# UBS Australian Resources & Energy Conference

Sydney, 13 June 2013

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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).



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# A compelling investment opportunity

| | |
|---|---|
| Production growth | ▪ 6% annual compound production growth to 2020 |
| Earnings growth | ▪ Rising Australian domestic gas prices<br>▪ 3.4mtpa long-term oil-linked LNG export contracts |
| Major projects on track | ▪ PNG LNG over 80% complete, first LNG in 2014<br>▪ GLNG over 50% complete, first LNG in 2015 |
| Material exploration catalysts | ▪ Browse and Carnarvon Basin drilling in 2013 |
| Australian shale | ▪ Australia's first commercial shale production<br>▪ Strong infrastructure position |
| Strong funding position | ▪ $5.8 billion in cash and undrawn debt facilities |

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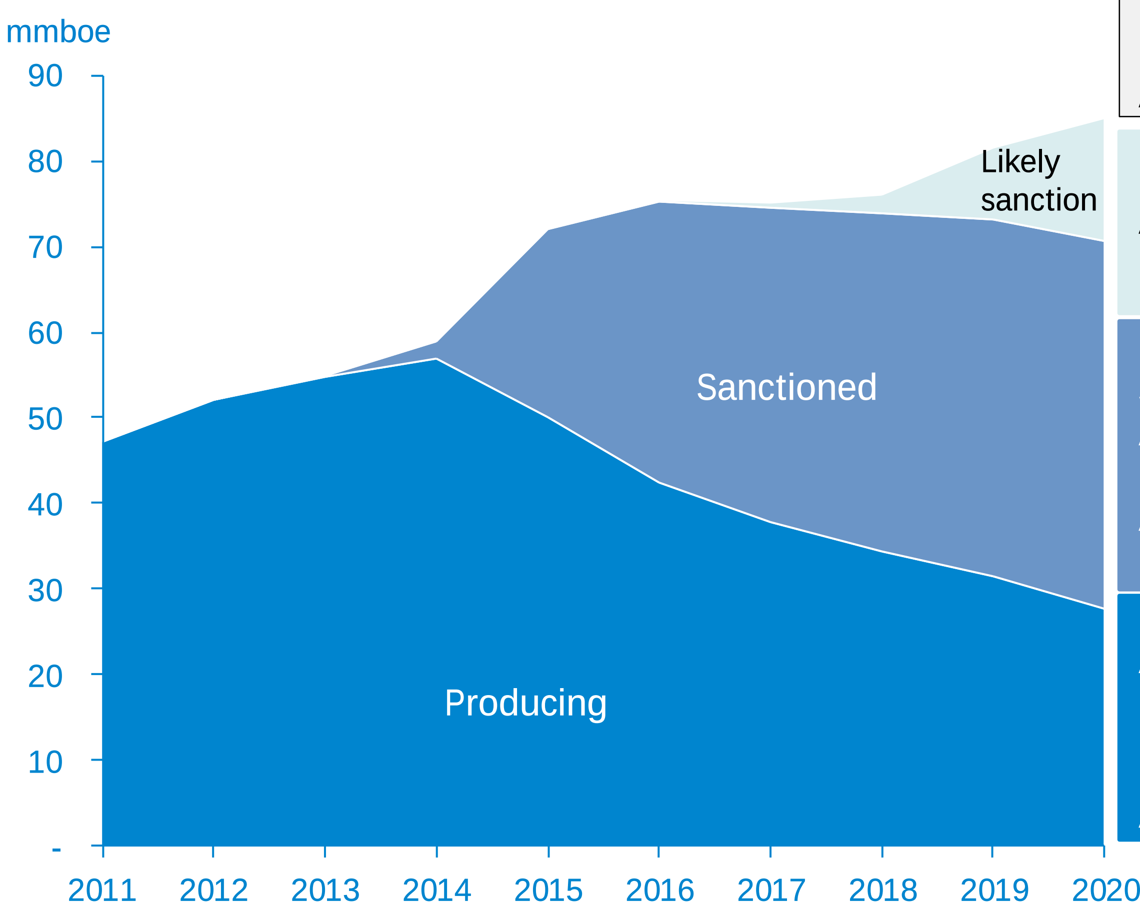
# Delivering 80-90 mmboe of production by 2020

## 6% CAGR production growth 2011-2020




**Upside potential**

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

LNG: PNG LNG T3, Browse, Caldita Barossa

Asia: Vietnam, Indonesia CSG

**Likely sanction**

Aust: Gunnedah

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

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# Western Australia and Northern Territory


Ensco 109, Carnarvon Basin

# Fletcher Finucane – 1 million barrels of oil already produced

- First oil 20 May 2013 ahead of schedule and on budget
- Oil currently flowing from three subsea wells at a gross production rate of 45,000 bbl/day
- Forecast average gross production rate of 15,000bbl/day in the first 12 months



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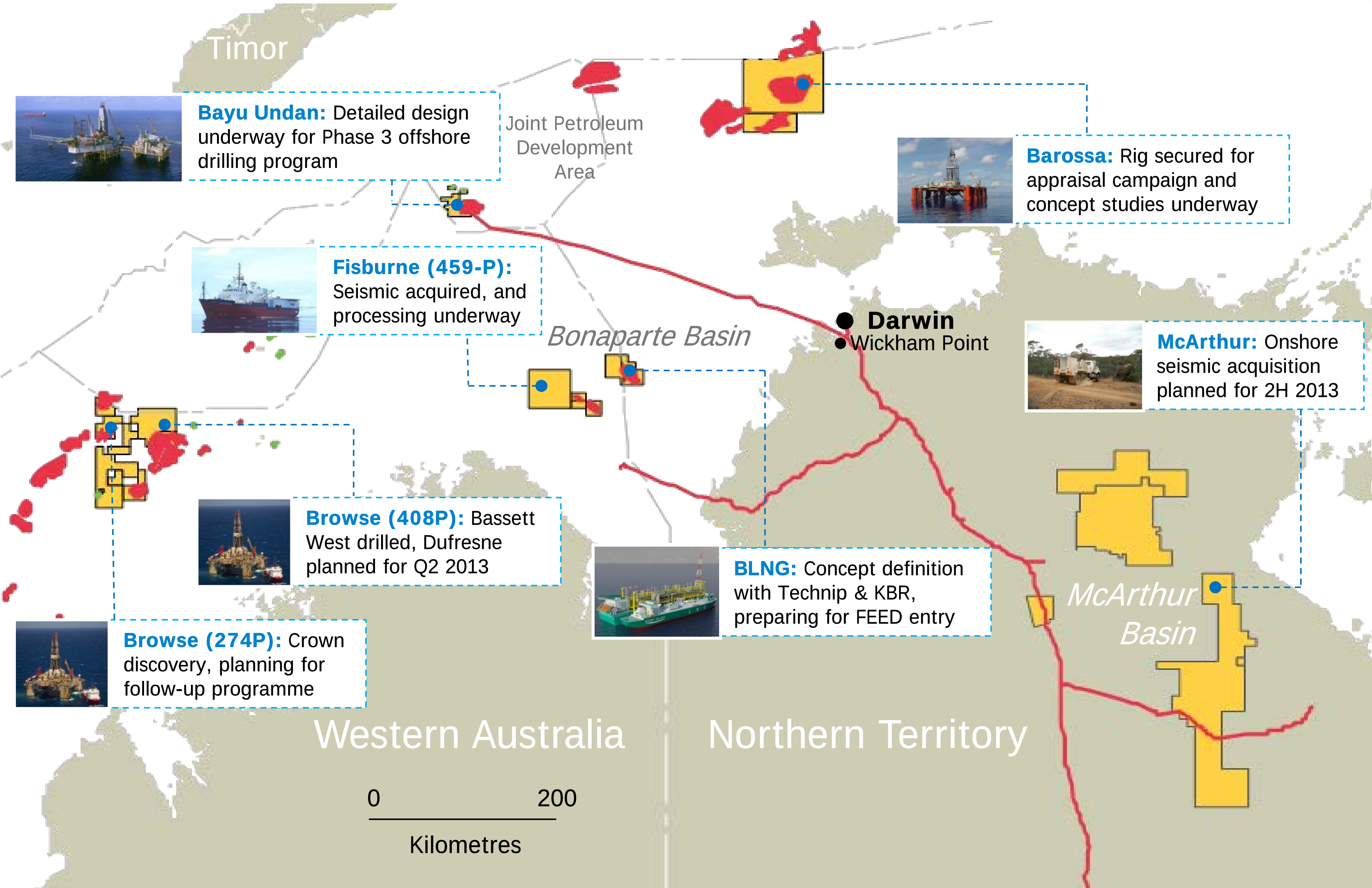
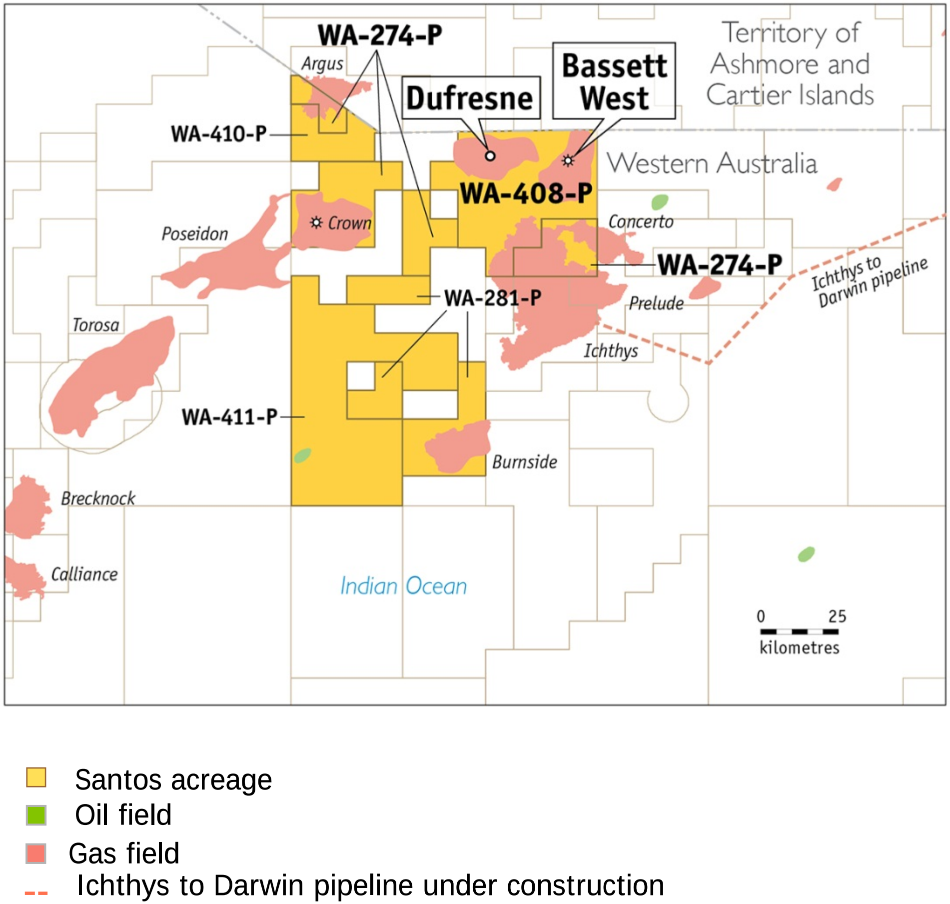
# Northern Australia – future growth for Santos



# Browse – Crown success unlocks material play

- Crown gas–condensate discovery (Santos 30%)
  - 61 metres net gas pay
  - Contingent recoverable resource estimate range 0.5 to 5 Tcf
- Bassett West-1 discovery (Santos 30%)
  - 7.5 metres net gas pay; presence of gas with condensate encouraging
  - Further work required to fully understand the overall Bassett resource
- Dufresne-1 planned for Q2 2013

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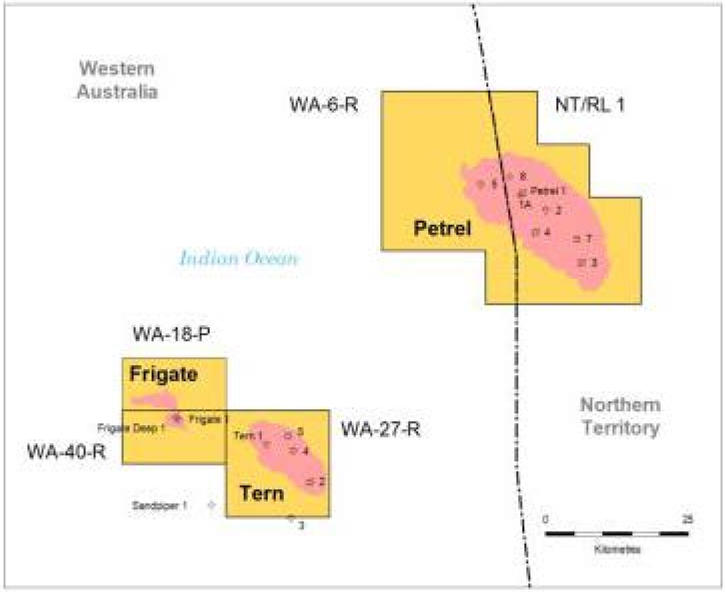
# Bonaparte LNG – proposed floating LNG currently in concept definition stage

- 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 between 2 to 3 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 late 2013/early 2014

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# Eastern Australia

Moomba gas processing plant, Cooper Basin

# Three key Cooper Gas focus areas to meet 2015 growth

## Focusing on increasing volume and reducing costs to deliver a higher margin business

### 1. Existing facilities reliability

**Reliability**

- Maintenance strategies delivering record facilities utilisation, production and cost benefits

**Readiness for 2015 delivery**

- Planned Cooper Basin major outages over 2013-15

### 2. Upstream development

**Well-head production capacity**

- Growing through increased drills, productivity and efficiencies

**Cost reduction step-change**

- Multi-well pad drilling technology
- SIMOPS approach to drilling, completions and connections

### 3. Cooper Infrastructure Expansion Project (CIEP)

**Stage 1 In-field**

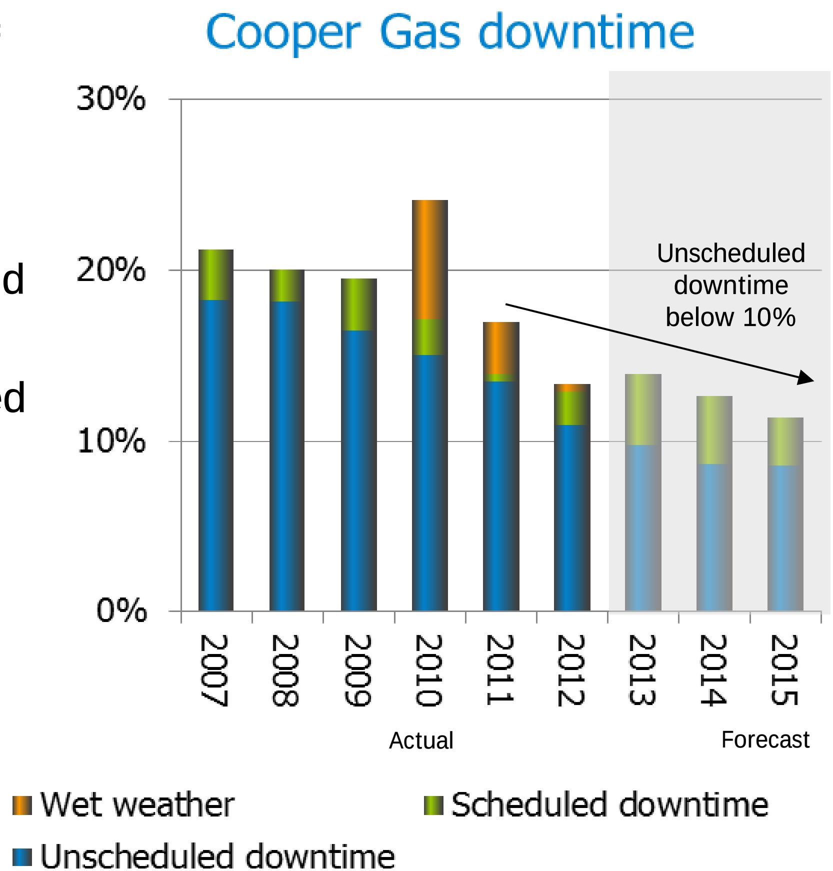
- Expansion of four key field compression stations
- Installation of new trunk pipelines between Moomba and Gidgealpa

**Stage 1 Moomba Gas Plant**

- Install new Moomba $CO_2$ train for removal of additional 1,000 Ktpa
- Installation of new Moomba export compression to enable firm sales gas transport from Moomba to QLD

# Cooper gas – maintenance strategies driving unscheduled downtime below 10%

- 3 year plan for major overhaul of all key infrastructure in readiness for 2015 delivery
  - Plan includes all major plant $CO_2$ trains and processing units, and field compressor satellites[1]
  - Driving increased levels of scheduled downtime 2013-15
  - CIEP tie-ins for 2015
- Targeting production costs under $10/boe by 2015




1. Activity already delivered in last six months includes 6 satellites, 2 Moomba $CO_2$ trains, 1 Ballera $CO_2$ train and 1 Moomba processing unit



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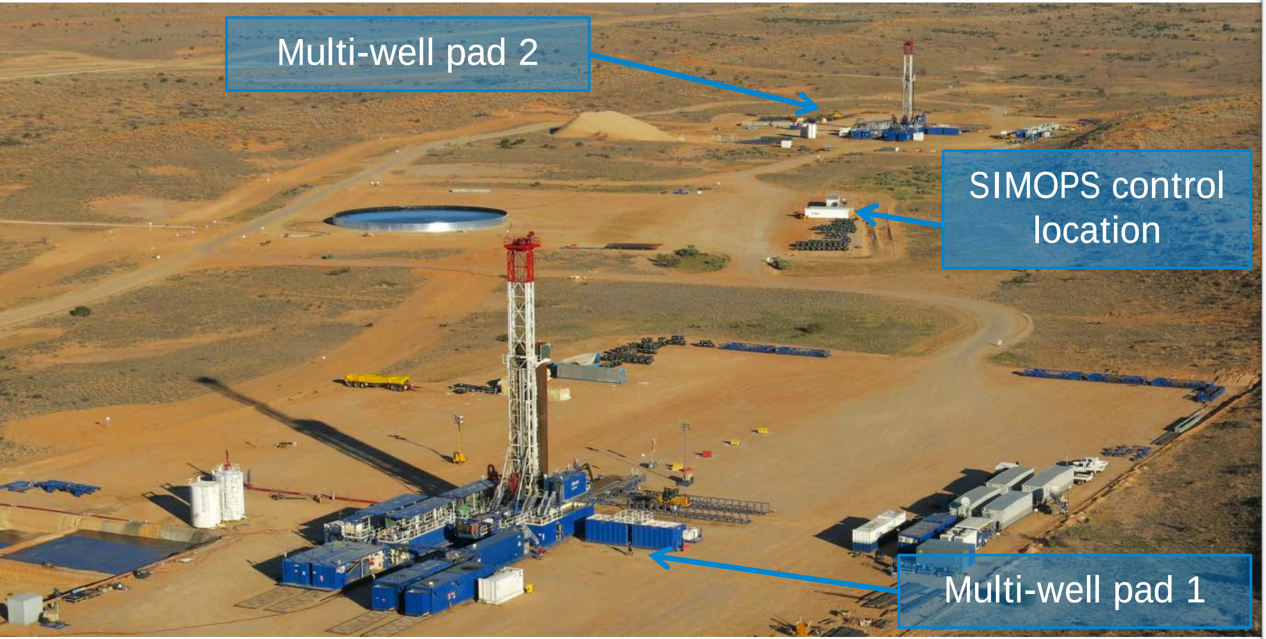
# Continuing the cost reduction journey with Cowralli 16 multi-well pad drilling and SIMOPS







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# Cooper unconventional - focused program to evaluate BCG and REM shale gas plays

| | Short-term Program Milestones | Date |
|---|---|---|
| Basin Centred Gas | Drill ***Gaschnitz-1*** ✓ | Feb 2013 |
| | Drill ***Van der Waals-1*** | June 2013 |
| | Drill ***Langmuir-1*** | Q3 2013 |
| | ***Gaschnitz-1*** multi-stage frac and flow test | Q3 2013 |
| | ***Gaschnitz*** pilot 3D seismic survey | Q3 2013 |
| | ***Van der Waals-1*** & ***Langmuir-1*** multi-stage frac and flow tests | Q4 2013 |
| REM Shale | Drill ***Moomba 192*** *(Aurora-1 vertical)* ✓ | April 2013 |
| | ***Moomba 191*** follow-up production log ✓ | May 2013 |
| | Drill horizontal wells (***Rosewell-2H***, ***Moomba-193H*** *(Aurora-2H)* & ***Fortuna-2H***) | H2 2013+ |
| | Frac and flow horizontal wells and microseismic fracture monitoring | Q1 2014+ |
| | ***Moomba-192*** frac and flow (REM) | Q1 2014* |

* Timing subject to pending decision in regards to conventional Patchawarra



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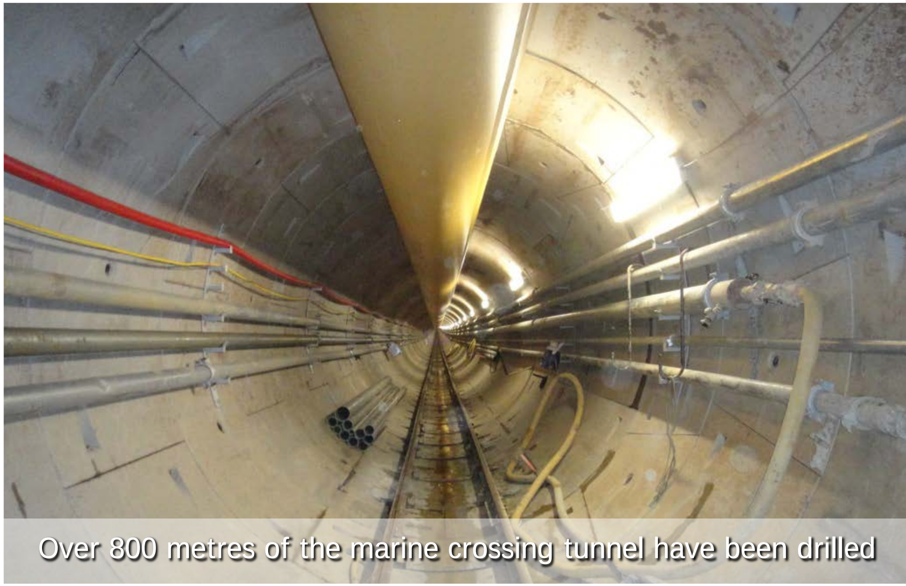
# GLNG is over 50% complete and remains on track for first LNG in 2015

31 May 2013

# Construction progressing in the upstream, pipeline and LNG plant and port

First module lifted into place near Train 1


Over 800 metres of the marine crossing tunnel have been drilled


All of the LNG jetty bents have been completed


LNG Tank B roof lift planned for July 2013

# PNG LNG is over 80% complete and on track for first LNG in 2014

Hides gas conditioning plant

LNG tank

LNG trains 1 & 2

LNG jetty

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