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**To:** Company Announcements Office  
ASX Ltd

**From:** Company Secretary

**Date:** 3 June 2008

**Subject:** **Santos Investor Seminar Presentation**

Please find attached the Santos Investor Seminar Presentation which was given in Sydney today.

James Baulderstone  
**Company Secretary**



**Santos**

# Santos Investor Seminar

3 June 2008

# Disclaimer & Important Notice

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.

## Introduction

Strategy

David Knox

## Base Business

Eastern Australia Gas  
Western Australia Oil & Gas  
Cooper Basin Oil

Rick Wilkinson  
Roger Kennett  
Mark Macfarlane

## LNG

Growth in LNG  
CSG Assets  
Gladstone LNG  
PNG LNG & Darwin LNG

David Knox  
Mark Macfarlane  
David Knox  
John Anderson

## Asia

Asia Growth & Exploration

Trevor Brown

## Outlook

Peter Wasow

## Wrap Up

David Knox

The Santos logo is displayed in white text on a blue rectangular background.

# Agenda

**Santos**

# Strategy

David Knox  
Acting CEO

# An Australian Company Providing Energy for Asia

Through:

- Delivering the base
- Tapping our resource riches
- Being a great place to work

...and do it all safely and sustainably  
to deliver a superior shareholder return

# Energy World

## Fundamentally

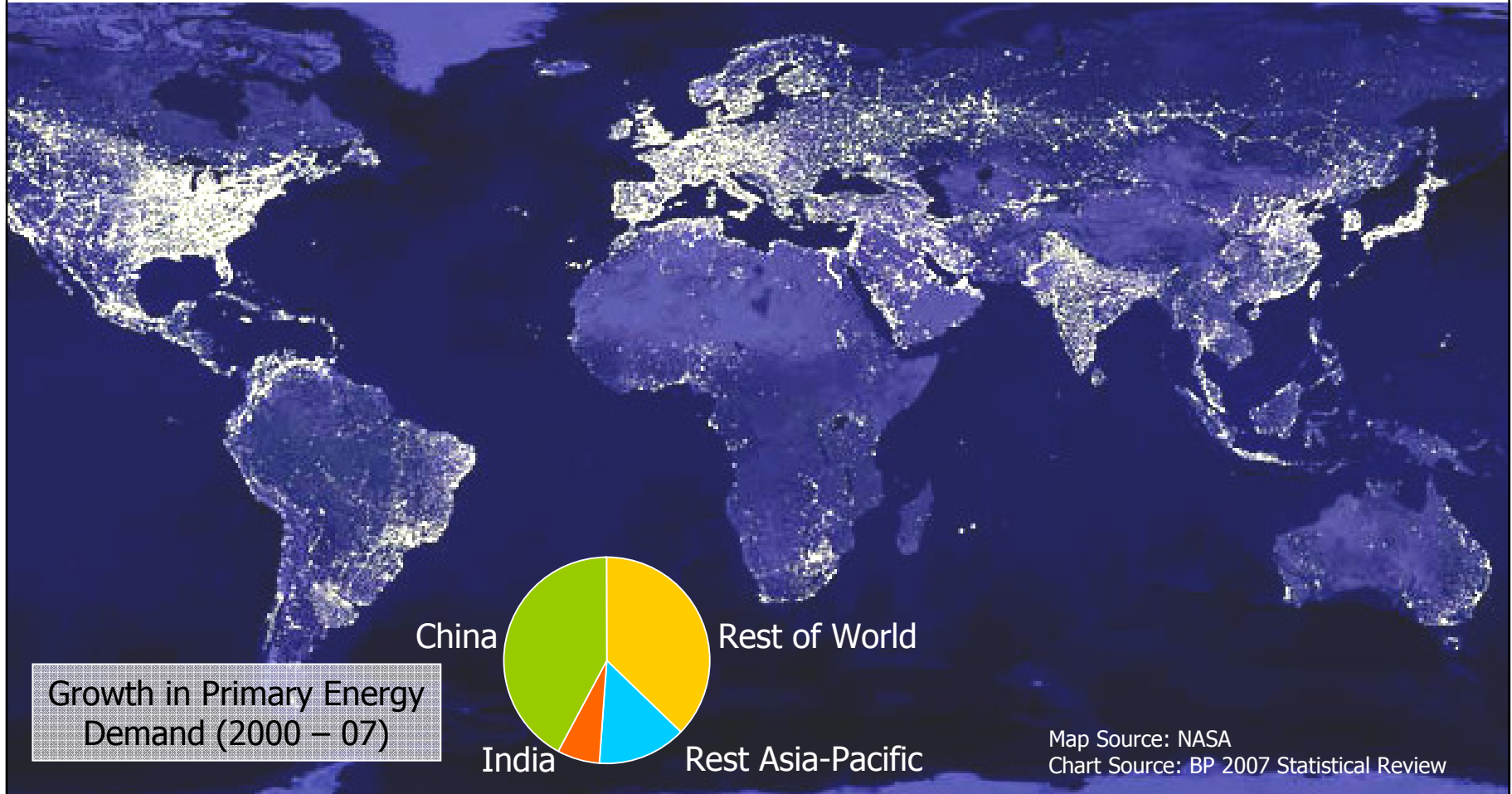
- Unprecedented Asian economic growth driving energy demand
- Rising CO<sub>2</sub> emissions
- Security of supply becoming incredibly important

## To meet energy needs while reducing emissions...

- **Gas** must have an increasing share of the fuel mix
- **Unconventional** energy supplies must complement conventional
- **Prices** need to remain high to ensure supply/demand equilibrium

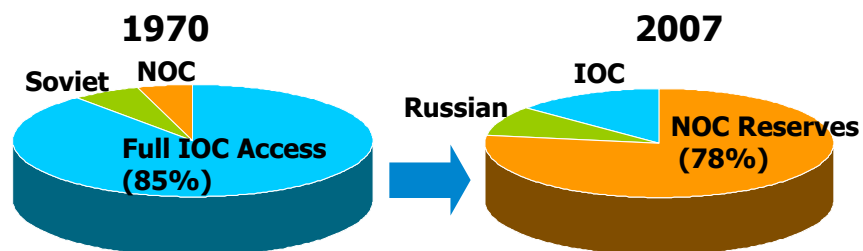
# Fundamental Shift Globally

An Australian company providing energy for Asia

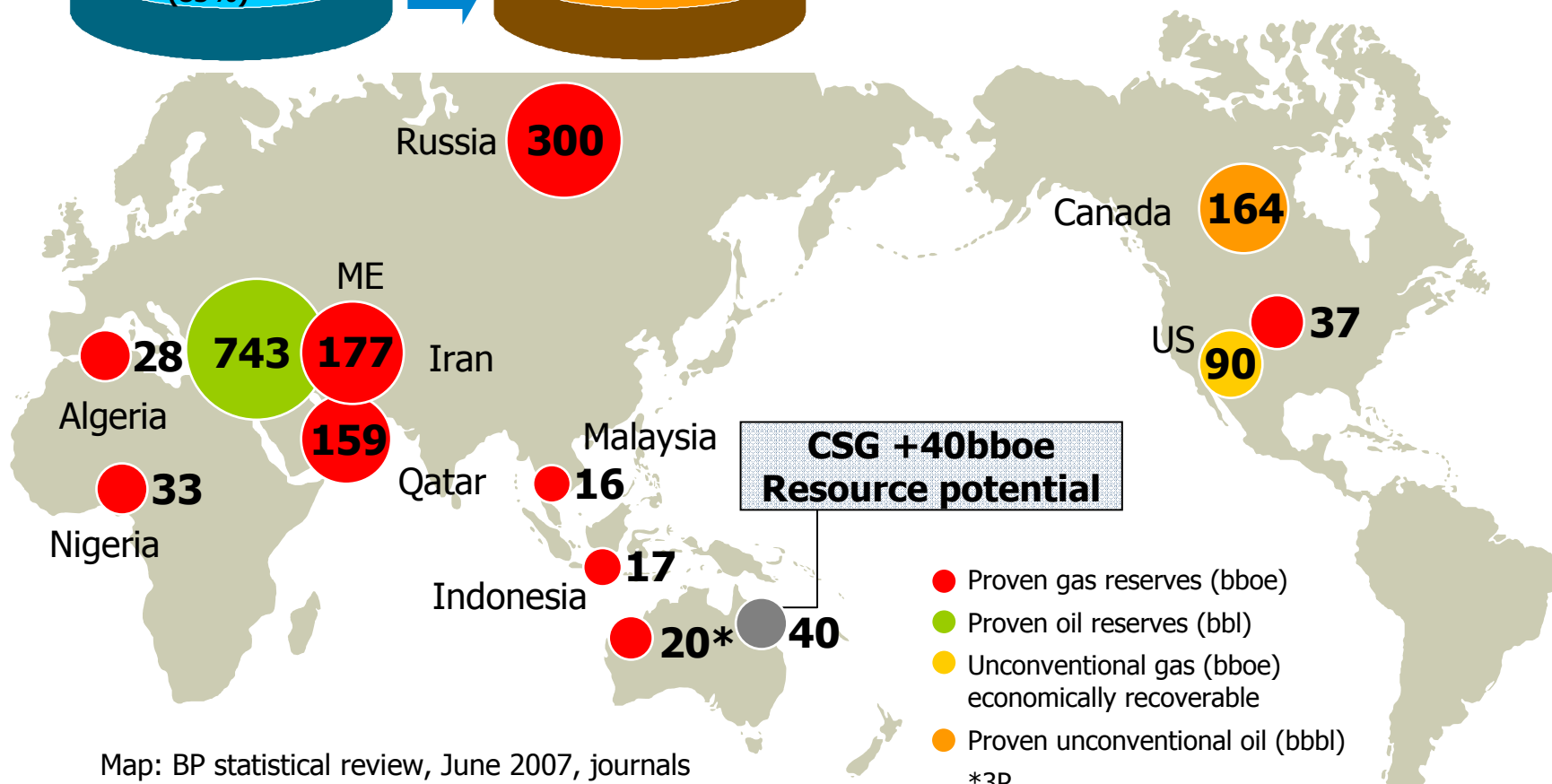




# EA CSG: Globally Significant Play in an Access Constrained World



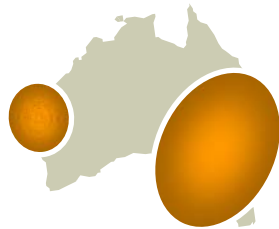
Partial list for comparison



Map: BP statistical review, June 2007, journals  
Pie Chart: Adapted from PFC Energy

# Santos Positioning

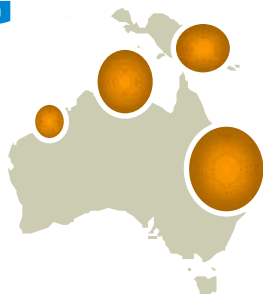
## In Australia



### Extending its 50-year history of reliably serving Australia, Santos will in:

- Gas: help meet low emission needs with our conventional and rapidly growing cupboard of unconventional sources
- Oil: supply into global shortage

## In LNG



### With our emerging presence in LNG,

- Santos will deliver reliable LNG from multiple conventional (DLNG, PNG) and CSG (GLNG) sources

## In Asia



### Expanding on our 10-year presence in Asia,

- Santos will help meet the in-country gas needs of Indonesia, Vietnam, and India/Bangladesh (Bay of Bengal) and develop oil for domestic & global markets

# Will Achieve Strategy Through Delivery

Using quality assets in an extensive footprint, Santos will safely deliver:

## Reliable base business in Australia:

- **Eastern Australia:** price and volume growth
- **Cooper Oil:** high-value scaleable exploitation opportunity
- **WA:** exploit asset position

## Significant growth in LNG:

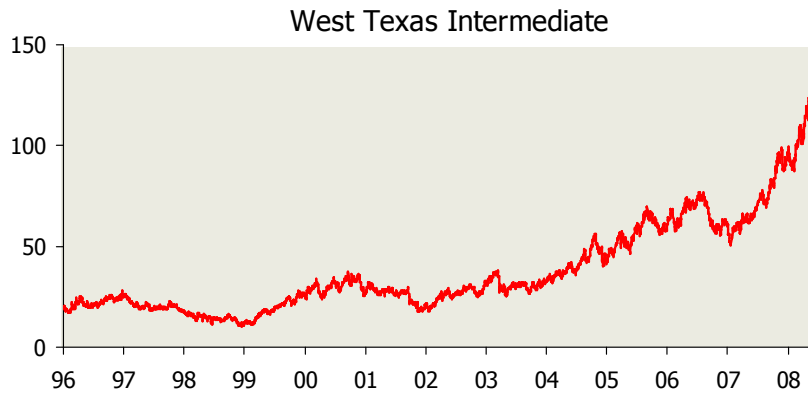
- **GLNG:** transformational growth
- **PNG:** project underpinned by high quality gas reserves
- **DLNG:** brownfield LNG growth

## Focused growth in Asia:

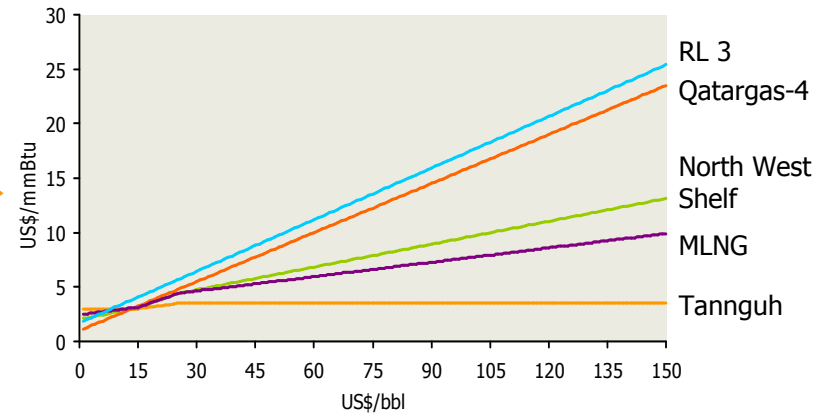
- **Indonesia:** steady business with incremental growth
- **India/Bangladesh:** Bay of Bengal
- **Vietnam:** first oil by end 2010, expansion opportunities

# Delivered into Higher Pricing

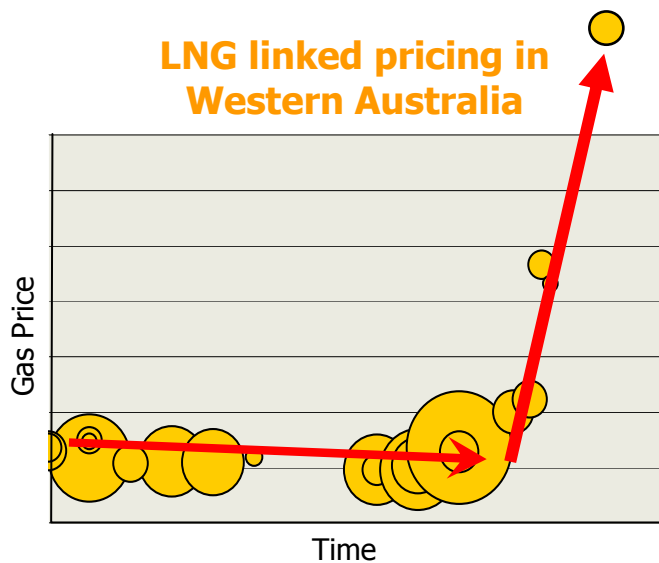
## Continuing high oil prices



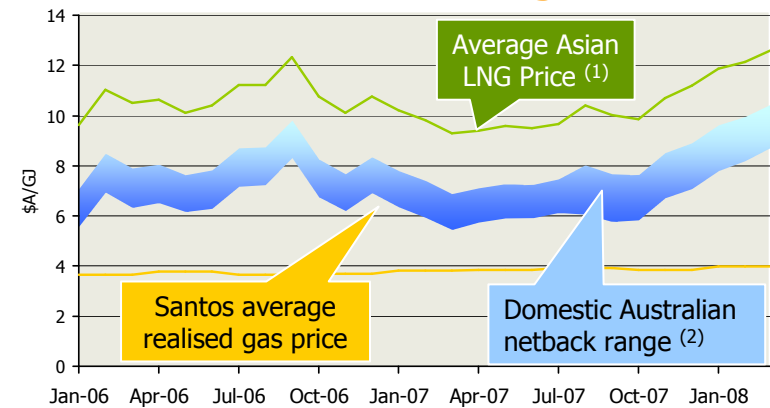
## LNG oil parity in Asia



## LNG linked pricing in Western Australia



## Closing arbitrage in Eastern Australia gas

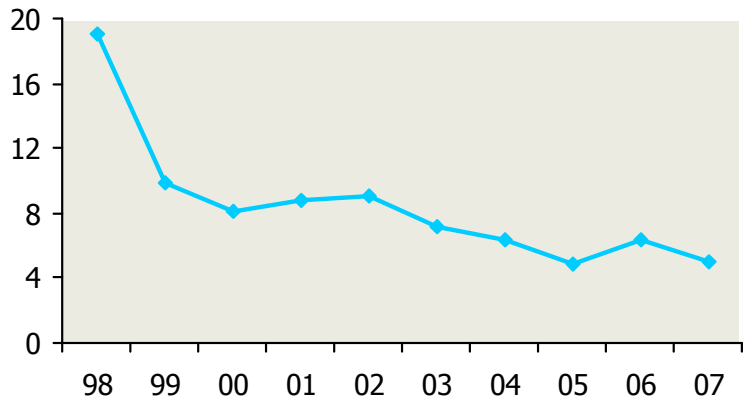


Source: Woodmac, Global LNG Tool, Bloomberg, Santos

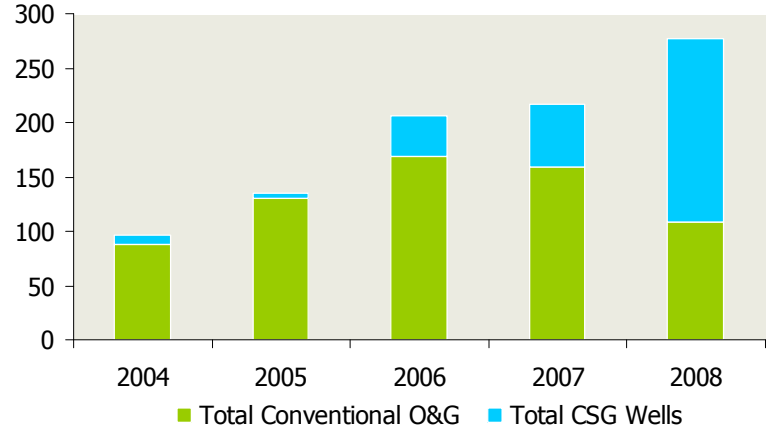
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# Track Record in Operational Delivery

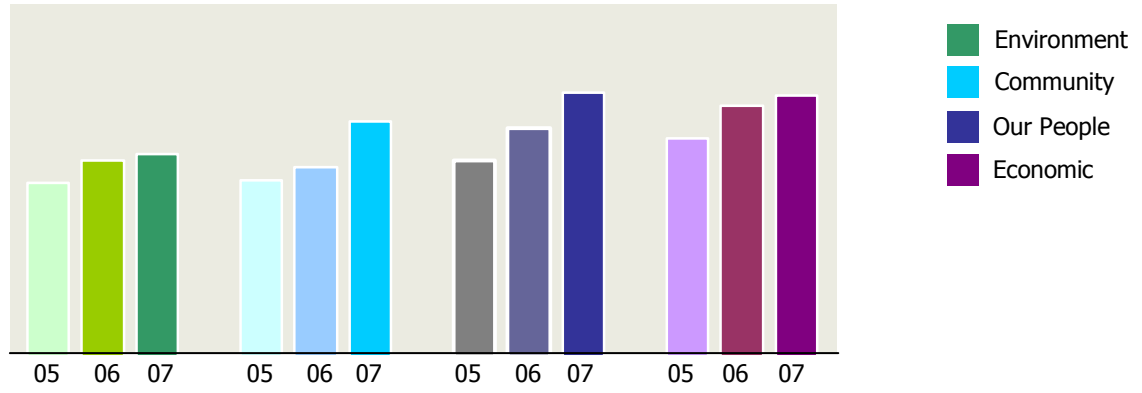
**Total Recordable Case Frequency Rate**



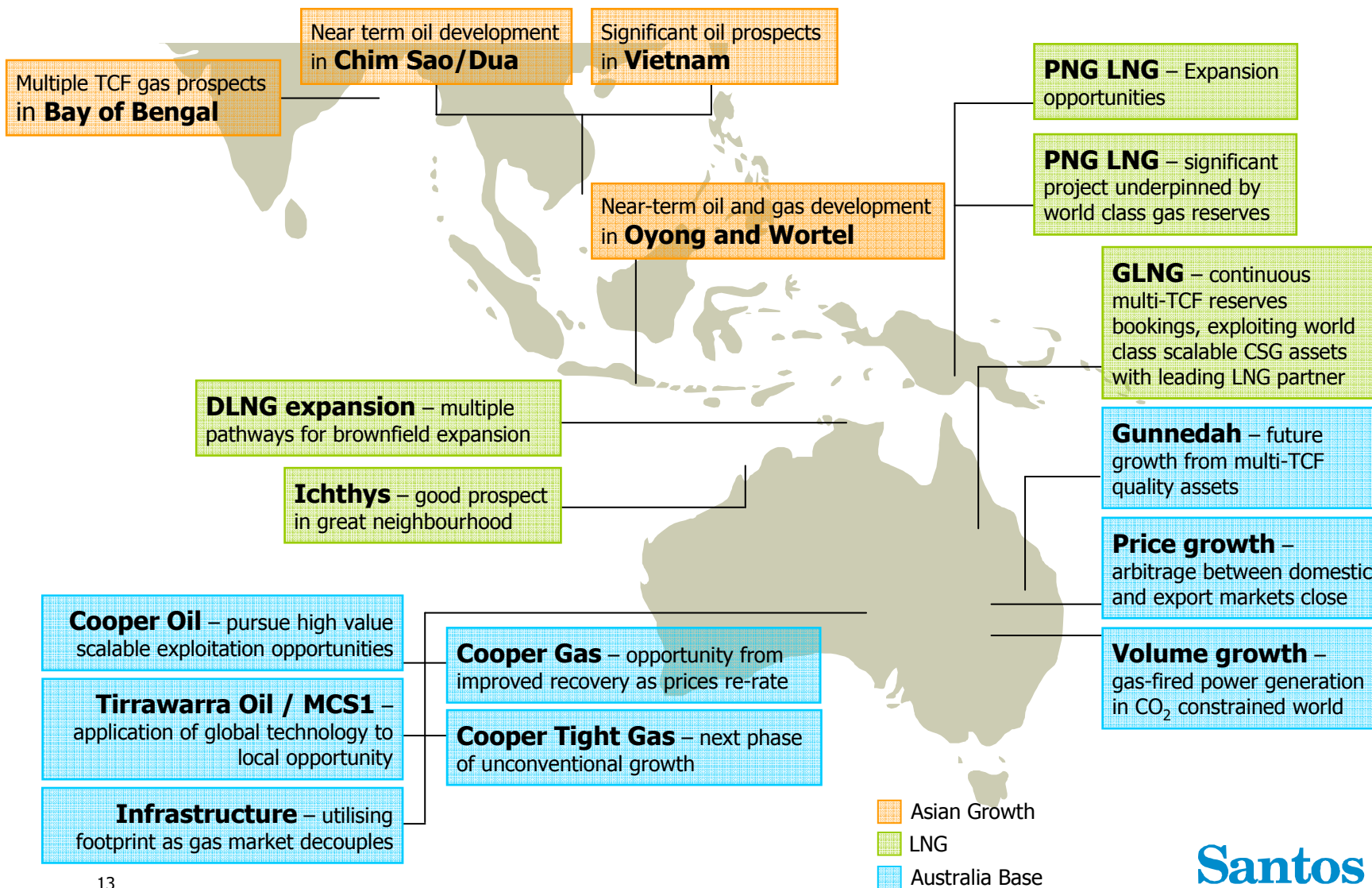
**Number of wells drilled**



**Continuous improvement in sustainability scorecard**



# Summary: Santos "Beyond the 2P"



The Santos logo consists of a solid blue rectangle. The word "Santos" is written in white, bold, sans-serif capital letters in the bottom right corner of the rectangle.

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# Delivery of Australian Base Business

The Santos logo consists of a solid blue square with the word "Santos" written in white, bold, sans-serif font in the bottom right corner.

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# Eastern Australia Gas

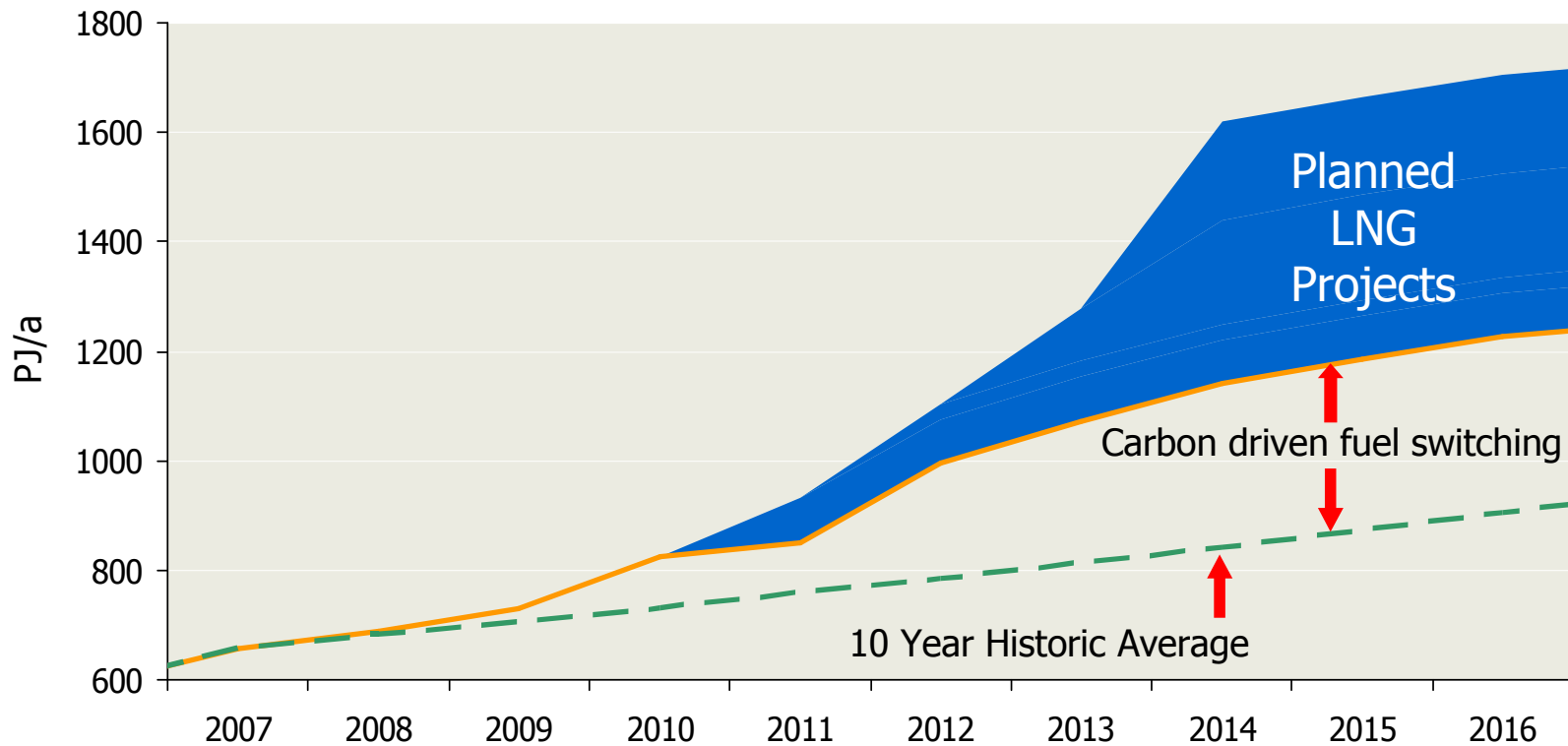
Rick Wilkinson

Vice President - Commercial



# Demand for Eastern Australia Gas

Demand will more than double within 10 years...



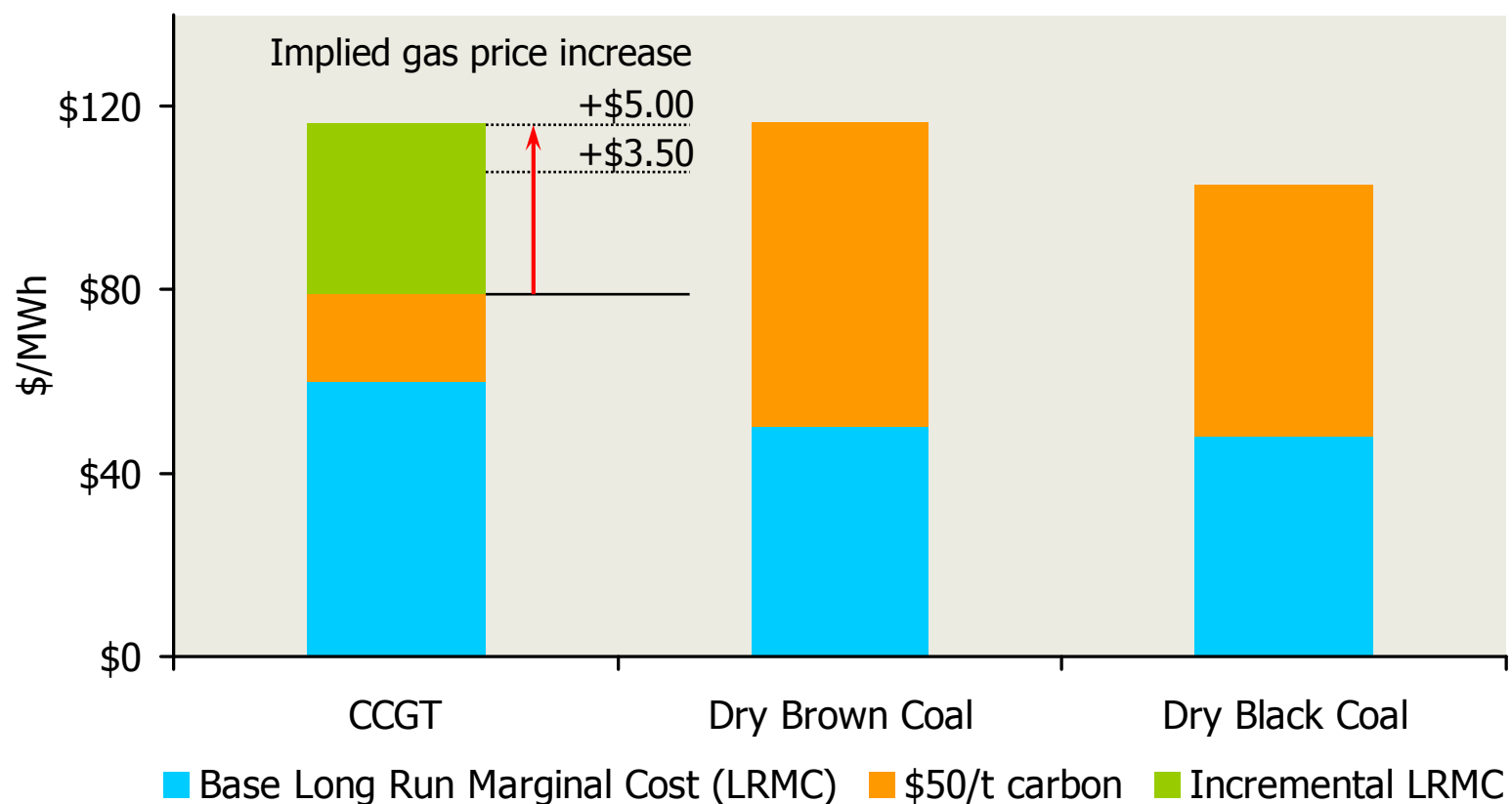
Source: NEMMCO, Santos, company announcements

...driven by government carbon policy and LNG export

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# Increasing Value of Gas due to Carbon

## Impact of carbon cost on electricity prices



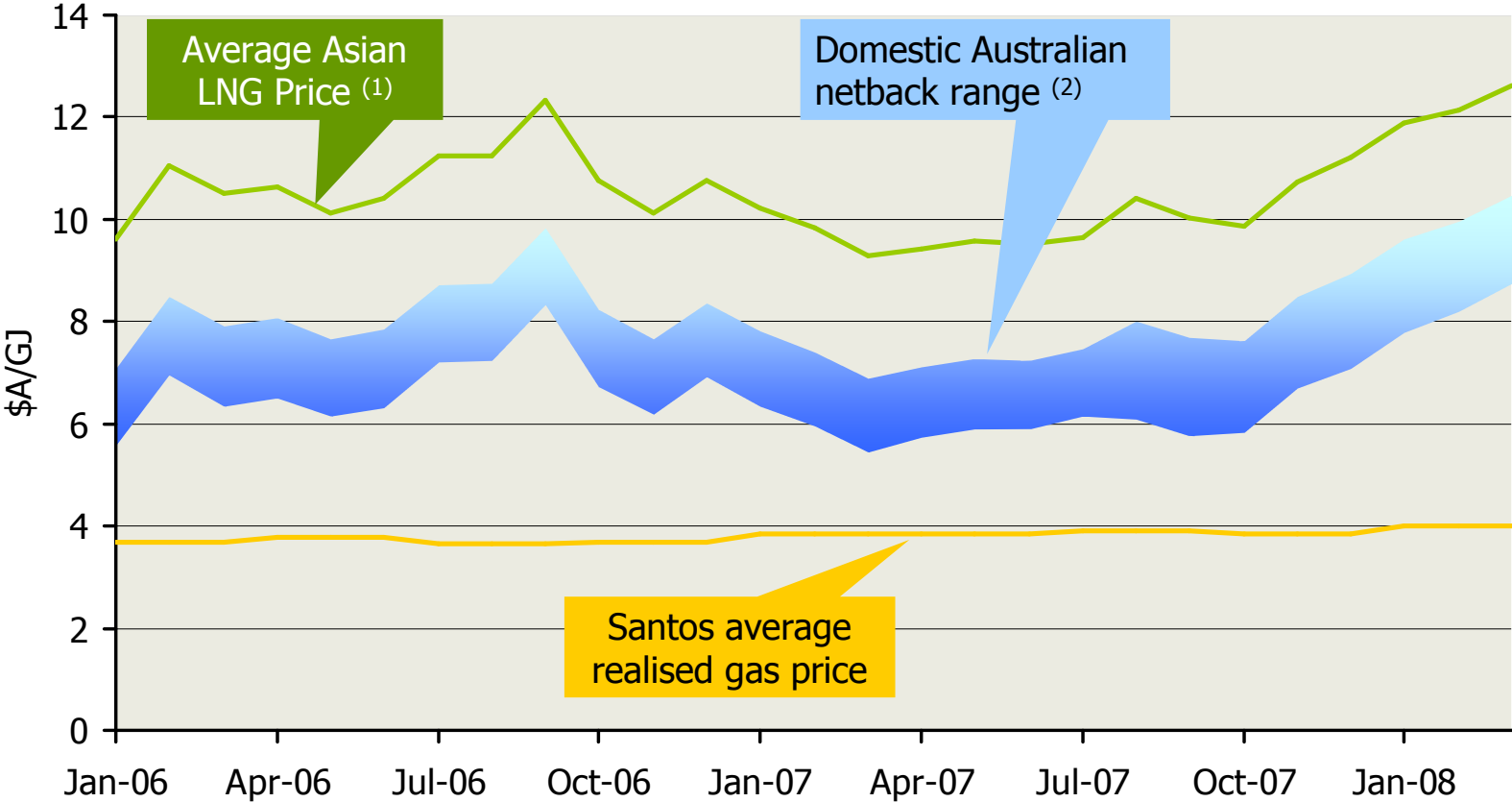
Source: Santos, SKM

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# Energy Market Differentials

## Prices available in domestic and export markets



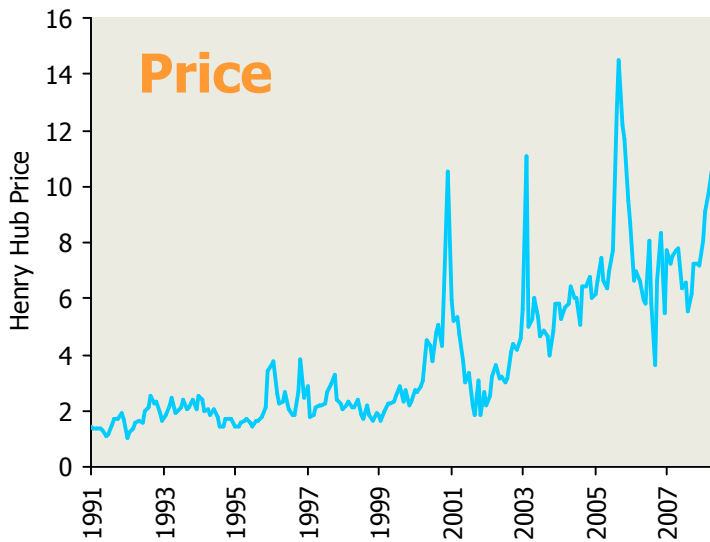
(1) Source: Argus Monthly LNG (average of Japan, Taiwan & South Korea ex-ship spot and contract prices)

(2) Netback determination uses Santos assumed range of costs for shipping and liquefaction

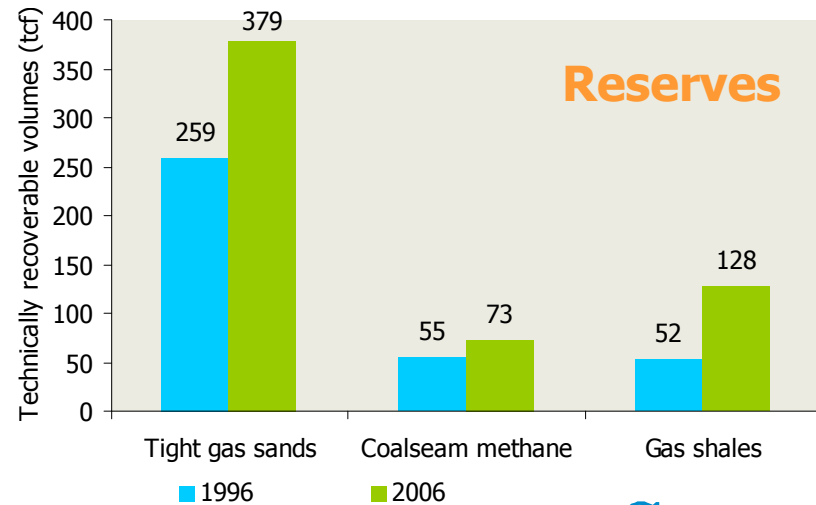
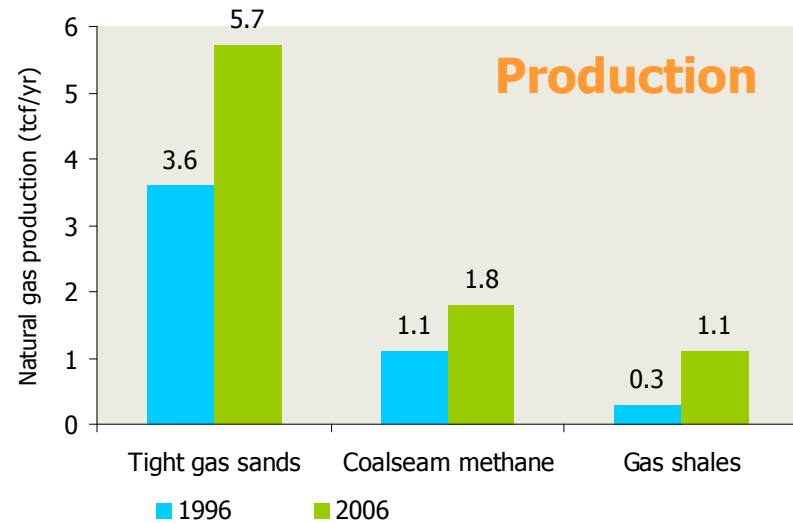
# Reserves and Production Growth as Prices Increase

## U.S Growth Analog

Combination of higher gas price, vast resource volumes and production technology advancement has resulted in substantial growth in North American unconvensionals



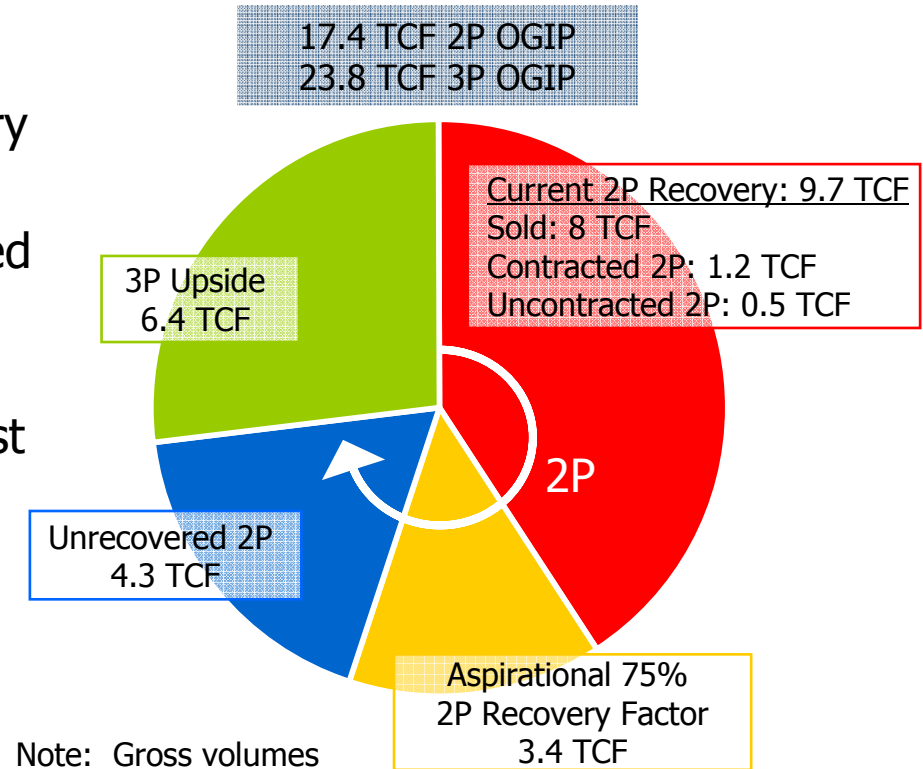
Source: Bloomberg, Oil & Gas Journals



# Conventional Reserves Grow in Cooper as Prices Rise

## Expectation of higher gas prices combined with liquids...

- Cooper gas reserves at commercial not technical recovery limits
- Material reserves growth achieved in analog North American basins
- Critical factors that led to North American success potentially exist in the Cooper Basin
- Program underway to quantify upside reserve potential from Cooper Basin



As price increases, ultimate recovery increases  
(currently ~55% 2P recovery factor)

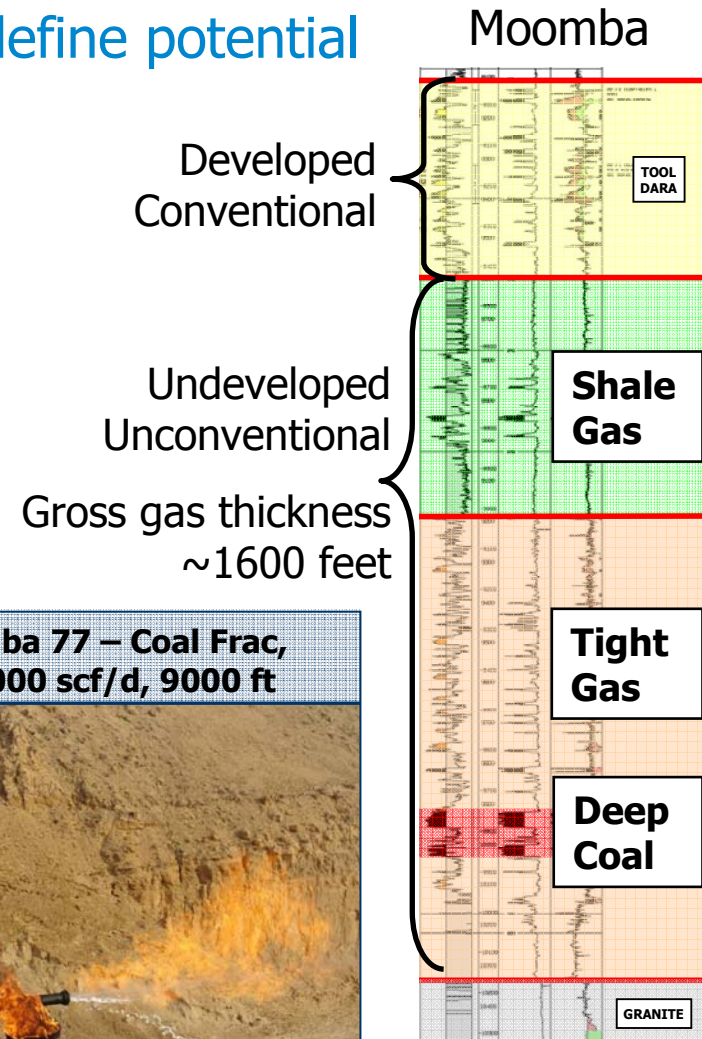
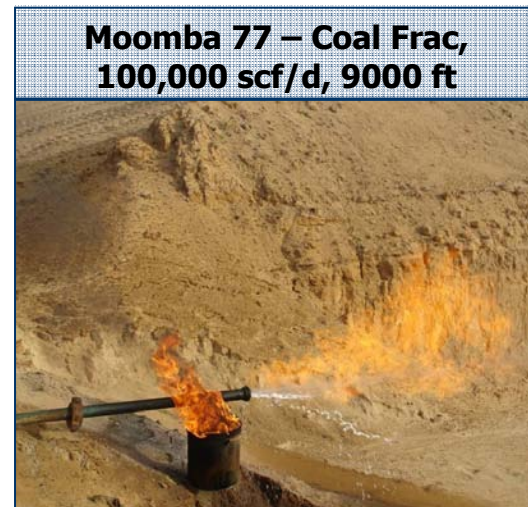
...could result in material Cooper Basin reserves increase

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# Impact on Unconventional Cooper Gas Resources

## Measured and considered program to define potential

- USA unconventional gas production has doubled since 1992
- STO mean prospective resource >7 TCF
- High graded 3 play types coincident with conventional reserves in Moomba
- 5 "tests of concept" projects
  - Gas saturation in all 3 plays
  - Moveable gas in 2 plays -1 yet to be tested
  - Expenditure to date is \$30m
- Deep coal frac flowing gas to surface
- Potential for first contingent resource booking in 2008

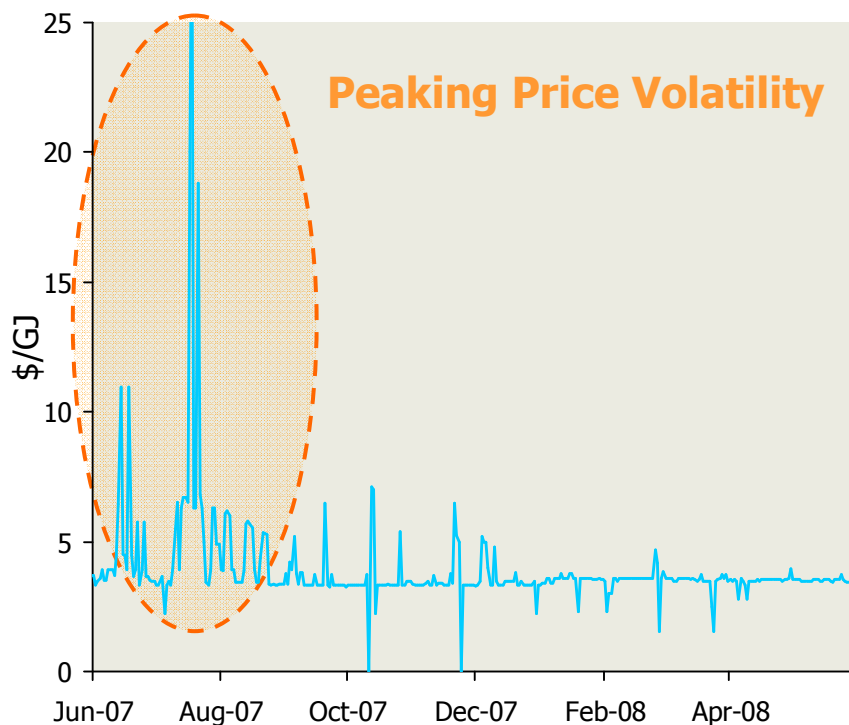


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# Capturing the Infrastructure Value

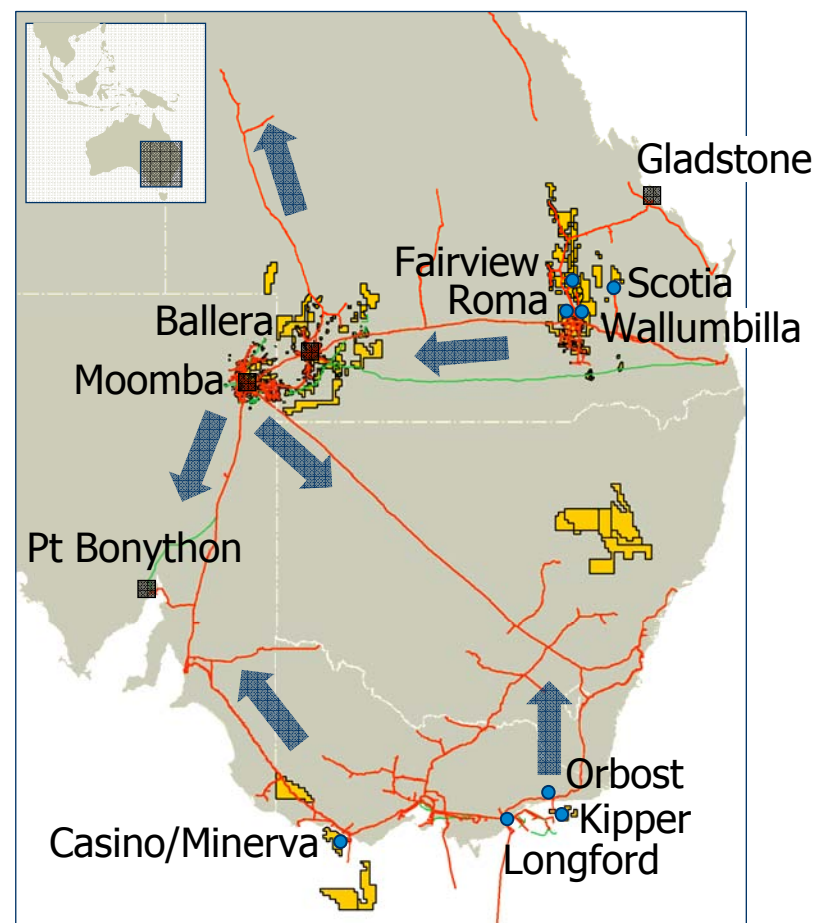
Santos has the premier gas supply infrastructure position to benefit from increasing price volatility

**VENCorp Daily Spot Price**  
(1<sup>st</sup> June 07 – 30 May 08, Interval 2)



Source: VENCorp

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# Summary: Price and Volume Growth

- Demand for Eastern Australia gas will more than double within 10 years
- Prices will increase as:
  - Arbitrage closes between domestic and export markets
  - Carbon is valued into domestic power generation
- This price increase will drive conventional reserves and unconventional resources growth in the Cooper Basin
- Santos' premium infrastructure position is poised to take advantage of increasing price volatility



The Santos logo consists of a solid blue square on the right side of the slide. The word "Santos" is written in white, bold, sans-serif font in the lower right corner of this square.

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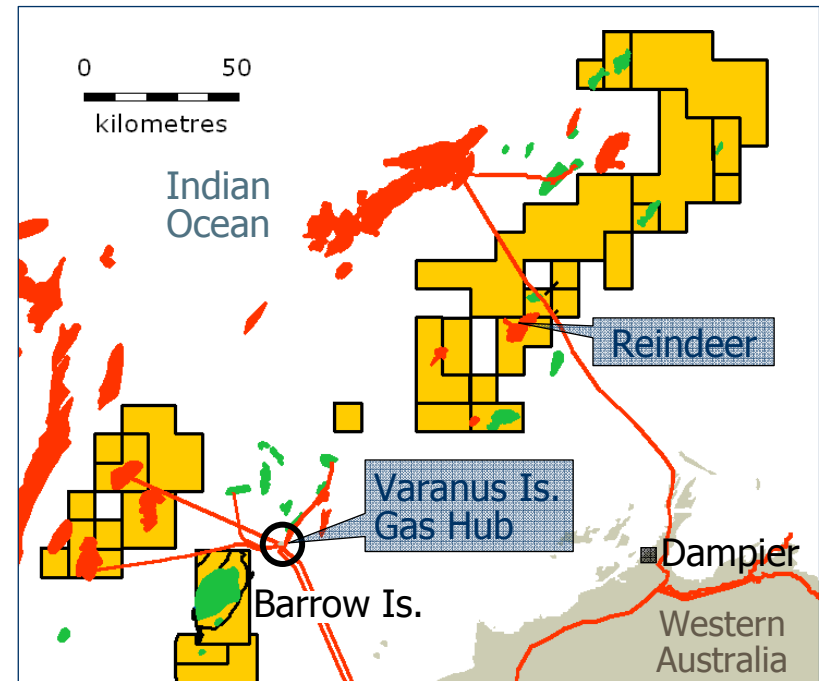
# Western Australia Oil and Gas

Roger Kennett  
Vice President - Operations

# WA Oil & Gas

## Exploit favourable asset position...

- 22% 2008-2010 Production
- 22% of Santos YE07 2P Reserves
- Oil:
  - Production and redevelopment options to enhance production (Stag, Barrow and Mutineer - Exeter)
- Gas:
  - John Brookes and Reindeer



### Legend

- Santos acreage
- Oil field
- Gas field

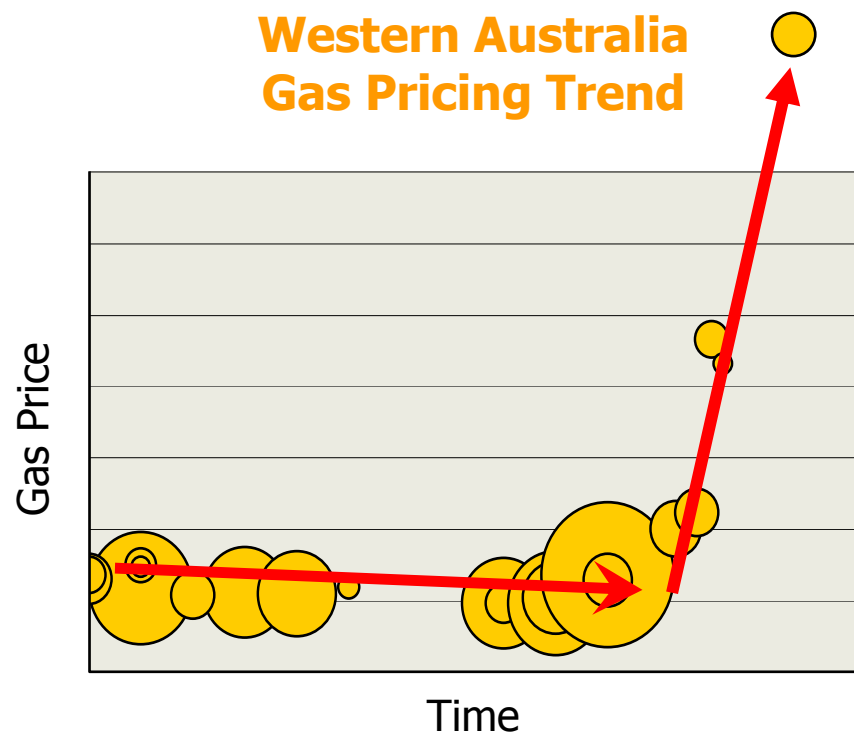
- Oil pipeline
- Gas pipeline

# WA Domestic Gas Prices Reflecting LNG Parity

Western Australia domestic gas pricing...

## Current Contracting trends

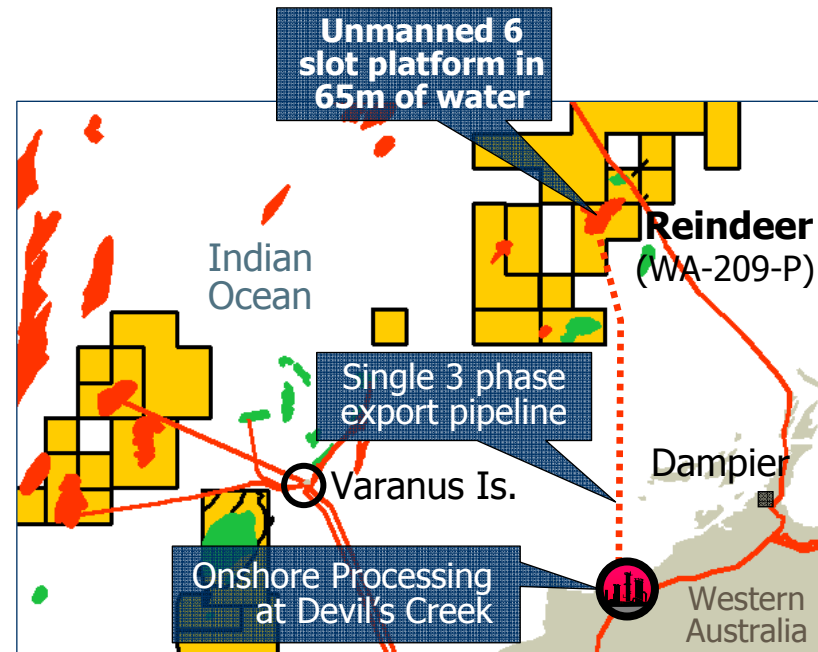
- No Caps
- No Collars
- No Floors
- Full floating, liquids linkage



# Reindeer Development

## Fast-tracking discovery...

- 45% WI, Apache operator
- FID achieved 2Q08
- CAPEX \$379m (net)
- First gas end 2010
- 400-600 bcf resource
- Rate ~90mmscf/d (net)
- Substantial market opportunity



### Legend

- Santos acreage
- Oil field
- Gas field
- Oil pipeline
- Gas pipeline
- - - Proposed gas pipeline

...to exploit current gas price

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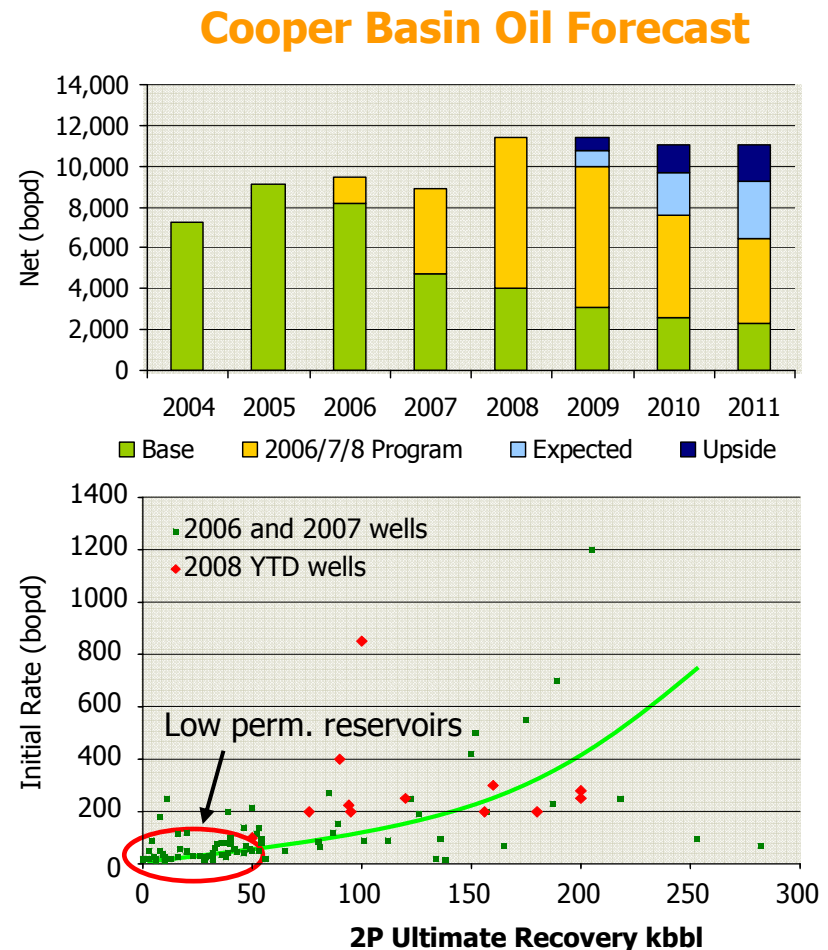
# Cooper Basin Oil

Mark Macfarlane  
Vice President - Development

# Cooper Basin Oil

Future scale of program will be determined by economics ...

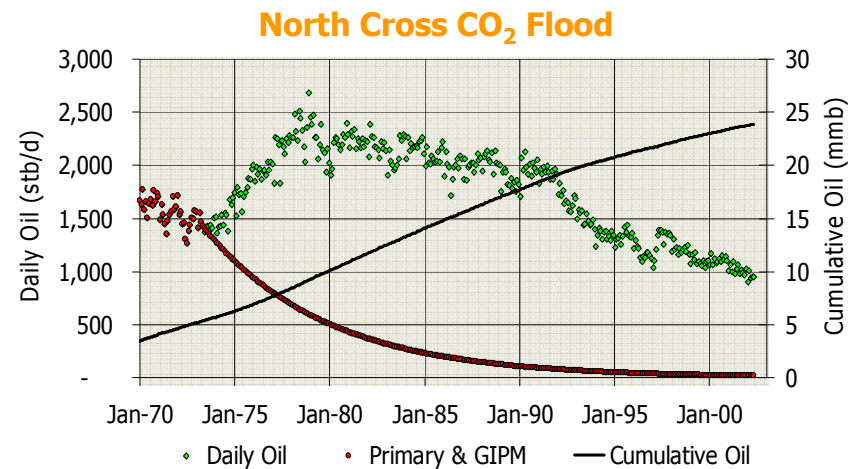
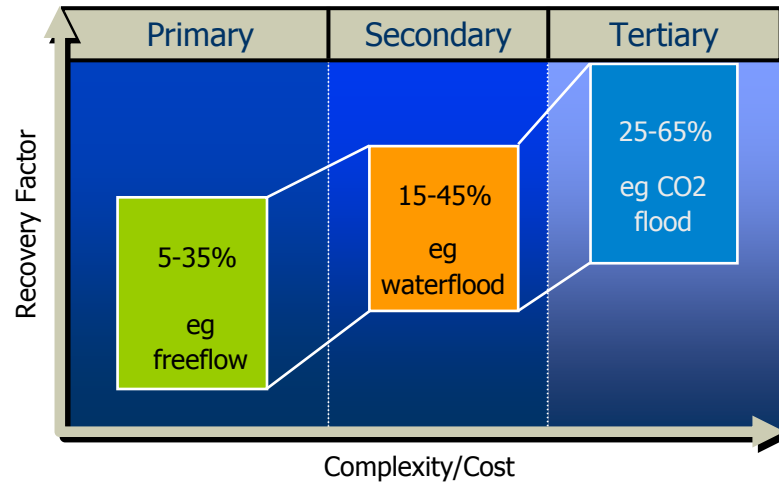
- Results from low permeability reservoirs disappointing
- Success in deeper / higher rate reservoirs
- Optimising target selection whilst rebuilding inventory
- 2008 drill results substantially better than 2006/7
- 75 wells in 2008, F&D  
~\$45/bbl



# Enhanced Oil Recovery

## Application of global technology locally ...

- Successful CO<sub>2</sub> flood analogies
  - North/South Cross, USA
    - Incremental 30-40% Recovery Factor
- Santos Tirrawarra field
  - Similar permeability range, better oil properties
  - Wider spaced wells, twice the depth
  - Lower recovery factor

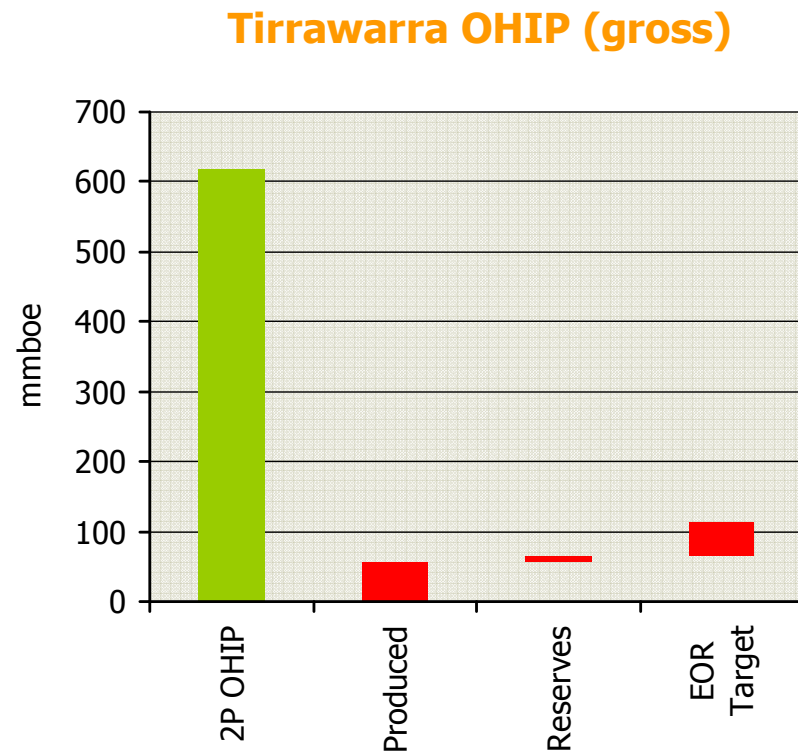


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# Moomba Carbon Storage (MCS) Phase 1

## Ability to inject to 1 mmtpa CO<sub>2</sub> ...

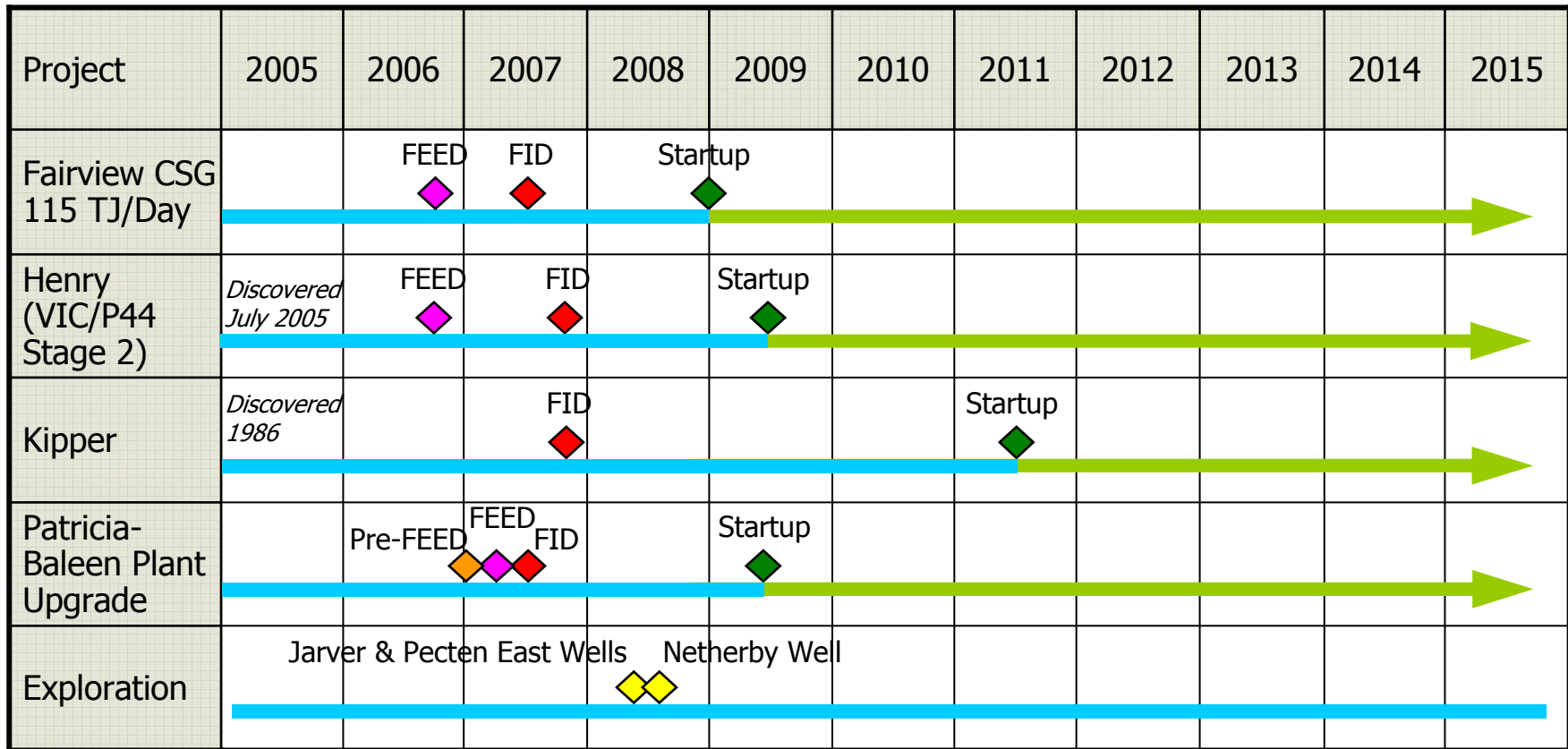
- Previous experience with successful ethane injection in Tirrawarra
- Raw gas injection pilot in Fly Lake to start in 2H 2008
- Current Tirrawarra recovery factor low
- Potential incremental 10-50 mmboe including gas/gas liquids from EOR
- Dedicated team working pre-FEED now
  - Drawing on international expertise



... is the beginning of the MCS journey

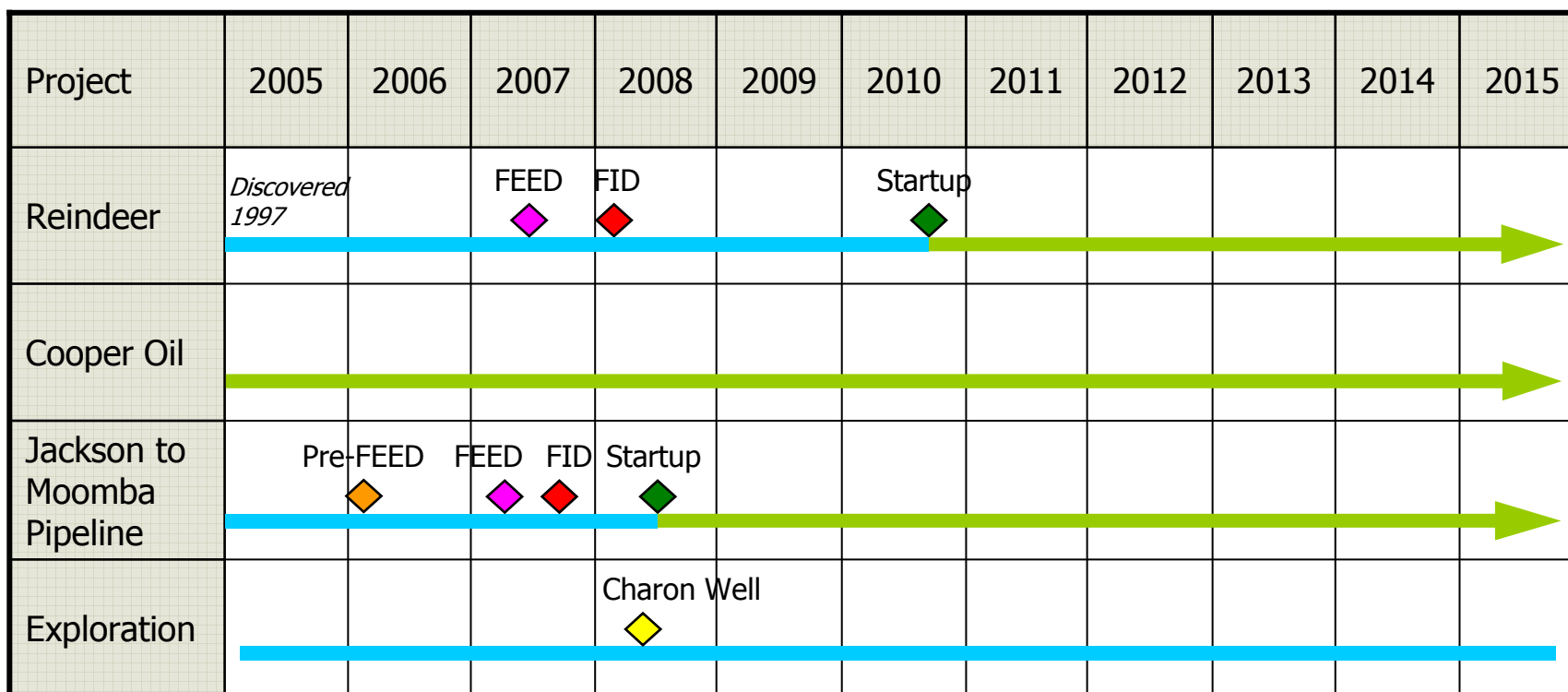


# Eastern Australia Gas - Milestones



— Pre-production     
 — Production     
 ◆ Milestone

# WA & Cooper Oil - Milestones



— Pre-production    
 — Production    
 ◆ Milestone

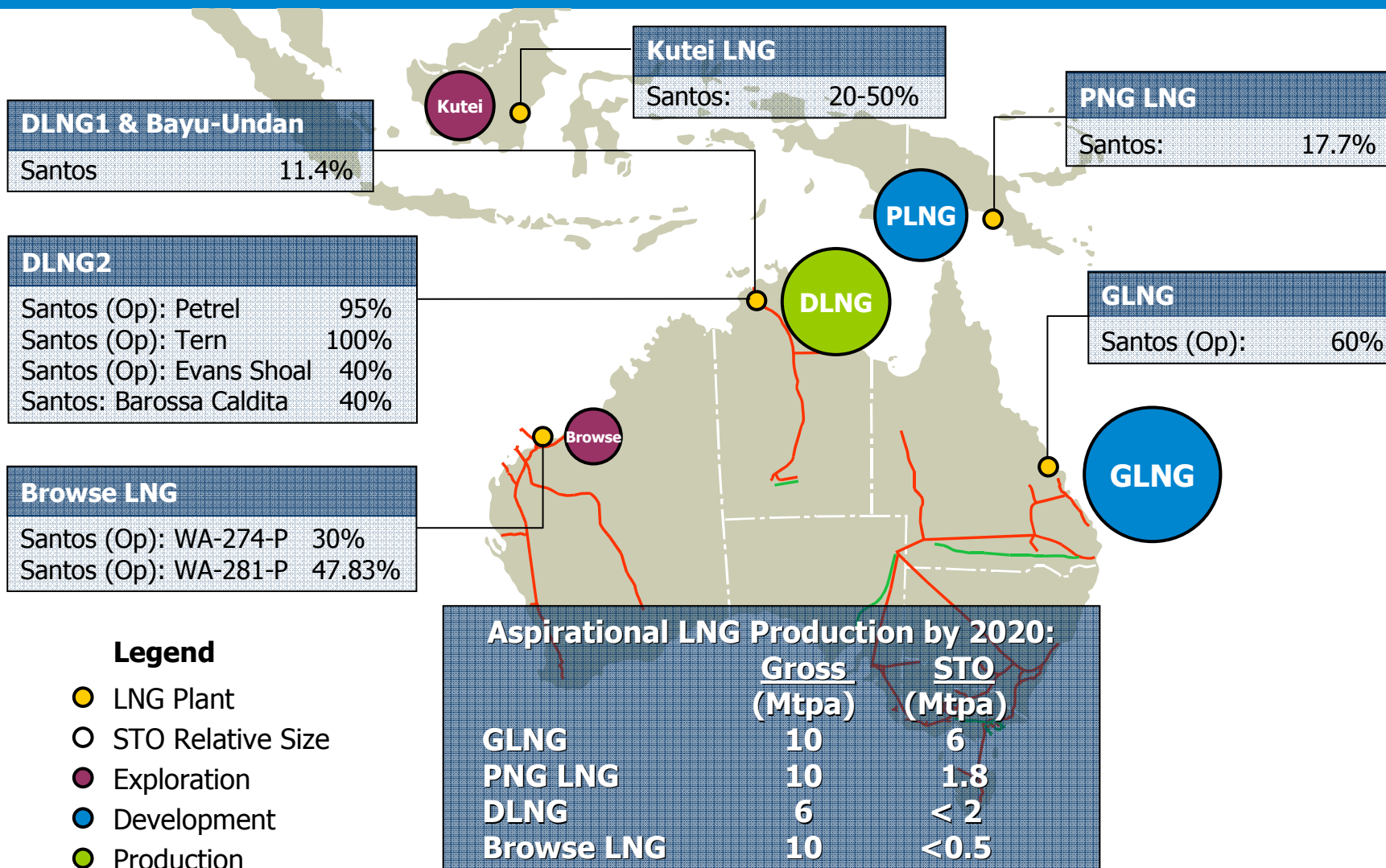
The logo for Santos, featuring the word "Santos" in white serif font on a blue rectangular background.

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# Growth in LNG

David Knox  
Acting CEO

# 2020 LNG Growth Aspiration



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# CSG Assets

Mark Macfarlane

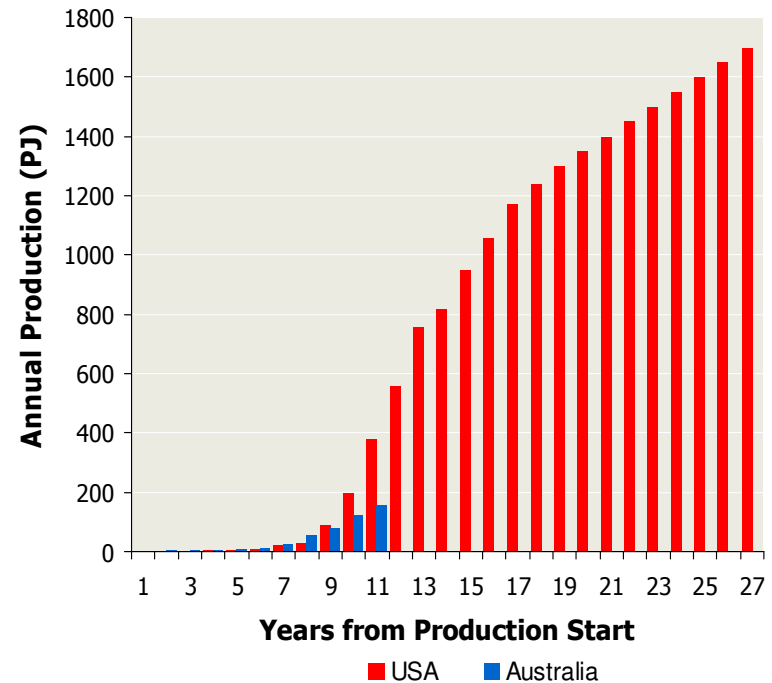
Vice President - Development

# Burgeoning Australian CSG Industry

Australian CSG production growth is following a similar pathway to the more established CSG resources in the USA

- Key metrics of the USA CSG industry include:
  - 20 producing basins
  - 40,000 producing wells
  - Average 0.1 mmscf/d/well
  - 9% of USA production
  - San Juan producing for 20 years (14 Tcf recovered to date)
- Australian CSG is on the same journey although with better quality assets
  - 3 producing basins
  - Average 0.7 mmscf/d/well
  - 25% of the Eastern Australian gas market
  - The limiting factor on Australian production to date has been the size of the domestic market

Historic CSG Production  
(USA vs Australia)



# Santos CSG Assets are World Class

Fairview, Roma and Scotia rank them amongst the world's best CSG assets

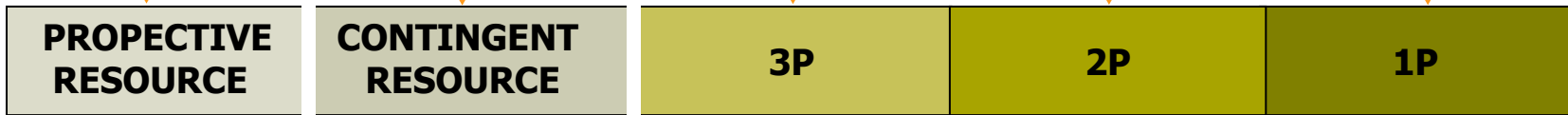
Field	Gas Content	Permeability	Saturation	Flow Rate	Spacing	GIP/Well	Coal Thickness
<b>Fairview</b>	●●●	●●●	●●●	●●●	●●●	●●●	●●
<b>Roma</b>	●●	●●●	●●	●●	●●	●●	●●
<b>Scotia</b>	●●●	●●	●●●	●●●	●●	●●●	●●●

<b>San Juan</b>	●●●	●●	●●	●●●	●●●	●●●	●●●
<b>Powder River</b>	●	●●●	●●	●	●	●	●●●
<b>Black Warrior</b>	●●●	●	●●	●	●	●	●●

Santos assets
  acceptable
  good
  best in class

- Continued development at Fairview and Roma may indicate there is more to come

# CSG Reserve Development – Key Milestones



- Geological review
- Core holes
- Geological review
- Seismic
- Core holes
- Core holes
- Pilot wells
- Pilot wells
- Development wells
- Field development

<b>Qld</b>	<b>21,000 PJ</b>	<b>7,523* PJ</b>	<b>2,911* PJ</b>	<b>1,035* PJ</b>	<b>427* PJ</b>
<b>GD</b>	<b>40,000 PJ</b>				

GD: Gunnedah

\*Adjusted for 40% Sell Down





# Santos' Leading CSG Acreage Position

## Denison

- 0.8 million acres (net)
- Exploration stage
- Same coals as Fairview

## Greater Roma

- 1.4 million acres (net)
- High quality resource
- Active pilot program

## Gunnedah

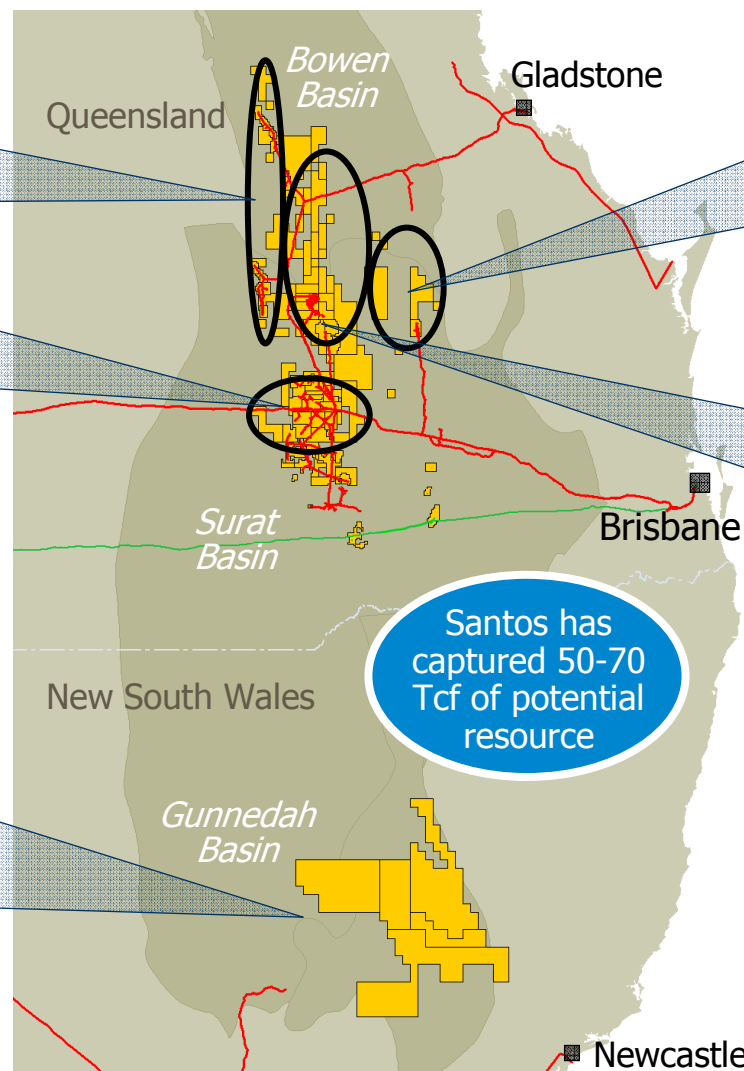
- 5.1 million acres (gross)
- 20 core holes in 18 months
- Leverage to NSW markets or potential longer term LNG

## Greater Scotia

- 0.5 million acres (net)
- 27 TJ/d production
- Production since 2002

## Greater Fairview

- 0.8 million acres (net)
- 72 TJ/d production
- Wells up to 10 TJ/d



## Legend

- Santos acreage
- Oil pipeline
- Gas pipeline

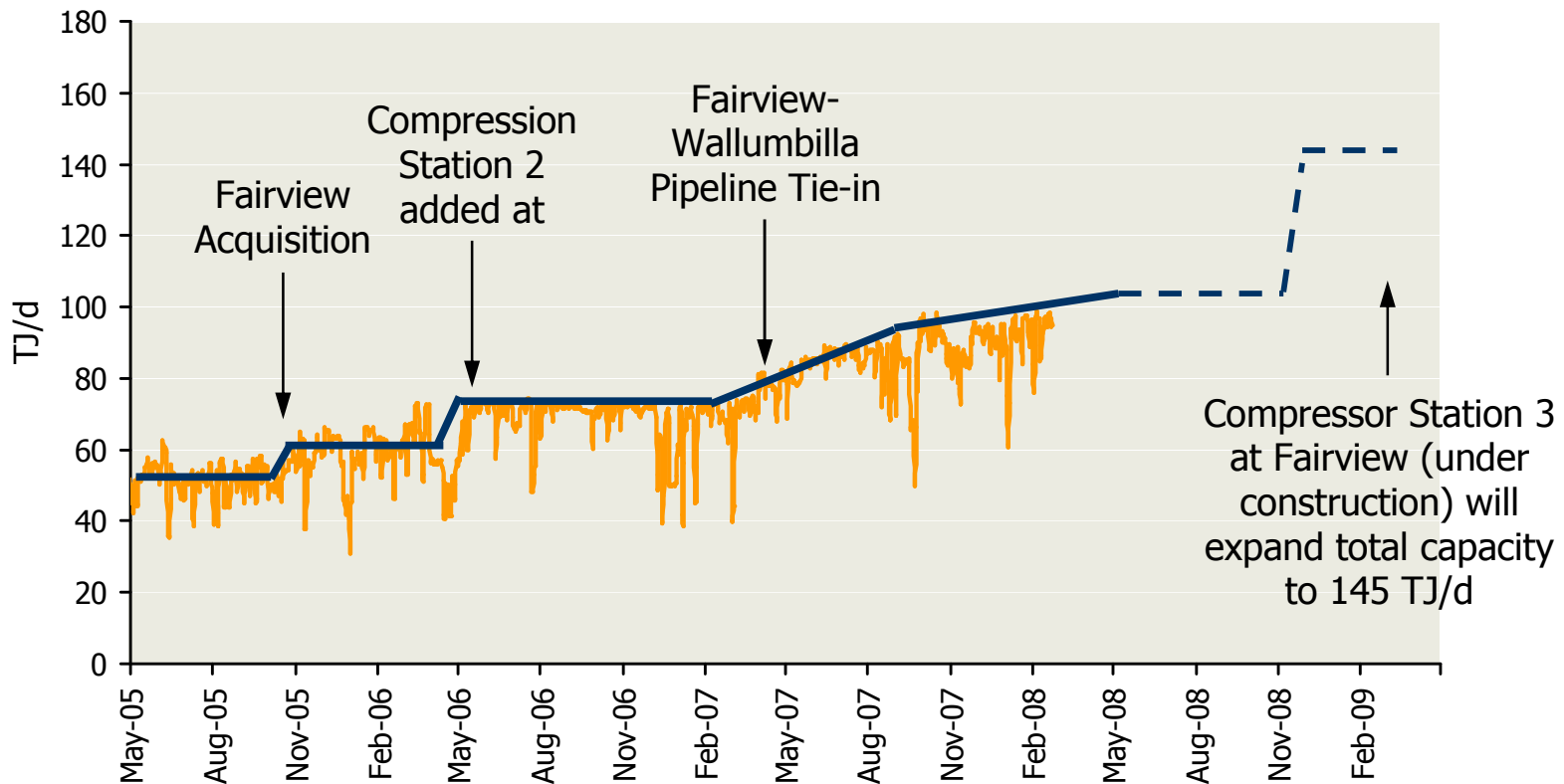
100 km

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# Production Delivery

CSG production capacity is not constrained by well capacity

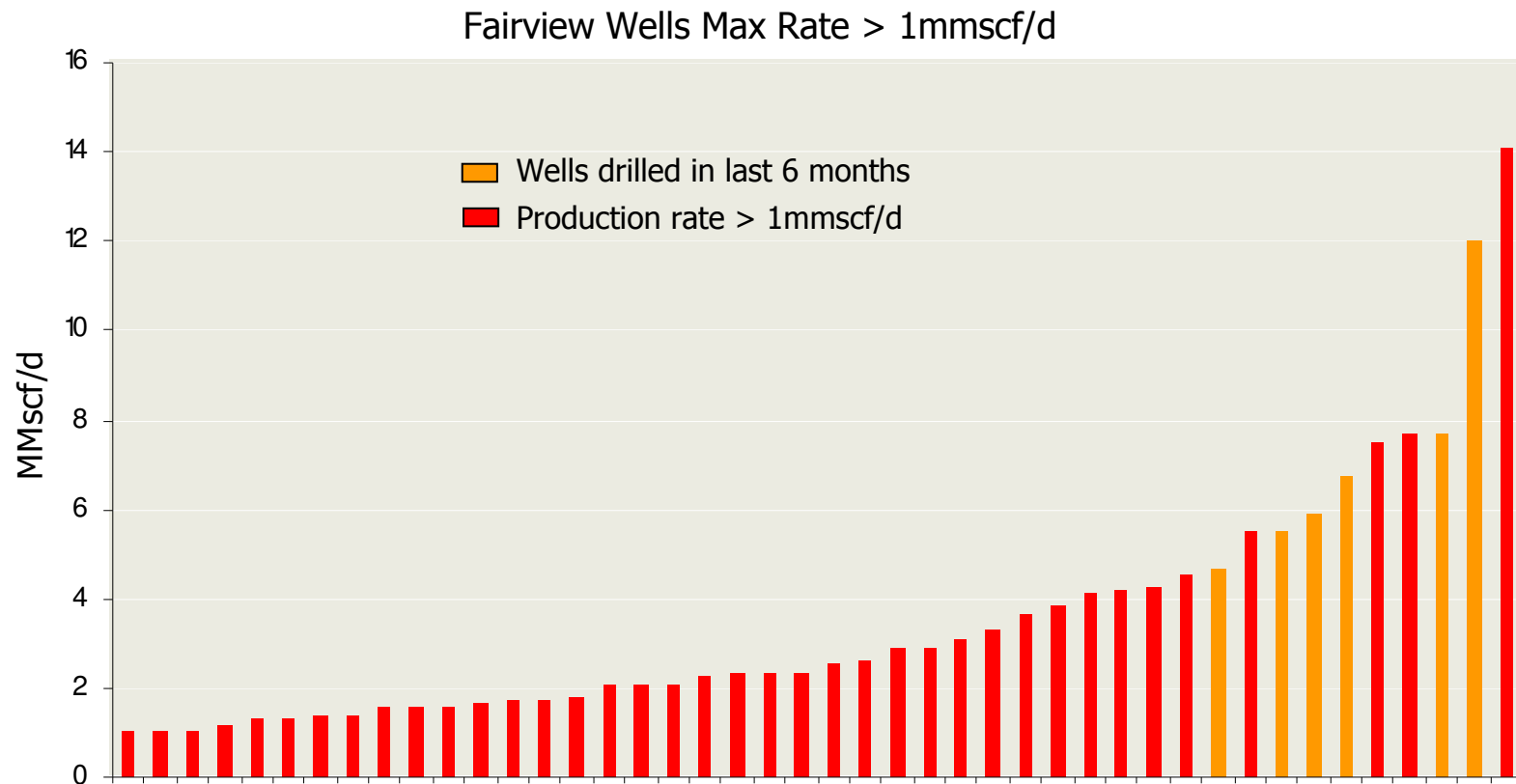
## Total Santos Operated CSG Sales Capacity Growth (gross)



- Santos is on target to deliver 145 TJ/d CSG sales by Jan 2009

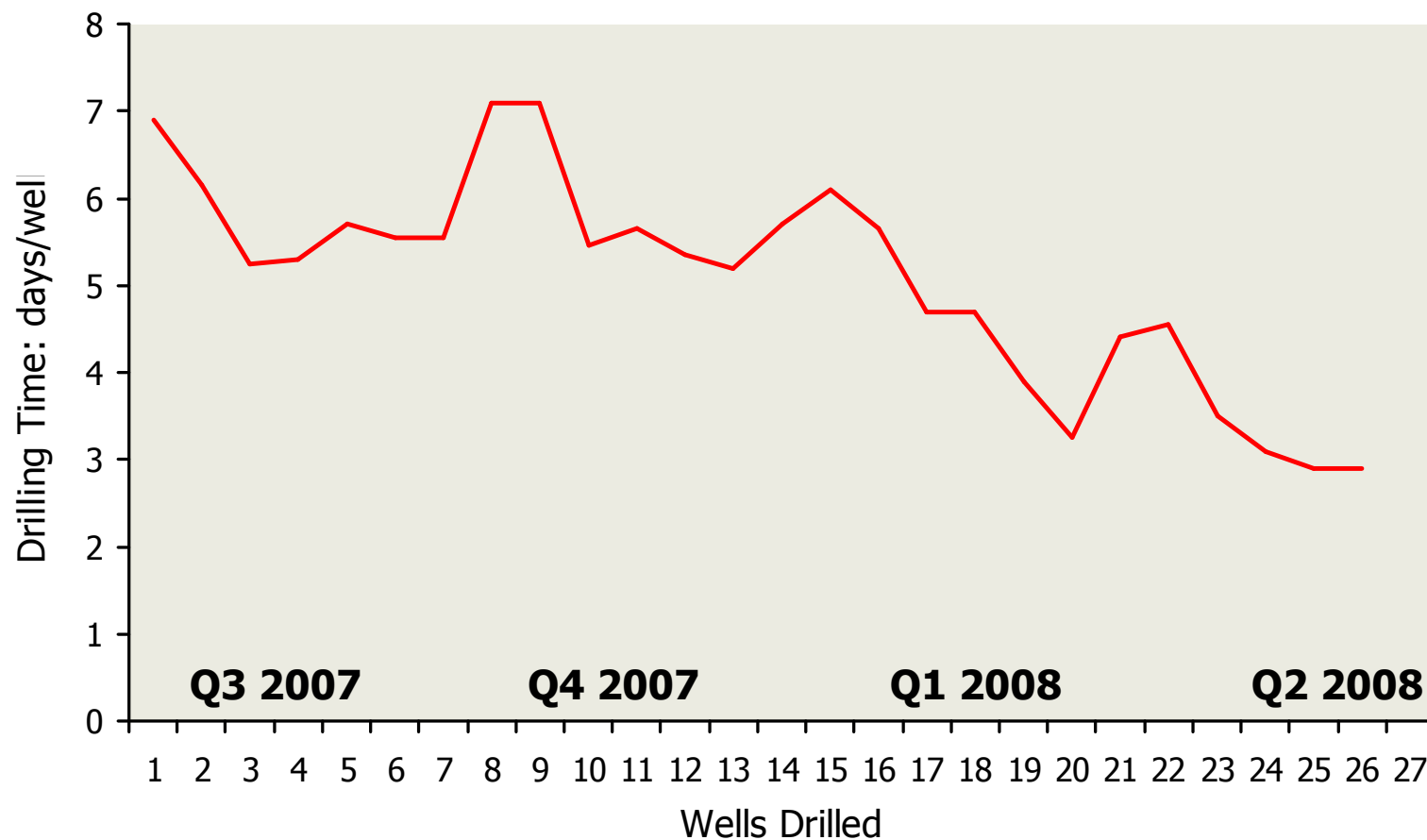
# Recently Drilled Fairview Wells

Gas flows from recently drilled wells delivering world class rates



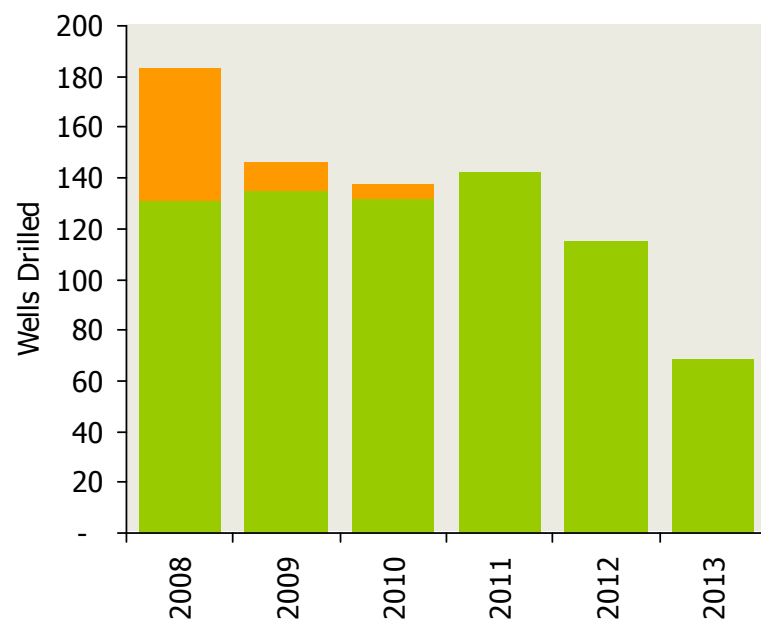
# Outstanding Drilling Performance

Since Q3 2007 drilling time has halved



# We have what's Needed for Success

Santos has the rigs, equipment and the crews required to execute the field appraisal and development plan



Wells for GLNG train 1 only

- We have the rigs required to meet our target wells forecast



- The first of three new CSG drilling rigs

# Water Management Strategy

Diversified water management strategy is being implemented

Reverse Osmosis



Cropping



Injection Well



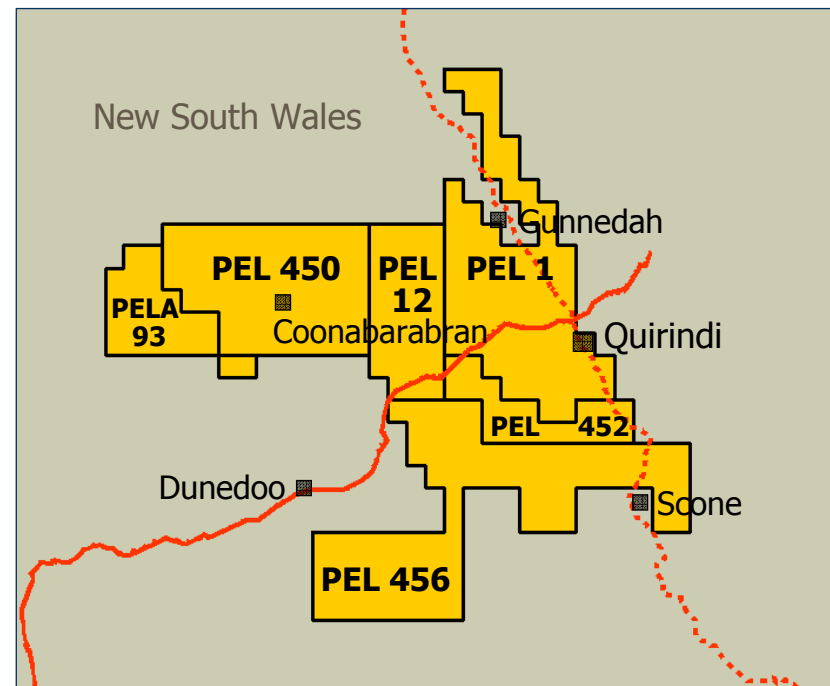
Community Use



# Gunnedah Basin

## 40TCF prospective resource...

- Santos has secured access to majority acreage positions (up to 21,000 km<sup>2</sup> gross)
- Quality and material land position to allow building of major new business
- All Santos operated
- Up to 20 coreholes in next 18 months
- Contingent gas resource, first booking expected in 2009



### Legend

- Santos acreage
- Gas pipeline

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**Santos**

# Gladstone LNG

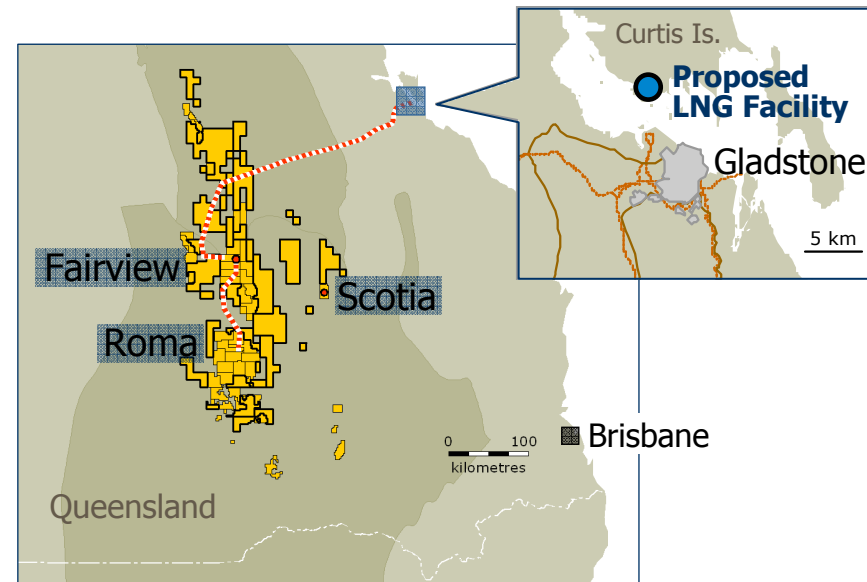
David Knox  
Acting CEO



# GLNG™: Responds to Observable Trends

## GLNG™

- World class **unconventional** reserves to fulfil
- Growing Asia Pacific demand for **LNG**
- From a **secure** supply source in **Australia**
- To capture **rising price** of **scarce** energy



**Santos**

# The Transaction Announced

Partner	PETRONAS a global top 3 LNG producer with more than US\$50 billion in annual revenue
Amount	US\$2.508 billion consisting of US\$2.008 billion plus US\$500 million upon FID of GLNG™ Train 2 using JV gas
Participation	40% interest in Integrated Project
Alignment	Santos and PETRONAS fully aligned across the value chain: upstream resource, development, operation and LNG marketing
Operator	Santos to continue as upstream operator Joint operating company will develop and operate the pipeline and LNG plant and undertake marketing
Assets	Structure ensures assets and revenues held directly by Santos and PETRONAS
Completion	Expected to close within 3 months

# GLNG™ JV - Upstream Assets

## GLNG JV Acreage

### Fairview (PLs 90, 91, 92, 99, 100 & 232)

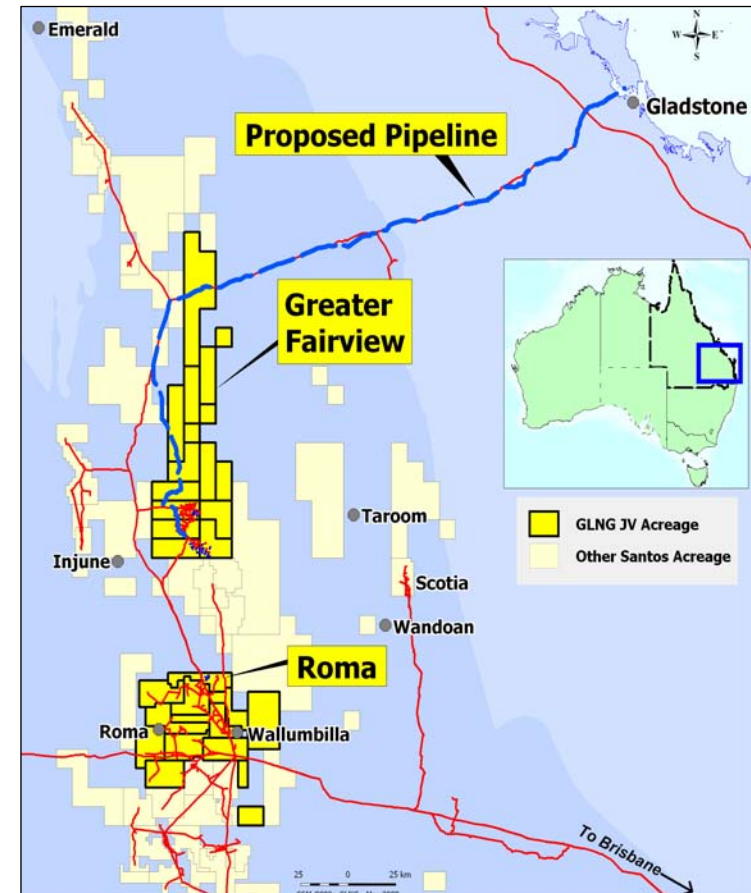
- Santos operated with a 79.5% working interest decreasing to 68.5% after project payout
- Acquired by Santos in 2005 with an established production history of over 14 years

### Greater Fairview (Arcadia) (PLs 233, 234, 235 & 236; ATPs 526P and 653P)

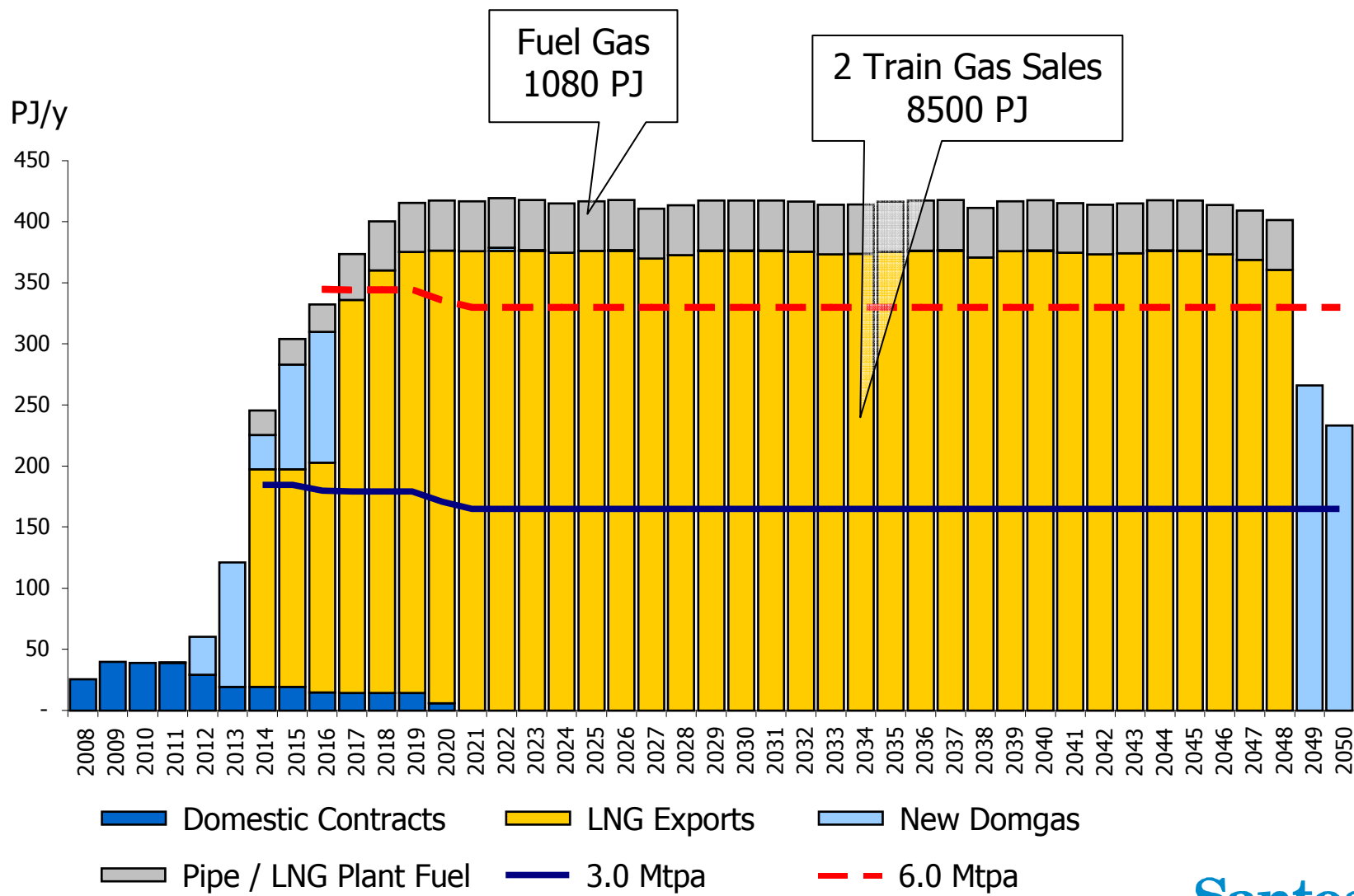
- PLs 233, 234, 235, 236; ATP 526P: 79.5% working interest decreasing to 68.5% after project payout

### Roma (PLs 3, 4, 5, 6, 7, 8, 9, 13 & 93; PLAs 250 & 251; ATP 336P (Roma South) & ATP 631P (North))

- Up to 100% Santos owned and operated
- Direct access to gas market via Wallumbilla hub



# GLNG™ 2 Train Gas Profile: 10,830 PJ



# Transaction Underpins Santos' CSG Value

## Santos' Coal Seam Gas Reserves and Resources

PJ (as of end 2007)	2P	3P	Contingent resource <sup>1</sup>
YE 2007 total CSG reserves	1,573	4,511	10,492
Sold to PETRONAS	538	1,600	2,969
<b>Remaining CSG reserves</b>	<b>1,035</b>	<b>2,911</b>	<b>7,523</b>

<sup>1</sup> Contingent resource is defined as the high side (3C) contingent resource estimate

- Transaction value US\$2.508 billion
- Santos retains approximately 70% of its CSG reserves and resources
- Santos retains approximately 89% of its total 2P oil and gas reserves

# Creating Significant Value for Santos



Validates GLNG Project Leading CSG to LNG project



Re-rates existing CSG resource



Enhances GLNG™ project delivery via PETRONAS strength of technical expertise and market position



Simple deal structure – 60/40 alignment across the integrated project



Enhances LNG marketing strategy – PETRONAS has delivered 5,500 on-time cargoes

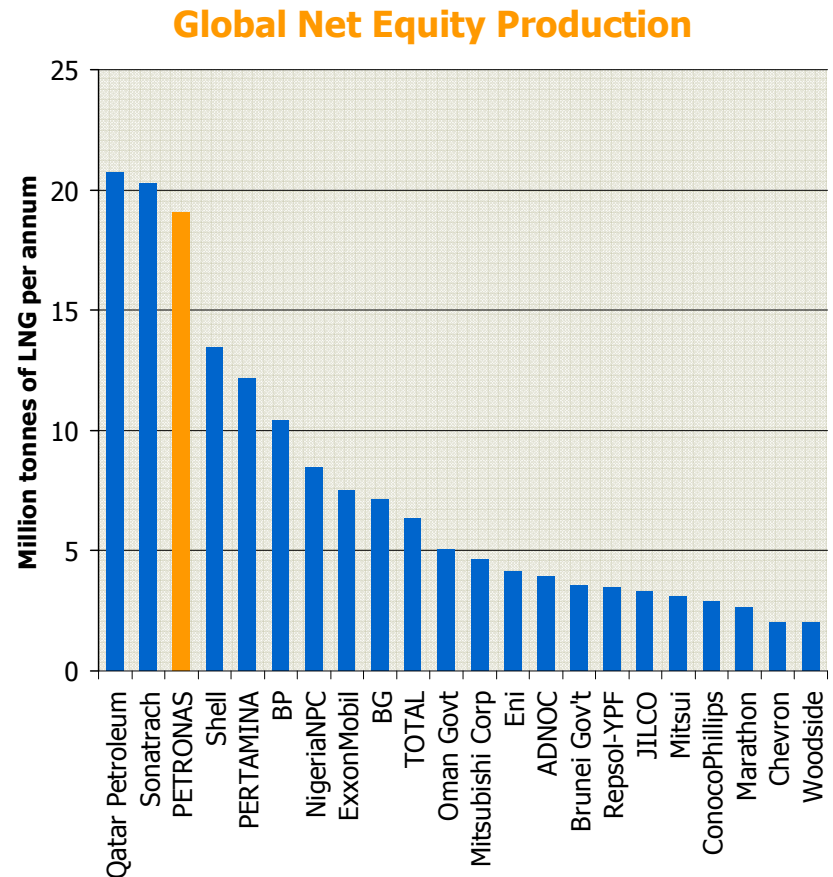


New valuation benchmark for gas in Eastern Australia


# PETRONAS: A Leader in LNG

Number 3 globally in LNG and number 1 in Asia

- PETRONAS operates the PETRONAS LNG complex, the world's largest single integrated LNG facility with a total capacity of 23mtpa from 8 LNG trains.
- PETRONAS is also a partner in the ELNG Project in Egypt with a capacity of 7.2mtpa from 2 LNG trains.
- PETRONAS has delivered over 5,500 cargoes from the PETRONAS LNG complex in Malaysia.
- PETRONAS is the world's largest owner-operator of LNG ships.



# GLNG™ Project Progress Summary



✓	Freehold land acquired for liquefaction facilities
✓	Significant project status awarded
✓	Environmental applications lodged
✓	Pre-FEED by Foster Wheeler and Bechtel
✓	PETRONAS selected as partner
2008	FEED
2009/10	FID
2014	First Gas



# Santos: Leading the way in CSG to LNG

- PETRONAS selected as partner, acquires 40% interest in GLNG™ for up to US\$2.508 billion
- Sets new valuation benchmark for gas in Eastern Australia
- PETRONAS is the leading Asian LNG company
- Gladstone LNG is the leading LNG project in Queensland
- Choice of leading Asian company for flagship project is tangible demonstration of Santos' vision
- Santos is positively positioning itself to work with Asian NOC's

The Santos logo consists of a solid blue square on the right side of the slide. The word "Santos" is written in white, bold, sans-serif font, centered within the bottom portion of the blue square.

**Santos**

# PNG LNG & Darwin LNG

John Anderson

Vice President - Strategic Projects

# PNG LNG Builds Momentum

PNG LNG is moving toward final investment decision...

- Pre FEED work on two train 6.3 mtpa plant ✓
- Marketing Representative Agreement ✓
- Coordinated Development and Operating Agreement ✓
- Gas Agreement ✓
- FEED Entry Decision ✓
- Marketing commenced ✓
- Finance strategy **4Q 08**
- Buyer Heads of Agreement **4Q 08**
- Final Investment Decision **4Q 09**



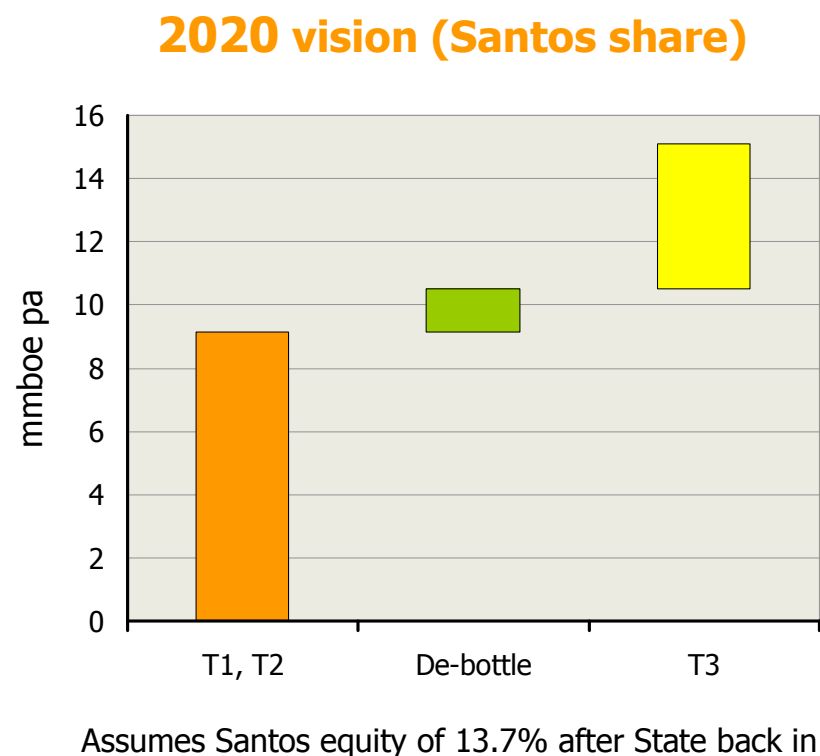
## Legend

- Gas processing facility
- Oil pipeline
- Gas pipeline
- Condensate pipeline

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# PNG LNG Expansion Options

- De-bottlenecking expected:
  - Typically 8 - 15% capacity increase
- Train 3 of 3.15 mtpa:
  - Existing pipeline, roads, bridges
  - Existing LNG site and jetty
  - Hides is key supply source for T3
  - T3 is a real project opportunity



...an important project to Santos' growth story

# Bayu-Undan and Darwin LNG

Base project continues to deliver with potential upside unfolding...

- De-bottlenecking/mini LNG expansion (studies underway)
- Commercial tolls on any infrastructure used by 3rd party projects
- Santos' uncontracted reserves to potentially play into new LNG projects
- Spot cargo opportunities
- Enhanced liquids recoveries through 2<sup>nd</sup> phase drilling campaign (2009-10)



Santos equity increased to 11.39% in 2007

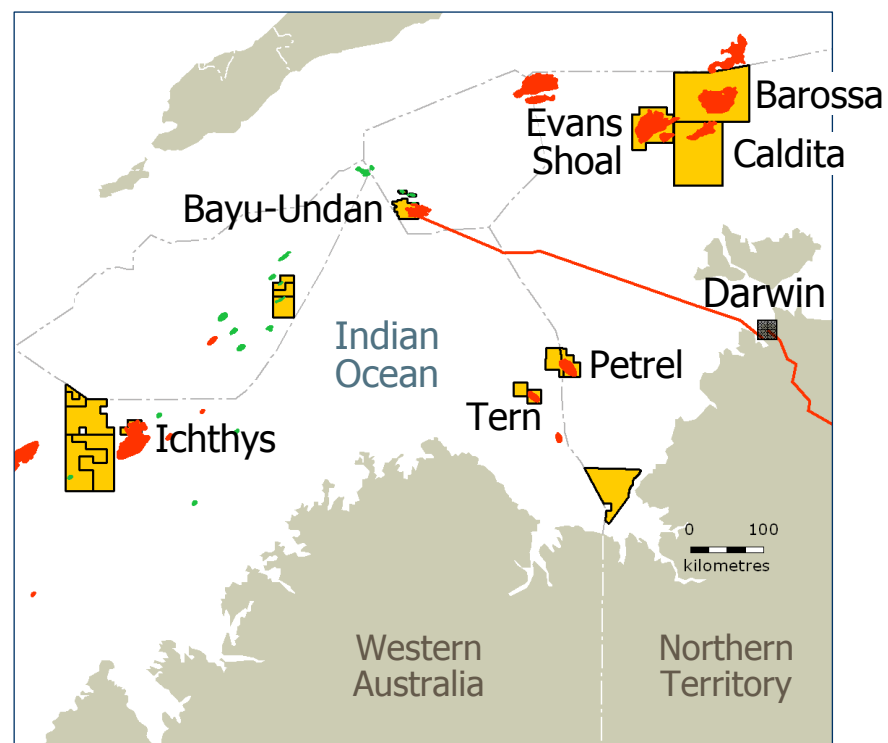
# Multiple Pathways to Growth

## Timor Bonaparte

- A new LNG train in Darwin
  - 3-4 mtpa
- Floating LNG
  - 1-2 mtpa

## Browse

- Ichthys North Q3 2008 drill
- Unitisation with existing LNG plans a real possibility



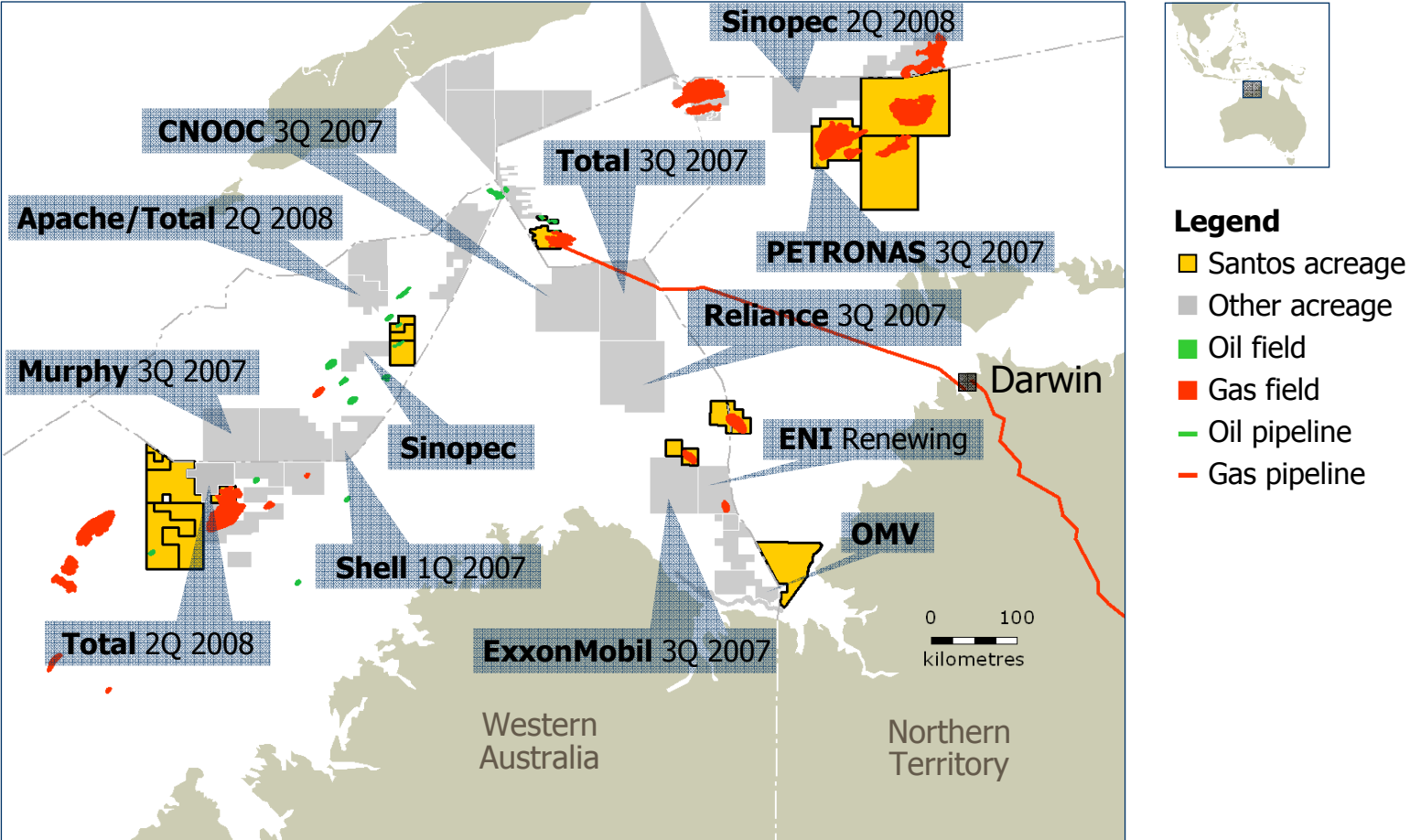
### Legend

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

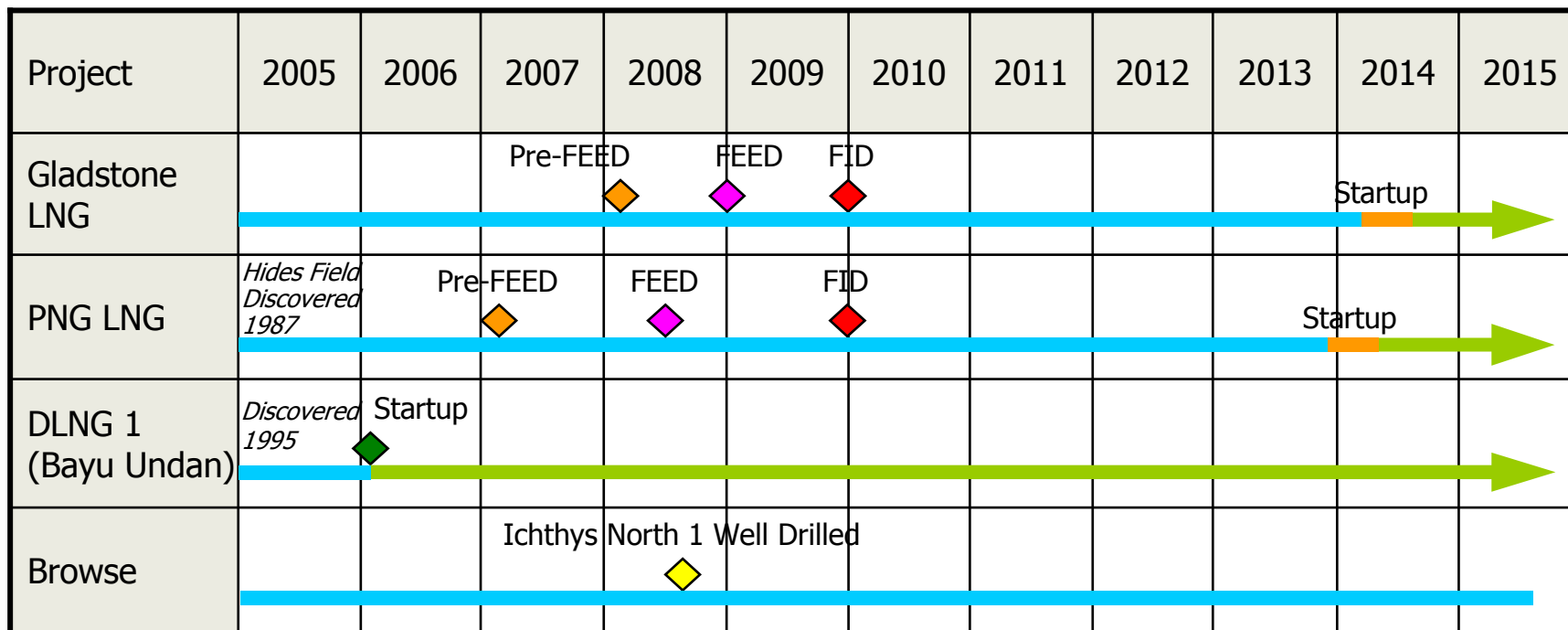
**Santos**

# Recent Activity Confirms Acreage Scarcity

Major parties enter Timor Bonaparte/Browse confirming LNG scarcity...



# LNG Growth - Milestones



— Pre-production    
 — Production    
 ◆ Milestone



The Santos logo consists of a solid blue rectangle on the right side of the slide. The word "Santos" is written in white, bold, sans-serif font, centered vertically within the blue rectangle.

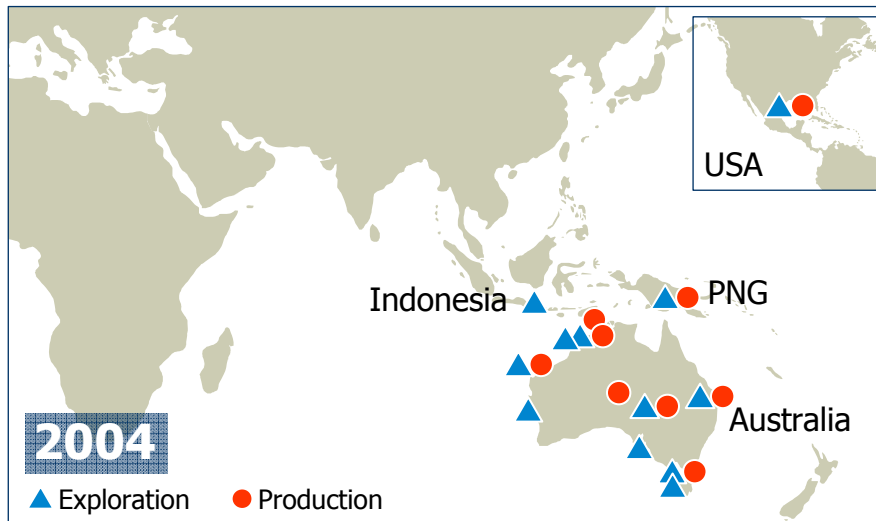
**Santos**

# Asia Growth & Exploration

Trevor Brown

Vice President – Geoscience and New Ventures

# Global Acreage Position & Production Base

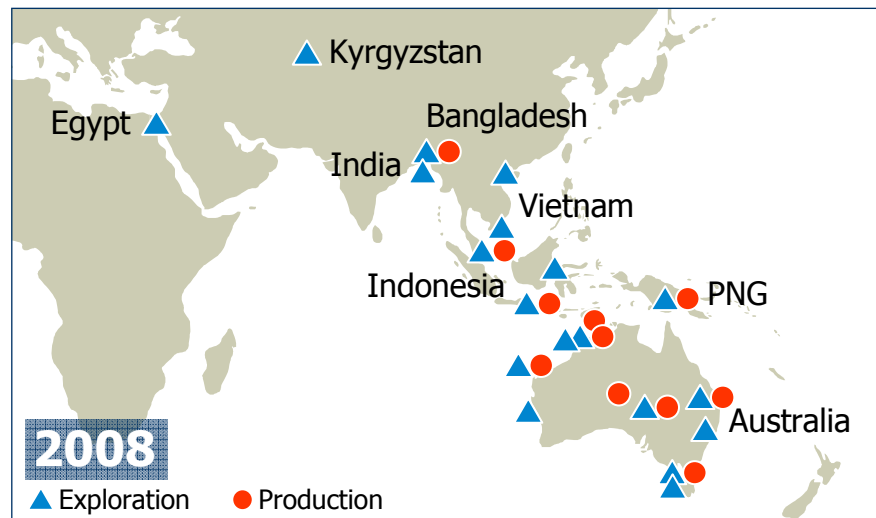


2004

Net Area: 92,000 km<sup>2</sup>

Exploration: 4 Countries

Production: 3 Countries



2008

Net Area: 130,000 km<sup>2</sup>

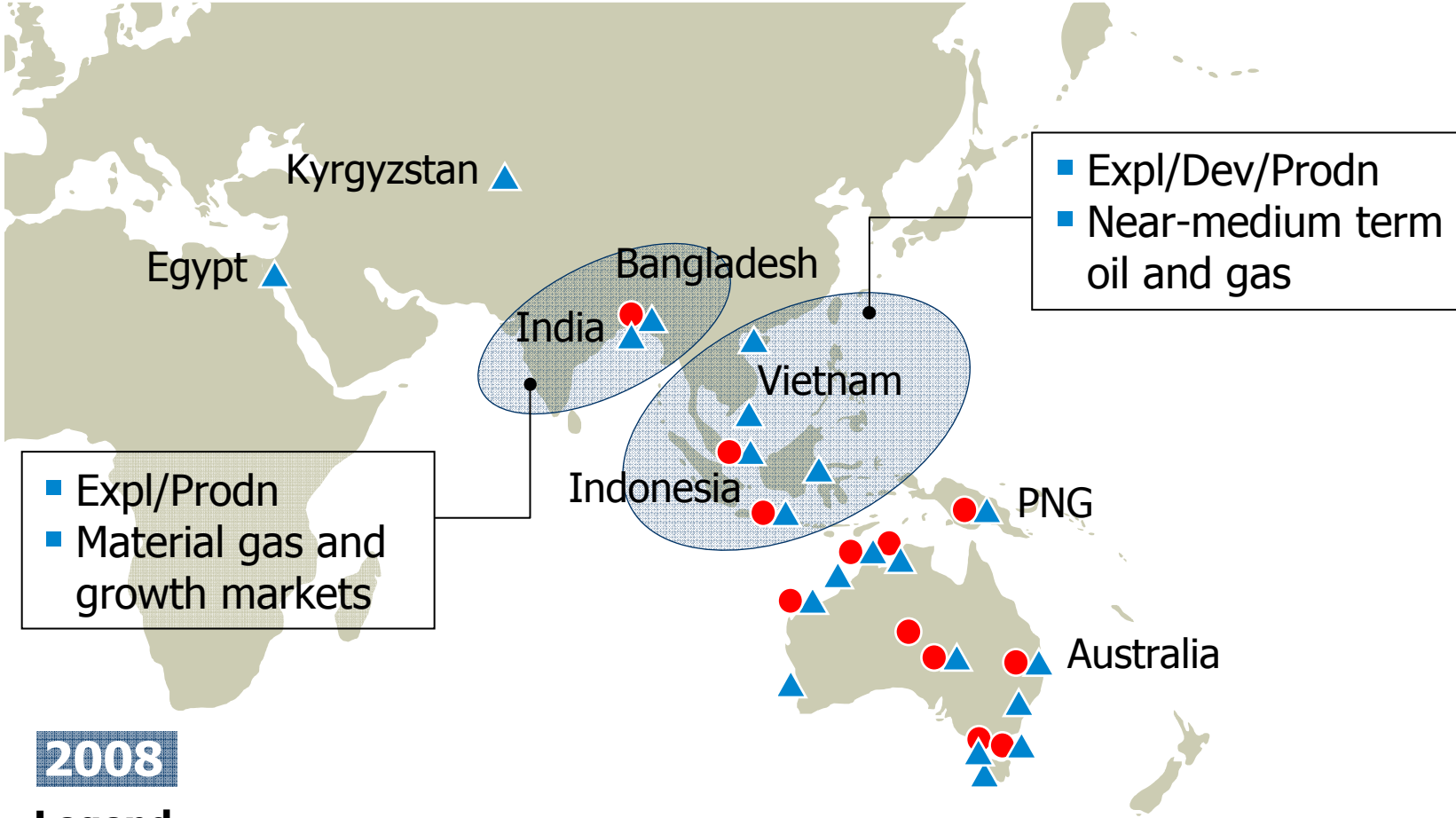
Exploration: 8 Countries

Production: 4 Countries

**Increasing Asia Focus**

**Santos**

# Execution of Focused Strategy



**2008**

**Legend**

- ▲ Exploration
- Production

# Vietnam

- Prospective, lightly explored basins
- Multiple, material play types
- Oil and gas potential
- Rapidly growing markets
- Strong regulatory regime



## Legend

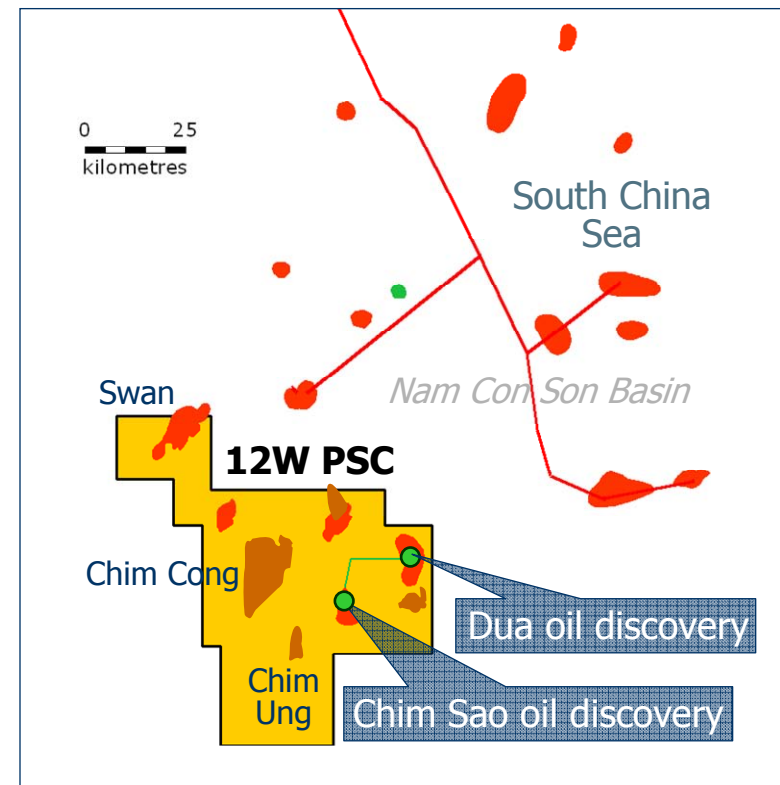
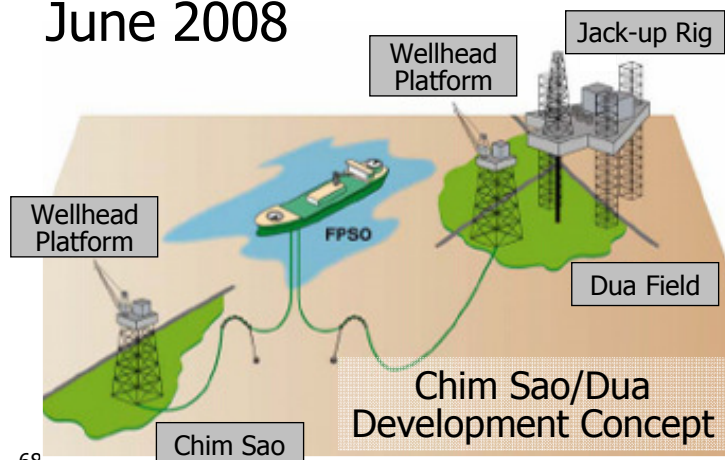
■ Santos acreage

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# Vietnam – Nam Con Son Basin

## Two oil discoveries, with follow-on opportunities

- Chim Sao/Dua (STO 37.5%)
  - Reservoir and facilities studies underway
  - Project sanction in 2H 2008
  - Expression of interest prepared for FPSO supply
  - Target first oil in 2010
- Exploration wells commence June 2008



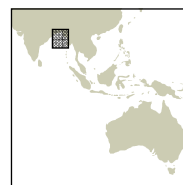
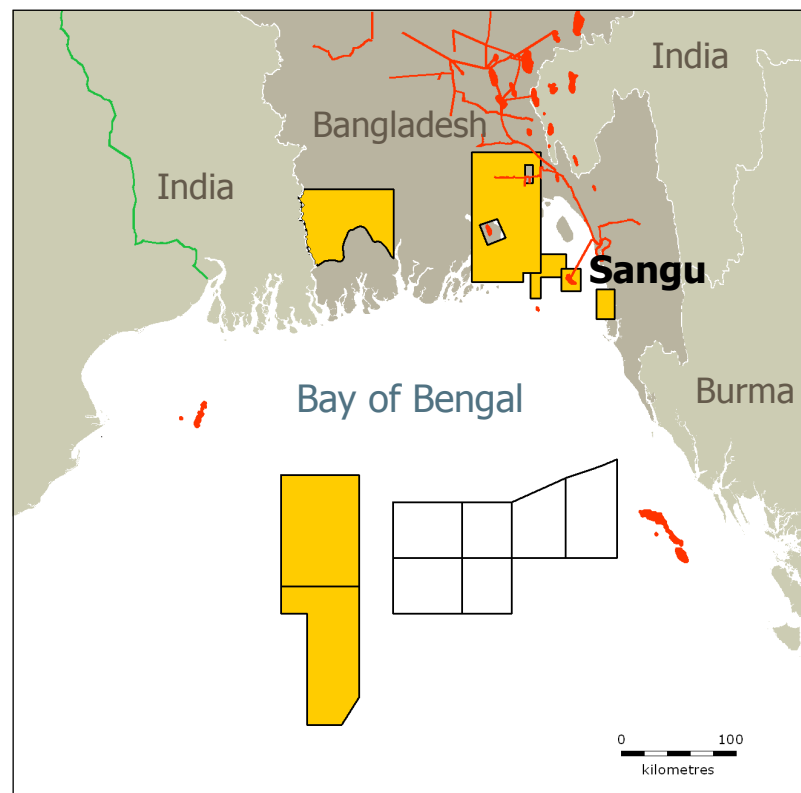
### Legend

- Santos acreage
- Prospect
- Oil field
- Gas field
- Gas pipeline

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# Bay of Bengal – India / Bangladesh

- Material Gas targets
- Enormous, underexplored, prospective tertiary delta near rapidly emerging markets
- India
  - PSC's signed March 2007
  - 17,250 line km seismic survey completed – currently processing
- Bangladesh
  - Acquisition of interests Oct 2007
  - Production optimisation at Sangu
  - Appraisal planning for gas discoveries
  - Bids submitted for offshore blocks



## Legend

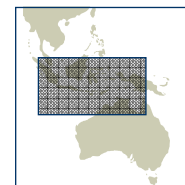
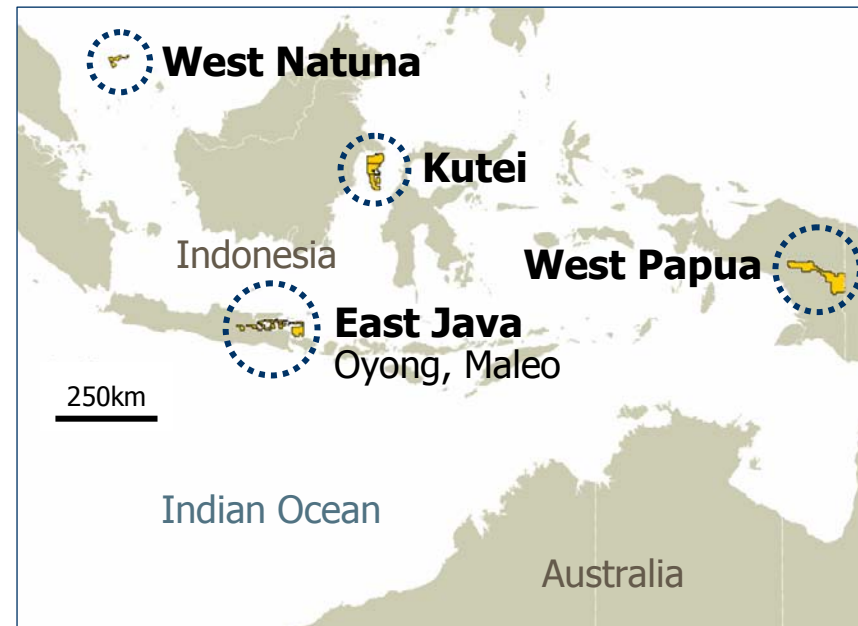
- Santos acreage
- Application block
- Gas field

- Oil pipeline
- Gas pipeline

**Santos**

# Indonesia

- Stable base production
  - Oil (Oyong)
  - Gas (Maleo)
- Near field development opportunities
- Strengthening domestic gas market
- Exploration upside

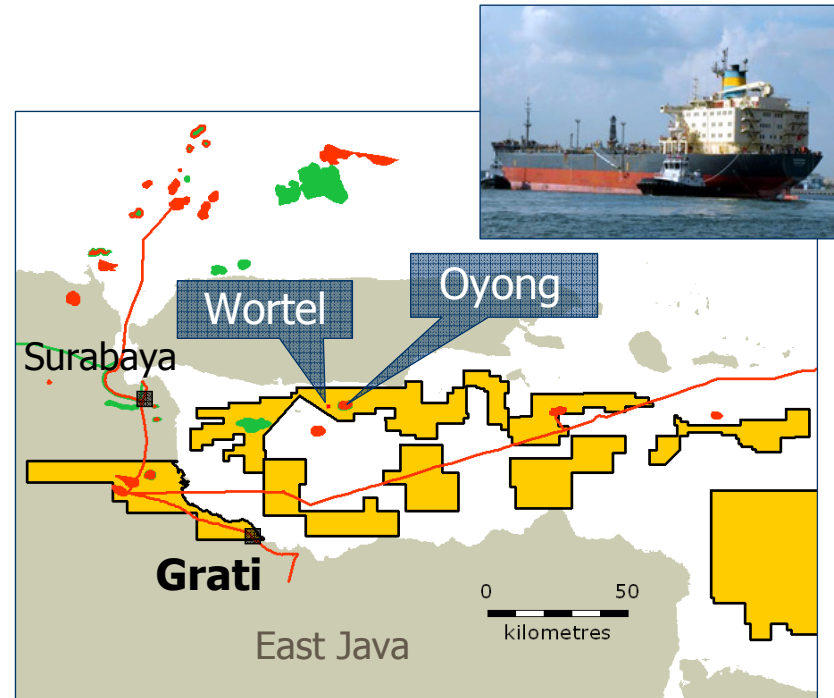


## Legend

- Santos acreage

# Indonesia – Oyong & Wortel

- Oyong Phase 1 (oil)
  - First oil achieved in September 2007 at ~8,000 bopd
- Oyong Phase 2 (gas and oil)
  - 60km pipeline to Grati
  - Gas sales to PT Indonesia Power
  - Engineering and construction in progress
  - First gas Q3 2009
- Potential Wortel synergies
  - Infill seismic acquired in 2007
  - Development planning in progress – potential tie back to Oyong
  - First gas targeted in 2010



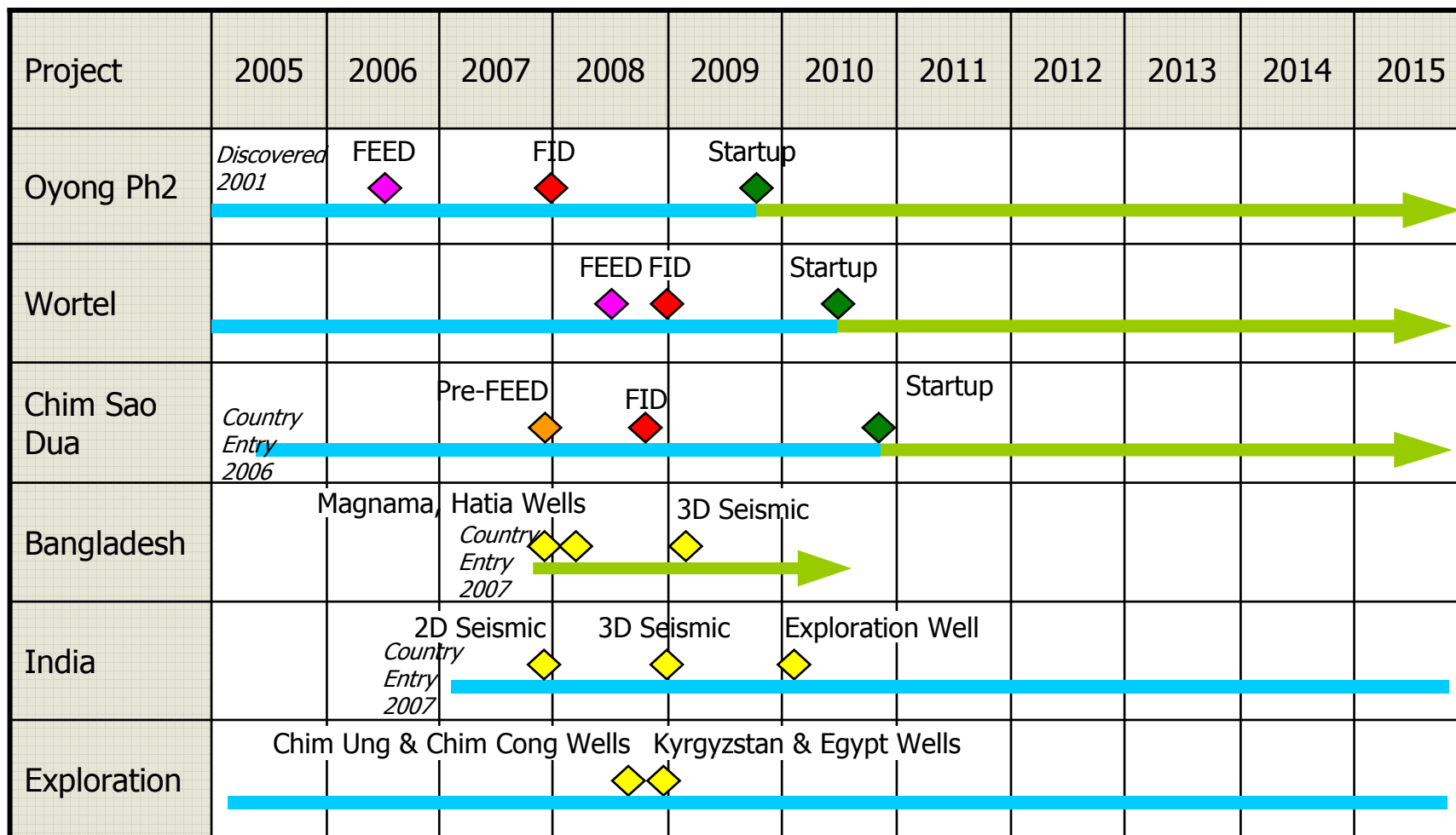
## Legend

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

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# Asian Growth - Milestones



▬ Pre-production    
 ▬ Production    
 ◆ Milestone

# Banjar-Panji Update

- Area impacted remains ca. 650 hectares
- Current funding
  - **Infrastructure:**  
Government of Indonesia
  - **Land and buildings:**  
Minarak Lapindo Jaya
  - **Santos PSC spend:**  
US\$29.4m
- WALHI legal case rejected (being appealed)
- Santos provision: US\$79.0m



The logo for Santos, featuring the word "Santos" in a white serif font centered within a solid blue rectangular background.

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# 2008 Guidance

Peter Wasow  
Chief Financial Officer

# Outlook for 2008

## Initial guidance maintained

### ■ Production

- Initial 2008 guidance maintained at 56-58mmboe
- Assuming GLNG sale is effective 31 Aug -0.5mmboe
- Guidance including sale 55.5-57.5mmboe

### ■ Costs

- Initial production cost guidance maintained at \$60 million more than 2007
- Assuming GLNG sale is effective 31 Aug \$57 million more than 2007
- DD&A guidance maintained at \$12.30/boe (no change)

### ■ Capital expenditure

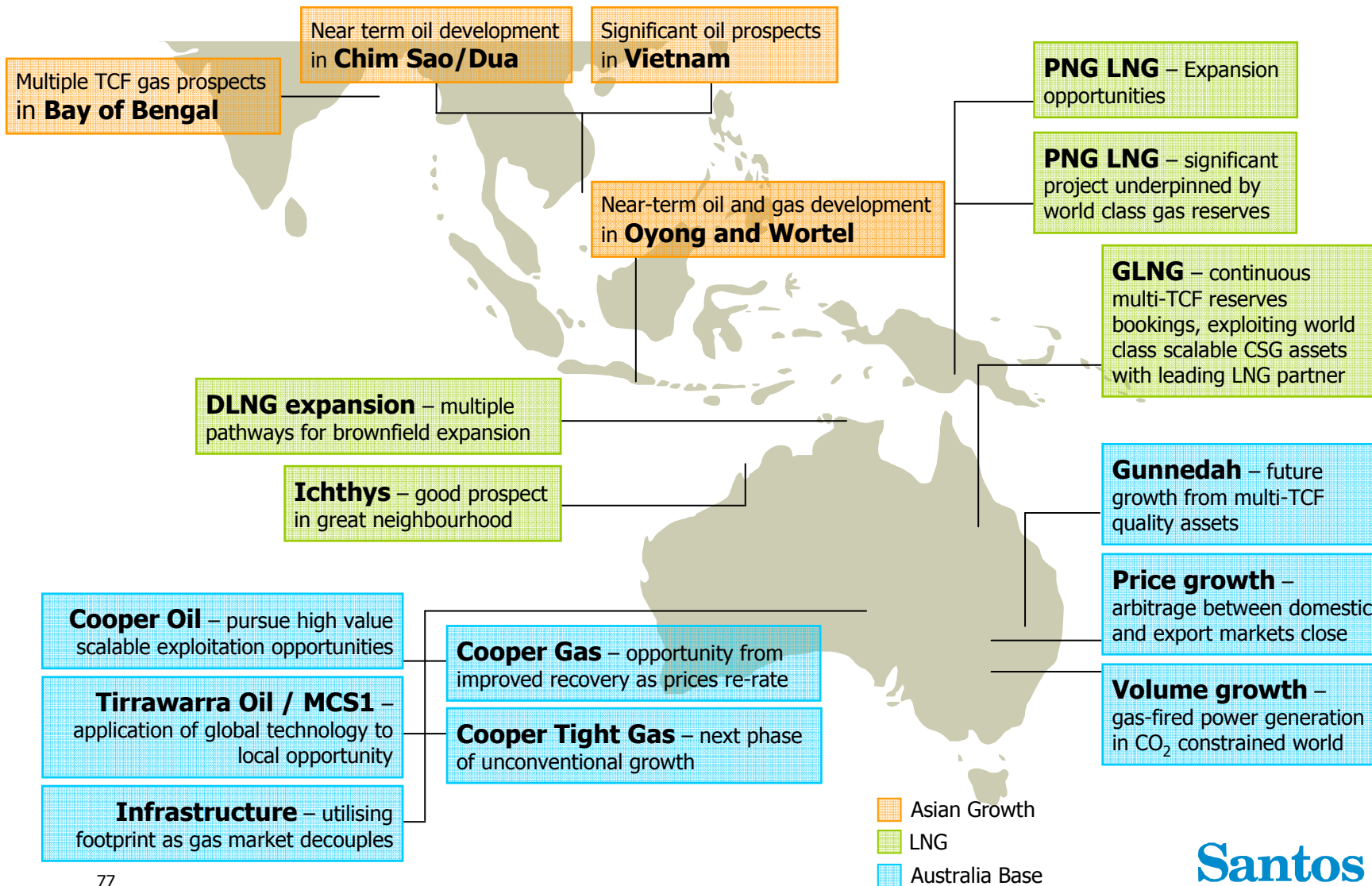
- Initial capital expenditure guidance maintained at \$1,500 million
- Assuming GLNG sale is effective 31 Aug -\$75 million
- Guidance including sale \$1,425 million

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# Wrap up

David Knox  
Acting CEO

# Santos "Beyond the 2P"



# An Australian Company Providing Energy for Asia

Through:

- Delivering the base
- Tapping our resource riches
- Being a great place to work

...and do it all safely and sustainably  
to deliver a superior shareholder return



**Santos**

# Santos Investor Seminar

3 June 2008



**Santos**

# Reference Slides

# 2008 Forward Exploration Schedule

Well Name	Basin / Area	Target	Upside Resource Potential (mmboe)			Santos Interest	Timing	Comments
			0 – 50	50 - 100	100 - 500	%		
Hatia 1	Bay of Bengal / Bangladesh	Gas	✓			37.5	Q1 08	Gas Discovery
Johnson 1	Barrow / Australia	Oil	✓			37.5	Q2 08	P&A
Chim Ung 1	Nam Con Son / Vietnam	Oil		✓		37.5	Q2 08	On schedule
Chim Cong 1	Nam Con Son / Vietnam	Oil			✓	37.5	Q2 08	On schedule
Charon 1	Houtman / Australia	Oil			✓	33	Q2 08	Drilling
Jarver 1	Sorell / Australia	Gas			✓	55	Q2 08	Drilling (Partial carry)
Pecten East 1	Otway / Australia	Gas	✓			50	Q2 08	On schedule
Netherby	Otway / Australia	Gas	✓			50	Q3 08	On schedule
Frigate Deep 1	Bonaparte / Australia	Gas	✓			100	Q3 08	On schedule
Ichthys North 1	Browse / Australia	Gas			✓	30	Q3 08	Partial carry
Tuzluk 1	Fergana / Krygyzstan	Oil	✓			70	Q3 08	On schedule
Soh 1	Fergana / Krygyzstan	Oil	✓			70	Q4 08	On schedule
Pare 1	East Java / Indonesia	Gas	✓			45	Q4 08	delayed
Ubur-Ubur 1	East Java / Indonesia	Gas	✓			45	Q4 08	delayed
South East July 1	Gulf of Suez / Egypt	Oil			✓	40	Q4 08	Carried

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

# Contact Information

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### **Share Register**

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