

Santos' summary of new proposal in relation to QGC
7 February 2007
Reserves Summary Position

	Current QGC with AGL Proposal ⁽¹⁾				New QGC ⁽²⁾				Balance of QGC – Santos ⁽³⁾			
	1P	2P	3P	OGIP	1P	2P	3P	OGIP	1P	2P	3P	OGIP
Total (PJ)	228	695 (755)	2,556	17,801	0	5 (60)	100	9,364	228	690	2,456	8,437
Contract volumes (PJ)	1,138	1,138	1,138	1,138	100	100	100	100	369	369	369	369
% Contract	500%	164% (151%)	45%	6%	n/a	2000% (167%)	100%	1%	160%	53%	15%	4%
Notes	% Contracted is based on total contracts of 1,138 PJ, viz: <ul style="list-style-type: none"> • Incitec Pivot 44 PJ (QGC share); • Condamine 180 PJ; • CS Energy 90 PJ; • Braemar 54.7 PJ (incl tranches I,II,III); • AGL 769 PJ (incl 29 PJ gas development) Principal focus of capital on Undulla Nose				1) New QGC has a put option to Santos, or an ability to supply other customers of up to 100 PJ from 648P. 2) As part of QGC's 1000 PJ reserve upgrade plan, it is likely to result in a substantial reserve upgrade to 648P, if this target is achieved. Substantial capital spend and funding available for non-Undulla Nose				% Contracted is based on total contracts of 369 PJ, viz: <ul style="list-style-type: none"> • Incitec Pivot 44 PJ (QGC share); • Condamine 180 PJ; • CS Energy 90PJ; • Braemar 54.7 PJ (incl tranches I,II,III) Focus on implementation of Undulla Nose development and exploitation programs			

Source: QGC public data; Santos estimates for allocations to New QGC and Balance.

General Notes:

- a. Reserves figures do not include Sentient reserves
- b. Contract volumes include firm contracts and options for gas supply
- c. OGIP = Original Gas in Place
- d. 2P brackets in Current QGC and New QGC indicate 2P reserves after estimated imminent reserves upgrade

Comments:

- 1. Current QGC has supply commitments for 1P, 2P and part of 3P reserves, which means it has limited ability to contract additional gas into the market place without reserves upgrades**
- 2. New QGC focuses primarily on non-Undulla Nose and exploitation of the 9,364 PJ of OGIP**
- 3. Balance of QGC/Santos utilises capital and operational backing to meet existing QGC contracts and to contract balance of 2P and other uncontracted reserves**