



APPEA Investor Briefing

28 May 2013

Santos
We have the energy.

Disclaimer & important notice

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All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated. All references to project completion percentages are on a value of work done basis, unless otherwise stated.

The reserves and contingent resources information in this presentation has been compiled by Greg Horton, a full-time employee of the company. Greg Horton is qualified in accordance with ASX Listing Rule 5.11 and has consented to the form and context in which this information appears. Santos prepares its reserves and contingent resources estimates in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) prepared by the Society of Petroleum Engineers (SPE).



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Western Australia & Northern Territory Business Unit

WA&NT – delivery today/growth for tomorrow

Domestic Gas

- Highest ever production from Carnarvon Basin in 2012, driven by Reindeer and Spar
- Winchester and Bianchi (Zola appraisal) drilling underway, success will offer multiple growth options



Carnarvon Oil

- Fletcher Finucane now in production, on budget and ahead of schedule
- Drilling of Vanuatu approved by JV and other oil tie-in opportunities identified



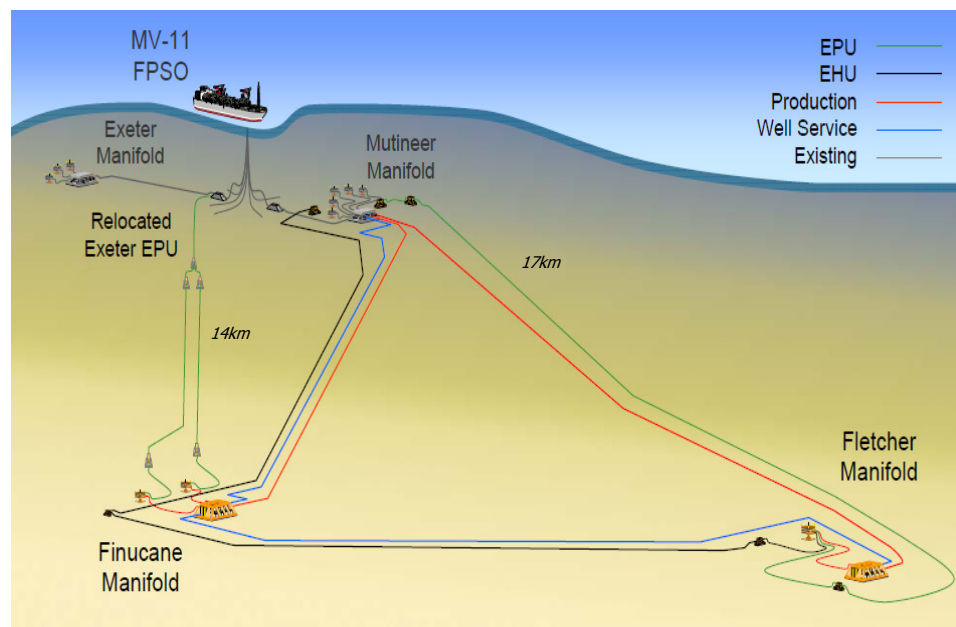
Northern Australia

- Material success in the Browse Basin with Crown-1 well
- Bassett West drilling underway
- Bonaparte LNG progressing towards FEED gate
- Concept evaluation studies underway on Caldita Barossa



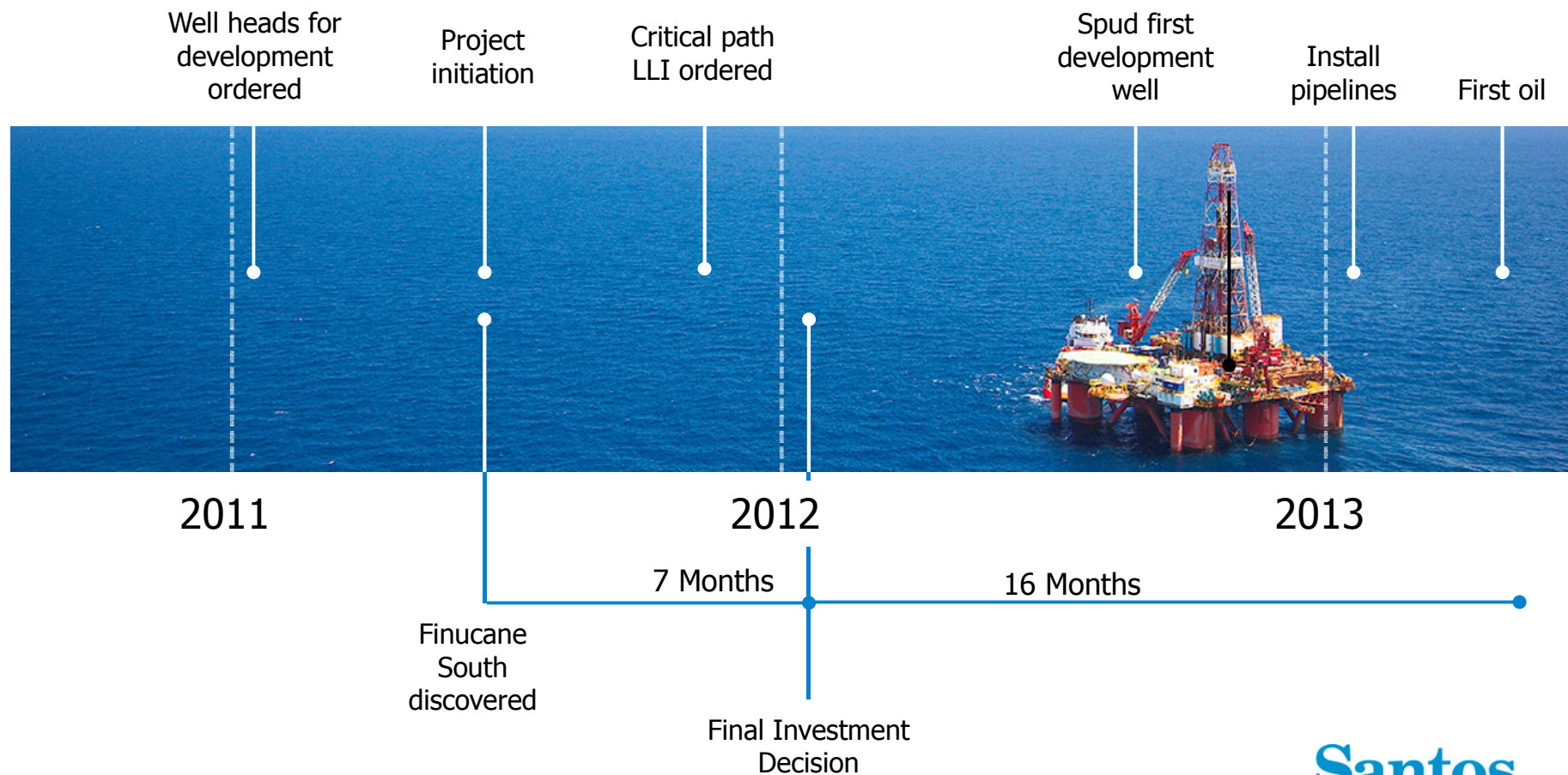
Fletcher Finucane - delivery today

- First oil 20 May 2013 ahead of schedule and on budget
- Oil currently flowing from three subsea wells at a gross production rate of 45,000 bbl/day
- Forecast average gross production rate of 15,000bbl/day in the first 12 months
- Gross proved and probable reserves estimated at approximately 14 million barrels.

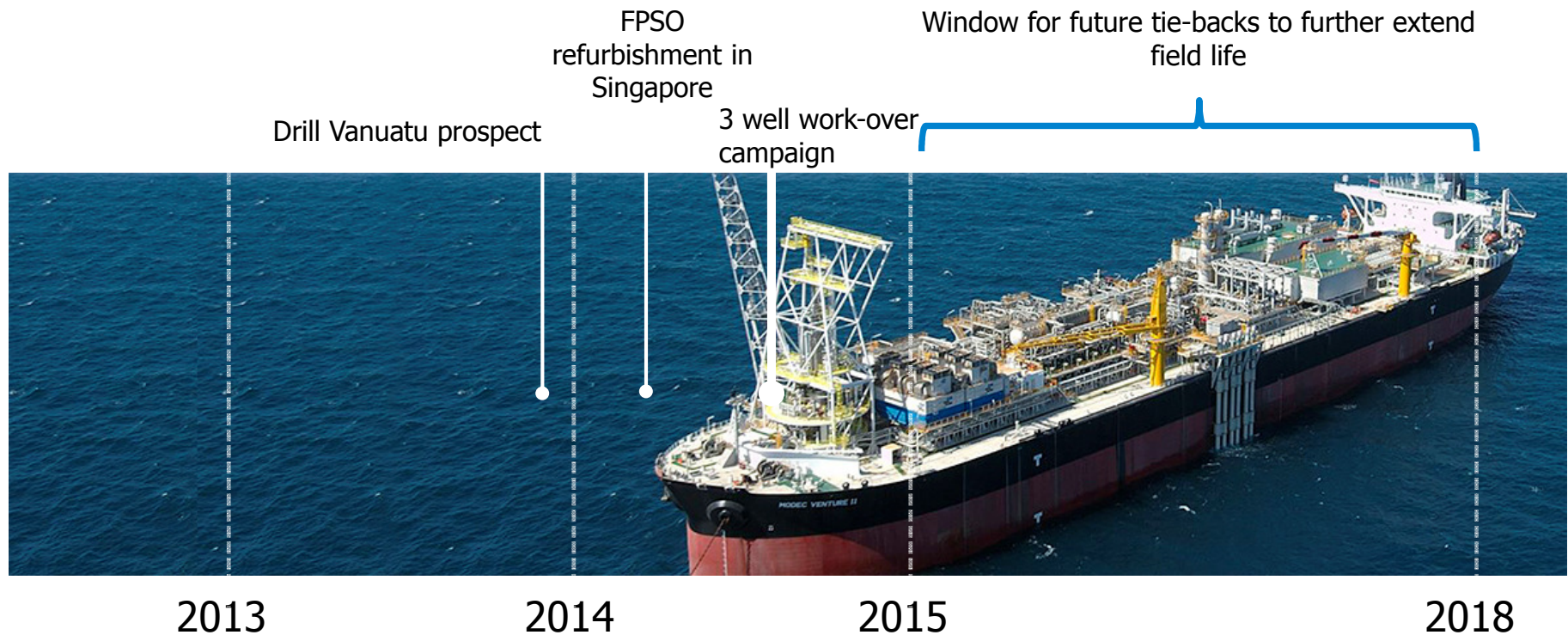


Finucane partners: Santos (37.5%, operator), Kufpec (37.5%), JX Nippon Oil and Gas Exploration (25%)
Fletcher partners: Santos (50%, operator), Kufpec (50%)

Fletcher Finucane – discovery to first oil in < 2 years

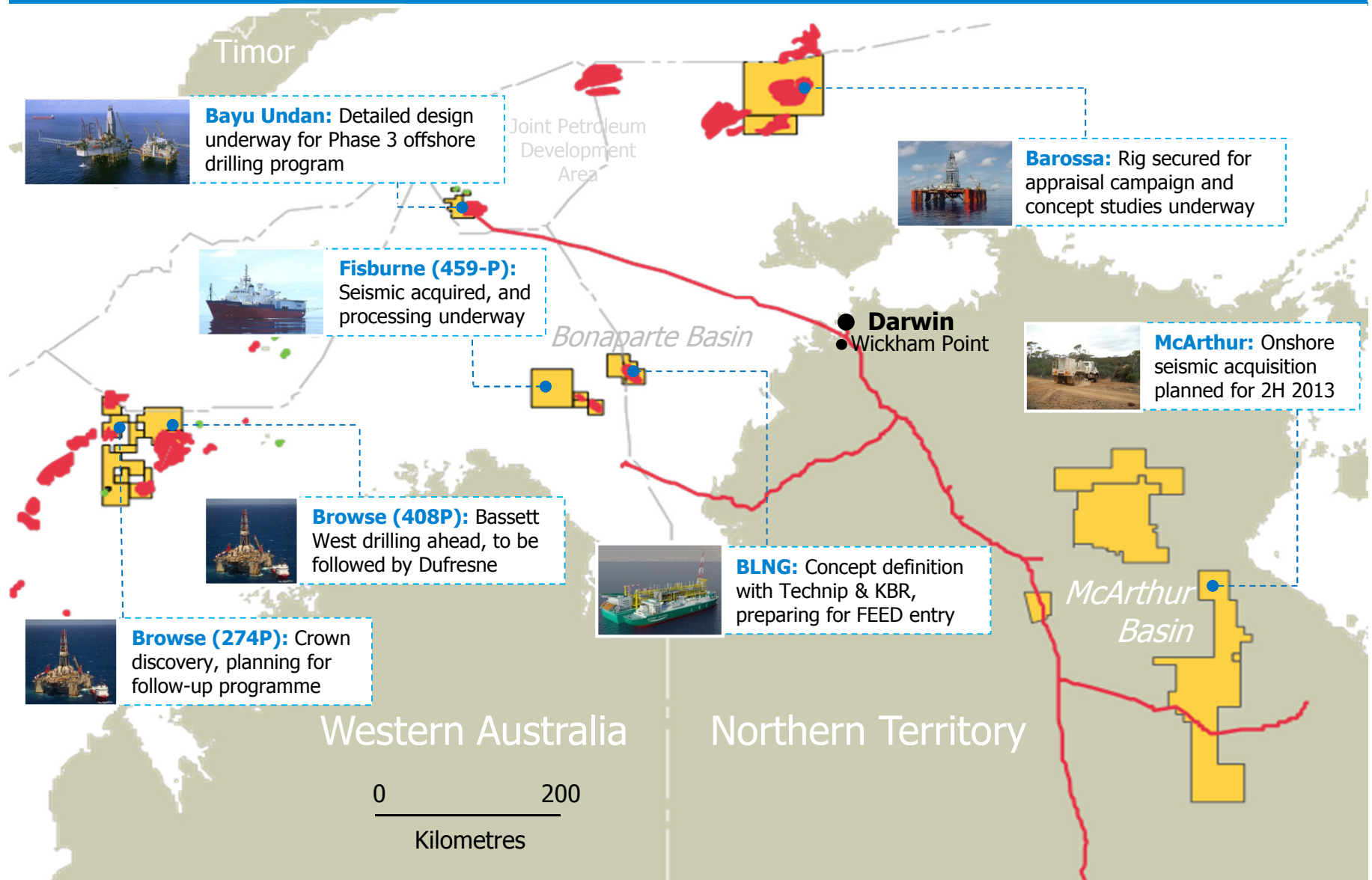


Greater Mutineer Exeter Area – ongoing plans



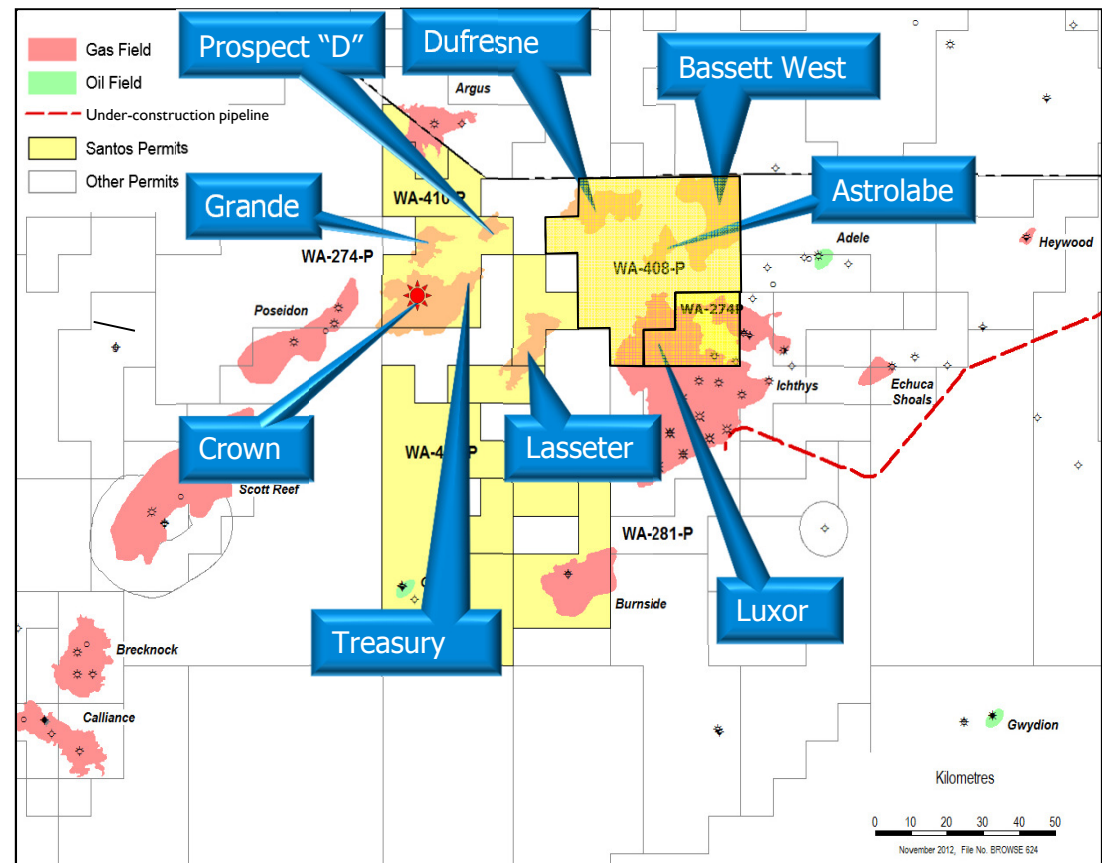
- Fletcher Finucane extends Mutineer Exeter production to at least 2018
- Mutineer Exeter forecast production of 3,500 bopd over the next 12 months
- No incremental increase in OPEX from Fletcher Finucane ⇒ Mutineer Exeter OPEX per barrel greatly reduced
- 3 well work-over campaign in 2014 expected to increase Mutineer Exeter production
- Follow-on oil opportunities proximate to the FPSO identified including:
 - Vanuatu exploration prospect to be drilled in late 2013

Northern Australia – future growth for Santos



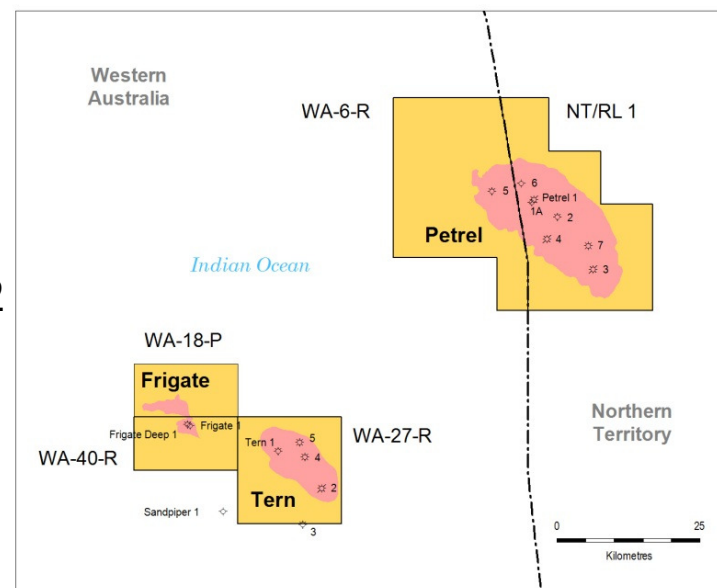
Browse – Crown success unlocks material play

- Crown gas-condensate discovery (Santos 30%)
 - Contingent recoverable resource estimate range 0.5 to 5 Tcf
- Bassett West-1 exploration well (Santos 30%) drilling ahead, to be followed by Dufresne-1 (proposed 2Q 2013)
- Material follow-up opportunities across acreage
- Planning for appraisal of discovered resource underway



Bonaparte LNG – on track for FEED

- Santos (40%) and GDF SUEZ (60%, Operator)
- Development of Petrel, Tern and Frigate fields located 250km west of Darwin in the Timor Sea
- Floating LNG technology, producing between 2 to 3 mtpa
 - Steel double-hull floating facility, 400m long and 70m wide with project life of 25 years
 - Turret mooring, staying on station during severe weather event
- Federal Government Environmental Approval received in October 2012
- Currently in competitive Concept Definition
 - Technip and KBR awarded contracts to complete independent designs of the FLNG
- Targeting FEED entry late 2013/early 2014



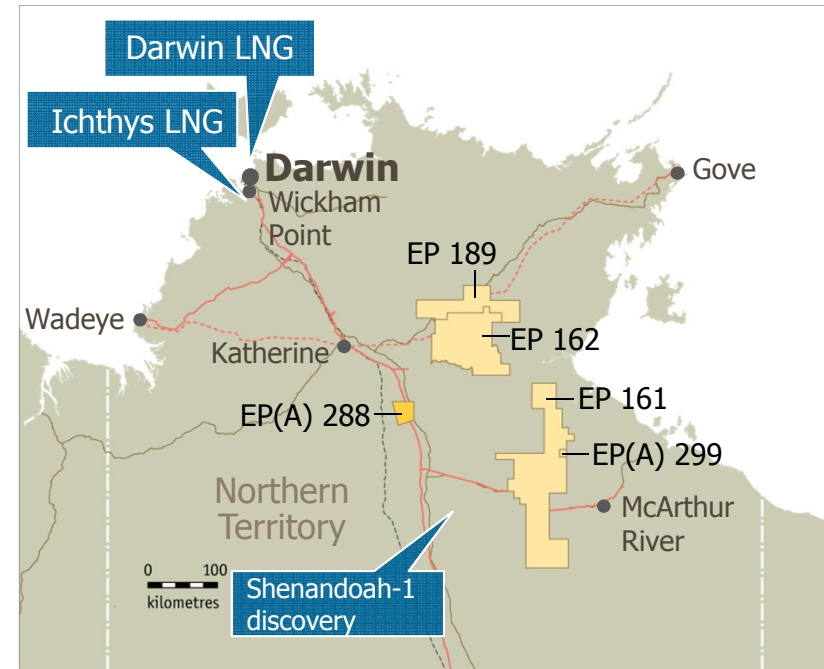
Caldita Barossa – concept studies underway

- New partnership with SK E&S to progress Caldita Barossa appraisal and development
 - Santos (25%), ConocoPhillips (37.5%, operator) and SK E&S (37.5%)
- SK E&S to fund up to US\$520 million in joint venture appraisal drilling, pre-FEED, FEED and milestone payments
- Rig secured for three well appraisal program
 - Subsurface definition for core of the field
 - Upside resource outcome being targeted by appraisal
- Concept evaluation studies underway
 - Darwin LNG backfill and expansion
 - Floating LNG



McArthur Basin Shale – major new play for Santos

- Interest in approximately 25,000 square kilometres
- Farm-in with Tamboran earned an initial 50% operated interest in four permits, option to increase equity to 75%
- Proven sub-basin
 - Shenandoah-1 discovery
 - Targeting oil, condensate and gas
- Commercialisation
 - Excellent infrastructure access
 - Adjacent sealed roads, rail and gas pipeline
 - Proximity to Darwin
 - Liquids export via Darwin or by rail to Port Bonython
 - Domgas, DLNG (including expansion) and Ichthys under construction (including expansion)
- Seismic program in EP 161 scheduled for 3Q 2013



- | | |
|-----------------------------|-----------------------------|
| ■ Santos application permit | Gas pipeline proposed |
| ■ Tamboran Resources permit | — Major road |
| — Gas pipeline | --- Rail |

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Questions



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Eastern Australia Business Unit

Key Messages

Cooper Gas in transition to meet 2015 growth

- 2013-14 focus on building base gas capacity and to ensure ongoing reliability of existing facilities
- Transitioning from a decade of decline to deliver 30% production capacity increase

Santos is uniquely positioned for unconventional resource success

- Market opportunities evident beyond 2015 support acceleration of Cooper unconventional resources program
- Santos is uniquely positioned to move quickly to commercialise

Santos' Narrabri development is part of NSW solution

- NSW has a looming energy shortage with existing gas contracts expiring from 2014
- Santos' Narrabri development is positioned to deliver NSW gas to NSW customers within 2016-19 window

Other base assets continue to deliver

- Cooper Basin delivers highest oil production in 2012 for three years
- Mereenie Phase 1 development program commenced – first drilling in a decade
- Victorian assets positioned to deliver growth from 2016, with Kipper development and upside potential in Casino and Sole

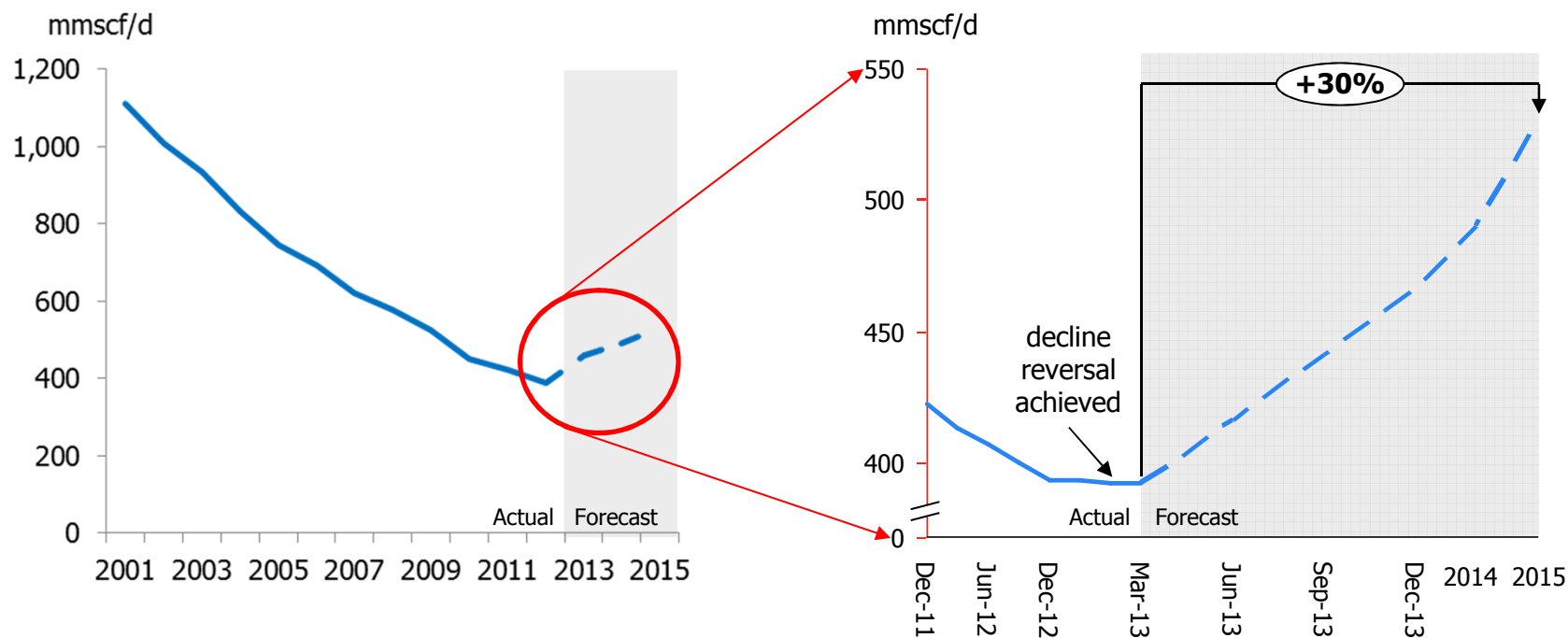
EABU key themes

1. Cooper Gas in transition to meet 2015 growth
2. Santos is uniquely positioned for Cooper unconventional resource success
3. Santos' Narrabri gas project is a significant part of the NSW energy solution

Cooper Gas: transitioning from decline to growth

Cooper Gas well-head production capacity step-up of 30% by 2015, reversing a decade of decline

Gross Cooper Basin well-head gas production capacity¹



¹ Well-head production capacity translates to production after allowing for downtime and system losses such as fuel, flare and vent

Three key Cooper Gas focus areas to meet 2015 growth

Focussing on increasing volume and reducing costs to deliver a higher margin business

1. Existing facilities reliability



Reliability

- Maintenance strategies delivering record facilities utilisation, production and cost benefits

Readiness for 2015 delivery

- Planned Cooper Basin major outages over 2013-15

2. Upstream development



Well-head production capacity

- Growing through increased drills, productivity and efficiencies

Cost reduction step-change

- Multi-well pad drilling technology
- SIMOPS approach to drilling, completions and connections

3. Cooper Infrastructure Expansion Project (CIEP)



Stage 1 In-field

- Expansion of four key field compression stations
- Installation of new trunk pipelines between Moomba and Gidgealpa



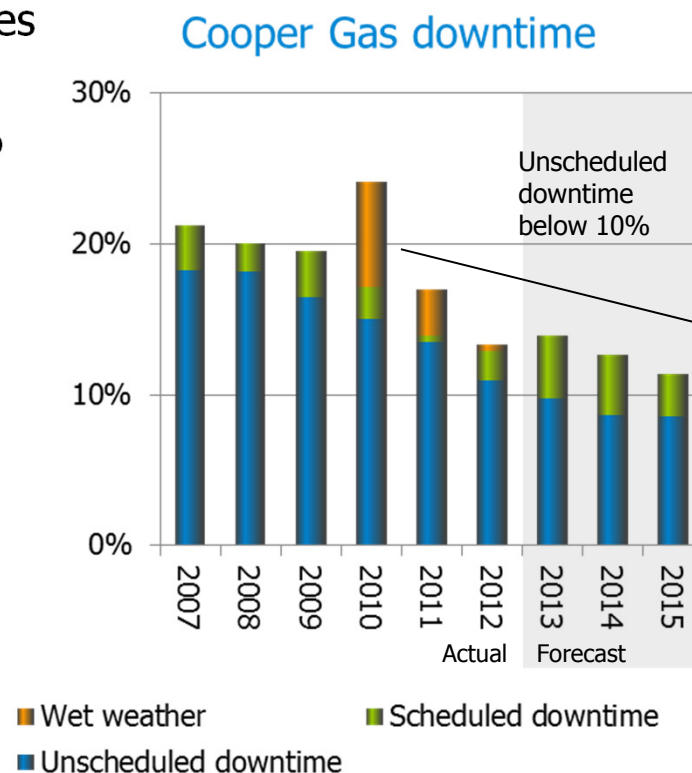
Stage 1 Moomba Gas Plant

- Install new Moomba CO₂ train for removal of additional 1,000 Ktpa
- Installation of new Moomba export compression to enable firm sales gas transport from Moomba to QLD

Ensuring reliability of existing facilities

Cooper Gas unscheduled downtime now below 10% and planned production costs under \$10/boe by 2015

- Maintenance strategies delivering record facilities utilisation
 - Unscheduled downtime from >15% to <10%
 - Moomba loss efficiencies reduced from >45 TJ/d to <30 TJ/d¹
- 3 year plan for major overhaul of all key infrastructure in readiness for 2015 delivery
 - Plan includes all major plant CO₂ trains and processing units, and field compressor satellites²
 - Driving increased levels of scheduled downtime 2013-15
 - CIEP tie-ins for 2015



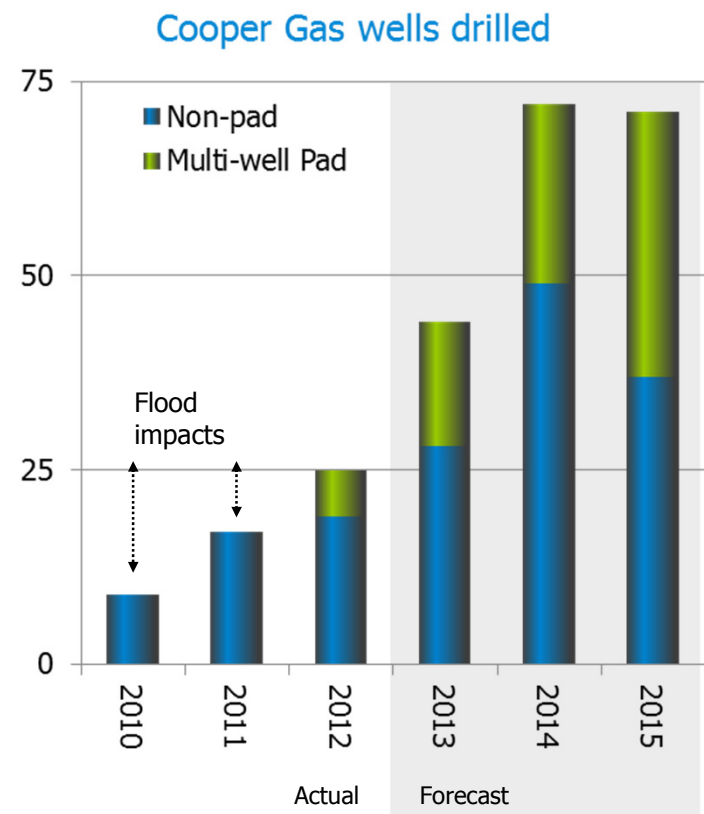
1. Includes fuel, flare and vent

2. Activity already delivered in last six months includes 6 satellites, 2 Moomba CO₂ trains, 1 Ballera CO₂ train and 1 Moomba processing unit

Transforming to lower cost upstream development

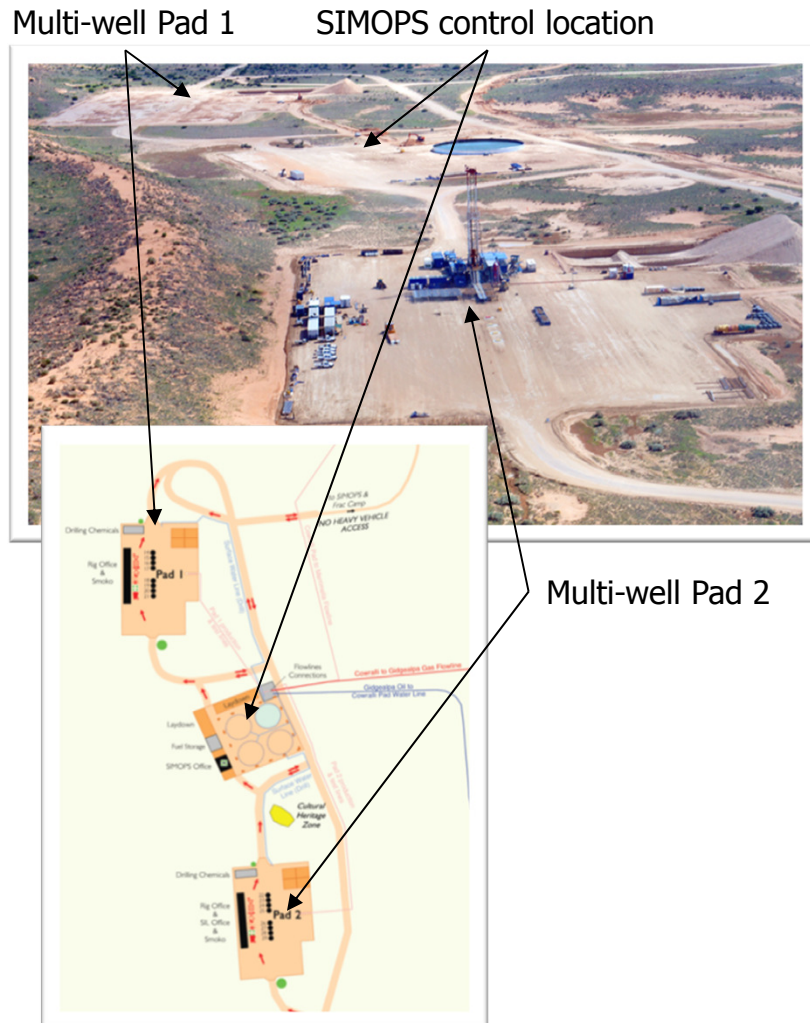
Increased program of multi-well drills and SIMOPS reduces the delivery time and cost of building production capacity to meet 2015 growth

- 180 Cooper Gas wells drilled from 2013 to 2015
- 4 Cooper Gas drilling rigs operational by 2014
- Cowralli multi-well pad drilling efficiencies result in 25% rig productivity increase
- Multi-well pad drilling and SIMOPS capabilities transferable to Cooper unconventional resource program



Cowralli 16 multi-well pad drilling and SIMOPS

Cowralli multi-well drilling & SIMOPS



Continuing the cost reduction transformation journey with Cowralli

- Building on lessons from Big Lake and Tindilpie multi-well pads
- Cowralli on schedule with 4 of 16 wells drilled
- Cowralli wells projected end to end¹ cost reductions against single well of 15-20%
 - Lease size reduction of ~55% on per well basis
 - Rig moves reduced from ~4 days to <1 day
 - Average frac stages/day increased from ~1.5 to ~4, resulting in frac savings of ~50%
 - Drill to connect cycle times reduced by ~25%
- Well payback period reduced by ~12 months

1. Drill, complete, fracture stimulate and connect

CIEP stage 1 to meet growth contracts

Gross Stage 1 spend of ~\$800M over 2013-17, flexible with upstream development pace

Stage 1 In-field

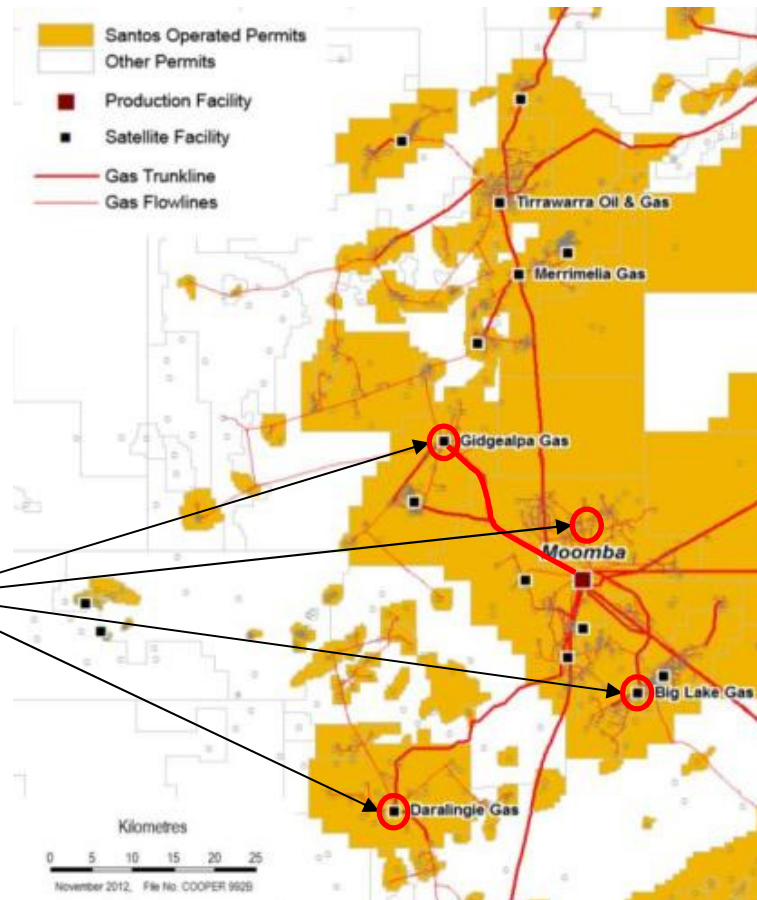


New satellite compression

- Additional compression at four key satellites:
 - Gidgealpa (14,400hp)
 - Moomba North (7,200hp)
 - Big Lake (7,200hp)
 - Daralingie (1,600hp)

New Moomba-Gidgealpa trunklines

- New raw gas pipeline to Moomba, twinning existing
- New fuel gas pipeline from Moomba, fuelling expanded facilities



Stage 1 Moomba Gas Plant



New Moomba CO₂ train

- New (Train 8) 1000 Ktpa of CO₂ removal facilities
- Associated utilities
- Brownfield construction

New Moomba export compression

- Build, own and operate by Epic (APA), completed by mid-2014
- Phased installation of up to 67,500hp
- Enables firm sales gas transportation from Moomba to QLD

EABU key themes

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3. Santos' Narrabri gas project is a significant part of the NSW energy solution

Encouraging progress in Cooper unconventional resources program provides new key insights

Short-term Program Milestones			Date
Basin Centred Gas	Drill Gaschnitz-1	✓	Feb 2013
	Drill Van der Waals-1		June 2013
	Drill Langmuir-1		Q3 2013
	Gaschnitz-1 multi-stage frac and flow test		Q3 2013
	Gaschnitz pilot 3D seismic survey		Q3 2013
	Van der Waals-1 & Langmuir-1 multi-stage frac and flow tests		Q4 2013
REM Shale	Drill Moomba 192 (<i>Aurora-1 vertical</i>)	✓	April 2013
	Moomba 191 follow-up production log	✓	May 2013
	Drill horizontal wells (Rosewell-2H , Moomba-193H (<i>Aurora-2H</i>) & Fortuna-2H)		H2 2013+
	Frac and flow horizontal wells and microseismic fracture monitoring		Q1 2014+
	Moomba-192 frac and flow (REM)		Q1 2014*

Key Insights

Basin Centred Gas

- Nappamerri Trough Basin Centred Gas play now proven
- Gaschnitz-1 gas bearing through entire ~1,000m Permian section
 - High-side gas-in-place outcome

REM Shale

- Murteree and Epsilon flow potential demonstrated
- Moomba-192 encountered exceptionally high productivity conventional Patchawarra gas sand
 - Demonstrates the potential to intersect stacked conventional and unconventional plays
 - Stacked plays improve economics and reduce commercial risk

Commercialisation

- Ability to fast-track connections to quickly produce and commercialise unconventional plays
 - Moomba 191 and shortly Moomba 192

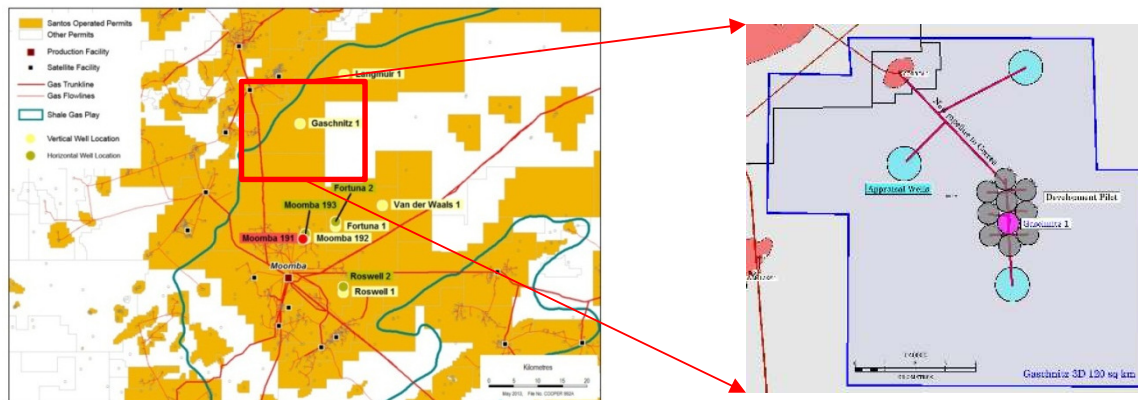
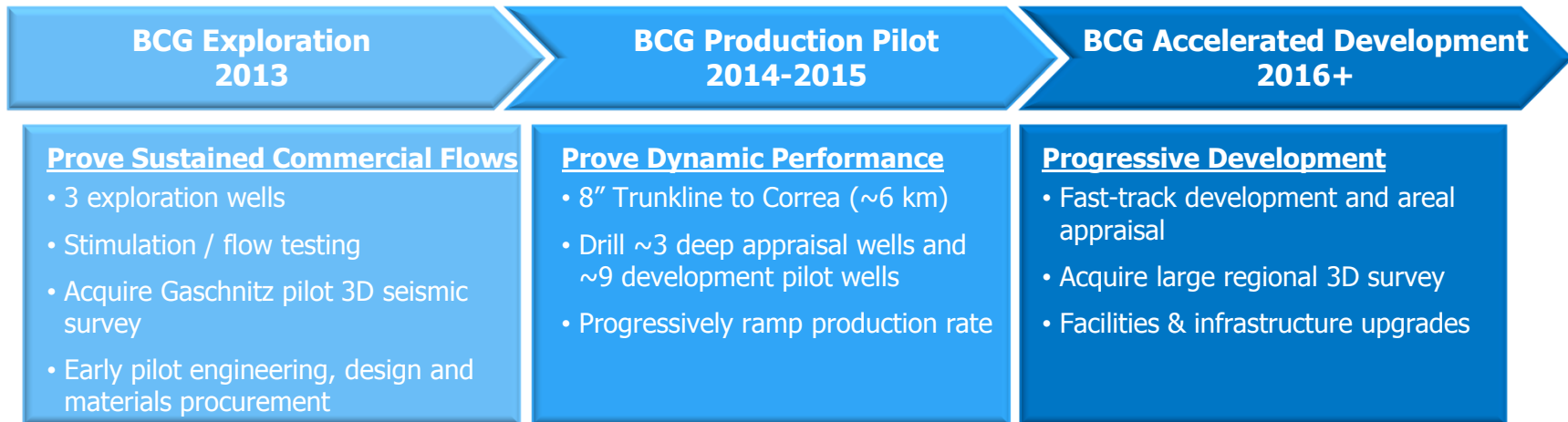
* Timing subject to pending decision in regards to conventional Patchawarra

...Santos is uniquely placed to accelerate success

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Ability to accelerate unconventional development

Subject to realising commercial flow rates from exploration and pilot wells, Santos positioned to quickly commence development of its unconventional plays



Gaschnitz
Production Pilot
Concept



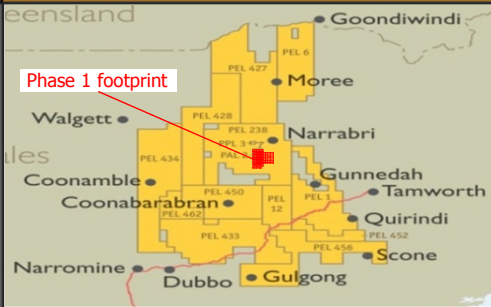
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Santos Narrabri development is part of NSW solution

Santos can deliver gas to NSW customers during 2016-2019 window...

Targeting NSW customers	Minimal environmental impact	Agriculture protected
		
<ul style="list-style-type: none">■ Phase 1 developing 1,400 PJ at ~100 TJ/d■ Supplying ~25% NSW gas demand■ 1000 jobs and \$800M of royalties	<ul style="list-style-type: none">■ 400 wells over 20 yrs■ Minimal Pilliga forest impact (600 ha, <0.5%)■ Detailed biodiversity, water & emission studies	<ul style="list-style-type: none">■ Outside of prime agricultural land■ Wells drilled with landholder consent■ Utilise existing gas pipeline (Moomba-Sydney)

...timing requires Government approvals, community support and customer commitment

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