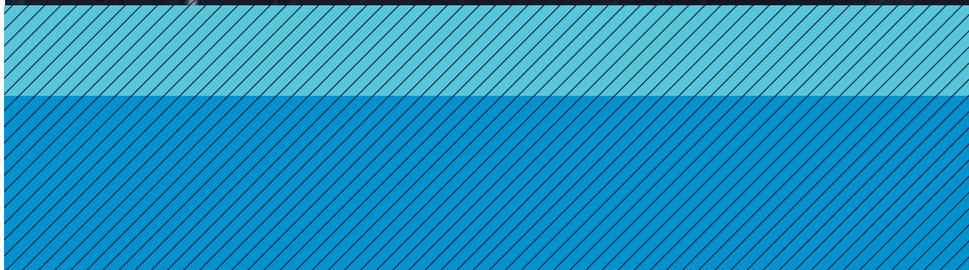
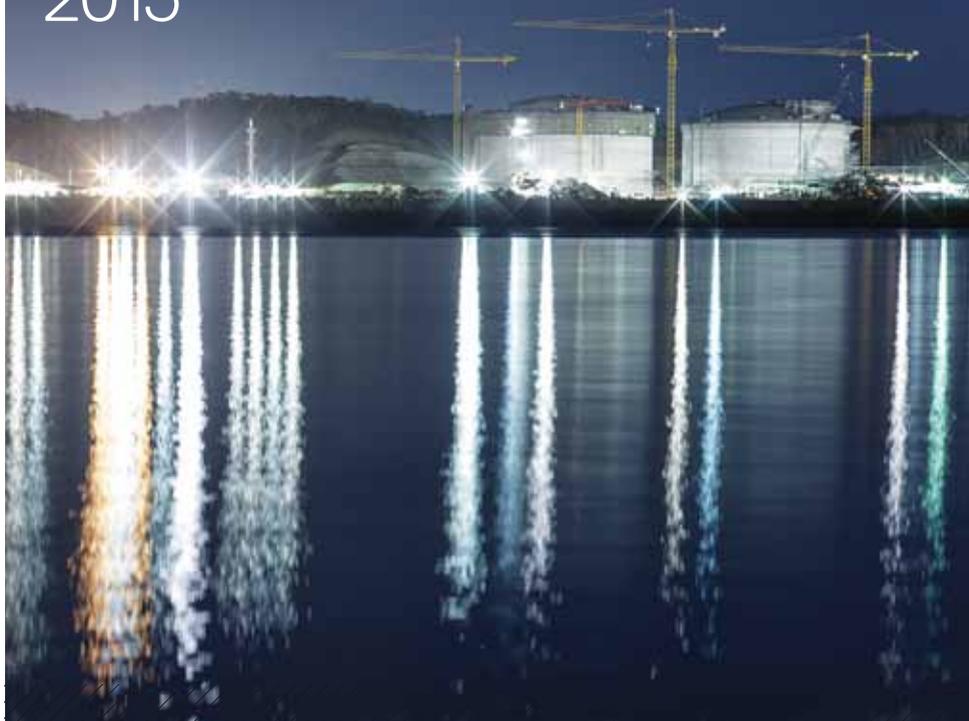


Shareholder Review 2013



Santos
We have the energy.



Australian basins

1	Carnarvon	● ●
2	Browse	●
3	Bonaparte	● ●
4	McArthur	●
5	Amadeus/Pedirka	● ●
6	Cooper/Eromanga	● ● ●
7	Surat/Bowen	● ●
8	Gunnedah	●
9	Gippsland	●
10	Otway	●
11	Bight	●

LNG projects

12	Darwin LNG	●
13	PNG LNG	●
14	GLNG	●
15	Bonaparte LNG	●

Asian basins

16	Papuan, Papua New Guinea	● ●
17	Papuan, Indonesia	●
18	West Natuna, Indonesia	●
19	East Java, Indonesia	● ●
20	South Sumatra, Indonesia	●
21	Nam Con Son, Vietnam	● ● ●
22	Phu Khanh, Vietnam	●
23	Bay of Bengal, Bangladesh	●

KEY

- Exploration
- Development projects
- Operations/production

Detailed maps are available on the Santos website www.santos.com

Cover: Construction of LNG tanks at GLNG plant, Curtis Island, Queensland

About Santos

An Australian energy pioneer since 1954, Santos is a leading oil and gas producer supplying Australian and Asian customers.

Santos is one of Australia's largest producers of gas to the domestic market and has the largest exploration and production acreage position in Australia of any company.

Santos has developed major oil and gas liquids businesses in Australia, and operates in all mainland states and the Northern Territory, whilst the company's exploration-led Asian portfolio is focused on Indonesia, Vietnam and Papua New Guinea. From this base, Santos is pursuing a transformational LNG strategy with interests in four LNG projects, comprising GLNG, PNG LNG, Darwin LNG and Bonaparte LNG.

From 51 million barrels of oil equivalent (mboe) production in 2013, Santos' substantial pipeline of projects ensures the company is well positioned to achieve our production goal of 80 to 90 million mboe by 2020.

With more than 3,500 employees across Australia and Asia, Santos' foundations are based on safe, sustainable operations and working in partnership with host communities, governments, business partners and shareholders.

Our vision and strategy

Our vision is to be a leading oil and gas exploration and production company in Australia and Asia.

We have a three-pronged strategy to achieve this.



Australia

Growing our strong domestic base business



LNG

Delivering our transformational LNG portfolio



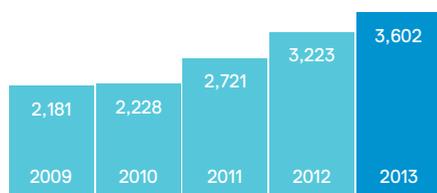
Asia

Building a focused exploration-led portfolio

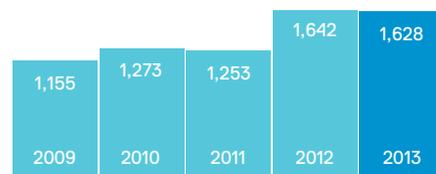
2013

Financial highlights

Sales revenue
\$3,602 million



Operating cash flow
\$1,628 million



		2013	2012	2011	2010	2009
Production volume	mmboe	51.0	52.1	47.2	49.9	54.4
Sales volume	mmboe	58.5	61.3	58.7	59.2	60.1
Sales revenue	\$million	3,602	3,223	2,721	2,228	2,181
EBITDAX	\$million	1,992	1,861	2,126	1,672	1,588
EBITDAX (excluding asset sales)	\$million	1,978	1,850	1,597	1,359	1,342
Net profit after tax	\$million	516	519	753	500	434
Underlying net profit after tax	\$million	504	606	453	376	257
Operating cash flow	\$million	1,628	1,642	1,253	1,273	1,155
Earnings per share	cents	53.3	54.4	84.8	59.8	52.0
Total assets	\$million	20,609	16,988	15,814	13,769	11,361
Dividends declared per ordinary share	cents	30	30	30	37	42
Number of employees		3,502	3,289	2,847	2,367	2,096

2012 figures have been restated to reflect adjustments required from the adoption of AASB 11 Joint Arrangements. Prior year amounts have not been restated.



Chairman and Managing Director's review

Ken Borda and David Knox

Dear Shareholder,

As Santos enters its 60th year of operations, we stand on the threshold of delivering our transformational PNG LNG and GLNG projects. Santos' LNG exports are expected to rise from around 300,000 tonnes per annum today from Darwin LNG to over 3 million tonnes per annum once GLNG and PNG LNG are fully ramped up. This step-change in production will result in operating cash flow doubling by 2016, based on current oil prices, providing the foundation for further growth and increased shareholder returns.

After several years of significant capital investment, we are pleased to announce the adoption of a progressive dividend policy. As our production and earnings grow, we intend to increase the dividend to a sustainable level, which will then be maintained or increased each period. We will reward shareholders and strike a balance between higher dividends, debt repayment and ongoing investment for growth.

Santos remains committed to growth. Not only do we have the largest exploration and production acreage position in Australia, but with over 15 years' experience in Asia, we remain focused

on growing our regional portfolio of assets and exploration profile. This exploration focus coupled with our ability to deliver greater efficiencies, lower costs and a smaller environmental footprint in the field, make us an industry leader and a company which is set to continue to deliver organic growth for many years to come.

2013 in review

In 2013, your Company delivered record sales revenue of \$3.6 billion, 12% higher than 2012. This strong result was driven by the Company's highest oil production in six years, strong oil prices and higher third party sales volumes.

Reported net profit after tax of \$516 million was in line with 2012. Higher exploration and net finance expenses were partially offset by higher sales revenue and lower impairment losses. Operating cash flow remained strong at \$1,628 million.

Production of 51 mmbœ was 2% lower than 2012. New production from the start-up of the Fletcher Finucane oil project offshore Western Australia and higher production from Darwin LNG was offset by lower Cooper production and the cessation of production from the Sangu asset in Bangladesh.

In 2013, Santos continued to successfully deliver the corporate strategy to grow our strong domestic base business, deliver our transformational LNG portfolio, and build a focused, exploration-led portfolio in Asia.

Importantly in this our 'Asian century', construction progress at both our LNG projects made significant headway during the year. PNG LNG is now more than 95% complete and on track for a mid 2014

start-up. GLNG is more than 75% complete and remains on schedule for first LNG in 2015. Capital cost estimates for both projects remain unchanged. Both projects are underpinned by long-term, oil-linked, binding offtake agreements with high quality Asian buyers.

Good progress was also made during the year on our Cooper Basin field and infrastructure upgrades. We remain on track to grow production capacity to not only meet our new LNG contracts but also our commitment to remain a leading supplier of natural gas to Australian customers.

Also in the Cooper, initial flow rates from the Moomba-194 vertical shale gas well were encouraging and critically, the well is located adjacent to Santos operated infrastructure for ready connection to market. We were the first company in Australia to connect shale gas to market and work has now commenced to leverage this expertise across Santos' unconventional acreage.

Santos remains focused on driving efficiencies across the Company. Margin improvement, unlocking production from better technologies and the efficient use of capital remain a key focus for the Board and Management.

Peak capex is now behind us and our liquidity position remains robust with \$3.4 billion¹ in balance sheet capacity to fund execution of our business strategy and minimise financing risk.

Santos remains well positioned to deliver between 80-90 mmbœ of production by 2020. Delivery of this strong and growing production profile underpins our unwavering commitment to remain one of the leading suppliers of natural gas within Australia as well as to supply growing Asian markets.

“Our operating cash flow will more than double over the next two years as the PNG LNG and GLNG projects come on line. We are focused on rewarding shareholders as we strike a balance between higher dividends, debt repayment and ongoing investment for growth.”

KEN BORDA Chairman

Safety

Santos strives for the highest standard of occupational health and safety and is committed to a workplace that is free from injuries.

Tragically, a rig floor incident on Saxon Rig 185 resulted in a contractor fatality on 23 June 2013. All drilling operations by Saxon were suspended while internal and external investigations were conducted. Santos also held a stand down of its entire fleet of rigs for personnel to discuss fatal risks and the mitigations and controls to eliminate or reduce those risks. Other rig contractors with rigs with similar equipment involved in the Saxon fatality also went through a thorough risk assessment prior to restarting. The Santos Board and Management are committed to preventing injuries in the workplace and continue to work hard to instil a safe operating environment for all Santos employees and contractors.

Construction on major projects peaked in 2013 resulting in work hours, including contractors, rising from 19 million in 2012 to 50 million work hours by the end of 2013. Through this significant increase, Santos' commitment to safety resulted in a Lost Time Injury Frequency Rate (LTIFR) of 0.6, 20% below that in 2012.

Responsible and sustainable operations

For Santos, sustainability means supplying energy for the future, and doing business in a way that improves outcomes for shareholders, employees, business partners, governments and community stakeholders.

We do this by considering a comprehensive set of criteria beyond traditional economic measures that assess the full impact of the Company's activities, thereby enabling better business decisions to be made.

The Board acknowledges that a key determinant of our future success relies on the ability of Santos to gain the trust of the communities in which we operate. We take very seriously our responsibility to deliver safe and sustainable operations and understand that the ongoing support of communities and shareholders is paramount to achieving this outcome.

We have made considerable progress in 2013 in engaging with communities, earning their respect and creating a greater understanding of the natural gas industry. In particular, we now have strong support in Queensland. Santos' commitment to open engagement, underpinned by a policy that the company will not access land to drill a well without prior landholder agreement, has resulted in over 650 agreements with local landholders across the GLNG Project.

We are also working hard to address community and shareholder concerns around our Narrabri Gas Project in New South Wales. We are committed to open, honest and collaborative engagement to reassure and provide confidence that our proposed operations will be safe, sustainable and deliver a positive outcome for the local community and shareholders. These efforts will continue in 2014.

Drawing on our 4 Principles of Responsible Operations, which are embedded in the way we conduct our business each and every day, we are confident Santos can continue to provide enduring and positive value to communities

“In 2013, Santos achieved record sales revenue, the highest oil production in six years and strong operating cash flow while adding to our future production potential through exploration discoveries.”

DAVID KNOX Managing Director

across Australia and Asia. These Principles provide standards ensuring we operate safely, protect the environment, treat people with respect and make a positive difference to the communities in which we operate. You can read more about our Principles of Responsible Operations in this Shareholder Review.

Santos' best practice initiatives and technologies will continue to safely and efficiently extract the energy required to underpin industry and the living standards of families, both in Australia and in Asia.

We also encourage you to read our 2013 Sustainability Report which is available at www.santos.com/sustainability

Growing production

Behind the PNG LNG and GLNG headlines that have dominated recent reporting, Santos has continued to deliver a strong forward production profile. We have focused on developing significant optionality in our portfolios across both Australia and Asia that will underpin production growth for many years to come.

In Australia, where we are committed to growing our strong domestic base business, we have recently signed a Memorandum of Understanding (MOU) with the New South Wales Government. The MOU ensures the assessment of the Narrabri Gas Project is progressed in a timely manner and reiterates Santos' commitment to meet industry best practice in relation to key environmental safeguards. The in-principle agreement confers 'Strategic Energy Project' status on the Project aimed at securing affordable natural gas supply for homes and businesses across the State to meet a predicted supply shortfall in NSW post-2015.

In the Northern Territory in 2014, we expect to reach a Front End Engineering and Design (FEED) decision regarding the floating Bonaparte LNG project. The Bonaparte LNG project is a joint venture between GDF SUEZ Bonaparte and Santos to develop a floating liquefaction project in the Timor Sea, 250 kilometres west of Darwin.

In Indonesia, leveraging our experience in offshore, shallow water developments, a project team is in place and work is underway to reach a final investment decision in 2015 on our 50% operated interest in the Ande Ande Lumut oil field.

Beyond these near-term growth options, we have made significant progress in understanding and unlocking our Cooper unconventional acreage, including shale and tight gas. In the Carnarvon Basin offshore Western Australia, our exploration team is currently assessing multiple follow-up opportunities to the Winchester and Bianchi discoveries. Both discoveries are strategically placed near proposed and existing infrastructure. In the Northern Territory, our acreage in the Amadeus and McArthur Basins provides great potential for both liquids and gas production from conventional and unconventional sources.

We are also well placed to benefit from the strong Asian demand for LNG, particularly future expansion of PNG LNG, Darwin LNG or opportunities in the Browse Basin. Santos' acreage and ability to access adjacent infrastructure ensures that we will be well positioned to participate in proposed expansion or development opportunities.

In Asia, Santos will continue to focus on Indonesia, Vietnam and Papua New Guinea and explore select opportunities that play to

our strengths in the region. In 2014 we plan to drill an exploration well in the Nam Con Son Basin off the south coast of Vietnam.

Dividend

The Board maintained the dividend at 30 cents per share fully franked in 2013.

Moving forward we will adopt a progressive dividend policy. As our production and earnings grow, we intend to increase the dividend to a sustainable level, which will then be maintained or increased each period. We will reward shareholders and strike a balance between higher dividends, debt repayment and ongoing investment for growth.

Santos continues to offer a dividend reinvestment plan (DRP) which enables shareholders to increase their shareholding at a 2.5% discount to the market price and without brokerage.

Board renewal

At the 2014 Annual General Meeting, following a decade's service to the Santos Board, Mike Harding will retire. We would like to thank Mike for leading the Environment, Health, Safety and Sustainability Committee and making a significant contribution to Santos through a critical period in the Company's history.

In February 2014, Scott Sheffield was appointed as an independent non-executive director to the Board. Scott brings extensive leadership, technical and operational skills to the Santos Board and has deep experience of the US energy industry and markets. The company he leads in the US, Pioneer Natural Resources, is at the forefront of the US shale oil and gas industry.

Employees and shareholders

The significant progress made in 2013 across the business is a testament to the quality and dedication of Santos employees and contractors who have worked tirelessly and skilfully to deliver projects for the benefit of shareholders and stakeholders alike.

On behalf of the Board, we would like to sincerely thank all employees for their hard work, as well as those who have rallied to support their local communities or through volunteering during the year.

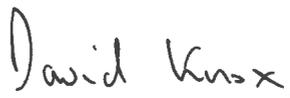
Finally, the Board and Management team would like to thank you, our shareholders, for your ongoing support. With your support, Santos now stands on the threshold of delivering its transformational strategy to be a trusted leader in the development and delivery of energy resources across Australia and Asia.

Please note that our Annual Report is still available and can be downloaded from our website at www.santos.com



KEN BORDA

Chairman



DAVID KNOX

Managing Director

Santos' principles of responsible operations

Santos has identified four aspirational operating principles that provide standards to ensure we operate safely, protect the environment, treat people with respect and make a positive difference to the communities in which we operate.

Over time, these simple principles will work to encourage our partners, governments and communities in which we operate that the oil and gas industry is taking a responsible approach to the development of resources.

Principle 1: Operating safely

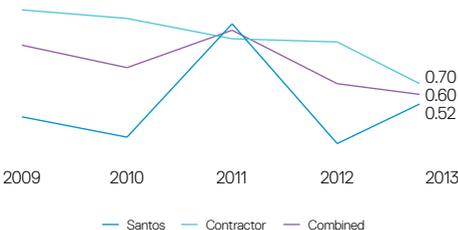
The safety of employees, contractors and the local community is imperative. We believe that no business objective will take priority over health and safety, and no task is so important or urgent that it cannot be done safely.

Principle 2: Protecting the environment

We will continuously seek new ways to minimise our environmental impact across the lifecycle of our activities. We have integrated systems and procedures in place to manage our activities responsibly and find new ways to further reduce our ecological footprint.

Lost time injury frequency rate

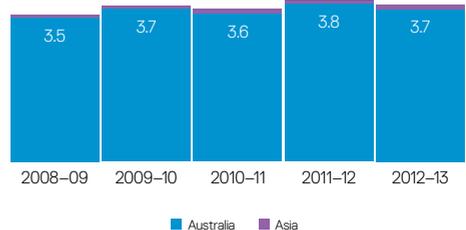
Lost time injuries per million hours worked



A focus on safety is at the heart of Santos' work practices. Everyday our objective is that everyone goes home from work without injury.

Greenhouse gas emissions from Santos operated assets

million tonnes CO₂-e (Scope 1)



Our commitment to energy efficiency helped us achieve a reduction in our emissions intensity from 70 to 68kt CO₂-e/mmboe in 2013.

By applying these principles in our operations, we build the confidence and trust of the communities in which we operate.

Principle 3: Treating people with respect

Our objective is to engage, listen and respond in an open, honest and collaborative manner. We are genuinely committed to understanding stakeholder concerns and interests and providing accessible, relevant and timely information to earn trust in Santos and our processes, decisions and activities.



We recognise and respect landholders' connection to their property. We will not access land to drill a well without agreement.

Principle 4: Making a positive difference to communities

It is important to Santos that we make positive and meaningful contributions to the communities in which we operate. Our aim is to deliver tangible benefits by using local suppliers, creating employment and training opportunities and investing in infrastructure, health and education programs.



Santos GLNG's investment in the upgrade and expansion of the Roma airport is part of our commitment to local infrastructure development.

LNG – transforming Santos

The role of LNG

Every week around the globe there are about 1.3 million new people moving to urban areas and cities. That's around 70 million people per year who are migrating from rural areas to cities. This is the largest movement of people to cities in human history.

As millions more move into cities, this gives them access to energy, in particular electricity. It is the access to energy and services such as transportation in these big urban centres

which is driving up energy demand as millions of people seek a better way of life. Natural gas is a particularly attractive fuel for power generation and transportation in the big cities as it lowers emissions and improves air quality, when compared with coal fired power generation and other transport fuels.

By transforming gas into liquefied natural gas, or LNG, it can be shipped from countries such as Australia where there is an abundance of available resources, to those markets with high energy

What is liquefied natural gas?



①

②

③

① UPSTREAM

Natural gas is extracted from reservoirs via the drilling of wells. This gas is then transported to a liquefaction facility through a pipeline network.

② LIQUEFACTION

When natural gas is cooled to -162 degrees celsius it not only transforms to a colourless liquid but reduces in volume some 600 times.

③ SHIPPING

Purpose built tankers transport LNG to customers around the globe.

The Asia Pacific region will drive global gas growth with demand set to double over the next decade.

needs. It is the safest and most efficient way to transport natural gas over long distances where pipelines are not an option. Natural gas is then used across a variety of industries including power generation and manufacturing, and in day-to-day activities such as heating, cooking and transportation.

LNG demand

With energy intrinsically linked to economic development and progress, all forms of energy,

including gas, will be required to meet the world's growing demand. Importantly for Santos, Asia is at the forefront of this demand profile, with 75%² of demand coming from this region. Asia's demand for LNG is underpinning a global compound growth rate of 5%² year on year. For companies like Santos which supply LNG, this is not only a massive opportunity, but one that plays out over a long period of time.

Although rapid urbanisation in emerging Asian economies is at the heart of this growth



④ REGASIFICATION

When LNG reaches its designated market, it is reheated, transforming the cargo back to a gaseous state.

⑤ CUSTOMERS

Natural gas is a versatile energy source and used across various industries including power generation, manufacturing, transport and the residential and commercial property sectors.

2 Source: Wood Mackenzie

LNG – transforming Santos (continued)

trajectory, the demand for natural gas has also been enhanced by other factors, such as the push toward cleaner burning, lower emission fuels. China, for example, a country with significant growth in energy demand, has recently instituted pollution abatement directives to improve air quality in big cities, paving the way for the greater use of gas. In Japan, a country without a significant indigenous energy supply and a heavy reliance on imported energy, issues regarding nuclear power post Fukushima have elevated the demand for safer energy alternatives, including gas fired power generation. LNG demand from South-East Asia is also growing, as gas provides a flexible solution to a variety of energy concerns including the replacement of pipeline gas imports, offsetting declining domestic gas production and meeting gas demand in remote locations.

Why ‘transformational’?

Prior to the sanctioning of GLNG, development options for Santos’ eastern Australia gas reserves were limited. The constrained domestic demand environment coupled with low margins led Santos to instigate a strategy that would not only expose Santos to higher pricing, but large and growing Asian markets.

Opening Santos to Asian markets via the GLNG project created the scale and pricing necessary to justify the continued development of Santos’ eastern Australia gas reserves.

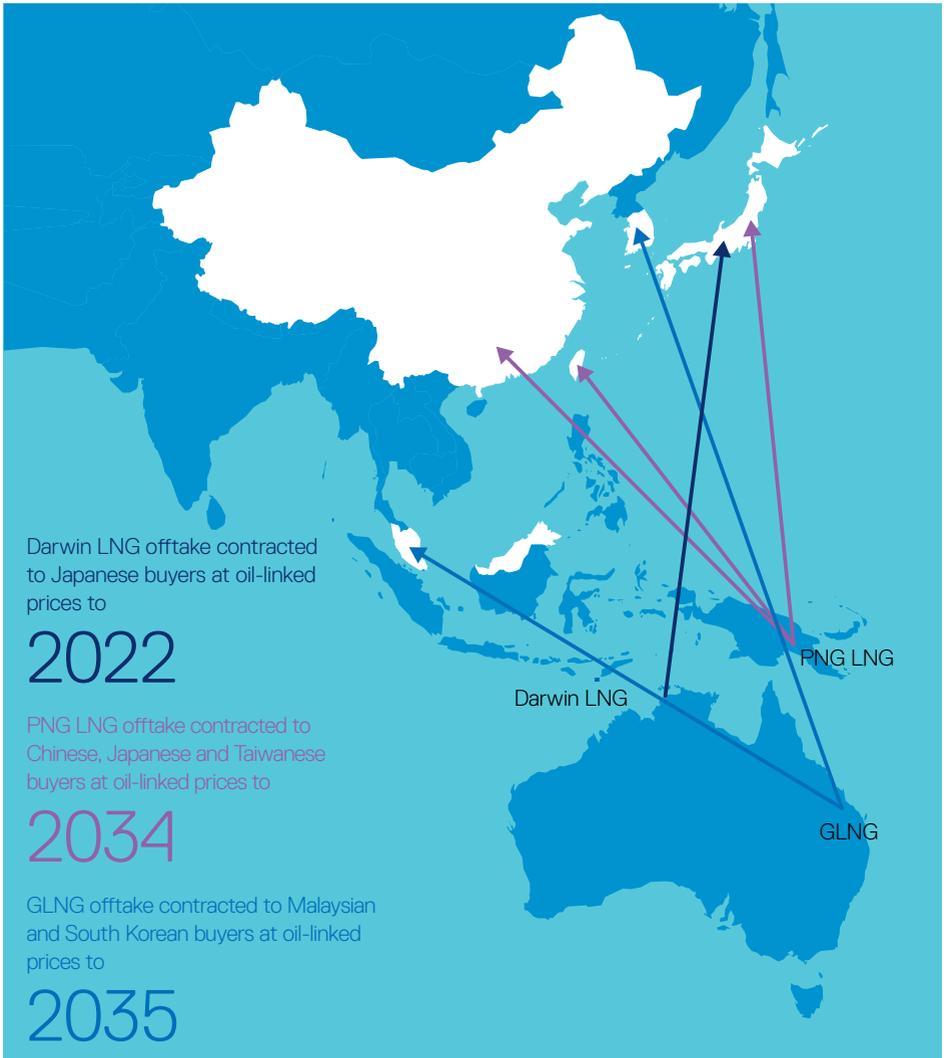
Santos is now reinvesting in Cooper infrastructure and field development and is well positioned to unlock technically challenging unconventional resources, including shale.

Exposing Santos to greater Asian demand for natural gas via the PNG LNG and GLNG projects will result in a step-change for the company in terms of both production and cash flow – ultimately delivering greater returns for shareholders.

To put this step change in production in context, Santos currently exports around 300,000 tonnes of natural gas per annum from Darwin LNG. Once GLNG and PNG LNG are fully ramped up, Santos will be able to deliver over 3 million tonnes of LNG per annum into Asian markets. Both these new projects are underpinned by 20 year contracts to high quality Asian customers at oil-linked prices.

Santos is committed to remaining one of the leading suppliers of natural gas to Australian customers. The long-term investment in the gas export industry will provide the scale necessary to ensure that more of Australia’s abundant gas resources are available for both our domestic Australian customers and global markets.

Santos' increasing exposure to oil-linked pricing is set to deliver strong margin growth.



GLNG

- + GLNG is more than 75% complete and on track for first LNG in 2015.
- + All of the 420-kilometre gas transmission pipeline is in the ground.
- + Construction of the marine crossing tunnel is complete.
- + All Train 1 modules are complete and have been shipped to Curtis Island.

2013 production
Sales gas

1.7 mmmboe



“It all adds up to finishing our peak year of construction with the end in sight, a clear view of what remains to be completed and with confidence in our ability to do so.”

TREVOR BROWN Vice President Queensland

Project overview

GLNG is now more than 75% complete. The project remains on schedule for first LNG in 2015.

The Santos GLNG project is a US\$18.5 billion³ venture to convert natural gas into liquid form for export to global markets as LNG. The project involves the development of gas fields in the Bowen and Surat Basins in Queensland, the construction of a 420-kilometre underground gas transmission pipeline to Curtis Island near Gladstone, and a two-train LNG processing and ship-loading facility. The project is a joint venture between Santos and three of the world's largest energy companies, PETRONAS, Total and KOGAS, and is underpinned by binding 20-year sales contracts with PETRONAS and KOGAS.

Gas supply and upstream construction

Santos is optimising gas supply to the project from GLNG's dedicated coal seam gas fields, underground gas storage, supply from Santos' portfolio and third party gas purchases.

In 2013, Santos drilled 237 wells across the project's acreage. With a focus on safety, landholder and community engagement, the environment and cultural heritage, Santos has been able to develop a large stock of well sites ahead of the operating needs of our drilling and completions teams.

The first of the new development wells have been connected, enabling the dewatering of the Roma and Fairview fields.

A focus on cost and efficiency has led to an over 30% reduction in average drilling and completion costs per development well since the project's inception in January 2011.

Pipeline

All of the 420-kilometre gas transmission pipeline is now buried in the ground and the pipeline has moved into the pre-commissioning phase.

The marine crossing tunnel linking the pipeline route on the mainland to Curtis Island, was completed in February 2014.

LNG plant and port

All 82 Train 1 modules have been completed and shipped from the module yard in the Philippines to Curtis Island. All 29 Train 2 modules are now under construction.

Good construction progress on the LNG tanks was made during 2013, with both tank roofs raised and concrete pours completed. Work is now underway on the nickel steel inner shells of both tanks.

Construction of the product loading facility is progressing well with the installation of the jetty modules, loading arms and marine flare now complete.

Collaboration

Collaborative agreements were signed during the year with both QGC and APLNG. The agreements pave the way for the more efficient development and transport of gas resources, while reducing the footprint of the projects by avoiding the need to build additional infrastructure.

Outlook

We expect to commence the commissioning of the LNG plant utilities in the second half of 2014.

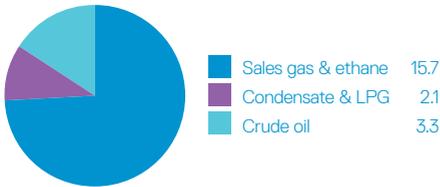
Construction of the upstream facilities and dewatering of the new wells will continue to progress at both our Fairview and Roma fields.

³ From FID to the end of 2015 based on foreign exchange rates which are consistent with the assumptions used at FID (A\$/US\$ 0.87 average over 2011-15).

Eastern Australia

- + Santos is a leading producer of natural gas, gas liquids and crude oil in eastern Australia.
- + Demand for natural gas in eastern Australia is expected to triple by 2016 as three major LNG plants, including our own GLNG project, open Australia's eastern gas reserves to Asian markets.
- + Rising demand for gas has reinvigorated investment in the Cooper Basin and is driving onshore gas opportunities throughout central and eastern Australia.

2013 production
21.1 mmboe



Innovation, acreage and infrastructure; Santos is well placed to meet the rising demand for natural gas in eastern Australia.

Cooper Basin

Gas: In 2013, gas production of 61.0 petajoules was 8% lower than 2012 production of 66.6 petajoules.

Santos is currently undertaking significant infrastructure and field development works in the Cooper Basin to meet our new LNG and domestic contracts. A focus on improved reliability, production optimisation and drilling improvements will continue to unlock value and higher margins.

During the year, 44 gas development wells were drilled including the Cowralli 16-well pad. Drawing on cutting edge North American multi-well pad technology, the Cowralli pad delivered a 32% reduction in average drilling and stimulation costs compared to the Cooper Basin historical average and a 50% reduction in land disturbance.

Oil: In 2013 Cooper Oil recorded production of 3.1 mmbœ compared with 3.2 mmbœ in 2012. In addition, Santos generated additional revenue through the ongoing processing of third-party crude oil at Moomba.

Shale: Santos' deep understanding of the Cooper Basin, the implementation of leading-edge drilling technology plus access to infrastructure is enabling us to lead the way in realising Australia's unconventional gas potential.

In 2012 Santos drilled the first commercial shale gas well in Australia, Moomba-191, which has been supplying gas to the domestic market since October 2012. In 2013 we repeated this success with the drilling of the Moomba-194 vertical shale gas well.

Initial flow rates are encouraging and critically, the well is located adjacent to Santos operated infrastructure for ready connection to market.

Narrabri Gas Project

Santos is working hard to address New South Wales' future energy requirements through the development of the Narrabri Gas Project. Timing will require government approvals, community support and customer commitment, all of which we are working to achieve in a consultative manner.

A Memorandum of Understanding has now been signed with the New South Wales Government. The MOU ensures the assessment of the Narrabri Gas Project is progressed in a timely manner and reiterates Santos' commitment to meet industry best practice in relation to key environmental safeguards.

In 2013 we drilled our first corehole in the Pilliga Forest and now have a pilot well appraisal program underway. Construction of our water treatment facility also progressed during the year and is due to be operational in 1H 2014.

For more information regarding the Narrabri Gas Project, please go to: www.santos.com/nsw

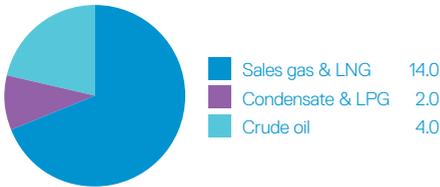
Outlook

Santos' Eastern Australia operations are well positioned to capitalise on strong market demand, the unlocking of our unconventional resource plays and growth in Cooper Basin oil production.

Western Australia and Northern Territory

- + Santos is one of the biggest producers of domestic gas in Western Australia.
- + We have also developed a major oil and condensate business in the west since our first offshore discovery, in the Carnarvon Basin, in the 1980s.
- + In the Northern Territory, Santos has had a significant presence both on and offshore for many years, and we recently increased our footprint accessing new acreage in the McArthur, Amadeus and Pedirka basins.

2013 production
20.0 mmboe



Proven record of delivery with strong growth opportunities.

Carnarvon oil

Carnarvon oil production increased 43% year on year from 2.8 mmmboe in 2012 to 4.0 mmmboe in 2013.

In May 2013, Fletcher Finucane came on line ahead of schedule and under budget. Sanctioned in January 2012, the project consists of a three-well subsea tie-back to the existing Santos-operated Mutineer Exeter FPSO (Floating Production, Storage and Offloading) facility. Importantly, this tie-back extends the economic life of the Mutineer Exeter fields and allows Santos to identify and pursue a number of near-field exploration tie-back opportunities.

Domestic gas

Being one of the biggest suppliers of gas to the Western Australian market, Santos is well placed to leverage its strong position through its large uncontracted reserves and high quality customer base. Delays to third party gas entering the market and the rolling off of third party gas contracts will present Santos with new opportunities to meet gas demand in the State.

Production in 2013 of 64.9 petajoules was in line with 2012.

Northern LNG

Our high margin Darwin LNG business continues to deliver strong returns.

Following scheduled plant maintenance in 2012, Darwin LNG delivered a record 56 cargoes in 2013. Another maintenance shutdown is planned for Q3 2014.

A Final Investment Decision (FID) was taken for the Bayu Undan Phase 3 project, which consists of two subsea wells tied back to the existing platform. First gas is targeted for 2015.

With a nameplate capacity of 3.7 million tonnes per annum (mtpa), Darwin LNG has government environmental approval to expand the site to up to 10 mtpa. Along with its partners in the project, Santos is exploring multiple feed gas options to backfill and expand the facility. Santos has equity interests in feed gas opportunities across the Browse and Bonaparte basins.

In the Bonaparte Basin, a rig has been procured for a three-well appraisal program of the Barossa field, and drilling is due to commence in Q2 2014. The preliminary evaluation of development options have been completed and include Darwin LNG backfill, expansion and floating LNG.

Following Federal Government environmental approval in 2012, the Bonaparte LNG project, involving floating LNG technology, is approaching an important milestone, with Front End Engineering and Design (FEED) entry targeted for Q2 2014. A competitive Concept Definition process has been completed and each of the contractors has formed a consortium with a shipyard and submitted bids for the FEED/Engineering, Procurement, Construction, Installation & Commissioning (EPCIC) phase.

Browse Basin

Santos continues to progress appraisal studies and exploration of promising acreage in the Browse Basin. For further information, please see the Exploration section in this Shareholder Review.

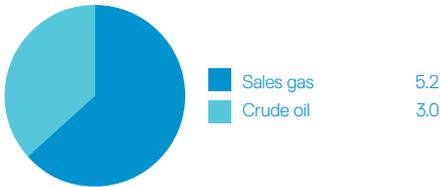
Outlook

The company has been building its business in WA and NT through increased oil and gas production and an active exploration program. That pattern is set to continue.

Asia

- + Building on 15 years in Asia, Santos continues to grow its portfolio of assets in the region.
- + Santos' Asian operations accounted for 16% of its total production in 2013. This number is expected to grow as three new producing assets, including the transformational PNG LNG project, commence production in 2014.
- + PNG LNG is now over 95% complete and on track for first LNG in mid 2014.

2013 production
8.2 mmboe



Santos will continue to unlock scale in Asia as we not only grow our high margin Asian operations but increase our exploration footprint.

PNG LNG

Construction of PNG LNG is now over 95% complete, with the focus shifting to commissioning key facilities and equipment in preparation for first LNG delivery now targeted for mid 2014.

PNG LNG is a US\$19 billion joint-venture project to convert natural gas to LNG for export to global markets. Santos' stake in the project is 13.5%.

The project incorporates the development of gas production and processing facilities in the Hela, Southern Highlands and Western Provinces of Papua New Guinea, over 700 kilometres of pipelines and a two-train LNG processing and loading facility with a capacity of 6.9 mtpa.

Commissioning gas was introduced to the Hides Gas Conditioning Plant in December, representing a key milestone for the project.

Four of the eight initial production wells at Hides are now complete and drilling is progressing on the four remaining wells.

Commissioning of the LNG plant was also ramping up by year end with gas circulating in Train 1, the refrigeration compressors being test run and the LNG loading jetty and LNG tanks complete.

Indonesia

The Oyong, Wortel and Maleo projects in East Java account for 13% of Santos' gas production. The doubling of the domestic gas price within East Java has further underpinned this strong, base business. The Peluang tie-back to Maleo, sanctioned February 2013, is, more than 90% complete and on track for first gas in 1H 2014.

In November 2013 we announced the acquisition of a 50% operated interest in the Ande Ande Lumut oil field. Leveraging our experience in offshore, shallow water developments, a project team is in place and work is underway to reach a final investment decision in 2015.

Vietnam

Santos continues to develop its oil business in Vietnam, with potential long-term upside coming from our exploration portfolio both in the Nam Con Son Basin in the south and the Phu Khanh Basin, offshore central Vietnam.

Our Chim São project in the Nam Con Son Basin has produced over 22 million barrels of oil equivalent gross production since start-up in 2011.

The Dua oil project, a three-well subsea tie-back to Chim São, is now more than 70% complete and on track for first oil in mid 2014.

Outlook

2014 is an exciting year for Santos in Asia as our transformational PNG LNG project comes on line and our Peluang gas project in East Java and Dua oil project in Vietnam also commence production.

We will progress our evaluation of the Ande Ande Lumut oil field in line with a final investment decision in 2015 and together with our PNG LNG joint venture partners continue to evaluate expansion opportunities.

Exploration

Western Australia

In the Carnarvon Basin offshore Western Australia, our exploration team is currently assessing multiple follow-up opportunities to the Winchester and Bianchi discoveries. Both discoveries are strategically placed near proposed and existing infrastructure.

We continue to explore new opportunities in the Carnarvon Basin and in 2014 will drill a new well, the Vanuatu oil prospect, located near our existing infrastructure at Mutineer-Exeter, as well as the Davis prospect near our John Brookes field infrastructure.

In 2012 in the Browse Basin, Santos made the significant Crown gas discovery located between the Poseidon and Ichthys fields. The Crown discovery increasingly looks to be our largest ever operated discovery. In 2013, the integration of offset well data led us to upgrade our resource expectations for the accumulation.

In Q2 2014, also in the Browse, we plan to drill the Lasseter prospect, a large independent structural culmination located between the Crown-Treasury and Ichthys field structural highs.

In October 2013, Santos captured a 50% interest in an exploration licence in the large frontier Bight Basin, offshore South Australia, a major unexplored delta province. Seismic data will be acquired later in 2014.

Northern Territory

Santos is committed to onshore exploration and appraisal in the Northern Territory. Our current

acreage in the Amadeus and McArthur Basins, provides great potential for both liquids and gas production from conventional and unconventional sources.

In the unconventional space, 2013 saw us undertake a regional reconnaissance 2D seismic program in the McArthur Basin. The McArthur Basin exhibits some key technical attributes comparable to successful US shale basins. We will leverage our onshore operating credentials and the unconventional expertise gleaned from activities in the Cooper Basin in the exploration of the McArthur plays.

Eastern Australia

In the Cooper Basin in 2013, we drilled our second successful vertical shale well, Moomba-194. Encouraged by initial flow rates, key horizontal wells will follow in 2014.

We also drilled, stimulated and tested three wells, Gaschnitz-1, Langmuir-1 and Van de Waals-1, in the pursuit of gas resources in the basin centred gas play in the Nappamerri Trough. All wells were technically successful and testing continues.

Asia

Given Santos' long-term future in Papua New Guinea via our stake in PNG LNG, we have commenced a renewed emphasis on exploration in the country. In 2013 we farmed in to three exploration licences in the Papua New Guinea Foreland, south of the central highlands. Recent exploration success at Manta-1 has provided encouragement for further exploration in the Foreland.

Santos' exploration portfolio underpins the Company's long-term organic growth potential.

We also acquired a new exploration opportunity set associated with our share of the award of a retention lease over the Pandora gas field in the offshore Gulf of Papua.

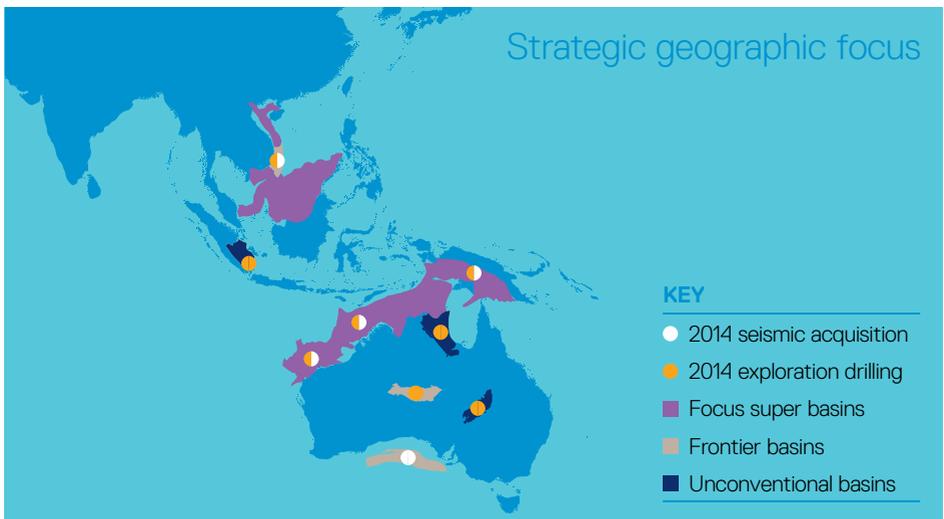
In 2014 we will participate in the exploration of the Hides Deep prospect located beneath the existing Hides field. This is a material exploration opportunity for us as it has the capacity to add gas resources beneath existing PNG LNG infrastructure.

The Warim PSC, located in the Papua Province of Indonesia, came out of force majeure during 2013. Seismic will be acquired in 2014 with the view to drilling in the years beyond.

In Vietnam in mid 2014, we expect to drill the Hon Khoai prospect in Block 13/03 in the Nam Con Son Basin.

Outlook

Santos' exploration team is focused on providing material organic growth options to underpin the company's growth aspirations.



Board of Directors



01

01 KENNETH C BORDA

Ken has been a member of the Board since February 2007 and Chairman since May 2013.

Ken is a director of Fullerton Funds Management Company Ltd and Chairman of Aviva Ltd (Singapore), Aviva Life Insurance Company Ltd (Hong Kong) and Navigator Investment Service Ltd (Singapore).

He was Regional CEO Asia Pacific; Regional CEO Middle East and North Africa; and CEO Australia and New Zealand at Deutsche Bank until his retirement in May 2007.

06 HOCK GOH

Hock has been a member of the Board since October 2012.

Hock is also Chairman of MEC Resources Ltd and Advent Energy Ltd and director of Stora Enso Oyj (Finland), BPH Energy Ltd and KS Distribution Pte Ltd (Singapore).

Previously at Schlumberger Ltd, Hock was President of Network and Infrastructure Solutions division in London; President of Asia; and Vice President and General Manager of China.



02

02 DAVID J W KNOX

David was appointed MD and CEO of Santos in July 2008, having been appointed Acting CEO in March 2008. He joined Santos in September 2007 as Executive Vice President Growth Businesses.

David has over 30 years experience in the global oil and gas industry, including MD for BP Developments in Australasia from 2003 to 2007. He previously held senior positions with BP and management and engineering roles at ARCO and Shell.

07 RICHARD M HARDING

Mike has been a member of the Board since March 2004.

Mike is also Chairman of Downer EDI Ltd, Chairman of Roc Oil Company Ltd and director of Transpacific Industries Group Ltd.

He was Chairman of Clough Ltd; Deputy Chairman of Arc Energy Ltd; and President and General Manager of BP Developments Australia Ltd.



03

03 PETER R COATES AO

Peter has been a member of the Board since March 2008 and was previously Chairman from December 2009 to May 2013.

Peter is also a director of Amalgamated Holdings Ltd, Chair of the Sydney North West Rail Link Advisory Board, Chairman of Sphere Minerals Ltd and a director of Glencore International plc.

He was previously Chairman of Xstrata Australia Pty Ltd; Chairman of Minara Resources Ltd; and Chief Executive of Xstrata Coal.

08 JANE S HEMSTRITCH

Jane has been a member of the Board since February 2010.

Jane is also a director of the Commonwealth Bank of Australia, Lend Lease Corp Ltd and Tabcorp Holdings Ltd.

Jane was MD Asia Pacific; and Country MD Australia at Accenture until her retirement in 2007.



06



07



08



04



05



09



10

Full Director biographies are available on the Santos website www.santos.com

04 KENNETH A DEAN

Ken has been a member of the Board since February 2005.

Ken is a director of Bluescope Steel Ltd and EnergyAustralia Holdings Ltd.

He was previously CFO and alternate director of Alumina Ltd; director of Alcoa of Australia Ltd; Alcoa World Alumina LLC and related companies; Shell Australia Ltd; and Woodside Petroleum Ltd.

09 GREGORY J W MARTIN

Greg has been a member of the Board since October 2009.

Greg is also Chairman of Iluka Resources Ltd, Chairman and Joint Managing Partner of Prostar Capital and Chairman of Sydney Desalination Plant Pty Ltd.

Greg was MD and CEO of AGL; Chief Executive Infrastructure at Challenger Financial Services Group; and MD of Murchison Metals.

05 ROY A FRANKLIN OBE

Roy has been a member of the Board since September 2006.

Roy is Chairman of the Keller Group plc and a director of Boart Longyear Ltd and of Cuadrilla Resources Holdings Ltd.

He was CEO of Paladin Resources plc; Group MD of Clyde Petroleum plc; and director of StatoilHydro ASA.

In 2004, Roy was awarded the OBE for services to the UK oil and gas industry.

10 SCOTT D SHEFFIELD

Scott has been a member of the Board since February 2014.

Scott is Chairman and Chief Executive of Pioneer Natural Resources Company.

He also serves on various industry and education-related boards, including the National Petroleum Council, America's Natural Gas Alliance and the Maguire Energy Institute of the SMU Cox School of Business. Scott is also a 2013 inductee into the Permian Basin Petroleum Museum Hall of Fame.

COMMITTEES OF THE BOARD

Audit Committee

- Ms JS Hemstritch (Chair)
- Mr KA Dean
- Mr GJW Martin

Finance Committee

- Mr GJW Martin (Chair)
- Mr KC Borda
- Mr KA Dean

Environment, Health, Safety and Sustainability Committee

- Mr RA Franklin (Chair)
- Mr RM Harding
- Mr DJW Knox
- Mr H Goh

People and Remuneration Committee

- Mr GJW Martin (Chair)
- Mr KC Borda
- Ms JS Hemstritch
- Mr RA Franklin

Nomination Committee

- Mr KC Borda (Chair)
- Mr PR Coates
- Mr RM Harding
- Mr KA Dean

Santos Leadership Team



01



02



03



07



08



09

01 ANDREW SEATON

Andrew joined Santos in 2005 and was appointed Chief Financial Officer in 2010. Andrew is responsible for Santos' finance, treasury, investor relations, risk, corporate development, strategy, planning, information systems and procurement functions. He has over 25 years of oil and gas industry experience encompassing a broad range of engineering, project management and investment banking roles.

02 JOHN ANDERSON

John joined Santos in 1996 and is the Vice President for Asia, WA & NT. John is responsible for commercial and finance, business development, exploration, development and operated assets. He has over 25 years of legal, commercial and business development experience in the oil and gas industry, including 10 years working as a solicitor with Freehills.

03 JAMES BAULDERSTONE

James joined Santos in 2007 and is Vice President Eastern Australia. James is responsible for Eastern Australia and unconventional business across Australia. This includes the exploration, production, development and commercialisation of the company's oil and gas resources in central Australia, NSW and offshore Victoria. James joined Santos as General Counsel and Company Secretary after holding similar roles at Mayne Group and BlueScope Steel.

07 ROD DUKE

Rod joined Santos in 2013 and is Vice President Downstream Santos GLNG. Rod is responsible for the delivery of the GLNG gas transmission pipeline and the LNG plant and port projects. Rod joined Santos from Singapore LNG Corporation, where he held the position of Senior Vice President. He has over 28 years of experience in the natural gas and LNG industry.

08 MARTYN EAMES

Martyn joined Santos in 2004 and is Vice President responsible for leading the PNG LNG Project to first cargo. Prior to his current role he was Vice President for Asia Pacific. Martyn joined Santos having spent more than 25 years with BP.

09 DIANA HOFF

Diana joined Santos in 2010 and is Vice President Technical and Engineering. Diana is responsible for drilling and completions, major projects, surface engineering, safety and environment. She has more than 25 years of experience with major and independent operators in the upstream oil and gas industry, including Chevron, Amoco and Questar.

Full Santos Leadership Team biographies are available on the Santos website

www.santos.com



04



05



06



10



11



12

04 TREVOR BROWN

Trevor joined Santos in 2001 and is Vice President Queensland. Trevor is responsible for the delivery of optimal gas supply and execution of the upstream project and operation. Trevor joined Santos from Unocal, where he was part of an exploration team working in South-East Asia, the USA and South America. He has more than 28 years' experience in the oil and gas industry.

05 PETER CLEARY

Peter joined Santos in September 2010 and leads LNG Commercial and Commercial for the Eastern Australia Business Unit. During his 24 year career at BP, Peter was President of North West Shelf Australia LNG, the LNG marketing company for the North West Shelf Venture, and held senior management positions in Australia, Indonesia, Korea, Hong Kong, Abu Dhabi and the UK.

06 PETRINA COVENTRY

Petrina joined Santos in 2009 and is the Chief Human Resources Officer. Petrina is responsible for the company's organisation, people strategies and Aboriginal affairs. Prior to joining Santos she held global leadership roles for The General Electric Company, The Coca Cola Company and Proctor and Gamble. Her industry experience includes energy, oil and gas, financial services and fast-moving consumer goods.

10 DAVID LIM

David joined Santos in 2007 and is the Company Secretary. David is accountable to the Board for the effectiveness of corporate governance processes, ensuring adherence to the Board's principles and procedures and coordinating all Board business. He provides the Santos Board with independent advice and support. David has over 20 years of experience in commercial legal practice. He is an accredited Chartered Secretary.

11 BILL OVENDEN

Bill joined Santos in 2002 and is General Manager Exploration & Subsurface. Bill is responsible for the exploration budget, strategy and ensuring excellence in subsurface activities across Santos' upstream programs. He is a geologist with 30 years' experience and has worked on exploration projects in Australia, Asia, Africa, the Middle East and South America, with companies including Sun Oil, Kufpec, ExxonMobil and Ampolex.

12 CHRISTIAN PAECH

Christian joined Santos in 2004 and is the General Counsel. Christian advises the Board and Management on legal matters affecting the company and its operations. He is responsible for Santos' legal function which supports the corporate team and the business units. He has 20 years of legal experience having worked in international firms in Australia and overseas.

Shareholder calendar

2014 investor calendar

2013 fourth quarter activities report	23 Jan 2014
2013 full-year results announcement	21 Feb 2014
Ex-dividend date for 2013 full-year dividend	27 Feb 2014
Record date for 2013 full-year dividend	05 Mar 2014
Payment date for 2013 full-year dividend	26 Mar 2014
Annual General Meeting	16 May 2014
2014 interim results announcement	22 Aug 2014
Ex-dividend date for 2014 interim dividend	27 Aug 2014
Record date for 2014 interim dividend	29 Aug 2014
Payment date for 2014 interim dividend	30 Sep 2014

2014 quarterly reports

2014 first quarter activities	17 Apr 2014
2014 second quarter activities	18 Jul 2014
2014 third quarter activities	17 Oct 2014
2014 fourth quarter activities	23 Jan 2015

All dates are indicative and subject to change.

Corporate directory

Santos Limited
ABN 80 007 550 923

Registered and head office

Ground Floor Santos Centre
60 Flinders St
Adelaide SA 5000
GPO Box 2455
Adelaide SA 5001

Telephone: +61 8 8116 5000
Facsimile: +61 8 8116 5050

Australian Securities Exchange listing

STO

Santos website

To view Annual Reports, Sustainability Reports, shareholder and company information, news announcements and presentations, quarterly activities reports and historical information, please visit our website at www.santos.com

2013 Annual Report

You can review our Annual Report online at www.santos.com or request a printed copy from the Share Registry either by email at web.queries@computershare.com or by telephone on 1300 017 716 (within Australia) or +61 3 9938 4343.

Shareholder enquiries

Enquiries about shareholdings should be directed to the Share Register:

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnson Street
Abbotsford VIC 3067
GPO Box 2975
Melbourne VIC 3001

Online enquiries:

www.investorcentre.com/contact
Website: www.investorcentre.com
Telephone: 1300 017 716 (within Australia)
+ 61 3 9938 4343 (international)

Enquiries about investor information should be directed to:

Investor Relations, Santos Limited
GPO Box 2455
Adelaide SA 5001

Telephone: +61 8 8116 5000
Email: investor.relations@santos.com
Website: www.santos.com

Update your details online

To update your address, payment instructions, dividend reinvestment plan options, TFN, e-communications preferences, email address and more, please visit the Investor Centre at www.investorcentre.com

Please help Santos cut its paper use



Many Santos shareholders have elected to receive electronic communications.

Please join them and help us cut paper use by following the prompts at:

www.computershare.com.au/easyupdate/sto