



GLNG Project FID

13 January 2011

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All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

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GLNG Project Highlights

7.8 mtpa capacity	<ul style="list-style-type: none"> ▪ Two train project ▪ Each train 3.9 mtpa nameplate capacity
Binding offtake	<ul style="list-style-type: none"> ▪ KOGAS: 3.5 mtpa of LNG for 20 years ▪ PETRONAS: 3.5 mtpa of LNG for 20 years ▪ Value uplift through additional sales above contracted 7 mtpa
Santos ownership	<ul style="list-style-type: none"> ▪ 30% of the integrated project*
Capex	<ul style="list-style-type: none"> ▪ US\$16 billion gross capex estimated from FID until the end of 2015, when second train is expected to be ready for start up ▪ Includes US\$2 billion gross in contingencies ▪ Predominantly fixed price EPC contracts
Reserves	<ul style="list-style-type: none"> ▪ 5,005 PJ of 2P reserves within GLNG CSG acreage at Dec-10 plus 750 PJ from Santos' Eastern Australia portfolio ▪ Netherland, Sewell & Associates, Inc. estimates ultimate 2P reserves maturation of 9,848 PJ in the GLNG CSG acreage
FID today	<ul style="list-style-type: none"> ▪ FID on two-train project today ▪ LNG exports expected to commence in 2015



3 * Following completion of the sale transactions to KOGAS & Total

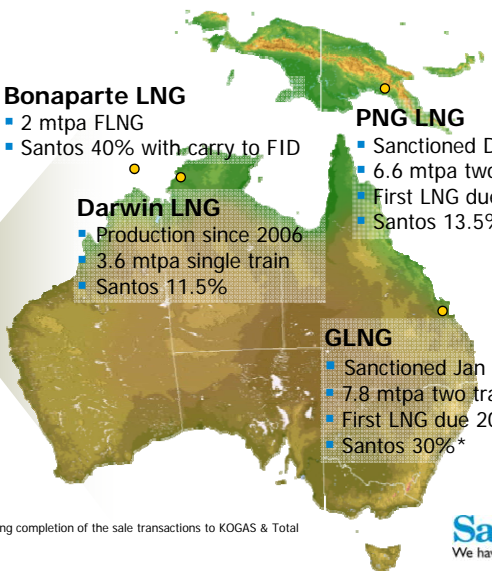
LNG is a key component of Santos' Growth Strategy

Strategy Components

Deliver the Base Business

LNG Growth

Focused growth in Asia



Bonaparte LNG

- 2 mtpa FLNG
- Santos 40% with carry to FID

Darwin LNG


- Production since 2006
- 3.6 mtpa single train
- Santos 11.5%

PNG LNG

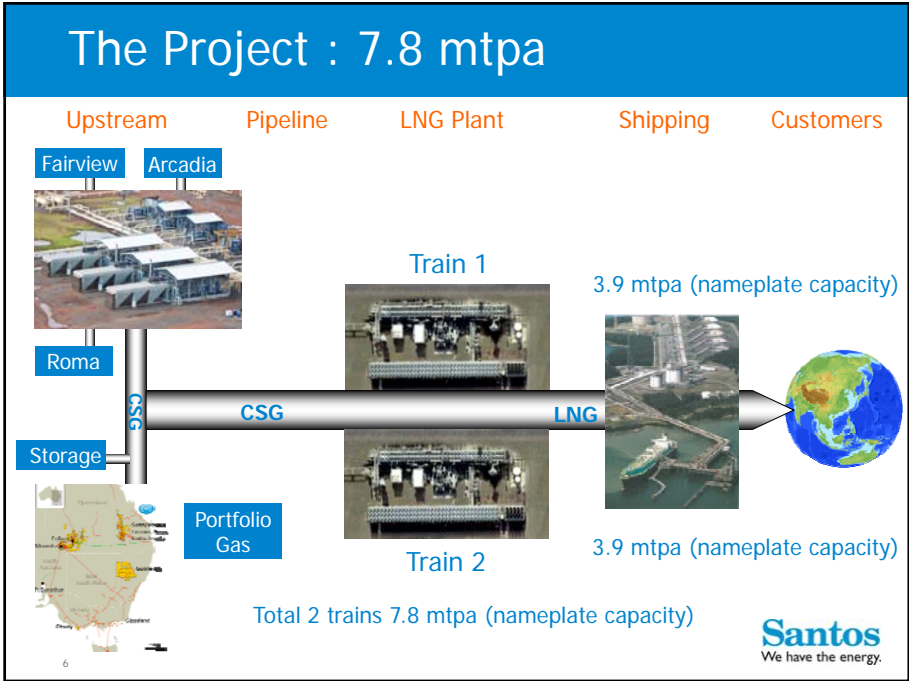
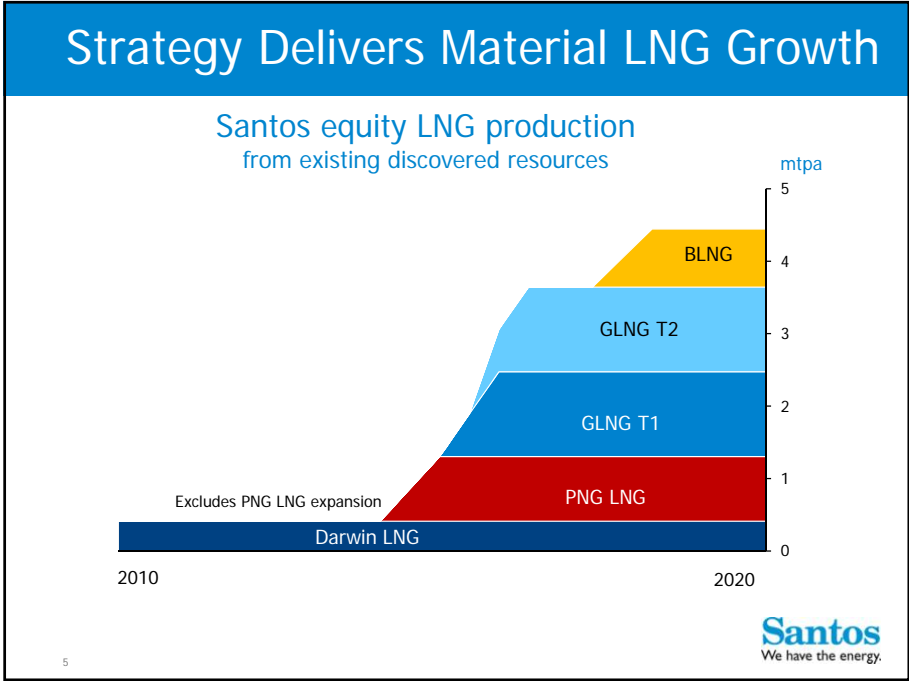
- Sanctioned Dec 2009
- 6.6 mtpa two trains
- First LNG due 2014
- Santos 13.5%

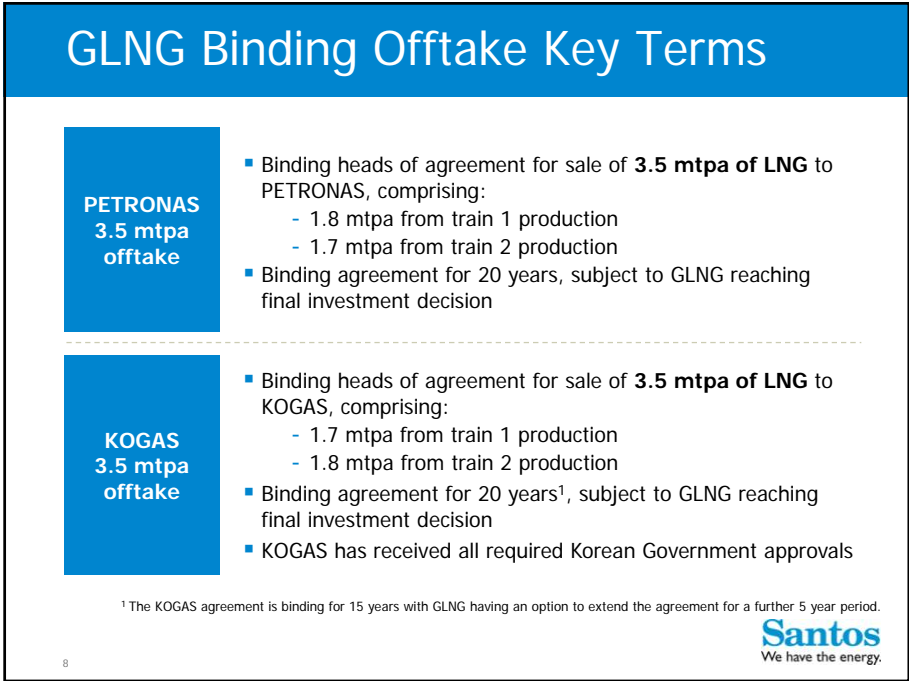
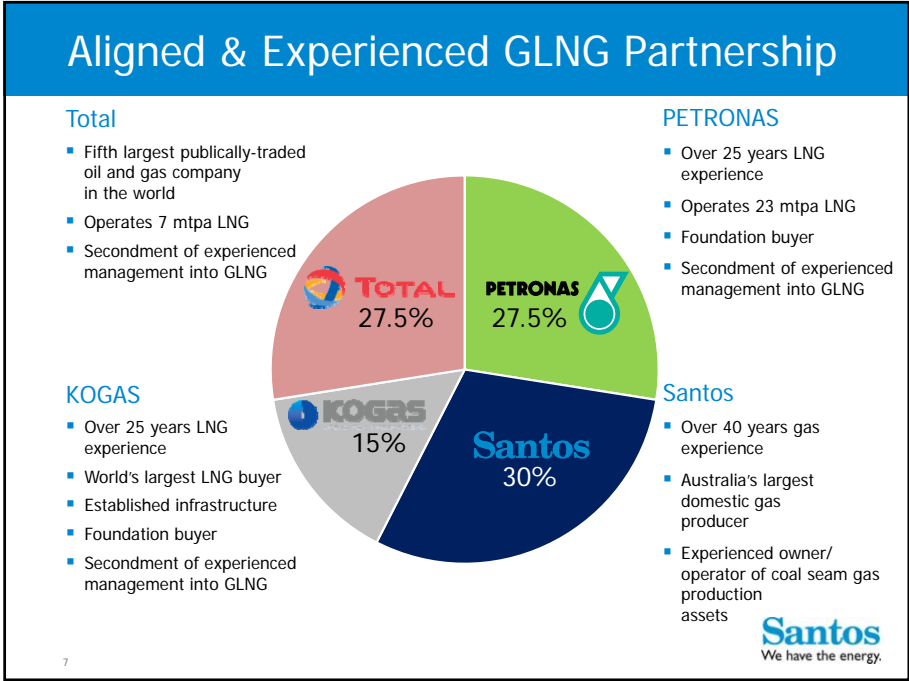
GLNG

- Sanctioned Jan 2011
- 7.8 mtpa two trains
- First LNG due 2015
- Santos 30%*



4 * Following completion of the sale transactions to KOGAS & Total

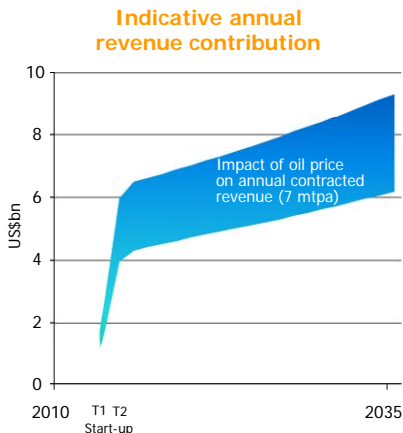




GLNG 7 mtpa Binding Offtake

GLNG backed by binding offtake for 7 mtpa

- 7 mtpa binding offtake from KOGAS and PETRONAS underpins two-train project
- Gross contracted annual average revenue estimated at US\$6 billion over 20 years¹
- Santos IRR in the range of 11% to 14% (in US dollar terms)²
- Further upside from sale of remaining 0.8 mtpa capacity



Indicative revenue shown is gross (100% terms) – Santos' share is 30%.

¹ Assumes 7 mtpa off-take and market consensus oil price forecast.

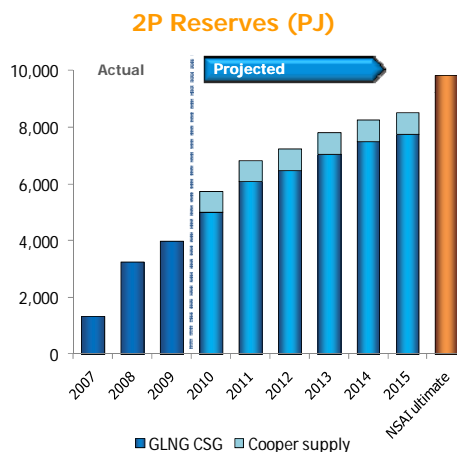
² Assumes estimated capital cost of US\$16 billion and 7 mtpa off-take contracted to KOGAS and PETRONAS under the terms of their binding agreements with GLNG.



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2P Reserves for Two Trains

- GLNG 2P CSG reserves at Dec-10 5,005 PJ based on internal company estimates
 - NSAI estimate higher 2P reserves of 5,377 PJ as at end Oct-10
- In addition to CSG reserves, Santos to supply 750 PJ of portfolio gas, primarily from the Cooper Basin
- NSAI estimates GLNG ultimate 2P CSG reserves maturation of 9,848 PJ from existing acreage¹



¹ Excludes 750 PJ of Santos portfolio supply

NSAI: Netherland, Sewell & Associates, Inc. Based on their analysis, NSAI believe that continued development and appraisal drilling in the GLNG dedicated areas has a reasonable likelihood of extending the 2P reserves area into most of the regions now categorized as possible reserves or 2C contingent resources.

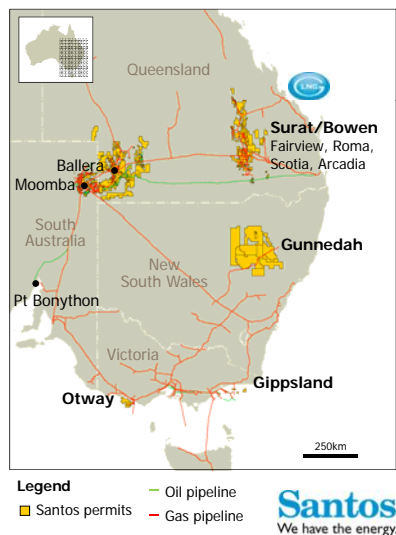


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Santos' Portfolio GLNG Gas Supply

Santos' gas supply infrastructure in eastern Australia provides substantial flexibility in gas supply to GLNG

- GLNG connected to existing integrated gas infrastructure
- Santos has assets in every producing basin
- Santos' portfolio gas provides significant optionality in gas supply and ramp gas management



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Capex Overview

- GLNG has an estimated gross capital cost of approximately US\$16 billion from FID until the end of 2015, when the second train is expected to be ready for start-up
- The US\$16 billion capital expenditure estimate includes approximately US\$2 billion in contingencies
- The capital expenditure estimate is underpinned by fixed lump sum turnkey EPC contracts from Bechtel for the two LNG trains and Saipem for the gas transmission pipeline, and an EPC contract for the upstream surface facilities with Fluor
- The predominantly fixed EPC contracting strategy, world-class contractors and material project contingencies are intended to mitigate exposure to capital expenditure risk

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Key Contractors

GLNG partnerships with global contractors



Bechtel Corporation (LNG plant)

- Bechtel Corporation has built approximately a third of the world's liquefaction capacity
- Bechtel has designed and/or constructed LNG facilities in Algeria, Angola, Equatorial Guinea, Indonesia, UAE, Libya, Nigeria, Egypt, Trinidad, US and Australia (Darwin LNG)
- GLNG fixed price lump sum two-train LNG plant EPC contract



Fluor Corporation (upstream facilities)

- Fluor Corporation is one of the world's largest publicly owned EPCM and project management companies
- The company provides a full range of integrated services to the global oil and gas production and processing industries
- GLNG upstream surface facilities EPC contract



Saipem (gas transmission pipeline)

- A global leader in the provision of engineering, procurement, project management and construction services
- GLNG fixed price lump sum EPC gas transmission pipeline contract



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Summary

- ✓ FID on two-train 7.8 mtpa GLNG project today
- ✓ Delivers on the strategic vision to transform Santos into a significant exporter of LNG
- ✓ Santos equity contribution to GLNG fully funded



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