Investor Presentation

October 2012

Santos
We have the energy.

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.

Cover image: PNG LNG jetty construction with trains 1 and 2 in the background

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Santos overview

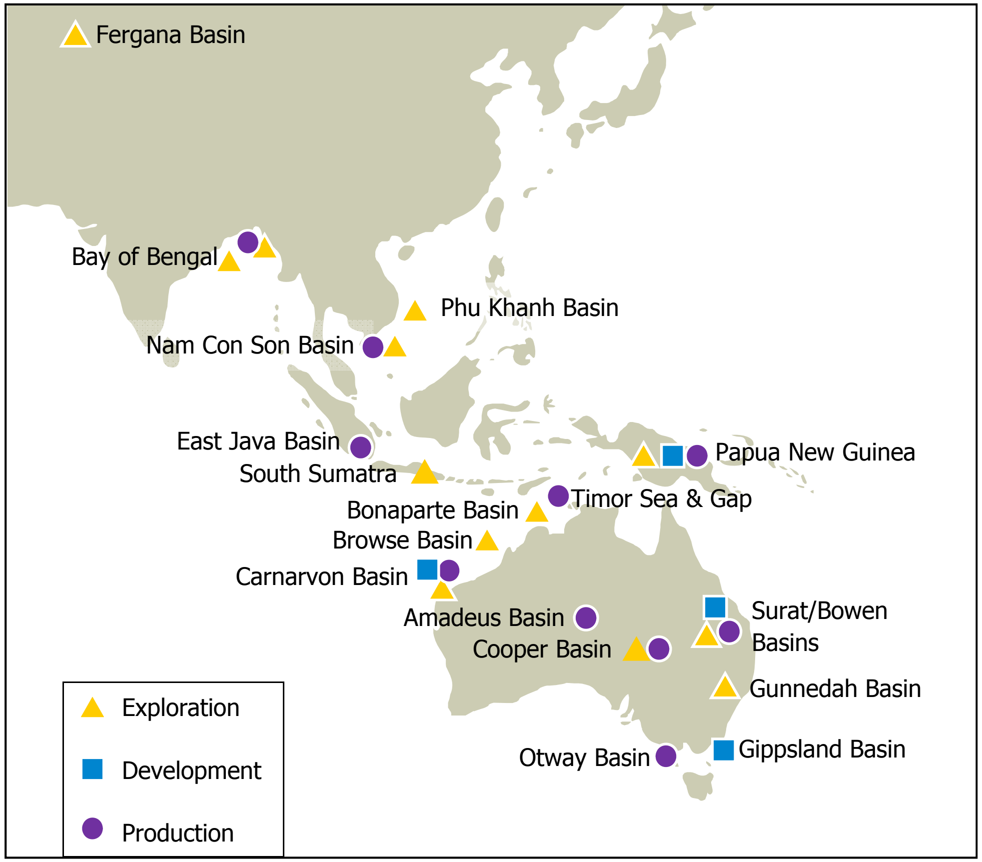
A leading energy company in Australia and Asia

- Australia's largest domestic gas producer
- Production of 0.6 bcf/day gas and 37,000 barrels/day liquids
- Top-20 ASX listed company
- Market capitalisation of US$11 billion (October 2012)

Key statistics (as at December 2011)

Proved reserves	649 mmboe
Proved & probable reserves	1,364 mmboe
Contingent resources	2,162 mmboe
2011 production	47 mmboe
2011 proved & probable reserve replacement ratio	173%*

* 2011 2P organic RRR



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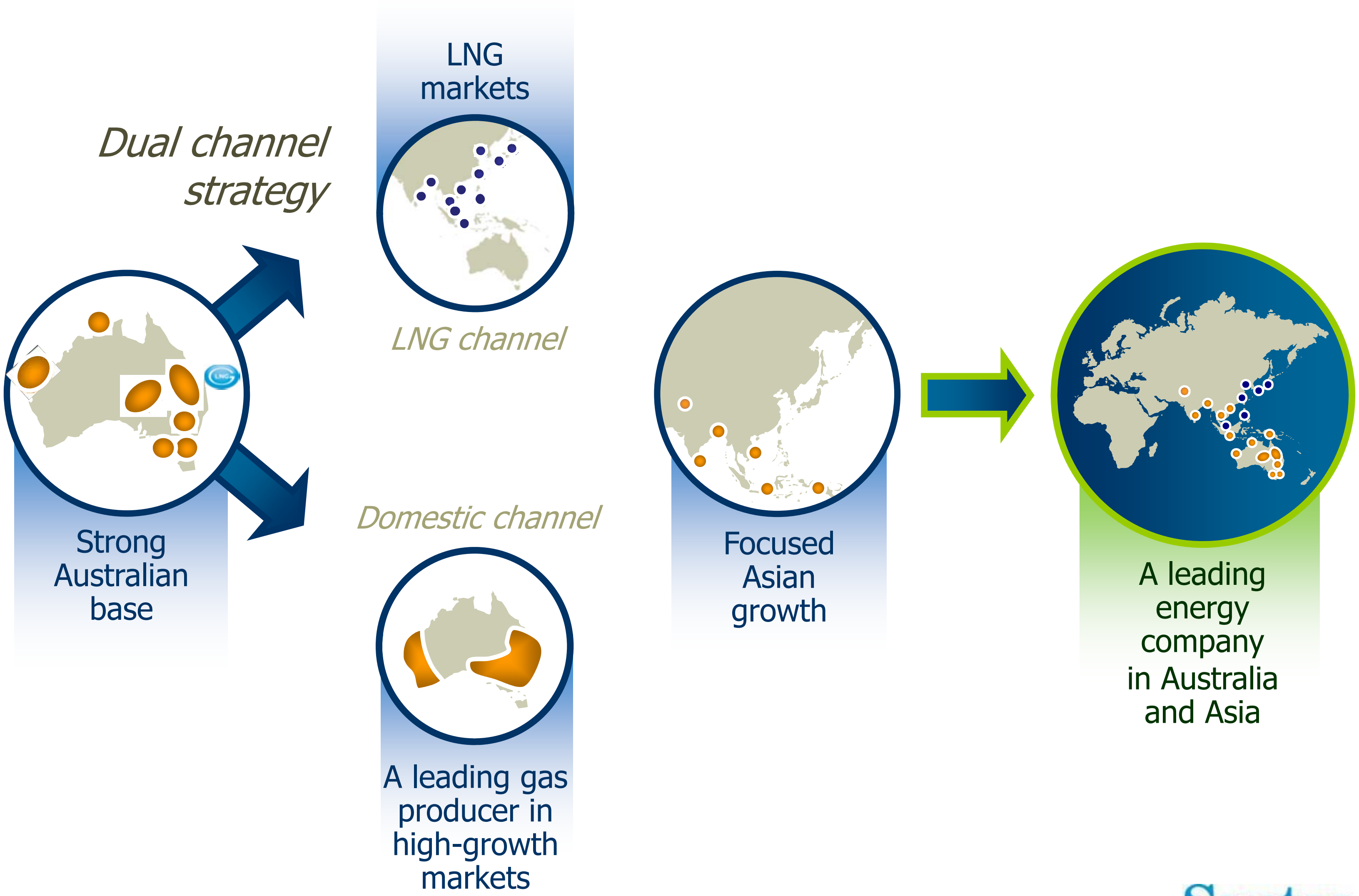
Santos vision and strategy



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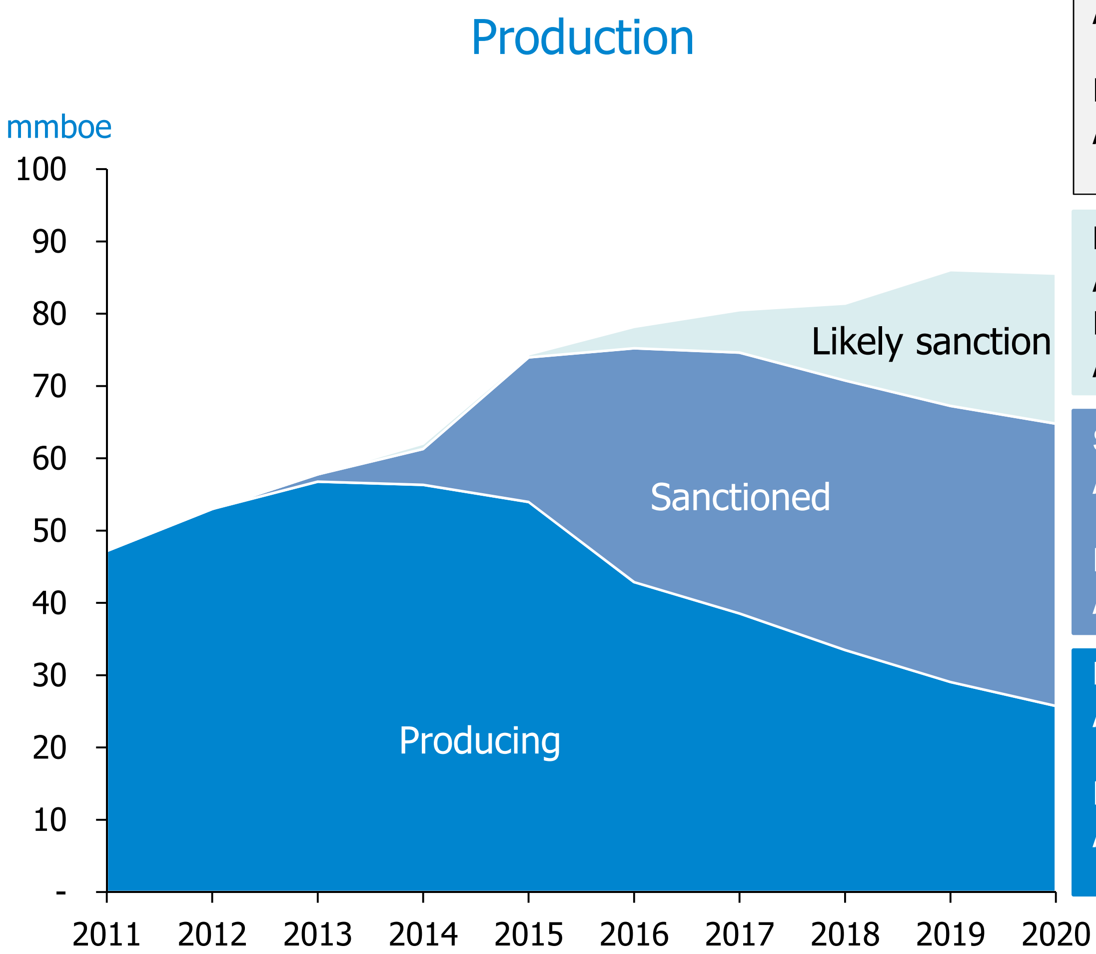
Delivering 80-90 mmboe of production by 2020

11% production growth in the first-half of 2012



Upside potential
Aust: Cooper shale, Amadeus, Zola, Winchester, Sole
LNG: PNG LNG T3, Browse, Caldita/Barossa
Asia: Chim Sáo upside, Bay of Bengal, Fergana Basin, Indonesia CSG

Likely sanction
Aust: Gunnedah
LNG: Bonaparte LNG
Asia: Peluang

Sanctioned
Aust: Fletcher Finucane, Cooper infill, Kipper
LNG: PNG LNG, GLNG
Asia: Dua

Producing
Aust: Cooper Basin, Carnarvon Basin, Queensland CSG, offshore Victoria
LNG: Darwin LNG
Asia: Chim Sáo, Indonesia, Sangu, SE Gobe

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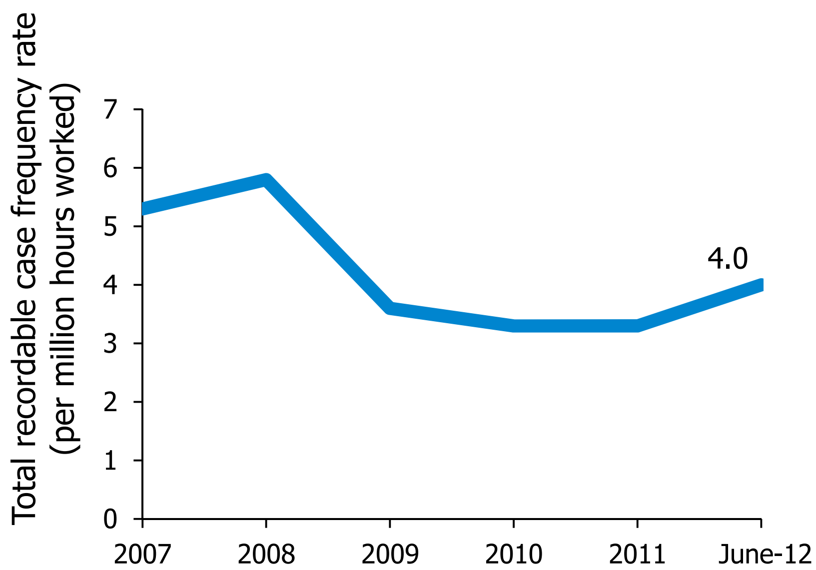
Safety performance

A balanced focus on personnel and process safety

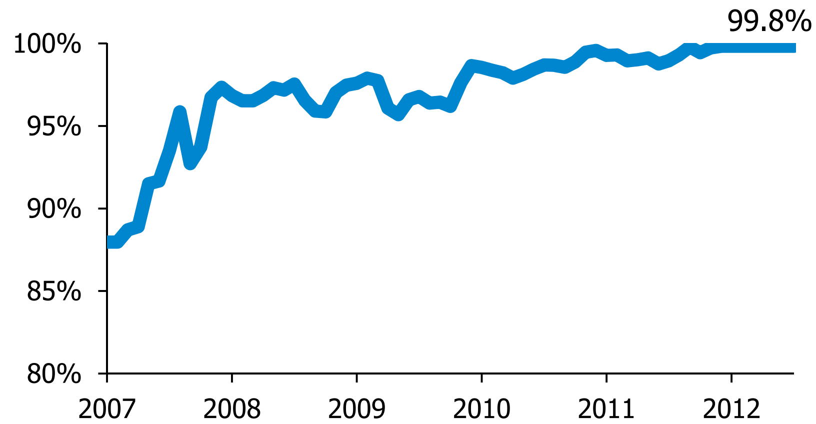
Personnel safety

TRCFR performance
(employees and contractors)



Process safety

Safety critical compliance long-term trend



Loss of Containment (LOC)

Zero LOC in Tier 1 (process/occupied area)

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2012 First-half overview

- Safety: TRCFR 4.0
- Highest first-half production in three years: 25.4 mmboe
- Underlying profit up 20% to $283 million
- PNG LNG and GLNG on track for first LNG in 2014 and 2015 respectively
- The capital cost estimate for the GLNG project was increased to US$18.5 billion[1]
- Moomba-191 shale well flows at 2.6 mmscf/d
- Two new oil projects sanctioned: Fletcher Finucane and Dua
- Crown-1 exploration well spudded in the Browse Basin
- Development of Caldita Barossa progressed with SK Energy farm-in

[1] For the period from the final investment decision until the end of 2015.

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Underlying half-year net profit up 20%

2012 Half-year result

		Change on 2011 first-half
Production	25.4 mmboe	↑ 11%
Sales revenue	$1,493 million	↑ 27%
EBITDAX (excluding asset sales)	$876 million	↑ 18%
Net profit after tax	$262 million	↓ 48%
Underlying net profit	$283 million	↑ 20%
Operating cash flow	$728 million	↑ 7%
Interim dividend	15 cents per share	-

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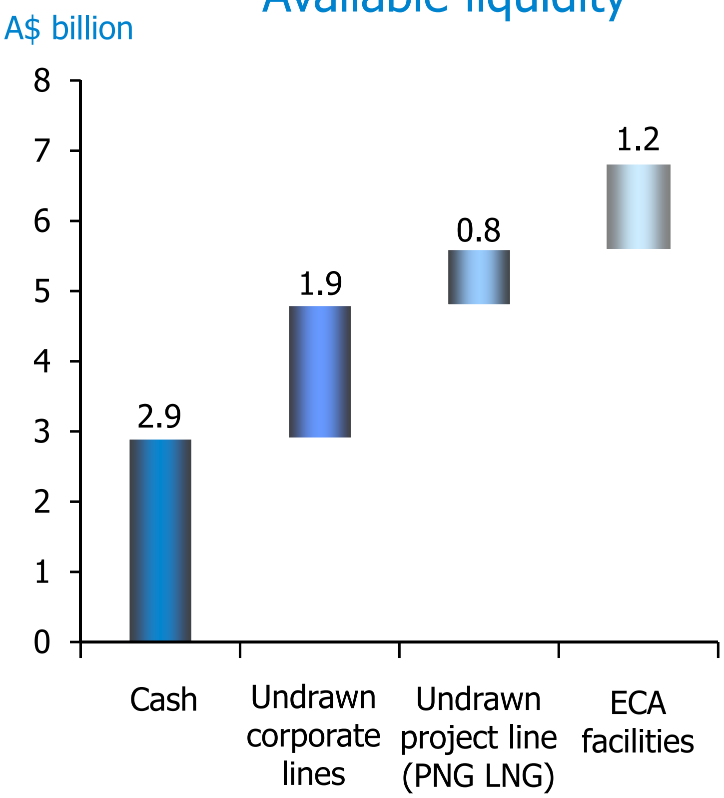
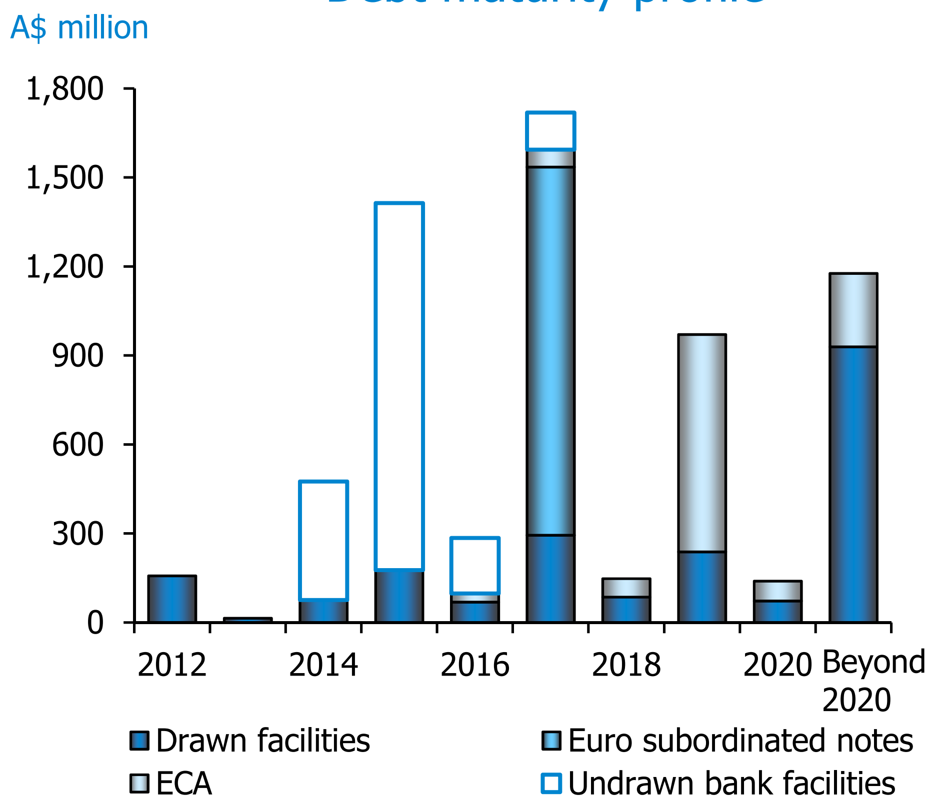
$6.8 billion of funding capacity

Balance sheet capacity to fund execution of business strategy and minimise financing risk

Available liquidity



Debt maturity profile



Charts as at 30 June 2012.

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

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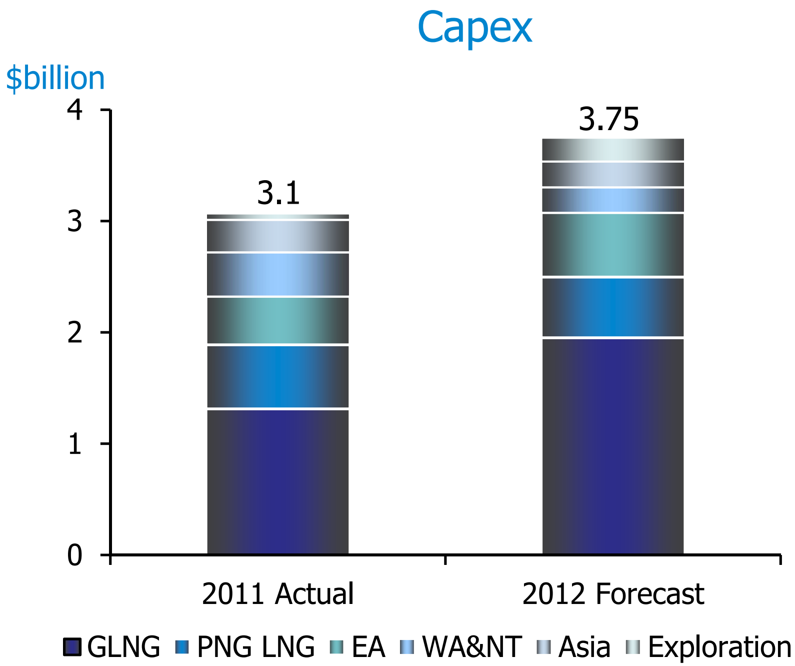
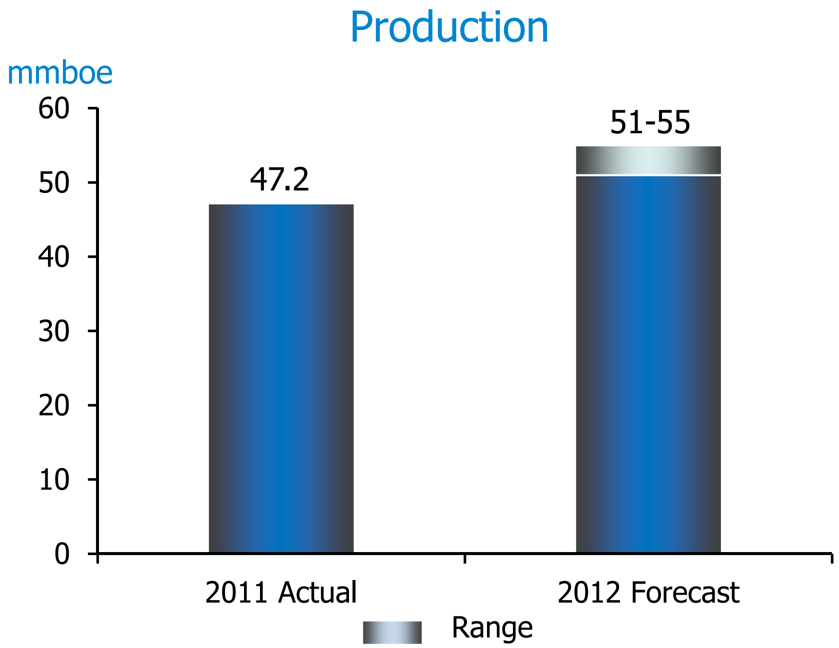
Capex & production guidance

2012 capex $3.75 billion and production 51-55 mmboe





2012 capital expenditure guidance:

- $1.9 billion GLNG
- $0.6 billion PNG LNG
- $0.6 billion Eastern Australia
- $0.2 billion Western Australia & Northern Territory
- $0.2 billion Asia
- $0.25 billion exploration

2012 production influenced by:

- Production from new projects (Chim Sáo, Reindeer, Spar, Wortel) and higher Cooper production
- DLNG 35-day planned shutdown – completed in 2Q
- Higher gas price at Maleo reduces PSC production entitlement combined with planned shutdown

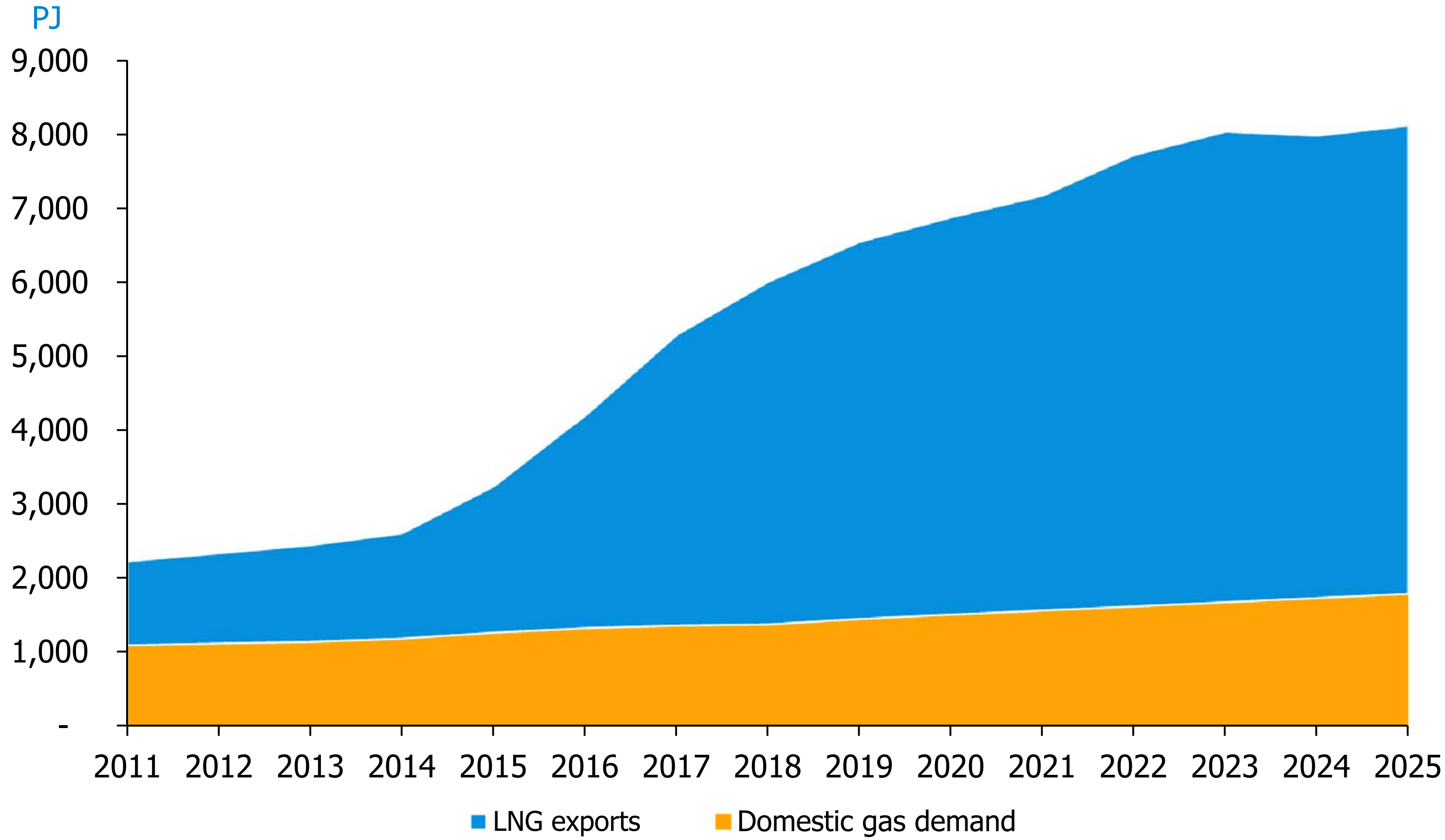
Capital expenditure guidance excludes capitalised interest

Devil Creek gas plant, Western Australia

Leading Australian domestic producer

Strong demand for Australian gas

Demand set to quadruple by 2025; gas prices will trend towards oil-linked international parity



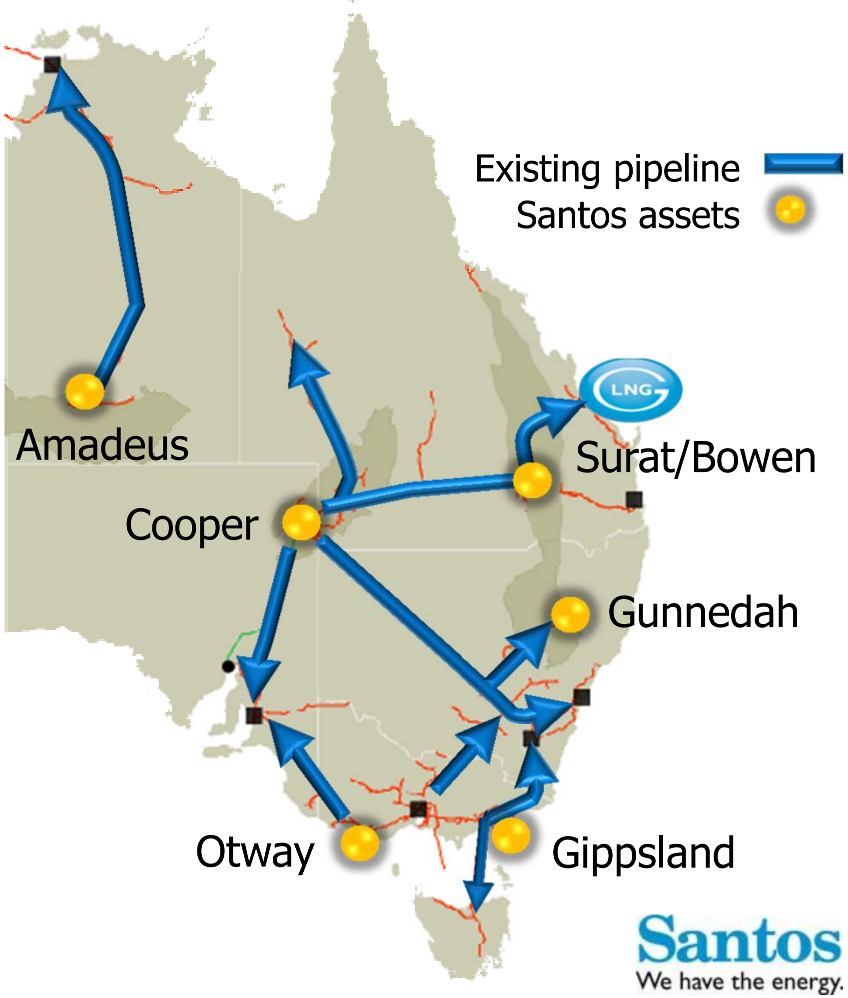
Source: Wood Mackenzie, Santos

Significant resource base in EA

Santos has 10,900 PJ of gas reserves and resources in Eastern Australia, excluding GLNG, and the infrastructure required to accelerate production

Sales gas	2P reserves[1]	2C resources[1]
Cooper	1,130	3,598
NSW CSG	1,141	2,768
Otway/Gippsland	358	258
Surat/Bowen[2]	222	1,183
Amadeus	123	121
Total	2,974	7,928

1. All Santos share. Reserve and resource numbers are in PJ (as at 31 December 2011) and include ethane.
2. Excludes Santos reserves and resources held within GLNG project.



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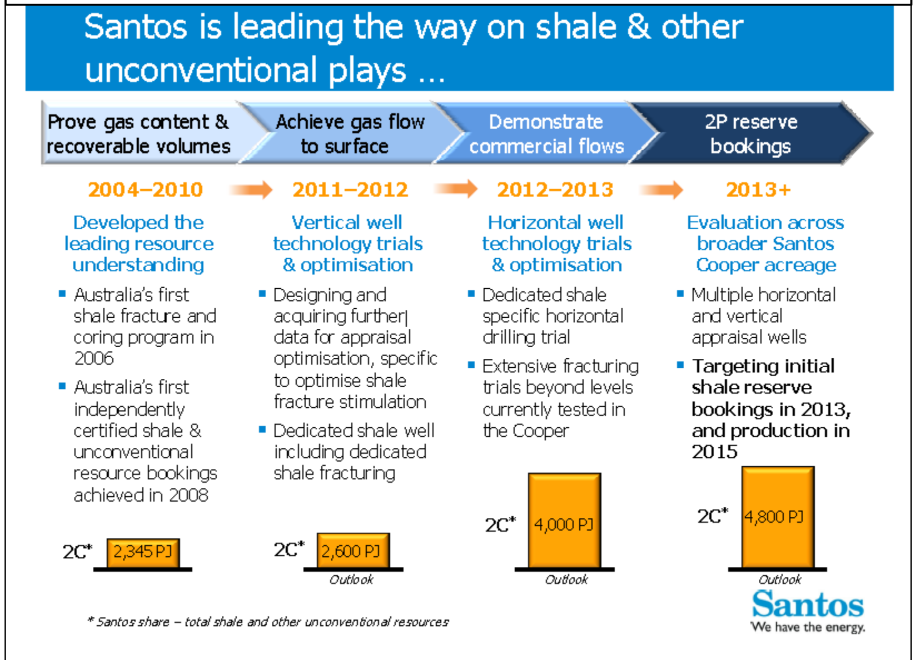
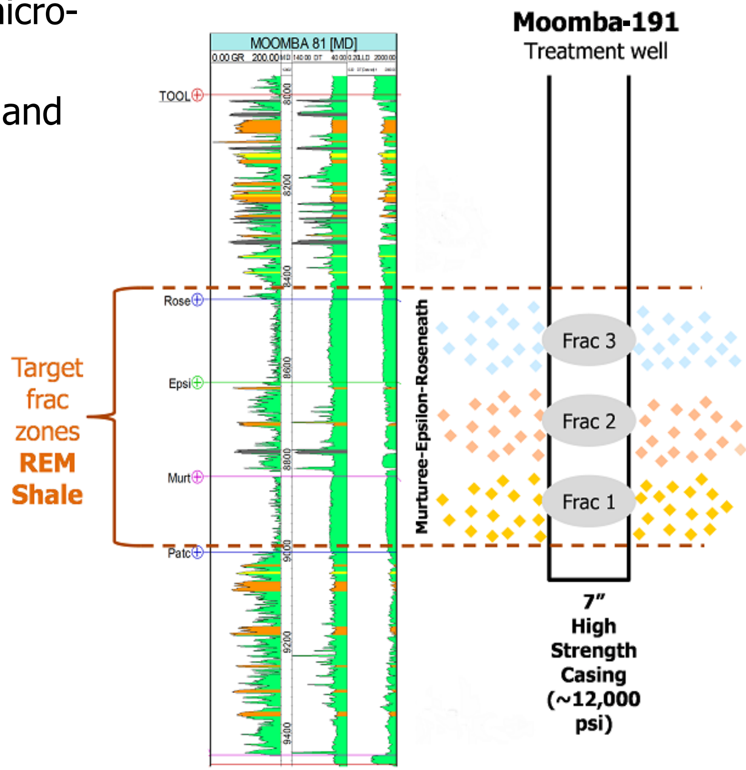
Focused execution of unconventional strategy

Objective of Moomba-Big Lake REM shale appraisal: achieve gas flow to surface

- Core acquisition, logs, minifrac and analysis
- Dedicated vertical shale well (Moomba-191)
- Specialised shale-specific fracture stimulation with micro-seismic monitoring to map stimulated rock volume
- Flow testing and analysis to progress play definition and technology application

Slide from Moomba Investor Presentation, September 2011





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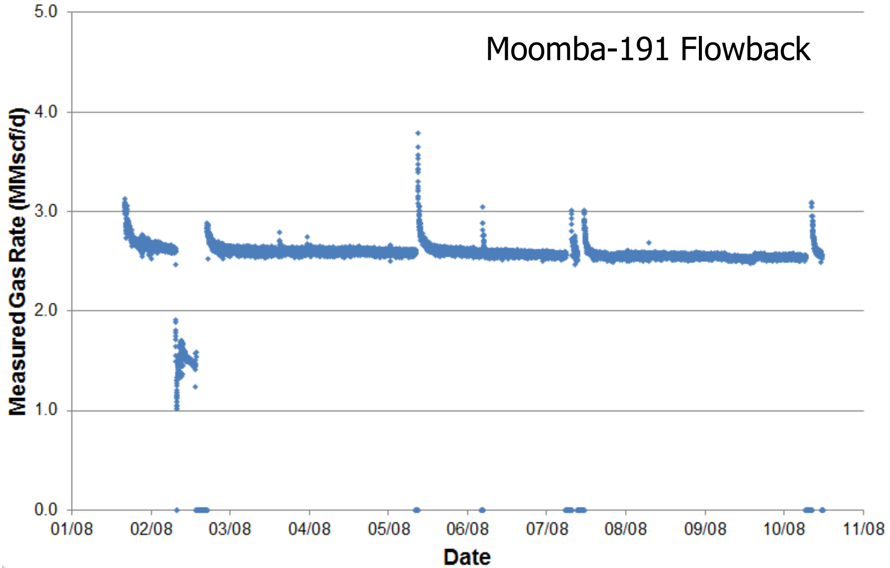
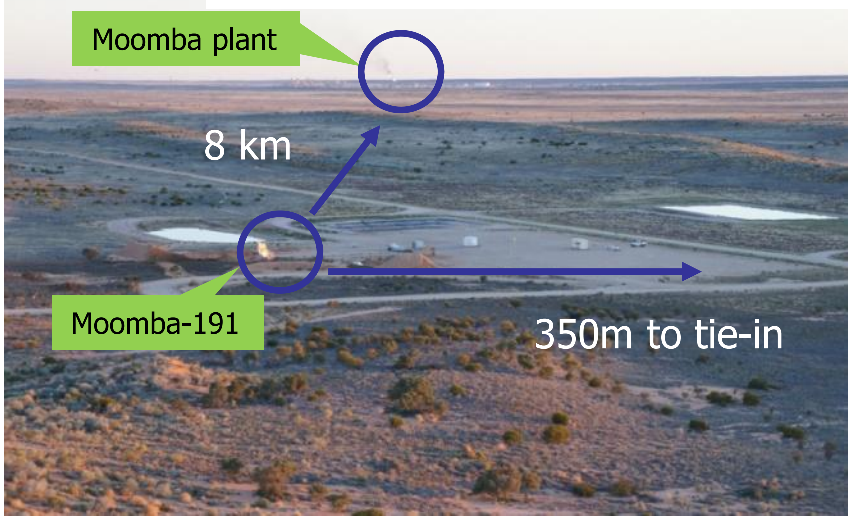
Australia's first commercial shale well

Moomba-191 flow at stabilised gas rate of 2.6 mmscf/d

- Flow-back commenced 27th July
- Two-week flow-back completed with measured dry gas stabilised rate of 2.6 mmscf/d at line pressure
- Assessing all technical data to understand significance of result
- Connection to Moomba processing facilities underway: 350 metre connection to existing gathering system and 8 kilometres to Moomba
- First production to sales October 2012



Moomba-191: Located adjacent to facilities



Multiple targeted projects continuing in 2012 and 2013

Santos will continue to execute its unconventional strategy, whilst continuing to apply learning to optimise target selection and well design

- Targeted projects addressing unconventional play sweet spots and technology:
  - Horizontal well trial – planning well advanced for execution in Q1 2013
  - Vertical well follow-ups to Moomba-191 ongoing for 2013 drill
  - Spud of first three of six wells in Nappamerri Trough addressing basin-centred gas play in Q4 2012 and Q1 2013
  - Utilise existing depleted conventional well inventory and recomplete to shale

Moomba-Big Lake Resource potential (PJ)		
URG plays	Booked 2C	2015 2C target
REM shale	684 PJ	
Tight sands and mixed lithology	1,075 PJ	
Deep coal	586 PJ	
Total	**2,345 PJ**	**4,800 PJ**

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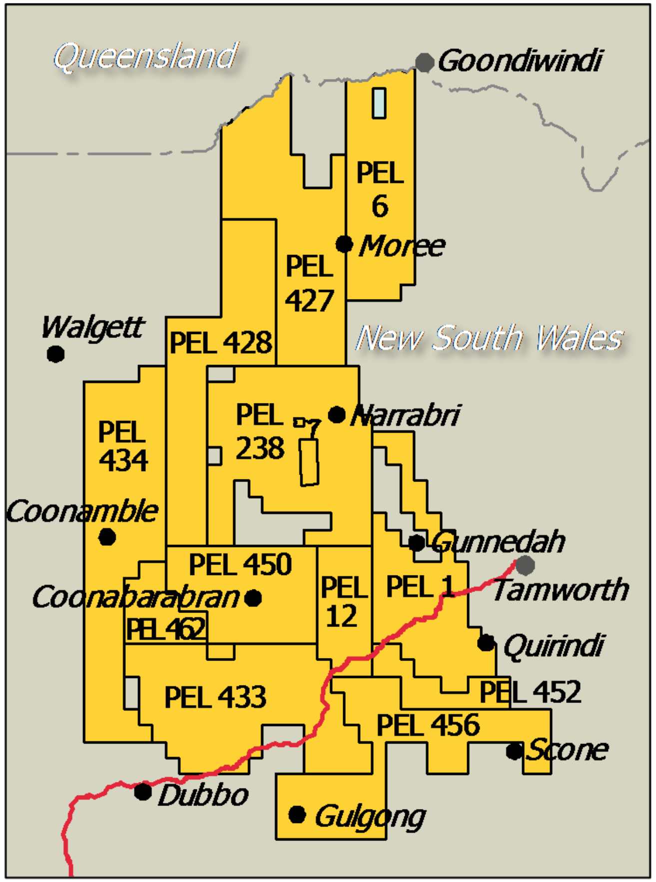
NSW Coal seam gas

Gunnedah Basin coals are world-class, with appraisal program confirming confidence and known resources in excess of 12,000 PJ

NSW CSG industry

- $1.5 billion already invested
- Over 1,000 potential new jobs
- Significant local gas production for the first time
- A low-carbon alternative to traditional dependence on coal

2P reserves	1,141 PJ Santos net
Contingent resources (2C)	2,768 PJ Santos net



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WA: two domestic gas hubs

Record WA gas production in 1H 2012

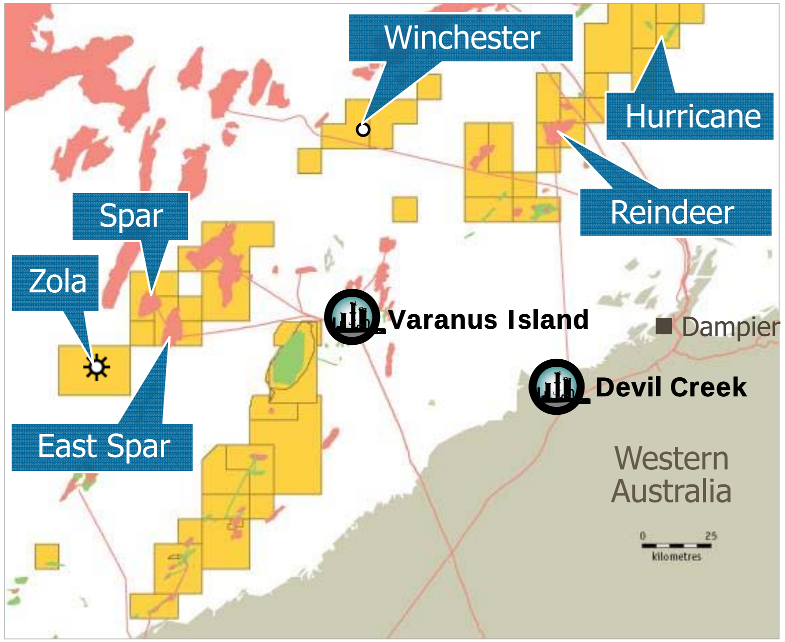
- Spar and Reindeer projects delivered in 2011 on budget and schedule
- Strong Santos production into attractive domestic gas market

Appraisal drilling planned for 2012/13

- Hurricane gas discovery
- Zola gas discovery
  - Multiple development options; LNG and domestic
  - >100m of net gas pay in excellent quality reservoir

Exploration drilling planned for 2013

- Winchester
  - Geological setting similar to Zola discovery
  - Santos operated and 75% equity



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

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Carnarvon Oil: Fletcher Finucane

Sanctioned 8 months after discovery, an industry-leading transition

Project	Fletcher Finucane
Location	Carnarvon Basin
Santos interest	Operator with 44% interest
Project description	$490 million gross oil project 3-well sub-sea tie-back to Santos-operated Mutineer Exeter FPSO
Gross production rate	Average of 15,000 barrels per day for the initial 12 months
Project status	▪ Sanctioned by partners in January 2012 ▪ Fabrication of key subsea equipment (trees, flowlines and umbilicals) well advanced ▪ Development drilling commenced in June with Fletcher-5 well
First oil	On schedule for second half of 2013


Fletcher 9.5" pipe

Subsea tree

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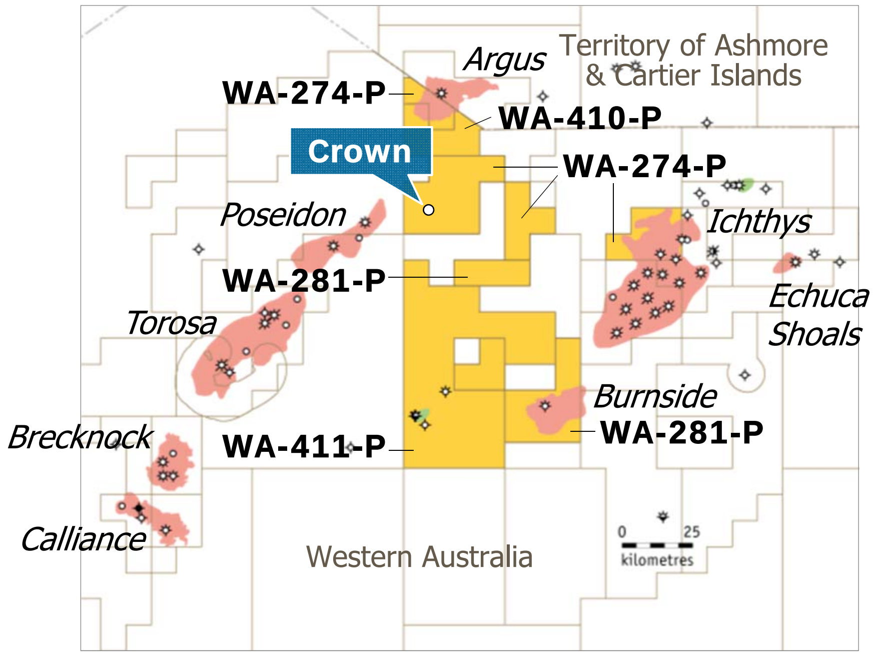
Browse Basin gas

Prime real estate in a proven play

- Well positioned
  - Material prospects
  - All Santos operated
  - Liquids rich
  - Materiality could provide stand-alone development options
- Alternative commercialisation options
- Exploration program
  - Burnside discovery in 2009
  - Crown well spudded July 2012
  - Numerous other prospects
- Processing 3D seismic on Burnside ahead of executing an appraisal program



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Material Timor Bonaparte position

A critical region for Santos now and into the future

Darwin LNG

- Continued strong production
- 35-day planned shutdown completed in 2Q 2012; high facility uptime since shutdown

Caldita Barossa

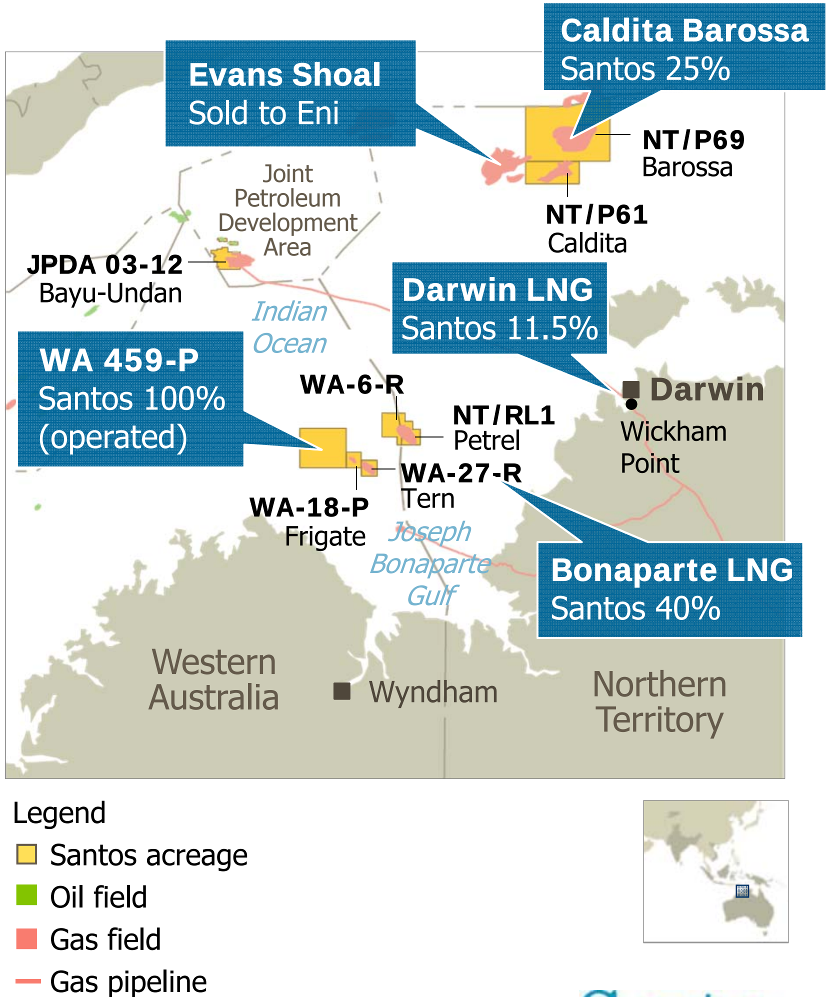
- An increasingly strategic asset
- Agreement signed with ConocoPhillips and SK E&S to progress appraisal: SK E&S to fund up to US$520 million in carry and contingent payments

WA 459-P

- New exploration permit

Evans Shoal

- Sold to Eni for up to US$350 million in December 2011



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GLNG plant site image, Curtis Island, Australia. First LNG is expected in 2015.

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Growth in LNG

Santos' unique LNG Portfolio

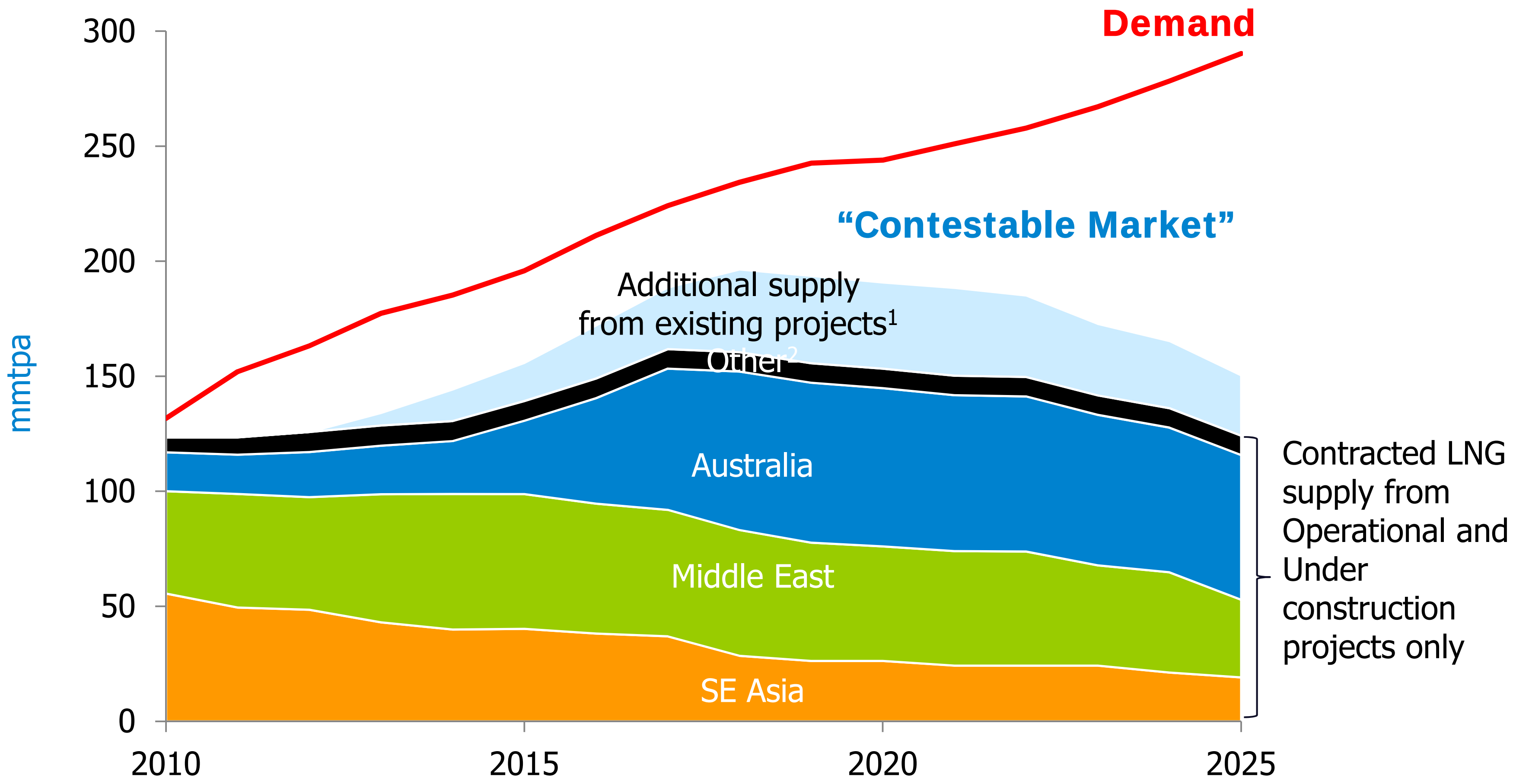
Darwin (Santos 11.5%)
Production since 2006

PNG (Santos 13.5%)
First LNG expected in 2014

GLNG (Santos 30%)
First LNG expected in 2015

Bonaparte (Santos 40%)
FLNG – targeting 2014 FID

New sources of LNG supply will be required to meet robust Asian demand

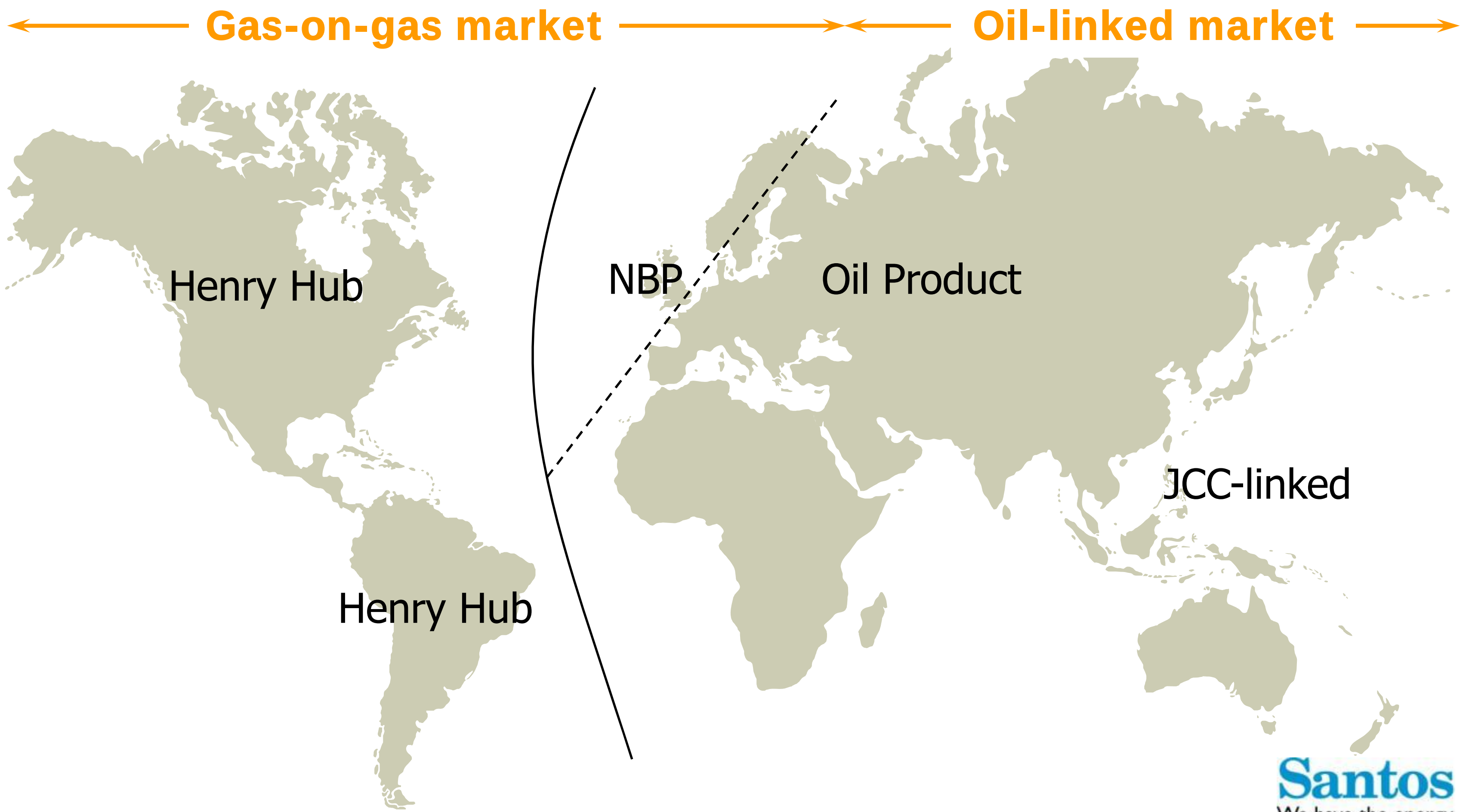


[1] Projects in Australia, Indonesia, Malaysia, Brunei, PNG and East Russia, but relies on finding upstream supply
[2] Other includes Trinidad and East Africa

Source: Wood Mackenzie, Santos

Asian LNG pricing

Three distinct gas pricing structures for long-term LNG contracts; Asia to remain an oil-linked market



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GLNG: On schedule for first LNG in 2015

Upstream	Pipeline	LNG plant
▪ On-track for over 500 wells drilled in the project areas by the end of 2012 ▪ Targeting 1,000 wells on-line by the end of 2015 ▪ Sufficient drilling rig capacity to meet forecast well requirements ▪ Construction of Fairview and Roma gas hubs underway	▪ 420-km pipeline manufacture complete ▪ 12 shipments received in Gladstone comprising over 300-km of pipe ▪ 87 of 92 land access agreements obtained ▪ Clearing and grading of pipeline route underway ▪ Stringing of pipeline commenced ▪ Pipelay to commence in Q4 2012	▪ Construction on Curtis Island progressing on schedule ▪ Trains 1 and 2 construction underway ▪ Construction of LNG tank walls commenced ▪ Module construction commenced at Bechtel's yard in The Philippines

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Creating value for Santos shareholders

Material value captured pre-FID	▪ Sell-down of 70% interest in GLNG to PETRONAS, Total and KOGAS pre-FID generated $3.3 billion in proceeds
Strong LNG off-take agreements	▪ Binding 20-year off-take agreements with quality partners in PETRONAS and KOGAS ▪ Flexible contract build: full contracted off-take not required until 2019 substantially mitigates delivery risk
On schedule for first LNG in 2015	▪ Train 1 first LNG expected in 2015; LNG production expected to ramp-up over 3-6 months ▪ Train 2 first LNG expected 6-9 months after train 1; LNG production expected to ramp-up over 2-3 years
Project economics	▪ GLNG project exceeds Santos' weighted average cost of capital[1]
Increases value of EA portfolio	▪ Permanent structural shift in east coast gas demand re-rates Santos' eastern Australian portfolio

[1] From FID in January 2011 over the estimated life of the project.

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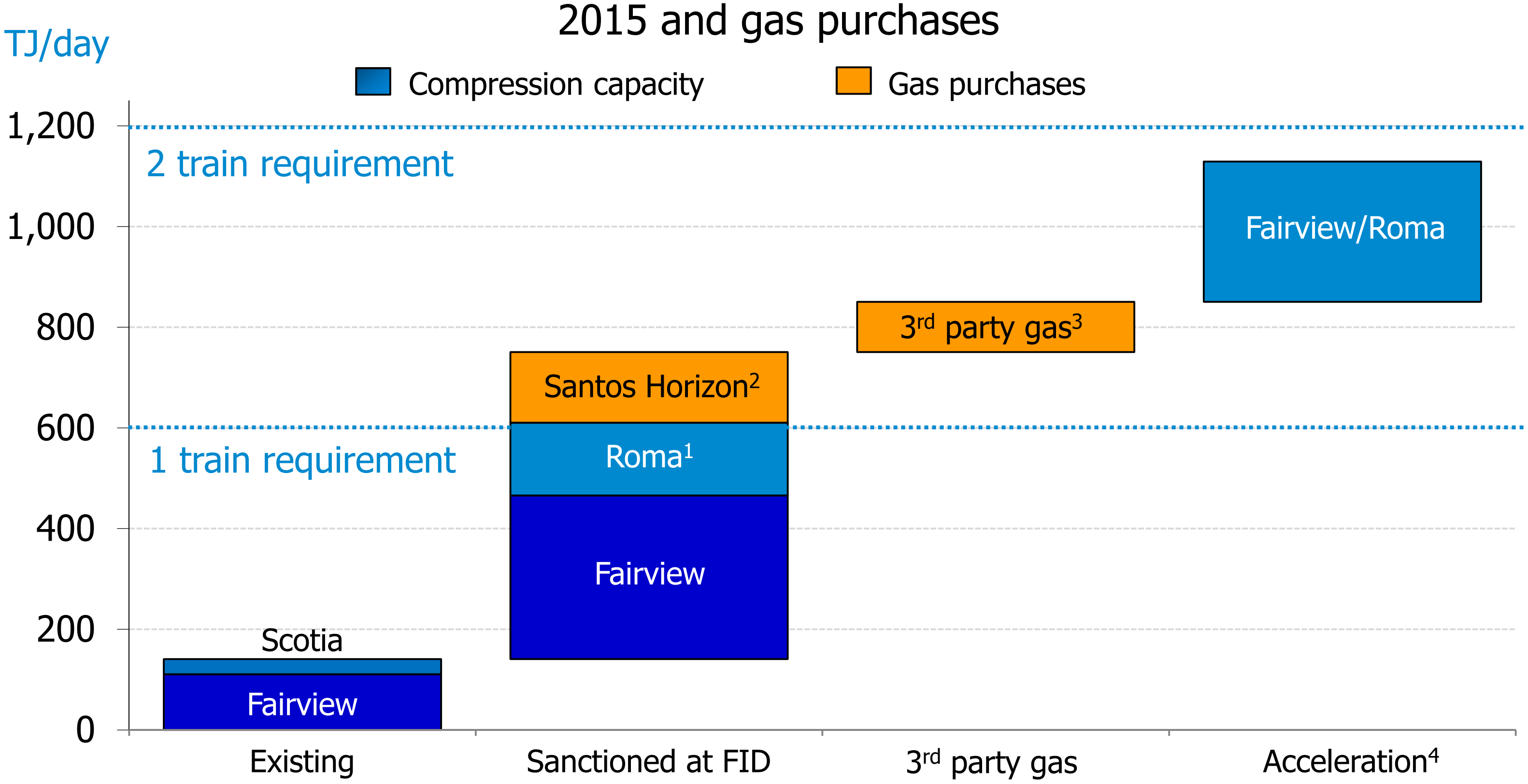
Compression capacity and gas purchases

Investment in upstream facilities provides 890 TJ/day of compression capacity by end 2015; gas purchases to date provide a further 240 TJ/day

GLNG net share compression capacity at the end of 2015 and gas purchases



[1] Includes Roma underground storage
[2] Purchase of 140 TJ/day from Santos portfolio over 15 years
[3] Purchase of 100 TJ/day from Origin Energy over 10 years
[4] Acceleration projects subject to sanction by the GLNG partnership

Fairview and Roma CSG fields

Consistently strong flow rates from Fairview wells
Roma pilots in line with expectations

	Fairview	Roma
GLNG ownership	~79%	100%
Total CSG wells drilled to end June 2012	345 comprising: ▪ 70 appraisal ▪ 275 development	105 comprising: ▪ 30 appraisal ▪ 75 development (including 33 pilots)
Wells tied in	157 wells with capacity of 213 TJ/day	Production from 33 pilot wells
Current average flow rate per well	1.3 TJ/day	0.5 TJ/day
Current production	130 TJ/day	Pilot wells only

450 wells drilled in Fairview and Roma to date

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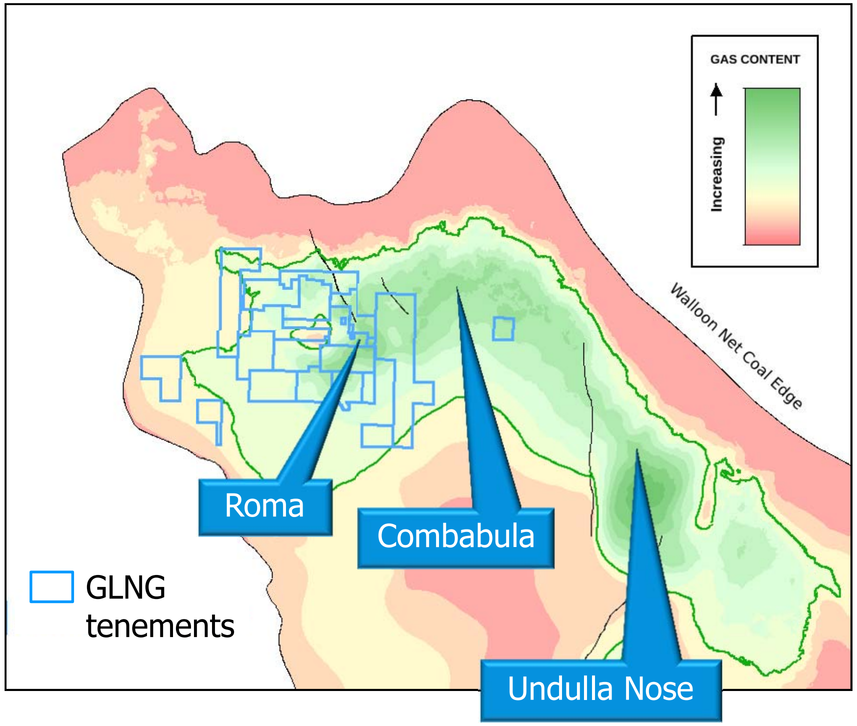
Roma field geology well understood

Santos has a long history operating in the Roma area

- Conventional gas >50 years
- CSG pilots >8 years
- Geological trend well understood
  - gas content
  - thickness
  - permeability
- On trend with APLNG and QCLNG key field development areas

Surat Basin Coal - Gas Content Fairway



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Drilling rigs and wells

Drilling capacity secured to meet forecast well requirements

- Around 1,000 wells on-line by end-2015 out of a total well stock of 1,300[1]
- 450 wells drilled to end June 2012
- Target of 70 wells in 2H 2012
- 250-300 wells per annum in 2013-15
- Expect to maintain circa 300 wells per annum post-2015

[1] Well stock includes appraisal wells, some of which are likely to be converted to development wells.

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GLNG plant site, Curtis Island

PNG LNG

First LNG expected in 2014 on schedule

- Hides drilling commenced late July
- Piling, foundations and structural steel continue at Hides
- Earthworks at the Komo airfield continue and pavement is underway
- Offshore pipelay is complete
- Over half of the onshore pipeline has been welded
- Equipment and piping installation continue at the LNG plant
- The roofs of both LNG tanks have been raised and piling on the jetty is complete


Rig 702 drilling at Hides

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Bonaparte LNG

BLNG building momentum; >2Tcf resource

- Floating LNG with 2-3mtpa capacity
- Santos 40%, GDF SUEZ 60% and operator
- 150 people working on the project
- Preparing to enter Concept Definition stage of pre-FEED phase
- Project remains on schedule:
  - FEED 2013
  - FID 2014
  - First LNG 2018
- Successful Petrel-7 appraisal programme in 2011; extended testing to assist with design
- Preparations underway for drilling of Petrel-8 in 2013

Petrel-7 appraisal program, Stena Clyde

Bonaparte LNG

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Chim Sao FPSO, Vietnam. First oil was produced in October 2011, on schedule and under budget.

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Focused growth in Asia

Focused Asian portfolio

Asia will contribute ~20% of Santos' production in 2012

- Asia's growing energy needs are driving higher domestic gas prices
- Established Indonesian business with strong track record of project delivery
- Chim Sáo project in Vietnam delivered on time and on budget and producing ~30,000 bbl/day
- Dua development approved: tie-back to Chim Sáo with first oil expected in 1H 2014
- Focused exploration portfolio with drilling planned over next 12 months
- New Singapore office will consolidate presence in Asia and identify new opportunities

Oyong wellhead platform, Indonesia

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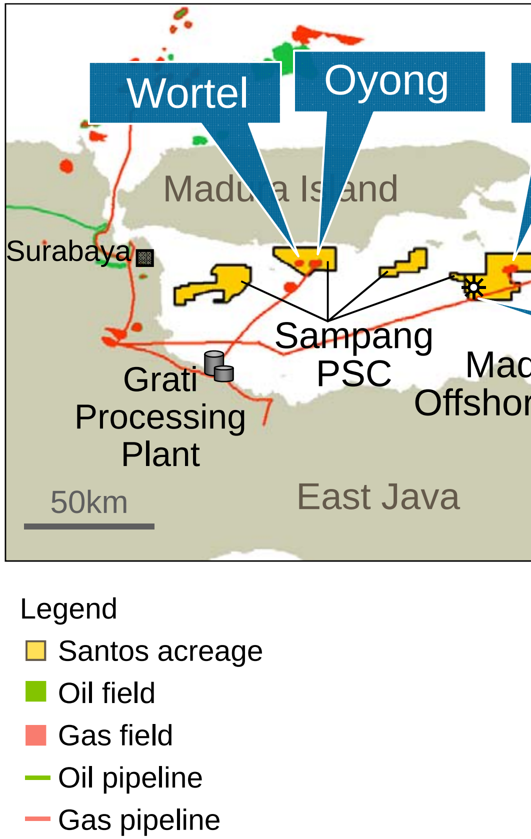
Indonesia – established business

Strong base business in East Java with increased margins and incremental growth

- Increased margins from rising domestic gas prices
  - New gas volumes sold at US$6 per mmbtu with escalation
  - Maleo gross production capacity 110 mmscf/d
- Wortel project delivered in January 2012 on budget
  - Oyong/Wortel combined gross production 90 mmscf/d gas and 2,200 bbl/day oil
- Peluang FID early-2013
  - Tie-back to Maleo with start-up expected 1H 2014



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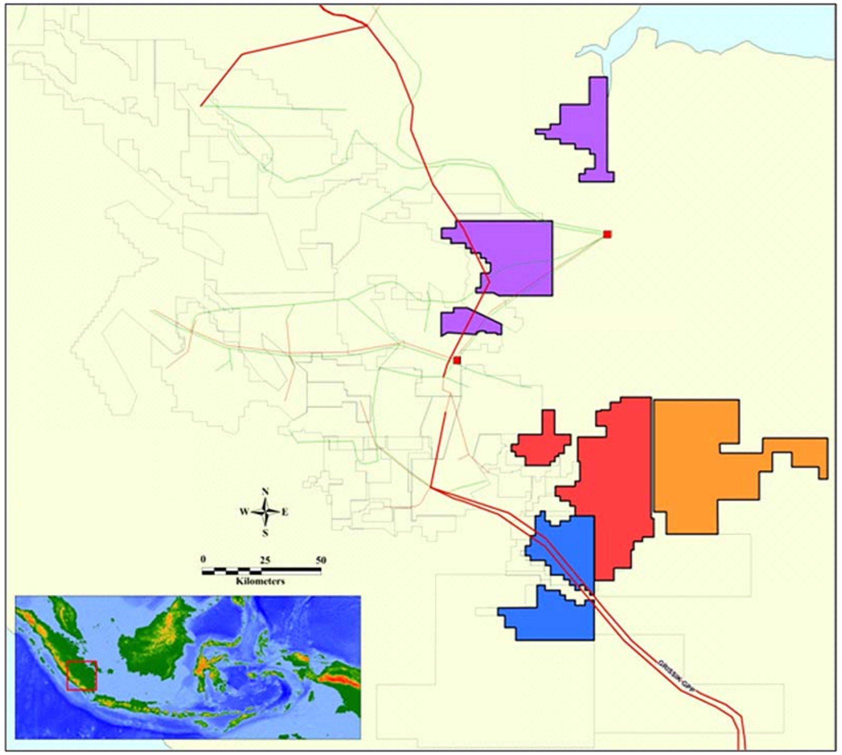
Indonesia – South Sumatra CSG

Santos farm-in to four CSG licences in South Sumatra

- Leverages Santos' CSG experience in Australia and operating experience in Indonesia
- Farm-in agreement with Sugico gives Santos 60% equity and operatorship
- Up to 60 metres of coal thickness identified
- Licences are located close to pipelines connected to under-supplied West Java gas market
- Up to 12-well drilling program to start in Q4 2012



(red line)	Gas pipeline	(blue)	Air Komering
(green line)	Oil pipeline	(purple)	Belida
(red)	Ogan Komering	(white)	JSA/PSC's
(orange)	Ogan Komering II		

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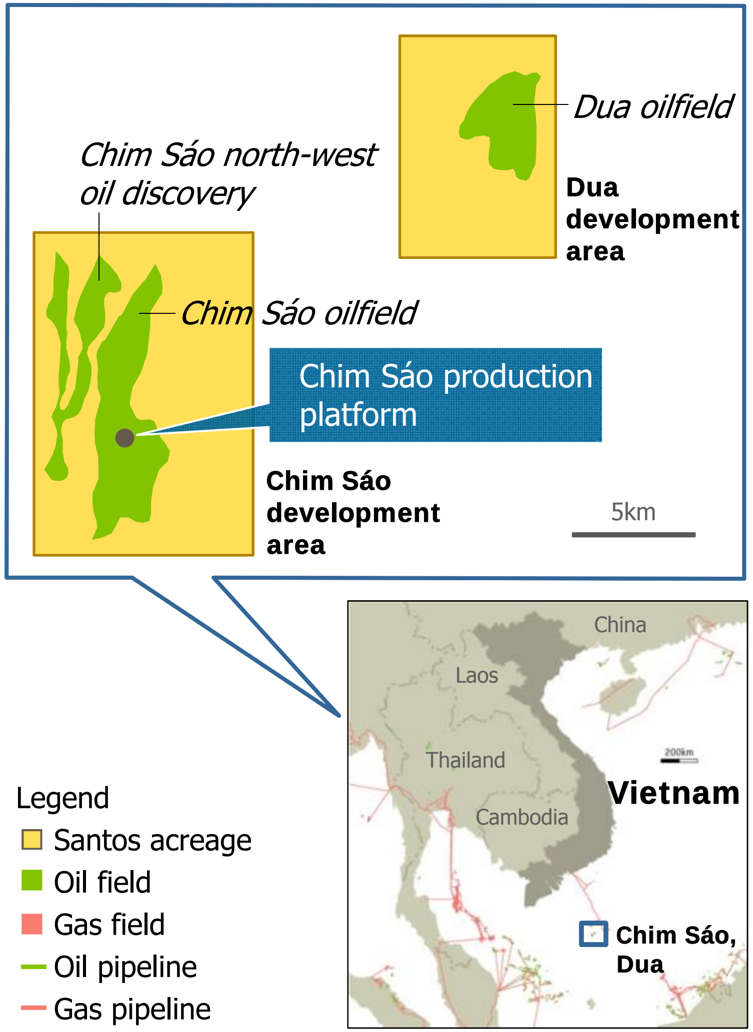
Vietnam

New oil production with upside unfolding

- Chim Sáo online in October 2011, production 30,000 bbl/day
  - Potential for further upside
- Dua development approved
  - Tie-back to Chim Sáo
  - Development sanctioned Q2 2012
  - 10,000 bbl/day gross with first oil in 1H 2014
- Block 123, Phu Khanh Basin
  - 3D seismic completed in 2012
- Block 13/03, Nam Con Son Basin
  - PSC awarded in December 2011
  - 3D seismic completed in 2012



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Reference slides

October 2012

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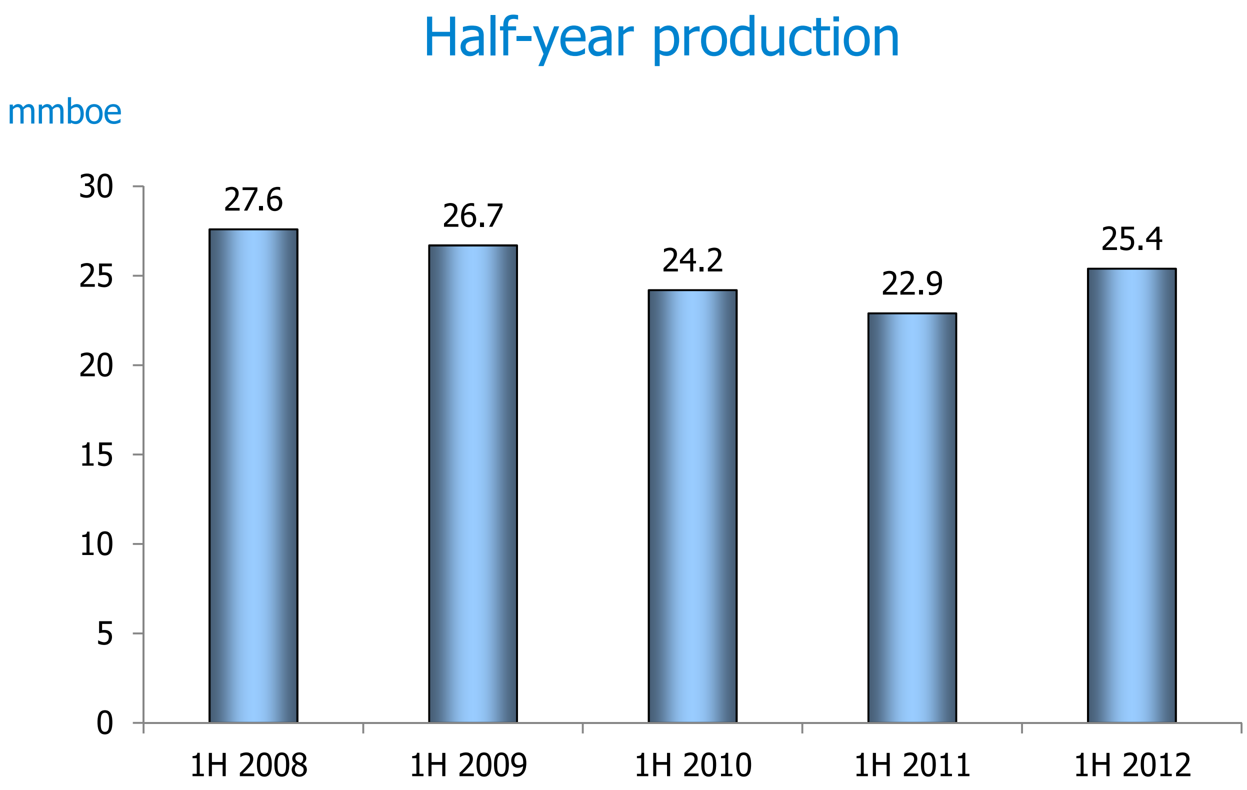
2012 Guidance

Item	2012 Guidance
Production (mmboe)	51-55
Production costs ($m)	610-640
DD&A expense ($/boe)	15
Royalty related taxation expense[1] ($m after tax)	80-100
Capital expenditure (including exploration & evaluation)[2]	$3.75 billion

[1] Royalty related taxation expense guidance based on an average realised oil price of A$100 per barrel.

[2] Capital expenditure guidance excludes capitalised interest

Production up 11% as new projects on-line



- 2012 half-year production up 2.5 mmboe, primarily due to first production from Chim Sáo and record Carnarvon gas production following start-up of Reindeer
- 2012 full-year guidance unchanged at 51-55 mmboe

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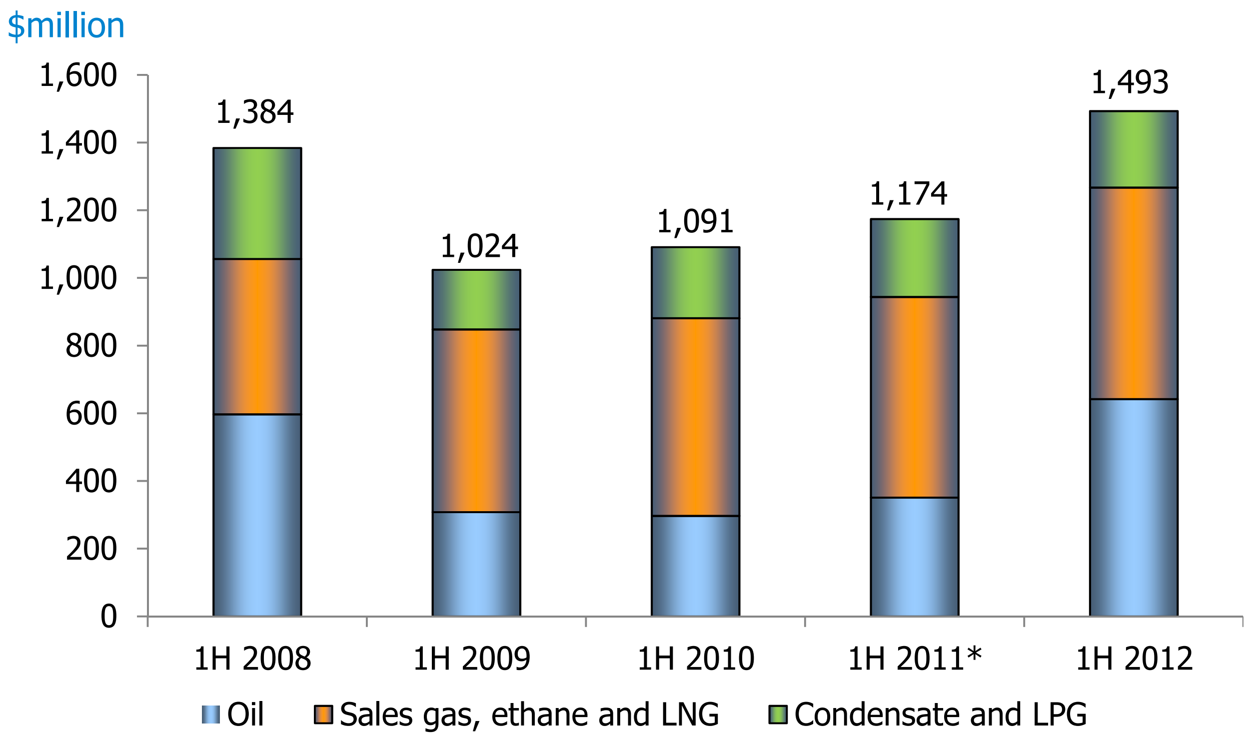
Sales revenue increased by 27%

Half-year sales revenue



- Sales revenue up 27% driven by higher oil sales volumes and higher oil and gas prices
- 58% of sales revenue from oil, condensate and LPG in first-half 2012
- Third party product revenue of $267 million

*2011 sales revenue has been restated due to the change in accounting treatment for third party crude oil purchases and sales, which was effective 1 January 2012.

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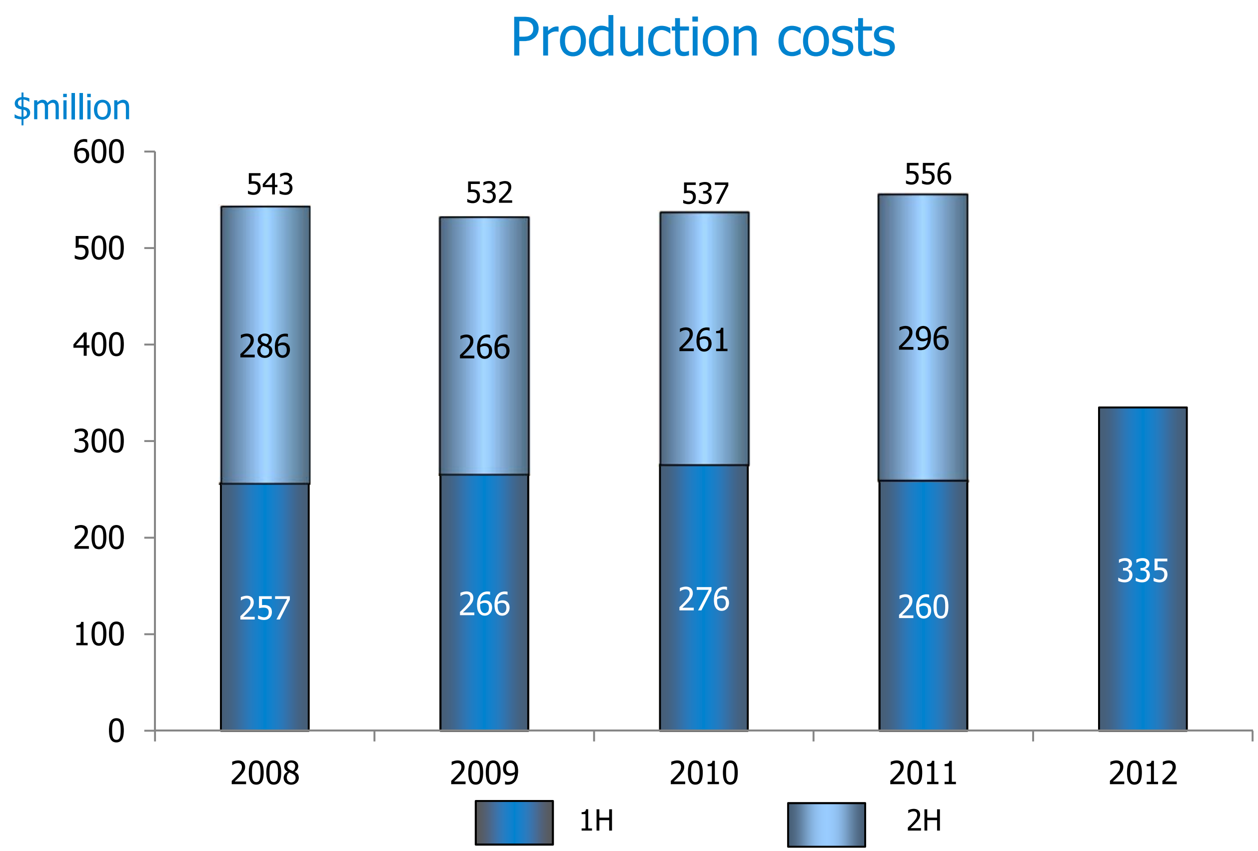
Production costs up as new assets on-line



- Higher production costs due to new assets on-line, higher maintenance costs and Bayu-Undan/Darwin LNG planned shutdown
- 2012 full-year guidance unchanged at $610-$640 million

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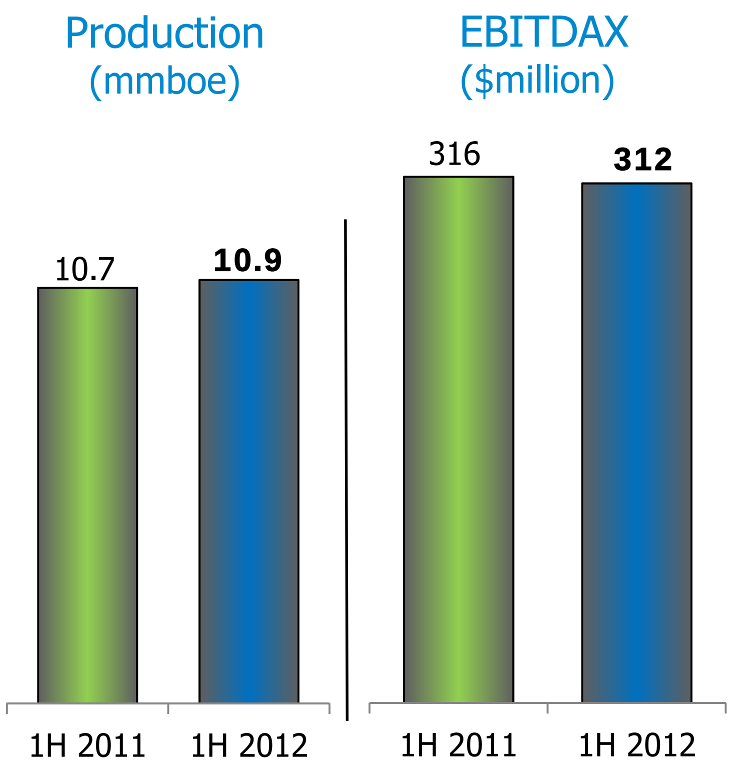
Eastern Australia

Cooper Basin recovering from flood impacts; early success with shale gas program

- Steady production of 10.9 mmboe, with 26% oil and liquids
- EBITDAX in line with first half 2011; higher production costs due to ongoing flood recovery and higher maintenance
- Moomba-191 flows at 2.6 mmscf/d
- Kipper first gas delayed until 1H 2016



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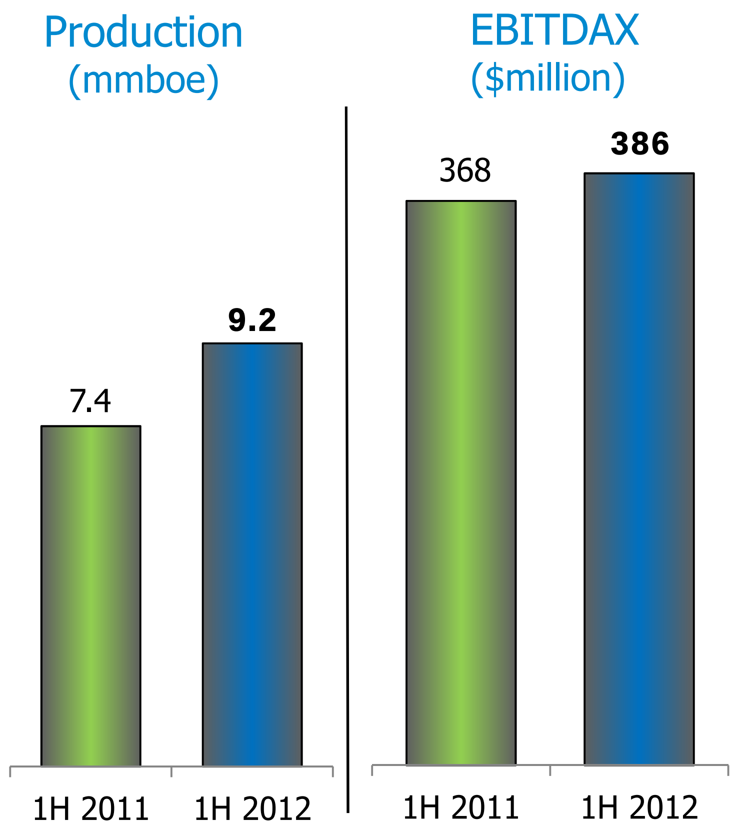
Western Australia & Northern Territory

Growth driven by record Carnarvon gas production in the first half

- Production increased by 23%, driven by strong gas production at John Brookes and Reindeer
- EBITDAX up, driven by strong revenue from new Reindeer production partially offset by planned Darwin LNG/Bayu-Undan shutdown
- Fletcher Finucane on schedule and budget for first oil 2H 2013; first development well spudded in June



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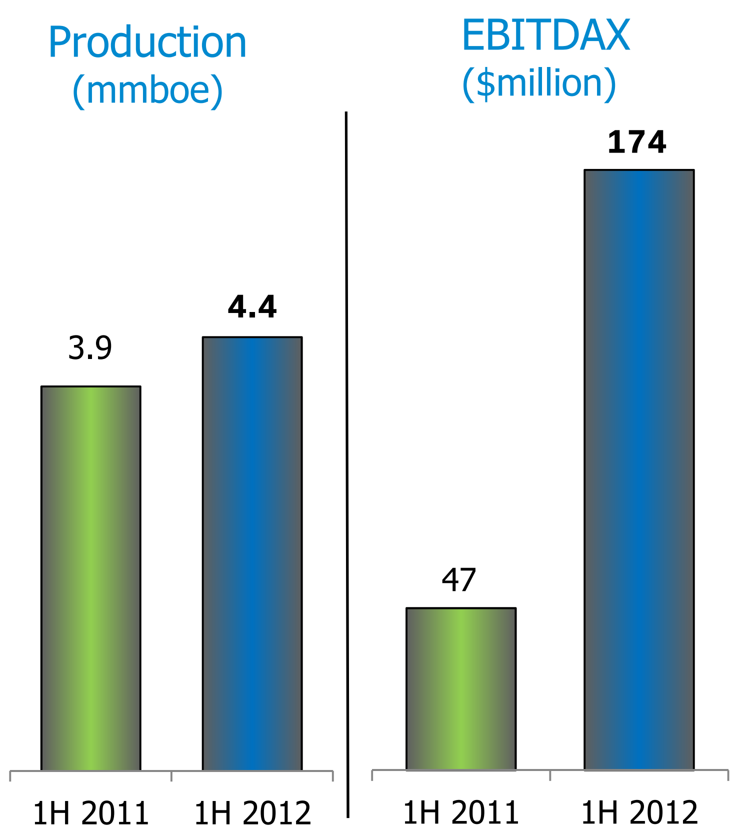
Asia Pacific

Chim Sáo drives higher oil production and EBITDAX

- Production higher due to Chim Sáo and Wortel on-line, offset by lower Maleo gas production due to the favourable price review
- EBITDAX up 270%, with oil comprising 32% sales volumes (2011: 6%)
- Dua oil project in Vietnam sanctioned in July; tie-back to existing Chim Sáo facilities
- PNG LNG on schedule for first LNG in 2014; Hides drilling commenced



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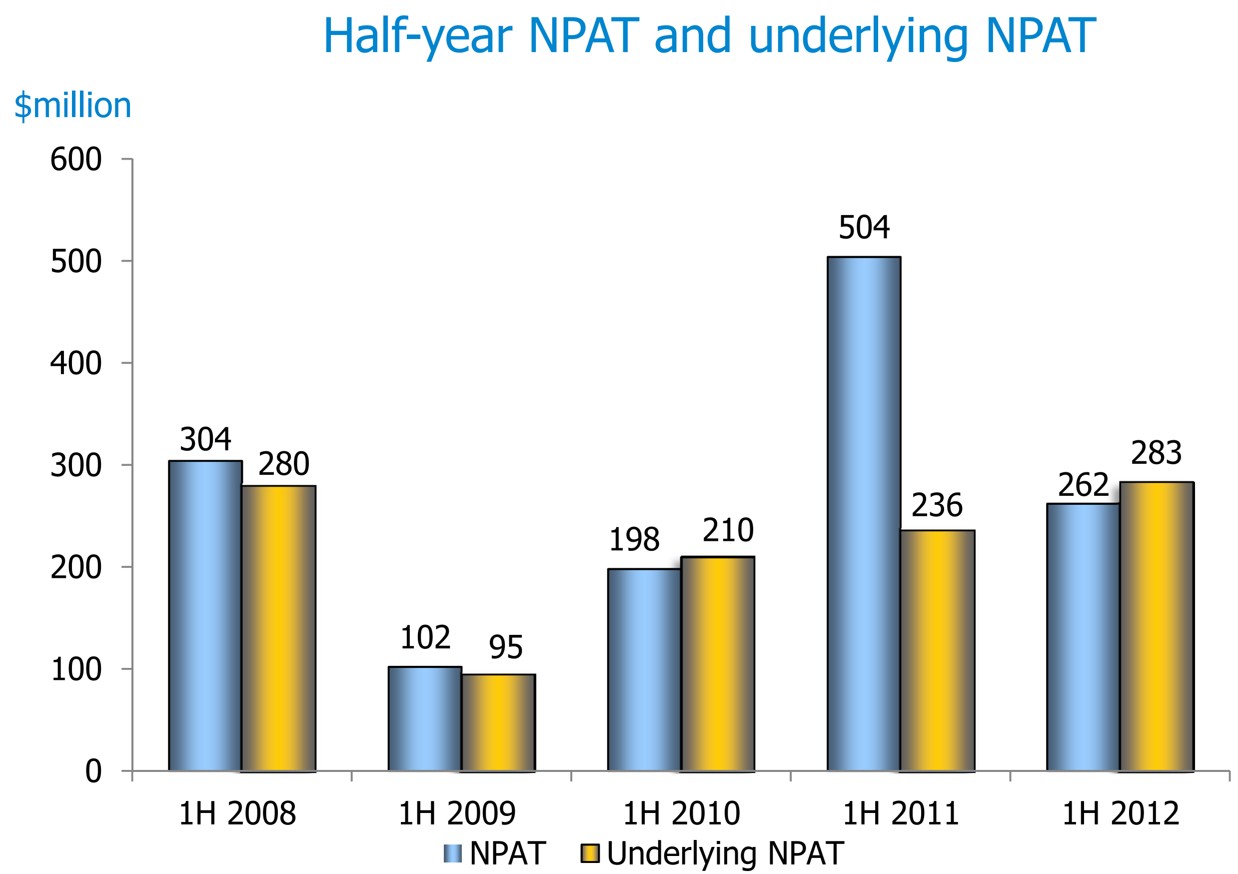
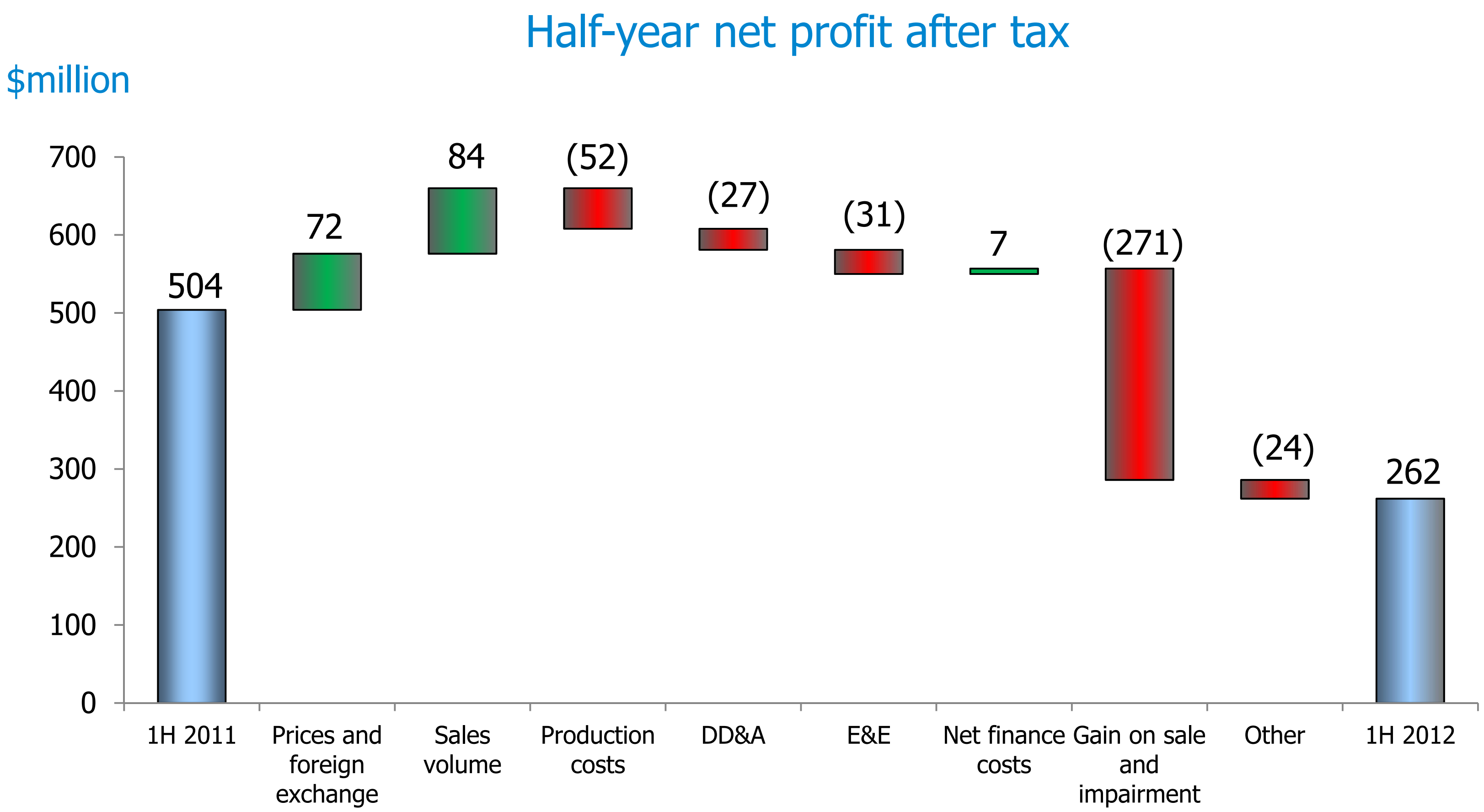
Underlying net profit up 20%



- Half-year underlying profit up 20% due to higher liquids prices and volumes, offset by higher costs

Net profit reconciliation



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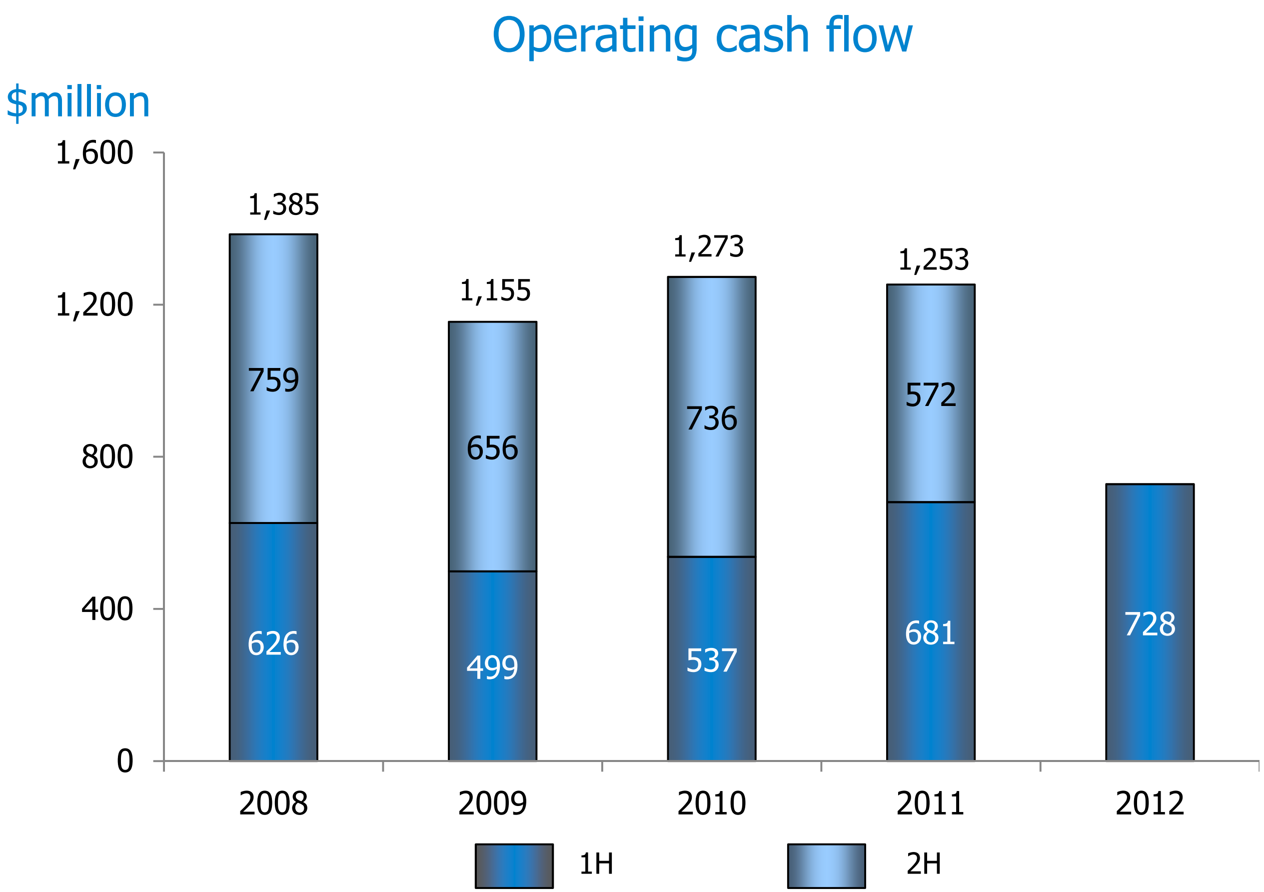
Operating cash flow remains strong



- Half-year operating cash flows up 7% due to higher sales receipts, partially offset by higher operating costs

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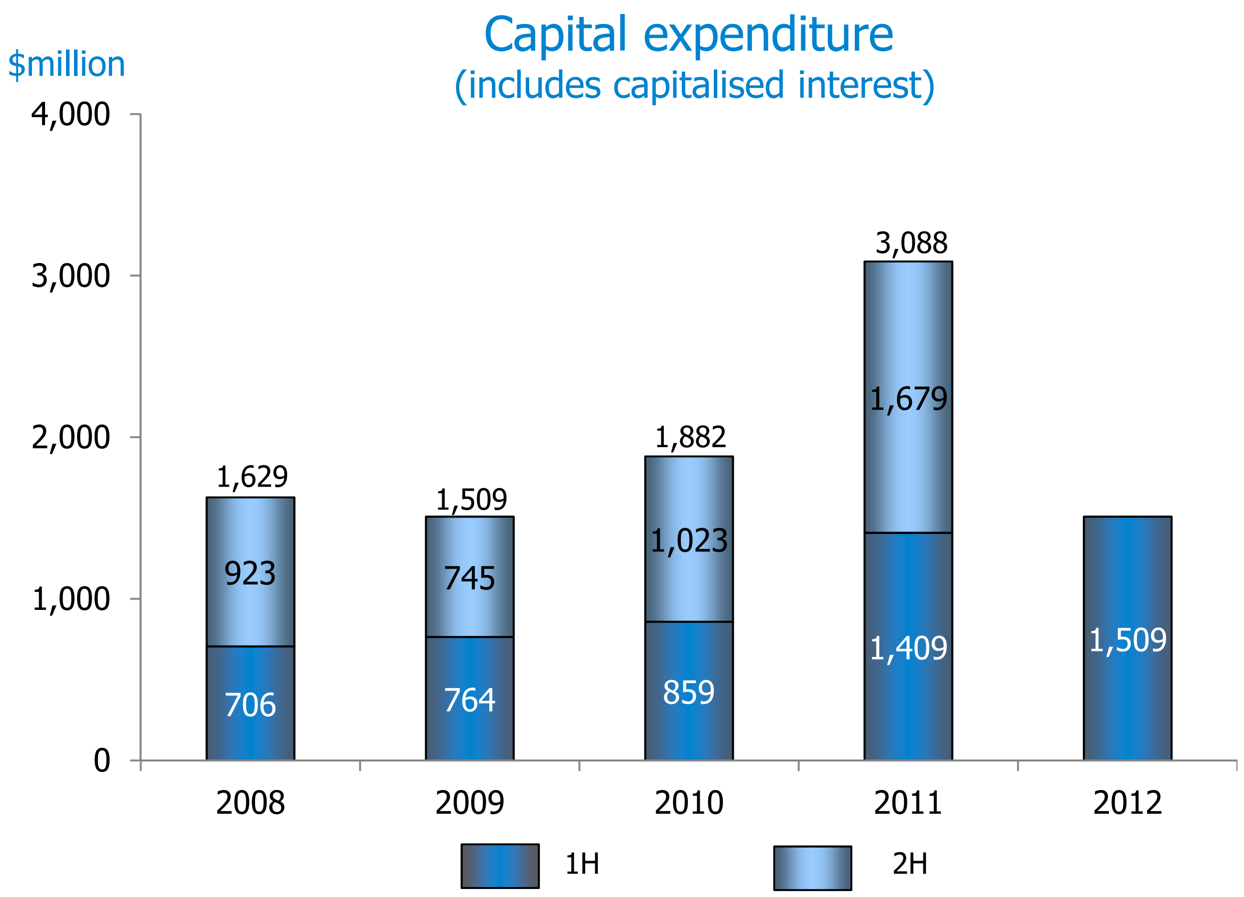
Capital expenditure



- First-half capex higher as investment in growth projects continues
- 2012 guidance unchanged at $3.75 billion

2012 full-year sensitivities

Sensitivity	Change	NPAT impact A$m
US dollar oil price	+US$1/bbl	+9
Gas price	+10 cent/GJ	+15
A$/US$ exchange rate	+1 cent	-8

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2012 exploration schedule

Well name	Basin / area	Target	Santos Interest %	Timing
Tardrum	Bowen	CSG	50	C&S, successful CSG
Beam-1	Carnarvon	Gas	45	P&A
Chim Sáo NW-1	Nam Con Son	Oil	31.875	P&A
Hoss-1	Carnarvon	Oil	37.3	P&A
Crown-1	Browse	Gas	30	Drilling
Indonesia CSG	South Sumatra	CSG	60	Q4
Van Der Waals 1	Cooper	Gas	66.6	Q4
Gaschnitz 1	Cooper	Gas	66.6	Q4
Denison CSG	Bowen	CSG	50	Q4 2012/2013

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

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Contact information

Head office

Adelaide

Ground Floor, Santos Centre
60 Flinders Street
Adelaide, South Australia 5000
GPO Box 2455
Adelaide, South Australia 5001
Telephone: +61 8 8116 5000
Facsimile: +61 8 8116 5050

Useful email contacts

Share register enquiries:
web.queries@computershare.com.au

Investor enquiries:
investor.relations@santos.com

Andrew Nairn

Group Executive Investor Relations
Level 10, Santos Centre
Direct: + 61 8 8116 5314
Email: andrew.nairn@santos.com

Nicole Walker

Investor Relations Manager
Level 10, Santos Centre
Direct: + 61 8 8116 5302
Email: nicole.walker@santos.com

Website:
www.santos.com

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