

21 February 2014

2013 Reserves statement

Santos today announced that proved plus probable (2P) petroleum reserves were 1,368 million barrels of oil equivalent (mboe) as at the end of 2013. This represents an organic three-year 2P reserves replacement ratio of 102% and provides a reserves life of 27 years based on 2013 production of 51 mboe.

While the company did not replace its produced reserves in 2013, strong reserves replacement over the past five years has enabled Santos to maintain 2P reserves at 1.4 billion barrels of oil equivalent, whilst producing over 250 million barrels of oil equivalent in the same period.

Santos Managing Director and Chief Executive Officer David Knox said that Santos' strong reserves base underpins the company's strategy to supply the growing demand for natural gas in Australia and Asia.

"Our strategy is to open up the company's reserves and resources to supply domestic and export markets."

"In particular, our natural gas reserve and resource base in eastern Australia, combined with our leading infrastructure position, leaves Santos strategically well placed to meet growing market demand," Mr Knox said.

Santos' 2013 Reserves statement is attached to this release.

Ends.

Media enquiries

Chandran Vigneswaran
+61 8 8116 5856 / +61 (0) 467 775 055
chandran.vigneswaran@santos.com

Investor enquiries

Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

Santos Limited ABN 80 007 550 923

GPO Box 2455, Adelaide SA 5001
T: +61 8 8116 5000 / F: +61 8 8116 5131
www.santos.com

2013 RESERVES STATEMENT

Santos' 1.4 billion barrels oil equivalent of proved plus probable reserves leaves the company strategically well placed to supply the growing demand for natural gas in Australia and Asia

Reserves highlights

- Year-end 2013 proved plus probable (2P) reserves were 1,368 million barrels of oil equivalent (mmboe)
- 102% organic three-year reserves replacement
- Reserves life of 27 years, based on 2013 production of 51 mmboe

Reserves and 2C contingent resources

		2013	2012	%change
Proved	mmboe	620	663	(6.4)
Proved plus probable	mmboe	1,368	1,406	(2.7)
Contingent resources	mmboe	1,869	1,965	(4.9)

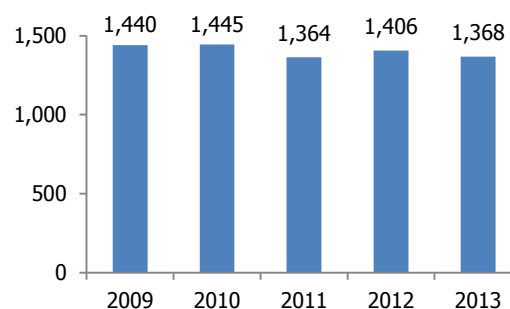
Proved plus probable reserves grew by 13 mmboe before production in 2013. The key movements in reserves were:

- 25 mmboe addition in Queensland CSG from growth in GLNG reserves, upward reassessments in non-operated assets and the acquisition of an additional interest in the Combabula and Ramyard fields.
- 10 mmboe addition from the commercialisation of the Peluang gas and Meerenie LPG projects.
- 8 mmboe reduction in Bayu-Undan reflecting reservoir performance and updated modelling.
- 8 mmboe net reduction in the Cooper Basin, mainly due to a re-assessment of Greater Tindilpie, partially offset by strong oil performance.
- 4 mmboe reduction in Barrow Island oil reserves reflecting higher future costs.

After deducting 2013 production of 51 mmboe, year-end proved and probable reserves were 1,368 mmboe, 2.7% lower than 2012.

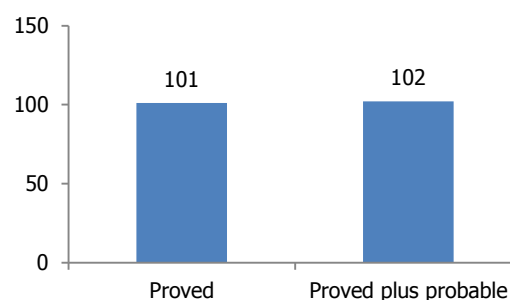
Proved reserves were 620 mmboe, 6.4% lower than 2012.

Proved plus probable reserves (mmboe)



Strong reserves replacement over the past five years has enabled Santos to maintain proved plus probable reserves at 1.4 billion barrels oil equivalent, whilst producing over 250 million barrels oil equivalent in the same period.

Organic three-year reserves replacement ratio (%)



Proved plus probable reserves by product

		2013	2012	%change
Sales gas	PJ	7,035	7,161	(1.8)
Crude oil	mmbbl	70	82	(14.8)
Condensate	mmbbl	63	69	(8.8)
LPG	000t	3,510	3,371	4.1
Total	mmboe	1,368	1,406	(2.7)

Proved plus probable reserves by area

		2013	2012	%change
Eastern Australia	mmboe	877	884	(0.8)
WA&NT	mmboe	221	249	(11.4)
Asia Pacific	mmboe	270	273	(0.9)
Total	mmboe	1,368	1,406	(2.7)

Cooper Basin

Proved plus probable reserves by product

Santos share		2013	2012	%change
Sales gas	PJ	1,108	1,213	(8.7)
Crude oil	mmbbl	29	30	(1.9)
Condensate	mmbbl	18	21	(15.5)
LPG	000t	2,246	2,522	(10.9)
Total	mmboe	256	280	(8.6)

Sales gas proved plus probable reserves decreased by 3% before production, primarily due to a re-assessment of Greater Tindilpie development based on a review of production performance and reservoir studies, partially offset by growth in Dullingari.

Crude oil proved plus probable reserves increased by 9% before production, due to strong well performance and positive drilling results, particularly in the Cuisinier and Zeus fields.

GLNG

Reserves and 2C contingent resources

GLNG share		2013	2012	%change
Proved	PJ	1,844	1,797	2.6
Proved plus probable	PJ	5,406	5,376	0.6
Contingent resources	PJ	1,374	1,638	(16.2)

GLNG share proved plus probable reserves increased by 60 PJ before production, primarily due to positive re-assessments in the Roma and Scotia fields.

GLNG has executed the following third party gas supply agreements:

- 750 PJ from Santos over 15 years commencing in 2015.
- 365 PJ from Origin Energy over 10 years commencing in 2015.
- 100 PJ from Origin Energy over 5 years commencing in 2016.

Gas swap arrangements have also been executed with APLNG covering a number of fields in Queensland, enabling the more efficient development and transport of gas resources.

Santos' share of 2P reserves in the APLNG-operated Combabula, Ramyard and Spring Gully fields was 355 PJ at the end of 2013.

2C Contingent resources

Contingent resources decreased by 5% to approximately 1.9 billion barrels oil equivalent.

Key movements in contingent resources included:

- 114 mmboe addition from exploration discoveries in the Cooper, Carnarvon and Browse Basins.
- 33 mmboe addition from the acquisition of a 50% interest in the Northwest Natuna Production Sharing Contract in Indonesia.
- 140 mmboe net reduction in Cooper Basin unconventional, primarily due to the continued application of new SPE-PRMS guidelines.
- 57 mmboe reduction in Cooper Basin conventional gas, mainly due to a re-assessment of Greater Tindilpie.
- 10 mmboe reduction from the commercialisation of the Peluang gas and Meerenie LPG projects.

During 2013, Santos continued to progress the application of the new SPE-PRMS guidelines for reserves and resources estimation, particularly in relation to unconventional reservoirs. In aggregate, continued application of the new SPE-PRMS guidelines is estimated to have reduced Santos' 2C contingent resources by approximately 150 mmboe in 2013.

Proved reserves

Year-end 2013 (Santos share)

Basin/Area	Sales gas PJ	Crude oil mmbbl	Condensate mmbbl	LPG 000 tonnes	All products mmbbl		Total
					Developed	Undeveloped	
Eastern Australia							
Surat/Bowen	660	0	0	-	52	62	114
Cooper/Eromanga	478	11	7	866	47	60	107
Gunnedah	106	-	-	-	6	12	18
Gippsland/Otway	257	-	4	310	28	23	50
Total EA	1,501	11	11	1,176	133	156	289
Western Australia & Northern Territory							
Carnarvon	626	6	6	-	88	31	120
Bonaparte	79	-	2	106	15	1	16
Amadeus	36	4	1	298	6	6	13
Total WA&NT	740	10	9	404	110	39	149
Asia Pacific							
Papua New Guinea	833	0	17	-	15	144	159
Vietnam	22	12	-	-	13	3	16
Indonesia	44	0	0	-	4	4	8
Total Asia Pacific	898	12	17	-	32	151	183
Total 1P	3,140	33	36	1,580	275	346	620
Proportion of total proved reserves that are unconventional							21%

Proved reserves reconciliation

Product	Reserves Year-end 2012	Production	Revisions and extensions	Discoveries	Commercialisation	Net acquisitions and divestments	Reserves Year-end 2013
Sales gas (PJ)	3,299	(213)	25	1	19	9	3,140
Crude oil (mmbbl)	42	(10)	2	0	0	(0)	33
Condensate (mmbbl)	42	(3)	(3)	(0)	(0)	0	36
LPG (000 tonnes)	1,678	(181)	(265)	(0)	298	48	1,580
Total 1P (mmbbl)	663	(51)	1	0	6	2	620

Proved plus probable reserves

Year-end 2013 (Santos share)

Basin/Area	Sales gas PJ	Crude oil mmbbl	Condensate mmbbl	LPG 000 tonnes	All products mmboe		Total
					Developed	Undeveloped	
Eastern Australia							
Surat/Bowen	2,085	0	0	-	56	303	359
Cooper/Eromanga	1,108	29	18	2,246	119	136	256
Gunnedah	1,141	-	-	-	6	190	196
Gippsland/Otway	341	-	5	398	37	30	66
Total EA	4,674	30	23	2,644	218	659	877
Western Australia & Northern Territory							
Carnarvon	764	17	8	-	113	43	156
Bonaparte	127	-	4	269	25	4	28
Amadeus	123	8	2	597	24	12	36
Total WA&NT	1,014	25	15	866	162	58	221
Asia Pacific							
Papua New Guinea	1,228	0	25	-	21	213	235
Vietnam	24	15	-	-	16	4	19
Indonesia	95	0	0	-	10	6	16
Total Asia Pacific	1,346	15	25	-	47	223	270
Total 2P	7,035	70	63	3,510	427	941	1,368
Proportion of total proved plus probable reserves that are unconventional							40%

Proved plus probable reserves reconciliation

Product	Reserves Year-end 2012	Production	Revisions and extensions	Discoveries	Commercialisation	Net acquisitions and divestments	Reserves Year-end 2013
Sales gas (PJ)	7,161	(213)	(27)	1	53	61	7,035
Crude oil (mmbbl)	82	(10)	(1)	0	0	(1)	70
Condensate (mmbbl)	69	(3)	(4)	(0)	(0)	1	63
LPG (000 tonnes)	3,371	(181)	(396)	(0)	570	146	3,510
Total 2P (mmboe)	1,406	(51)	(13)	0	14	11	1,368

2C Contingent resources

Year-end 2013 (Santos share)

Basin/Area	Sales gas PJ	Crude oil mmbbl	Condensate mmbbl	LPG 000 tonnes	All products mmboe
Eastern Australia	6,787	35	26	3,303	1,254
Western Australia & Northern Territory	2,730	29	27	19	524
Asia Pacific	263	44	2	-	91
Total 2C	9,779	108	55	3,322	1,869

2C Contingent resources reconciliation

Product	Contingent resources Year-end 2012	Production	Revisions and extensions	Discoveries	Commercialisation	Net acquisitions and divestments	Contingent resources Year-end 2013
Total 2C (mmboe)	1,965	-	(226)	114	(14)	30	1,869

Notes

1. This reserves statement:
 - a. is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of the qualified petroleum reserves and resources evaluators listed in note 13 of this reserves statement. Details of each qualified petroleum reserves and resources evaluator's employment and professional organisation membership are set out in note 13 of this reserves statement; and
 - b. as a whole has been approved by Greg Horton, who is a qualified petroleum reserves and resources evaluator and whose employment and professional organisation membership details are set out in note 13 of this reserves statement; and
 - c. is issued with the prior written consent of Greg Horton as to the form and context in which the estimated petroleum reserves and contingent resources and the supporting information are presented.
2. Santos prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE).
3. All estimates of petroleum reserves and contingent resources reported by Santos are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator or evaluators. Processes are documented in the Santos Reserves Guidelines which are overseen by a Reserves Committee. The frequency of reviews is dependent on the magnitude of the petroleum reserves and contingent resources and changes indicated by new data. If the changes are material, they are reviewed by the Santos internal technical leaders, prior to overall approval by management and the Reserves Committee.
4. Santos engages independent experts Gaffney, Cline & Associates, Netherland, Sewell & Associates, Inc. and DeGolyer and MacNaughton to audit and/or evaluate reserves and contingent resources. Each auditor found, based on the outcomes of its respective audit and evaluation, and its understanding of the estimation processes employed by Santos, that Santos' 31 December 2013 petroleum reserves and contingent resources quantities in aggregate compare reasonably to those estimates prepared by each auditor. Thus, in the aggregate, the total volumes summarised in the tables included in this reserves statement represent a reasonable estimate of Santos' petroleum reserves and contingent resources position as at 31 December 2013.
5. Unless otherwise stated, all references to petroleum reserves and contingent resources quantities in this reserves statement are Santos' net share.
6. Reference points for Santos' petroleum reserves and contingent resources and production are defined points within Santos' operations where normal exploration and production business ceases, and quantities of produced product are measured under defined conditions prior to custody transfer. Fuel, flare and vent consumed to the reference points are excluded.
7. Petroleum reserves and contingent resources are aggregated by arithmetic summation by category and as a result, proved reserves may be a very conservative estimate due to the portfolio effects of arithmetic summation.
8. Petroleum reserves and contingent resources are typically prepared by deterministic methods with support from probabilistic methods.
9. Any material concentrations of undeveloped petroleum reserves that have remained undeveloped for more than 5 years: (a) are intended to be developed when required to meet contractual obligations; and (b) have not been developed to date because they have not yet been required to meet contractual obligations.
10. Petroleum reserves replacement ratio is the ratio of the change in petroleum reserves (excluding production) divided by production.
11. Information on petroleum reserves and contingent resources quoted in this reserves statement is rounded to the nearest whole number. Some totals in the tables may not add due to rounding. Items that round to zero are represented by the number 0, while items that are actually zero are represented with a dash "-".
12. Conversion factors:

Sales gas and ethane, 1PJ	171,937 boe
LPG, 1 tonne	8.458 boe
Condensate, 1 barrel	0.935 boe
Crude oil, 1 barrel	1 boe
13. Qualified Petroleum Reserves and Resources Evaluators

Name	Employer	Professional Organisation
G Horton	Santos Ltd	SPE
P Lyford	Santos Ltd	SPE
C Greenstreet	Santos Ltd	SPE, AAPG
N Grant	Santos Ltd	SPE, APEGA
E Klettke	Santos Ltd	SPE, APEGA
J Ariyaratnam	Santos Ltd	SPE
A Wisnugroho	Santos Ltd	SPE
M Lees	Santos Ltd	SPE
D Smith	NSAI	SPE
R Shuck	DeGolyer and MacNaughton	SPE

SPE: Society of Petroleum Engineers
 AAPG: American Association of Petroleum Geologists
 APEGA: The Association of Professional Engineers and Geoscientists of Alberta