



Macquarie Australia Conference

1 May 2013



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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. 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).

Cover image: GLNG LNG tanks under construction

A compelling investment opportunity

Production growth

- 6% annual compound production growth to 2020

Earnings growth

- Rising Australian domestic gas prices
- 3.4mtpa long-term oil-linked LNG export contracts

Major projects on track

- PNG LNG over 80% complete, first LNG in 2014
- GLNG over 50% complete, first LNG in 2015

Material exploration catalysts in 2013

- Browse Basin drilling in 2013 to follow-up Crown-1 gas-condensate discovery

Australian shale

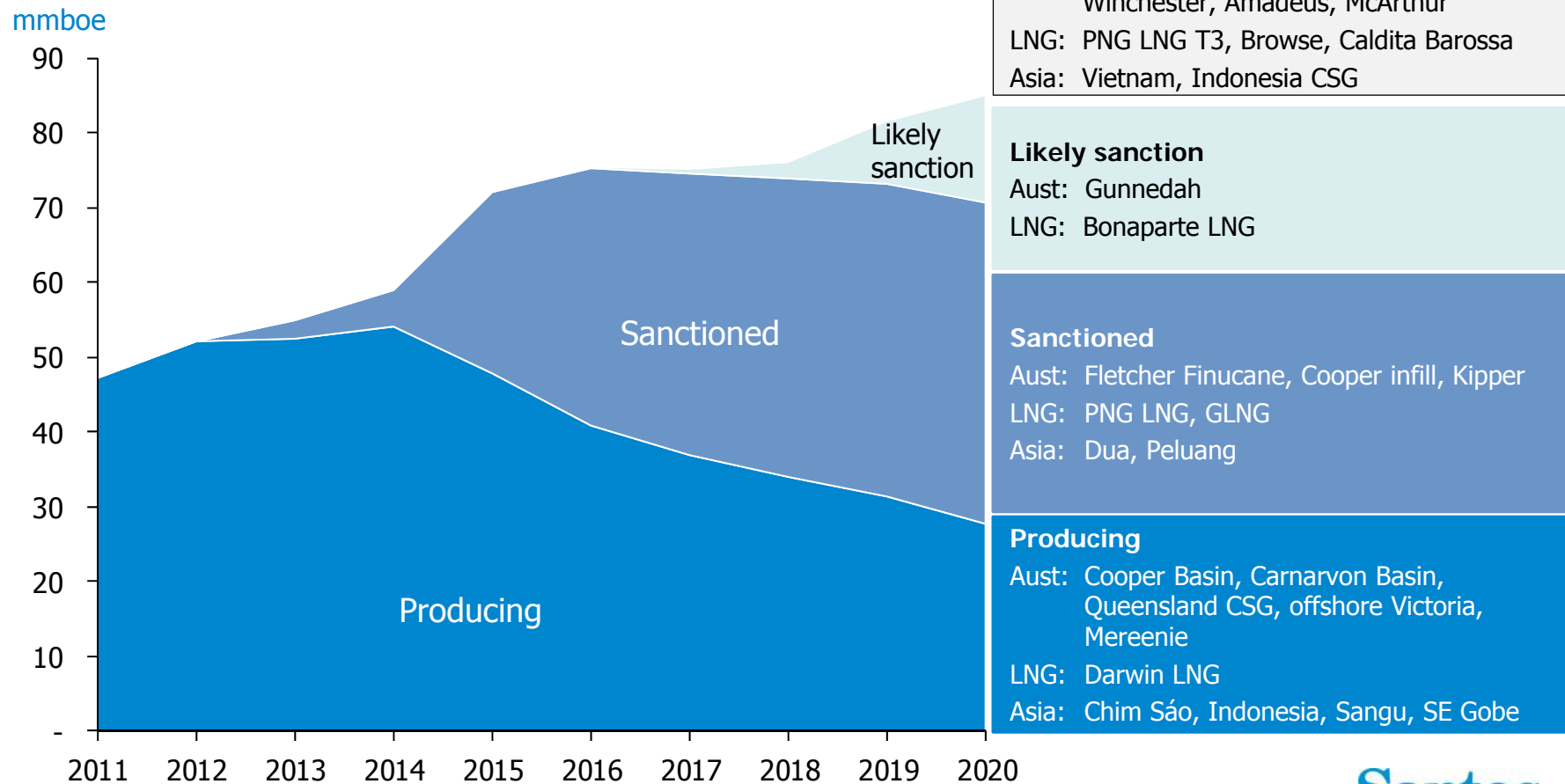
- Australia's first commercial shale production
- Strong infrastructure position

Capital management

- With PNG LNG start-up in 2014, commence considering capital management initiatives later this year

Delivering 80-90 mmboe of production by 2020

6% CAGR production growth 2011-2020



Fletcher Finucane first oil ahead of schedule

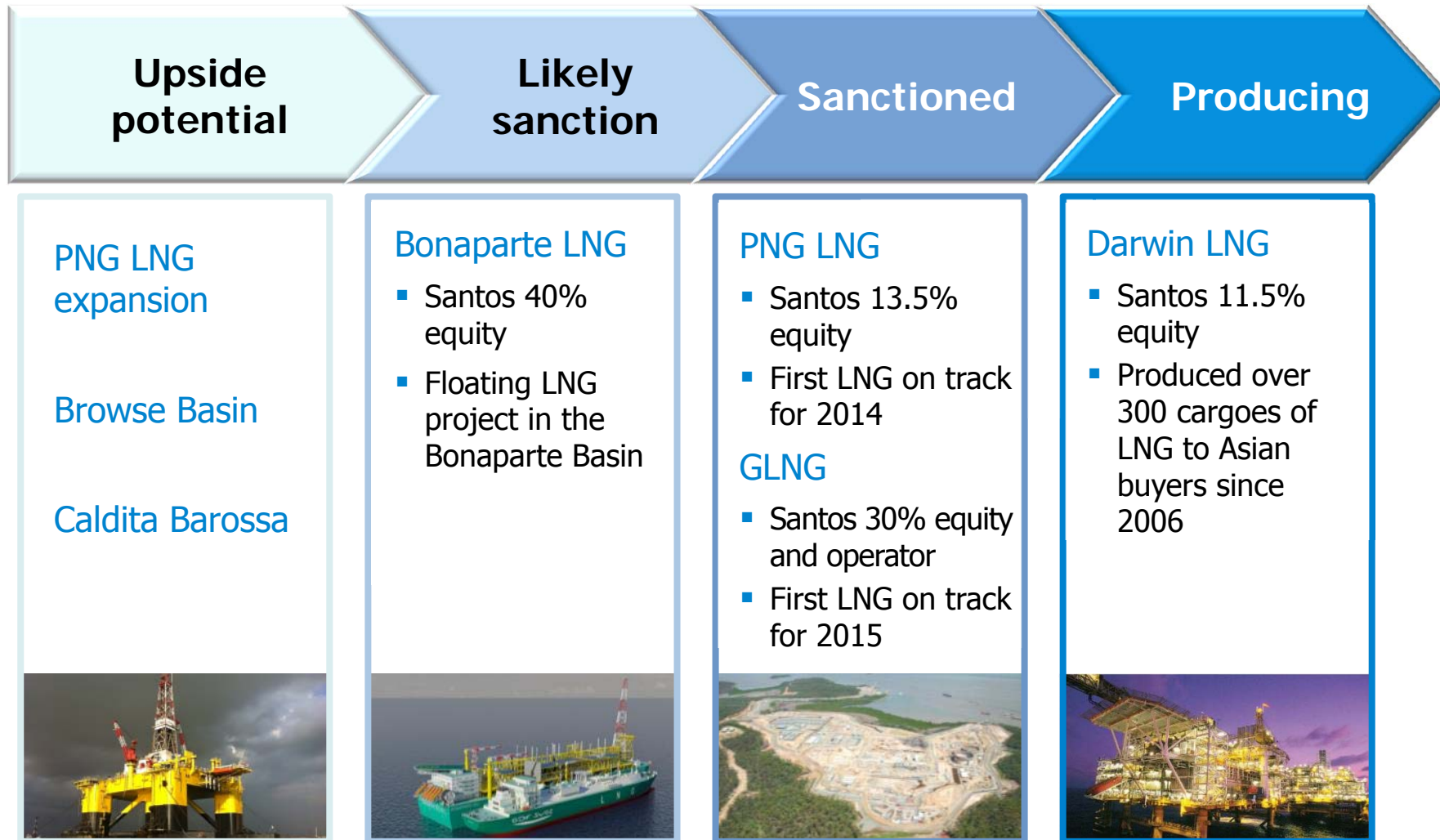
Project is over 90% complete; pre-commissioning to commence in May

- Santos 44% and operator
- Three-well subsea tieback to Mutineer-Exeter FPSO
- All development wells drilled and completed
- Installation work well advanced
- Forecast average gross production rate of 15,000bbl/day in the first 12 months



Well clean-up, Fletcher Finucane

Santos' LNG growth pipeline



Santos' LNG projects are fully contracted with major Asian buyers at oil-linked prices



DLNG

Contracted to
2023



PNG LNG

Contracted to
2034



Fuel for the Future

GLNG

Contracted to
2035

3.4 mtpa Santos share of long-term, oil-linked contracts in place



Santos
We have the energy.

GLNG on track for first LNG in 2015

Project is over 50% complete

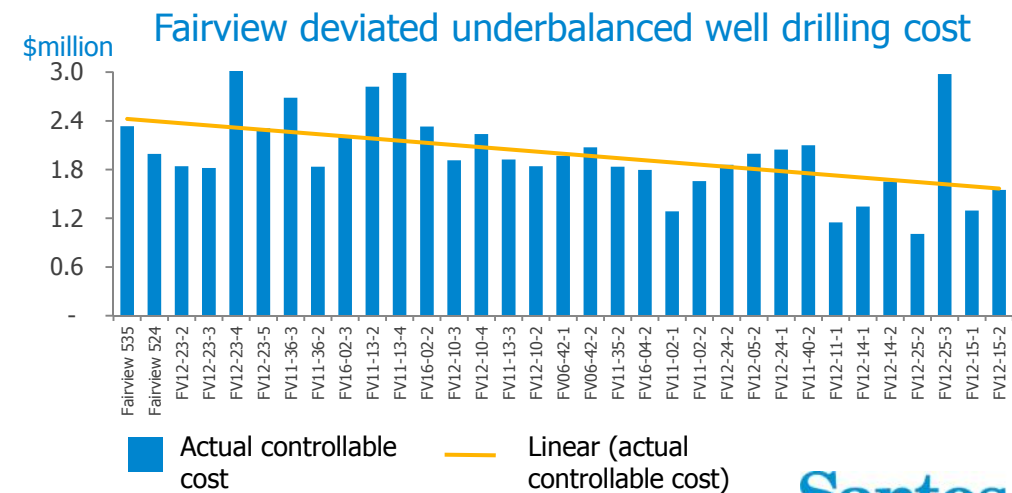
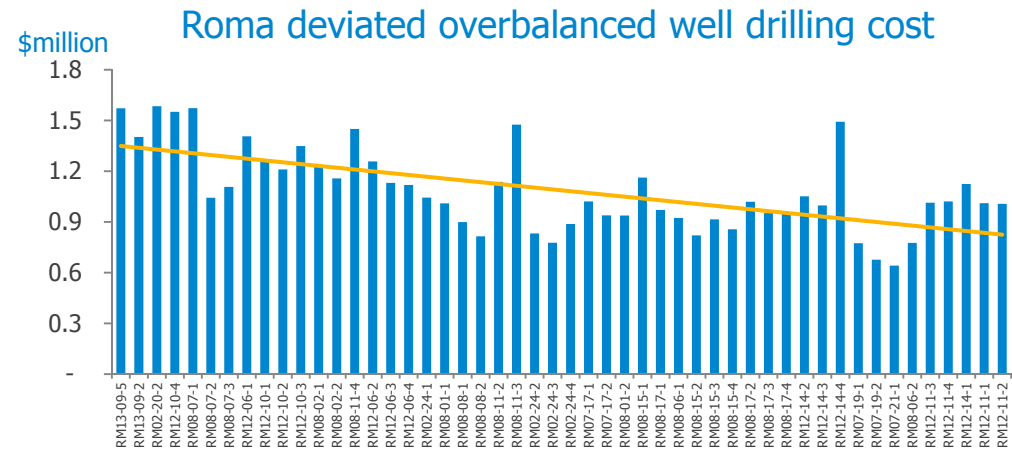
- Santos 30% and operator
- Recent milestones include:
 - First four LNG plant modules shipped from the module yard in Batangas
 - Train 1 refrigeration compressors, cold boxes and CO₂ absorber installed
 - Tunnelling commenced under the Narrows Crossing
 - 49 wells drilled in the GLNG acreage in the first quarter
 - Arcadia appraisal well encounters 70 metres net coal
- LNG plant capacity of 7.8 mtpa
- Gross capital cost estimate US\$18.5 billion from FID to end 2015



CSG drilling: driving down well costs

Roma drilling campaign achieved up to 40% reduction in drilling costs

- Current rig fleet of eight drilling rigs and four completion rigs
- Over 80% of wells drilled in 2012 were deviated wells
- Delivering lower well costs:
 - 40% reduction in drilling cost for Roma deviated wells
 - >30% reduction in drilling cost for Fairview deviated wells
- Expect to drill more than 200 wells in 2013



Upstream construction



Gas transmission pipeline

420 kilometre pipeline on track for Q2 2014 completion

- 420 kilometre 42" pipeline
- All pipeline manufactured and landed in Queensland
- Mainland section:
 - 210 kilometres of the right-of-way has been cleared and graded
 - 165 kilometres of pipeline strung
 - 10,600 joints welded
- Marine crossing:
 - Tunnelling commenced April 2013



Curtis Island



Downstream construction



LNG tanks



Loading modules for shipping, Batangas



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LNG train 1



LNG jetty

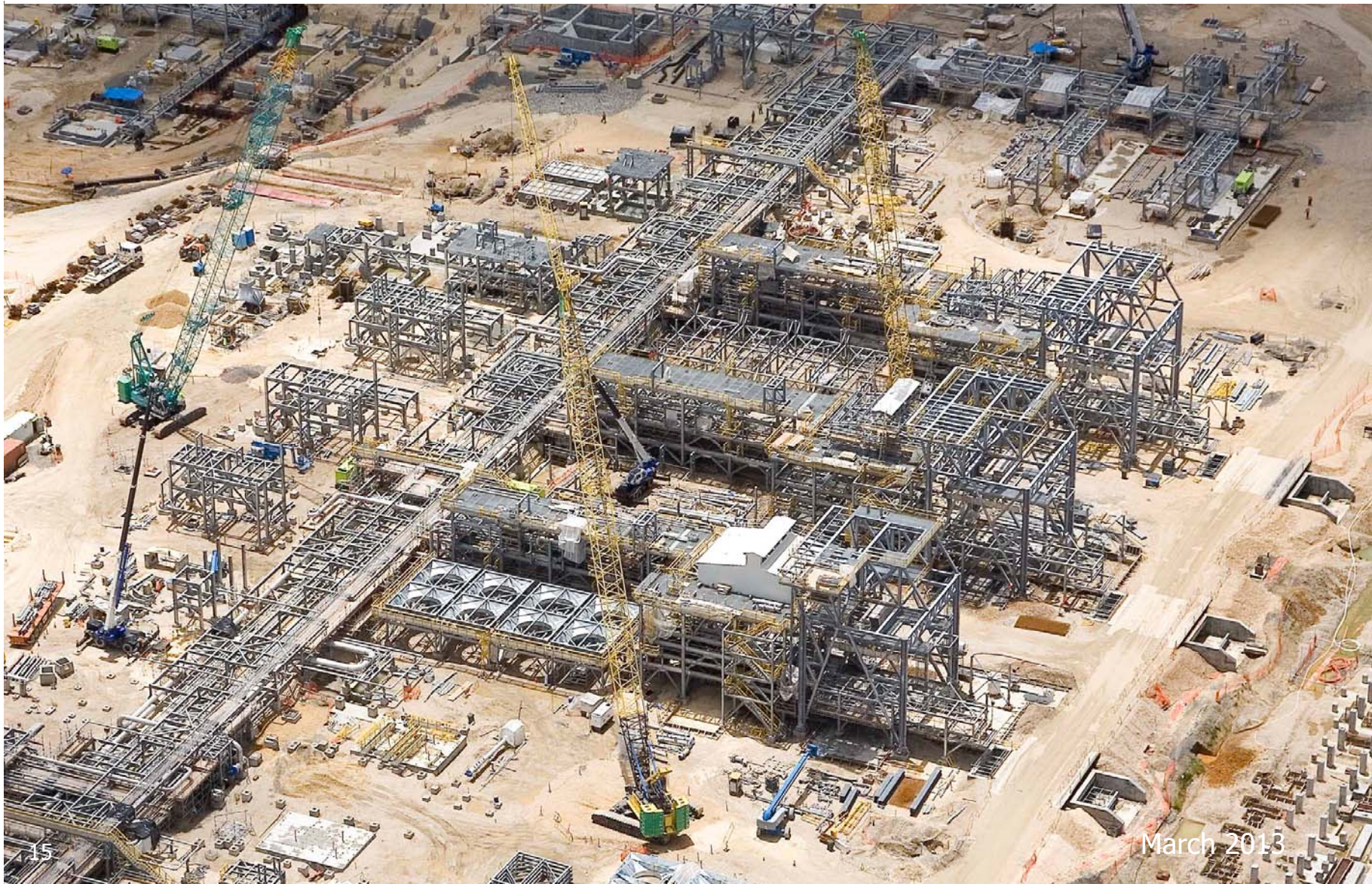
PNG LNG on track for first LNG in 2014

Project is over 80% complete

- Santos 13.5%, ExxonMobil 33.2% and operator
- Recent milestones include:
 - Komo nearing completion ahead of first cargo flights in May 2013
 - Major foundations at Hides Gas Conditioning Plant are complete with piping and cable installation progressing
 - Drilling of three wells at Hides is ongoing with two drilling rigs
 - Offshore pipeline is complete, onshore pipeline construction progressing
 - LNG tanks, load-out jetty and flare system nearing completion and preparing for commissioning gas
- LNG plant capacity of 6.9 mtpa
- Gross capital cost estimate US\$19 billion



Hides gas conditioning plant



LNG plant construction well advanced



PNG LNG potential expansion

Existing infrastructure can support potential future expansion

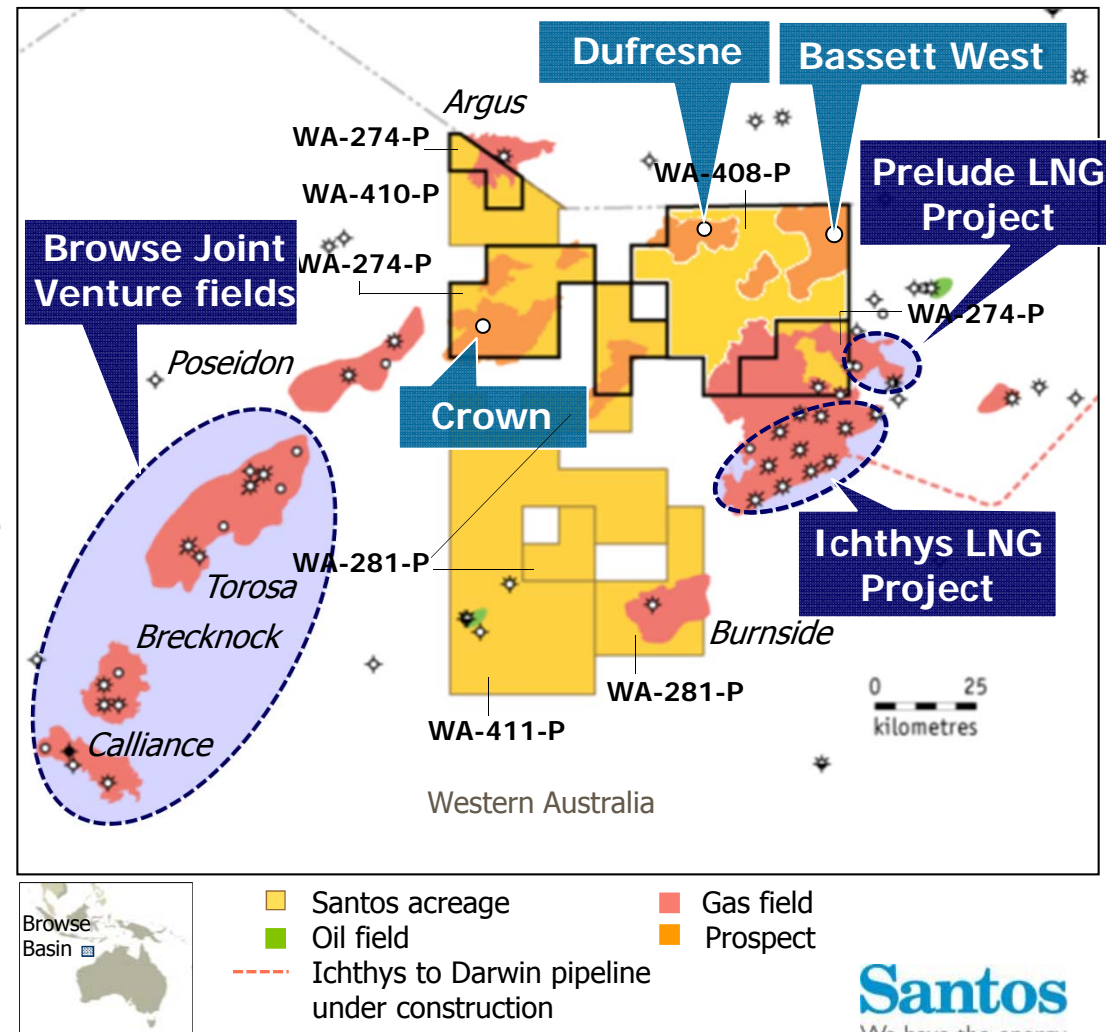
- Potential areas for expansion are being assessed
 - Hides development drilling underway
- Plans are being developed to drill Hides Deep in 2014 (Santos 24% equity)
 - Optimal access to project infrastructure



Browse: Crown success unlocks material play

Significant gas discovery at Crown, Bassett West drilling ahead

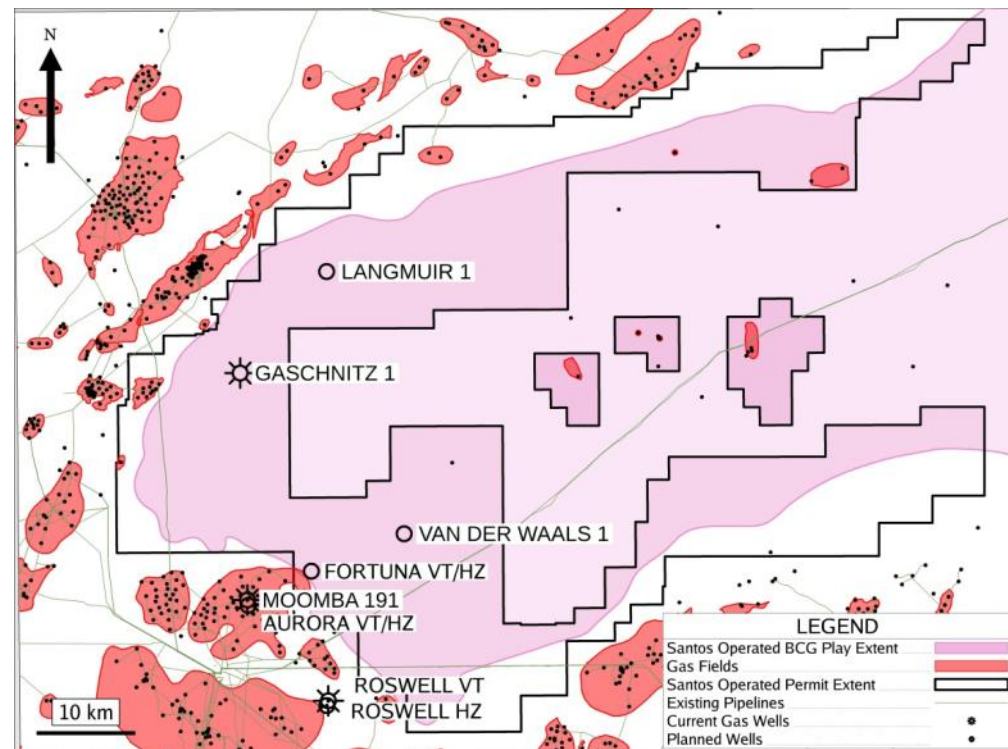
- Crown gas discovery (Santos 30% and operator)
 - 61 metres of net pay in Jurassic-aged Montara, Plover and Malita sandstones
 - Pressure data implies single hydrocarbon-bearing gas condensate column in good quality reservoir
 - Multiple condensate-bearing samples recovered to surface
 - Contingent recoverable resource estimate range 0.5 to 5 tcf
- Bassett West exploration well (Santos 30%)
 - Drilling ahead towards total depth of 5,275 metres



Cooper Basin unconventional

Exploration continues on the basin centred gas play and the REM shale play

- Basin centred gas play
 - Gaschnitz-1 successfully cased and suspended; gas bearing throughout the entire 1,000 metre Permian section
 - Van Der Waals-1 vertical well spudded in early April
- REM shale play
 - Moomba-191 continues to produce at 2.3 mmscf/day
 - Moomba-192, vertical well of a dual vertical/horizontal shale well pilot, spudded in early April



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2013 exploration schedule

Well name	Basin / area	Target	Santos Interest %	Timing
Bassett West-1	Browse	Gas	30	Drilling
Winchester-1	Carnarvon	Gas	75	Drilling
Dufresne-1	Browse	Gas	30	Q2 – Q3
Cooper unconventional	Cooper	Gas	66.6	Q1 – Q3
Cooper NFE	Cooper	Gas	Various	Q3 – Q4
NSW CSG	Gunnedah	CSG	Various	Q4
Indonesia CSG	South Sumatra	CSG	60	Q2 – Q4
Hoi Khoai-1	Nam Con Son	Oil	65	Q3
Mereenie unconventional cores	Amadeus	Gas	100	Q3
Queensland CSG	Denison	CSG	50	Q3- Q4



Gross success case high side outcome >100 mmboe

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

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