



Citi Australia Conference

29-30 October 2013

Santos
We have the energy.

Disclaimer and 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. All references to project completion percentages are on a value of work done basis, unless otherwise stated.

The reserves and contingent resources information in this presentation has been compiled by Greg Horton, a full-time employee of the company. Greg Horton is qualified in accordance with ASX Listing Rule 5.11 and has consented to the form and context in which this information appears. Santos prepares its reserves and contingent resources estimates in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) prepared by the Society of Petroleum Engineers (SPE).

Santos – A leading energy company in Australia and Asia

- Australia's largest domestic gas producer
- 2012 production 142,000 boe/d (75% gas/25% liquids)
- Top-20 Australian Securities Exchange listed company
- Market capitalisation US\$15 billion (Oct 2013)

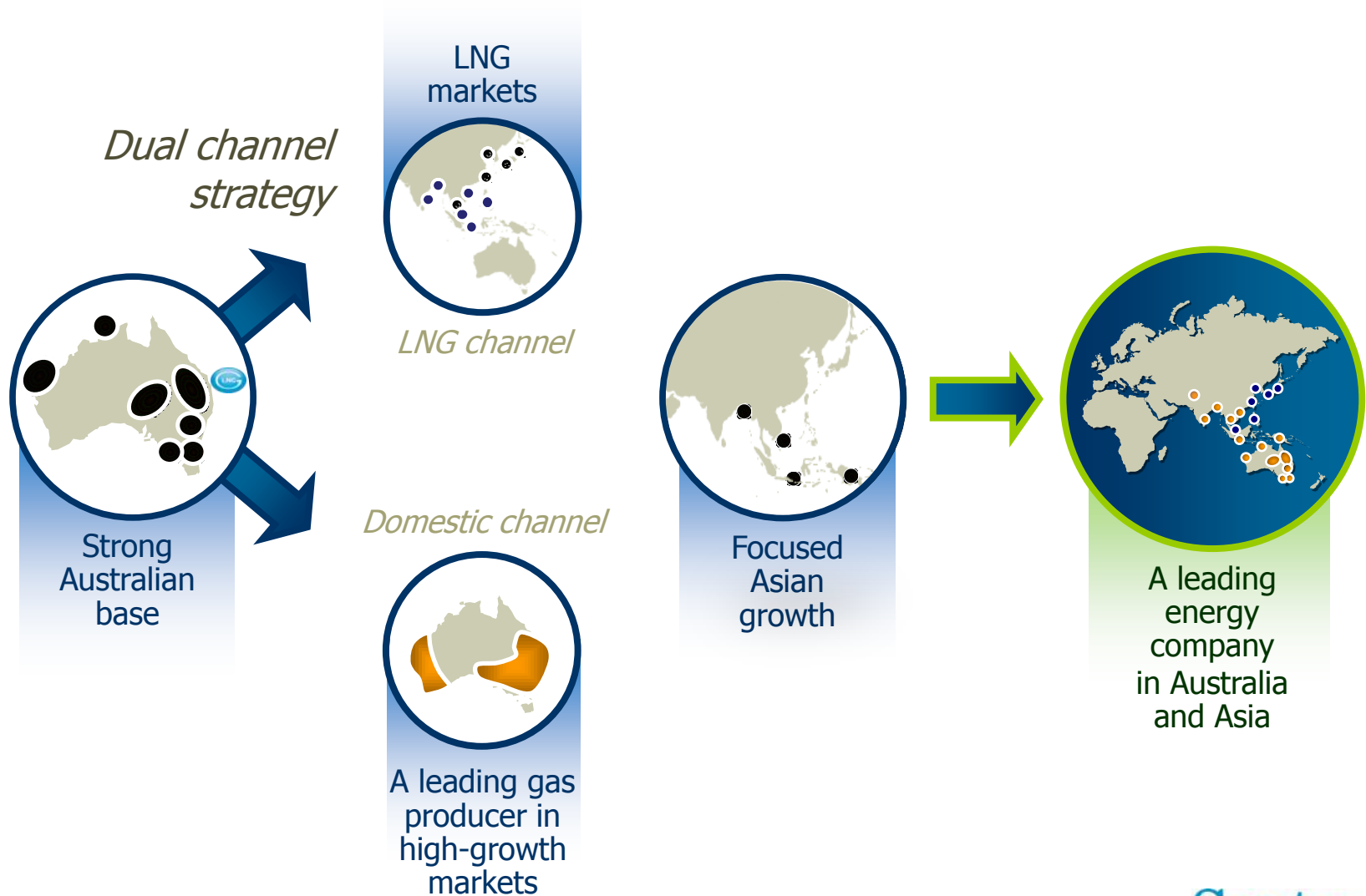
Key statistics (as at December 2012)

Proved reserves	663 mmboe
Proved & probable reserves	1,406 mmboe
Contingent resources	1,965 mmboe
2012 production	52.1 mmboe
2012 proved & probable reserve replacement ratio	180%

boe/d: barrels of oil equivalent per day
mmboe: million barrels of oil equivalent

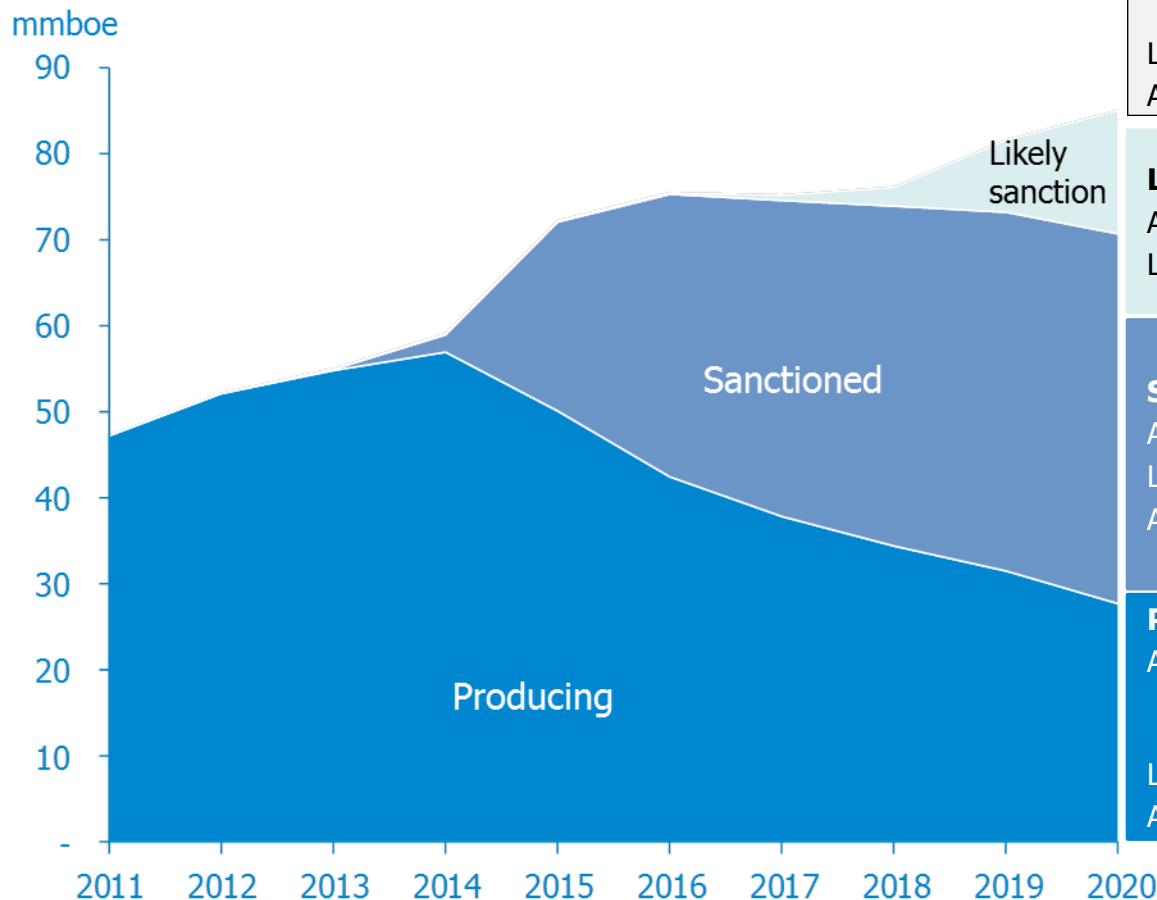


Santos vision and strategy



Delivering 80-90 mmboe of production by 2020 from already captured opportunities

6% CAGR production growth 2011-2020



Upside potential

Aust: Cooper shale, Cooper tight gas, Zola, Winchester, Amadeus, McArthur

LNG: PNG LNG expansion, Browse

Asia: Vietnam, Indonesia CSG, AAL

Likely sanction

Aust: Narrabri

LNG: Bonaparte LNG

Sanctioned

Aust: Cooper infill, Kipper

LNG: PNG LNG, GLNG

Asia: Dua, Peluang

Producing

Aust: Cooper Basin, Carnarvon Basin, Queensland CSG, offshore Victoria, Mereenie

LNG: Darwin LNG

Asia: Chim Sáo, Indonesia, Sangu, SE Gobe

Santos portfolio transformation becoming a reality

Production growth

- Clear growth outlook to 2016 and beyond
- 2014 Dua, Peluang, PNG LNG
- 2015 GLNG

Margin growth

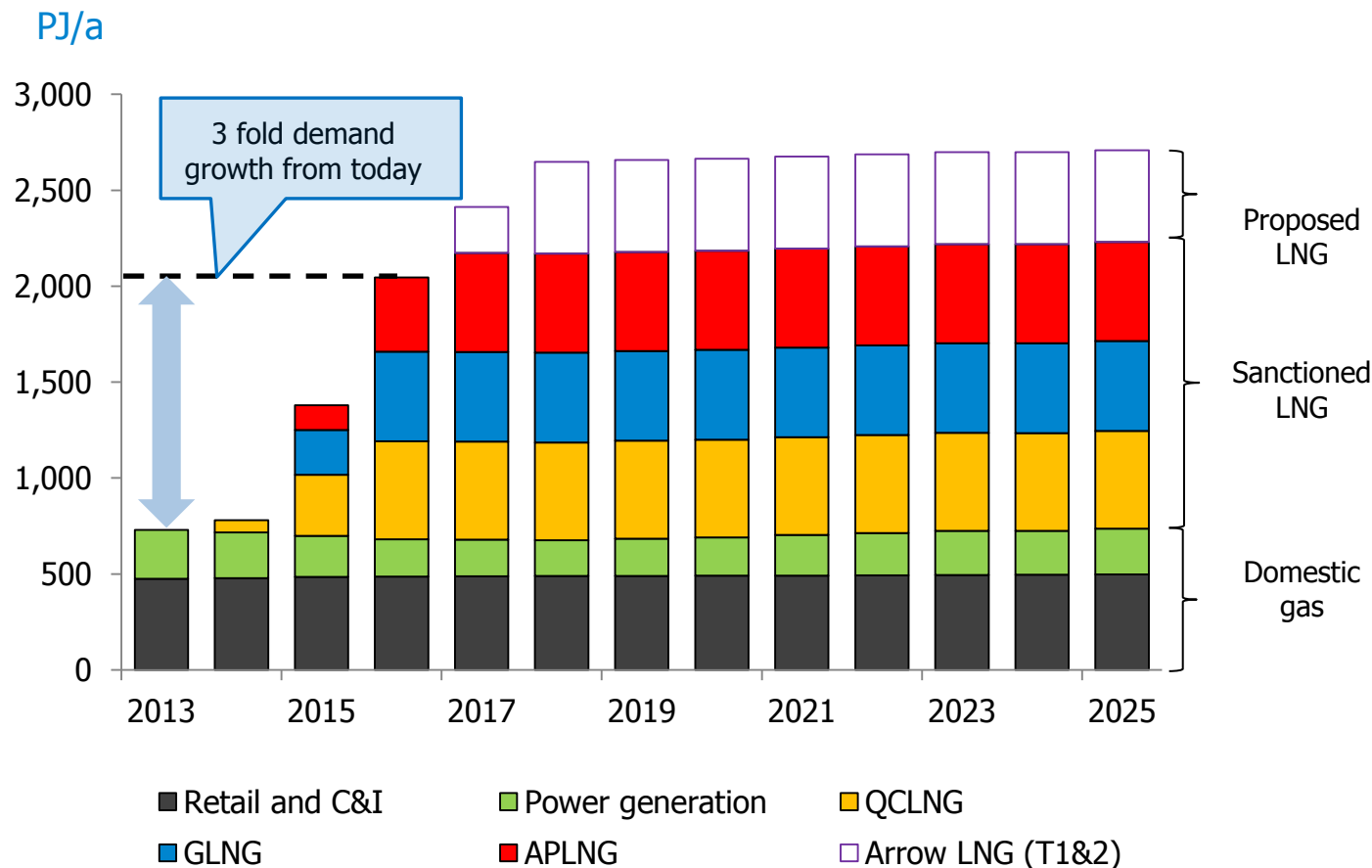
- Revenues increasingly oil price linked
- Clear evidence of rising Australian domestic gas prices
- Benefits of falling Australian dollar

Capital management

- Robust funding position provides the capacity to fund execution of strategy
- Committed to increasing returns to shareholders
- Intent to review capital management options as PNG LNG production approaches

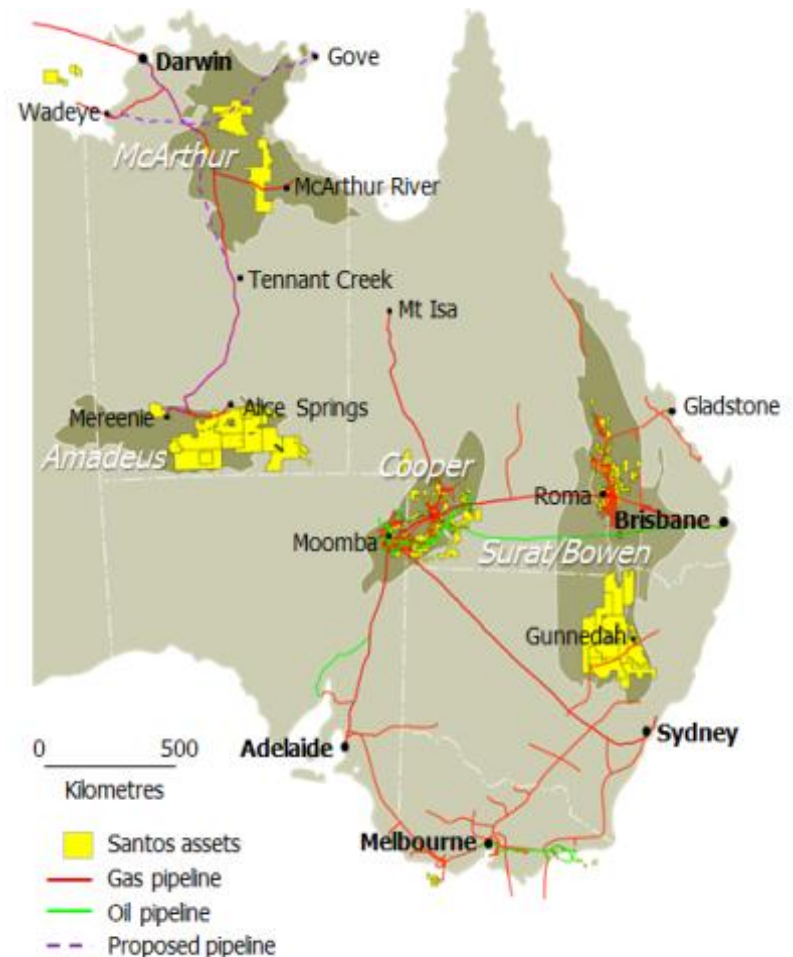
Unprecedented growth in Eastern Australia gas market is driven by LNG exports

Eastern Australia gas demand



Santos is uniquely placed with upstream assets in each major gas producing basin

- Santos has over 10 TCF of gas reserves and resources in Eastern Australia
- Strong infrastructure position is a clear commercial advantage
 - Owner and operator of all major existing infrastructure, gas storage and processing facilities in the Cooper Basin
 - Firm pipeline capacity to transport gas to Wallumbilla LNG hub
- Growing gas market enables expansion of key infrastructure



Santos' LNG Portfolio – interests in four projects

Darwin LNG (Santos 11.5%)

Production since 2006
Operator: ConocoPhillips



PNG LNG (Santos 13.5%)

First LNG expected in 2H 2014
Operator: ExxonMobil



GLNG (Santos 30%)

First LNG expected in 2015
Operator: Santos

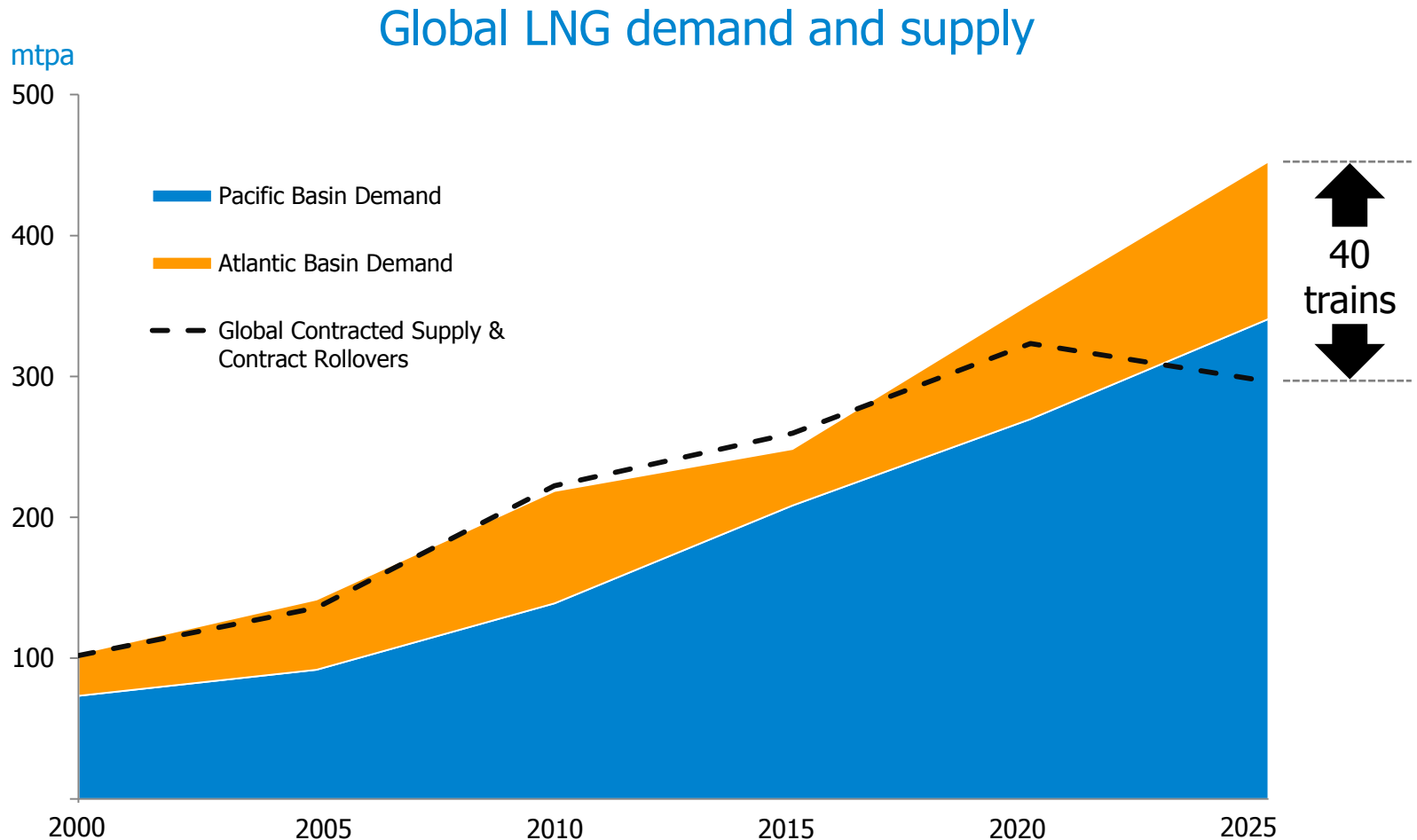


Bonaparte LNG (Santos 40%)

Proposed floating LNG
Operator: GDF Suez



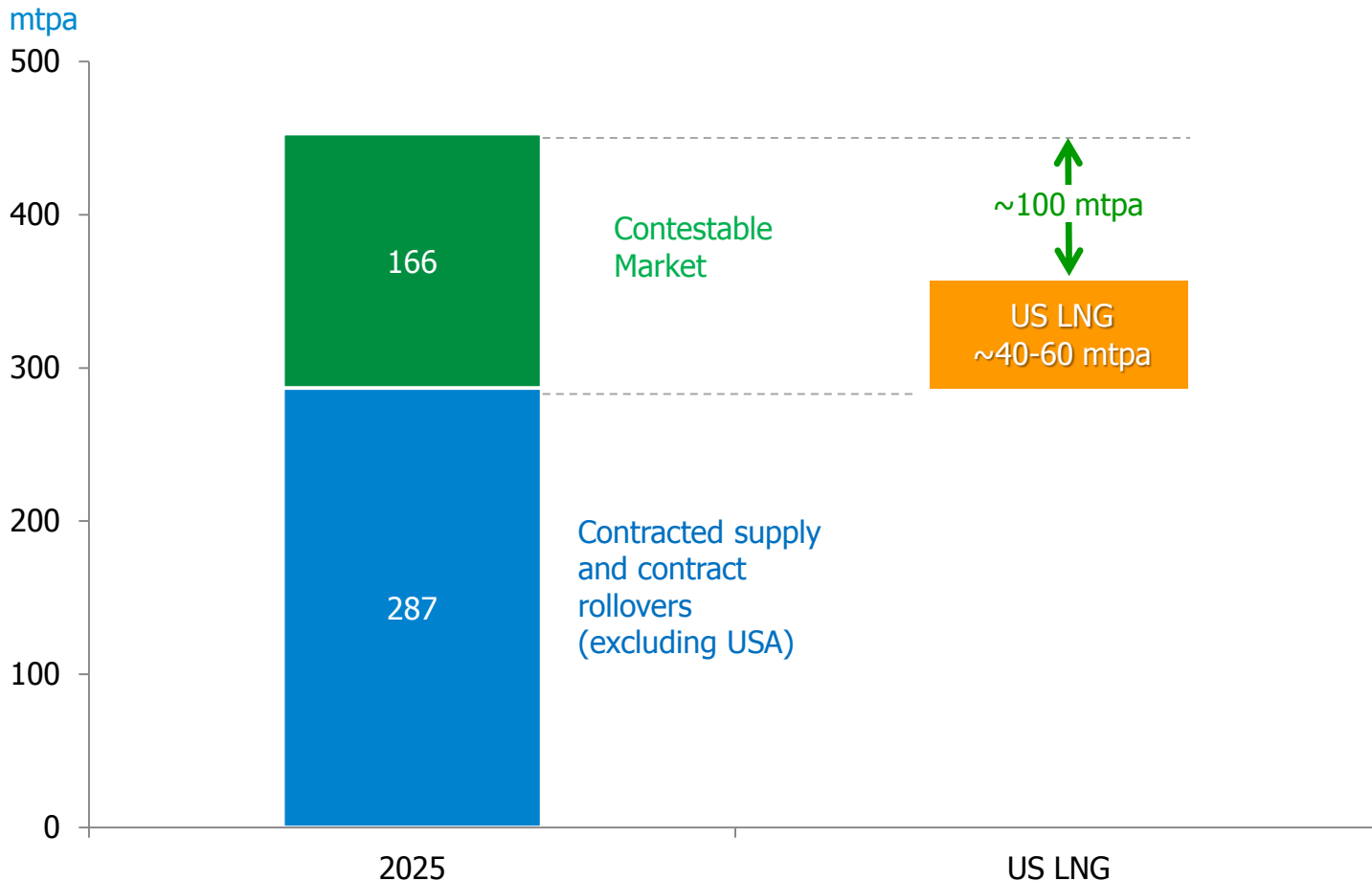
New sources of supply will be required to meet robust global demand for LNG



Source: Santos interpretation of Wood Mackenzie data (May 2013). 40 trains assumes one LNG train nominal capacity of 4 mtpa

US LNG exports are not expected to overwhelm the market

Global LNG demand vs US LNG supply in 2025



Source: Wood Mackenzie, Contracted supply and contract rollovers are for operational and under construction plants, includes SPAs, MOUs, and HOAs

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



Darwin LNG

Contracted to 2023



PNG LNG

Contracted to 2034



Fuel for the Future

GLNG

Contracted to 2035



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

PNG LNG is over 90% complete and on track for first LNG in the second half of 2014

Location

Papua New Guinea

Project participants

Santos 13.5%, ExxonMobil 33.2% and operator, Oil Search, Nippon Oil, State of PNG

Project scope

- Upstream gas & condensate fields
- Gas transmission pipeline
- 2-train LNG plant

LNG plant capacity

6.9 mtpa; sold to CPC (1.2 mtpa), Osaka Gas (1.5 mtpa), Sinopec (2.1 mtpa), TEPCO (1.8 mtpa)

Gross capital cost estimate

US\$19 billion

Recent milestones

- Construction of Hides Gas Conditioning Plant progressing; all Antonov cargo flights are complete
- Commissioning gas sent from Kutubu to the LNG plant
- Drilling of six of the eight initial production wells is underway



Construction at Hides is progressing to plan



Hides Gas Conditioning Plant

Commissioning underway at the PNG LNG plant; future expansion potential



LNG plant site, Caution Bay

GLNG is over 65% complete and on track for first LNG in 2015

Location

Queensland, Australia

Project participants

Santos 30% and operator, PETRONAS, Total and KOGAS

Project scope

- Upstream CSG fields
- 420-km pipeline
- 2-train LNG plant

LNG plant capacity

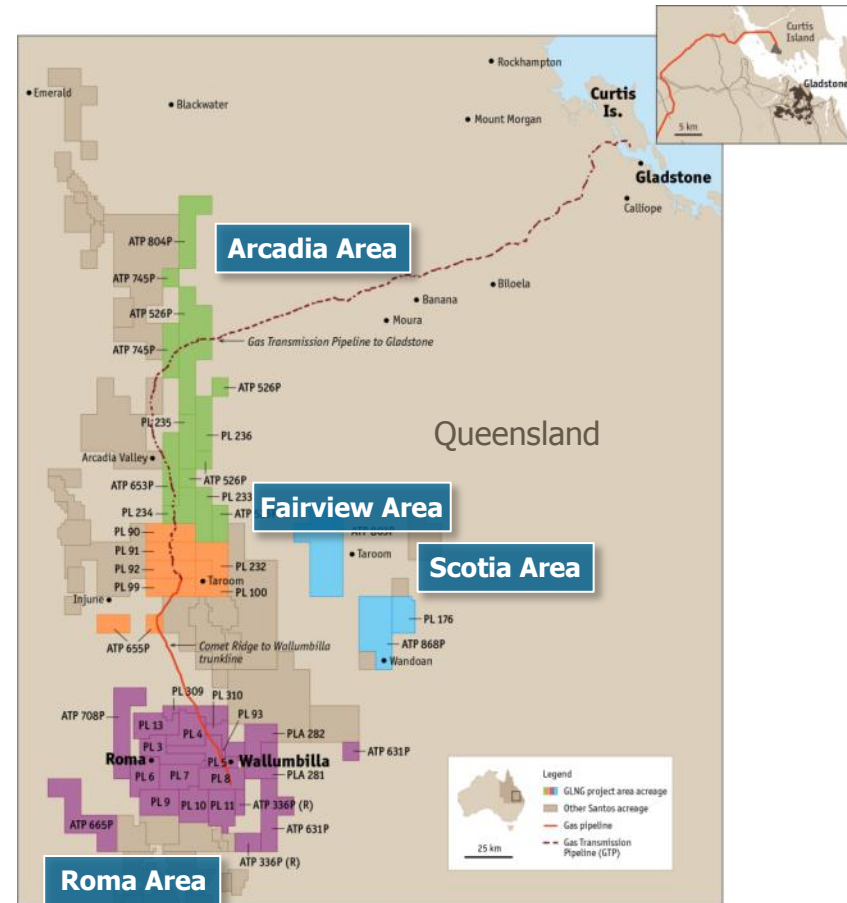
7.8 mtpa of LNG; 7.2 mtpa has been sold to PETRONAS and KOGAS

Gross capital cost estimate

US\$18.5 billion¹ from FID to end 2015

Recent milestones

- Over 200 wells have been spudded in 2013; continued cost and performance gains
- Pipeline interconnection agreement signed with BG
- Upstream collaboration deal signed with APLNG
- Marine crossing tunnel ahead of schedule and over 70% complete
- Both LNG tank roof lifts completed



¹ Based on foreign exchange rates which are consistent with the assumptions used at FID (A\$/US\$ 0.87 average over 2011-15)

GLNG - CSG drilling

- Nine drilling rigs and four completion rigs
- 200th well for 2013 spudded in early October
- Average 2013 drilling and completion costs of \$1.4 million per development well
 - Average drilling cost of \$1.1 million
 - Average completion cost of \$0.3 million
- Fairview average optimum gas capacity per well of 1.6 TJ/day
- Roma pilot data confirming individual well potential capacity of 0.5 TJ/day



GLNG - Upstream construction well progressed at Fairview and Roma



GLNG – Gas transmission pipeline on track for completion in 2Q 2014

- 420 kilometres of 42" pipe
- Clearing and grading complete
- Over 95% welded
- Over 70% buried



Pipeline stringing

Significant progress at the GLNG plant site, Curtis Island



Curtis Island, Queensland

GLNG – both tank roofs raised and LNG module installation underway



LNG jetty



LNG tanks



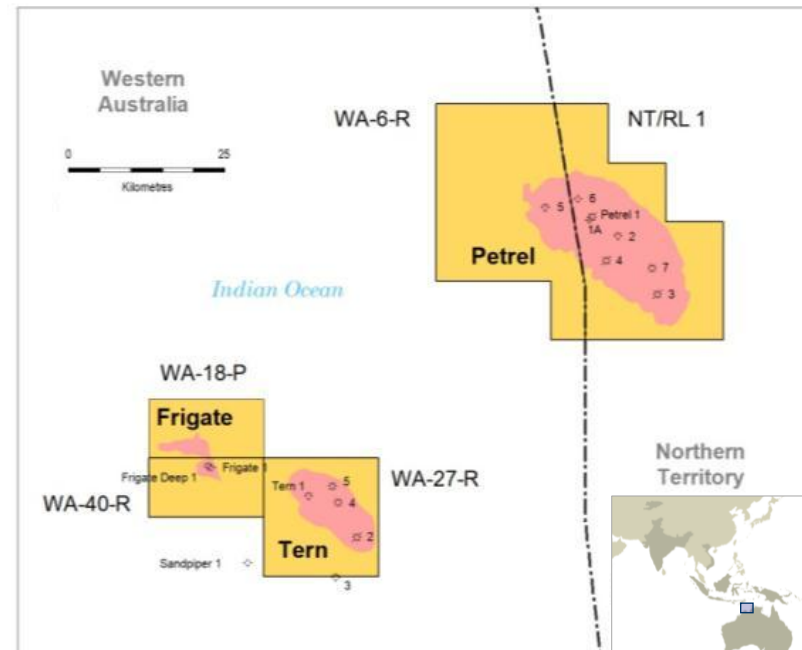
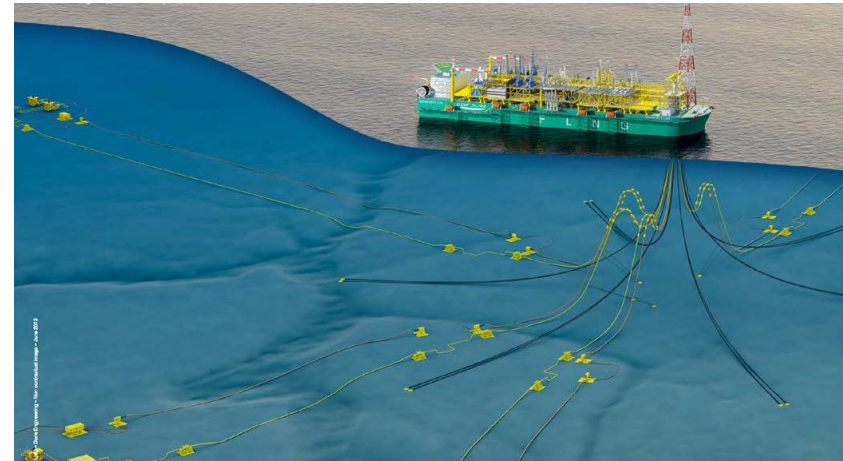
LNG Trains 1 and 2



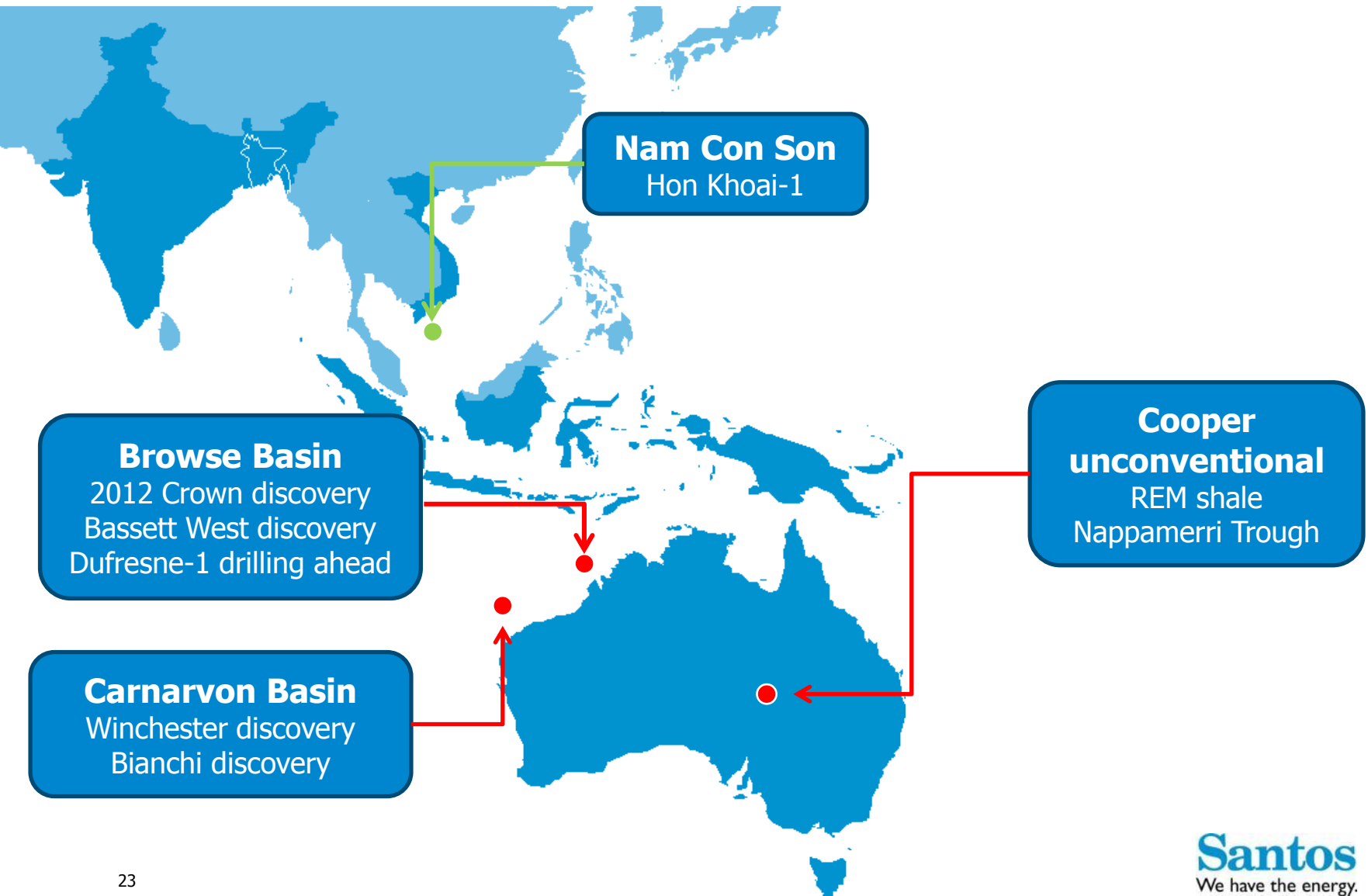
Train 1 propane condenser module

Bonaparte LNG – proposed floating LNG currently in concept definition stage

- Santos (40%) and GDF SUEZ (60%, Operator)
- Development of Petrel, Tern and Frigate fields located 250km west of Darwin in the Timor Sea
- Floating LNG technology, producing 2.4 mtpa
- Federal Government Environmental Approval received in October 2012
- Currently in competitive Concept Definition
 - Technip and KBR awarded contracts to complete independent designs of the FLNG
- Targeting FEED entry early 2014

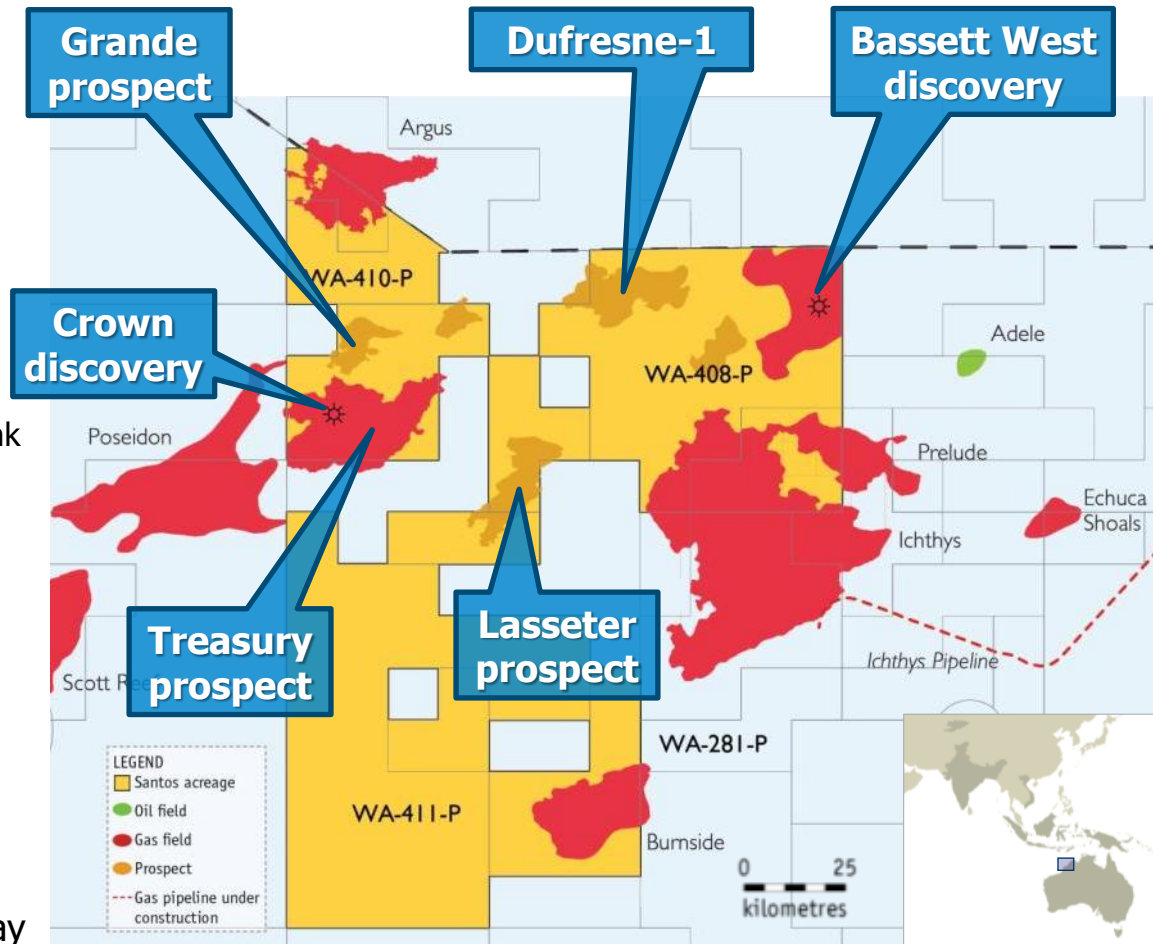


Material exploration program underway in key basins



Browse Basin – Crown and Bassett West successes; Dufresne drilling ahead

- Crown gas–condensate discovery (Santos 30%)
 - 61 metres net gas pay in Jurassic-aged Montara, Plover and Malita sandstones
- Bassett West discovery (Santos 30%)
 - 7.5 metres gas pay in Jurassic sandstones on the western flank of the large Bassett structure
- Dufresne-1 (Santos 30%) drilling ahead
 - Targeting Jurassic aged gas, analogous to Crown and Bassett West
- Material follow-up opportunities across acreage
- Planning for appraisal of discovered resource underway



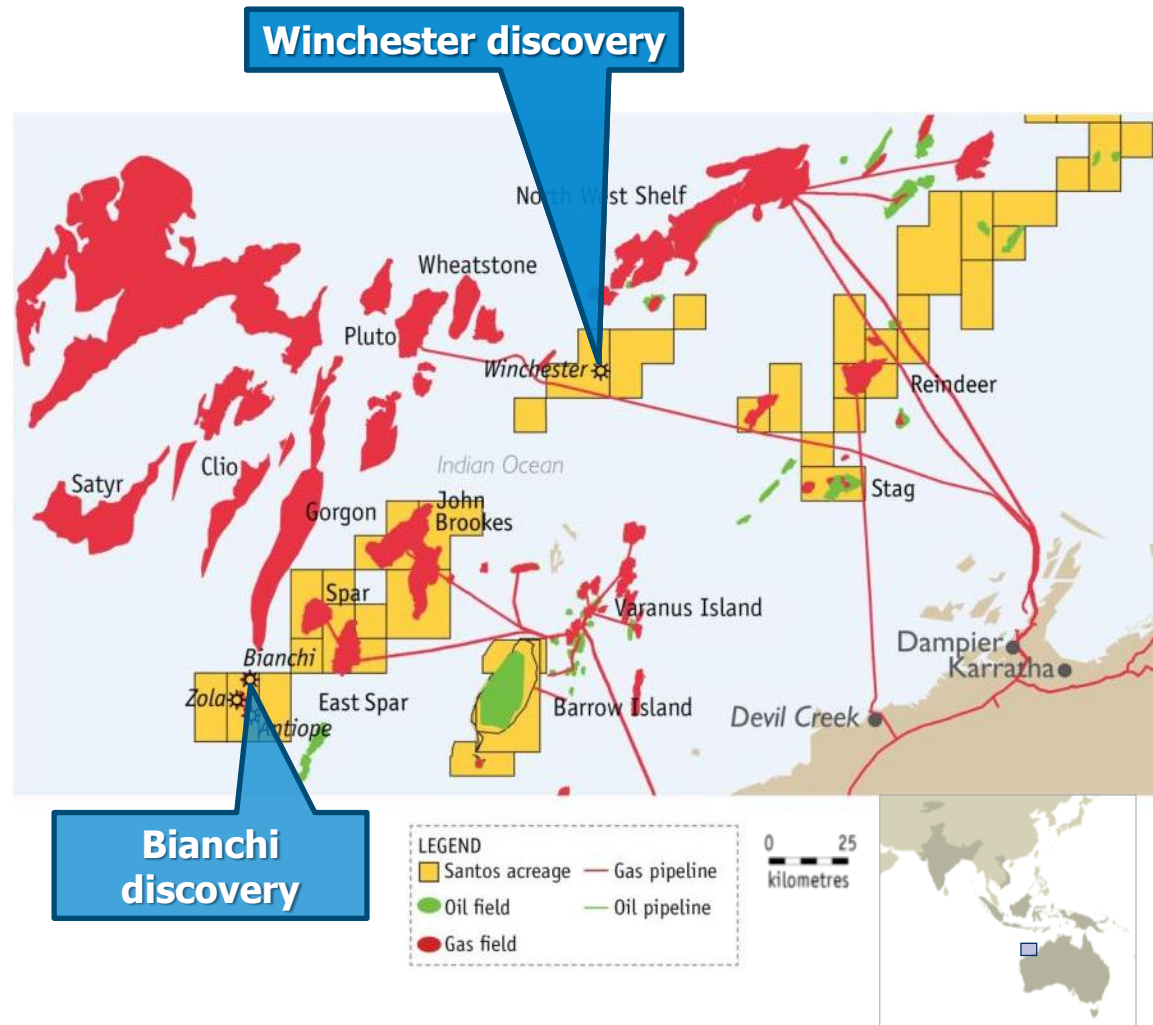
Carnarvon Basin - Bianchi and Winchester discoveries adjacent to key infrastructure

Bianchi gas discovery

- Santos 24.75%
- 112 metres of net stacked gas pay in Triassic formations
- Adding materiality to existing discoveries on block, including Zola
- Multiple follow-up prospects undrilled
- On trend to Gorgon, Clio, and Satyr

Winchester gas discovery

- Santos 75% and operator
- 58 metres of net gas pay in the Jurassic Angel and Triassic Mungaroo formations
- Work to determine the resource range of the discovery is underway



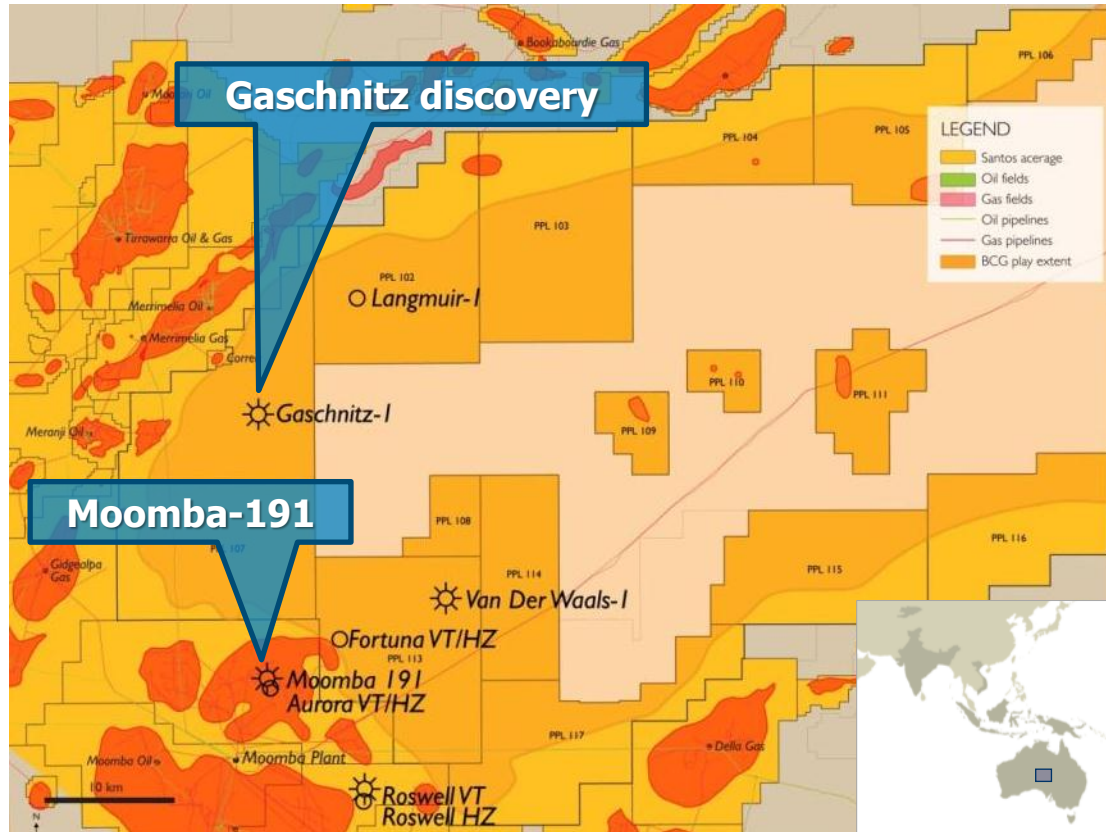
Cooper unconventional – close to existing infrastructure

REM shale play

- Moomba-191 currently flowing at 2 mmscf/day
- Three follow-up vertical/horizontal pairs to further appraise the play

Basin Centred Gas play

- Gaschnitz-1 well confirmed a continuous gas accumulation in the Nappamerri Trough
- Initial post frac clean-up flows of >1 mmscf/day
- Van der Waals-1 also confirmed gas outside of closure
- A third well, Langmuir-1 was cased and suspended after penetrating a 1,000 metre gas charged section
- Fracture stimulation and flow testing activities expected to be undertaken in Q4 2013





PNG LNG jetty

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Reference slides

First half net profit up 3%

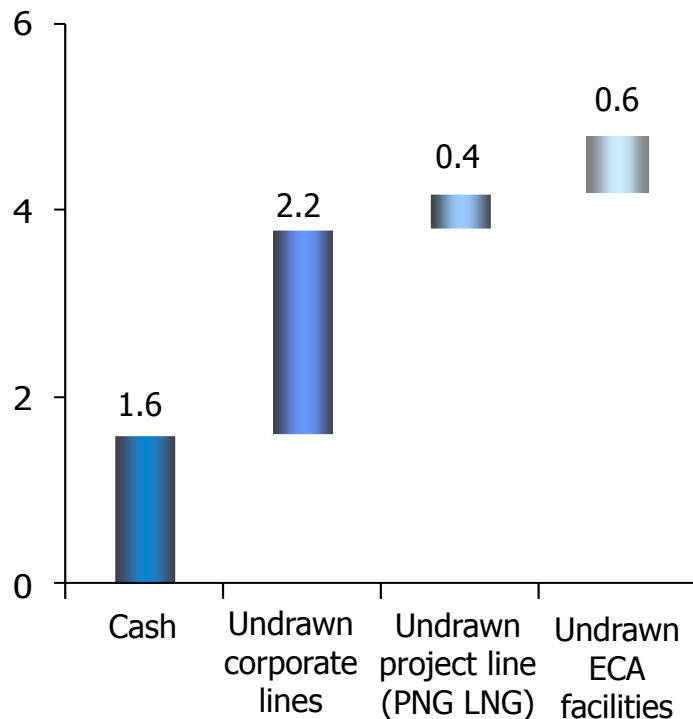
2013 Half-year result

		Change on 2012 first half	
Production	24.5 mmboe		-4%
Sales revenue	\$1,510 million		1%
EBITDAX	\$844 million		-4%
Net profit after tax	\$271 million		3%
Underlying net profit	\$251 million		-11%
Operating cashflow	\$629 million		-13%
Interim dividend	15 cents per share		-

\$4.8 billion of liquidity provides the capacity to fund the execution of our strategy

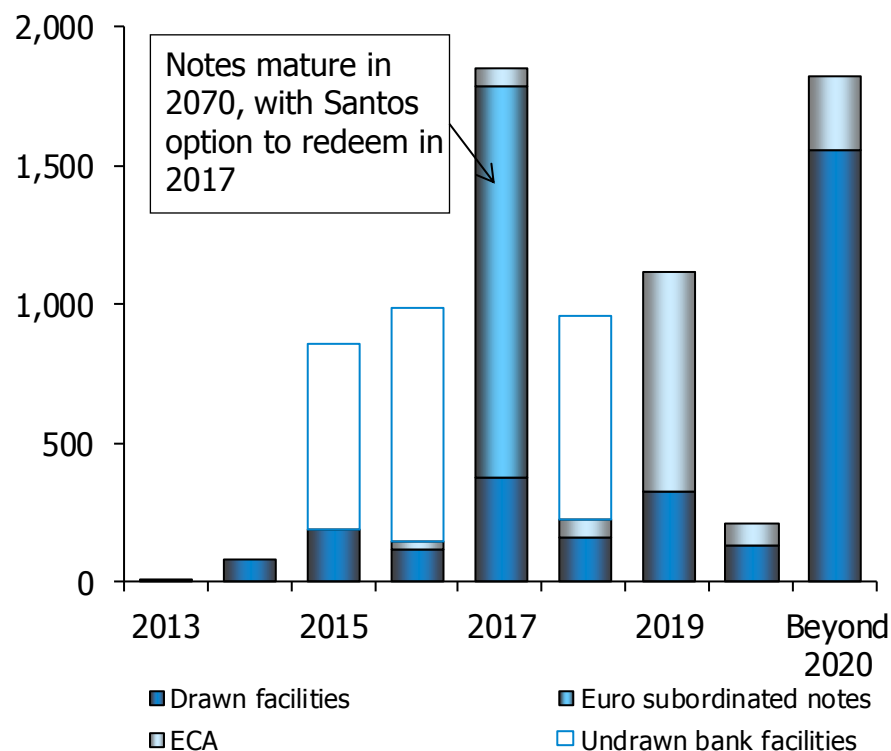
Available liquidity

A\$ billion



Debt maturity profile

A\$ million



Charts as at 30 June 2013

2013 guidance

Item	2013 guidance
Production (mmboe) ¹	52-55
Production costs (\$million) ²	670-690
DD&A expense (\$/boe)	16.50
Royalty related taxation expense ³ (\$million after tax)	50
Capital expenditure (including exploration & evaluation) ⁴	\$4 billion

¹ Production is expected to be at the low end of the guidance range of 52-55 mmboe

² Including the impact AASB 11 on production costs, estimated at \$30 million per annum

³ Royalty related taxation expense guidance based on an average realised oil price of A\$100 per barrel

⁴ Capital expenditure guidance excludes capitalised interest, which is forecast at approximately \$220 million in 2013

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