

8 November 2022

## 2022 Investor Briefing Day

Santos today announced a new Purpose, Strategy and business organisation as the company reaffirmed its commitment to delivering strong shareholder returns and achieving net-zero emissions (scope 1 and 2, equity share) by 2040.

Speaking at the company's Investor Briefing Day in Adelaide, Managing Director and Chief Executive Officer Kevin Gallagher said Santos' new Purpose – to provide cleaner energy that is both affordable and sustainable to help create a better world for everyone – is our future.

“The energy transition journey that we have been on will only accelerate from here. We are building on our pioneering past to achieve our aim of creating a better world for everyone, through providing cleaner energy,” Mr Gallagher said.

“The successful execution of our **Transform - Build - Grow** strategy since 2016 has the company positioned for disciplined growth and sustainable shareholder returns. The business is performing well, with strong free cash flow generation of US\$2.7 billion this year to the end of September.

“But we will continue to evolve to meet the challenges of the transition to cleaner energy and a net-zero future. Today we have unveiled our new strategy of **Backfill and sustain - Decarbonisation - Clean fuels**.

“Energy security is a top priority for countries in our region. Given the strong customer demand for our product now and into the future, we will seek to backfill and sustain our core assets to deliver the critical fuels the world needs into the 2040s. But we will also decarbonise these critical fuels, in-line with our target of net-zero emissions (scope 1 and 2, equity share) by 2040, and produce clean fuels as customer demand evolves.

“This will provide a low carbon intensity base business that will provide a strong foundation to provide sustainable shareholder returns and fund the energy transition.

“To deliver the transition and our new Purpose, we have restructured the business into two divisions of Upstream Gas and Liquids and Santos Energy Solutions. In 2017, Santos set up an Energy Solutions team and today's announcement is the next step in our plans to build our transition business, including our decarbonisation and carbon management services business, on our path to a cleaner energy future.

“We have a strong balance sheet supportive of disciplined growth and a business model to generate strong shareholder returns through the transition.”

### Media enquiries

Claire Hammond  
+61 (0) 401 591 488  
claire.hammond@santos.com

### Investor enquiries

Andrew Nairn  
+61 8 8116 5314 / +61 (0) 437 166 497  
andrew.nairn@santos.com

**Santos Limited** ABN 80 007 550 923  
GPO Box 2455, Adelaide SA 5001  
T +61 8 8116 5000 F +61 8 8116 5131  
www.santos.com

## Guidance

2022 production guidance is maintained at 103-106 million barrels of oil equivalent (mmboe) and sustaining capital expenditure guidance is maintained at approximately US\$1.1 billion. Major projects capital expenditure in 2022 is expected to be approximately US\$1.2 billion, the mid-point of the previous guidance range. 2022 unit production costs are expected to be at the lower end of the US\$7.90-8.30/boe guidance range.

Production in 2023 is expected to be in the range of 91-98 mmboe, influenced by the end-of field-life at Bayu-Undan, timing of completion of the expected sell-down of a five per cent stake in PNG LNG and lower Western Australia domestic gas production.

Sustaining capital expenditure in 2023 is expected to be approximately US\$1.2 billion and major projects capital expenditure is expected to be approximately US\$1.835 billion (including the Barossa, Pikka Phase 1, Papua and Moomba CCS projects).

Santos announced on 27 September 2022 it had received a binding conditional offer from Kumul Petroleum Holdings Limited (Kumul) to acquire a five per cent interest in PNG LNG for asset value of US\$1.4 billion, including a proportionate share of project finance debt of US\$0.3 billion. The offer is conditional on Kumul obtaining the waivers of certain pre-emptive rights by each other PNG LNG project participant under the project operating agreement to allow the transaction to proceed. Completion will be subject to customary conditions including necessary regulatory approvals and Kumul securing financing.

Guidance for 2023 provided in this release and in the attached Investor Briefing Day presentation assumes Santos' existing 42.5 per cent in PNG LNG. Guidance would be revised once the expected sell-down of the five per cent interest has completed.

## Live webcast

A live webcast of the 2022 Investor Briefing Day will be available on Santos' website at [www.santos.com](http://www.santos.com) from 12:30pm ACDT (Adelaide time) today.

Ends.

*This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.*

# 2022 Investor Briefing Day

8 November 2022

Santos



# Disclaimer and 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, carbon emissions reduction and associated technology risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals, conduct of joint venture participants and contractual counterparties and cost estimates. The forward-looking information in this presentation is based on management's current expectations and reflects judgements, assumptions, estimates and other information available as at the date of this document and/or the date of Santos' planning processes. Except as required by applicable regulations or by law, Santos does not undertake any obligation to publicly update or review any forward looking statements, whether as a result of new information or future events. Forward looking statements speak only as of the date of this presentation or the date planning process assumptions were adopted, as relevant. Our strategies and targets will adapt given the dynamic conditions in which we operate; it should not be assumed that any particular strategies, targets or implementation measures are inflexible or frozen in time.

No representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward looking information contained in this presentation. Forward looking statements do not represent guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Santos' control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation.

All references to dollars, cents or \$ in this document are to United States currency, unless otherwise stated. The symbol “~” means approximately.

Underlying profit, EBITDAX (earnings before interest, tax, depreciation, depletion, exploration and evaluation expensed, change in future restoration assumptions and impairment) and free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major project capex, less lease liability payments) are non-IFRS measures that are presented to provide an understanding of the performance of Santos' operations. The non-IFRS financial information is unaudited however the numbers have been extracted from the financial statements which have been subject to review by the auditor. Free cash flow breakeven is the average annual oil price at which cash flows from operating activities (before hedging) equals cash flows from investing activities. Forecast methodology uses corporate assumptions. Excludes one-off restructuring and redundancy costs, costs associated with asset divestitures and acquisitions, major project capex and lease liability payments.

Santos prepares its petroleum reserves and contingent resources estimates in accordance with the 2018 Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE).

Conversion factors: 1PJ of sales gas and ethane equals 171,937 boe; 1 tonne of LPG equals 8.458 boe; 1 barrel of condensate equals 0.935; 1 barrel of crude oil equals 1 boe.



# Agenda

## Session 1

- 12:25pm** Welcome to Country  
**Michael Kumatpi Marrutya O'Brien**
- 12:30pm** Delivering Long Term Shareholder Value  
**Kevin Gallagher** Managing Director and Chief Executive Officer
- 1:00pm** Market Outlook  
**Jane Norman** Vice President Strategy
- 1:20pm** Upstream Gas and Liquids  
**Brett Darley** President
- 1:50pm** Pikka Phase 1  
**Bruce Dingeman** EVP and President Alaska
- 2:10pm** Visit to Adelaide Operations Centre

## Session 2

- 3:10pm** Santos Energy Solutions  
**Brett Woods** President
- 3:40pm** Environment, Social and Governance  
**Janette Hewson** EVP Environment, Sustainability and Governance
- 4:00pm** Finance and Capital Management  
**Anthea McKinnell** Chief Financial Officer
- 4:20pm** Wrap-up and Q&A  
**Kevin Gallagher** Managing Director and Chief Executive Officer

# Delivering Long Term Shareholder Value

Kevin Gallagher  
Managing Director and Chief Executive Officer

# Santos strategy is robust and resilient to external volatility

## The macro environment

- ▶ Volatile macro environment
- ▶ Energy security is a top priority for countries in our region
- ▶ Our industry faces government policy and regulatory challenges
- ▶ Strong customer demand for our products now and into the future

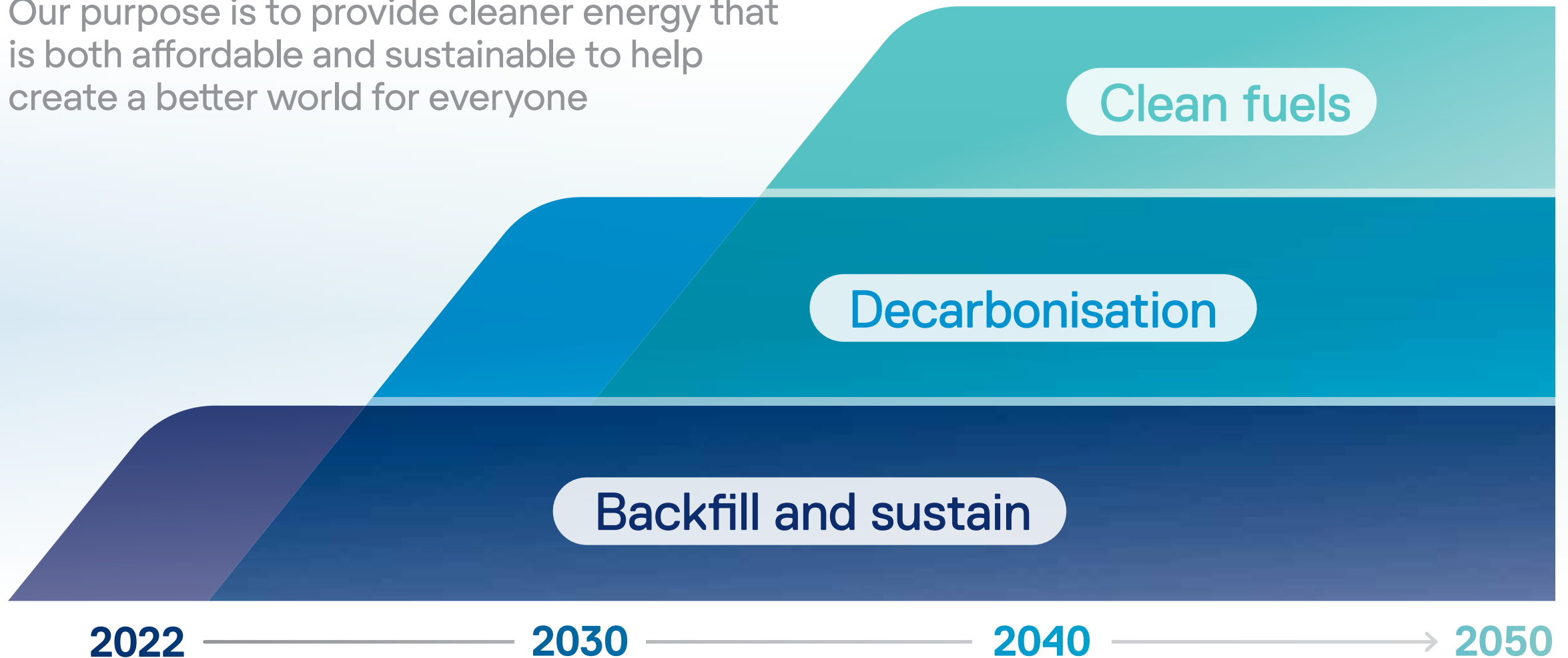
## Business is robust and performing well

- ▶ Strong cash generation: \$2.7 billion in free cash flow to end-September
- ▶ Investment grade balance sheet supportive of disciplined growth and strong shareholder returns

## New Santos Purpose, Strategy and Organisation as we evolve through the energy transition

# Santos' new purpose and strategy

Our purpose is to provide cleaner energy that is both affordable and sustainable to help create a better world for everyone





# New organisation to deliver Santos' strategy

Santos Energy Solutions is our transition business to a cleaner energy future

## Upstream Gas and Liquids

Three LNG projects

PNG LNG

Gladstone LNG

Bayu-Undan and Barossa to DLNG

Two Australian domestic gas businesses

West Coast

East Coast

EBITDAX: \$2.6 billion in H1 2022<sup>1</sup>

## Santos Energy Solutions

Low carbon processing of Santos' and third-party gas and liquids

Decarbonisation and carbon management services

Clean fuels production

EBITDA: \$149 million in H1 2022<sup>2</sup>

## North America

Alaskan carbon-neutral oil development project

1. Santos 2022 first-half EBITDAX excluding Santos Energy Solutions.

2. Santos 2022 first-half EBITDA excluding GLNG and Upstream Gas and Liquids.

# Investment proposition

A natural gas company with a pathway to decarbonise the business

## Upstream Gas and Liquids

Three LNG projects and  
two domestic gas businesses

**92%** 2P reserves

FCF from operations potential in 2028<sup>1</sup>

~\$**7.5** billion

## Santos Energy Solutions

Gross CCS storage capacity  
across three hubs

> **30** mtpa

CO2 domestic market opportunity by 2030<sup>2</sup>

~ **40** mtpa

## Capital management

Returns to shareholders  
in 2022<sup>3</sup>

\$**866** million

Strong balance sheet<sup>4</sup>

**20.8%** gearing

1. Operating cash flows less investing cash flows (net of acquisitions and disposals and major growth capex) less lease liability payments. Assumes an oil price of \$100 barrel.

2. Santos estimate of potential domestic market opportunity from Safeguard Mechanism facilities.

3. Includes 2021 final dividend payment, 2022 interim dividend payment and initial buyback executed to end October.

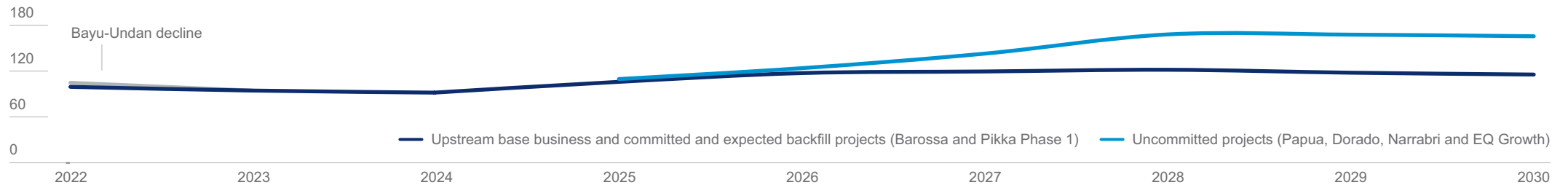
4. As at 30 September 2022.

# Outlook to 2030

Targeting backfill for existing assets plus Pikka Phase 1 to deliver sustainable equity upstream production in the range of 100-140 mmbobe from 2025-2045

## Upstream gas and liquids production <sup>1</sup>

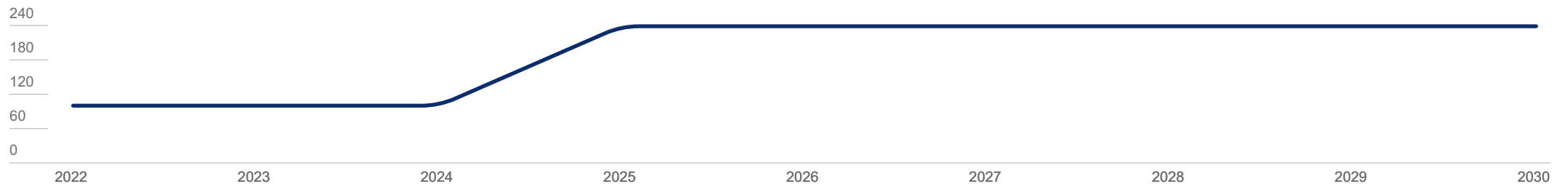
mmbobe, Santos share



Targeting 160 million tonnes CO2 storage capacity

## Potential CCS storage capacity

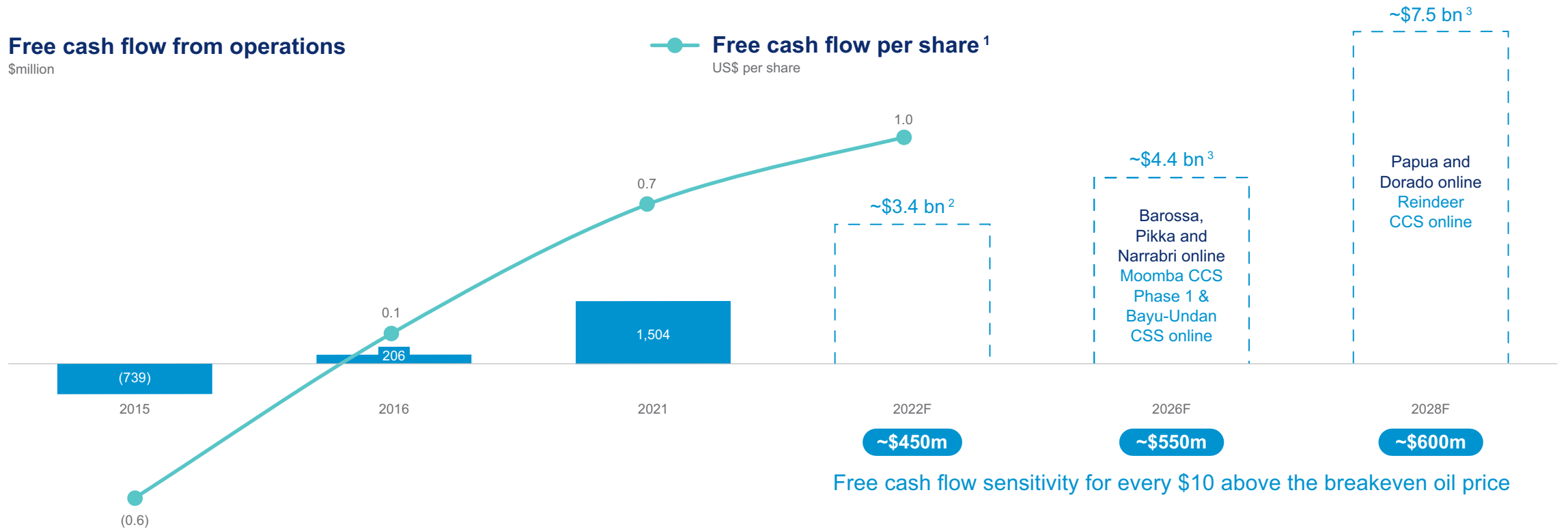
million tonnes, Santos share



1. Assumes PNG LNG at 42.5% interest.

# Free cash flow from operations

Strong free cash flow generation. PNG LNG project finance is due to be repaid mid-2026 liberating on average ~\$650 million per annum additional cash



1. Assumes weighted average number of shares on issue each year.

2. 2022F assumes FCF sensitivity of ~\$450 million for every \$10 above the forecast FCF breakeven of <\$25 barrel (excluding hedging) and assumes the oil price averages \$100/bbl for 2022.

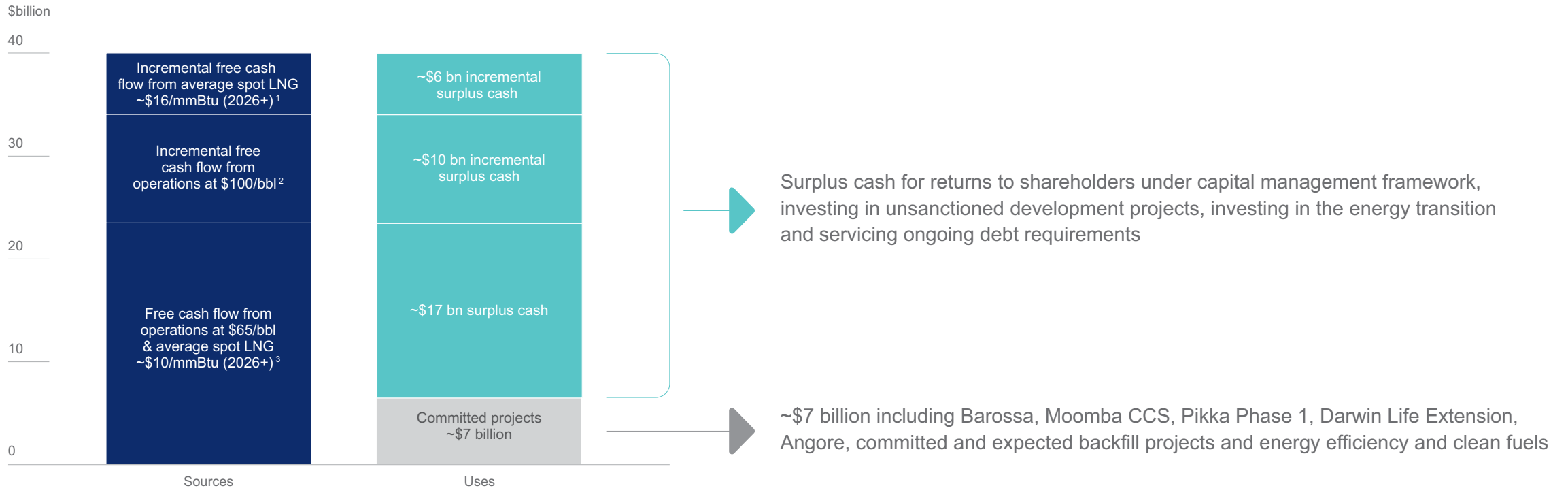
3. 2026F and 2028F assumes \$100/bbl average annual oil price and an average spot JKM of ~\$16/mmBtu (2026+).



# Cash sources and uses to 2030

~\$17-33 billion in forecast cash available for returns to shareholders and unsanctioned development projects to 2030

## 2022-2030 Forecast cash sources and uses



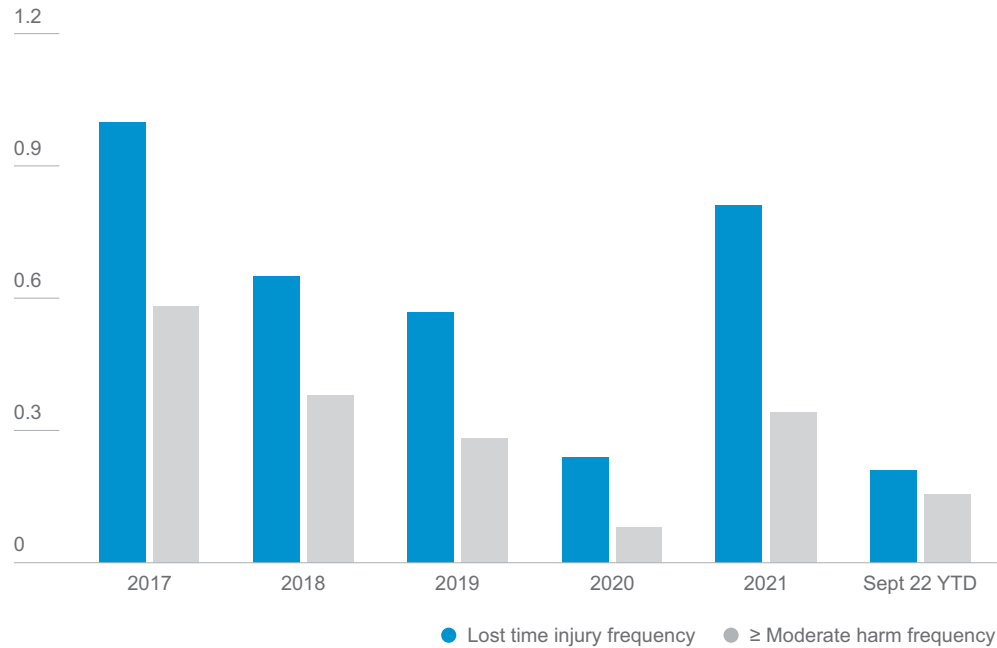
1. \$100/bbl (2022 Real), JKM short term average ~\$20/mmBtu, long term 2026+ average ~\$16/mmBtu.  
 2. \$100/bbl (2022 Real), JKM short term average ~\$14/mmBtu, long term 2026+ average ~\$10/mmBtu.  
 3. \$65/bbl (2022 Real), JKM short term average ~\$14/mmBtu, long term 2026+ average ~\$10/mmBtu.

# Health, safety and environment

Personal safety performance is improving in 2022

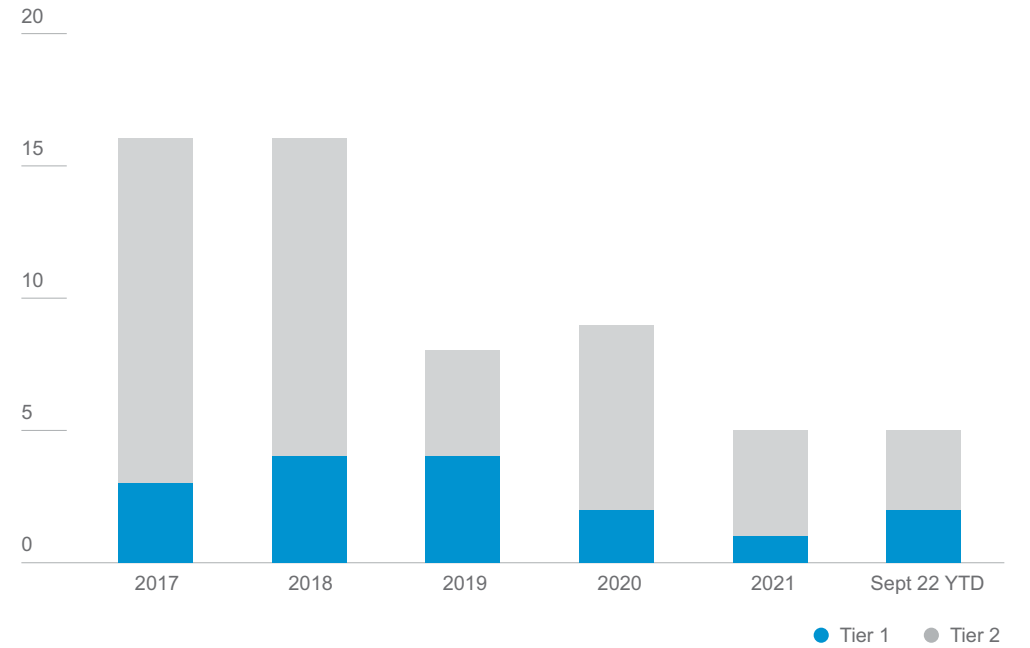
## Injury frequency

Number of injuries per million hours worked



## Loss of containment

Number of Tier 1 and Tier 2 incidents



# Committed to our goal to achieve net-zero Scope 1 & 2 emissions by 2040

Santos is on track to achieve all three 2025 targets ahead of schedule, enabling us to focus on 2030 targets

## 2025

**Economically reduce emissions by more than 5% across operations in the Cooper Basin and Queensland from the 2016-17 baseline by 2025**

**Grow liquefied natural gas exports to at least 4.5 million tonnes per annum by 2025**

**Assess the feasibility and, if feasible, invest in technology and innovation which can deliver a step-change in emissions**

## 2030

**Scope 1 and 2 (Absolute target)**

▶ 30% reduction <sup>1</sup>

**Scope 1 and 2 (Intensity target)**

▶ 40% reduction <sup>2</sup>

**Policy commitments**

- ▶ A commitment to only selling our products to customers from countries that have a net-zero commitment or are signatories to the Paris Agreement
- ▶ Final investment decisions on new offshore greenfield projects from 2025 will require abatement or offset of reservoir CO2 emissions

## 2040

**Target**  
**Net-zero**  
**Scope 1 and 2**  
**emissions**

1. Baseline: Santos and Oil Search combined 2019/20 of 5.9 MtCO<sub>2</sub>.

2. Baseline: Santos 2019/20 baseline of 55ktCO<sub>2</sub>e/mmbse.



# Market Outlook

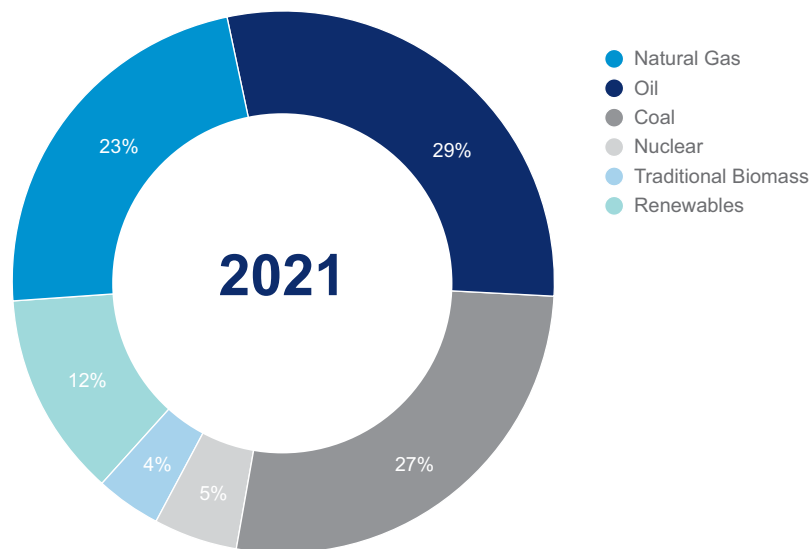
Jane Norman  
Vice President Strategy



# Energy must be affordable, reliable and lower emissions

Today ~80% of global energy supply comes from hydrocarbons, this cannot be replaced overnight. Focus must be on decarbonisation not de-fossilisation

Global Energy Supply by Source <sup>1</sup>



## Santos supports a just energy transition focusing on energy security, reliability, affordability and lower emissions

- ▶ Activism and increased regulation have delayed timely investment in new fuel supplies
- ▶ Global coal demand is set to return to its all-time high in 2022 taking it back to record levels reached nearly a decade ago <sup>2</sup>
- ▶ The total number of people worldwide without electricity access has started to rise
  - ▶ ~100 million people may be pushed back into reliance on firewood for cooking instead of cleaner, healthier solutions <sup>3</sup>
- ▶ Santos is decarbonising its gas and liquids business to provide lower emission, reliable and affordable fuels

1. International Energy Agency (2022), World Energy Outlook 2022.

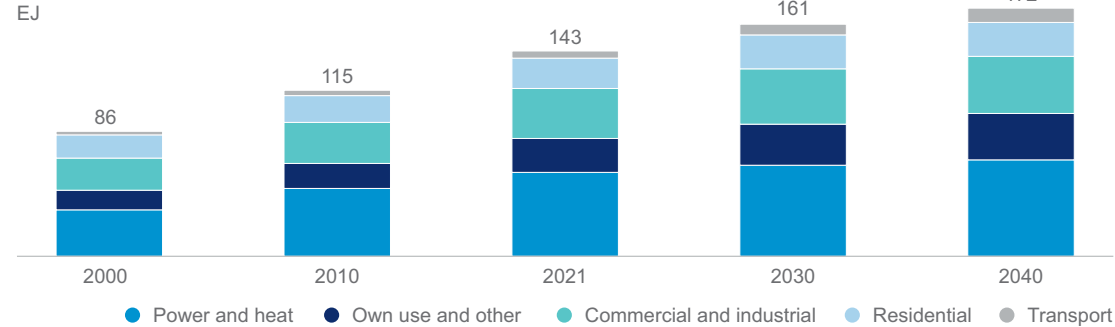
2. International Energy Agency Coal market update July 2022.

3. International Energy Agency WEO Outlook 2022.

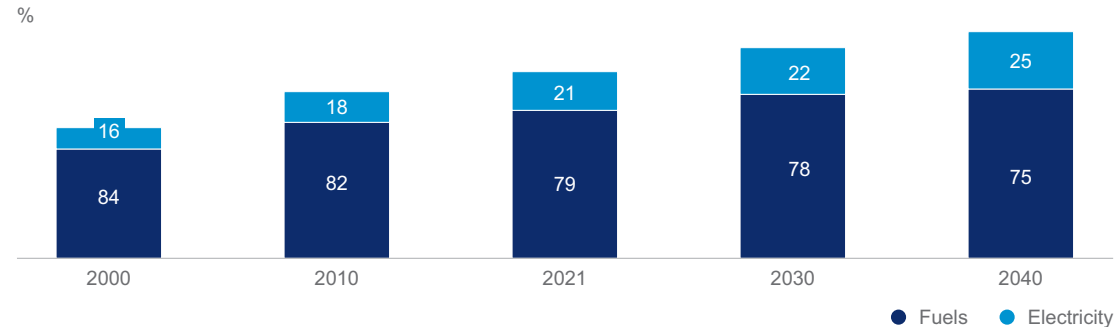
# Demand for gas forecast to grow by 20% by 2040

Fuels account for ~80% of today's energy consumption and are forecast to remain a significant proportion of the global energy consumption

## Global gas consumption by sector



## Share of global energy consumption



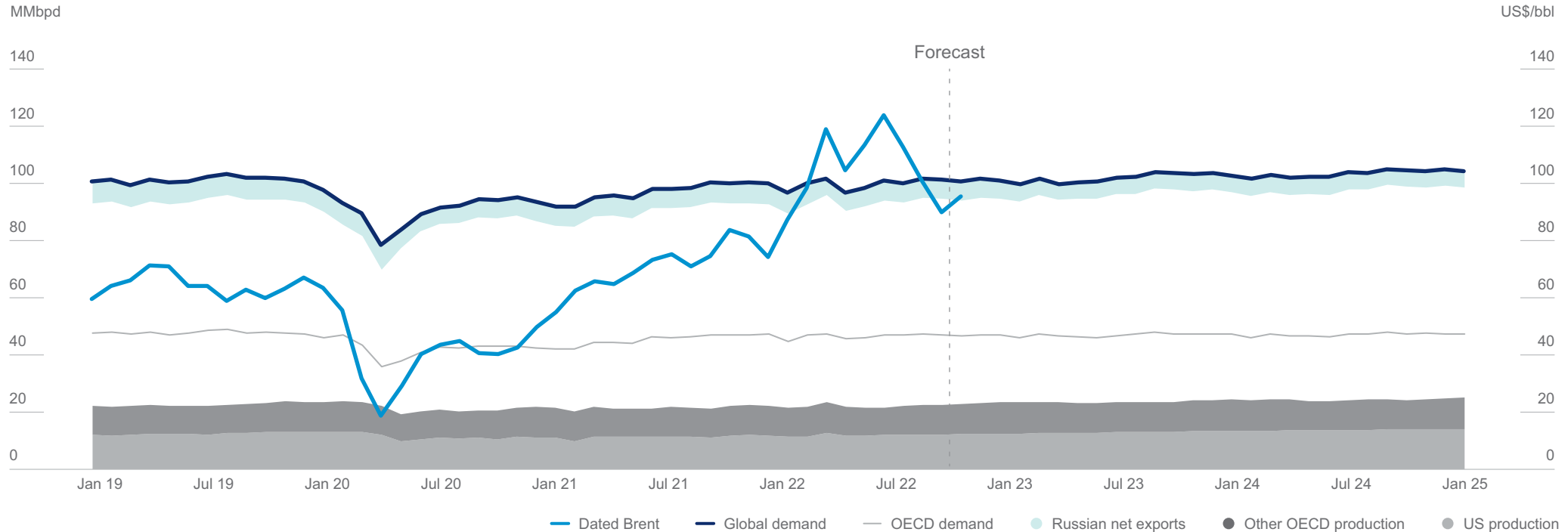
- ▶ More than half the world's natural gas consumption is used in sectors other than power generation
- ▶ Natural gas supports the integration of renewables providing grid stability and power reliability
- ▶ Natural gas lowers emissions in hard-to-abate sectors including long-distance transport and heavy industry
- ▶ Where natural gas replaces higher emissions fuels, it improves air quality in major urban centres reducing pollution and emissions

1. Source: IHS Markit, Climate and Energy Scenarios, July 2022, Inflections Scenario.

# Oil demand remains strong amid supply constraints

Significant underinvestment in supply and the recovery of oil demand post COVID-19 has resulted in a tight global oil market

**Global liquids demand and Russian exports<sup>1</sup>**

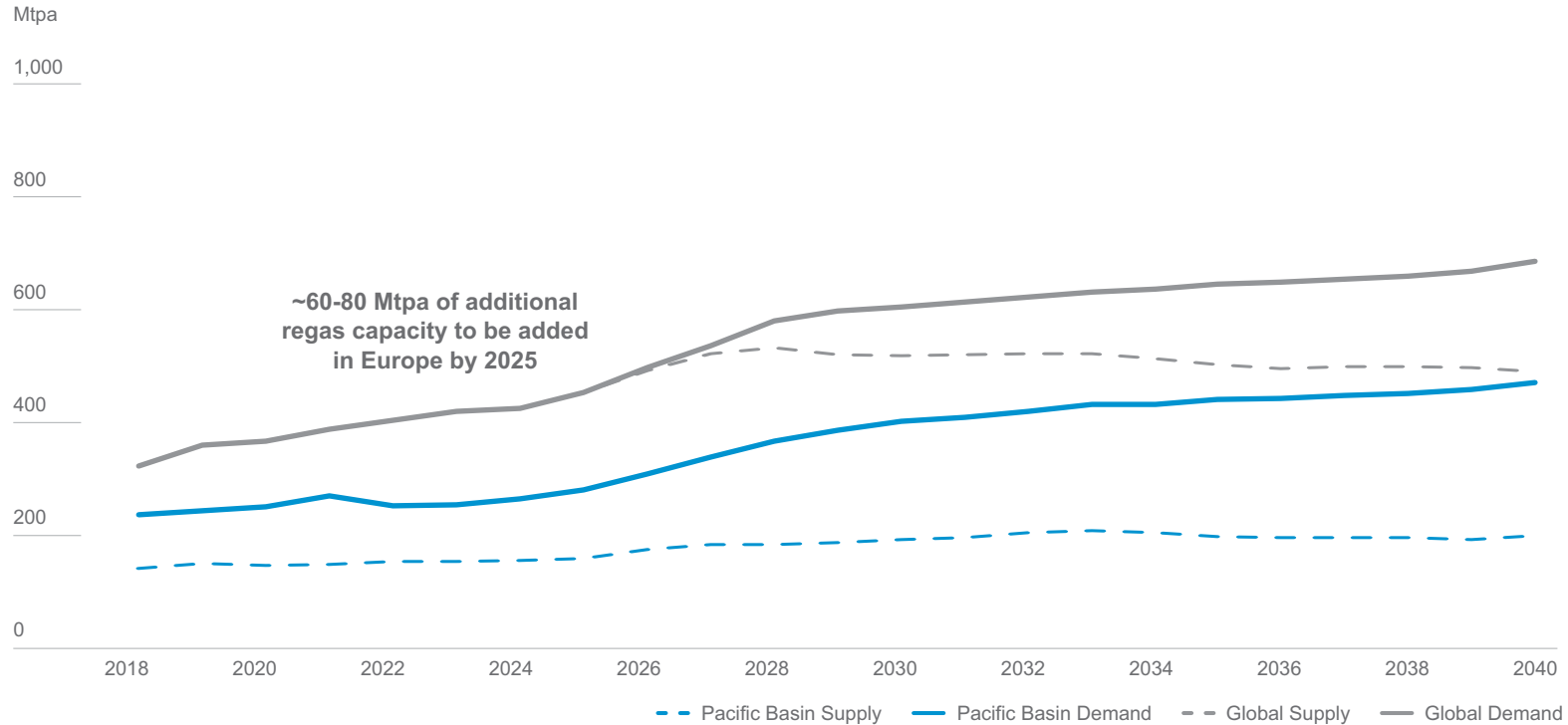


1. Source: IHS Markit, Global Crude Oil Markets Short-Term Outlook, October 2022.

# Strong long-term demand for LNG

Santos offers a diversified portfolio of LNG projects, proximal to growing Asian demand. Global LNG demand forecast to increase by approximately 70% by 2040

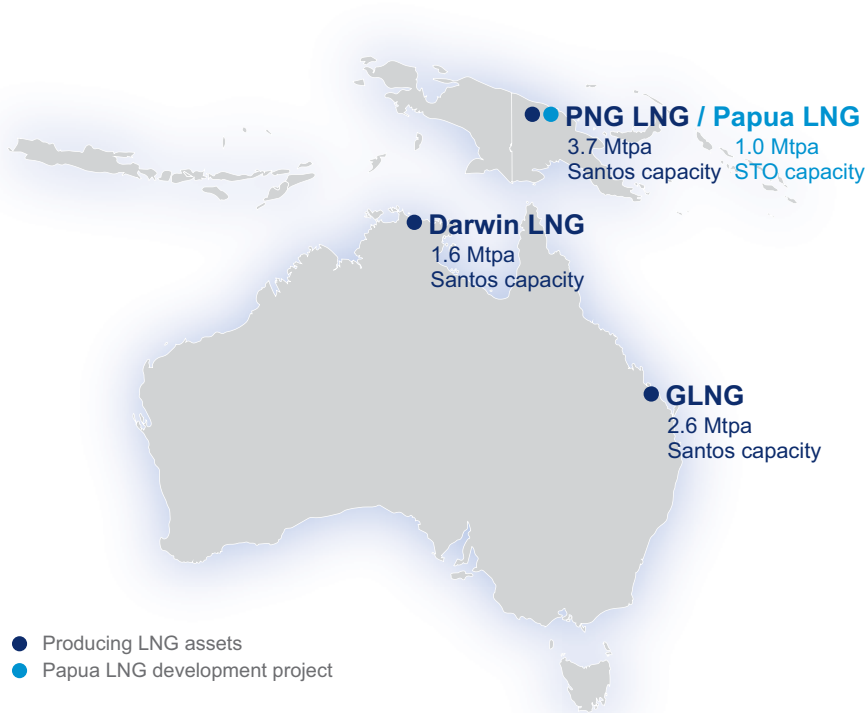
**Global LNG supply and demand <sup>1</sup>**



1. Source: Wood Mackenzie, Wood Mackenzie Global Gas October 2022. Global Supply includes Operational and Under Construction.

# Santos is well positioned to supply into strong Asian demand

Santos is a leading global independent LNG supplier and well-positioned to benefit from increasing demand. Targeting ~25% of Santos LNG portfolio to be exposed to JKM-linked pricing by 2025

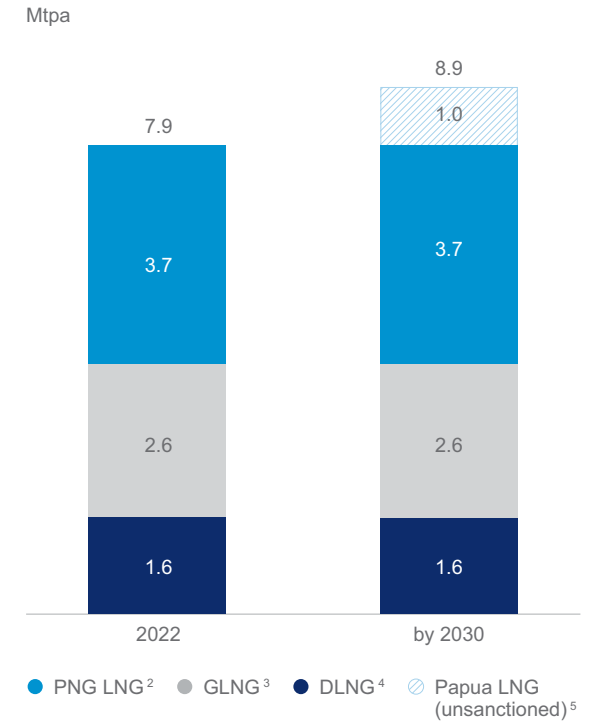


## Santos LNG supply

Potential PNG LNG volumes available to be sold on spot as mid-term contracts complete:

- ▶ Unipeac 0.45mtpa from April 2023<sup>1</sup>
- ▶ BP 0.9mtpa from August 2023<sup>1</sup>

## Santos net share LNG capacity



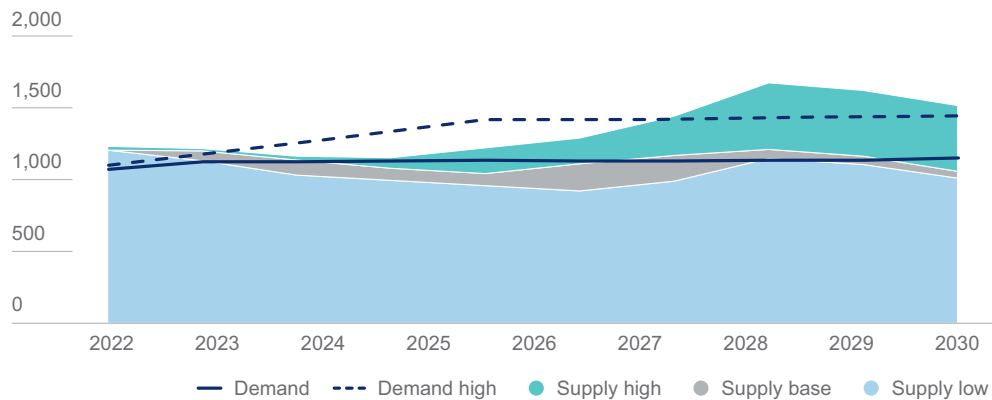
1. PNG LNG gross volumes  
 2. PNG LNG assumes 8.6 Mtpa reflecting the average capacity utilised since 2016 and 42.5% working interest in 2022 and post sell-down working interest of 37.5% in 2030.  
 3. GLNG assumes 8.6 Mtpa capacity and 30% working interest.  
 4. DLNG assumes 3.7 Mtpa capacity and 43.4% working interest.  
 5. Papua LNG assumes 5.4 Mtpa capacity and 17.7% working interest.

# Australian domestic gas demand

New gas supply required to meet demand and ensure gas prices remain affordable

## West coast domestic gas market <sup>1</sup>

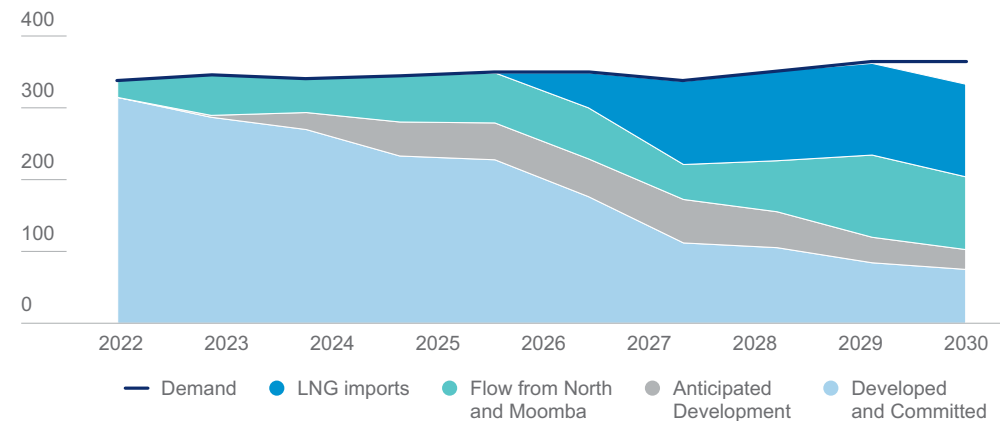
PJ/annum



- ▶ Strong demand from industrial users. New supply required from 2025
- ▶ 100% of Santos' WA gas production sold to the domestic market

## South eastern domestic gas market – NSW, VIC, ACT, TAS <sup>2</sup>

PJ/annum



- ▶ The gap between demand and developed and committed gas supply is widening
- ▶ Pipeline capacity constraints limit the amount of Queensland gas that can be delivered to south eastern domestic markets
- ▶ Regulatory certainty and long-term offtake agreements are required to bring anticipated developments to market
- ▶ Onshore gas developments will be cheaper than LNG imports

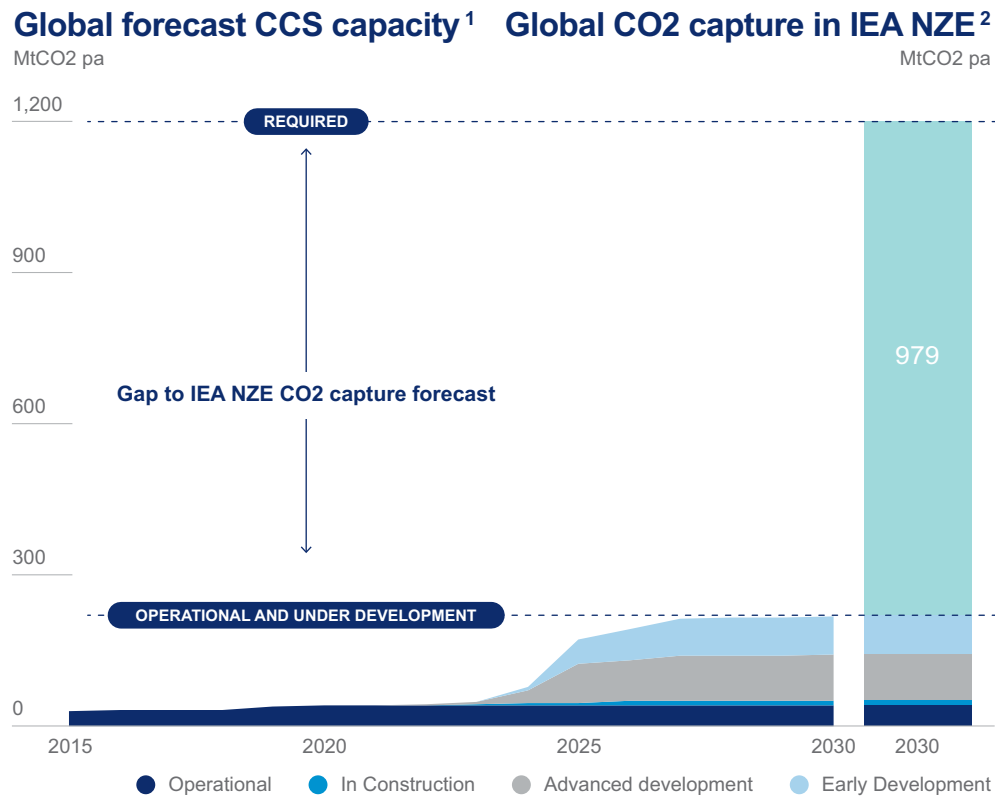
1. WA GSOO Base Scenario, AEMO, Dec 2021.

2. GSOO Progressive Scenario, AEMO, Mar 2022.



# Decarbonisation requires large scale-up of CCS

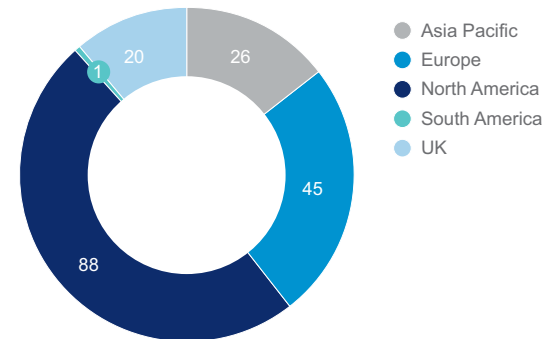
Significant shortfall to meet the forecast CCS capacity under the IEA NZE scenario



## Global CCS status<sup>2</sup>

- ▶ Under IEA NZE scenario 1,200 MtCO2/year capture is required in 2030 and 6,200 MtCO2/year in 2050
- ▶ 30 CCS projects in operation capturing >40 MtCO2 p.a.
- ▶ 150 projects under development with a total capacity of ~180 MtCO2 p.a.

## Number of CCS projects<sup>2</sup>



1. Source: Global CCS Institute, Global Status of CCS 2022. Estimates are based on maximum project capacity with Santos analysis to exclude projects that are suspended or do not have an operational date published.

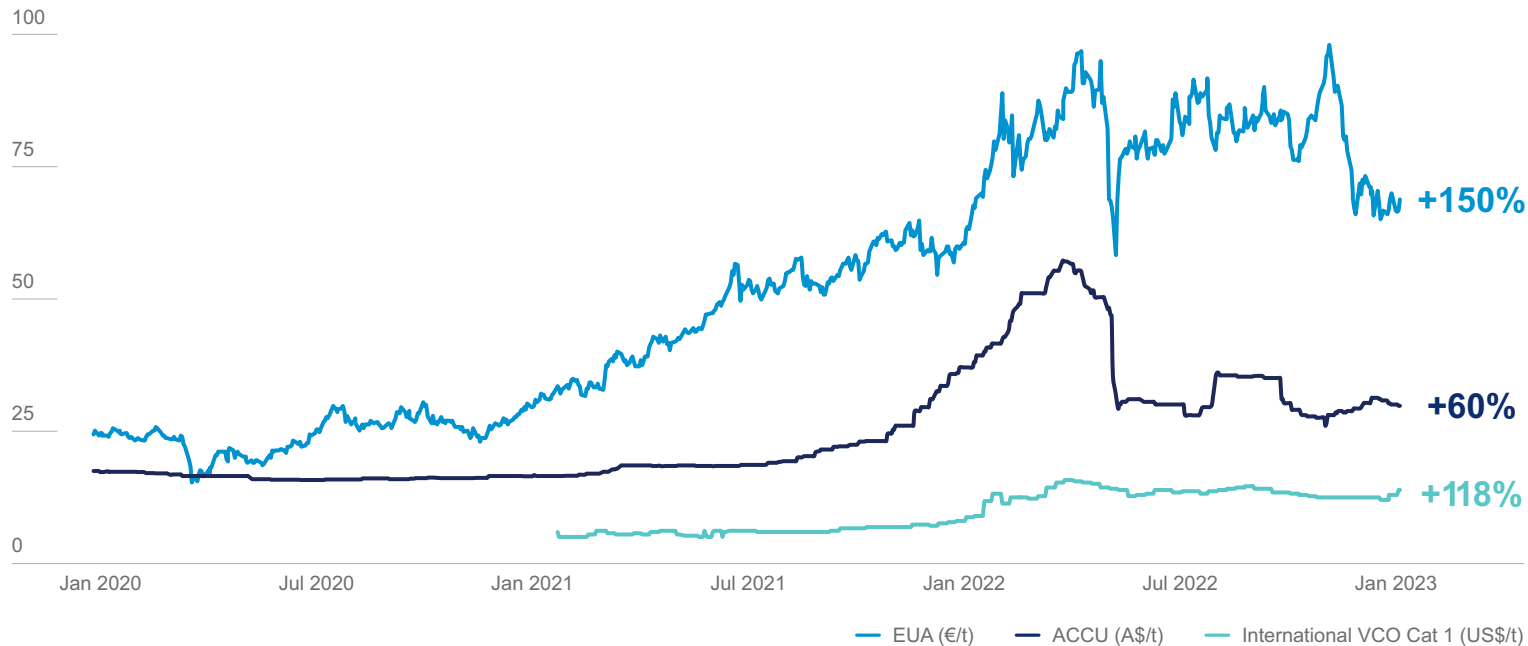
2. International Energy Agency, World Energy Outlook 2022.

# Higher carbon prices supportive of Santos Energy Solutions

Global carbon prices have continued to rise as governments and companies work towards net-zero targets

## Carbon price <sup>1</sup>

Per ton (local currency)



## 2022 US Inflation Reduction Act, projects eligible for tax credits

- ▶ CCS projects eligible for \$85/tCO<sub>2</sub>
- ▶ Direct air capture with CCS projects eligible for \$180/tCO<sub>2</sub>

1. Source: Reputex Energy EUA (ICE), Reputex Energy ACCU spot, Reputex Energy Category 1<sup>2</sup> Voluntary Offset prices extracted 17/10/2022

2. Reputex derives prices from ClearBlue Markets. Category 1 represents highest quality credits (Carbon Removal and Sequestration) across American Carbon Registry (ACR), Climate Action Reserve (CAR), Gold Standard (VERs) and Verra (VCS).

# Upstream Gas and Liquids

Brett Darley  
President



# Upstream Gas and Liquids

Production to 2040+ from Upstream assets

## Upstream Gas and Liquids

### LNG business

Gladstone LNG

PNG LNG

Papua LNG (unsanctioned)

Bayu-Undan and Barossa to DLNG

### Domestic gas business

East Coast

West Coast

EBITDAX: \$2.6 billion in H1 2022<sup>1</sup>

1. Santos 2022 first-half EBITDAX excluding Santos Energy Solutions.



# Santos' LNG portfolio

Disciplined and phased investment to backfill and sustain core LNG assets beyond 2040

## PNG LNG



## Gladstone LNG



## Bayu-Undan and Barossa to DLNG

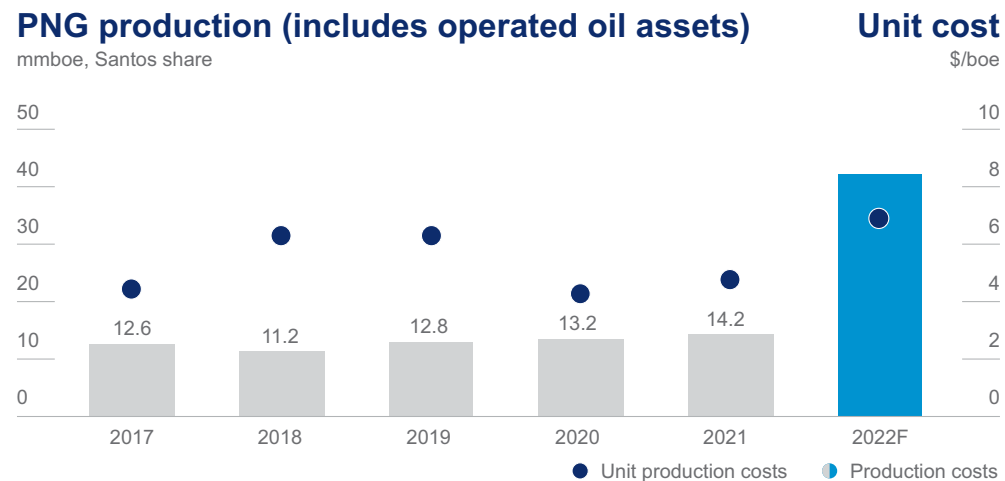


Status	▶ Producing	▶ Producing	▶ Producing
Santos share LNG capacity, mtpa	▶ ~3.7	▶ ~2.6	▶ ~1.6
Reservoir type	▶ Conventional	▶ Unconventional	▶ Conventional
Backfill and sustain	▶ Angore, Associated Gas Fields (Kutubu/ Agogo/Moran) and Juha ▶ Future backfill from P'nyang	▶ Continued phased development of four coal seam gas fields across Fairview, Roma, Arcadia and Scotia	▶ Bayu-Undan expected to reach end of field life in late 2022 or early 2023 ▶ Barossa project to backfill Darwin LNG first gas expected in 1H 2025
Decarbonisation	▶ Low CO2 asset ▶ Potential for nature-based opportunities	▶ Low CO2 asset ▶ Potential for electrification and renewables integration	▶ Barossa project will be CO2 export ready ▶ CCS via Bayu-Undan and/or Petrel sub-basin

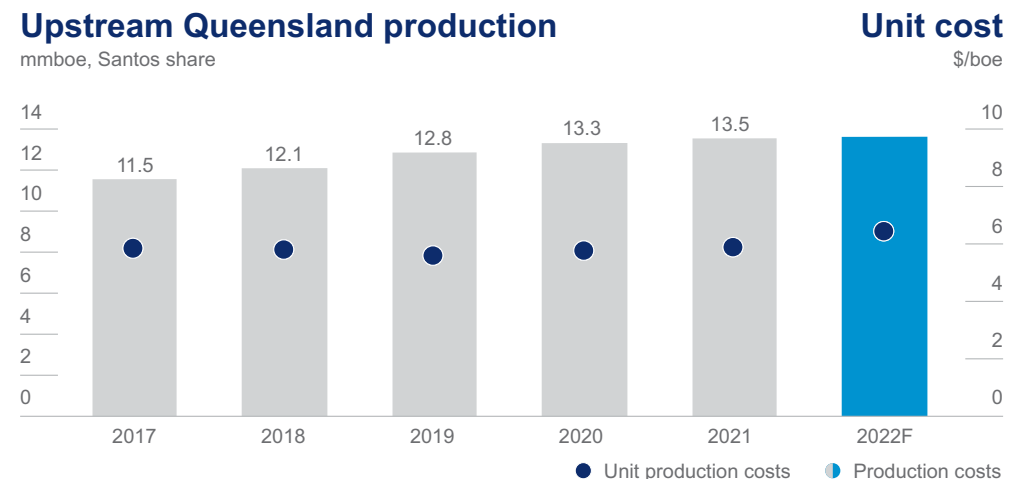


# PNG LNG and GLNG upstream performing strongly

## GLNG equity production growth year-on-year



- ▶ Merger has delivered a step-change in production
- ▶ PNG LNG maintaining strong gross production at ~8.6mtpa in 2022 delivering >20% above forecast for spot cargoes in 2022
- ▶ Santos-operated assets delivering 14% in 2022 of PNG LNG gas supply
- ▶ Progressing Angore development to backfill PNG LNG
- ▶ Infill short cycle oil drilling program for 2023



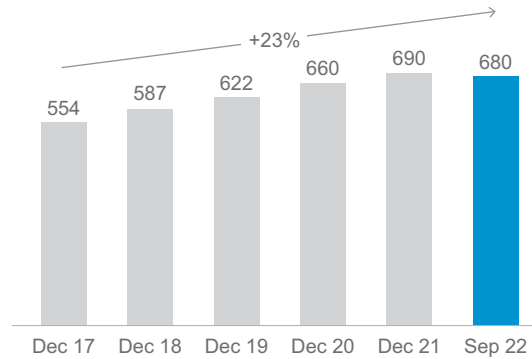
- ▶ 2022 highest equity gas production to date driven by strong ramp at Roma and Arcadia
- ▶ Arcadia Phase 2 expected online 1H 2023
- ▶ Arcadia Edge appraisal wells outperforming expectation
- ▶ Scotia surface to inseam appraisal wells (2021) – early gas exceeding forecast
- ▶ Maintaining cost discipline and improving performance adding 300 wells per year

# Strong GLNG upstream production and cost out

Low cost development focus supporting strong production

## GLNG gas production

TJ/d (gross)

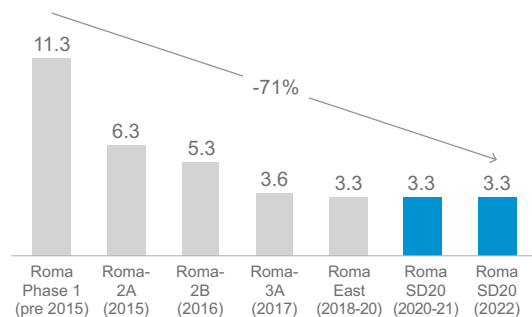


## Strong GLNG gas production

- ▶ Scotia and Arcadia production exceeding expectations
- ▶ Scotia SD21 delivering ~5 TJ/d over expectation

## Days – development drilling

Average days rig release to rig release

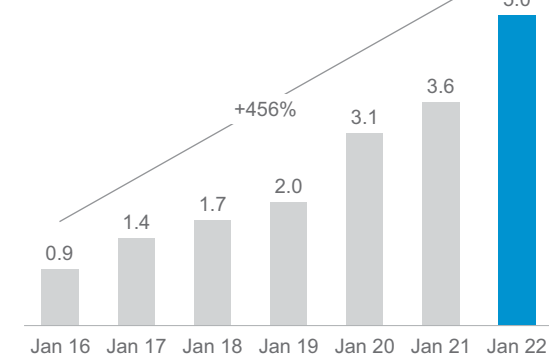


## Fit for purpose rigs, experienced crews

- ▶ High volume, sequential and repeatable scope
- ▶ Technical limit focus

## Mean time between failure

Years (Roma)

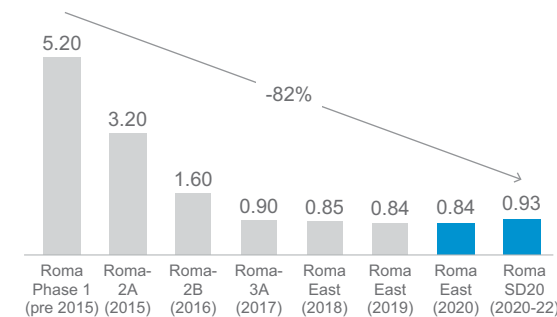


## Driving down operating cost and increasing production

- ▶ Implementation of new well design
- ▶ Innovative operational tools to mitigate solids-related failures
- ▶ Continuous improvement of technologies and processes

## Roma well cost – GLNG<sup>1</sup>

\$million per well



## Maintaining well cost discipline

- ▶ Relentless focus on lowering well cost
- ▶ Expect to drill ~320 wells in 2022 and ~350-400 wells in 2023

1. Drill, complete, connect.

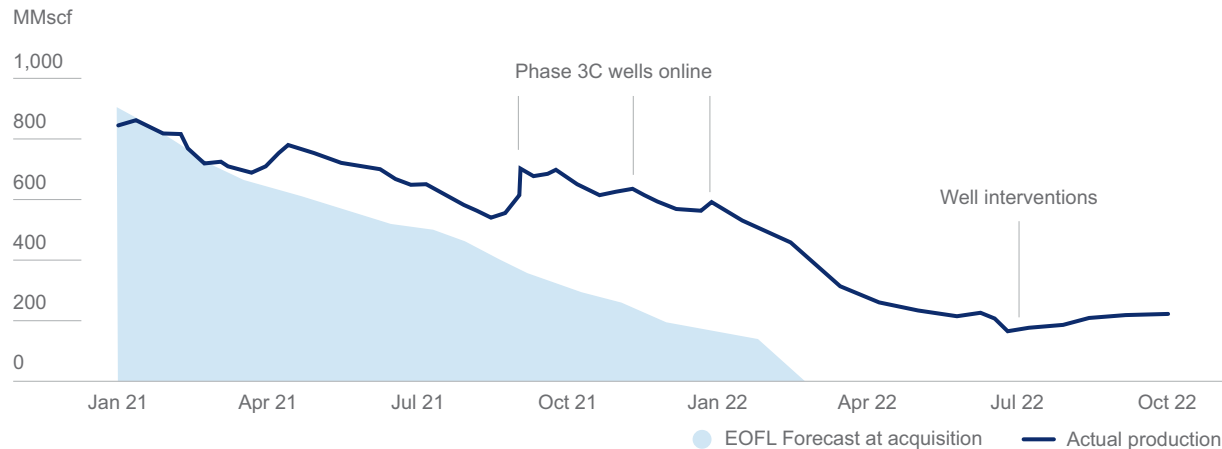
# Bayu-Undan extension of field life

Field life extended during a high LNG price environment

## Key work programs in extending Bayu-Undan field life

- ▶ Phase 3C infill program: included two platform wells and one subsea well that currently provide 40% of total field production
- ▶ Well intervention campaign: ongoing successful water shut-offs and well reperforations to prevent wells loading up
- ▶ DLNG and Bayu-Undan plant optimisation: as production has reduced the operation has adjusted to take advantage of the installed capacity to improve well deliverability

## Production

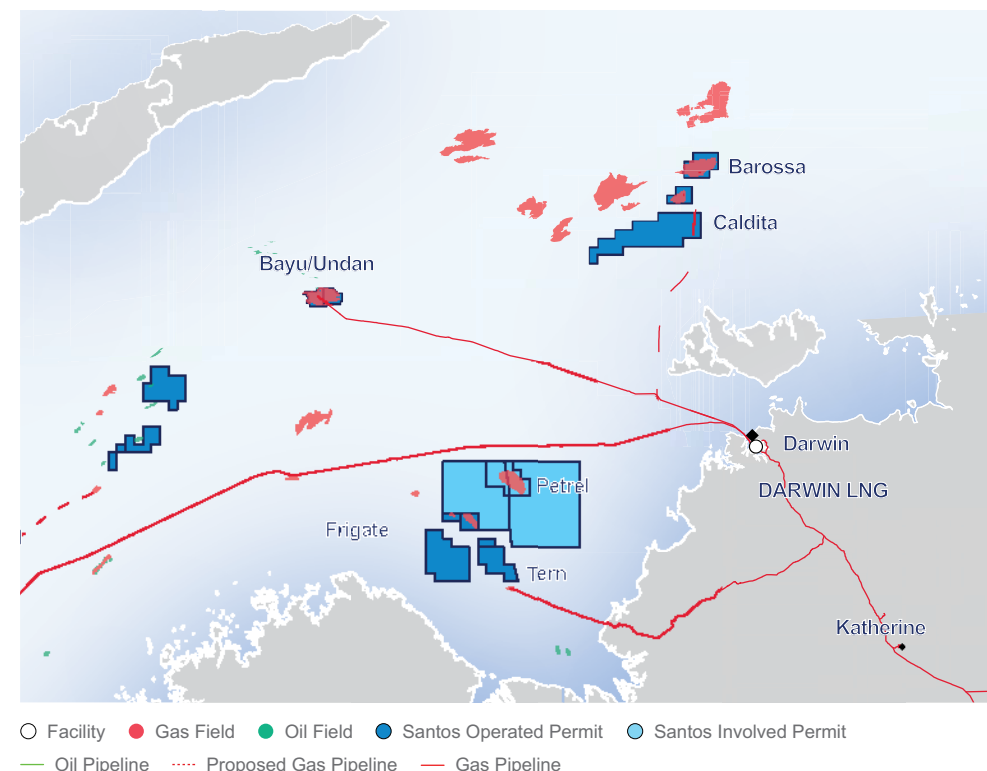


Subsea Installation Vessel used for 3C Drilling Program

# Barossa Project Federal Court decision

Barossa drilling operations suspended following Federal Court decision to set aside the acceptance by the regulator of the drilling and completion activities environmental plan. Santos is appealing the decision with a hearing on the appeal expected to be held in mid-November

<b>Location</b>	▶ The relevant drilling activities were underway at a site in the Timor Sea, approximately 140 kilometres north of the Tiwi Islands
<b>Federal Court decision</b>	▶ The Federal Court set aside the acceptance by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) of an environmental plan covering the drilling and completion activities in relation to the Barossa Gas Project
<b>Outcomes from the Federal Court decision</b>	▶ Drilling activities will be suspended pending a favourable appeal outcome or the approval of a fresh Environment Plan. Santos will be seeking to expedite these processes
<b>Project overview</b>	<p>▶ The Barossa Gas Project is approximately 46 per cent complete</p> <p>▶ Drilling activities are not on the critical path for the project and we have headroom in the project cost contingency</p>



# Santos domestic gas portfolio

Diversified portfolio with strong cash flows and backfill opportunities to sustain production

## Cooper Basin



## Eastern Queensland



## Western Australia



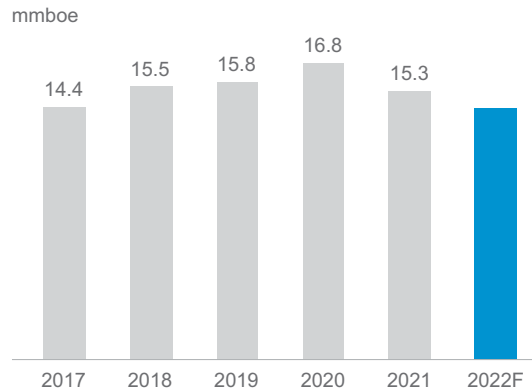
Status	▶ Producing	▶ Producing	▶ Producing
Santos share capacity, TJ/d	▶ 270	▶ ~45	▶ 610
Reservoir type	▶ Conventional/unconventional	▶ Unconventional	▶ Conventional
Backfill and sustain	<ul style="list-style-type: none"> <li>▶ Low cost development plan to convert large resource base</li> <li>▶ Emerging resource plays including Granite Wash and Deep Source opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Backfill via Eastern Queensland and Mahalo</li> <li>▶ Access strategy being negotiated</li> </ul>	<ul style="list-style-type: none"> <li>▶ Spartan first gas to Varanus Island expected in 1Q23</li> <li>▶ Bedout Basin to provide long-term gas backfill to WA domestic gas business</li> </ul>
Decarbonisation	<ul style="list-style-type: none"> <li>▶ Moomba CCS expected online in 2024</li> <li>▶ Field compression electrification and rationalisation</li> </ul>	▶ Upstream renewable electrification	<ul style="list-style-type: none"> <li>▶ Low CO2 asset</li> <li>▶ Energy efficiency projects</li> </ul>



# Cooper Basin

## Disciplined operating model delivering short capex cycle business

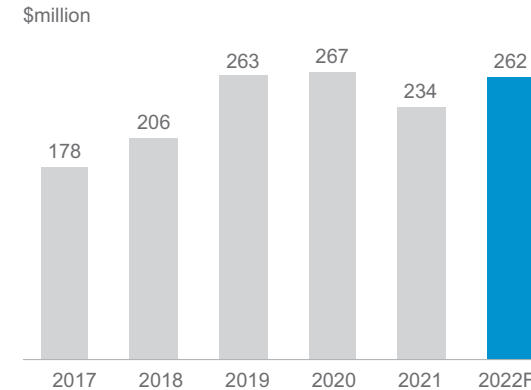
### Production



### Wet weather impact

- ▶ Three La Nina events has brought widespread rain and flooding to Eastern Australia in 2022
- ▶ Plans implemented to maximise recovery
  - ▶ Additional drilling rig
  - ▶ Additional civil and gathering pipeline crew
  - ▶ Increased workover rig and fracture stimulation capacity from 12 to 24 hour operations

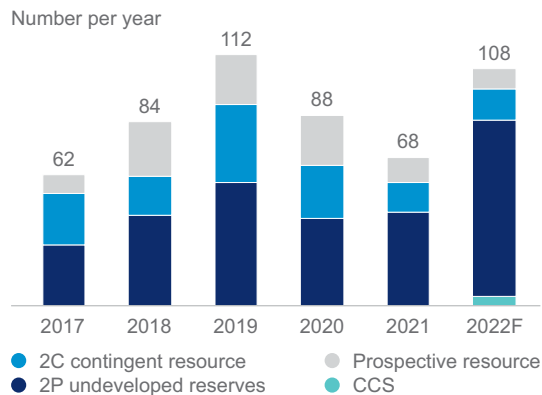
### Drill, complete, connect capex



### Continuous cost out focus

- ▶ Growth self-funded within the disciplined operating model
- ▶ Low-cost efficient drilling resulting in improved capital efficiency and more wells

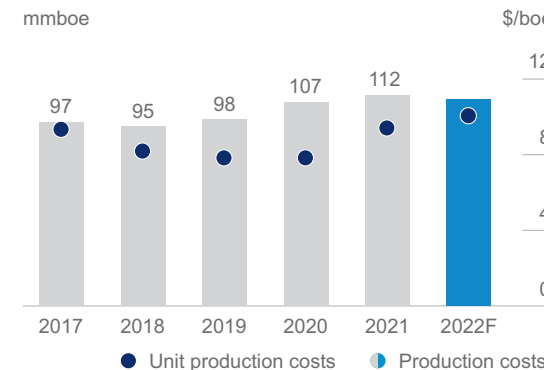
### Wells drilled



### Targeting >100 wells

- ▶ Increased from 68 to 108 wells
- ▶ 30 wells to be connected
- ▶ Well delivery program running at 98% success:
  - ▶ Swan lake 18: Online wellhead rate of 3.1 mmscf/d
  - ▶ Moomba 269: Online with a wellhead rate of >3.5mmscf/d
  - ▶ Moomba 275: Online with a wellhead rate at 1.5mmscf/d
  - ▶ Big Lake 4mmscf/d

### Production



### Unit cost

### Maintaining operating cost discipline

- ▶ Increased unit costs due to lower production
- ▶ Cost efficiencies through repeatable scope and a focus on higher reliability

# Unlocking gas volumes in the heart of Moomba

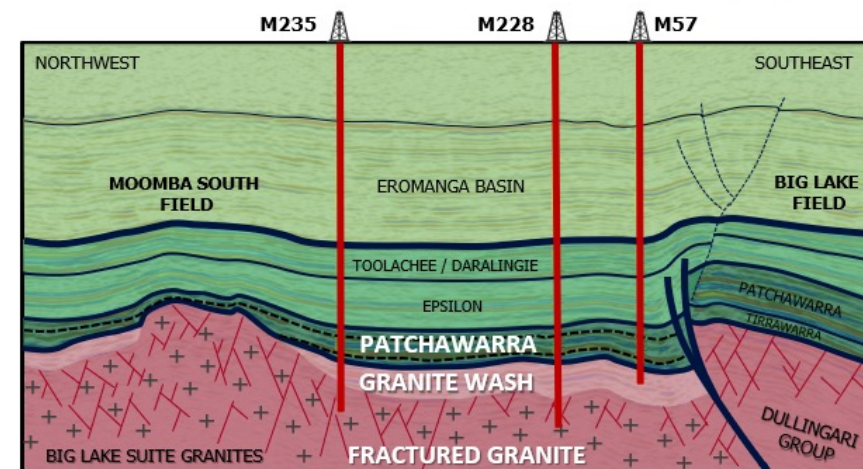
Significant resource close to infrastructure with Granite Wash upside

## Developing Moomba South Patchawarra

- ▶ Delivers well inventory for 2-3 drilling rigs of continuous drilling in the Moomba Area leveraging our existing infrastructure
- ▶ 18 well development commenced drilling in 2022
  - ▶ First well online three months ahead of sanction promise
  - ▶ First three-well pad delivering combined rate of 7.7mmscf/d
- ▶ Further appraisal unlocking future development tranches
  - ▶ Eight appraisal wells drilled successfully and online in 2022
  - ▶ Drilling planned in 2023-24 to de-risk up to 140 development locations

## Granite Wash play adds rate and reserves

- ▶ Reservoir accessed through vertical Patchawarra drills and targeted horizontals
- ▶ Successful horizontal appraisal in 2022, further appraisal drilling planned in 2023



# Western Australia domestic gas

## Near-field backfill options and Bedout Basin gas

### Expecting lower gas production in 2023

- ▶ Reindeer end of continuous production in 2023, with ongoing intermittent cyclic production
- ▶ Lower production from Spar due to early water breakthrough

### Near-field options to backfill Varanus Island

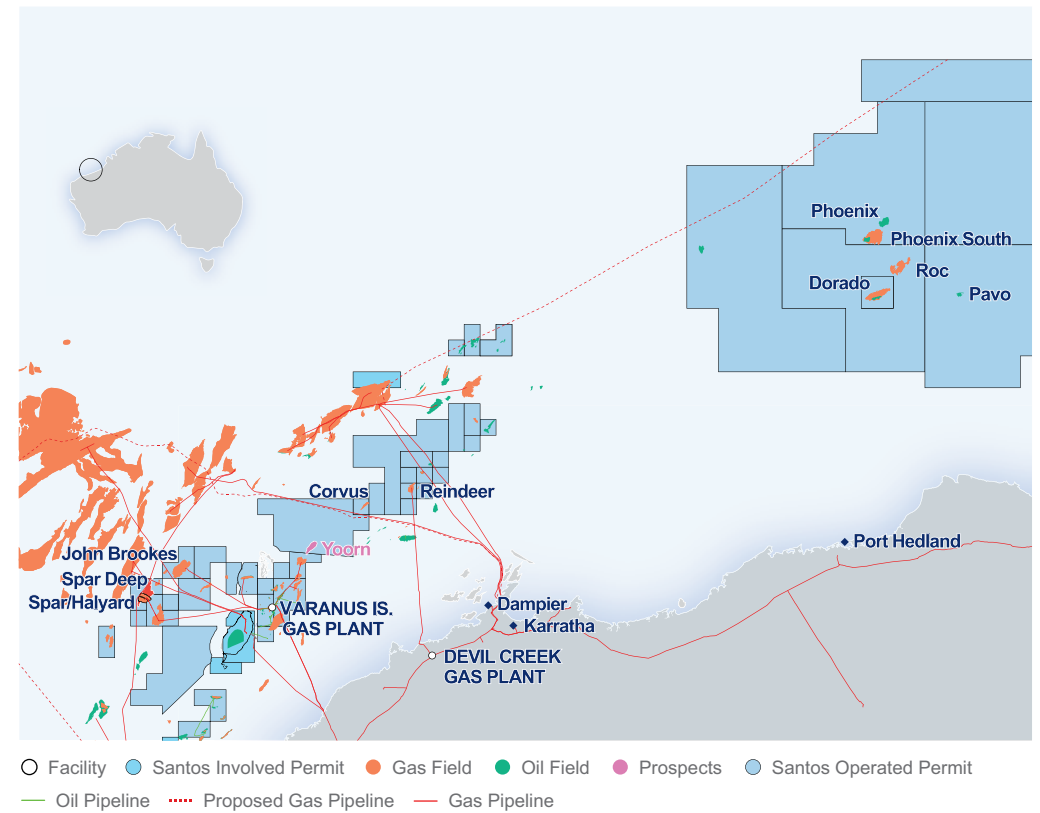
- ▶ Spartan currently being executed
- ▶ Infill drilling at Spar
- ▶ Discovered resource at Spar Deep and Corvus close to existing infrastructure

### Bedout Basin

- ▶ Potential to provide long-term backfill for WA domestic gas business

### Reindeer facility

- ▶ Potential transition to a CCS hub at end of field life



# Upstream unsanctioned projects

Pipeline of phased and disciplined projects connected to domestic and Asian markets

## Dorado



## Narrabri



## Papua LNG



### Description

- ▶ Liquids-rich, Low CO2 resource with nearfield Pavo tieback

- ▶ Domestic gas project which will supply the east coast market

- ▶ Key strategic medium term growth option in PNG

### Next steps

- ▶ Upside in further Bedout appraisal and optimisation of the integrated development concept

- ▶ No significant capex expected until FID
- ▶ Targeting first gas from phase 1 in 2026
- ▶ Land access survey approvals underway following Hunter Pipeline acquisition

- ▶ FEED-entry targeted by end 2022

### Targeted FID-ready

- ▶ 2023/24

- ▶ 2023/24<sup>1</sup>

- ▶ End 2023

### Santos working interest

- ▶ 80% Dorado, 70% Pavo

- ▶ 100%

- ▶ 17.7%<sup>2</sup>

1. Timing is subject to securing pipeline approvals and Native Title Determination.

2. Post PNG government back-in.

# Decommissioning activities

We are proactively completing our decommissioning activities in a disciplined, phased and focused approach

## Approach to decommissioning

- ▶ Disciplined and phased work programs with ~\$200 million of annual sustaining capex allocated to decommissioning activities
- ▶ Infrastructure identified for repurposing across three Santos-operated CCS hubs

## Onshore

- ▶ 700+ pipelines removed from service
- ▶ 50 wells plugged and decommissioned
  - ▶ Year-on-year decommissioning activities continue

## Offshore

- ▶ Wells on largest non-producing platform decommissioned at Harriet, offshore WA in 2022
- ▶ Continued decommissioning of Thevenard Island assets
- ▶ Phased decommissioning of Bayu-Undan in anticipation to transitioning the asset to a CCS hub for the region

Thevenard Island decommissioning





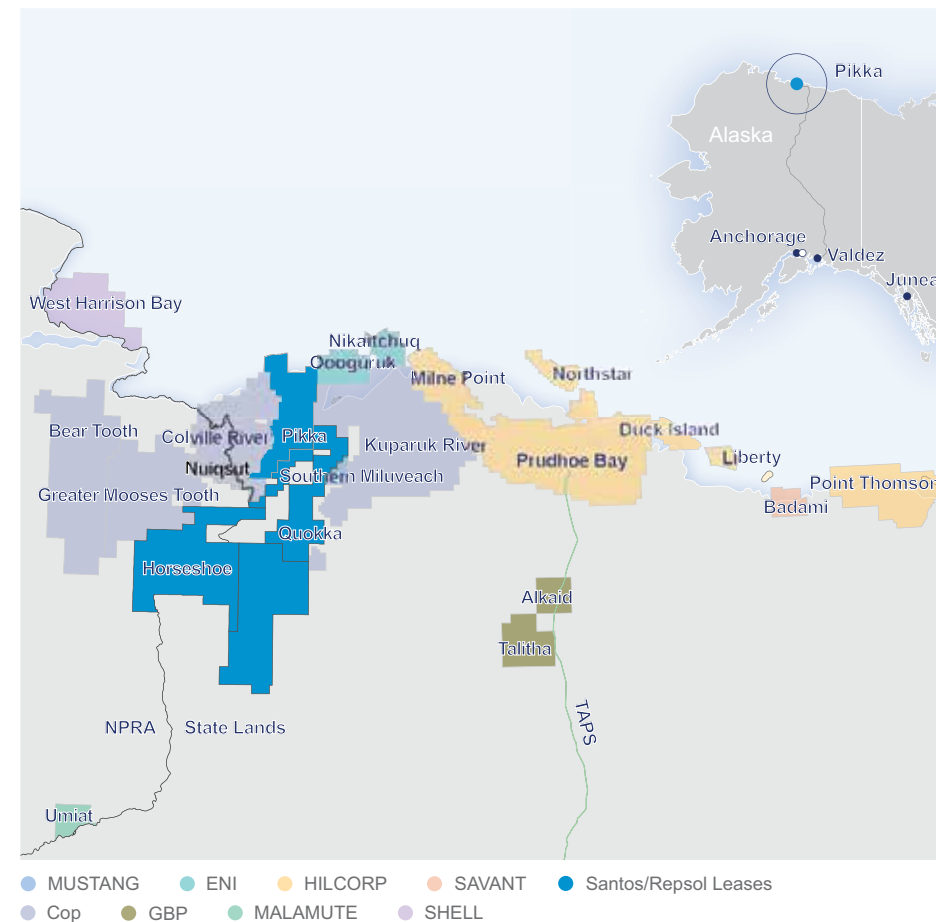
# Pikka Phase 1

Bruce Dingeman  
President



# Pikka Phase 1 currently in early execution phase

Pikka Phase 1	Overview
First oil	2026
Nameplate capacity	80,000 barrels of oil per day gross
Expected plateau duration	6-8 years
Capex to nameplate capacity	\$2.6 billion gross (2022 real), \$1.3 billion Santos share at 51% interest
Execution and contracting strategy mitigates risk	<p><b>All major permits issued and civil early works program complete</b></p> <p>Key contracts in place:</p> <ul style="list-style-type: none"> <li>▶ Fixed price contracts for processing facility and seawater treatment plant</li> <li>▶ Drilling rig contract awarded and rig modifications in progress</li> </ul> <p>Procurement focused on North America / Alaska:</p> <ul style="list-style-type: none"> <li>▶ Minimises logistics</li> <li>▶ Leveraging contractors with Arctic experience / Alaska Native providers</li> </ul> <p><b>Fabrication and first winter season construction activities underway</b></p>
Leverages existing infrastructure	<p>Facilities design: Standardised, modular facility design</p> <p>Construction and fabrication: Completed in Alaska, Canada, Indonesia</p> <p>Drilling and completions: Expected to commence in 1H 2023</p> <p>Installation and commissioning: Connecting to existing infrastructure</p>
Emissions	<ul style="list-style-type: none"> <li>▶ Low intensity project ranking in top quartile of projects globally</li> <li>▶ Will be net-zero (equity share of emissions, Scope 1 and 2)</li> </ul>
Crude pricing	<ul style="list-style-type: none"> <li>▶ Trades based on Alaska North Slope marker, historically at a slight premium to Brent</li> </ul>



# Strong stakeholder support underpinning Pikka Phase 1

Key regulatory approvals are in place and strong community support for the project

Stakeholder	Overview
Oil industry drives the Alaskan economy	<ul style="list-style-type: none"> <li>▶ The oil and gas industry remains the single most important economic contributor to the State</li> <li>▶ The oil industry has been the largest State taxpayer for over 40 years</li> </ul>
Regulator	<ul style="list-style-type: none"> <li>▶ Pikka is located on State land with major approvals in place</li> </ul>
Strong environmental focus	<ul style="list-style-type: none"> <li>▶ Phase 1 project gravel is in place providing year-round access, while minimising surface footprint and protecting the tundra</li> <li>▶ Activities conducted outside of gravel infrastructure will utilise ice roads and pads to protect the tundra</li> <li>▶ No routine flaring on the North Slope</li> </ul>
Community support for the project	<ul style="list-style-type: none"> <li>▶ Surface land use agreement in place governing how project will be constructed and operated while respecting local traditions and subsistence practices</li> <li>▶ Early engagement with local community for project design and mitigation of impacts with more than 20 design changes and 100 mitigation measures</li> <li>▶ Project provides significant benefit to community</li> </ul>
Community projects planned to commence in 2023	<ul style="list-style-type: none"> <li>▶ Nuiqsut wastewater treatment plant</li> <li>▶ Nuiqsut bridge replacement</li> <li>▶ New boat launch improving river access</li> </ul>

Exploration drilling operations



Site restored 18 months later

# Pikka Phase 1 will be net-zero emissions equity Scope 1 and 2

Carbon abatement and offset options are being developed to be net-zero from first oil

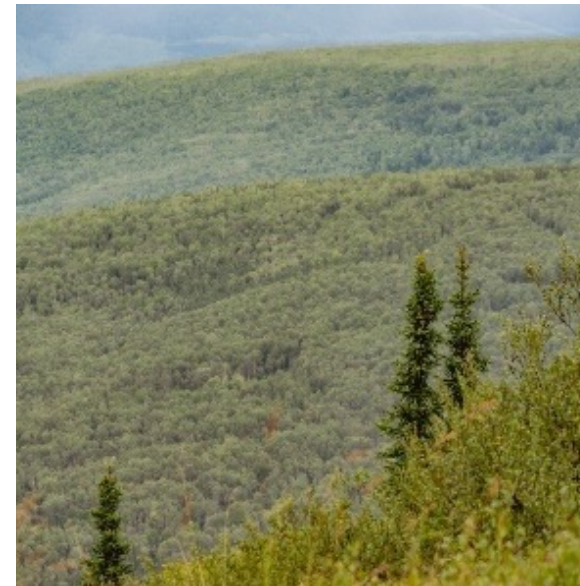
**Two agreements in place with Native Alaskan Corporations to explore the feasibility of technical and nature-based carbon offset projects**

## Near-term nature-based carbon solutions

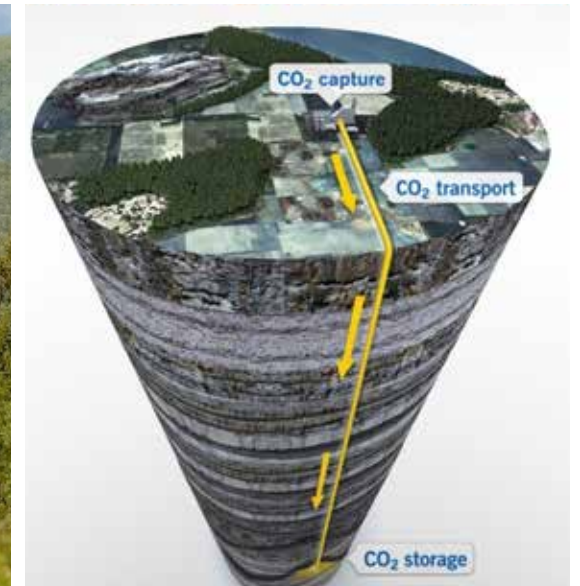
- ▶ Letter of Intent signed with large Alaska Native landowner to develop a forestry management project
- ▶ Initial scope could potentially offset Santos share of Pikka Phase 1 emissions with high-quality credits

## Future large-scale carbon abatement and offset technologies

- ▶ Strategic Alliance Memorandum of Understanding with ASRC Energy Services to develop carbon abatement solutions
- ▶ Participating in a consortium pursuing development of a Direct Air Capture and Carbon Capture and Storage hub project in Alaska



Nature-based solutions



Carbon capture and storage concept



# Santos Energy Solutions

Brett Woods  
President





# Sustainable value generation through the energy transition

Positioned to decarbonise the base business and develop new revenue streams through carbon services and clean fuels

## Santos Energy Solutions

Low carbon processing of Santos' and third-party gas and liquids

Natural gas and LNG tolling

Liquids tolling

Decarbonisation and carbon management services

Carbon capture and storage

Direct air capture

Post combustion capture

Carbon Solutions

Operational efficiencies

Clean fuels production

Carbon neutral gas

Hydrogen

Renewable synthetic fuels

1H22 EBITDA \$149 million, excluding GLNG<sup>1</sup>

>300 kt of emissions reduction through Energy Solutions since 2017  
Building Santos' capabilities and technologies to meet emerging markets

1. Santos 2022 first-half EBITDA excluding GLNG and Upstream Gas and Liquids.

# Santos' Energy Solutions progress in 2022

Moomba CCS train tie-ins completed on site

CSIRO Direct Air Capture pilot units construction commenced

Cooper Basin Electrification Phase 2 FEED entry achieved

Port Bonython hydrogen mobility study concept select completed

CO2 storage permits obtained in WA and NT

WA CCS feasibility study with nearby industrial emitters underway

Bayu-Undan FEED entry achieved

Agreement signed for new third-party gas supply in the Cooper Basin

# Creating value from midstream infrastructure portfolio

Unique portfolio of strategic midstream infrastructure assets

## Midstream infrastructure assets

**Moomba**



**Port Bonython**



**Darwin LNG**



**Varanus Island**



**Devil Creek**



**Annual capacity**

- ▶ Gas: 400 TJ/d
- ▶ Storage: 70 PJ

- ▶ Liquids: 20 mmbœ

- ▶ LNG: 3.7 mtpa with approvals up to 10 mtpa

- ▶ Gas: 390 TJ/d

- ▶ Gas: 220 TJ/d

**2021 throughput (gross)**

- ▶ 298 TJ/d

- ▶ 13.3 mmbœ

- ▶ 3.1 mtpa

- ▶ 273 TJ/d

- ▶ 152 TJ/d

**2021 Full Year Utilisation (%)**

- ▶ 75

- ▶ 63

- ▶ 80

- ▶ 70

- ▶ 69

**Existing tolling structure**

- ▶ Internal and external tolls

- ▶ Internal and external tolls

- ▶ Internal tolls

- ▶ Internal tolls

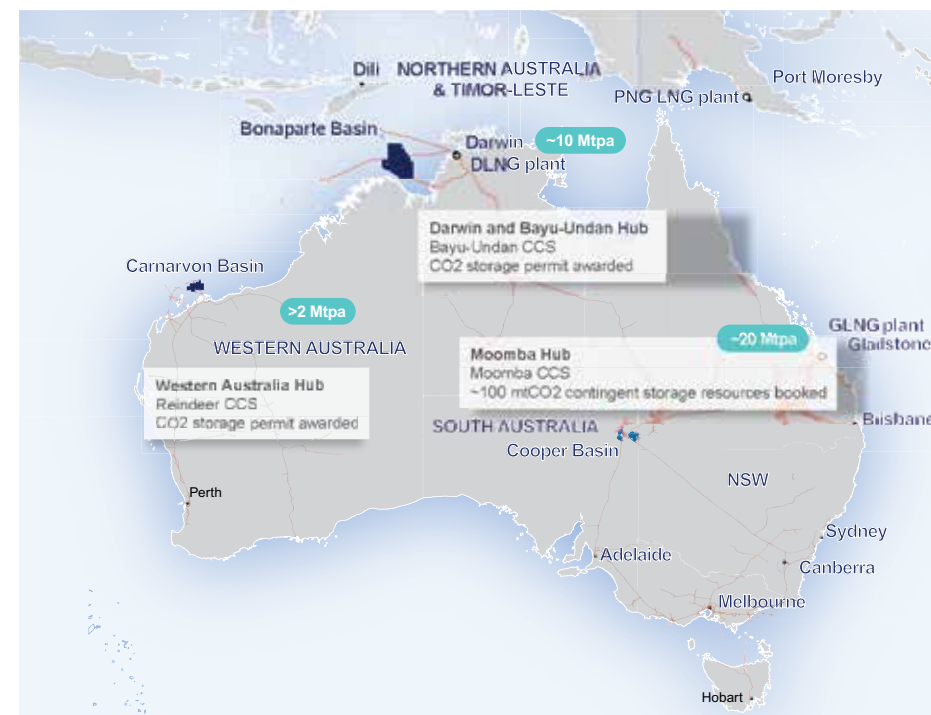
- ▶ Internal tolls

# Three Santos-operated CCS and clean fuels hubs

Santos is developing three CCS hubs with >30 mtpa gross CO2 storage capacity. Moomba CCS currently under construction

	Moomba Hub	Darwin and Bayu-Undan Hub	Western Australia Hub
Annual injection capacity, MtCO2e	~20	~10	>2
Reservoir type	Depleted gas	Depleted gas	Depleted gas
First injection timing estimate	2024	2027	2028
Net capex, \$million	~\$110m	Subject to FEED	Subject to FEED
Santos CO2 storage	✓	✓	✗
Third-party CO2 storage	✓	✓	✓
Repurpose existing infrastructure	✓	✓	✓
Enabling hydrogen and ammonia	✓	✓	✓

Recent CO2 storage permits awarded in the offshore Carnarvon and Bonaparte basins for potential carbon sequestration

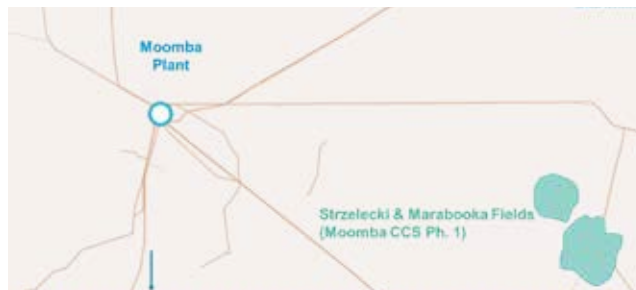


● CO2 storage permit awarded ● CO2 storage booked  
 — Gas Pipeline

# Santos' three CCS and clean fuels hubs

Santos' clean fuels hubs leverage existing infrastructure and depleted reservoirs to deliver strong free cash flows

## Moomba Hub



## Darwin and Bayu-Undan Hub



## Western Australia Hub



### CTAP Element

#### Operational efficiencies

- ▶ Cooper Basin electrification
- ▶ Curtis Island electrification
- ▶ Operational efficiency projects

- ▶ Operational efficiency projects

- ▶ Power optimisation
- ▶ Operational efficiency projects

#### Carbon Capture and Storage

- ▶ Moomba CCS
- ▶ DAC
- ▶ PCC

- ▶ Bayu-Undan CCS
- ▶ Exploring opportunities for CCS in the Petrel Sub-basin
- ▶ International CO2 import

- ▶ WA CCS hub
- ▶ Working with potential industrial CCS users in northwest WA

#### Carbon Solutions

- ▶ Land based solutions

#### Clean Fuels Hubs

- ▶ Domestic hydrogen mobility projects

- ▶ Evaluating options to deliver clean fuels to countries in Asia who have set net-zero targets

- ▶ Working with potential industrial customers in WA

#### Supply chain collaboration

- ▶ Working with customers and suppliers across Australia, PNG, Timor-Leste and Alaska to reduce emissions across the value chain

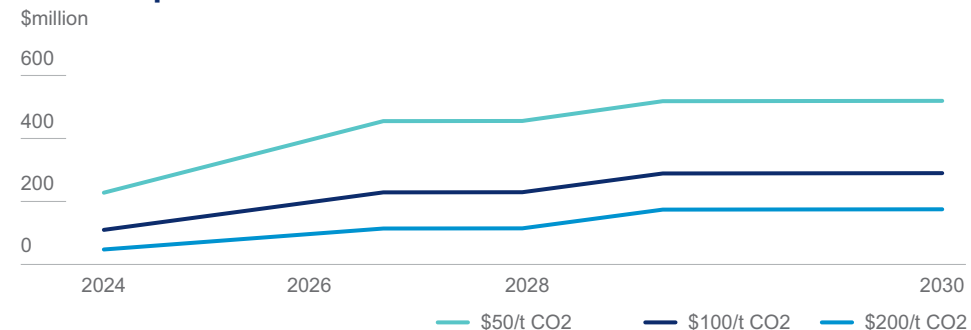


# Santos Energy Solutions CCS business

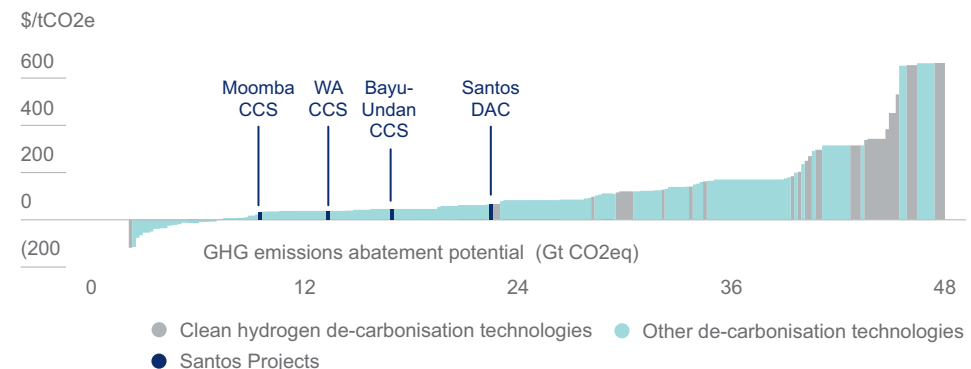
Targeting equivalent returns to the Upstream business to deliver sustainable value for Santos

	Working interest %	Gross CO2 capacity mtpa	CO2 customer
<b>Moomba Hub</b>			
Moomba CCS Phase 1	66.7	1.7	Equity
Moomba capacity using DAC	66.7-100	~18	Third-party
<b>Darwin and Bayu-Undan Hub</b>			
Barossa	43.4 <sup>2</sup>	~2.2	Equity
Bayu-Undan scale-up	43.4	~7.8	Third-party
GHG storage permit (G-11-AP)	40	Under assessment	Equity or third-party
<b>Western Australia Hub</b>			
Reindeer	100	>2	Third-party
Varanus Island	100	Under assessment	Third-party
GHG storage permit (G-9-AP)	50	Under assessment	Third-party

## EBITDA potential<sup>1</sup>



## Carbon abatement cost curve<sup>3</sup>



1. EBITDA potential and timing is dependent on regulatory policy, joint venture arrangements, commercial agreements and availability of carbon feedstock. Assumes credits are sold for profit.

2. Reflects working interest in Bayu-Undan.

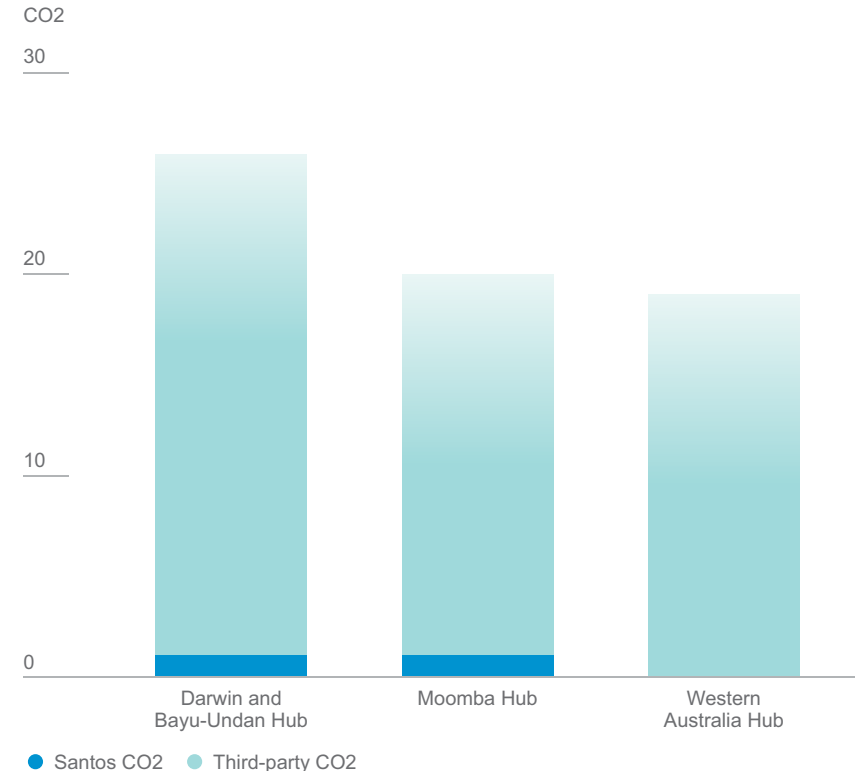
3. Goldman Sachs, Santos Analysis.

# CCS market opportunity for third-party CO2

Emerging CO2 markets present significant opportunity for Santos to generate revenue from carbon management services

- ▶ CCS represents a large-scale, low cost means to reduce emissions and provide Santos with CO2 toll revenue
- ▶ Santos' strong third-party party relationships along with investment in DAC and PCC supports development to fill Santos' CCS hubs
  - ▶ Domestic solutions focused on proximity to emitters leveraging Santos' existing assets
  - ▶ International solutions focussed on CO2 import from Asia
  - ▶ Potential hub customers with over 50Mt of CO2 potential volumes identified to date
- ▶ International opportunities are being explored across Santos' portfolio
  - ▶ Potential CCS market size in Japan, Korea and Singapore >1,500Mtpa<sup>1</sup>, providing significant opportunity for third-party party services

**Hub customer CO2 potential identified to date<sup>2</sup>**

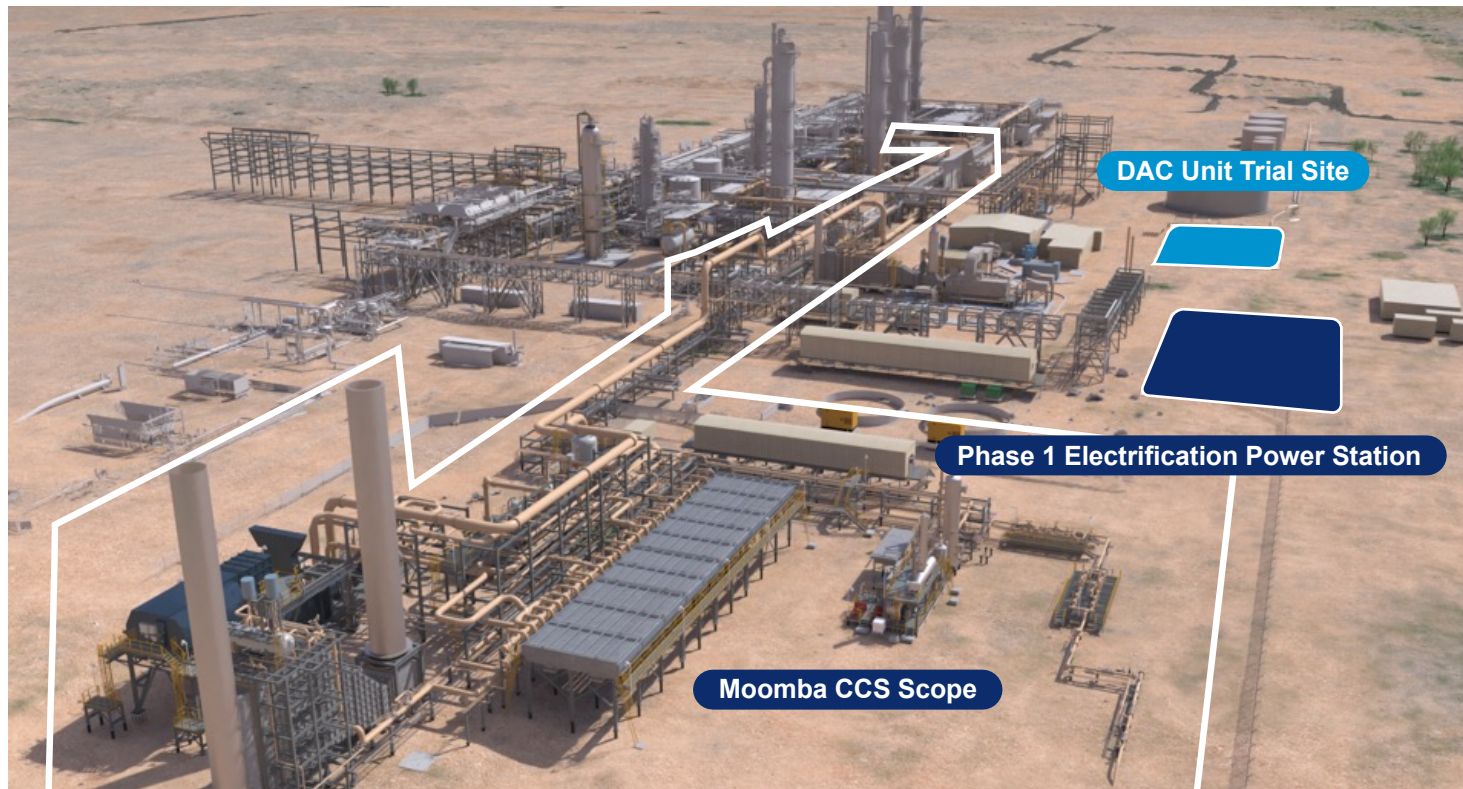


1. European Commission, Emissions Database for Global Atmospheric Research 2020.

2. Santos analysis of CO2 source potential suited to Santos' CCS Hubs.

# Moomba Hub Update

Ambitious decarbonisation agenda progressing underpinned by Moomba CCS



Computer Generated Impression of Moomba Plant and CCS Infrastructure.  
DAC and Electrification sites are proposed and subject to change.

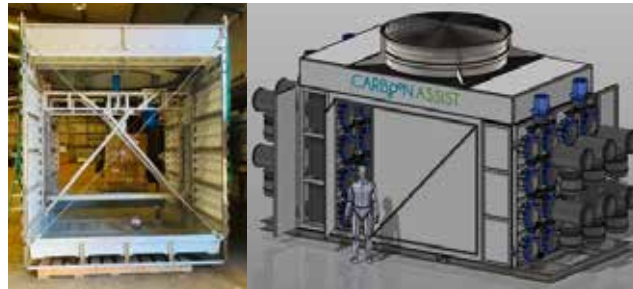
## Moomba CCS project remains on track for 2024 first injection

- ▶ Project execution 28% complete
- ▶ Marabooka 19 and Strzelecki 36 injector well drilling to commence later this month
- ▶ Upstream toll agreements executed
- ▶ Project lifecycle breakeven <US\$24/tonne
- ▶ Project life >20 years

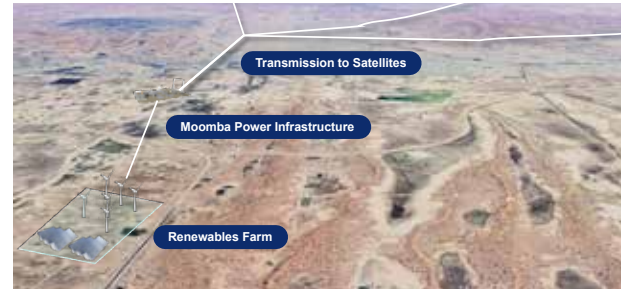
# Uncommitted Santos Energy Solutions projects

Santos continues to invest in emerging decarbonisation and clean fuels technologies and transform energy usage to deliver a step change in emissions reduction

## Direct Air Capture



## Cooper Electrification



## Port Bonython Hydrogen Mobility Hub



### Overview

- ▶ Ambition to develop lowest cost DAC technology globally

- ▶ Electrification of ~80% of SA Cooper gas assets using combination of wind, solar and battery

- ▶ Seeking to establish end-to-end supply chain for green hydrogen mobility solution

### Status

- ▶ Trials commence 1H 2023

- ▶ FEED entry achieved

- ▶ Study underway

### Project scope

- ▶ Multiple technologies being trialled, including CSIRO CarbonAssist™
- ▶ Construction of units underway for delivery to Cooper Basin
- ▶ Study underway for DAC scale up in the Cooper Basin by 2030

- ▶ Increased production for East Coast Gas Market (~10 TJ/day)
- ▶ 183 kt p.a. CO2 emission reduction
- ▶ Targeting ~70% renewables penetration
- ▶ A world class renewables zone, the Cooper Basin supports development of low-cost renewables
- ▶ Supports future clean fuels development opportunities

- ▶ Represents low emissions solution for trucking, supplied by hydrogen production at Port Bonython
- ▶ Studies underway with potential third-party project participants targeting online date mid-this decade



# Darwin and Bayu-Undan CCS hub update

Emerging Asian CO2 market demand being pursued as Bayu-Undan CCS FEED continues to progress on schedule

## Darwin and Bayu-Undan CCS Hub



## Darwin LNG tank commercial optimisation



### Overview

- ▶ Bayu-Undan CCS targeting technical package FEED completion by year end

- ▶ Opportunity identified to deliver commercial upside in the period between Bayu-Undan end of field life and Barossa start up by utilising LNG tank ullage

### Status

- ▶ SK study continuing evaluating third-party CO2 opportunities to fill Bayu-Undan CCS
- ▶ MOUs signed and book build of third-party CO2 continuing from local and international customers

- ▶ Technical feasibility work and commercial scoping underway to evaluate potential
- ▶ Exploring opportunities to utilise tank for LNG storage and trading or lease to a third-party for usage while ensuring tank remains cold

### Other studies

- ▶ CO2 storage permit awarded in the Petrel Basin
- ▶ Provides potential for future significant expansion of CCS facilities in Northern Australia
- ▶ Clean fuels screening studies underway for supply into international markets



# Western Australia CCS Hub Update

Third-party CCS solutions being developed with a range of industrial emitters in hard to abate sectors

## Reindeer CCS



## Varanus Island



## Offshore WA CO2 storage permit



### Overview

- ▶ Represents attractive emissions abatement option for industrial emitters
- ▶ Repurposing infrastructure and depleted reservoirs nearby to Varanus Island
- ▶ CO2 storage permit awarded adjacent to Reindeer field, securing significant additional capacity for Santos to meet demand into the future

### Status

- ▶ Santos leading CCS feasibility study with major nearby industrial emitters
- ▶ End-to-end solutions are being explored to evaluate capture of CO2 emissions from local industrial sources
- ▶ Reservoir assessments underway to evaluate storage potential
- ▶ Reservoir assessments underway to evaluate storage potential

# Santos' Carbon Solutions

Prioritising nature-based carbon offset projects across our areas of operation provides dual benefits of decarbonisation in line with our targets and social outcomes for local communities

## PNG reforestation project



## Alaska forestry management



## Soil carbon farming



### Description

- ▶ In PNG we are working with local communities to deliver a 12,000 hectare biomass community reforestation project
- ▶ Project is seeking to sequester over 8 million tonnes of CO<sub>2</sub> over the life of the project

- ▶ Near-term nature based carbon solutions within Alaska
- ▶ Letter of intent signed with large Alaska Native landowner to develop a forestry management project
- ▶ Initial scope could potentially offset Santos share of Pikka Phase 1 emissions

- ▶ Soil farming feasibility study completed in Queensland
- ▶ Opportunities to progress soil carbon farming projects and registrations are being progressed



# ESG

Janette Hewson  
Executive Vice President





# Respectful partnerships – First Nations peoples

Our objective is to proactively partner with First Nations groups and communities to build respectful and mutually beneficial relationships and deliver positive outcomes

## Listening and respect for culture



Agreements  
and consent



Return to country



Cultural immersions  
and training our people

- ▶ Strong process in place to identify, protect and manage indigenous cultural heritage
- ▶ We have engaged over 500 Cultural Heritage officers to complete 2,000 cultural heritage assessments (5 years)

## Capacity building and supply chain opportunities

- ▶ Indigenous Participation Plan
- ▶ Annual spend ~\$60m with First Nations suppliers

## Training and career pathways

**30%** of our apprentices and trainees  
in Australia are Indigenous

**88%** of our PNG workforce are  
PNG citizens

**“This partnership with Santos is a massive relief for the Bidjara people, securing our future here, and making sure we will never lose Mount Tabor. It means a lot to me for reconciliation. It’s about building a bridge, listening and working together. There are benefits in these agreements for all people – black or white”.**

Senior Bidjara woman and Mount Tabor Station Manager, Keelen Mailman



# Resilient communities – building strength in regions

Our objective is to improve living standards, build respectful relationships, and create stronger communities in the areas we operate

**Local jobs and education**  
employing and upskilling  
local people who live and  
work in communities

- ▶ 100% local workforce in Darwin and 85% in Gladstone, Narrabri, Whyalla

**Local spend**  
supporting local businesses  
and paying local taxes  
and rates

- ▶ \$444 million local spend across host communities
- ▶ \$2 billion taxes and royalties paid 2016-2021

**Community investment**  
investing in capacity-building  
and needs-based priorities  
to strengthen communities

- ▶ \$30 million community investments
- ▶ Strengthening local communities and economies, health and mental health, training, education, Indigenous communities

## Co- benefits



### Connectivity and telecommunications

Santos funded infrastructure also delivers faster and more reliable mobile and internet services to regional Queensland (Wallumbilla and Arcadia Valley)



### Water reuse

Landholders using Santos produced water for irrigation



# Resilient communities – the Santos Foundation

A focus on capacity-building and community needs, building on the strengths of the Oil Search Foundation

## Health

- ▶ Supported PNG rollout of 145,000 childhood vaccinations delivered by Provincial Health Authorities (PHAs)
- ▶ Support to three PHAs to deliver COVID-19 response plans to a catchment population of 1 million and kept >100 health facilities open during the pandemic

## Education

- ▶ >270 children were enrolled in literacy classes across all three of the Foundation-supported libraries

## Gender equity

- ▶ Foundation-managed Bel isi PNG supports victims of family and sexual violence, providing services to 570 people



Foundation partners with Poroma Bible Church to deliver COVID-19 vaccine community awareness in remote Poroma (Southern Highlands)

# People and culture performance

Building an inclusive workplace and growing an organisational learning culture

## Female participation across Santos<sup>1</sup>

**40%**

Board members

**38%**

Executive leadership

**35%**

Non-field employees

**42%**

Graduates

**9%**

Field based employees

Gender  
pay  
equity

## Supporting working parents

~\$**1** million

Childcare subsidies  
paid by Santos in 2021

## Investing in training our people<sup>2</sup>

**71,000**

Training hours for Australian  
based employees

1. As at 30 June 2022.

2. In the 12 months to 30 June 2022.

# Responsible environmental management

Our objective is to minimise the environmental impacts of our operations and activities and to work with our communities and partners to deliver positive environmental outcomes

## Biodiversity



- ▶ 43,000 hectares of land secured as biodiversity offsets, including with the Bidjara Traditional owners for Mount Tabor property in Queensland

## Waste



- ▶ 69% reduction in waste generation in Australian operations over five years

## Water



- ▶ We offset our use of groundwater by funding water saving initiatives
- ▶ \$2.25 million committed toward Government initiative to support landowners to cap their free-flowing bores across Queensland

# Governance – transparency and ethical conduct

We are committed to a culture that values high standards of ethical and socially responsible conduct and transparent disclosures

## Governance and Board oversight

- ▶ Robust corporate governance framework and disclosures
- ▶ Dedicated Board committees: EHSS, Audit and Risk and People, Remuneration and Culture
- ▶ Publicly disclosed Policies, including Code of Conduct
- ▶ Cross organisational Management System incorporating ESG risks
- ▶ Executive remuneration linked to climate targets
- ▶ ‘Say on climate’ in 2022

## Human rights and modern slavery

- ▶ Board approved Human Rights and Modern Slavery Policy outlines Santos’ commitment to supporting and respecting the protection of internationally recognised human rights
- ▶ Santos published its first Modern Slavery Statement in June 2020, for the 2019 calendar year, and has published annual statements since that time

## Transparent disclosures

- ▶ Annual TCFD-aligned Climate Change Reports – 2022 report includes CTAP and 1.5 degree scenario analysis
- ▶ GRI-aligned 2022 Sustainability Report for merged entity recently released
- ▶ Annual reviews of Industry Associations
- ▶ Active participation in CO2CRC and GCCSI
- ▶ AA Rating MSCI; strong sector performer in CA100+ benchmark



# Finance and Capital Management

Anthea McKinnell  
Chief Financial Officer





# Financial discipline

Record revenue and free cash flow, continued capital management and balance sheet to fund growth

Record revenues

Capital management

Strong balance sheet

Record free cash flow<sup>1</sup>

**\$2.7** billion

Record sales revenue<sup>1</sup>

**\$5.9** billion

2022 returns to shareholders<sup>2</sup>

**\$543** million cash dividends

\$350m buyback<sup>3</sup>

**\$323** million complete

Strong liquidity<sup>1</sup>

**>\$5.5** billion

Gearing decreasing<sup>1</sup>

**20.8%**

1. As at 30 September 2022.

2. Includes 2021 final dividend payment and 2022 interim dividend payment.

3. As at 31 October 2022.

# Capital management framework

Disciplined operating model

Cash from operations

Sustaining capital<sup>1</sup>

Free cash flow from operations

## Maintain strong balance sheet

- ▶ Target gearing range 15-25%
- ▶ Maintain investment grade credit rating

## Returns to shareholders

- ▶ **Base:** 10-30% payout of free cash flow at average Brent oil prices up to \$65 per barrel<sup>2</sup>
- ▶ **Additional returns:** at least 40% of incremental free cash flow above an average oil price of \$65 per barrel<sup>2</sup>

## Invest in major projects

- ▶ Disciplined and phased investment around existing infrastructure

## Invest in the energy transition

- ▶ Investments must meet return hurdles and be underpinned by customer demand

1. Predominately comprises short cycle sustaining capex, exploration and decommissioning.

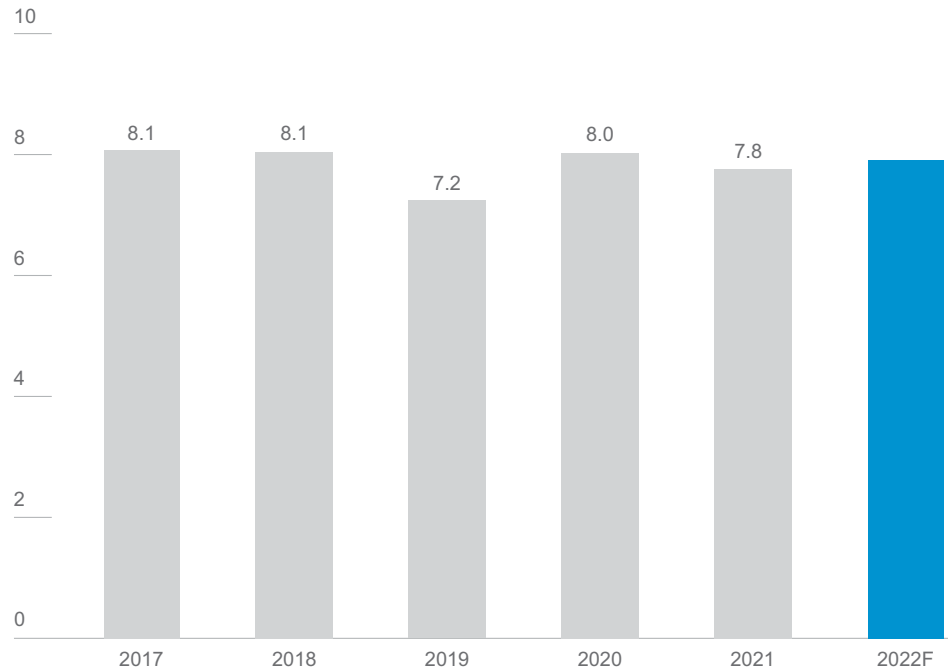
2. Average Dated Brent oil price for any given period.

# Cost discipline

Continued focus on cost discipline and merger synergies

## Unit production cost

\$/boe



## Disciplined Operating Model

- ▶ Core portfolio free cash flow breakeven at  $\leq$ \$35/bbl oil price through the oil price cycle
- ▶ Each core asset free cash flow positive at  $\leq$ \$35/bbl, pre-major growth spend

- ▶ On track for  $<$ \$25/bbl free cash flow from operations breakeven for 2022
- ▶ Overall unit production costs slightly higher than 2021 predominantly due to Bayu-Undan natural field decline and higher unit cost PNG operated production
- ▶ Impact of cost inflation on production costs controlled within operating divisions assisted by favorable FX rates on AUD costs
- ▶ 2022 Unit production costs expected to be towards lower end of \$7.90-\$8.30 guidance
- ▶ Annual sustaining synergies captured to date US\$112 million<sup>1</sup>

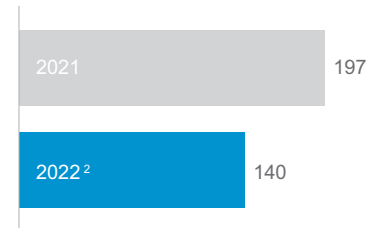
1. Excludes integration and other one-off costs.

# Santos' tax and royalty contributions

We pay tax and royalties in the countries in which we operate with over \$960 million tax paid in 2022<sup>1</sup>

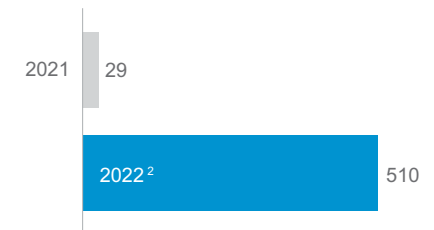
## Timor-Leste

US\$million



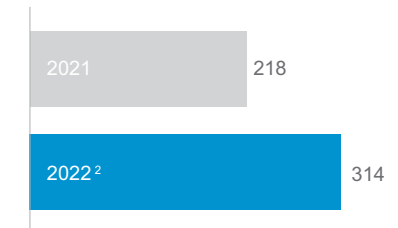
## Papua New Guinea

US\$million



## Australia

US\$million



1. Includes corporate income tax and royalty related taxes (such as Australian PRRT, APT in Timor-Leste and PNG, and government royalties). It does not include employment related taxes, excise or other duties payable.

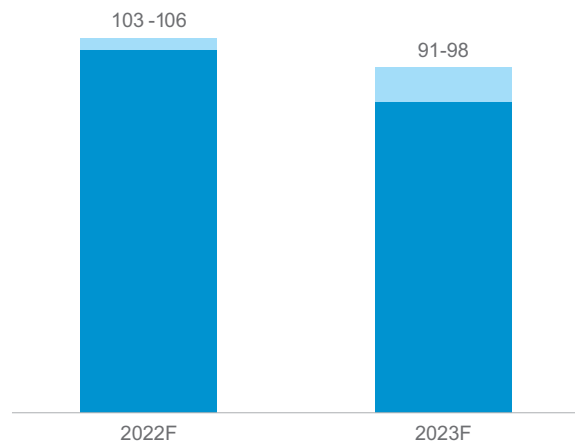
2. As at 31 October 2022.

# Production and capex guidance

## 2023 production guidance 91-98 mmboe

### Upstream Gas and Liquids <sup>1</sup>

mmboe



#### Factors influencing 2023 production

- ▶ Excludes production volumes from Bayu-Undan
- ▶ Timing of completion of PNG LNG sell-down
- ▶ Lower WA gas production

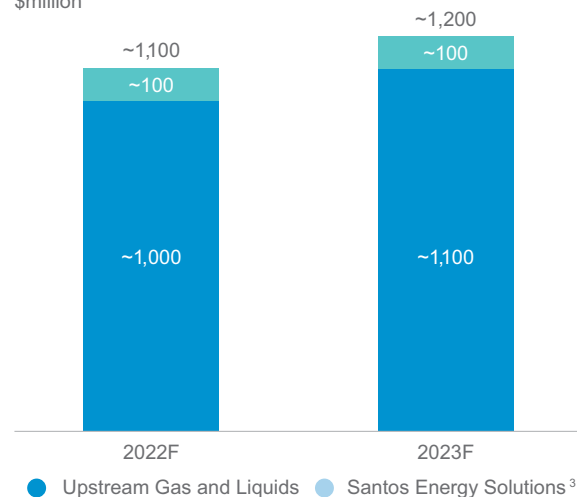
1. Includes PNG LNG at 42.5% working interest.

2. Excludes capitalised interest.

3. Includes Moomba, Northern Australia, Varanus Island and Devil Creek. Excludes GLNG.

### Sustaining capex

Included in FCF from operations  
\$million

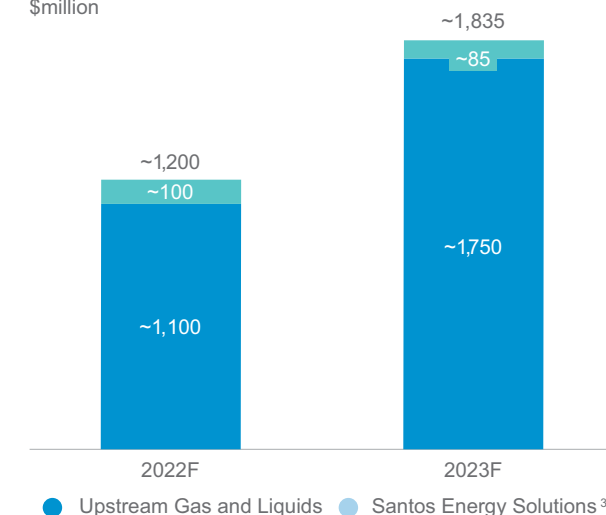


#### Factors influencing 2023 capex

- ▶ Sustaining capex broadly consistent and includes ~\$200m decommissioning

### Major project capex <sup>2</sup>

Excluded from FCF from operations  
\$million



#### Factors influencing 2023 capex

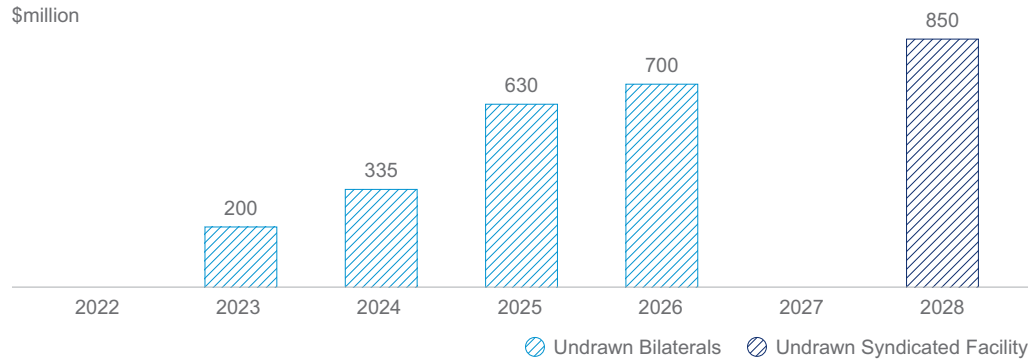
- ▶ Upstream gas and liquids major projects: Barossa, Pikka Phase 1 and Papua LNG
- ▶ Santos Energy Solutions major projects: Moomba CCS and Cooper Basin electrification



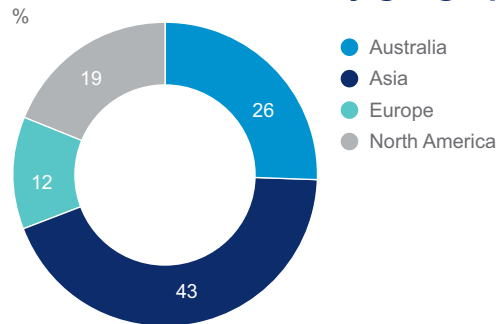
# Liquidity and access to debt capital

Strong liquidity and competitive access to debt capital across multiple markets

## Committed bank liquidity profile <sup>1</sup>



## Bank commitments by geography <sup>2</sup>



1. As at 31 October 2022.

2. Excluding PNG LNG. As at 31 October 2022.

3. As at 30 September 2022.

4. Accrual basis (including PNG LNG), 2021 comparison includes ~3 weeks of Oil Search following merger.

## Focus on maintaining strong liquidity and competitive finance cost

- ▶ Liquidity of \$5,579 million comprising \$3,264 million in cash and \$2,715 million in committed undrawn debt facilities<sup>3</sup>
- ▶ >\$1,500 million of liquidity through undrawn bank commitments locked in until 2026+
- ▶ Portfolio cost of debt for 1H2022 ~4.0% p.a. (2021: 4.15% p.a.<sup>4</sup>)

## Continuing access to deep and diverse capital pools

- ▶ 144 A / Reg S program supports funding optionality
- ▶ Highly supportive banking group with 26 committed banking relationships across a diverse range of geographies

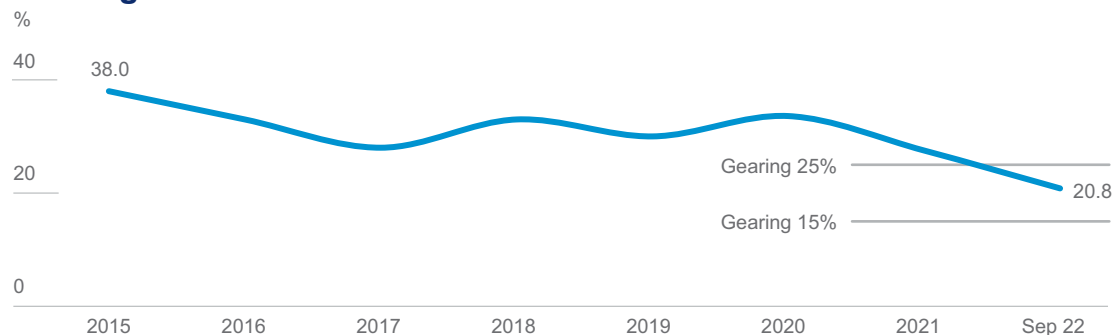
## Stable investment grade credit rating

- ▶ S&P: BBB- / Stable
- ▶ Fitch: BBB / Stable
- ▶ Moody's: Baa3 / Stable

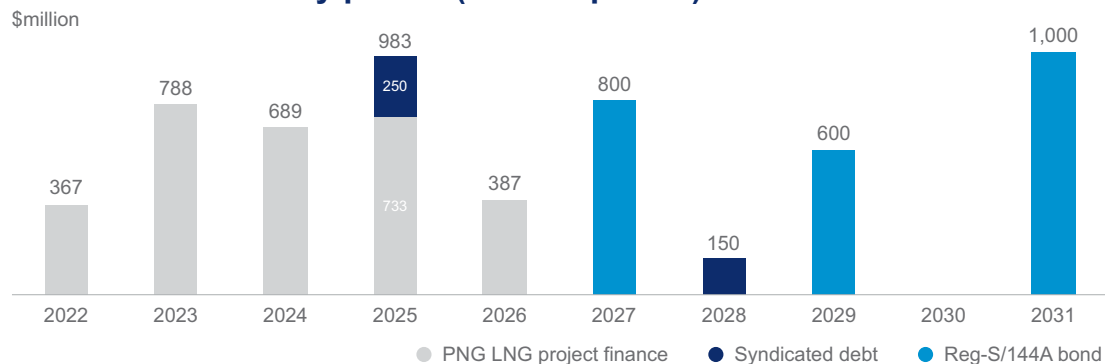
# Strong balance sheet

Rapid de-gearing whilst providing increased returns to shareholders

## Gearing



## Drawn debt maturity profile (current profile)<sup>1,2</sup>



1. As at 31 October 2022.

2. As at 31 October 2022, Revolving Syndicated Facilities shown may be drawn or undrawn subject to business requirements.

3. As at 30 September 2022 including AASB leases of \$897 million.

4. 3,386,921,635 shares outstanding at A\$7.70/share and AUD:USD of 0.642.

## Strong balance sheet<sup>3</sup>

- ▶ Gearing of 20.8%
- ▶ Net debt of \$3,833 million (down ~25% since 2021)

## Returns to shareholders

- ▶ Initial share buy-back for \$350 million now ~93% complete with remainder expected to be completed by year end<sup>1</sup>
- ▶ At completion ~2% of issued capital bought back
- ▶ \$866 million<sup>1</sup> returned to shareholders in calendar year 2022 through dividends and share buy-backs
- ▶ Indicative 2022 yield including dividends and buybacks of ~5.2% p.a.<sup>4</sup>
- ▶ Further capital management for 2H 2022 will be considered with the 2022 full-year results



# Wrap-up and Q&A

Kevin Gallagher  
Managing Director and Chief Executive Officer

# Definitions and abbreviations

<b>Absolute</b>	When used in reference to emissions reduction targets means reduction against the total emissions at the relevant point in time, rather than a relative or comparative amount
<b>Carbon Capture and Storage (CCS)</b>	Carbon Capture and Storage (CCS) is a process in which carbon dioxide (CO <sub>2</sub> ) from industrial and energy-related sources is separated (captured), conditioned, compressed, transported and injected into a geological formation that provides safe and permanent storage deep underground
<b>Clean fuels</b>	Clean fuels refer to fuels which have the potential to materially reduce Scope 1, 2 and/or 3 greenhouse gas emissions. Hydrogen is an example of a clean fuel with no end-use combustion emissions and the potential for low Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from renewable sources
<b>Clean and/or lower emissions hydrogen</b>	Hydrogen with lower Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from renewable sources, and / or using offsets as required
<b>Cleaner energy / clean fuels</b>	Cleaner energy / fuels refer to energy sources that are used for power generation, transport, industrial processes or heating which have lower emissions of greenhouse gases or air pollutants (NO <sub>x</sub> , SO <sub>x</sub> and particulates) than other fuel sources. Natural gas is an example of a cleaner fuel and energy source, as it has lower greenhouse gas emissions than coal when used in power generation
<b>Community investment</b>	Includes agreements with social outcomes, sponsorships, grants and donations.
<b>Critical fuels</b>	Oil and natural gas, being hydrocarbon fuels that supply 80 per cent of the world's primary energy supply. Hydrocarbon fuels are critical to meet current and forecast energy demand and to the manufacturing of everyday product.
<b>Decarbonise</b>	To decarbonise is the process of avoiding, reducing or offsetting anthropogenic greenhouse gas emissions through operational activities or efficiencies, technology deployment and/or use of generated or acquired carbon credit units
<b>First Nations suppliers</b>	Includes Australian Indigenous supplier companies, First Nations supplier companies in Alaska and local landowner corporations and other suppliers in PNG
<b>Gas</b>	Natural gas
<b>Liquid hydrocarbon</b>	A sales product in liquid form for example, condensate and LPG (liquids)

<b>Local spend</b>	Local spend is spend in an area or region that includes some or all of community investment, procurement of goods and services, infrastructure, rates, levies and charges and payments to Landholders. 2021 spend includes pre-merger amounts spent by Oil Search in Alaska and PNG
<b>Net-zero emissions</b>	Net-zero Scope 1 and Scope 2 greenhouse gas emissions when referring to Santos, meaning net-zero equity share of these emissions
<b>Net-zero Scope 1 and 2 emissions</b>	Santos' equity share of net-zero Scope 1 and 2 greenhouse gas emissions
<b>Oil</b>	A mixture of liquid hydrocarbons of different molecular weights
<b>Target</b>	An outcome sought that Santos has identified a pathway, or pathways, toward delivery, subject to conditions and assumptions
<b>Tax paid</b>	includes income tax, government royalties Petroleum Resource Rent Tax and Additional Profits Tax
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent, being a measure of greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide) with the equivalent global warming potential as carbon dioxide when measured over a specific time
<b>FEED</b>	Front-end engineering and design
<b>FID</b>	Final investment decision
<b>IEA</b>	International Energy Agency
<b>LNG</b>	Liquefied natural gas, being natural gas that has been liquefied by refrigeration or pressure to store or transport it
<b>mmboe</b>	Million barrels of oil equivalent
<b>mmBtu</b>	Million British thermal units
<b>MtCO<sub>2</sub>e</b>	Million tonnes of carbon dioxide equivalent
<b>Mtpa</b>	Million tonnes per annum



# Santos

[www.santos.com](http://www.santos.com)