2006 Full Year Results
Roadshow Presentation

22 February 2007
Strong Operating Performance

**Production**
61.0 mmboe ▲ 9%

**Sales Revenue**
$2,769m ▲ 12%

**EBITDAX**
$2,144m ▲ 17%

**NPAT**
- Underlying A$683m ▲ 7%
- Reported A$643m ▲ 16%

**Production Costs/bbl**
A$6.41/bbl ▼ 3%

**2P Reserves**
819 mmboe ▲ 6%
• Santos 18% non-operated interest
• Mud flow commenced May 2006
• Response effort managed by a National Mitigation Team
• Financial impact remains uncertain
14% Increase in Contingent Resources

Over 2.2 billion boe of contingent resource

Australia Offshore
1,025 mmboe
- Evans Shoal
- Caldiva/Barossa
- Petrel/Tern
- Reindeer

Australia Onshore
733 mmboe
- Fairview
- Roma

PNG
363 mmboe
- Hides
- Barikewa
- Elevala

Asia
117 mmboe
- Hiu Aman
- Wortel
- Blackbird/Dua
- Swan
## A Portfolio of Growth Businesses

1. Cooper Basin oil
2. Eastern Australian gas
3. Western Australian oil and gas
4. LNG projects
5. Asian growth
### Cooper Basin Oil

#### High value opportunity

<table>
<thead>
<tr>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil prices higher for longer</td>
</tr>
<tr>
<td>Over 700 mmbbl original oil in place</td>
</tr>
<tr>
<td>Ability to execute low cost program</td>
</tr>
<tr>
<td>Positive 2006 results</td>
</tr>
</tbody>
</table>

#### Santos competitive advantage

<table>
<thead>
<tr>
<th>Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Largest onshore Australian oil acreage position: 27,000km²</td>
</tr>
<tr>
<td>Utilising modern rigs and proven technology to increase recovery factors</td>
</tr>
<tr>
<td>Unique capabilities, knowledge, infrastructure and short cycle time</td>
</tr>
<tr>
<td>Doubling program in 2007</td>
</tr>
</tbody>
</table>
## Cooper Basin Oil – 2006 Results

### 2006 results above expectations

<table>
<thead>
<tr>
<th></th>
<th>2006 Plan</th>
<th>2006 Actual</th>
<th>% Change</th>
<th>2007 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells</td>
<td>100</td>
<td>108</td>
<td>8%</td>
<td>190</td>
</tr>
<tr>
<td>Success Rate</td>
<td>75%</td>
<td>79%</td>
<td>4%</td>
<td>75%</td>
</tr>
<tr>
<td>2P Reserves added (mmmbbl)</td>
<td>7</td>
<td>15</td>
<td>114%</td>
<td>17</td>
</tr>
<tr>
<td>Initial rate per well (bbl/d)</td>
<td>120</td>
<td>156</td>
<td>30%</td>
<td>160</td>
</tr>
<tr>
<td>Capex</td>
<td>$170m</td>
<td>$186m</td>
<td>9%</td>
<td>$330m</td>
</tr>
<tr>
<td>Full-cycle F&amp;D Cost (A$/bbl)</td>
<td>18</td>
<td>22</td>
<td>22%</td>
<td>22</td>
</tr>
</tbody>
</table>
Cooper Basin Oil – Production Outlook

Significant near and medium term production impact

Barrels per day (Santos share)

Actual  Projected

Base

2004 2005 2006 2007 2008 2009 2010
Eastern Australian Gas

**Strong market growth**

<table>
<thead>
<tr>
<th>Gas demand growing strongly, PNG gas project suspended</th>
<th>Large uncontracted gas position, demonstrated contracting capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas is a low carbon emission fuel</td>
<td>Increasing gas demand and price</td>
</tr>
<tr>
<td>CSG emerging to fill market demand</td>
<td>Established leading position in CSG</td>
</tr>
<tr>
<td>Otway Basin now a major gas producing area</td>
<td>Largest acreage operator in Otway/Sorell Basins</td>
</tr>
</tbody>
</table>

Santos is well positioned

Santos is well positioned
Significant uncontracted demand to place Santos’ 1P, 2P & 3P reserves

Total Market Demand

Total Contracted Market

Remaining Uncontracted 3P - Santos Share

Remaining Uncontracted 2P - Santos Share

Remaining Uncontracted 1P - Santos Share

Santos Contracted Share

*Wood Mackenzie – Eastern Australia Gas & Power Outlook to 2025 Fitting the pieces together
EA Gas – CSG Business

Material CSG legacy asset established

- Strong competitive advantages
  - Highest quality acreage
  - Industry leading capability
  - Existing infrastructure
  - Largest onshore operator

Legend
- Santos acreage
- Extent of Surat/Bowen Basins
- Santos CSG projects
- Other producing CSG projects
- Gas pipeline
- Oil pipeline
65% increase in CSG production in 2006

- Integrated Fairview acquisition
- Added 380 PJ of 2P reserves
- Finding cost of 7c/GJ
- Drilled 40 wells
- Capex A$124 million
- Installed Fairview to Wallumbilla pipeline
Western Australian Oil and Gas

<table>
<thead>
<tr>
<th>Oil upside, gas prices rising</th>
<th>Santos well positioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global gas prices rising</td>
<td>WA gas market has moved to $5+ per GJ</td>
</tr>
<tr>
<td>Demand for gas remains high</td>
<td>Uncontracted John Brookes reserves</td>
</tr>
<tr>
<td>Further growth expected at higher prices</td>
<td>Reindeer development opportunity</td>
</tr>
<tr>
<td>Proven hydrocarbon systems</td>
<td>Multiple oil exploration and appraisal targets, short cycle time opportunities</td>
</tr>
</tbody>
</table>
Production increasing into higher price environment

- John Brookes ramp-up
  - 200 PJ uncontracted 2P reserve
- Reindeer follow up opportunity
  - 300–500 PJ resource
  - Feasibility study underway
  - First production target 2010
Short cycle time, near field oil opportunities

- Carnarvon Basin 2007 wells
  - Fletcher
  - Totem
  - Hurricane appraisal
  - Mutineer appraisal
### LNG Projects

<table>
<thead>
<tr>
<th>Favourable LNG dynamics</th>
<th>Santos well positioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Booming demand for LNG</td>
<td>Multiple LNG opportunities</td>
</tr>
<tr>
<td>Large gas resources a prerequisite</td>
<td>Significant contingent resource positions with quality assets</td>
</tr>
<tr>
<td>PNG LNG</td>
<td>Hides field critical to PNG LNG</td>
</tr>
<tr>
<td>Darwin LNG expansion</td>
<td>Santos 40% interest in 8+ tcf of resources</td>
</tr>
</tbody>
</table>
ExxonMobil progressing evaluation of LNG development including Hides field
- 5 to 6.5 mtpa LNG plant
- First cargos target 2012-2013
- Santos share 6+ mmboe pa

Other Santos resources
- 43% and operator of Barikewa
- 50% and operator of Elevala

In total – 363 mmboe contingent resource in PNG
Santos well positioned for Darwin second train

- Material acreage position
- Appraisal ongoing
- 8+ tcf resource
- Aligned with ConocoPhillips
- 3.5 to 6 mtpa train
- First cargos 2013+
## Asian Growth

<table>
<thead>
<tr>
<th>High growth potential</th>
<th>Santos has a quality portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused, long term vision required for success</td>
<td>Strategy focus on Asia, USA business for sale</td>
</tr>
<tr>
<td>Development, production and exploration in Indonesia</td>
<td>Maleo gas project online, Oyong startup 2Q 2007, Kutei</td>
</tr>
<tr>
<td>2006 new country entry to Vietnam</td>
<td>Blackbird, Dua oil discoveries, Swan gas field, active exploration program</td>
</tr>
<tr>
<td>Quality acreage captured</td>
<td>Indian entry, Kyrgyzstan acreage extension, Vietnam new block</td>
</tr>
</tbody>
</table>
Two oil discoveries, with follow-on opportunities

- Blackbird and Dua oil discoveries
- Accelerating seismic into Q1 2007, drilling into Q4 2007
- Commencing development planning
- Swan gas field development potential
- Northern block secured
Asian Growth - Indonesia

Core business positioned for growth

- Oyong Q2 2007 start-up
- Wortel gas discovery
  - Development planning underway
- Jeruk development studies ongoing
- Kutei Basin
  - Exploration/appraisal wells subject to deep water rig availability

Legend
- Santos acreage
- Oil pipeline
- Oil field
- Gas pipeline
- Gas field

Map showing East Java Basin, Kutei Basin, Wortel, Oyong, Maleo, Kalimantan.
Asian Growth - India

High potential region

- Attractive frontier basin
- Work program
  - 1 exploration well
  - 2D and 3D seismic
  - Estimated cost A$90m
- Emerging market with sound energy fundamentals
Production Outlook

Production guidance – 59 to 61 mmboe in 2007 and 2008

EA Gas  Cooper Oil  WA O&G  International  LNG  Exploration
## Summary

1. Cooper Basin oil
   - Large scale, low risk opportunity
   - Unique competitive advantage
   - Acreage and infrastructure

2. Eastern Australian gas
   - CSG new legacy asset
   - Flexibility through hub strategy
   - Positioned for increasing demand

3. Western Australian oil and gas
   - Increasing gas production into higher price environment
   - Near field exploration and appraisal

4. LNG projects
   - Darwin LNG expansion
   - PNG LNG using Hides gas

5. Asian growth
   - Regional expansion focus
Reference Slides
Cooper Basin Oil 2006 Program

108 wells drilled with 79% success rate

- ATP299P
  - Wells drilled: 76
  - Success: 75%

- Rest of Qld
  - Wells drilled: 16
  - Yanda: 11
  - Challum: 3
  - Wackett: 1
  - Currambar: 1
  - Success: 94%

Legend:
- Santos Acreage
- Oil Field
- Oil Pipeline
- Gas Pipeline
- Gas Field
Cooper Basin Oil 2007 Plan

~ 190 wells planned

Greater SA
25 - 30 wells to drill

ATP 299
65 - 75 wells to drill

Jackson / Naccowlah
45 - 50 wells to drill

JALBU / PEL 114
45 - 55 wells to drill

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

Santos
Cooper Basin Oil - Waterflooding

- Without pressure support, an oil reservoir can have recovery factors less than 10% of oil-in-place.
- Injection of water into the reservoir provides pressure support (drive) and “sweeps” the oil towards the producing wells.
### 2007 Forward Exploration Schedule

<table>
<thead>
<tr>
<th>Well Name</th>
<th>Basin / Area</th>
<th>Target</th>
<th>Upside Resource Potential (mmboe)</th>
<th>Santos Interest</th>
<th>Timing</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 – 50</td>
<td>50 -100</td>
<td>100 - 250</td>
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<tr>
<td>RAD 2X</td>
<td>Egypt</td>
<td>Oil</td>
<td>✓</td>
<td></td>
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<tr>
<td>Mahogany</td>
<td>Surat/Bowen</td>
<td>Oil</td>
<td>✓</td>
<td></td>
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<tr>
<td>Stitch</td>
<td>Surat/Bowen</td>
<td>Oil</td>
<td>✓</td>
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<tr>
<td>Hurricane-2</td>
<td>Dampier</td>
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<tr>
<td>Totem-1</td>
<td>Dampier</td>
<td>Oil</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Montegue</td>
<td>Cooper</td>
<td>Gas</td>
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<tr>
<td>Fletcher-1</td>
<td>Dampier</td>
<td>Oil</td>
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<tr>
<td>Charm-1</td>
<td>Dampier</td>
<td>Oil</td>
<td>✓</td>
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<td></td>
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<tr>
<td>EJ-1</td>
<td>East Java</td>
<td>Oil/Gas</td>
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<td>Charon</td>
<td>Houtman</td>
<td>Oil</td>
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<tr>
<td>SEJ-1</td>
<td>Egypt</td>
<td>Oil</td>
<td>✓</td>
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<tr>
<td>Falcon</td>
<td>Vietnam</td>
<td>Oil</td>
<td>✓</td>
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</tr>
</tbody>
</table>

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.
### Project Status

<table>
<thead>
<tr>
<th>Project</th>
<th>Oil/Gas</th>
<th>Initial Production</th>
<th>Estimated Capex A$m</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooper Oil (1000 well plan)</td>
<td>Oil</td>
<td>ongoing</td>
<td>1,000</td>
<td>In production</td>
</tr>
<tr>
<td>CSG (6 year plan)</td>
<td>Gas</td>
<td>ongoing</td>
<td>700</td>
<td>In production</td>
</tr>
<tr>
<td>Oyong Phase 1</td>
<td>Oil</td>
<td>Q2 2007</td>
<td>49</td>
<td>Development</td>
</tr>
<tr>
<td>Oyong Phase 2</td>
<td>Gas</td>
<td>2H 2008</td>
<td>37</td>
<td>Development</td>
</tr>
<tr>
<td>Henry</td>
<td>Gas</td>
<td>2009</td>
<td>140</td>
<td>FEED</td>
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<tr>
<td>Kipper</td>
<td>Gas</td>
<td>2010</td>
<td>300</td>
<td>FEED</td>
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<tr>
<td>Amulet</td>
<td>Oil</td>
<td>2010</td>
<td>TBC</td>
<td>Appraisal</td>
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<tr>
<td>Dua/Blackbird</td>
<td>Oil</td>
<td>2010-11</td>
<td>TBC</td>
<td>Appraisal</td>
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<tr>
<td>Reindeer</td>
<td>Gas</td>
<td>2010</td>
<td>TBC</td>
<td>Feasibility</td>
</tr>
<tr>
<td>PNG LNG</td>
<td>LNG</td>
<td>2012-2013</td>
<td>TBC</td>
<td>Feasibility</td>
</tr>
<tr>
<td>Timor/Bonaparte LNG</td>
<td>LNG</td>
<td>2013+</td>
<td>TBC</td>
<td>Appraisal</td>
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</table>
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