



GLNG Project update

28 June 2012

Santos
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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.

GLNG Project update

Capex increased by 16% to US\$18.5* billion
Project is on track for first LNG in 2015

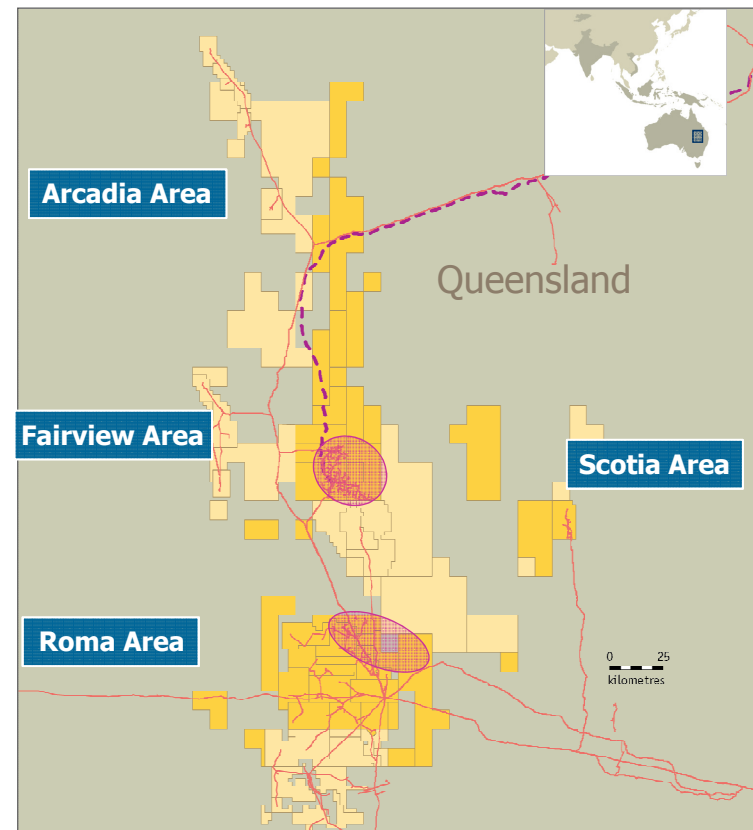
Capex increased by 16%	<ul style="list-style-type: none">▪ Project capex increased by 16% to US\$18.5* billion from FID until the end of 2015▪ Additional capital will bring forward upstream field development in the Fairview and Roma areas that was previously planned for post-2015▪ No significant cost overruns or scope changes since FID
First LNG date unchanged	<ul style="list-style-type: none">▪ Project is on track for first LNG in 2015▪ More than 440 wells drilled to date▪ 90% of gas transmission pipeline manufactured▪ Construction of LNG plant on Curtis Island progressing on schedule
Funded from existing balance sheet	<ul style="list-style-type: none">▪ Santos net share of additional capex until the end of 2015 is US\$750 million▪ Strong balance sheet: existing funding capacity of A\$7.3 billion▪ No need or intention to raise additional equity or debt capital

* Based on foreign exchange rates which are consistent with the assumptions used at FID (A\$/US\$ 0.87 average over 2011-2015).

Accelerating upstream development

Additional capex of US\$2.5 billion primarily used to further optimise gas delivery

- Additional upstream capital to be brought forward from post-2015 in the Fairview and Roma project areas.
- Consistent with the strategy to optimise the project's gas supply into the two LNG trains
- Drilling of approximately 300 additional wells before the end of 2015
- Additional activity is in areas covered by GLNG's existing and approved EIS



Legend

GLNG acreage

Other Santos acreage

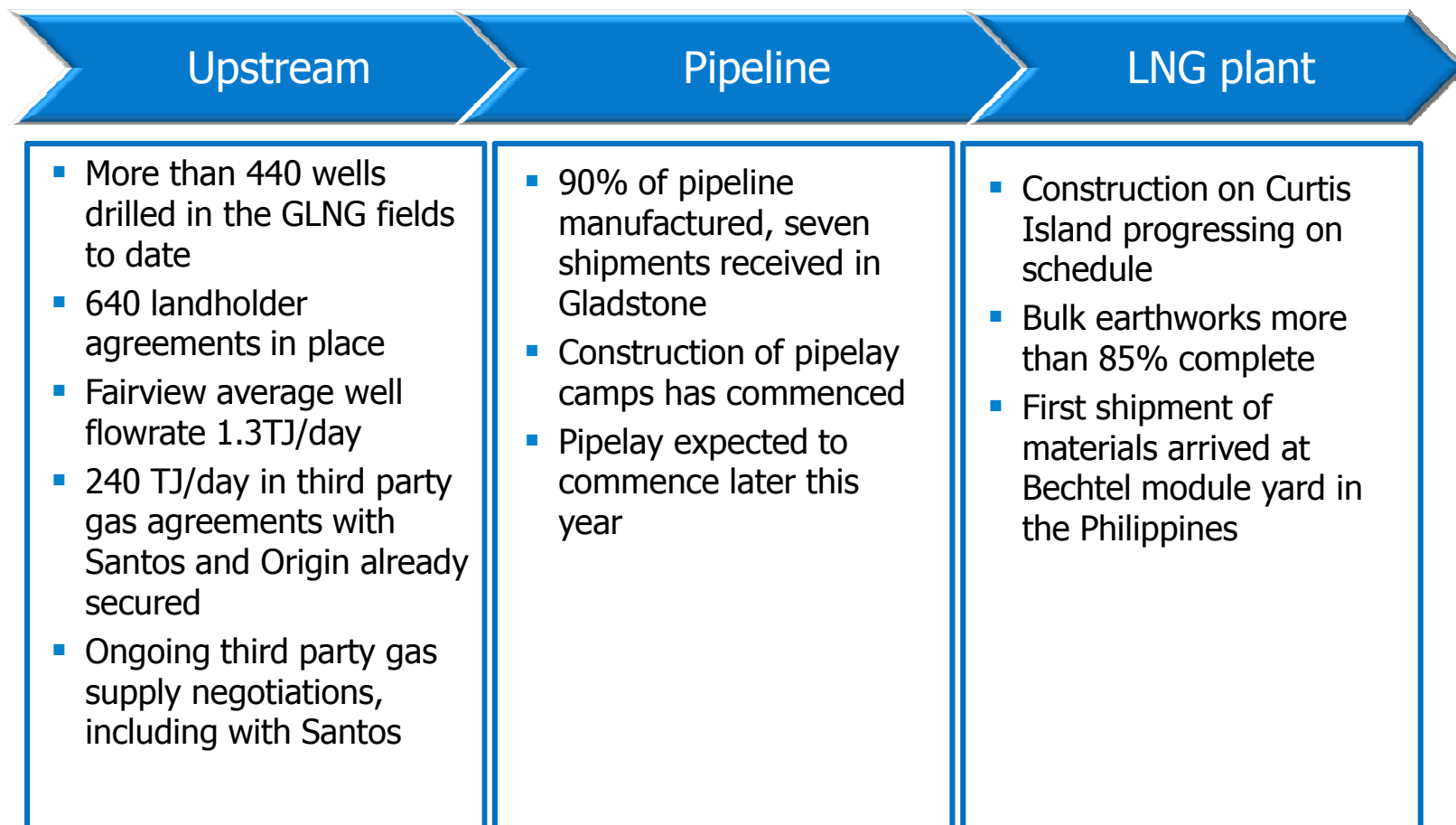
Acceleration areas

Gas pipeline

GLNG gas pipeline

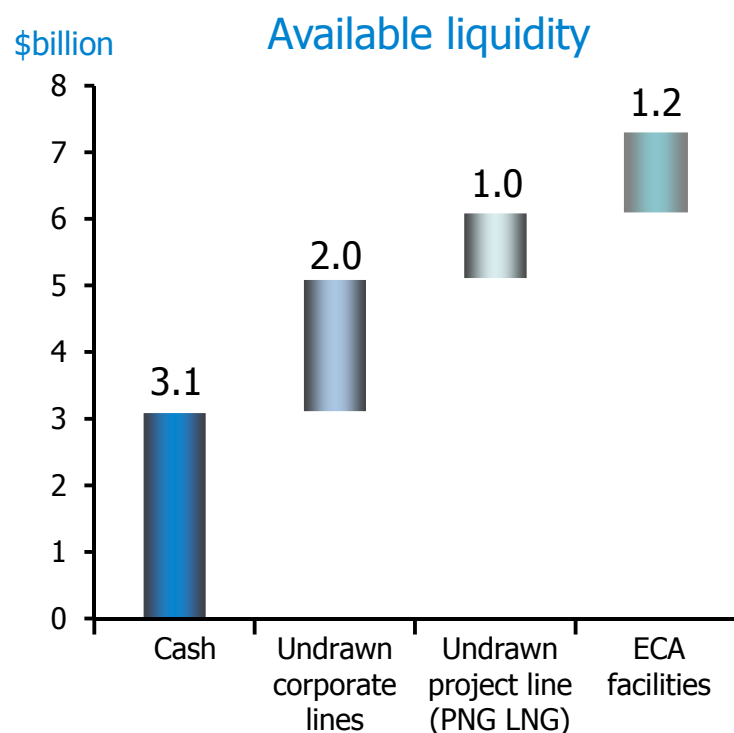
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First LNG expected on schedule in 2015

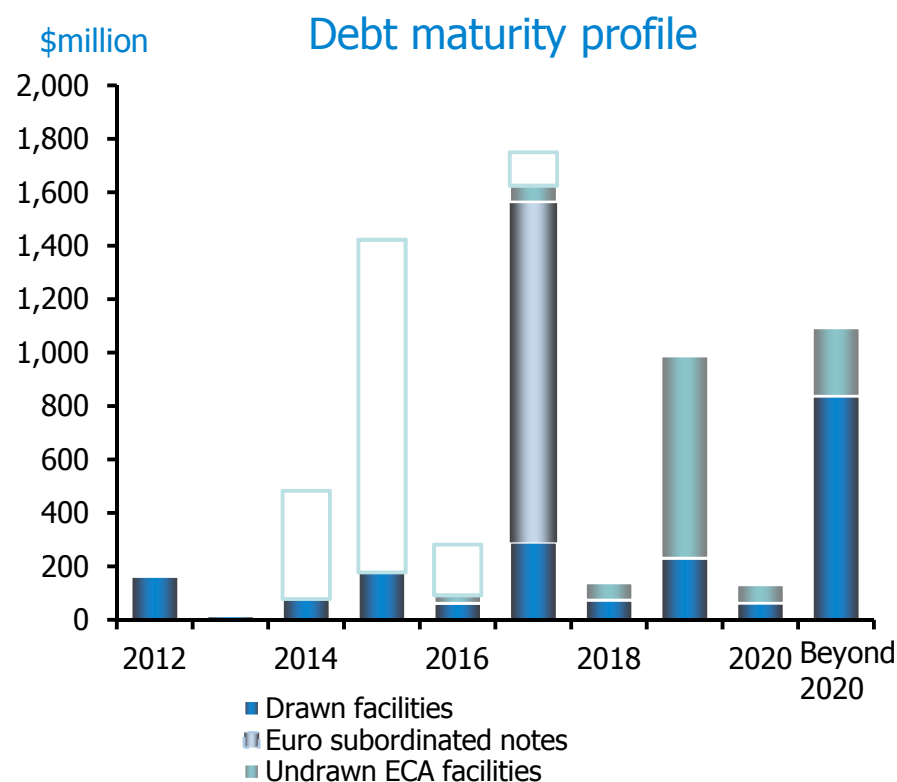


Funded from existing balance sheet

A\$7.3 billion of existing funding capacity; Santos has no need or intention to raise additional equity or debt capital



Charts as at 31 May 2012.

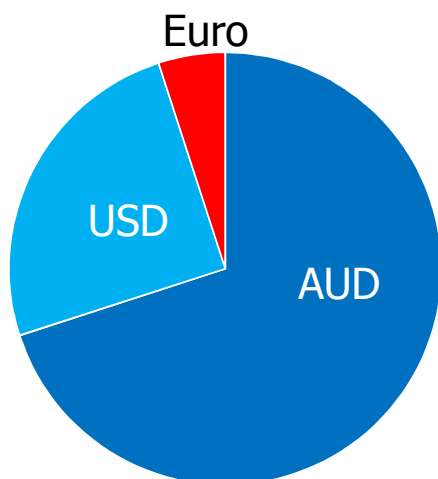


The Euro subordinated notes mature in 2070.
Santos has the option to redeem the notes in 2017.

GLNG capex effectively hedged

70% A\$ capex, hedged by A\$ cashflows & A\$3bn cash

GLNG US\$18.5 billion¹
capex by currency



Santos net share of US\$18.5 billion capex		
USD ¹ \$bn	AUD ¹ \$bn	AUD at spot FX ² \$bn
5.6	6.4	6.1

1 Based on project weighted average exchange rate assumptions (A\$/US\$ 0.87 and US\$/€ 0.76) over 2011-2015.

2 Spot FX rates (A\$/US\$ 1.01 and A\$/€ 0.81) as at 28 June 2012. *Source: Bloomberg.*



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