

ASX/Media Release

82-34
Santos

Media enquiries

Kathryn Mitchell

+61 8 8218 5260 / +61 (0) 407 979 982

kathryn.mitchell@santos.com



06018705

Investor enquiries

Andrew Seaton

+61 8 8218 5157 / +61 (0) 410 431 004

andrew.seaton@santos.com

21 November 2006

Santos presentation at coal seam gas conference

SUPPL

On Tuesday 21 November 2006, Santos' Vice President, Gas Marketing and Commercialisation, Rick Wilkinson, delivered the following presentation "Coal Seam Gas & Santos" at The 6th Annual Coal Seam Gas & Coal Mine Methane Conference in Brisbane.

A copy of the presentation is available on the Santos website, www.santos.com.

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

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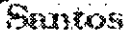


Santos Limited

Coal Seam Gas & Santos

Rick Wilkinson
Vice President, Gas Marketing
and Commercialisation

21 November 2006



Summary

The CSG Industry

- CSG is a major gas resource
- Eastern Australia gas market is increasingly integrated
- Low barriers to CSG entry
- Eastern Queensland has already established a diverse group of competing players...
- ... at different stages of company and asset development
- Lowest gas prices in OECD highlight the need to be low cost

Santos' CSG Business

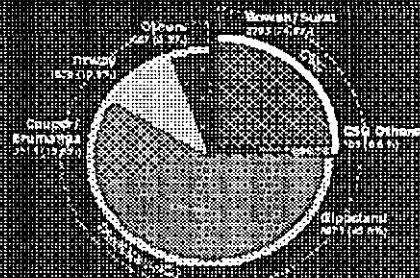
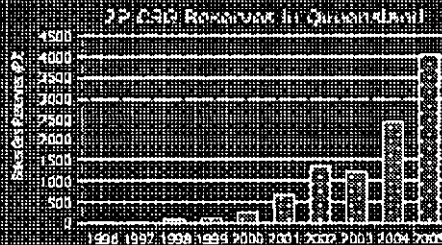
- Scotia was Santos' first CSG project – on line 4 years
- Fairview met the requirements for a successful CSG development
- Fairview production increased 67% since acquisition, with plans for a further 40%



Coal Seam Gas - Reserves

CSG is a major gas resource

- A quarter of Eastern Australia's 2P gas reserves are CSG
- This was achieved in ~ 7 years
- CSG already exceeds Cooper and Otway Basin reserves combined



Total 2P Reserves

CSG	3,800 PJ	25%
Conventional	11,700 PJ	75%
Total	15,500 PJ	100%

*Excludes Cooper and Otway Basins

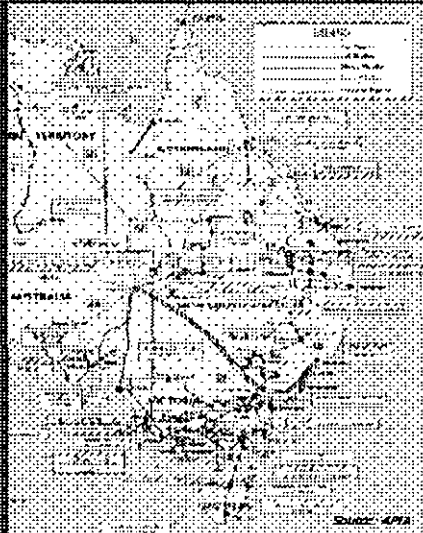
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Eastern Australia Market

The Eastern Australia gas market is increasingly integrated

- Existing pipeline network of raw and sales gas
- Possible future pipelines
 - Ballara-Moomba By-pass
 - Wyalumbilla-Newcastle
 - Moranbah-Gladstone
 - PNG-Australia & Laterals
- Gas fired electricity and national grid
- Gas swaps

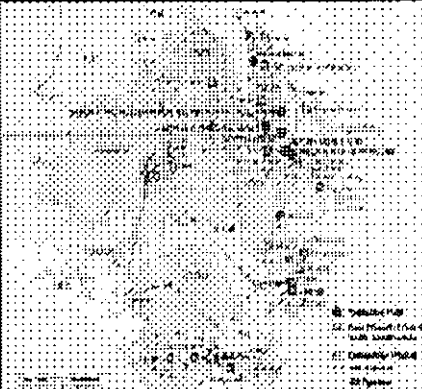
which supports the development of CSG opportunities



Barriers to Entry

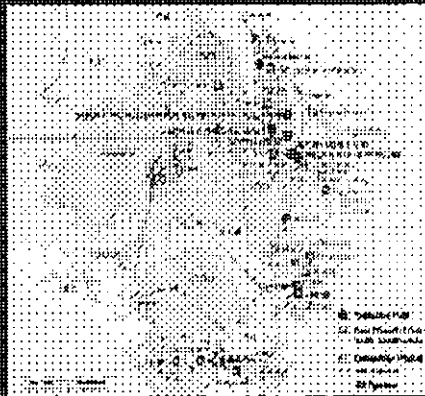
There are low barriers to entry for CSG

- Large acreage potential
- Close to markets
- Established infrastructure
 - Wabumbilla hub
 - Pipeline infrastructure
- Customers facilitate entry of new players
 - 20 direct buyers in Queensland source from 18 fields
- More than 20 start up and transitional companies are building the industry



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Coal Seam Gas in Eastern Queensland

Queensland Gas has the potential to supply more than 15 years of Eastern Australia demand.

Eastern Queensland Reserves*

Dec 2005 - PJ	1P	2P	3P
Conventional	68	281	663
CSG	825	3,673	11,730
Total Reserves	893	4,074	12,493

* BML 2006

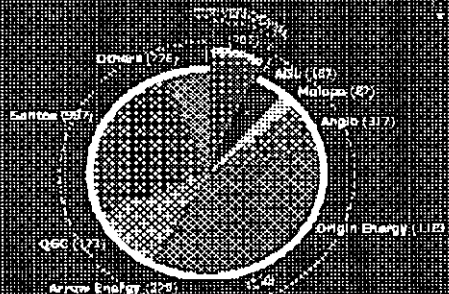
and multiple operators are already developing this potential

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Queensland CSG has the potential to supply more than 15 years of Eastern Australia demand...

Eastern Queensland Reserves*			
Dec 2005 - PJ	1P	2P	3P
Conventions	66	28	688
C&S	925	1,793	11,750
Total Reserves	991	4,074	12,438

TRAILER

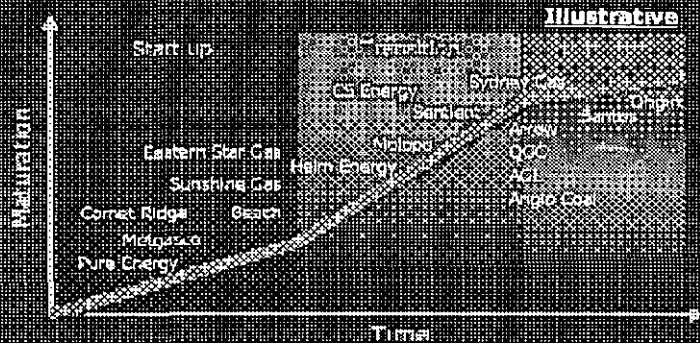


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CSG Business Development

CSG businesses and assets move from 'start-up' to 'maturity' during their life cycle...



...and the CSG industry has a full portfolio of players progressing through the cycle

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Gas Prices and Costs

Lowest gas prices in the OECD...

International Industrial Gas Prices



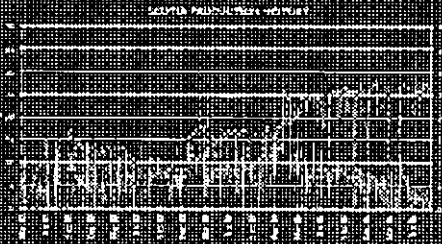
highlight the need to be low cost

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Santos – Scotia Experience

Scotia was Santos' first CSG asset development

- 1996 – CSG exploration commences
- 2000 – Contract signed CS Energy
- 2002 – Production start-up May
- Currently 27 TJ/d, produced 27 BCF
- 24 producing wells

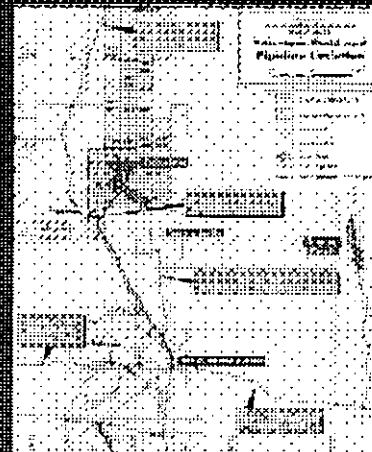


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Santos – Fairview experience

Fairview has been a good fit

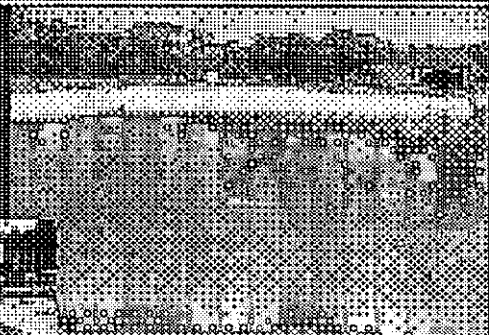
- Near existing conventional and CSG activity
- Close to infrastructure and markets
- Low cost producer
- Completed 'start up' successfully
 - commenced production in 1994
 - 65 producing wells
 - currently 46 TJ/d
 - production 60 BCF to date
- High production potential



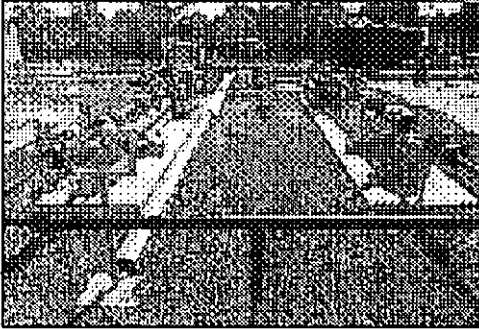
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Santos - Environmental Initiative

- Fairview water injection
- Up to 8,000 bbl/d
- Only CSG water injection in Australia



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Santos – Leveraging technical expertise

Santos was able to build on the start up base production...

45% raw gas
67% sales gas
increase post
acquisition

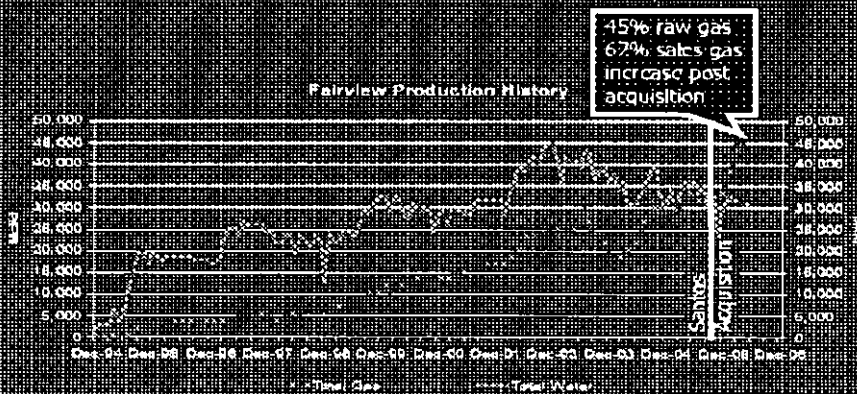
Fairview Production History

Date	Total Gas (MMBbl/d)	Total Water (MMbbl/d)
Dec-94	~5,000	~5,000
Dec-95	~15,000	~15,000
Dec-96	~20,000	~20,000
Dec-97	~25,000	~25,000
Dec-98	~28,000	~28,000
Dec-99	~30,000	~30,000
Dec-00	~32,000	~32,000
Dec-01	~35,000	~35,000
Dec-02	~38,000	~38,000
Dec-03	~40,000	~40,000
Dec-04	~45,000	~45,000
Dec-05	~48,000	~48,000
Dec-06	~50,000	~50,000

to achieve new gas production highs, while decreasing water production

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Sanlos was able to build on the start-up base production.

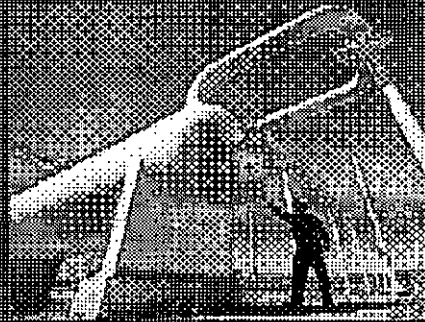


to achieve new gas production highs, while decreasing water production.

Santos – Fairview next phase

Plans are advanced to complete the next phase...

- Increase capacity to 70 TJ/d
 - Additional compressor site expansion to be commissioned
 - Plant capacity to 70 TJ/d
 - New pipeline connecting the field to Wallumbilla gas hub
- Implemented continuous drilling program
- Further compression upgrade planned



...to increase production a further 40%

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