005 1P RRR	218%	
3yr Ave RRR	165%	

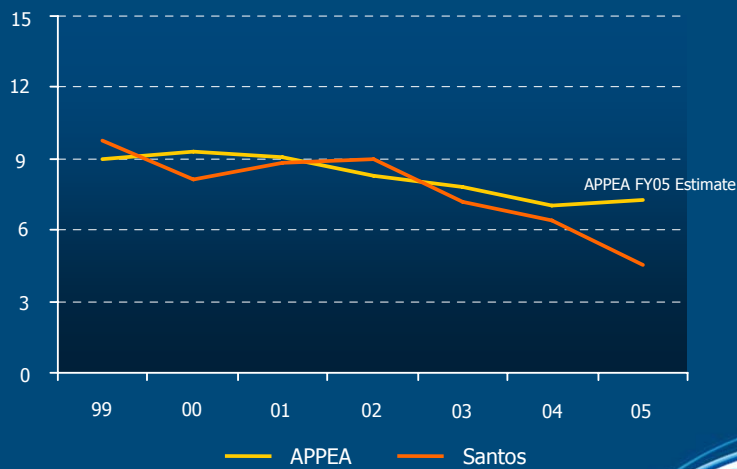


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Safety Performance Improves

Total Recordable Case Frequency Rate has reduced by 50% over 3 years



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2005 Highlights

Exploration success

Hurricane, Hiu Aman, Henry, Caldita, Firebird, Greenmount, Yamala

Development projects

Mutineer-Exeter, John Brookes on line
Bayu-Undan LNG, Casino, Oyong, Maleo progressed

Appraisal progress

Jeruk, John Brookes, Mutineer, Cooper oil

Operations

Moomba control system upgrade, Cooper oil performance, insurance claim finalised

Portfolio management

Established leading position in CSG
Consolidated position in Gippsland hub
Rationalised non core assets

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Strategy on Track

Peter Wasow
Chief Financial Officer

Overview

► Financial performance

Strategy on Track

Enhance existing core areas

Mature emerging core areas

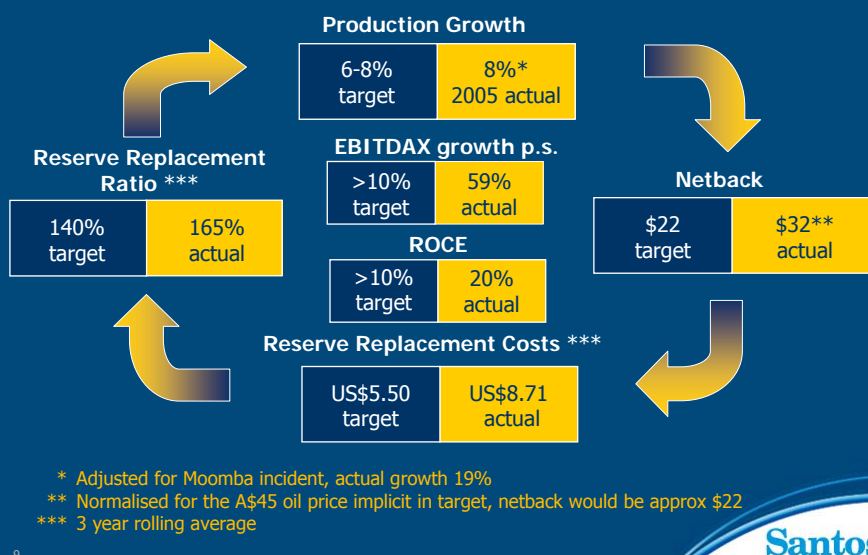
Identify new core areas

Q&A

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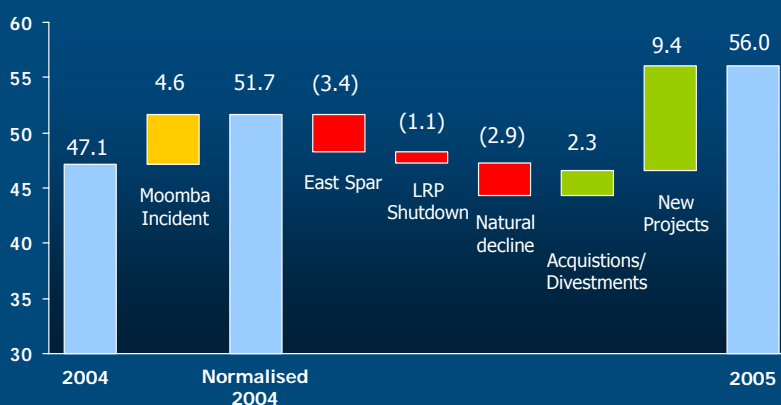
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2005 Delivers On Strategic Targets



Production Grows Strongly

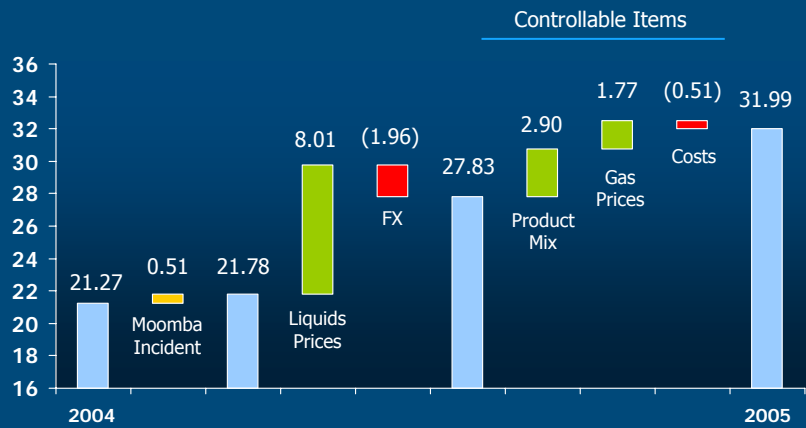
mmboe



Headline growth of 19%. 2006 outlook 60-61 mmboe.

Margin Grows

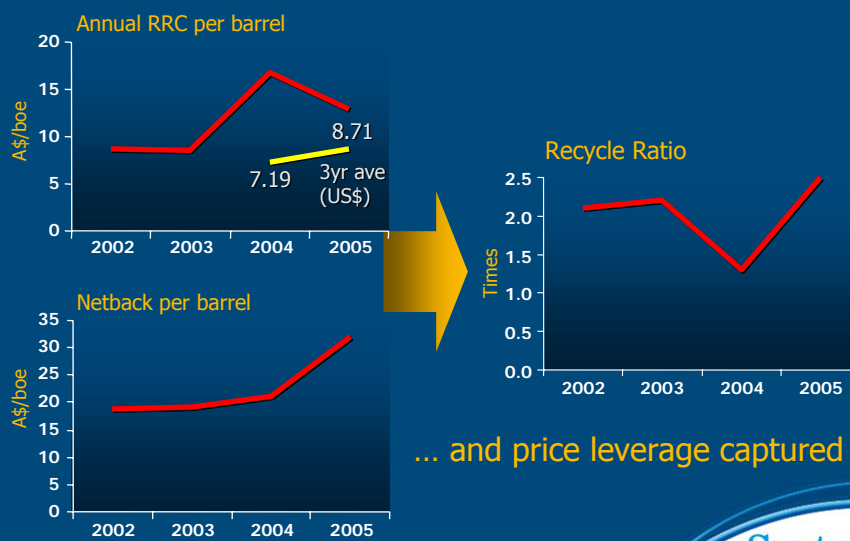
Netback \$/boe (cash margin per barrel)



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Reserve Replacement Cost is Down



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Reserves Grow

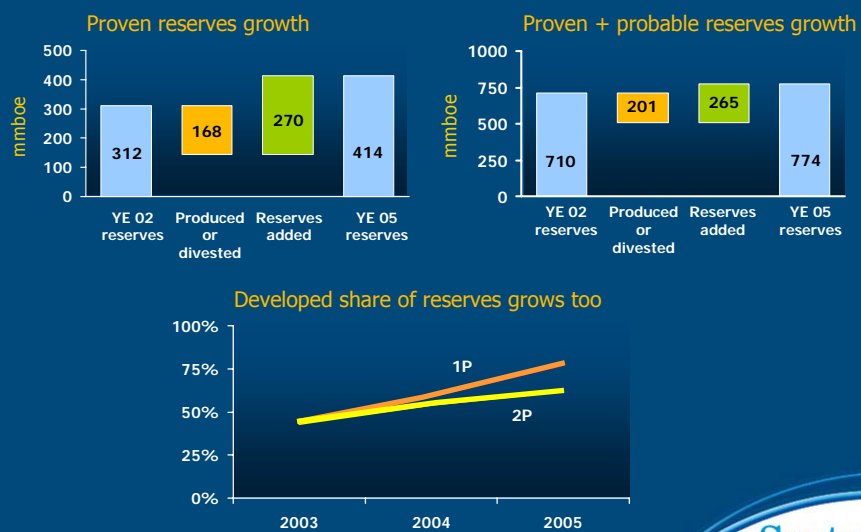
mmboe



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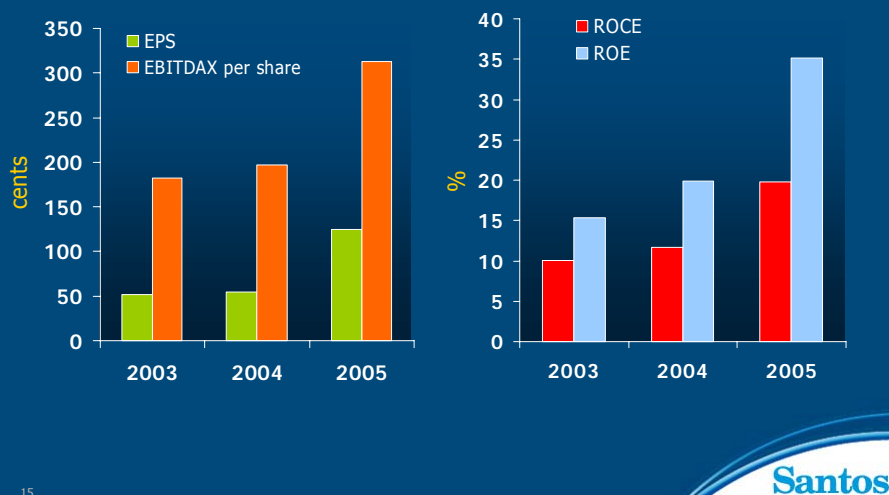
Three Year Reserve Performance Strong



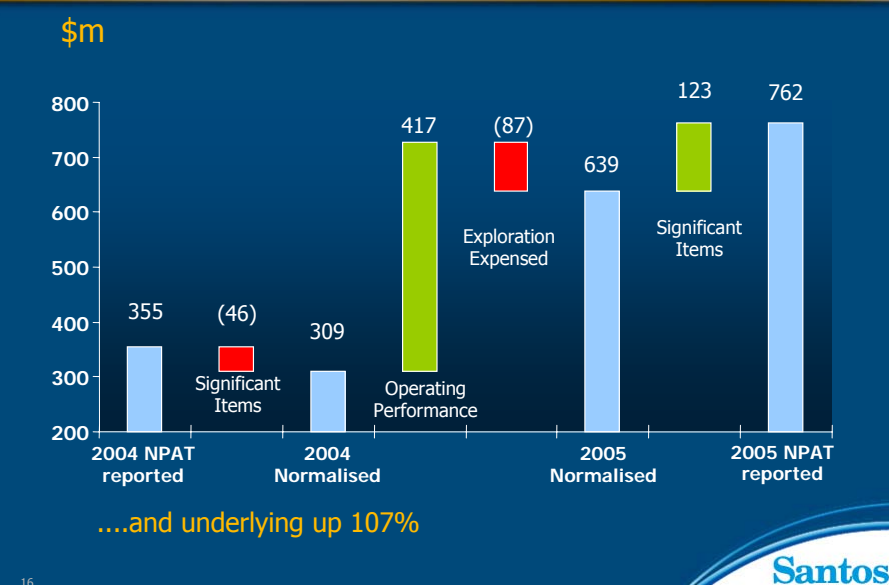
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...and Shareholders Benefit



Record Profit - up 115%



Behind the Headline: Significant Items

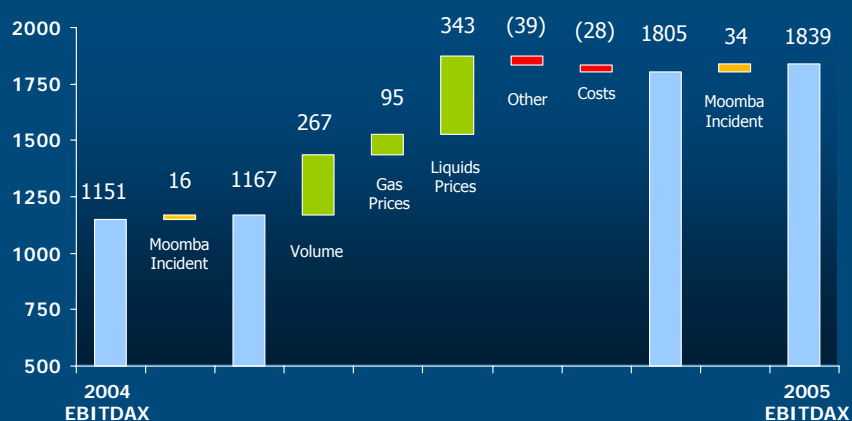
	2005	2004
Impairment reversal (net of DD&A)	77	5
Gain on asset sales	39	55
Moomba incident	24	1
Restructuring	(4)	(15)
Accelerated depreciation East Spar	(13)	-
	123	46

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Operating Performance Strong

EBITDAX (\$m) up 60%

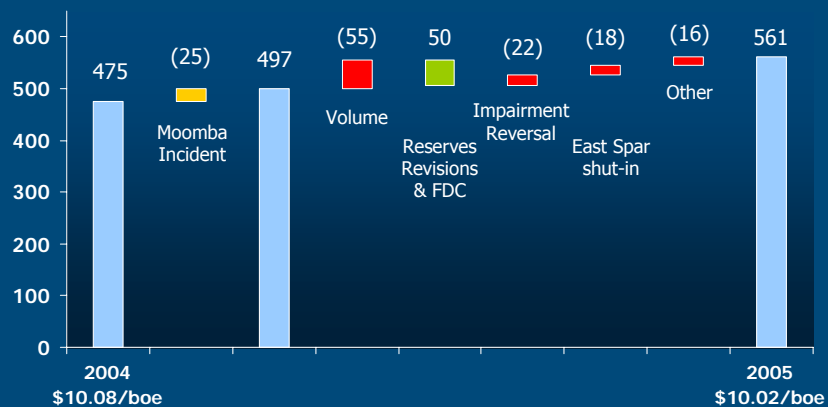


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DD&A Rate Unchanged

\$m

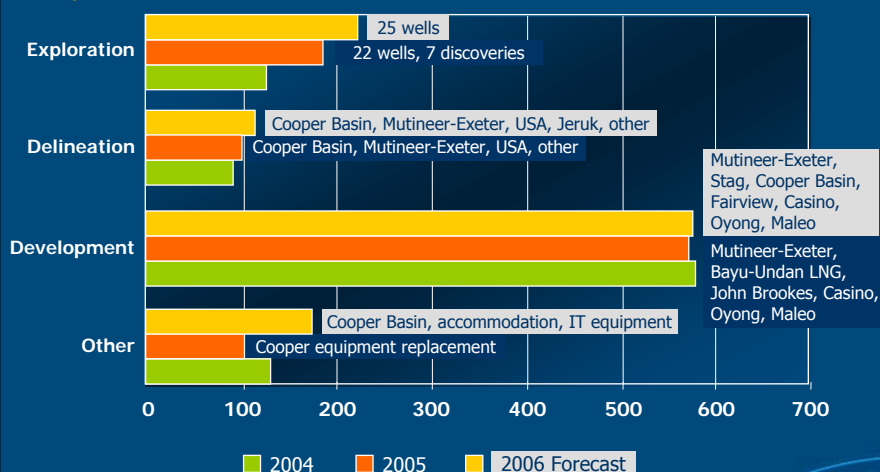


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Capital Expenditure

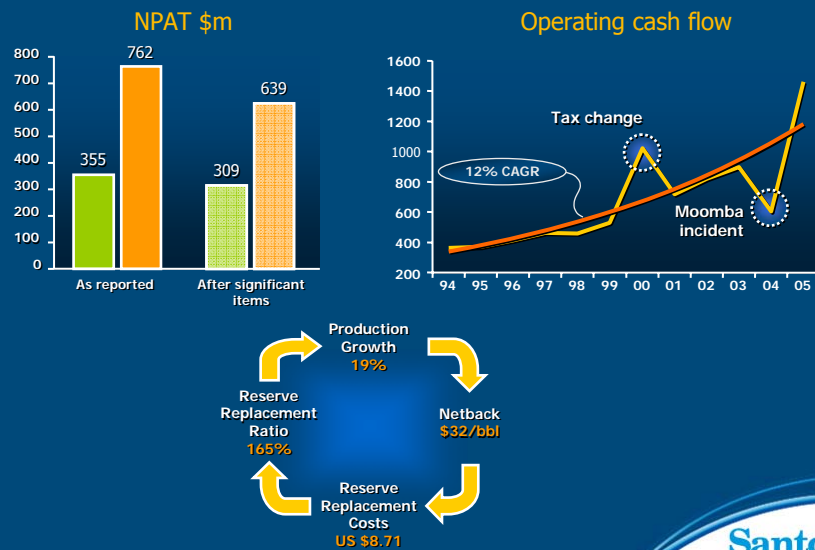
\$m



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2005: A Good Year



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Strategy on Track

John Ellice-Flint
CEO & Managing Director

Overview

Financial performance

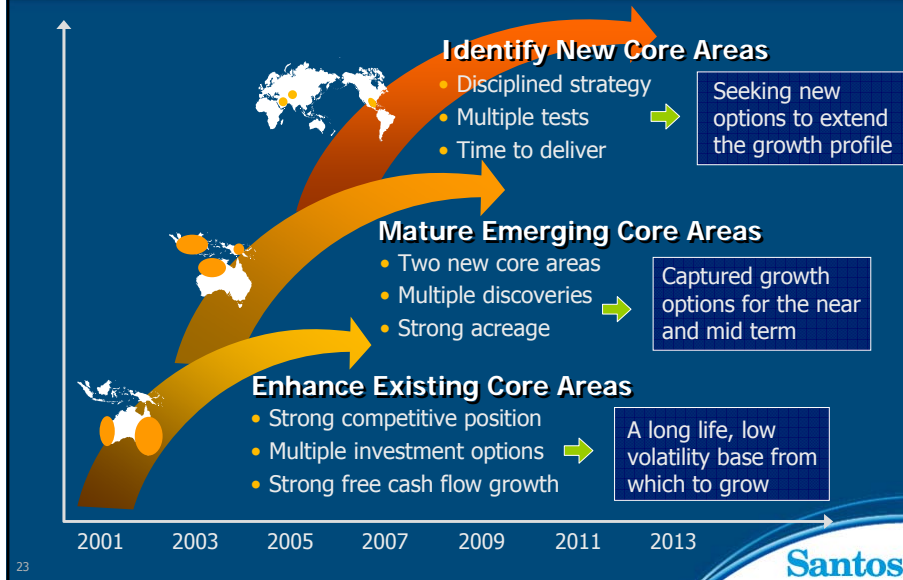
► Strategy on Track

- Enhance existing core areas
- Mature emerging core areas
- Identify new core areas

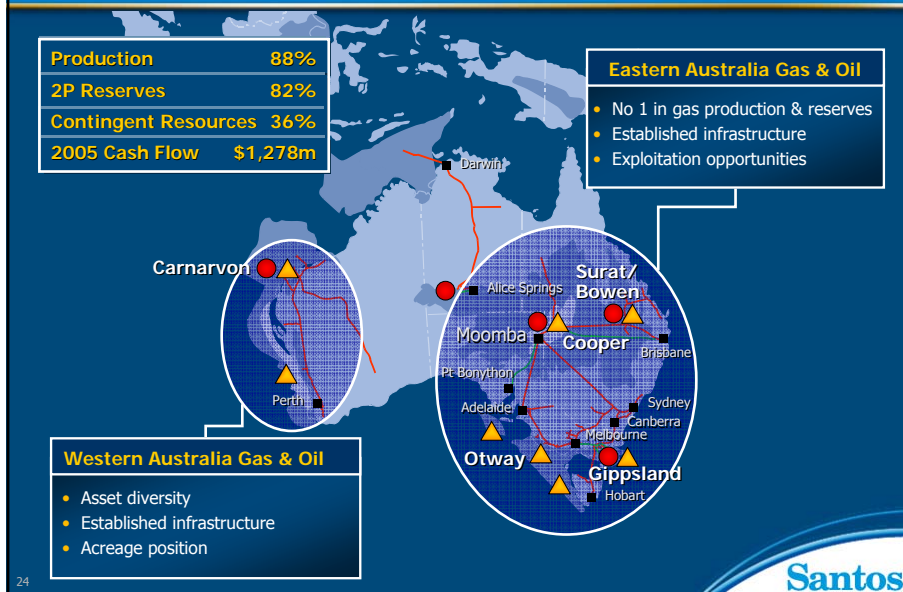
Q&A

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Strategy Built on Core Areas



Enhance Existing Core Areas

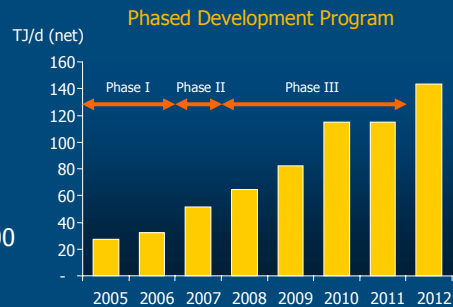


Enhance Existing Core Areas



Fairview (CSG) - Acquisition

- Santos 71.66% NRI, operated
- Net 2P reserves 143 mmboe
- 3 phase development plan
 - 2006-2011 capex \$440m gross (\$340m net)
 - 200 new wells
 - Increase gross capacity to 200 TJ/d
- 2006 program
 - 20 to 24 wells, new compression, export pipeline, \$105m gross (\$94m net)
 - By end 2006, 90-100 wells



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Enhance Existing Core Areas



Cooper Gas - Exploitation

- Large gas development program in 2005
- 'Just in time' gas development
- Successful technology trials
- Gas production decline continues at ~10% pa
- Active 2006 program with further testing of key technology



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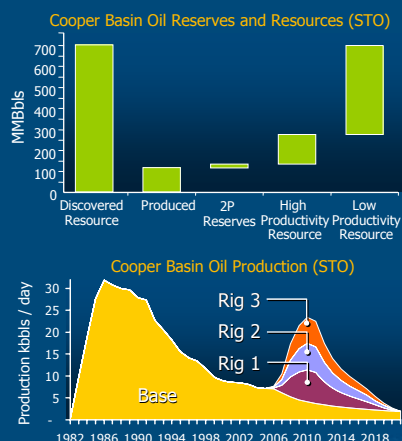
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Enhance Existing Core Areas



Cooper Oil - Exploitation

- Over 700 mmbbl resource
- New technology in mature basin
 - 3D seismic
 - Modern drill rigs
 - Progressive cavity pumps
- Anticipated program metrics
 - A\$18/bbl find & develop cost
 - 50 kbbls net reserves/well
 - 1,000 wells dependent on outcome based funding



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Enhance Existing Core Areas



Cooper Oil - Exploitation Results

- 29 wells drilled during 2005
 - 80% success rate
- 2005 production up 19% to 3.2 mmbbl
- 2P reserve add of 5.5 mmbbl exceeded depletion
- Satellite de-bottlenecking underway



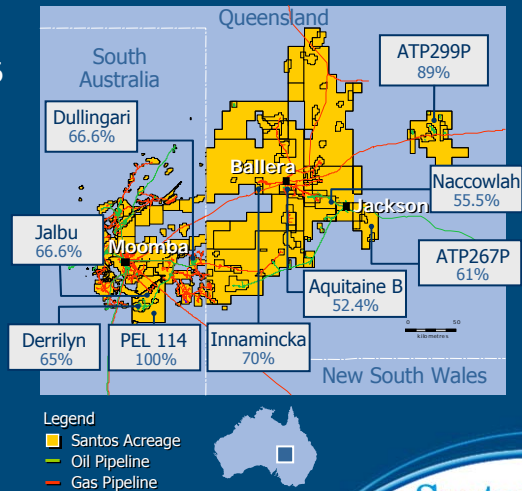
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Enhance Existing Core Areas

Cooper Oil – Exploitation 2006 Program

- First rig operational
- Second rig March 2006
- Drilling ~100 wells in 2006
 - Capital of \$160m (net)
 - Targeting 2P reserves of 6-7 mmbbl
- Further \$110m contingent on success
 - 70 wells, 4-5 mmbbl targeted

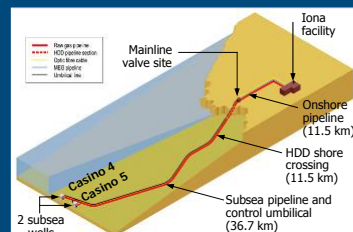


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Enhance Existing Core Areas

Casino - Development

- 50%, operated
- 2P reserves 290 bcf gross
- Capex ~\$230 million gross
- Production commenced ahead of schedule in January 2006
- 35 PJ/annum contracted production
- Henry 1 discovery to supplement Casino
- Additional exploration potential



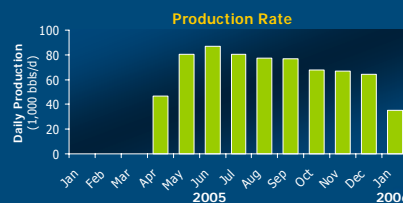
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Enhance Existing Core Areas



Mutineer Exeter - Development

- 33.4%, operated
- On-line ahead of schedule & below budget
- Well performance better than expected in 2005
- Facility uptime in excess of 98%
- Currently producing ~50,000 bbls/d (gross)
- 3 development wells in 2006, production outlook driven by:
 - Water cut
 - Timing of new wells
 - ESP performance
 - Cyclones



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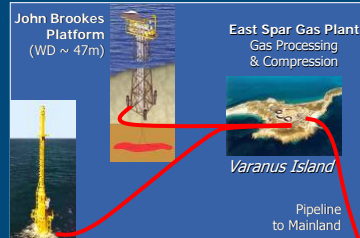
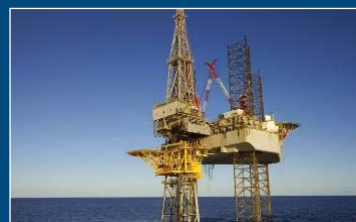
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Enhance Existing Core Areas



John Brookes - Development

- 45%, Apache operated
- 2P reserves 1,298 bcf (gross)
- 1P and 2P reserves up 44% and 10% respectively during 2005
- Capex \$305 million (gross)
- Production commenced Sept 2005
- Producing at 180 TJ/d (gross to JV)



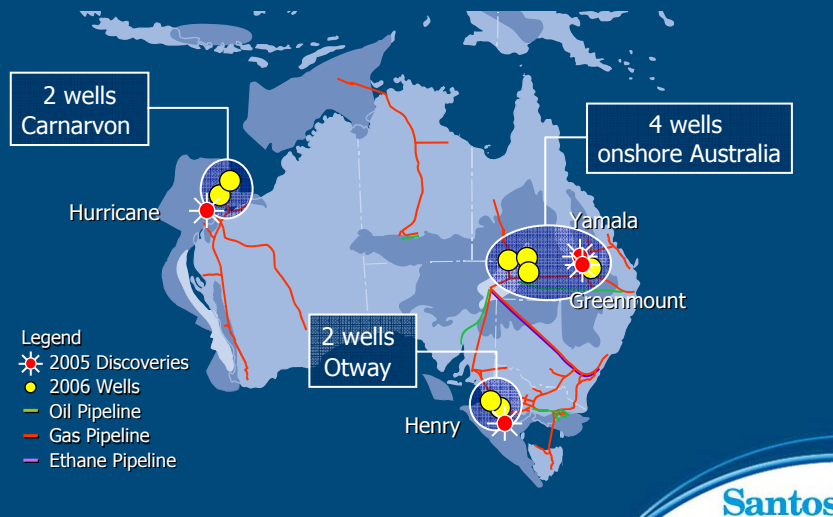
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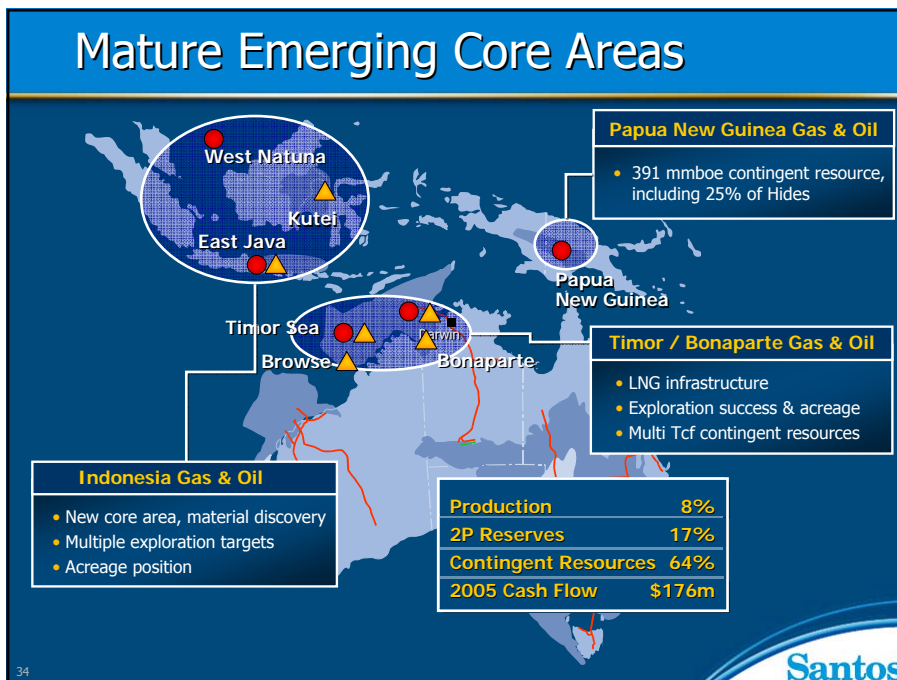
Enhance Existing Core Areas



Exploration - Capture New Resources



Mature Emerging Core Areas



Mature Emerging Core Areas



Darwin LNG - Development

- 10.6%, ConocoPhillips operated
- 2P reserves 3.8 Tcf, 509 mmbbls liquids (gross)
- Capex ~US\$3.6 billion (gross)
- Liquids recycle producing 100,000+ bpd
- First LNG February 2006
- 3.5 Mt/yr LNG initial capacity



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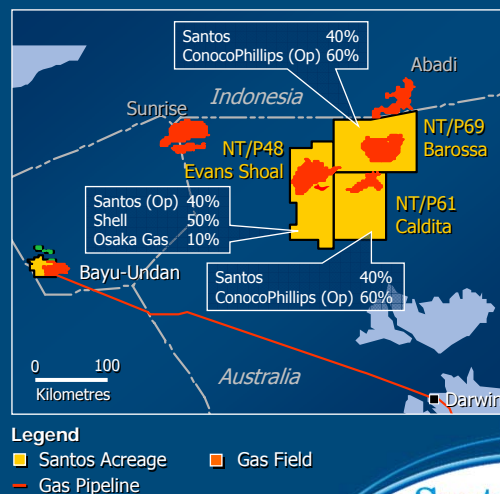
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Mature Emerging Core Areas



Timor/ Bonaparte – Exploration and Appraisal

- Up to 8,000 km² of 3D seismic may be acquired
- Caldita
 - Plover/Elang shallower and better developed (flowed @ 33 mmcf/d)
 - 2006 appraisal well being considered
- Barossa (Lynedoch)
 - 2006 commitment well
- Evans Shoal Block
 - 2006 exploration well

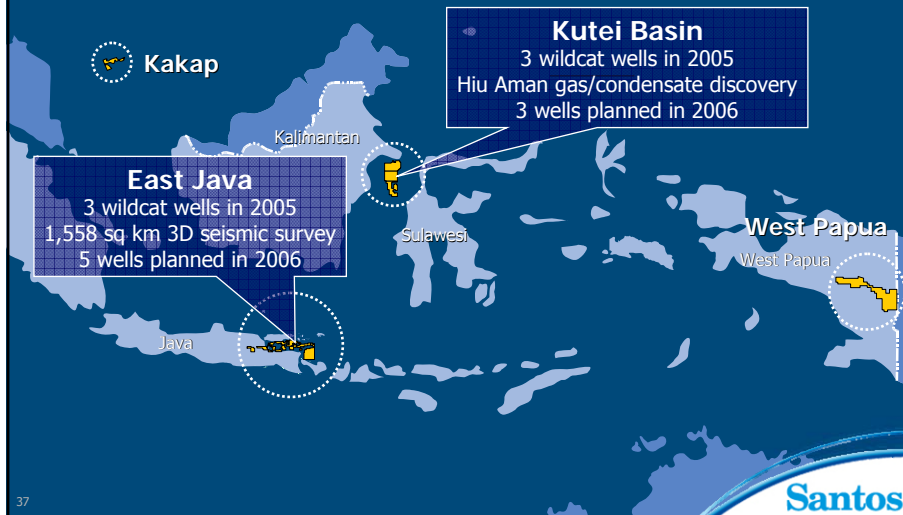


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Mature Emerging Core Areas

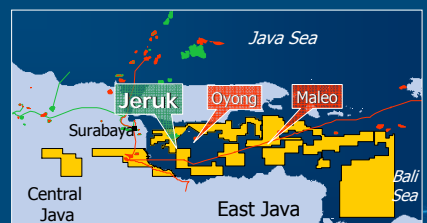
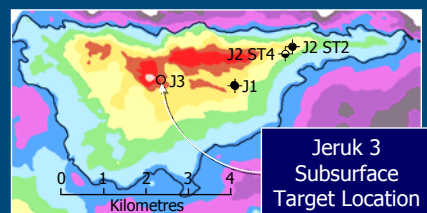
Indonesia - Exploration



Mature Emerging Core Areas

Jeruk Oil – Appraisal

- 40.5% operated
- Shallow water (42m), deep structure (>4500m subsea)
- 3 to 4 appraisal wells planned for 2006
 - Jeruk 3 spudded January 2006
- Potential to commence phased development in 2007



Legend

- Santos Acreage
- Oil Field
- Gas Field
- Oil Pipeline
- Gas Pipeline

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Mature Emerging Core Areas



Jeruk Oil – Appraisal Timeline

	2003		2004				2005				2006			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Jeruk 1 Discovery														
Jeruk 2 Appraisal														
Jeruk 2 Re-entry														
3D Seismic Acquisition														
3D Seismic Processing														
3D Seismic Interpretation														
Well Planning														
Jeruk 3														
Jeruk 4														
Jeruk 5														
Development Studies														

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Mature Emerging Core Areas



Oyong Oil & Gas - Development

- 40.5%, operated
- 2P reserves 86.5 bcf, 5 mmbbls (gross)
- Capex US\$130 million (gross)
- First phase: Oil production targeted Q2 2006
- Development drilling has revealed complex structure
- Second phase: gas Q1 2007



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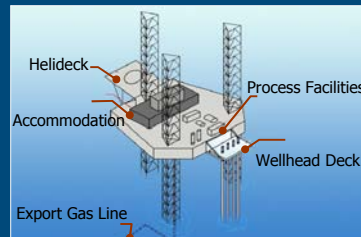
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Mature Emerging Core Areas



Maleo Gas - Development

- 67.5%, operated
- 2P reserves 240 bcf (gross)
- Capex US\$55 million (gross)
- Start-up second half 2006
- Gas sales agreement signed
- Gas reserves sold for electricity
- Production up to 110 mmcf/d



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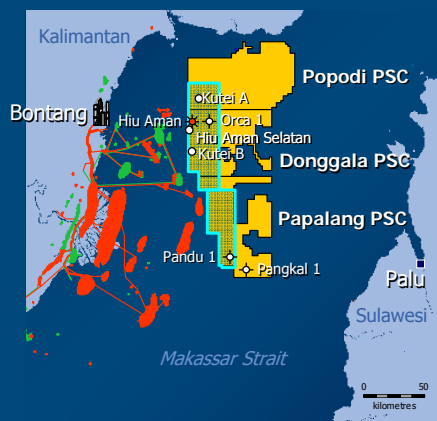
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Mature Emerging Core Areas



Kutei Basin – Exploration and Appraisal

- Close to Bontang LNG plant
 - World's largest with chronic supply shortfalls
- On trend with major oil/gas discoveries
- Santos in 3 blocks, Donggala PSC operated
- Hiu Aman 1 wet gas discovery
- Extends prospective fairway into deep water
- Appraisal drilling 2nd half 2006
- Exploration upside

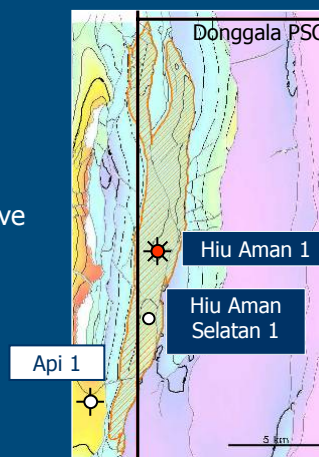
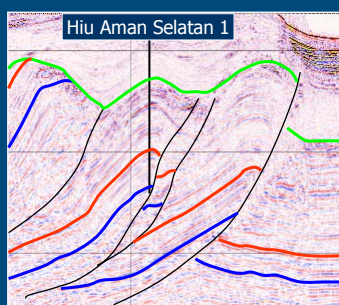


Legend
 ■ Santos Acreage
 ■ 3D Seismic

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- 50%, operated
- Follow up to successful Hiu Aman wet gas discovery
- Water depth 1,742 metres
- Miocene sandstone primary objective



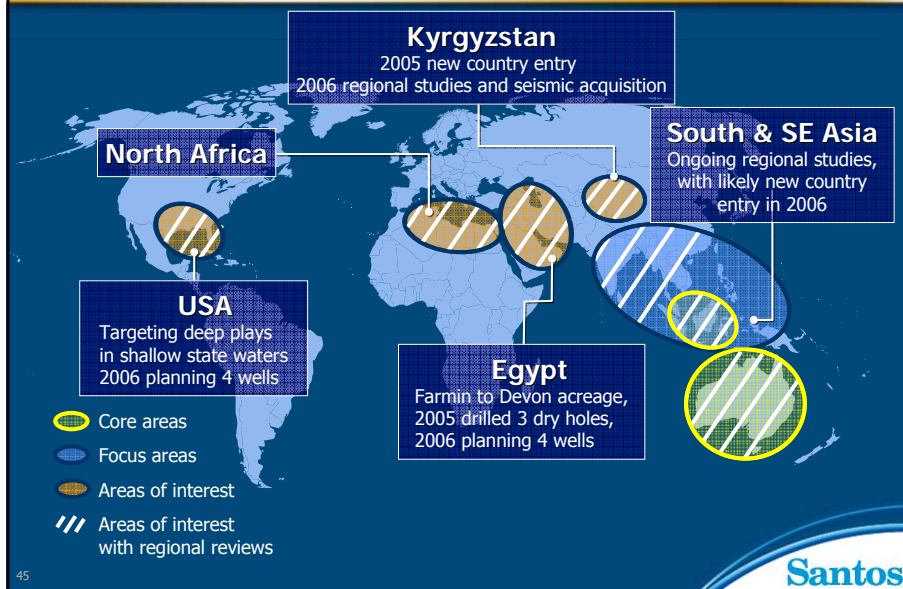
Production	4%
2P Reserves	1%
Contingent Resources	nil
2005 Cash Flow	\$94m



- Basin outline
- Production
- Exploration

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Identify Potential New Core Areas



Summary

- Exploitation of existing core assets
 - Cooper oil program, Cooper and Fairview gas
- Active development portfolio
 - Bayu-Undan LNG, Casino, John Brookes during last 4 months
 - Oyong and Maleo start-up during 2006
- Multiple gas commercialisation options
 - 2.0 billion boe of contingent resources
- Attractive appraisal opportunities
 - Jeruk, Caldita, Reindeer, Hurricane, Hiu Aman
- Material exploration program
 - 25 wildcats in 2006

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Drilling Key to Strategy Delivery

313 wells planned in 2006
Rigs contracted for extended terms



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2006 & 2007 Production Guidance

Continued growth in production profile

2005 actual	56 mmboe
2006 guidance	60 to 61 mmboe
2007 guidance	62 to 63 mmboe

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Strategy on Track

John Ellice-Flint
CEO & Managing Director

Overview

Financial performance

Strategy on Track

Enhance existing core areas

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Identify new core areas

► Q&A

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Reference slides

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Upcoming Exploration

Well Name	Basin / Area	Target	Upside Resource Potential (mmboe)				Santos Interest	Timing
			1 - 50	50 - 100	100 - 250	>250		
Chinook	Gulf of Suez	Oil		✓			50	Q1 06
Mosaic 1	Bowen	Gas	✓				51	Q1 06
Simbel	Gulf of Suez	Oil	✓				50	Drilling
Pawnee	Gulf of Suez	Oil		✓			50	Q1 06
Thunder 2	Gulf of Mexico	Gas	✓				60	Q1 06
Bricklanding	Barrow	Oil		✓			44	Q2 06
Banjar Panji	East Java	Gas/Oil	✓				45	Q2 0
Fletcher	Dampier	Oil		✓			33	Q2 06
East Java (B)	East Java	Gas/Oil			✓		45	Q2 06
Kenedy Deep	Gulf of Mexico	Gas	✓				55	Q2 06
Glenaire	Onshore Otway	Gas		✓			30	Q2 06
East Java (C)	East Java	Oil			✓		45	Q3 06
East Java (D)	East Java	Oil			✓		75	Q3 06
Evans Shoal South	Bonaparte	Gas			✓		40	Q3 06
Kutei (A)	Kutei	Gas/Oil			✓		20	Q3 06
Lepard	Cooper	Gas	✓				61	Q3 06
Barossa (Lynedoch)	Bonaparte	Gas				✓	40	Q3 06
Python	Cooper	Gas	✓				61	Q3 06
Merpati	East Java	Oil		✓			75	Q3 06
Montegue	Cooper	Gas	✓				61	Q3 06
Netherby 1	Offshore Otway	Gas	✓				50	Q3 06
Cougar L	Gulf of Mexico	Gas		✓			50	Q4 06
Hlu Aman Selatan	Kutei	Gas		✓			50	Q4 06
Jaguar A	Gulf of Mexico	Gas	✓				67	Q4 06
Kutei (B)	Kutei	Gas/Oil		✓			50	Q4 06

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

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Prices & Exchange Rates

	2005	2004	Change %
Realised Oil Price (US\$/bbl)	54.76	36.11	52
Realised Oil Price (A\$/bbl)	73.83	51.83	42
Average Gas Price A\$/GJ	3.62	3.28	10
A\$/US\$ Exchange Rate (after hedging)	74.17	69.67	(6)

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2006 Capital Expenditure Outlook

\$m	2006	2005
Exploration	225	186
Delineation	112	98
Development	750	675
TOTAL	1,087	959
Acquisitions (before assumption of debt)	-	559

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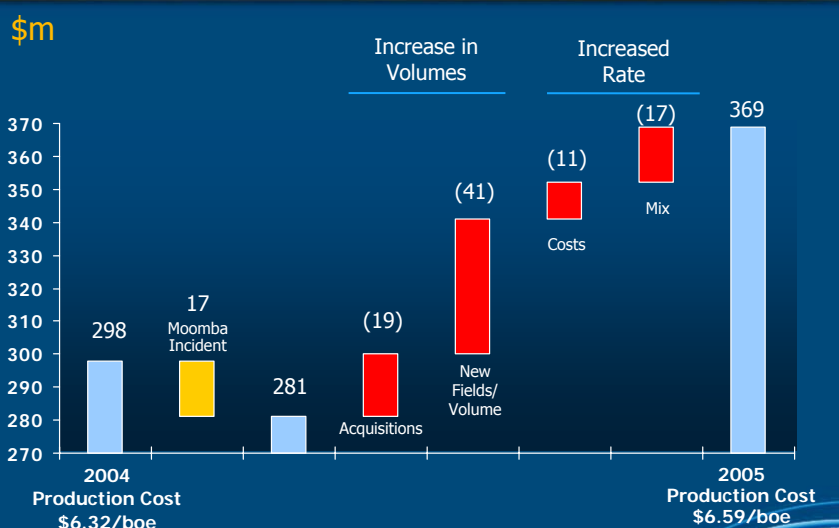
2004 Profit Restatement

\$m	2004 Full Year		
	AGAAP	Variance	AIFRS
Sales	1,501	-	1,501
Operating costs	(527)	-	(527)
Depletion & depreciation	(512)	65	(447)
Other revenue	194	9	203
Exploration & evaluation	-	(119)	(119)
Impairment	(16)	24	8
Foreign currency	-	6	6
Other expenses	(69)	10	(59)
Finance costs	(30)	(17)	(47)
Net profit before tax	541	(22)	519
Income tax expense	(161)	(3)	(164)
Net profit after tax	380	(25)	355

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Production Costs

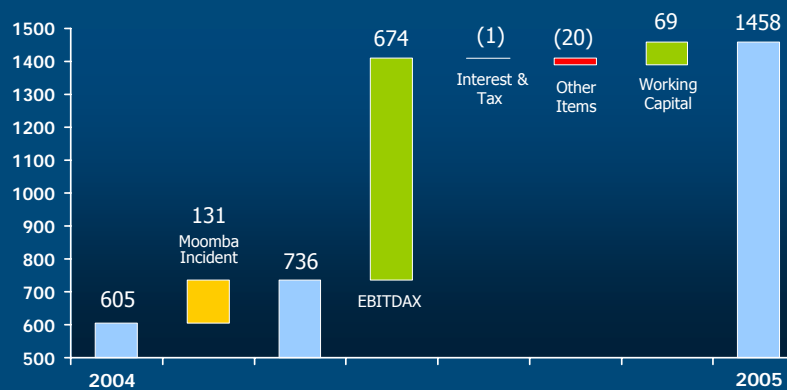


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Operating Cash Flow

\$m



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2006 Sensitivities

Sensitivity	Change	NPAT impact (A\$m)
US dollar oil price	US\$1/bbl	19
A\$/US\$ exchange rate	1 cent	10
Interest rates	1%	10

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