

82-34

# ASX/Media Release

# Santos

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27 June 2006

## Santos Presentation to European Investors

# SUPL

From Tuesday 27 June 2006, Santos' Managing Director John Ellice-Flint will be delivering the following presentation "Options for Growth" to European investors.

A copy of the presentation is attached and is also available on the Santos website at the following link:

<http://www.santos.com/FileGroup/FileGroup.aspx?p=95&year=2006>

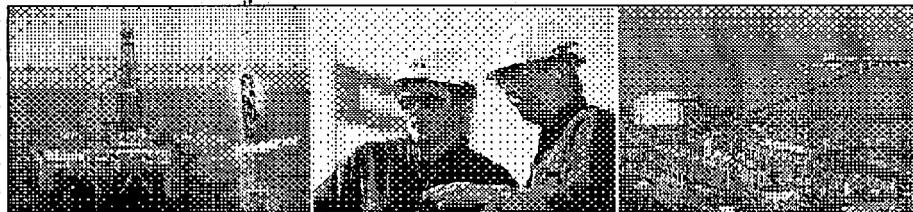
Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

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*John Ellice-Flint*  
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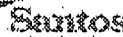
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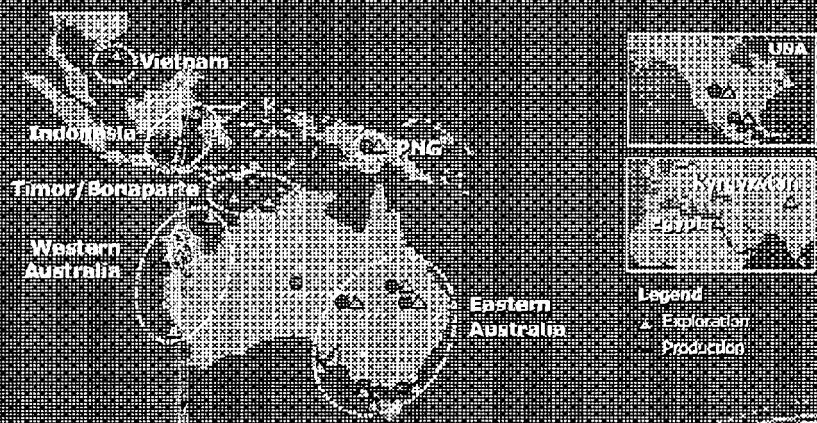
# Options for Growth

European Investor Briefings  
June/July 2006



## Santos overview

Australian based E&P company operating internationally



**Vietnam**

**Indonesia**

**PNG**

**Timor/Bonaparte**


**Western Australia**

**Eastern Australia**

**USA**

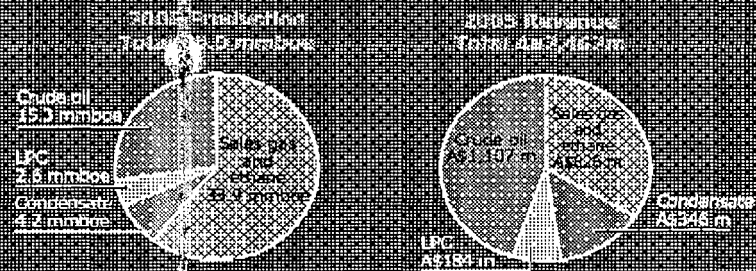
**Symyx**

**Legend**  
 ▲ Explorator  
 ● Production



## Santos key statistics

- Market capitalisation: ~A\$7.3 billion (ASX top 40)
- Employees: ~1600
- 2005 total shareholder return: 50%
- Proven plus probable reserves: 774 mmboc @ 31/12/05



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## 2005 Record financial result

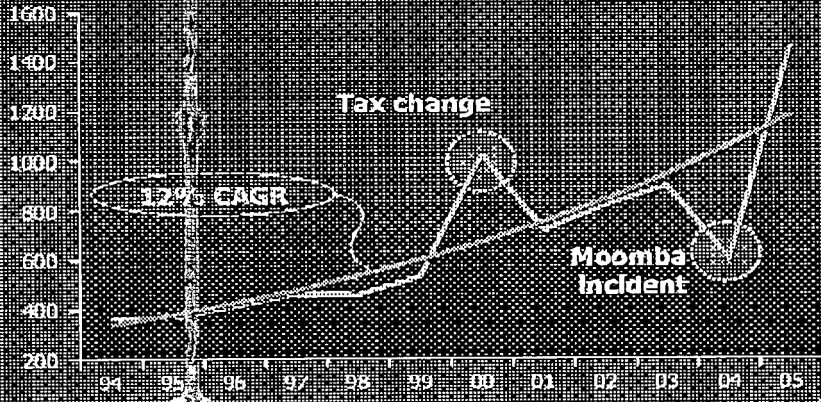
### Full Year Results

Production	56.0 mmboc	up 19%
Sales Revenue	\$2,463 million	up 64%
EBITDAX	\$1,839 million	up 60%
NPAT	\$762 million	up 115%
EPS	\$1.24	up 130%
Operating Cash Flow	\$1,458 million	up 141%
Dividend	38c	up 15%
Paying	35%	increased 3%

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## Operating cash flow

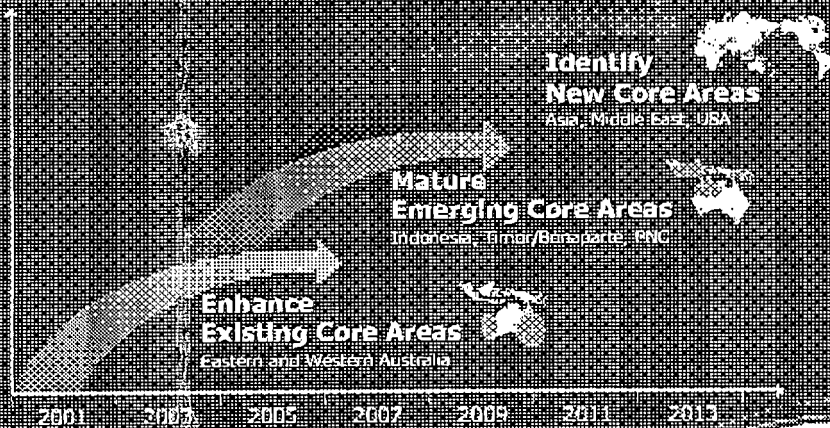
Cash flow growth of 12% pa over 10+ years



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## Growth strategy driven by basin excellence

Strong cash flow underpins active exploration program



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## Enhance existing core areas

Production	88%
2P Reserves	82%
Contingent Resources	36%
2005 Cash Flow	A\$2.78bn

### Eastern Australia Gas & Oil

- No. 1 in gas production & reserves
- Established infrastructure
- Exploration opportunities

Carnarvon

Sulphur  
Downer

Wentworth  
Cooper

Otway

Grassland

### Western Australia Gas & Oil

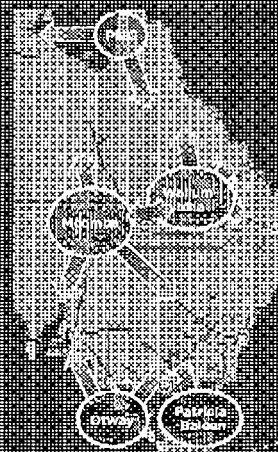
- Asset diversity
- Established infrastructure
- Strategic position

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## Enhance existing core areas

### Eastern Australian gas

- Australia's largest domestic gas producer
- Established infrastructure position
- Conventional and coal seam gas assets
- Significant uncontracted resources
- Gas prices low on global basis, but improving

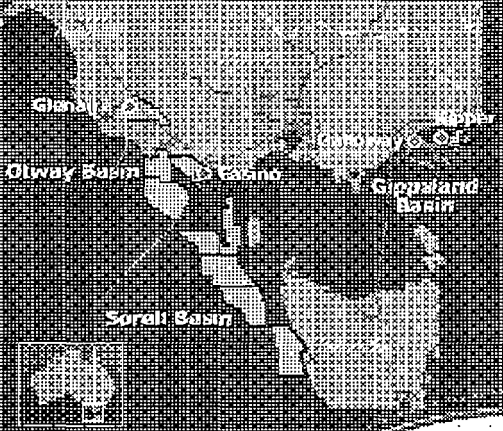


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## Enhance existing core areas

### Southern margins gas focus

- Growing exploration opportunity base
- Otway – Camino/ Henry acceleration/ low risk follow-up 2007 drilling
- Sorrell – high risk, LNG scale deepwater portfolio – possible 2007 drilling
- Gippsland – Kipper gas field plus exploration upside

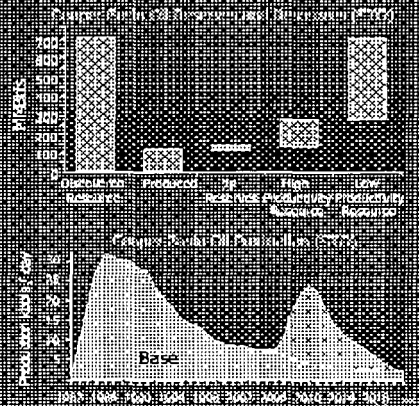


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## Enhance existing core areas

### Greater Oil Projects

- Exploration, exploitation and EOR project underway
- Over 700 mmbbl resource
- New technology in mature basin
  - 3D seismic
  - Modern drillings
  - Progressive cavity pumps
- 1,000+ well program over 5 years

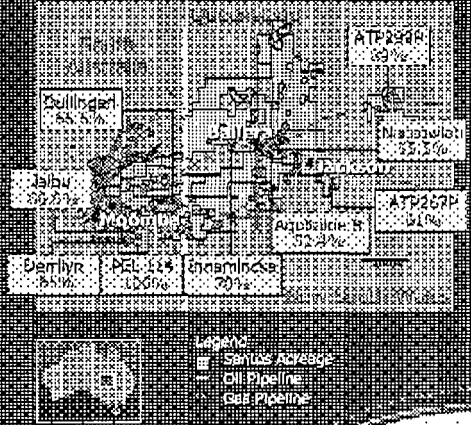


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## Enhance existing core areas

### Cooper Oil Project

- Early results are encouraging
- Three rigs operational  
– 7 days spud to spud
- Initial 26 wells drilled  
25 successful (96%)
- 7 wells on-line

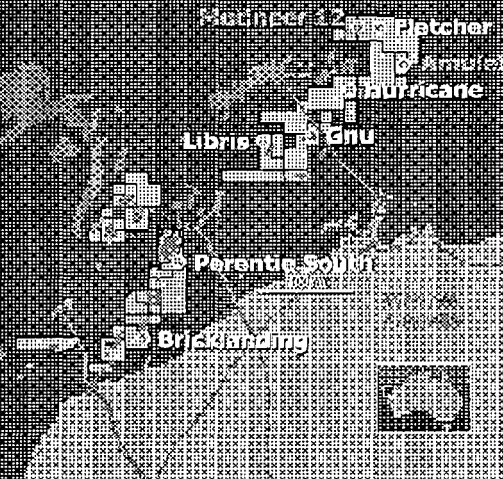


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## Enhance existing core areas

### Western Australian oil and gas

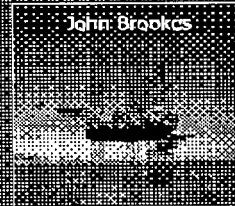
- Carnarvon Basin high value opportunities
- Extensive acreage position
- Strategic infrastructure



## Enhance existing core areas

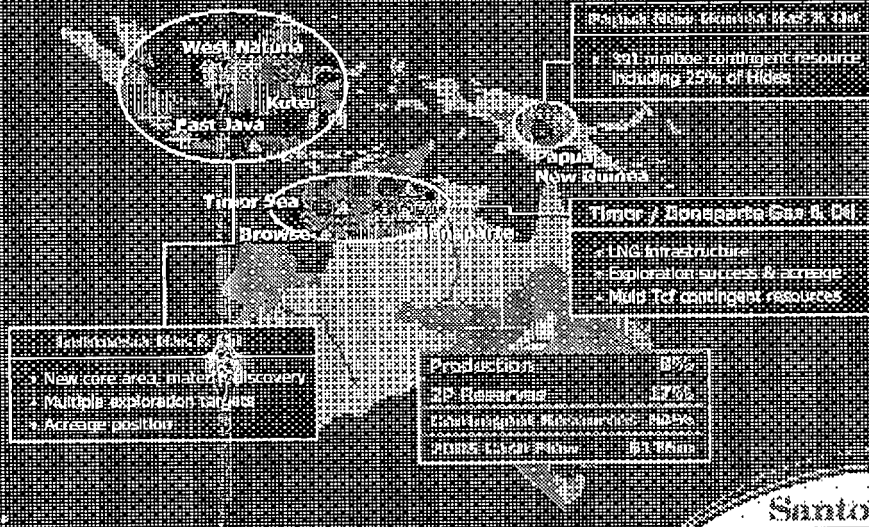
### Western Australian oil and gas

- Mutineer EXater oil (STO 34% operator)
  - Production rate increased from 35k to 55k bbl/day
  - Further development wells to be drilled
- 3D seismic survey
- Stag oil (STO 67%) continues to perform well
- John Brookes gas (STO 45%) uncontracted capacity



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## Mature emerging core areas

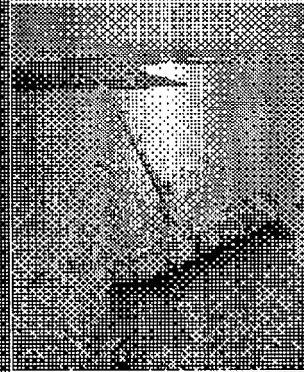




## Mature & emerging core areas

### Darwin LNG - Development

- 10.6%, ConocoPhillips operated
- 2P reserves 3.8 Tcf, 509 mmbbls liquids (gross)
- Capex ~US\$3.6 billion (gross)
- Liquids recycle producing 100,000+ bpd
- First LNG February 2006
- 3.5 Mt/yr LNG initial capacity

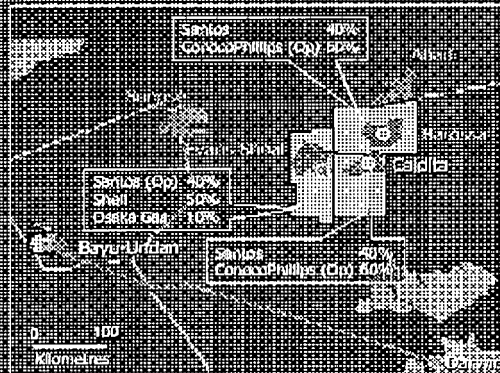


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## Mature & emerging core areas

### Timor/Broward LNG

- Strategy to prove up gas resource for LNG expansion
- Evans Shoal South drilling
- Barossa 1, Golditz 2 to follow
- 3D seismic acquisition

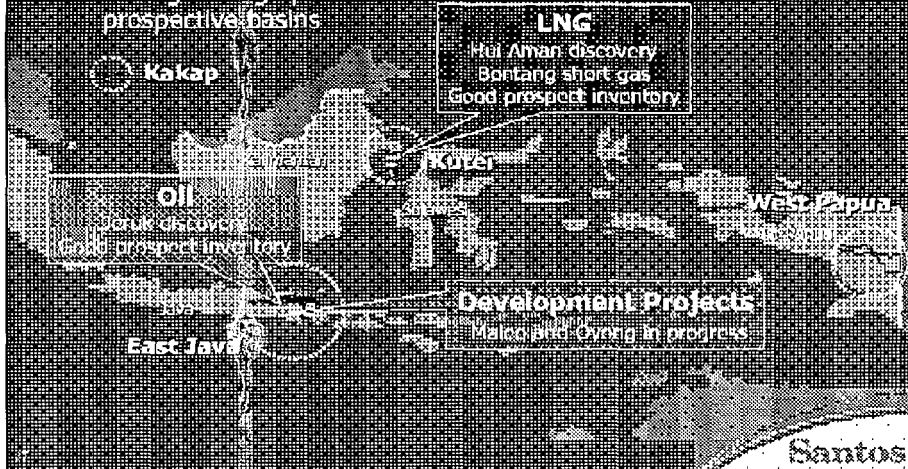


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## Mature emerging core areas

Indonesia – building a core business

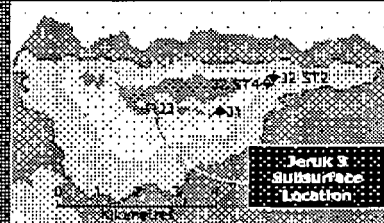
- Strong average position in prospective basins



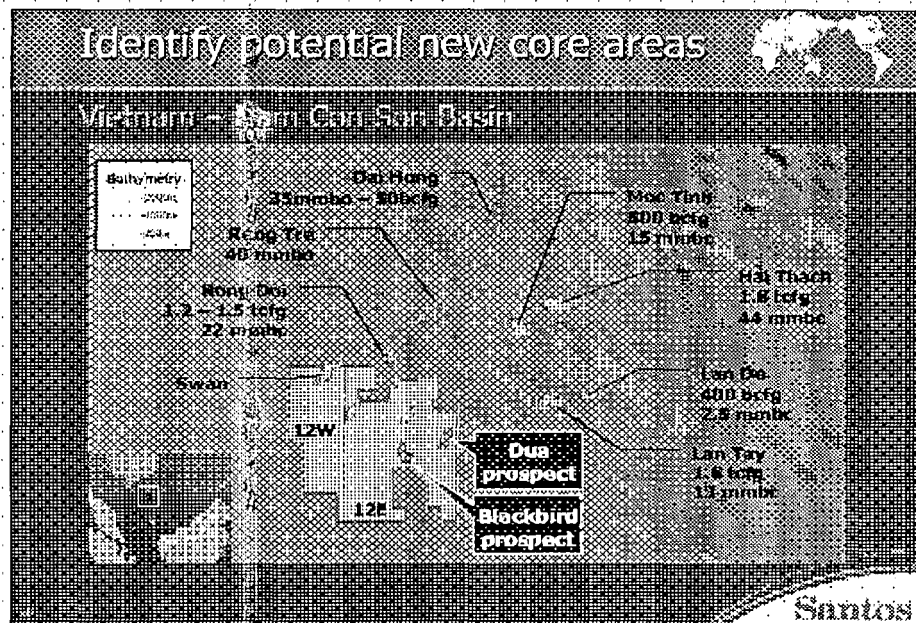
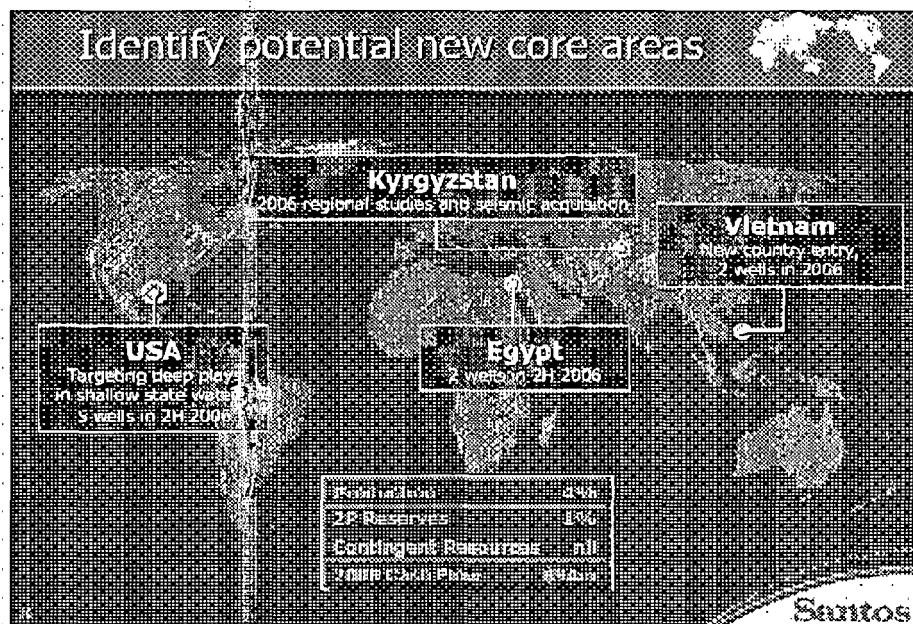
## Mature emerging core areas

Jeruk oil discovery

- Santos 40.5% operator
- Shallow water (42m), deep structure (>4500m subsea)
- Kujung carbonate
- Appraisal program in progress
  - Jeruk 3 drilling
  - Jeruk 4 drilling 2H 2006

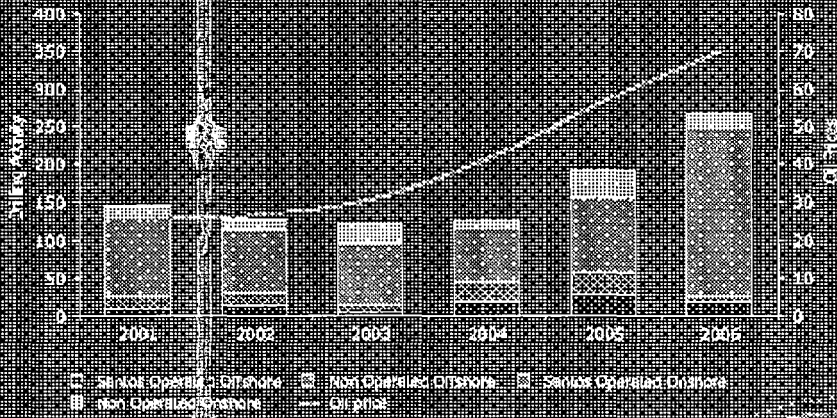


	2003	2004	2005	2006	2007
Jeruk 3 Discovery					
Jeruk 3 Appraisal					
Jeruk 3 Drilling					
Jeruk 3 Completion					
Jeruk 3 Production					
Jeruk 3 Abandonment					
Jeruk 4 Discovery					
Jeruk 4 Appraisal					
Jeruk 4 Drilling					
Jeruk 4 Completion					
Jeruk 4 Production					
Jeruk 4 Abandonment					
Jeruk 3 Reservoir					
Jeruk 4 Reservoir					



## Drilling activity increasing

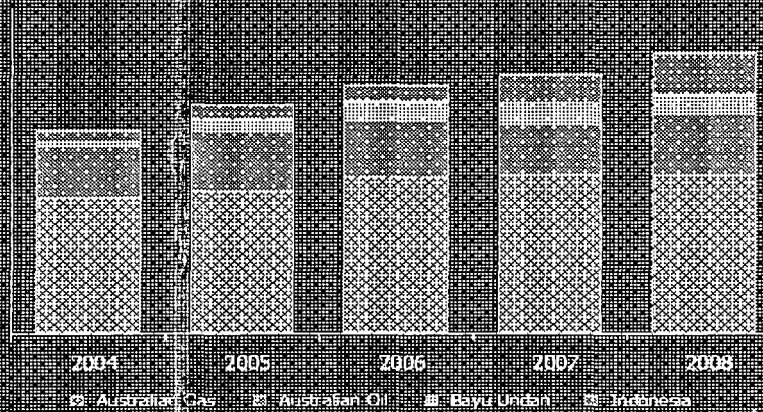
Reflecting time opportunities and higher oil price



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## Summary - production outlook

Total annual production (mmbopd)



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## Why Santos ?

- Growing production profile
- Active development portfolio
- Multiple gas commercialisation options
  - 2.0 billion boe of contingent resources
- Attractive appraisal opportunities
  - Jaruk, Timor/ Bonaparte LNG, Hiu Aman
- Material exploration program
  - ~ 20 wildcats in 2H 2006

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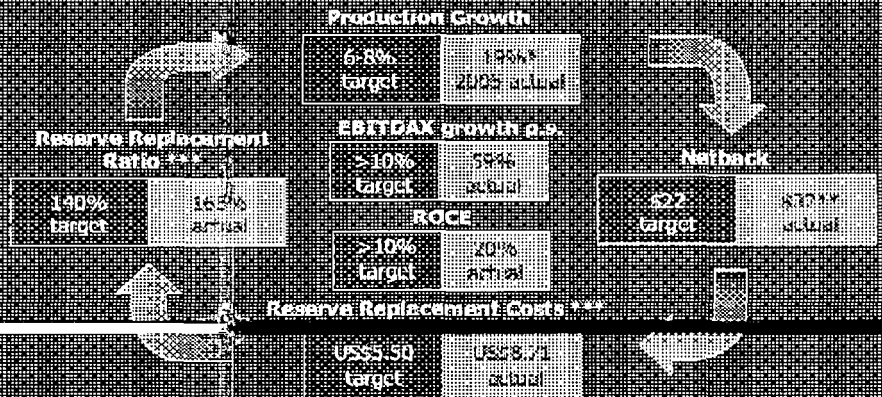
## Sustainable long-term growth



# Reference Slides

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## 2005 delivers on strategic targets



\* Adjusted for 2004 volume increase, growth 8%  
 \*\* 2005 actuals are 2004 actuals plus growth applied in 2005, based on 2004 growth of 8%  
 \*\*\* 3 year rolling average

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## Strong reserve replacement

### 2005 Year End Reserves

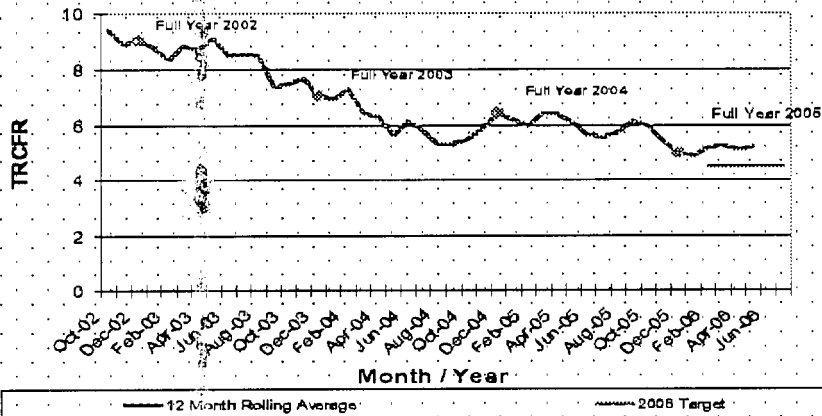
1P Reserves	414 mmbob	up 19%
2P Reserves	774 mmbob	up 20%
Contingent Resources	1,971 mmbob	up 37%
2005 1P RRR	210%	
3y Avg RRR	165%	



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## EHS performance

### TRCFR - Injury Frequency (12 month rolling average)



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## 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.

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**27 June 2006**

**Banjar Panji-1 well incident**

Santos has an 18% interest in the Banjar Panji-1 onshore exploration well located in the Brantas PSC near Surabaya on the Indonesia island Java.

Santos has been advised by the operator, Lapindo Brantas Inc, that on 29 May 2006 a well control incident occurred.

A flow of mud and water has been escaping to the surface from a series of nearby vents since the incident occurred. The flow has affected a significant area, including a number of nearby villages, businesses and roadways.

Lapindo and local authorities are implementing programs to mitigate affects of the flow on the local community and the environment.

Lapindo and well control specialists are implementing a plan to stop the flow from the vents. The cause of the incident is being jointly investigated by Lapindo and the Government of Indonesia's oil and gas regulator, BPMIGAS.

Santos maintains appropriate insurance coverage for these types of occurrences.

The PSC is operated by Lapindo, with a 50% interest; PT Medco E&P Brantas has a 32% interest and Santos (Brantas) Pty Ltd has an 18% interest.

Ends

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Ref #82-34 (Securities Exchange Commission)**