

HIGHLIGHTS

Record production

75.5 mmboe

↑ 28%

Record free cash flow

\$1,138m

↑ 13%

Record sales revenue

\$4,033m

↑ 10%

Dividends (cents per share)

Fully-franked

US11c



Darwin LNG, Wickham Point, Northern Territory

OUR PURPOSE

Our Purpose is to provide sustainable returns for our shareholders by supplying reliable, affordable and cleaner energy to improve the lives of people in Australia and Asia.

OUR VISION 2025

Our Vision is to be Australia's leading natural gas company by 2025.

To deliver our Vision we will aspire to:

- + reduce emissions and improve air quality across Asia and Australia by displacing coal with natural gas and supporting the economic development of combined gas and renewable energy solutions
- + be the leading national supplier of domestic gas in Australia
- + be a leading regional LNG supplier by increasing LNG sales to our Asian customers to over 4.5 million tonnes per annum
- + be recognised as the safest and lowest cost onshore gas developer in Australia
- + become the market leader in running the safest and lowest-cost facilities and infrastructure operations
- + contribute positively to the communities in which we operate by providing jobs, energy supply and local partnerships
- + develop our people and culture to deliver our vision.

ConocoPhillips acquisition

“Santos’ low-cost Operating Model continues to create opportunities for disciplined growth around our five core long-life asset hubs”

Kevin Gallagher, Managing Director and CEO

On 14 October 2019, Santos announced the acquisition of ConocoPhillips’ interests in the Darwin LNG plant, the offshore Bayu-Undan gas and condensate processing facility and associated fields, as well as ConocoPhillips’ share of the Barossa acreage in the Bonaparte Basin and Poseidon acreage in the Browse Basin.

The acquisition of ConocoPhillips’ northern Australia and Timor-Leste portfolio is fully aligned with Santos’ growth strategy to build on existing infrastructure positions around the company’s core assets. As an existing joint-venture partner in Darwin LNG, Bayu-Undan and the Barossa acreage, Santos knows these

assets well. The acquisition of ConocoPhillips’ interests delivers operatorship of these assets to Santos and therefore greater control over their operations and future development.

The acquisition is value accretive and provides shareholders:

- + operatorship of a strategic LNG hub with approvals in place for expansion to 10 mtpa from 3.7 mtpa capacity currently
- + opportunities to create value through strategic partnerships to bring discovered resources to market, leveraging Santos’ strong operating capabilities, and

- + exposure to strategically located, high-quality, low-cost production and development assets, with growth potential underpinned by robust long-term Asian LNG demand.

The acquisition also advances and supports the Barossa project to supply backfill gas to Darwin LNG following the end of Bayu-Undan’s field life. The Barossa field is expected to extend the operating life of Darwin LNG by more than 20 years.

In line with our vision to be Australia’s leading domestic gas supplier, we will also be pursuing domestic gas opportunities in the Northern Territory from our broader northern Australia gas portfolio where we have significant resource potential both onshore and offshore.

The acquisition is on-track to complete around the end of the first quarter of 2020 and is subject to third-party consents and regulatory approvals.



Bayu-Undan, Timor-Leste

4/5

Core long-life asset hubs operated by Santos

Welcome to the Shareholder Review 2019

Message from the Chairman and Managing Director & Chief Executive Officer



Dear Shareholder,

In 2016 Santos unveiled a new corporate strategy to Transform, Build and Grow the business to restore and drive shareholder value.

Over the past four years, the successful implementation of this strategy has resulted in a simplified and high-graded portfolio of five core long-life asset hubs. Non-core assets have been sold and value accretive acquisitions have delivered operatorship of low-cost, strategic domestic gas assets and LNG infrastructure.

Our disciplined Operating Model and focus on safe, low-cost, efficient operations has underpinned our competitive advantage and provided the framework for the continued generation of strong and stable cash flows. Dividends have been reinstated and our strengthened balance sheet remains supportive of our disciplined growth strategy.

In 2019, the ongoing successful execution of the Transform, Build and Grow strategy delivered:

- + Record free cash flow of \$1,138 million
- + Record sales volumes of 94.5 mmbob
- + Record production volumes 75.5 mmbob
- + Underlying net profit after tax of \$719 million, and
- + Dividends of US11 cents per share, fully franked, which includes the final 2019 dividend of US5 cents per share

Our portfolio of assets are now geographically diverse and balanced between onshore and offshore operations, between natural gas and liquids and our sales volumes between oil price-linked and CPI-linked contracts. Not only are we a leading national supplier of domestic gas across both the east and west coast markets here in Australia, but our LNG projects are benefiting from rapid urbanisation and the switch from coal to natural gas as Asian countries seek to reduce air pollution and lower greenhouse gas emissions.

Our disciplined Operating Model continues to ensure that the whole Company remains focused on continuous improvement. With each of our five core long-life asset hubs required to generate free cash flow at an oil price of less than US\$40 per barrel, we are constantly looking at ways to challenge the status quo to drive efficiencies and deliver greater shareholder value. In 2019, our relentless focus on safe, low-cost, efficient operations resulted in a free cash flow breakeven oil price of US\$29 per barrel, before hedging.

The successful implementation of our disciplined Operating Model enables Santos to continue to fund the Transform, Build and Grow strategy in a lower oil price environment and importantly, benefit from significant cash generation in a higher oil price environment. Free cash flow generation is critical to the continued success of our business as these proceeds are used to pay sustainable dividends, reduce debt, replace reserves and resources, and fund major growth projects.

Our acquisition of ConocoPhillips' northern Australia assets, coming just 12 months after we bought Quadrant Energy in Western Australia, is testament to the strength of the Company and the hard work of our people to turn the business around and drive shareholder value. The value accretive acquisition is fully aligned with our growth strategy to build on existing infrastructure positions and delivers operatorship and control of strategic LNG infrastructure at Darwin.

OPERATING PERFORMANCE

Our focus on safe, low-cost, efficient operations continued to drive strong results across each of our five core long-life asset hubs in 2019.

Western Australia

The successful integration of Quadrant Energy into the Santos business over the course of 2019 transformed the scale of our operations in Western Australia and also significantly strengthened our offshore operating expertise and capabilities.

As a result of the acquisition and strong operating performance, sales volumes increased 134% to 30.4 mmbob and production volumes 147% to 30.9 mmbob.

A successful appraisal program in the shallow, shelf-waters of the Bedout and Carnarvon Basins confirmed larger than anticipated resource volumes and significantly de-risked future development options.

The Dorado appraisal program resulted in a significant resource upgrade and proved the Bedout Basin, where Santos has a controlling position, to be a world class liquids-rich petroleum system with high quality reservoirs. Development options for the Dorado discovery are currently being worked through and are expected to result in an initial oil and condensate development followed by a future gas phase development. Front End Engineering and Design (FEED) for the project is targeted to commence in the second quarter of 2020.

Building on our exploration and appraisal success in the Bedout Basin, in September we were pleased to be awarded new acreage on-trend with the Dorado discovery in a joint venture with BP. We are excited at the opportunity to increase our exposure to this highly prospective region, leveraging our shallow water offshore operating expertise to build on the success of our 2019 drilling campaign.

In the Carnarvon Basin, the drilling of the Corvus-2 gas appraisal well confirmed one of the largest columns ever discovered across the North West Shelf. With 100% ownership of two gas plants in the region, near-term development opportunities are consistent with our brownfield growth strategy to build on existing infrastructure positions.

Western Australia is now Santos' largest asset hub where our high-margin, conventional, natural gas assets are backed by medium- to long-term CPI-linked contracts and our heavy sweet crude oil is commanding a significant premium to the Brent oil price due to the high demand for viscous, low sulfur crude on the back of cleaner global ship-fuel standards.

Cooper Basin

In the Cooper Basin our low-cost disciplined Operating Model continues to underpin our capital allocation decisions supporting more efficient outcomes. In 2019, drilling activity increased 35% to 115 wells and production grew for the second consecutive year to 15.8 mmbob.

Advances in drilling technology drove development costs down further and contributed to enhanced reservoir deliverability. Project cycle times were again a focus with the fastest ever total well execution recorded of 4 days, rig release to rig release.

The opportunity sets within the Basin continue to grow now that we have significantly reduced the cost base of the asset. The appraisal of Moomba South was the first of several large-scale project appraisal programs focused on resource conversion. In 2019 our drilling activity combined with the successful appraisal program at Moomba South delivered a 183% 2P reserves replacement. This is the first time since 2012 that the Cooper has more than replaced its annual production.

With current resources of approximately 300 million barrels of oil equivalent, the Cooper Basin will remain a high-value swing producer supportive of east coast gas markets as well as the strong Asian demand for LNG for decades to come.

Queensland & NSW

In Queensland a record 393 wells were drilled across the GLNG acreage, a 29% increase on 2018. Well cost discipline was maintained despite the higher level of activity as we continued to maximise value from our regional expertise and low cost Operating Model.

Upstream gas production continued to build throughout the year and in October, GLNG achieved its targeted sales run-rate of 6 mtpa. With the right rigs in place, experienced crews and high volume, repeatable drilling program in motion, we are confident that upstream field performance will continue to improve and underpin our new sales run-rate target of ~6.2 mtpa from 2020.

In New South Wales, we remain focused on securing approval for the Narrabri Gas Project. Manufacturers on the east coast are calling for more gas supply and more competition will put downward pressure on gas prices. We have committed 100 percent of Narrabri gas to the domestic market, enough to supply up to half of NSW's needs and help support about 300,000 jobs in NSW that rely on natural gas. Santos is awaiting a decision on its Environmental Impact Assessment submission which is expected in the first-half of 2020.

Northern Australia & Timor-Leste

In Northern Australia & Timor-Leste, Darwin LNG continued its strong operating performance in 2019, producing 2.9 million tonnes of LNG.

On 14 October, we announced the value accretive acquisition of ConocoPhillips' northern Australia business, delivering shareholders operating interests in long-life, low-cost natural gas assets and strategic LNG infrastructure.

The acquisition is supportive of a Final Investment Decision (FID) on the low risk, brownfield Barossa project to supply backfill gas to Darwin LNG. The Barossa project is expected to extend the operating life of Darwin LNG by more than 20 years and more than double Santos' production in Northern Australia & Timor-Leste.

The Bayu-Undan field is expected to come to the end of its field life in late 2022 with life extension works planned at Darwin LNG plant prior to backfill production coming on line in late 2024. In light of this, Santos is also working with our joint venture partners to evaluate infill drilling opportunities to extend the life of the Bayu-Undan reservoirs.

Onshore, following the successful stimulation of the Tanumbirni-1 well in the McArthur Basin and the approval of environmental plans by the Northern Territory government, we now expect to drill two appraisal wells in 2020 following the wet season. The McArthur Basin has significant gas resources and has the potential to provide feed gas to support future backfill and/or expansion opportunities through Darwin LNG.

PNG

PNG LNG continues to be a well-run, high-performing asset in our portfolio, delivering 8.5 million tonnes of LNG in 2019, up 15% following the severe earthquake that impacted the Southern Highland and Hela Provinces in 2018.

Santos' acreage position in PNG is supportive of our long-term commitment to the region as we look to work with our joint-venture partners and the PNG Government to continue to align interests to support and participate in opportunities through the PNG LNG project.

RESILIENCE AND OPPORTUNITIES IN A LOWER CARBON FUTURE

Natural gas today remains a crucial part of the energy mix if we are to solve the twin challenges of reducing carbon emissions while meeting the growing demand for secure and reliable power generation.

Santos is committed to a lower-carbon future and our Climate Change Policy guides the Company's activities to reduce carbon emissions as it produces the reliable, affordable and cleaner energy required to meet domestic and global demand. Through the commitments made in our Climate Change Policy, Santos is striving to contribute to the global aspiration to limit temperature rise to less than 2 degrees Celsius.

We have set medium-term targets that align to these objectives and have set a pathway to achieving our long-term aspiration of net-zero emissions by 2050.

The transition to a lower-carbon future also creates opportunities for Santos with natural gas expected to account for a quarter of total global energy demand by 2040 in all IEA (International Energy Agency) World Energy Outlook 2018 scenarios.

In 2016 Santos set up an Energy Solutions business to build resilience and identify and create opportunities for a lower carbon future. Since then, more than 100,000 tonnes of annual CO₂ emissions reduction have been delivered with many more opportunities identified.

In 2019 we made significant investments to deploy renewable energy and recover waste heat across our operations, as well as test for large scale commercial carbon capture and storage (CCS) in the Cooper Basin, which has the potential to store 20 million tonnes of carbon dioxide per year.

Australia could be a world leader in CCS and create an exciting new industry supporting hydrogen production and ensuring the sustainability of existing industries including oil and gas, steel, coal, cement and chemicals.

Australia has a competitive advantage in CCS, built on the availability of vast, high quality storage reservoirs; the skills, technology, expertise and infrastructure of the oil and gas industry; and a strong reputation for environmental regulation and carbon measurement and accounting integrity.

We think CCS is an exciting opportunity for Santos and in the future, for our customers as well.

To learn more about the Company's resilience as well as the opportunities in a lower carbon future, we would encourage you to read our third Climate Change Report, available on our website at www.santos.com

LOOKING AHEAD

It has been 50 years since the very first molecule of natural gas from our Moomba processing plant in the Cooper Basin arrived in suburban Blair Athol, less than 10 kilometres from the Adelaide CBD. As an Australian energy pioneer, we are proud that from these humble beginnings, our Company has now grown into a leading supplier of secure and reliable energy for homes and industry across the nation and LNG into Asia.

As we look to build on our recent success, it was pleasing to see our 2020 Graduate, Apprenticeship and Traineeship programs attract exceptional talent and for Santos to increasingly be considered an employer of choice.

Female representation was strong across all the programs accounting for 60% of our Apprenticeship intake and 50% of our Traineeship intake. Of the Graduate program, 45% of the intake were female, the highest proportion since the program was launched.

In order to continue to attract and retain talent within the organisation and support employees to better balance work and family life, in 2019 Santos increased its paid parental leave and introduced a child care subsidy. This initiative builds on Santos' leadership in this area, having introduced paid maternity leave over a decade ago, and being the first, and still one of only a few companies in the resources sector to offer 'superannuation top-ups' for periods of unpaid maternity leave.

In 2020 we will continue to execute our clear and consistent strategy to Transform, Build and Grow the business to deliver a safe, low-cost, reliable and high performance business.

- + In Northern Australia & Timor-Leste we will look to complete the ConocoPhillips acquisition and take a Final Investment Decision (FID) on the Barossa project to supply backfill gas to Darwin LNG.
- + In Western Australia we are targeting Front End Engineering and Design (FEED) on our Dorado oil and condensate development to bring these resources to market.
- + In Papua New Guinea we continue to work with our joint-venture partners and the PNG Government to safely commercialise the country's gas resources and provide support to local communities across a wide range of economic and social programs.
- + In Queensland & New South Wales we are targeting sales of ~6.2 mtpa at GLNG and expect a determination for the Narrabri Gas Project from the NSW Department of Planning ahead of a decision by the Independent Planning Commission.
- + In the Cooper Basin, in addition to our focus on improved capital efficiency to unlock additional resources, we are seeking to advance our carbon capture and storage project to offset emissions and generate new sources of revenue.

In summary, our clear and consistent strategy to focus on low-cost, long life assets utilising our existing infrastructure positions to generate sustainable free cash flow through the oil price cycle continues to deliver strong shareholder returns. Our balance sheet is positioned to deliver these growth opportunities in our portfolio. Record financial performance, good cost control, resource growth and the successful integration of Quadrant Energy highlight a business that has transformed and is positioned for further success.

Santos remains committed to our stated purpose which is to provide sustainable returns for our shareholders by supplying reliable, affordable and cleaner energy to improve the lives of people in Australia and Asia.

On behalf of the Board, we would like to thank you, our shareholders, for your continued support. We remain committed to driving shareholder value as we target production of 120 mmbob by 2025.

Yours sincerely,

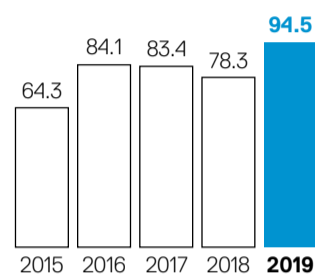

KEITH SPENCE
Chairman


KEVIN GALLAGHER
Managing Director and
Chief Executive Officer

Financial overview

SALES VOLUME

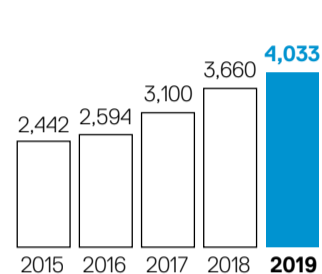
mmboe



94.5

SALES REVENUE

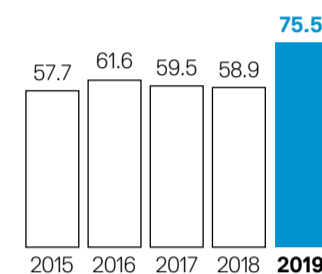
US\$million



4,033

PRODUCTION

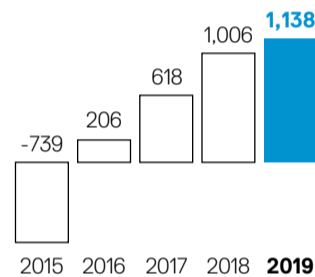
mmboe



75.5

FREE CASH FLOW

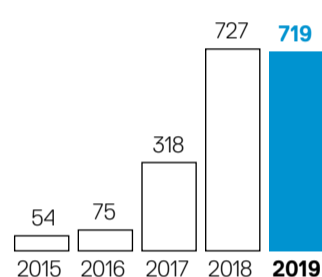
US\$million



1,138

UNDERLYING NET PROFIT AFTER TAX

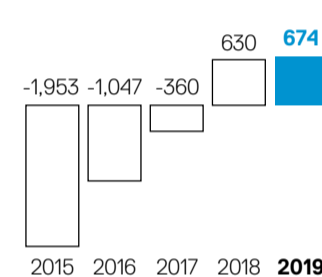
US\$million



719

NET PROFIT AFTER TAX

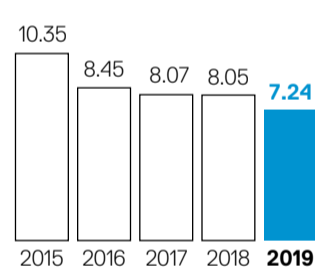
US\$million



674

UNIT PRODUCTION COSTS

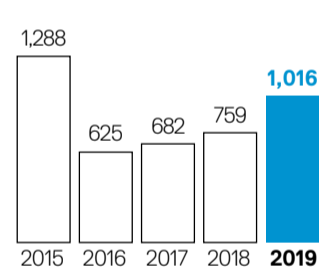
US\$ per boe



7.24

CAPITAL EXPENDITURE

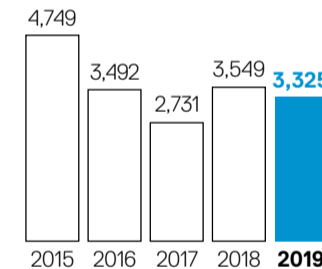
US\$million



1,016

NET DEBT

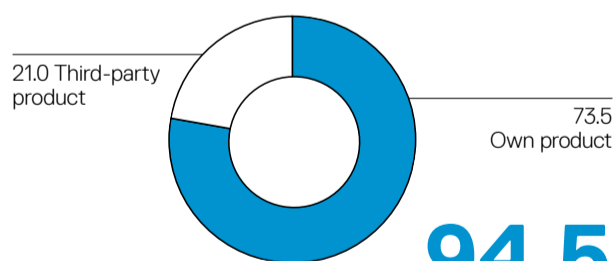
US\$million



3,325

2019 SALES VOLUMES

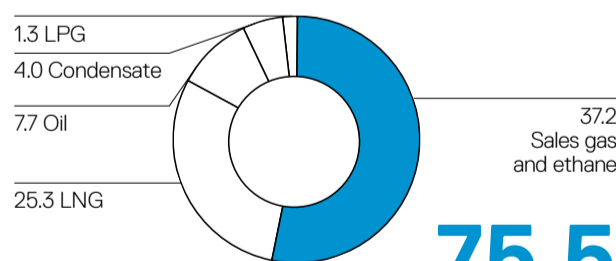
mmboe



94.5

2019 PRODUCTION

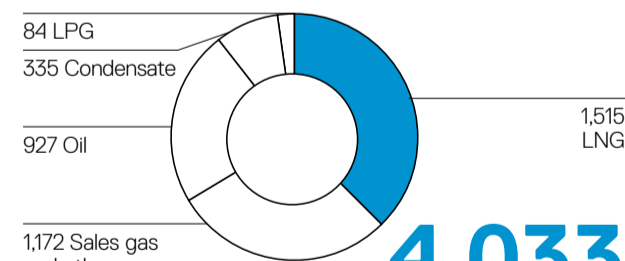
mmboe



75.5

2019 SALES REVENUE

US\$million



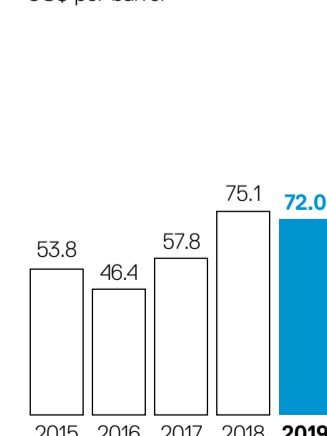
4,033

2019 RESULTS

		2015	2016	2017	2018	2019
Sales volume	mmboe	64.3	84.1	83.4	78.3	94.5
Production	mmboe	57.7	61.6	59.5	58.9	75.5
Average realised oil price	US\$ per barrel	53.8	46.4	57.8	75.1	72.0
Net profit after tax	US\$million	-1,953	-1,047	-360	630	674
Underlying net profit after tax	US\$million	54	75	318	727	719
Sales revenue	US\$million	2,442	2,594	3,100	3,660	4,033
Operating cash flow	US\$million	811	840	1,248	1,578	2,046
Free cash flow	US\$million	-739	206	618	1,006	1,138
EBITDAX	US\$million	1,454	1,199	1,428	2,160	2,457
Total assets	US\$million	15,949	15,262	13,706	16,811	16,509
Earnings per share	US cents	-169.5	-58.2	-17.3	30.2	32.4
Dividends declared	A20cps	-	-	-	US9.7cps	US11cps
Number of employees		2,946	2,366	2,080	2,190	2,178

AVERAGE REALISED OIL PRICE

US\$ per barrel



72.0

Strengthening our capabilities in 2019

22 JAN

First oil from the Van Gogh inflow project in the Exmouth Basin, offshore Western Australia, marked the completion of a two-well program to increase production from the field.



21 FEB



Santos releases its second *Climate Change Report*, setting medium-term (2025) targets that look to reduce emissions from our operated activities and work on step-change technologies that have the potential to provide significant carbon offset opportunities.

27 FEB

Non-binding agreement signed with Perdaman for the supply of 14.5 PJ of gas over 20 years to a proposed new ammonium nitrate fertiliser plant near Narrabri (subject to a final investment decision on the Narrabri Gas Project).

9 APR

Moomba South phase 1 appraisal program successfully completed resulting in seven new producing wells and the identification of two new plays with significant resource potential. The Moomba South appraisal program is the first of several large-scale project appraisal phases in the Cooper Basin focused on contingent resource maturation.

16 MAY

Binding letter of intent signed to acquire a 14.3% interest (pre-government back-in) of Petroleum Retention Licence 3 (PRL 3) which contains the P'nyang natural gas field in Papua New Guinea – an important milestone toward the expansion of the PNG LNG plant.

9 MAY

Memoranda of understanding signed with Brickworks and Weston Energy for the supply of natural gas from the Narrabri Gas Project. Santos has committed 100 percent of Narrabri gas to the domestic market, enough to supply up to half of NSW's needs and help support about 300,000 jobs in NSW that rely on natural gas.

9 MAY

Santos announced that the Barossa project had strengthened its position as the leading candidate to backfill Darwin LNG with the award of the Subsea Production System contract. The contract includes the engineering, design and fabrication of wellheads, manifolds and control system as well as installation and commissioning assistance.

16 APR



The successful appraisal of the Corvus field announced with the Corvus-2 well confirming a significant gas resource in the Carnarvon Basin, offshore Western Australia.

The well is one of the largest columns ever discovered across the North West Shelf and could be tied back to either our Devil Creek or Varanus Island gas plants, where it has the potential to increase the utilisation of our existing facilities as well as provide backfill and extend plateau well into the 2030s.

29 MAY

Darwin LNG battery project announced to reduce power generation carbon emissions by 20%. The project is a world first for an LNG plant, and involves the integration of battery technology with existing power generation turbines so they run more efficiently. This will not only result in a significant cut in carbon emissions, but also a reduction in costs by saving on fuel use and maintenance.

↓20%

Darwin LNG battery project announced to reduce power generation carbon emissions by 20%.

6 JUN

The Dorado-2 appraisal well confirms a major oil and gas resource in the Bedout Basin, offshore Western Australia. The value of the discovery is greatly enhanced by the high-quality reservoirs and fluids and the shallow-water setting, which should facilitate a cost-competitive development.

19 JUN

2.12 MW solar photovoltaic system installed at the Port Bonython processing plant to reduce carbon emissions and free up more gas for the domestic market.



Port Bonython is on the western shore of the Spencer Gulf in South Australia, and processes natural gas liquids and crude oil piped from the Moomba plant for export.

24 JUL

Santos receives approval in the Northern Territory for the first Environmental Management Plan (EMP) to be awarded for onshore shale gas exploration in the McArthur Basin where investment will provide local communities with desperately needed jobs and small business opportunities.

8 OCT

Initial flow test from the Dorado-3 appraisal well, offshore Western Australia, confirmed the main oil pool in the field is capable of producing flow rates at the higher end of expectations. The positive result represented a significant step in progressing Dorado as one of Santos' most exciting new development projects.



27 SEP

New acreage awarded on-trend with the Dorado discovery in a joint venture with BP. The acreage is adjacent to the Dorado discovery, a now proven world-class, liquids-rich petroleum system with high-quality reservoirs offshore Western Australia.

19 SEP

Construction and commissioning of GLNG's Roma East natural gas compression facility completed and handed over to the operations team. When completed, it is expected that the Roma East project will deliver around 50 PJ of additional gas production each year.

30 AUG

Santos signs agreements supporting the transition to permanent maritime boundaries between Australia and Timor-Leste and a continued stable framework for petroleum activities in the Timor Sea. Santos' Bayu-Undan upstream facilities and acreage now fall entirely within Timor-Leste's jurisdiction.

22 AUG

Santos reports a record half-year underlying profit of \$411 million and a fully-franked dividend of US6.0 cents per share, demonstrating the strength of our cash-generative operating model and the successful integration of the Quadrant Energy acquisition.



11 OCT

Sponsorship of Queensland Rugby Union (QRU) announced, building on our long association with the game in rural and regional Australia. QRU's initiatives are aligned with our community investment objectives, promoting healthy living through sport, alleviating social isolation and supporting regional and Indigenous communities through education and engagement programs.

14 OCT

Acquisition of ConocoPhillips' northern Australia and Timor-Leste business announced for \$1.39 billion plus a \$75 million contingent payment subject to a positive Final Investment Decision on the tieback of the Barossa field to Darwin LNG.



The acquisition is value accretive and delivers operating interests in long-life, low-cost natural gas assets and strategic LNG infrastructure with significant growth potential.

23 OCT

Santos donates \$160,000 to help drought-affected communities; \$80,000 to the Queensland Country Women's Association and \$40,000 each to the Narrabri "Why Leave Town" gift card scheme and \$40,000 to the Narrabri Rotary Club "Neighbours in Need" social isolation and mental health program.

30 OCT

The Barossa project took another step towards a final investment decision being made with the awarding of the contract for the Floating, Production, Storage and Offloading (FPSO) facility. The FPSO will be located in the Barossa field, 300 kilometres north of Darwin, and export gas to Darwin LNG via a new 260-kilometre pipeline tied-in to the existing Bayu-Undan to Darwin pipeline. The FPSO will also store condensate for periodic offloading to tankers.

3 DEC

Santos lifts its 2025 production target to 120 mmbbl, up from 100 mmbbl set in 2018. The expected increase in production is a result of a higher interest in the Barossa project post the acquisition of ConocoPhillips' share of the asset and the successful Dorado oil flow tests offshore Western Australia in the Bedout Basin.

6 DEC

Santos signs on to support Australian Women's Rugby, backing both the Sevens team and the Wallaroos for the next three years, supporting the hard work both teams are putting in on the world stage.



10 NOV

Santos celebrates 50 years of safely and sustainably delivering natural gas from the Moomba processing plant in the Cooper Basin, with the very first molecule of gas arriving in Adelaide via the 800 km pipeline in 1969.

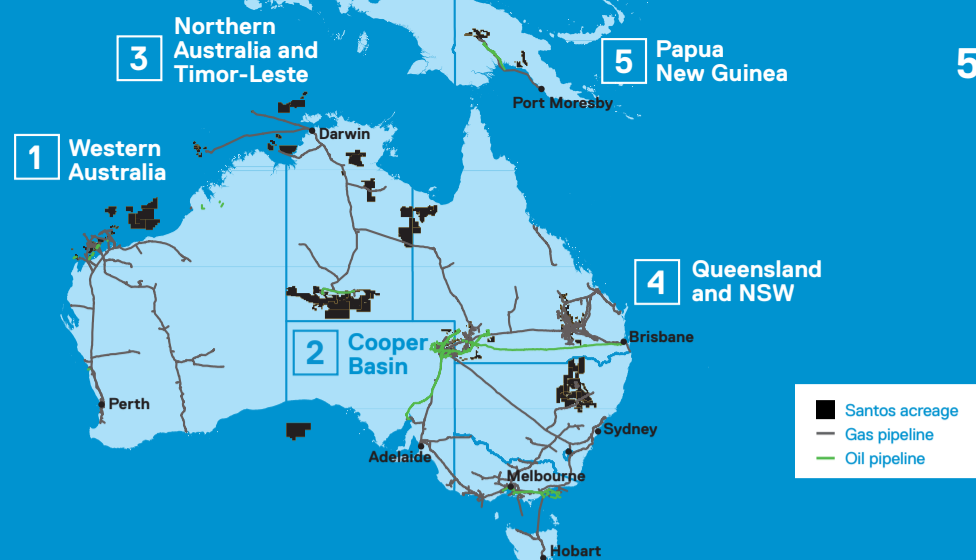


30 OCT

The GLNG joint venture is announced as the preferred tenderer for two new exploration blocks in Queensland's Surat Basin. Opening up new sources of supply for GLNG means more Santos gas can flow to southern markets, and more supply is the best way to bring down prices for all our customers.

Our asset performance

Five core long-life asset hubs



1 Western Australia

In Western Australia, Santos is one of the largest domestic suppliers of natural gas, supplying 140 petajoules in 2019, equivalent to more than 35% of total demand. Santos is also a significant producer of oil and natural gas liquids and has an enviable portfolio of near-field development and exploration assets.

The acquisition of Quadrant Energy in 2018 resulted in a step-change to the scale of our operations and together with a strong operating performance, resulted in a 147% increase in production volumes to 30.9 mmbob and a 134% increase in sales volumes to 30.4 mmbob.

The successful offshore appraisal program in 2019 confirmed the Dorado project in the Bedout Basin to be one of Santos' most exciting new development projects with a potential initial gross production rate capacity of between 75,000 and 100,000 barrels of oil a day. The value of this discovery is greatly enhanced by the high-quality reservoirs and fluids as well as the shallow-water setting, which should facilitate a cost-competitive development. As operator with an 80% interest in the project, we are working toward the Front End Engineering and Design (FEED) phase in the second quarter of 2020.

ASSET KPIs	2019	2018
Production (mmbob)	30.9	12.5
Sales volume (mmbob)	30.4	13.0
Revenue (\$m)	955	422
Production cost (\$/bob)	7.30	8.68
EBITDAX (\$m)	684	283
Capex (\$m)	270	93



2 Cooper Basin

The Cooper Basin produces natural gas, gas liquids and crude oil. Gas is sold primarily to domestic retailers, industry and for the production of LNG, while gas liquids and crude oil are sold to domestic and export markets.

In 2019 our safe, low-cost, efficient operations unlocked additional resources and led to a 183% 2P reserves replacement – the first time since 2012 that the Cooper Basin has more than replaced its annual production. Sales and production volumes were also higher on the back of a drilling program that delivered 115 wells, 30 more than in 2018.

Our drive to execute more activity within the confines of our disciplined Operating Model has not only led to advances in drilling technology but also greater efficiencies, including the fastest-ever well execution, rig release to rig release, of 4 days.

In 2020 we plan to drill 6 horizontal wells with the goal to continue to drive down development costs and unlock contingent gas resources previously thought of as being uneconomic.

ASSET KPIs	2019	2018
Production (mmbob)	15.8	15.5
Sales volume (mmbob)	23.2	21.6
Revenue (\$m)	1,164	1,146
Production cost (\$/bob)	7.77	8.17
EBITDAX (\$m)	529	518
Capex (\$m)	308	245



3 Northern Australia and Timor-Leste

In Northern Australia & Timor-Leste, Santos' operations are focused on the production of gas liquids and LNG for export from the Bayu-Undan and Darwin LNG facilities.

Production and sales volumes from Bayu-Undan and Darwin LNG in 2019 were slightly lower than the prior year due to the timing of shipping schedules.

On 14 October 2019, Santos announced the acquisition of ConocoPhillips' operating interests in Bayu-Undan, Darwin LNG and the Barossa and Poseidon fields. The acquisition is fully-aligned with our growth strategy to

build on existing infrastructure positions around our core asset hubs and is expected to complete around the end of the first quarter of 2020.

The Barossa project is the lead candidate to backfill Darwin LNG and has continued to make excellent progress towards a Final Investment Decision (FID). The project is expected to extend the operating life of Darwin LNG by more than 20 years and more than double Santos' production out of our Northern Australia & Timor-Leste asset hub.

ASSET KPIs	2019	2018
Production (mmbob)	3.1	3.7
Sales volume (mmbob)	3.1	3.6
Revenue (\$m)	165	183
Production cost (\$/bob)	21.75	20.17
EBITDAX (\$m)	102	116
Capex (\$m)	50	66



4 Queensland and New South Wales

In Queensland, the GLNG plant produces liquefied natural gas for export to Asian markets. Feed gas is sourced from GLNG's upstream fields, Santos portfolio gas and third-party supplies. Gas is also sold into the domestic market.

In 2019, our focus on safe, low-cost, efficient operations resulted in a record 393 wells being drilled across our GLNG acreage, 88 more than in 2018. This increased activity, coupled with strong field performance, delivered our target 6 million tonnes per annum (mtpa)

annualised sales run-rate in October and underpinned a new, higher annualised target sales run-rate of 6.2 mtpa from 2020.

In New South Wales, we expect a determination with regard to the Environmental Impact Statement (EIS) approvals process in the first half of 2020 for our Narrabri gas project. Santos has earmarked 100% of Narrabri gas for the domestic market.

ASSET KPIs	2019	2018
Production (mmbob)	13.0	12.2
Sales volume (mmbob)	22.4	22.0
Revenue (\$m)	1,055	1,016
Production cost (\$/bob)	5.51	5.77
EBITDAX (\$m)	624	570
Capex (\$m)	260	244



5 Papua New Guinea

In Papua New Guinea, the PNG LNG project produces LNG for export to Asian markets as well as sales gas and gas liquids. Santos' acreage position in PNG is supportive of our long-term commitment to the region as we look to work with our partners to align interests to support and participate in backfill and expansion opportunities.

In 2019, LNG production increased 15% to 8.5 million tonnes and 111 cargoes were shipped on the back of a return to a strong operating performance following a severe earthquake in 2018.

ASSET KPIs	2019	2018
Production (mmbob)	12.8	11.2
Sales volume (mmbob)	12.1	10.8
Revenue (\$m)	663	630
Production cost (\$/bob)	6.23	6.23
EBITDAX (\$m)	540	506
Capex (\$m)	51	39

Community Carbon capture and storage

At Santos, we recognise that strong and enduring relationships with our stakeholders are fundamental to maintaining our social licence to operate. We aspire to partner with and be trusted by the communities in which we work so they can benefit from the development of natural gas resources.



COMMUNITY AND SOCIAL INITIATIVES

\$28m

Community initiatives and sponsorships totalling over \$28 million in the last five years

\$5m

Over \$5 million in 2019, towards community initiatives and sponsorships

140

Supporting over 140 community organisations



LOCAL EMPLOYMENT AND EDUCATION

235

In 2019, 235 people were employed in communities where we operate

800

Over 800 employment and training opportunities for Indigenous Australians in the last ten years



WORKING WITH LANDHOLDERS

21

21 Community Business Partners working with local landholders

2,000+

Over 2,000 active land access agreements in place across our operations

\$77m+

Over \$77 million in revenue to farmers in the past 5 years



The role of carbon capture and storage in a lower-carbon future

Carbon capture and storage (CCS) is already well established as a safe, large-scale, permanent abatement solution, where carbon dioxide is stored in sealed reservoirs deep underground so it cannot enter the atmosphere.

Eighteen projects larger than 0.4Mtpa are presently in operation worldwide storing a total of ~40Mtpa of CO₂¹, the equivalent of the annual emissions of seven million cars.

Australia has a natural competitive advantage to implement CCS, with known high-quality, stable geological storage basins and expertise gained through more than half a century of oil and gas production. Australia has estimated storage capacity enabling injection at a rate of 300 Mtpa, for at least 100 years.² This is equivalent to greater than half of Australia's current annual emissions.

With a proven, safe low-cost operational history and operating access to potential carbon storage reservoirs in the Cooper and Eromanga basins in South Australia and Queensland, Santos is well-placed to launch a pipeline of CCS projects that could not only reduce our own emissions but provide an important storage hub for other sources of carbon in Australia.

The Cooper and Eromanga basins have the potential for injection of over 20 Mtpa for more than 50 years³ and could store CO₂ in the same reservoirs that held natural gas in place for millions of years, providing safe, permanent storage of carbon.

Australia needs low-cost carbon abatement to maintain its position as a leading energy exporter and ensure international competitiveness in a lower-carbon future.

With scale and experience, the cost of CCS will decrease, creating the potential to deliver competitive, large-scale abatement for existing industries such as coal and coal-fired power generation, liquefied natural gas, cement, steel and manufacturing, and for new industries such as hydrogen.

Australia is well positioned to pursue CCS at scale, with proven geological storage sites, existing infrastructure, world-class technical expertise and regulatory regimes (environment protection, carbon accounting

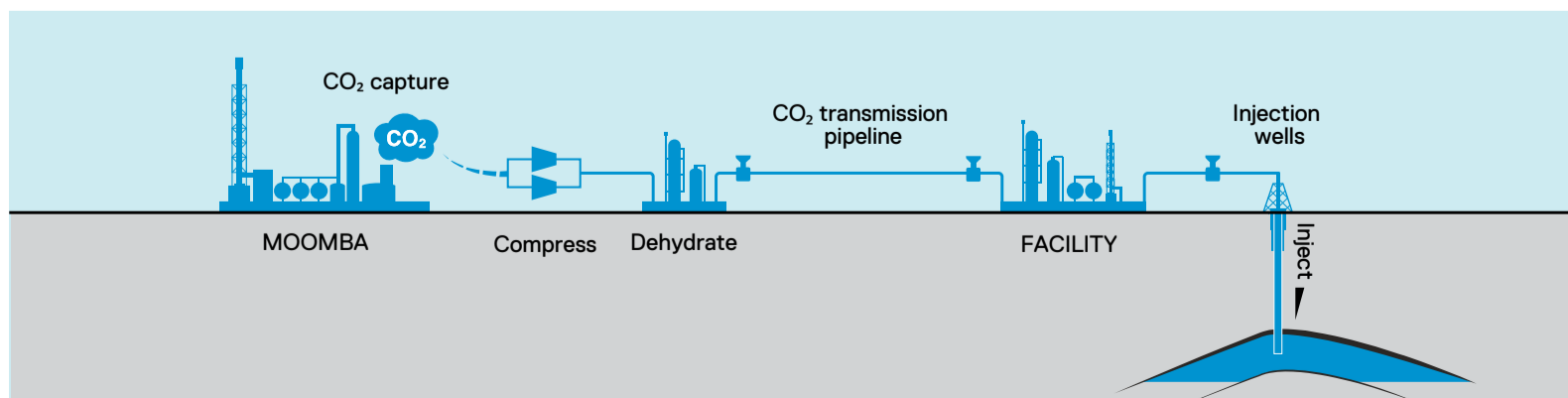
and reporting, financial services). However, to overcome current barriers to investment and establish CCS at scale, government policy in the form of tradeable credits, financing vehicles and investment incentives will be needed.

In 2019 Santos drilled two wells in the Cooper Basin to test the potential of underground geological formations for injecting, and safely and permanently storing CO₂. CO₂ injectivity tests are now planned for the coming year.

Initially, we plan to capture around 300,000 tonnes of CO₂ emissions from the Moomba Gas Plant. The CO₂ would be compressed, dehydrated (removing any water) and transported to a target field nearby for injection. Santos is collaborating with experts including Occidental Petroleum, which has world-leading operational expertise in CO₂ injection in the United States.

In 2020 we will complete the design phase and be ready to make a final investment decision, subject to the required Government policy being in place. CO₂ injection could commence from as early as 2022.

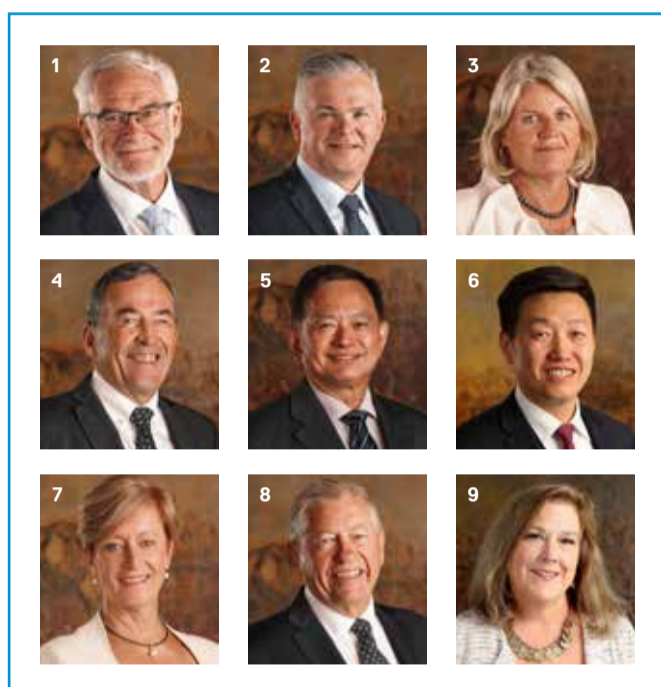
With the right policy settings and incentives to accelerate CCS deployment, the Cooper Basin could become a large-scale, commercial CCS hub capturing emissions and playing an important role to help Australia meet its Paris emission reduction targets.



1 Global CCS Institute, *The Global Status of CCS, 2018*
 2 Carbon Storage Taskforce, *National Carbon Mapping and Infrastructure Plan – Australia, 2009*
 3 Carbon Storage Taskforce, *National Carbon Mapping and Infrastructure Plan – Australia, 2009*

Board of Directors & Leadership Team

Board of Directors



1. KEITH SPENCE

Chairman

Mr Spence is an independent non-executive Director. He joined the Board on 1 January 2018 and became Chairman on 19 February 2018. He is Chairman of Santos Finance Ltd and Chair of the Nomination Committee.

Other Current Directorships: Chair of Base Resources Limited (since 2015); non-executive Director of Independence Group NL (since 2014) and Murray and Roberts Holdings Limited (since 2015).

Former Directorships in the last 3 years: Oil Search Limited (2012–2017).

2. KEVIN GALLAGHER

Managing Director and Chief Executive Officer

Mr Gallagher joined Santos as Managing Director and Chief Executive Officer on 1 February 2016, bringing more than 25 years' international experience in managing oil and gas operations. Mr Gallagher is a member of the Environment, Health, Safety and Sustainability Committee and is also a Director of Santos Finance Limited.

Mr Gallagher commenced his career as a drilling engineer with Mobil North Sea, before joining Woodside in Australia in 1998.

At Woodside, he led the drilling organisation through rapid growth, delivering several Australian and international development projects and exploration campaigns, before leading the Australian oil business. Then, as CEO of the North West Shelf Venture, he was responsible for production from Australia's first ever LNG project.

In 2011 Mr Gallagher joined Clough Limited as CEO and Managing Director where, over four years, he transformed the business and delivered record financial results.

Other Current Directorships: Chair of APPEA (since 2019).

Former Directorships in the last 3 years: Nil.

3. YASMIN ALLEN

Ms Allen is an independent non-executive Director. She joined the Board on 22 October 2014 and is the Chair of the People and Remuneration Committee and a member of the Audit and Risk Committee and Nomination Committee.

Other Current Directorships: Director of Cochlear Limited (since 2010), National Portrait Gallery (since 2013), The George Institute for Global Health (since 2014); ASX Limited and ASX Clearing and Settlement boards (since 2015); Chair of Advance (since 2018) and member of the Australian Government Takeovers Panel (since 2017).

Former Directorships in the last 3 years: Nil.

4. GUY COWAN

Mr Cowan is an independent non-executive Director. He joined the Board on 10 May 2016 and is the Chair of the Audit and Risk Committee and a Director of Santos Finance Limited.

Other Current Directorships: Chair of Queensland Sugar Limited (since 2015) and Buderim Ginger Ltd (since 2018), Director of Winson Group Pty Ltd (since 2014).

Former Directorships in the last 3 years: Director of UGL Limited (2008 to 2017).

5. HOCK GOH

Mr Goh is an independent non-executive Director. He joined the Board on 22 October 2012 and is a member of the Environment, Health, Safety and Sustainability Committee, Audit and Risk Committee and Nomination Committee.

Other Current Directorships: Non-executive Director of Stora Enso Oyj (Finland) (since 2012), AB SKF (Sweden) (since 2014) and Vesuvius PLC (UK) (since 2015).

Former Directorships in the last 3 years: Chair of MEC Resources (2005 to 2018) and Director of Harbour Energy (2015 to 2018).

6. YU GUAN

Mr Guan is a non-executive Director. He joined the Board on 3 May 2019 as a nominee of a substantial shareholder and is a member of the People and Remuneration Committee.

Other Current Directorships: President and Board member of ENN Ecological (since 2018).

Former Directorships in the last 3 years: Nil.

7. DR VANESSA GUTHRIE

Dr Guthrie is an independent non-executive Director. She joined the Board on 1 July 2017 and is a member of the People and Remuneration Committee and Environment, Health, Safety and Sustainability Committee.

Other Current Directorships: Director of Australian Broadcasting Corporation (since 2017), Adelaide Brighton Limited (since 2018) and Tronox Holding PLC (since 2019), member of the Association of Mining and Exploration Companies, Deputy Chair of Western Australian Cricket Association, Council member of Curtin University, member of the Australia-India Council and member of the Vocational Education and Training Expert Skills Panel.

Former Directorships in the last 3 years: Director of Vimy Resources Limited (2017 to 2018).

8. PETER HEARL

Mr Hearl is an independent non-executive Director. He joined the Board on 10 May 2016 and is Chair of the Environment, Health, Safety and Sustainability Committee, a member of the People and Remuneration Committee and the Nomination Committee, having earlier served on the Company's Audit and Risk Committee.

Other Current Directorships: Director of Telstra Ltd (since 2014), Chairman-Elect of Endeavour Group Ltd (since 2019), Member of Investment Committee of the Stepping Stone Foundation, a Sydney based NFP (since 2018).

Former Directorships in the last 3 years: Chair of Woolworths Petrol Pty Ltd (2018), Director of Treasury Wine Estates (2012 to 2017).

9. JANINE MCARDLE

Ms McArdle is an independent non-executive Director. She joined the Board on 23 October 2019 and is a member of the Audit and Risk Committee.

Other Current Directorships: Member of University of Nebraska's College of Engineering Advisory Board (since 2017).

Former Directorships in the last 3 years: Director of Halcon Resources (2018 to 2019) and Palmer Drug Abuse Program in Houston, Texas (2003 to 2018).

Leadership Team

1. KEVIN GALLAGHER

Managing Director & Chief Executive Officer

Please see Board of Directors.

2. DAVID BANKS

Executive Vice President Onshore Oil & Gas

David joined Santos in 2018 and is responsible for Santos' onshore upstream business across our Cooper Basin and Queensland & NSW asset hubs.

3. BRETT DARLEY

Executive Vice President Offshore Oil & Gas

Brett joined Santos in 2018 and is responsible for Santos' offshore business across Western Australia and Northern Australia asset hubs.

4. JODIE HATHERLY

General Counsel and Vice President Legal, Risk and Governance

Jodie joined Santos in 2019 and is responsible for Santos' legal, company secretariat, risk, governance, and corporate environment, health and safety.

5. ANGUS JAFFRAY

Executive Vice President People & Sustainability

Angus joined Santos in 2016 and is responsible for Santos' human resources, remuneration and performance, organisational and learning development, public affairs, sustainability, and organisational integration.

6. NAOMI JAMES

Executive Vice President Midstream Infrastructure & Energy Solutions

Naomi joined Santos in 2016 and is responsible for Santos' oil, gas and LNG processing facilities at Moomba, Port Bonython and Darwin and for the Energy Solutions team established to pursue new low-carbon revenue and growth opportunities.

7. ANTHONY NEILSON

Chief Financial Officer

Anthony joined Santos as Chief Financial Officer in 2016, and is responsible for the finance, tax, treasury, strategy, business development, investor relations and IT functions.

8. BILL OVENDEN

Executive Vice President Exploration & New Ventures

Bill joined Santos in 2002, and is responsible for developing and executing a targeted exploration and appraisal strategy across Santos' core asset hubs, while identifying new high-value exploration targets.

9. VINCE SANTOSTEFANO

Executive Vice President Production Operations

Vince joined Santos in 2016 and is responsible for the provision of technical and operational services to increase the scale and strategic value of Santos' assets.

10. PETTER UNDEM

Executive Vice President Marketing, Trading & Commercial

Petter joined Santos in 2019 and is responsible for the marketing and trading of all Santos gas, LNG and liquid hydrocarbon products as well as the commercial and procurement functions.

11. TRACEY WINTERS

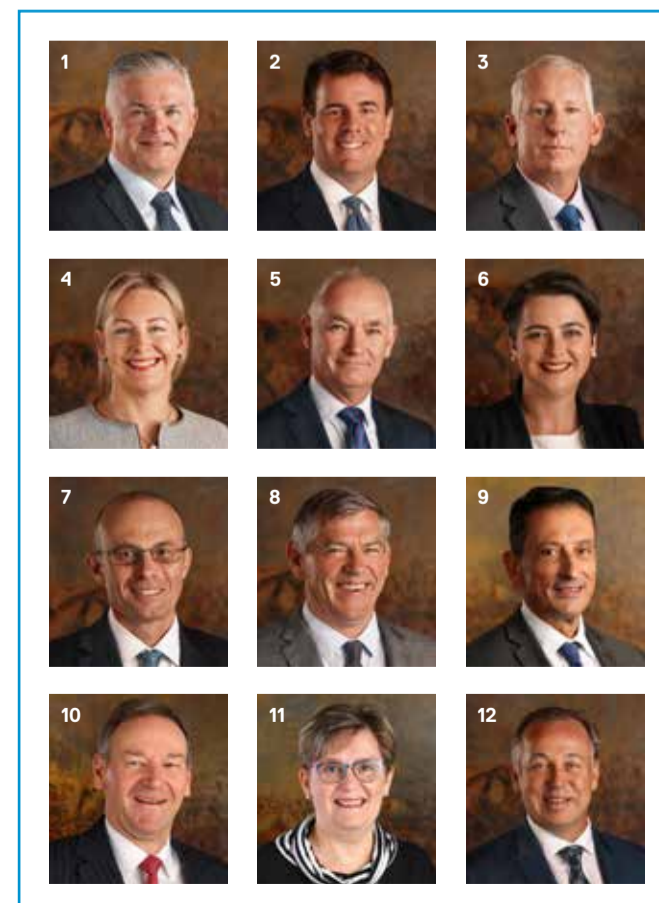
Strategic Adviser External Affairs

Tracey joined Santos in 2017 and is responsible for government engagement and strategic communications.

12. BRETT WOODS

Executive Vice President Developments

Brett joined Santos in 2013 and is responsible for Development across Santos' onshore and offshore assets, including major capital projects, drilling and completions, and reservoir development, as well as overseeing Santos' PNG LNG joint venture.





Investor information

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SECURITIES EXCHANGE LISTING

STO

SANTOS WEBSITE

To view news announcements, company reporting and presentations, please visit the Investors page at www.santos.com/investors

2019 ANNUAL REPORT

To view a copy of our 2019 Annual Report please visit our website at www.santos.com or alternatively, printed copies can be requested from the Share Registrar either by email at santos@boardroomlimited.com.au or by telephone on 1300 096 259 (within Australia) or + 61 2 8016 2832 (International)

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Website: www.santos.com

UPDATE YOUR DETAILS ONLINE

To update your address, payment instructions, dividend reinvestment plan options, tax file number, e-communication preferences, email address and more, please visit www.investorserve.com.au or telephone on 1300 096 259 (within Australia) or + 61 2 8016 2832 (International)

Drought and bushfire assistance

As a proudly Australian company that has worked in partnership with local communities for over 65 years, providing jobs and business opportunities, and safely and sustainably developing Australia's natural gas resources, it's important to lend a hand in times of need.

With farmers and rural communities in Queensland and New South Wales continuing to struggle with drought, in 2019 Santos donated \$160,000 to support rural communities in the regions where we operate.

\$80,000 was donated to the Queensland Country Women's Association (QCWA), with the proceeds to be spent on the ground to assist those who live in drought-stricken rural communities in the Maranoa region.

In New South Wales \$40,000 was donated each to:

- + Narrabri Lions Club "Why Leave Town" gift cards, and
- + Narrabri Rotary Club (in partnership with Wee Waa and Boggabri) "Neighbours in Need" social isolation and mental health program.

This donation builds on the \$200,000 Santos provided for drought relief in Queensland and NSW in 2018.

In January 2020, Santos also donated \$600,000 to bushfire emergency relief and recovery efforts to assist communities devastated by the recent bushfires, including:

- + \$300,000 to the South Australian Government's Bushfire Appeal, which is raising funds for people directly affected by bushfires in Cudlee Creek and on Kangaroo Island.
- + \$50,000 to Adelaide Koala Rescue, which has established an emergency triage facility for injured koalas and is also assisting with other wildlife, having recruited a team of more than 80 veterinarians and vet nurses, and over 150 volunteers in total.
- + \$250,000 to Lifeline Australia's Community Recovery Program, focused on crisis support services to reduce trauma and stress in bushfire-affected communities as well as longer-term recovery through assisting to rebuild key community networks and support structures.

There is an enormous rebuilding task in communities across Australia where people are struggling with loss of life, property, stock, livelihoods and the richness of their natural environments due to these devastating bushfires and we want to play our part in helping them to rebuild and recover.

Glossary

barrel/bbl

The standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons.

condensate

A natural gas liquid that occurs in association with natural gas and is mainly composed of pentane and heavier hydrocarbon fractions.

crude oil

A general term for unrefined liquid petroleum or hydrocarbons.

EBITDAX

Earnings before interest, tax, depreciation, depletion, exploration and impairment.

FEED

Front end engineering and design

FID

Final investment decision

FPSO

Floating production, storage and offloading vessel

free cash flow

Cash flow from operating activities less cash flow from investing activities.

free cash flow breakeven

The average annual oil price at which cash flow from operating activities (before hedging) equals cash flows from investing activities. Forecast methodology uses corporate assumptions. Excludes one-off restructuring and redundancy costs, and asset divestitures and acquisitions, major growth capex and lease liability payments.

joules

Joules are the metric measurement unit for energy. A petajoule (PJ) is equal to $1 \text{ joule} \times 10^{15}$.

LNG

Liquefied natural gas. Natural gas that has been liquefied by refrigeration to store or transport it. Generally, LNG comprises mainly methane.

LPG

Liquefied petroleum gas. A mixture of light hydrocarbons derived from oil-bearing strata which is gaseous at normal temperatures but which has been liquefied by refrigeration or pressure to store or transport it. Generally, LPG comprises mainly propane and butane.

Proven plus probable reserves (2P)

Reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable. There is at least a 50% probability that reserves recovered will exceed proven plus probable reserves.

Sales gas

Natural gas (methane) that has been processed by gas plant facilities and meets the required specifications under gas sales agreements.

Train (LNG)

The infrastructure that purifies and cools natural gas to a liquid state ready for transport.

Units of measure

bbl – barrel

boe – barrel of oil equivalent

mmboe – million barrels of oil equivalent

mtpa – million tonnes per annum

Conversion factors

Sales gas and ethane

1 PJ = $171.937 \text{ boe} \times 10^3$

Crude oil – 1 barrel = 1 boe

Condensate – 1 barrel = 0.935 boe

LPG – 1 tonne = 8.458 boe

LNG – 1 PJ = 18,040 tonnes

LNG – 1 tonne = 52.54 mmBtu

For a comprehensive online conversion calculator tool, please visit our homepage at



www.santos.com



Shareholder Calendar

2019 Fourth Quarter Activities Report	22 Jan 2020	Annual General Meeting	3 Apr 2020
2019 Full-year Results	20 Feb 2020	2020 First Quarter Activities Report	23 Apr 2020
Ex-dividend date for the 2019 full-year dividend	25 Feb 2020	2020 Second Quarter Activities Report	23 Jul 2020
Record date for the 2019 full-year dividend	26 Feb 2020	2020 Half-year Results	20 Aug 2020
Payment date for the 2019 full-year dividend	26 Mar 2020	2020 Third Quarter Activities Report	22 Oct 2020

Interim dividend dates will be posted to the Santos website. Dates are subject to change.