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# ASX / Media Release

23 August 2023

## Santos reports robust first half free cash flow and earnings

### 1H 2023 Highlights

- Production of 45 million barrels of oil equivalent down 13%
- EBITDAX[1] $2,112 million down 23%
- Free cash flow from operations[1] US$1,129 million down 34%
- Underlying profit[1] US$801 million down 37%
- Statutory net profit after tax US$790 million down 32%
- Interim dividend of US$283 million, a 14 per cent increase to US8.7 cents per share unfranked
- 2023 guidance remains unchanged

Santos today announced its half-year results for 2023, reporting strong free cash flow of US$1.1 billion and underlying profit of US$801 million. The results reflect the strength of the disciplined operating model which is designed to ensure the business remains resilient through the oil price cycle.

The Board has resolved to pay an interim dividend of US 8.7 cents per share unfranked (US$283 million), 14 per cent higher than the corresponding prior period interim cash dividend.

Managing Director and Chief Executive Officer Kevin Gallagher said Santos has delivered strong free cash flow and underlying earnings in the 2023 first half, despite an ever-changing macro environment.

"We remain focused on executing our strategy to backfill and sustain our existing infrastructure, decarbonise and develop our Santos Energy Solutions division. Our goal is to strike the right balance between disciplined and phased major project spend, returns to shareholders, and investment in new energy solutions to meet customer demand," Mr Gallagher said.

"Our Santos Energy Solutions division is expanding and continues to work on building new revenue sources through decarbonisation projects. The Moomba carbon capture and storage project will be one of the biggest and lowest cost in the world and is on track for first injection of CO2 next year.

"Our critical fuels play a key role in the energy security of Australia and Asia. Gas enables a cleaner energy future, offering firming for renewable electricity and an affordable, reliable alternative to higher-emitting fuels."

### Live webcast

A live webcast for analysts and investors will be held today at 11:00 AEST.
To access the live webcast, register on Santos' website at www.santos.com.

Ends.


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

1. EBITDAX (earnings before interest, tax, depreciation, depletion, exploration, evaluation and impairment), underlying profit and free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments) are non-IFRS measures that are presented to provide an understanding of the performance of Santos' operations. Underlying profit excludes the impacts of costs associated with asset acquisitions, disposals and impairments, hedging as well as items that are subject to significant variability from one period to the next. 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. A reconciliation between net profit after tax and underlying profit is provided in the Appendix of the 2023 half-year results presentation released to ASX on 23 August 2023.

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# 2023 Half-year results


23 AUGUST 2023

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# Disclaimer and important notice

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry, and the carbon capture and storage and carbon emissions reduction technologies industries. 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 on any products we produce, store, trade or capture, 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.

Underlying profit, EBITDAX (earnings before interest, tax, depreciation, depletion, exploration and evaluation expensed, change in future restoration assumptions and impairment) and free cash flow from operations (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 audited financial statements. 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.

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# First-half 2023 financial overview

## Disciplined operating model delivered robust free cash flow

Free cash flow from operations [1] ▼ 34%

**$1,129 million**

Profit after tax [2] ▼ 32%

**$790 million**

Underlying profit [2] ▼ 37%

**$801 million**

Sales revenue ▼ 21%

**$2,967 million**

EBITDAX ▼ 23%

**$2,112 million**

Interim dividend declared (unfranked) ▲ 14%

**8.7 UScps**

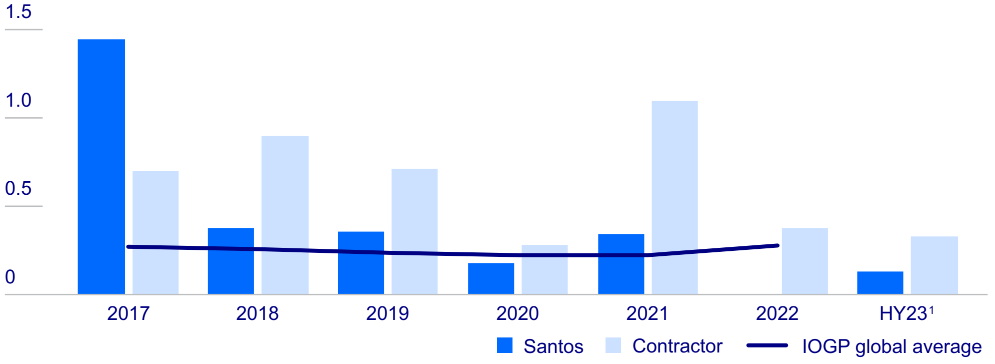
1. Operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments.
2. A reconciliation between net profit after tax and underlying profit is provided in the Appendix. Underlying profit excludes the impacts of costs associated with asset acquisitions and disposals, impairments, derivatives and items that are subject to significant variability from one period to the next.

# Personal and process safety performance

## Always safe is a core value at Santos. Focusing on contractor management improvements

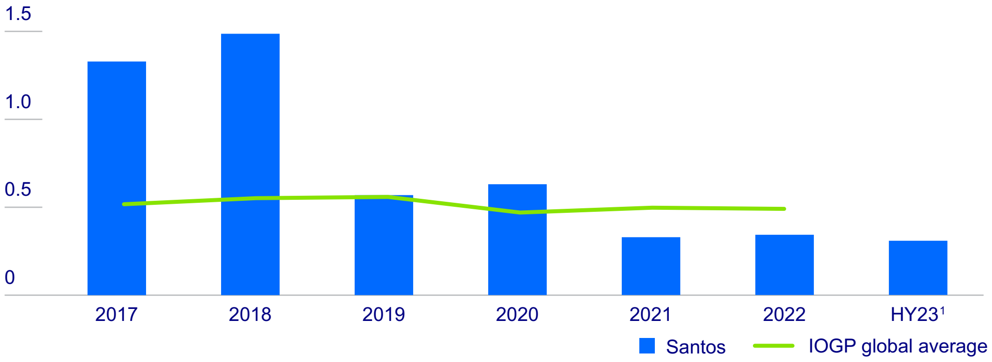
### Lost time injuries

Number per million hours worked



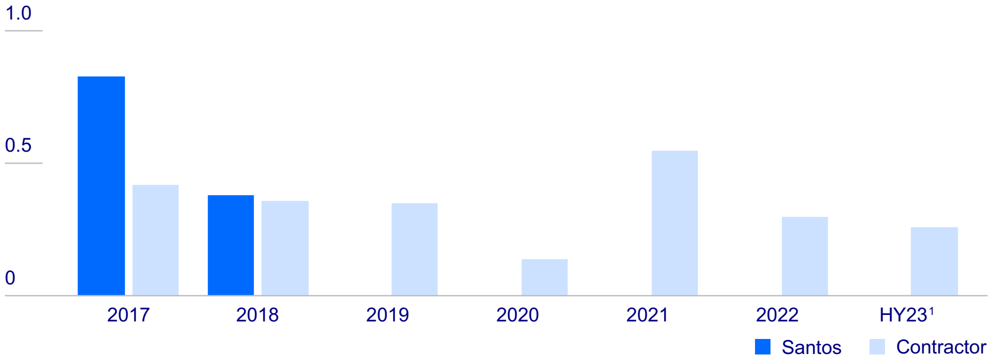

### Loss of containment, Tier 1 and 2

Number per million hours worked



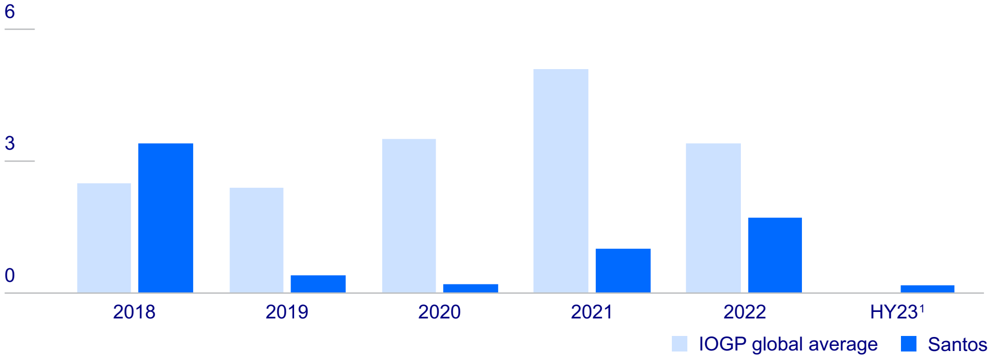

### Moderate harm

Number per million hours worked




### Hydrocarbon release rate[2]

Boe released per mmboe of production




1. Frequency rates are represented as a 12-month rolling average.
2. Releases to the environment greater than 1 barrel.

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# First-half 2023 operational highlights

## Upstream business performance reflects disciplined operating model. Santos Energy Solutions division is expanding

### Upstream Gas and Liquids: EBITDAX: $2 billion [1]

**GLNG – Arcadia**
- 4km horizontal wells to deliver incremental production
- Well productivity >15x higher than vertical stimulated wells

**Cooper Basin**
- On track to drill >100 wells in 2023 (62 YTD)

**PNG**
- Angore first gas expected in 2024
- Pre-merger reliability (83%) increased to 96% delivering production from operated assets
- Papua LNG FEED entry achieved

**Western Australia**
- Successful Spartan start-up to supply domestic gas to the WA market
- Dorado OPP approved

**Northern Australia**
- Expecting at least one more cargo in 2023 from Bayu-Undan
- Potential for domestic gas supply once Darwin LNG production ceases

### Santos Energy Solutions: EBITDAX: $119 million [2]

**Moomba CCS**
- 70% complete at 30 June and costs updated to ~$220 million (gross)
- Electrification work progressing on upstream Cooper Basin assets

**Northern Australia**
- Four MOUs signed for Bayu-Undan CCS for volumes >10 mtpa
- MOU signed with TIMOR GAP to explore partnership opportunities
- Amendments to London Protocol passed the House of Representatives in Australia

**Western Australia**
- Santos has completed the concept select phase of Reindeer CCS and has entered pre-FEED
- Discussions with third party customers in WA progressing well

**Nature-based solutions**
- Executed agreement with Alaska Native landowner to secure nature-based offsets

**New technologies**
- Direct air capture trials planned for Cooper Basin
- Partnership with Osaka Gas for e-methane feasibility studies

1. 1H23 EBITDAX excluding Santos Energy Solutions and Corporate.
2. 1H23 EBITDAX excluding GLNG, Upstream Gas and Liquids and Corporate.

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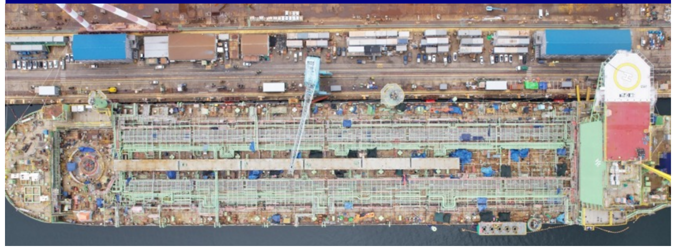
# Major project delivery update

## Disciplined approach to major project delivery

| | Moomba CCS | Barossa Gas Project | Pikka Phase 1 |
|---|---|---|---|
| |  |  |  |
| **Gross capex** | ~$220 million [1] | $3.6 billion (excl. DPD) / $4.3 billion (incl. DPD) [2] | $2.6 billion [2] |
| **% complete** | 70% [3] | > 60% incl. Darwin pipeline duplication project<br>> 66% excl. Darwin pipeline duplication project | 18% |
| **First injection / production** | 1H 2024 | 1H 2025 | 2026 |
| **1H23 milestones achieved** | > 4 injection wells complete<br>> Compressors and gas turbines at site and lifted onto foundations<br>> Second CO2 train tie-in complete<br>> 50km pipeline construction complete | > Barossa FPSO hull floated<br>> Fabrication of the FPSO topsides modules continues to plan. Fabrication of the subsea hardware underway<br>> Planning of the gas pipeline and subsea campaigns are progressing well | > Completed major contracting<br>> Drilled the first well (for cuttings disposal)<br>> Completed first winter construction season<br>> Initiated module fabrication activities<br>> Community projects in progress |
| **Key upcoming milestones** | > Continued pre-commissioning activities | > Ongoing consultation on and submission of outstanding activity EPs for Barossa project | > 23/24 winter construction / pipeline season<br>> Continue drilling program<br>> Progress module fabrication for transportation |

1. To first injection.
2. To nameplate capacity.
3. At 30 June 2023 prior to cost update.

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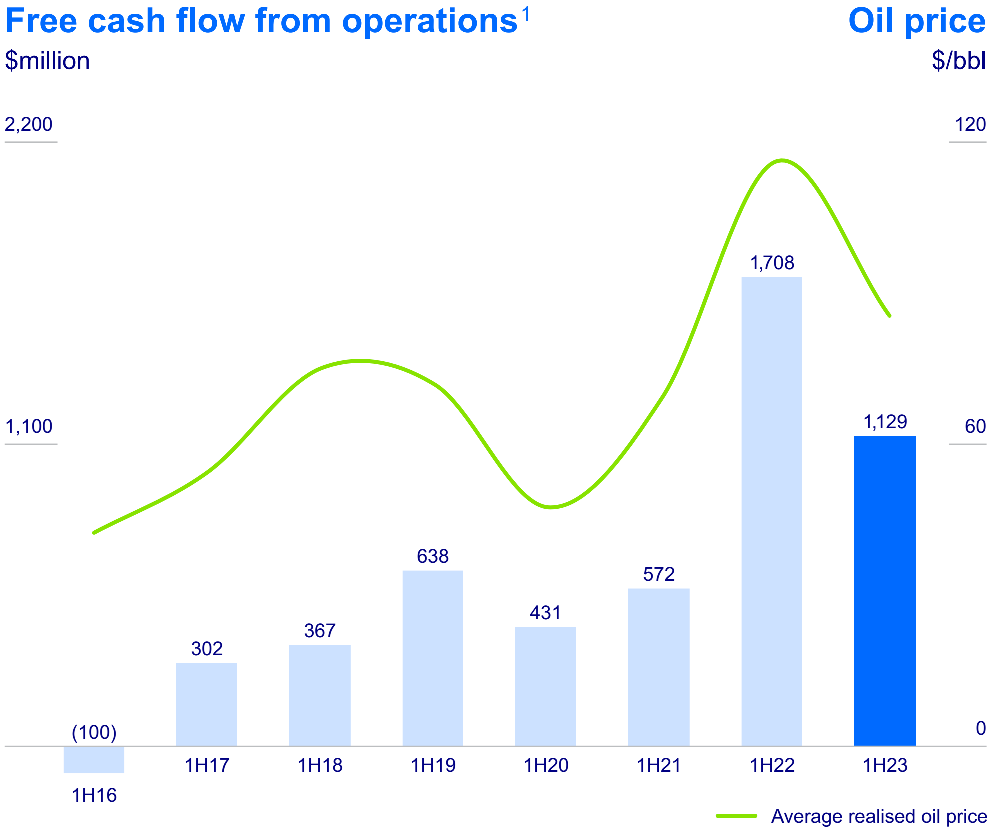
# Returns to shareholders

## Interim cash dividend of $283m / US8.7 cents per share unfranked, 14 per cent increase from 1H 2022





1. Operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments.
2. Excludes $700 million on-market share buyback program announced in 2022 and completed in July 2023.

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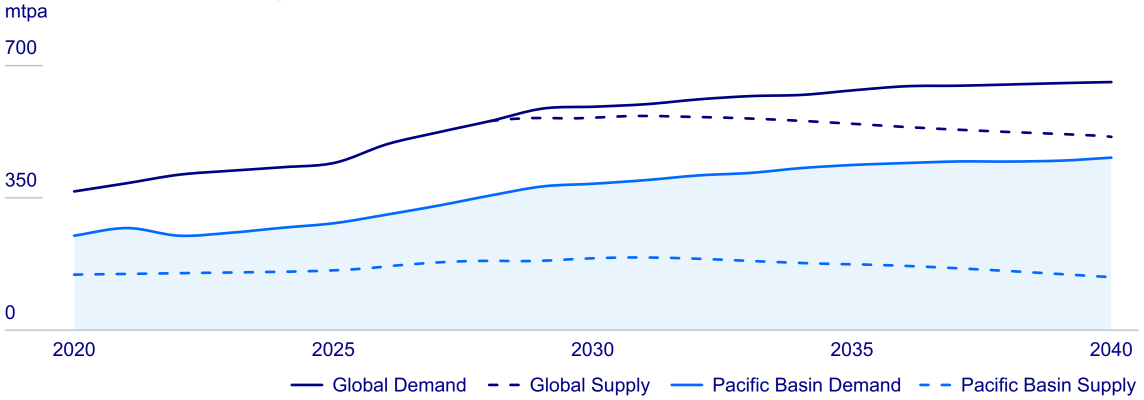
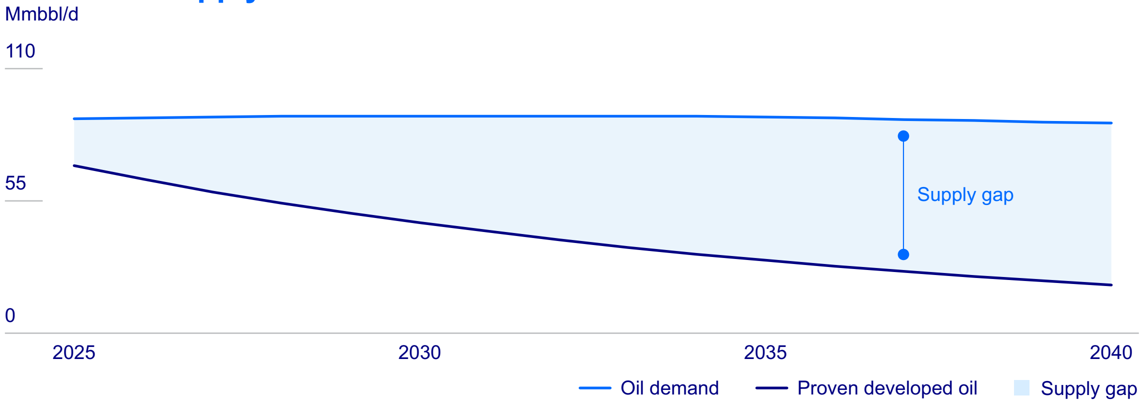
# Market outlook

**Pacific Basin LNG demand increasing >80% by 2040. New oil supply in stable political environments required for energy security**

## Global LNG supply and demand[1]




## Global oil supply and demand[2]




## LNG markets

- Global LNG demand continues to increase, requiring projects to be sanctioned to fill the widening supply-demand imbalance
- Asia Pacific continues to be an LNG sink as demand outpaces supply
- Santos has an increasing exposure to LNG markets through Barossa and Papua LNG
- Gas continues to be an affordable and reliable energy source required to support industry

## Domestic gas

- ACCC forecasts[3] a well-balanced east coast market in 2024
- In Western Australia, prices have increased to a level that will incentivise new domestic supply

## Oil markets

- New projects are required to meet demand well into the future
- New lower carbon intensity oil projects and supply from stable regulatory environments likely to be preferred

1. Source: Wood Mackenzie LNG Data Tool Q2 2023, Wood Mackenzie Global Gas July 2023.
2. Source: Wood Mackenzie, Defining Advantaged Resources, July 2023.
3. ACCC Gas Inquiry 2017-2030, June Interim update on the east coast market, June 2023.

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# Disciplined and consistent execution of strategy

**The right balance of disciplined and phased major project spend, returns to shareholders and investment in the energy transition**

| Robust operating performance | Strong free cash flow driving returns to shareholders | Investment in decarbonisation | Disciplined and phased major projects |
|---|---|---|---|
| Disciplined operating model delivered strong free cash flow and strengthened balance sheet to deliver in our strategy | Interim unfranked cash dividend of $283 million / US8.7cents per share | Progressing Santos' three operated CCS hubs | Barossa, Moomba CCS and Pikka Phase 1 in execution |

# Finance and capital management

# First-half 2023 financial achievements

## Disciplined capital management including returns to shareholders

**Free cash flow from operations**[1]

**$1,129 million**

**Unit production costs**[2]

**$7.62 /boe**

**Gearing**

**21.9%**

18.2% excluding operating leases

**Major project capex investment**

**$657 million**

**Interim dividend**

**$283 million**

(8.7c/share)

**Liquidity**

**$4.4 billion**

1. Operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments.
2. Excludes Bayu-Undan unit costs.

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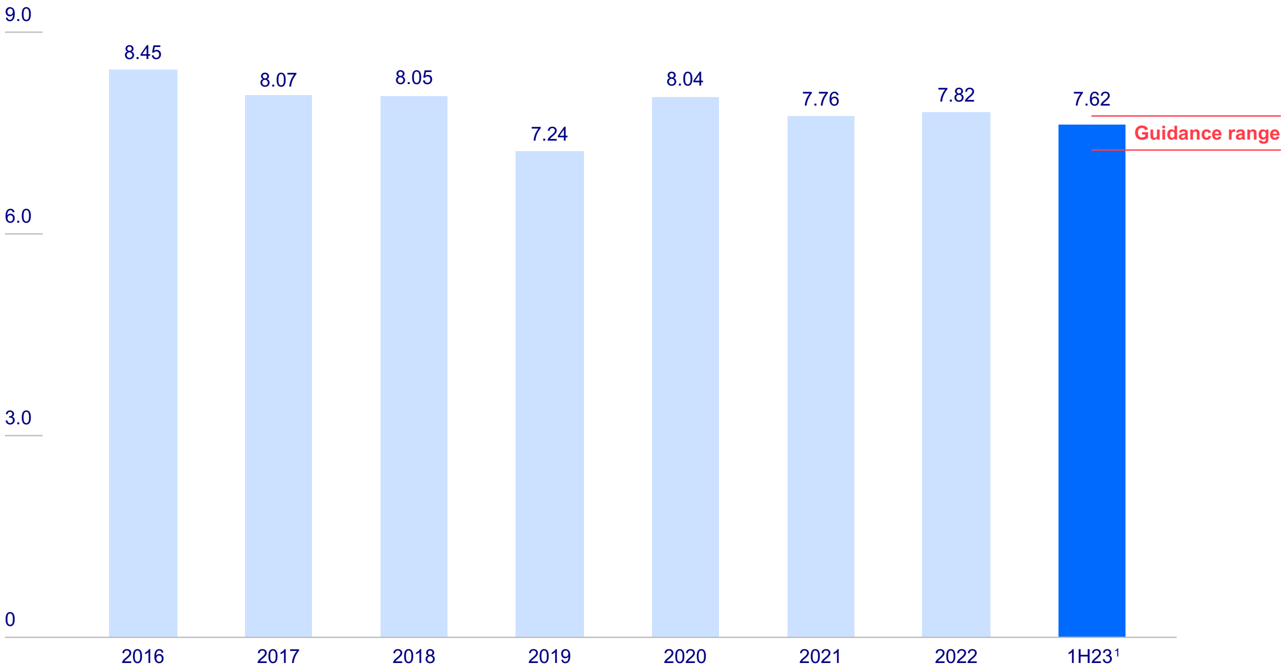
# Maintaining cost discipline

## Production guidance maintained at $7.25 to $7.75/boe

### Upstream unit production cost

$/boe




### Disciplined Operating Model

- > Guidance maintained at $7.25 to $7.75/boe
- > Targeting free cash flow breakeven at <$35 per bbl oil price through the oil price cycle

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- > Unit production costs, excluding Bayu-Undan, are slightly lower than 2022
- > Impact of inflation on production costs managed within operating divisions partially assisted by favourable FX rates on AUD costs
- > 1H 2023 unit production costs at $7.62, excluding Bayu-Undan within $7.25 -$7.75/boe guidance range
- > Total nominal production costs ~9% lower half on half despite inflationary impacts

1. 1H23 unit production cost including Bayu-Undan is $8.52/boe.

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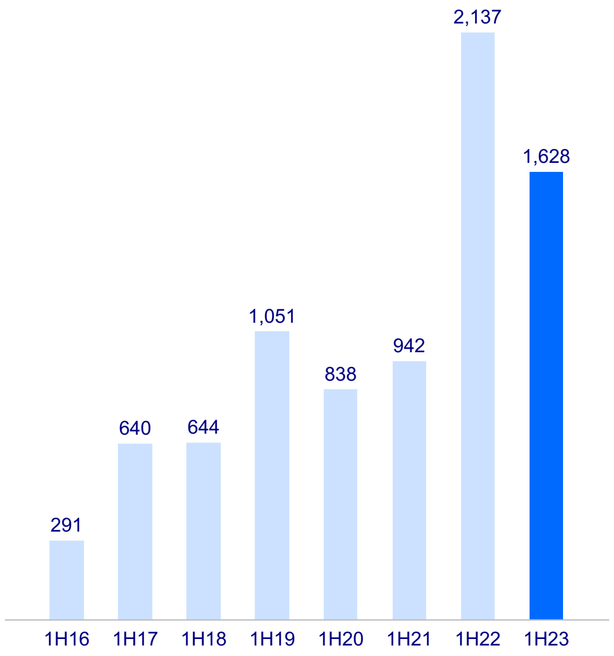
# Free cash flow from operations

## Free cash flow from operations $1.1 billion

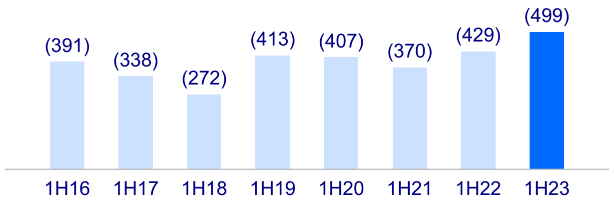
### Operating cash flow

$million



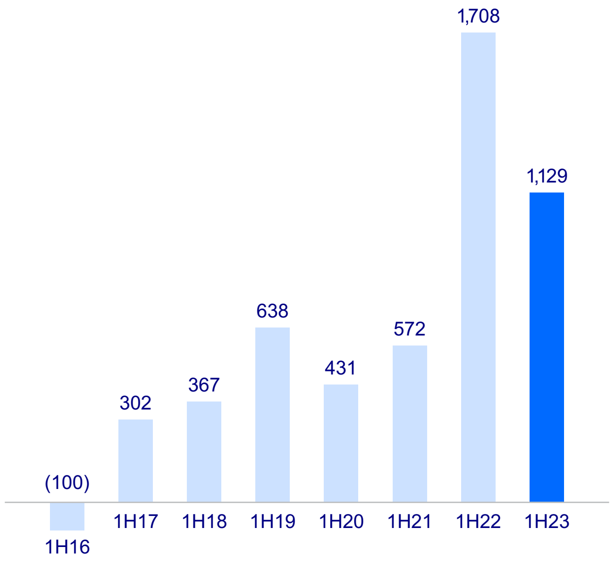

### Investing cash flow[1]

$million




### Free cash flow from operations[1]

$million




1. Excludes acquisitions/divestments, major growth capex, major growth working capital, major capitalised interest, loan to associate and includes lease liability payments. Reference slide 31 for 1H 2023 free cash from operations calculation.

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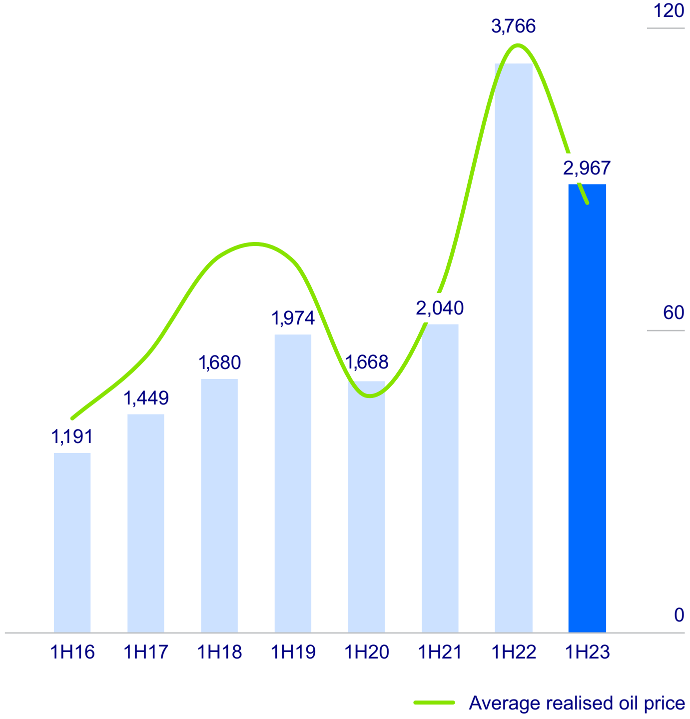
# Underlying earnings

## EBITDAX $2.1 billion and underlying profit $801 million

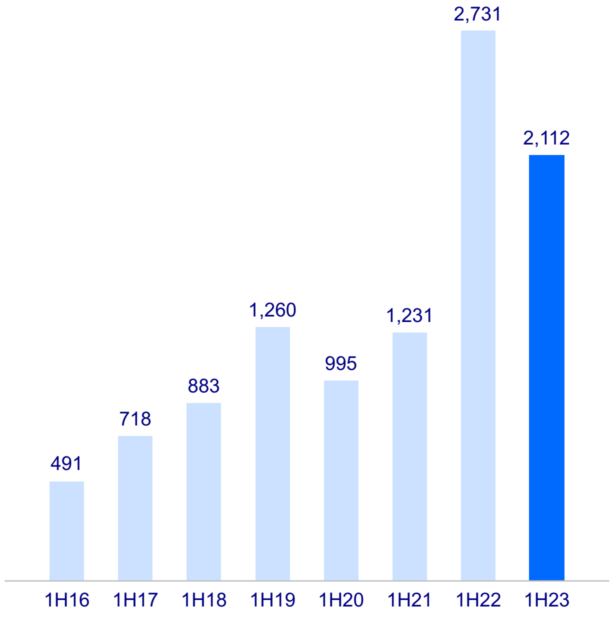
### Product sales revenue / Oil price

$million / $/bbl



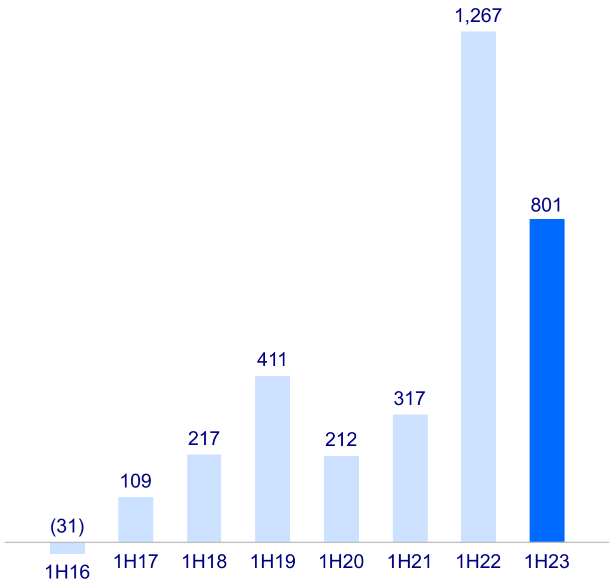

### EBITDAX

$million




### Underlying profit[1]

$million




1. Underlying profit excludes the impacts of costs associated with asset acquisitions and disposals, impairments, derivatives and items that are subject to significant variability from one period to the next.

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# Financial snapshot

## Disciplined operating model continues to generate revenue despite lower volumes and commodity prices

| 2023 half year results summary [1,2] | Cooper Basin | Queensland & NSW | PNG | Northern Australia & Timor-Leste | Western Australia | Santos |
|---|---|---|---|---|---|---|
| Total revenue ($million) | 362 | 669 | 1,469 | 83 | 405 | **3,057** |
| Production cost ($/boe) | 10.68 | 6.03 | 6.51 | 34.70 | 9.85 | **8.52** |
| Capex ($million) | 250 | 123 | 200 | 222 | 140 | **1,136** |
| EBITDAX ($million) | 230 | 396 | 1,217 | 56 | 252 | **2,112** |
| EBITDAX (margin) | 64% | 59% | 83% | 67% | 62% | **69%** |

> Lower revenue driven by decreased volumes and lower realised commodity prices

> Strong Group EBITDAX margin maintained

1. Corporate segment not shown.
2. Includes Bayu-Undan.

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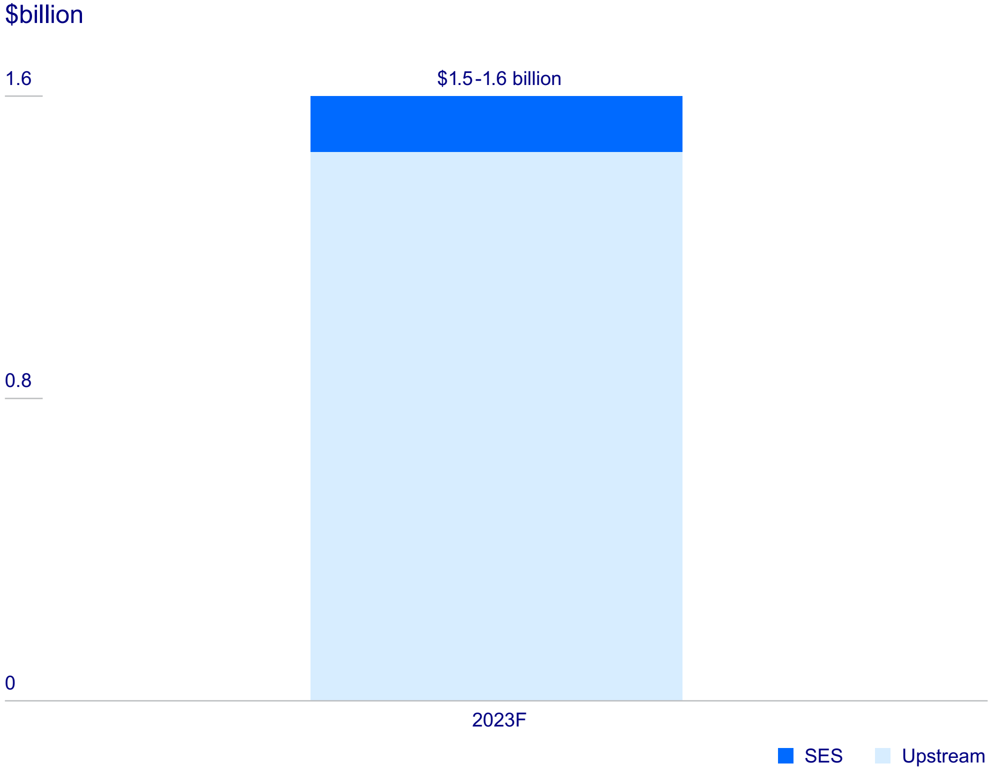
# Major projects capital expenditure

## Phasing and equity levels optimised consistent with disciplined operating model

### Major project capex for committed activities




### Disciplined approach to capital management

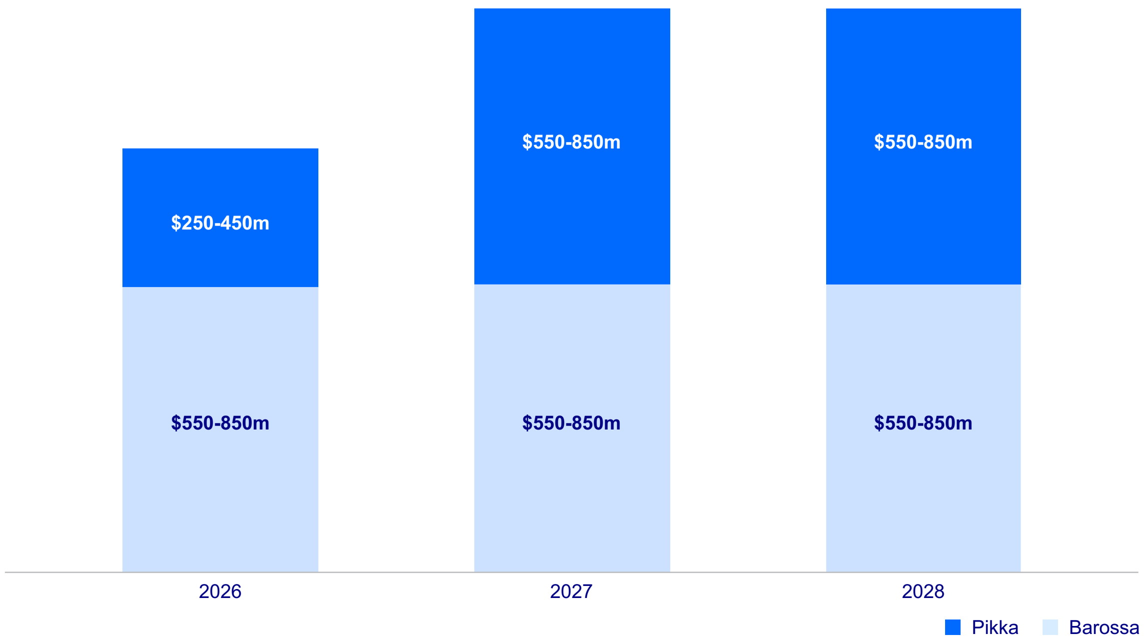
- 2023 major project capex guidance at ~$1.5 -1.6 billion, driven by rephasing of activities
- Santos Energy Solutions major projects ~$100m in 2023 including Moomba CCS and Cooper Basin electrification
- Upstream Gas and Liquids major projects include Barossa, Pikka Phase 1 and Papua LNG FEED

# Major projects to deliver significant cash flows

## Targeting cash flows at full production rates of ~$1.1 billion to $1.7 billion

### Expected free cash flow (after tax) from committed major projects[1]

$million

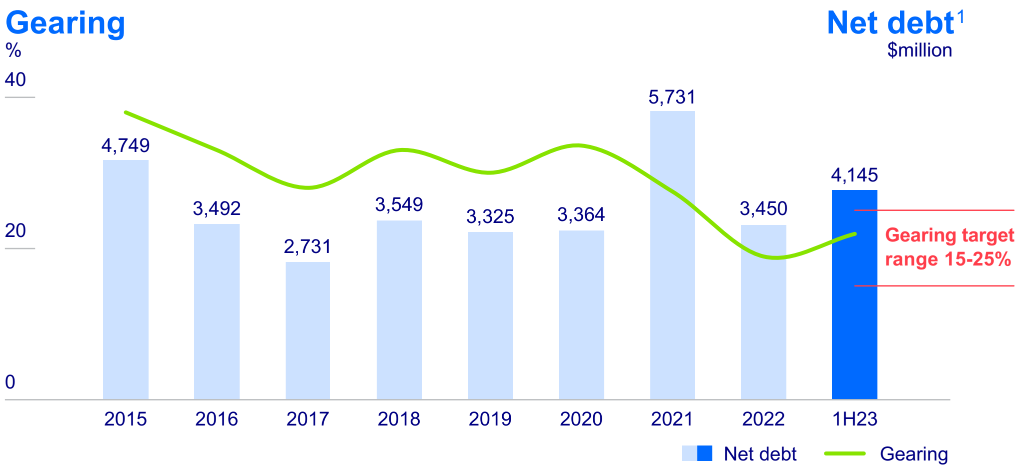


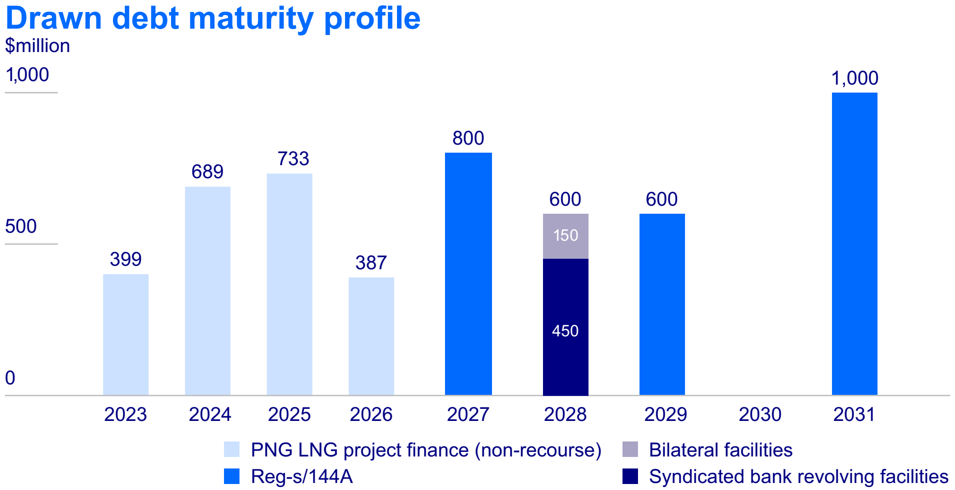

- Committed growth projects Barossa and Pikka are expected to deliver significant free cash flow from first production
- Targeting cash flows of ~$1.1 billion - $1.7 billion per year from incremental major projects at full production rates
- Pikka and Barossa provide flexibility to sustain and backfill the operations, deliver returns to shareholders, and continue to provide low cost and reliable energy

1. Based on oil prices of $70-100/bbl (2023 real) in all years and JKM of $10-14/mmbtu (2023 real) in all years.

# Balance sheet

## Balance sheet well positioned to deliver major projects and returns to shareholders




### Focus on maintaining strong liquidity and disciplined capital management framework

> Total available liquidity of $4.4 billion[2]

> Gearing at 21.9% within target range. Excluding operating leases 18.2%

> Balance sheet remains positioned to deliver strategy including major projects and returns to shareholders

### Long-dated debt maturity profile

> Nearest material debt maturity in September 2027[3]

> PNG LNG debt repaid in 2026 from project cash flows

### Stable investment grade credit rating

> S&P: BBB- / Stable

> Fitch: BBB / Stable

> Moody’s: Baa3 / Stable

1. Includes assets held for sale in 2022 and 2023.
2. As at 30 June 2023.
3. Excluding PNG LNG project finance.

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# Upstream asset performance

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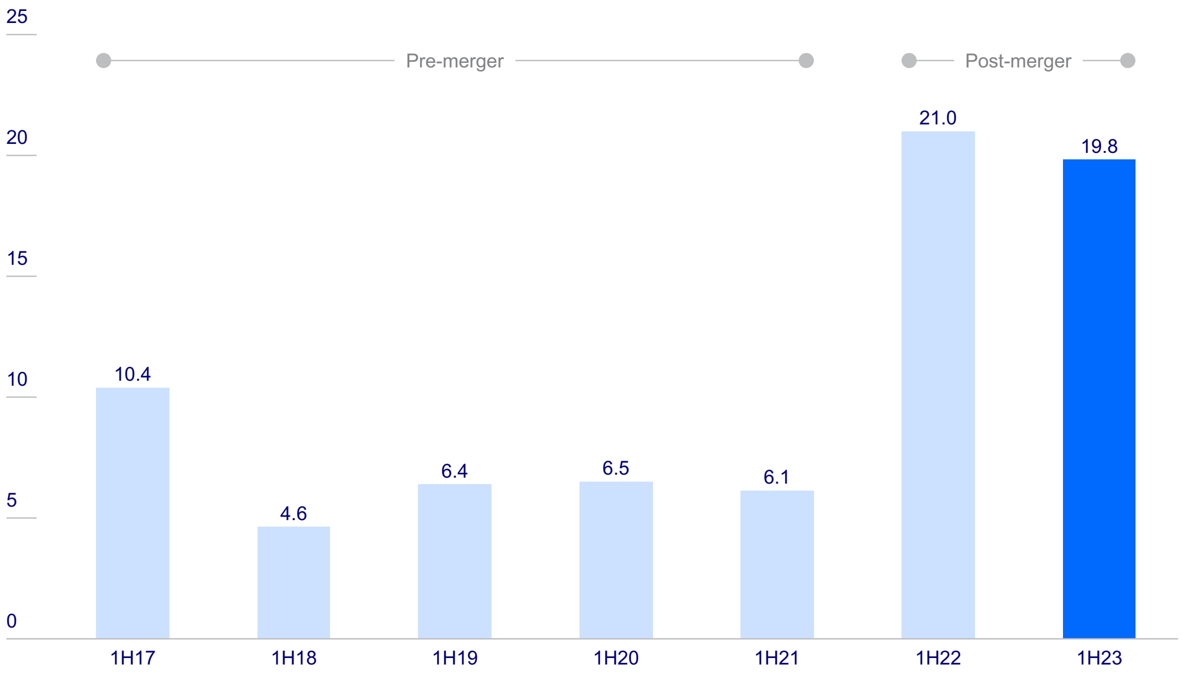
# Papua New Guinea

## Strong oil and gas production from improved reliability and field performance

### PNG production (includes operated oil assets)

mmboe




- Santos operated compression and reliability improvement driving increased production
- Successful 35 day planned maintenance turndown from Central Processing Facility aligned with PNG LNG rate reduction
- Infill short cycle oil drilling program for 2023 and 2024 underway
- IDT-26 well intersected oil-bearing sands in the Kutubu Field (PDL 2) in deeper reservoirs beneath the main producing unit currently undergoing commissioning
- PNG LNG maintained steady production with planned maintenance activities and rate reduction
- Angore drilling ongoing with first gas expected in 2024

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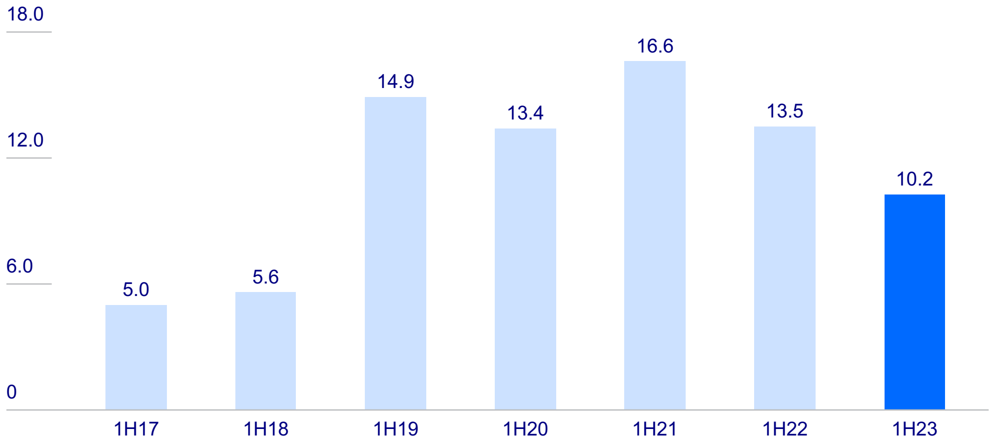
# Western and Northern Australia

## Spartan is Santos' first gas development online in WA in 10 years. Bayu-Undan continues producing in 2H 2023

### Western Australia production

mmboe




**WA Gas**

> Expecting stronger 2H 23 following unplanned downtime, continued cycling of Reindeer and Varanus Island train shutdown is 60% complete

> Spartan online in June-23

> Reindeer effective cycling, prolonging field life

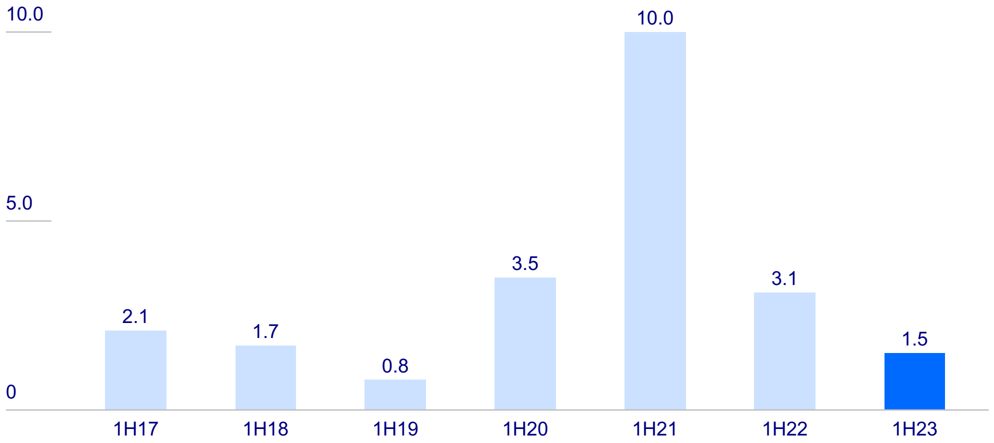
> Planning for Spar-Halyard infill well – drilling planned for 2024

**WA Oil**

> Pyrenees Phase 4 infill well online

### Northern Australia and Timor-Leste production

mmboe




**Bayu-Undan**

> Production extended into 2H23

> Field reaching end of life, anticipated to cease in 2H23

> Bayu-Undan continued production resulted in 4 cargoes in 1H 2023

> Potential for further LNG offtakes and domestic gas supply in 2H2023

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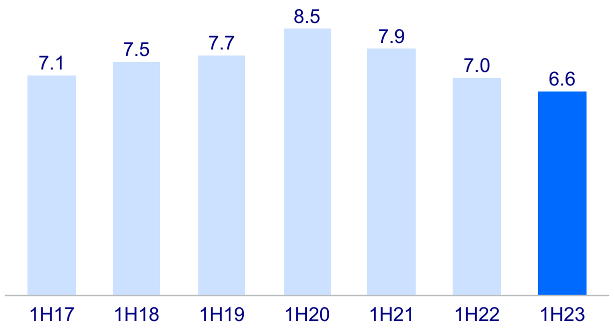
# Cooper Basin operating model

## Focus on continued reduction in days to sale, ahead of target for wells drilled and connections

### Production
mmboe



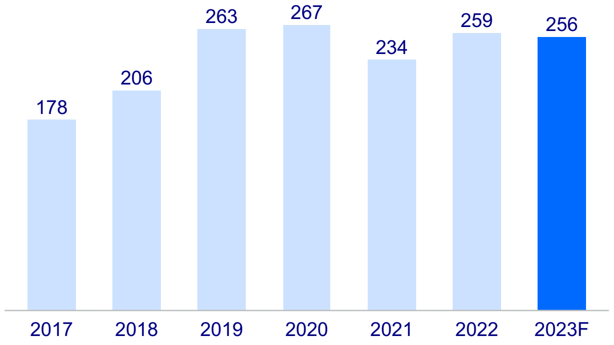

### Continuous improvement

> Strong well delivery performance, ahead of budget

> 2022 Shallow Oil program performing above expectations

> Targeted focus on reliability / availability

### Drill, complete, connect capex
$million



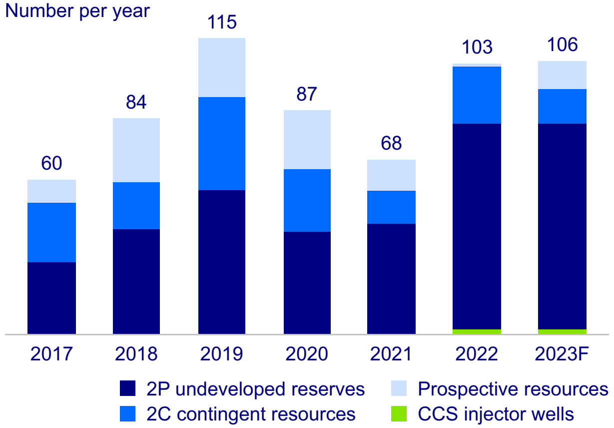

### Continuous cost out focus

> Growth self-funded within the disciplined operating model

> Low-cost efficient drilling through campaigns and pad drilling

> Improved capital efficiency and increased well counts

### Wells drilled
Number per year




### Targeting >100 wells per year

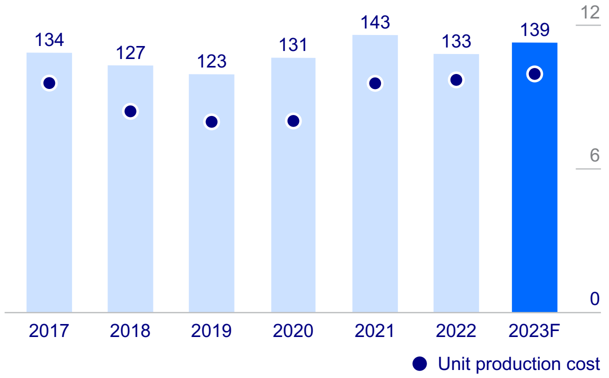
> 62 wells drilled and 54 connected in 1H23

> All activity ahead of plan

> Improvement in days to sales

### Production cost[1]
$million

### Unit cost[1]
$/boe




### Maintaining cost discipline

> Slightly increased unit costs due to lower production

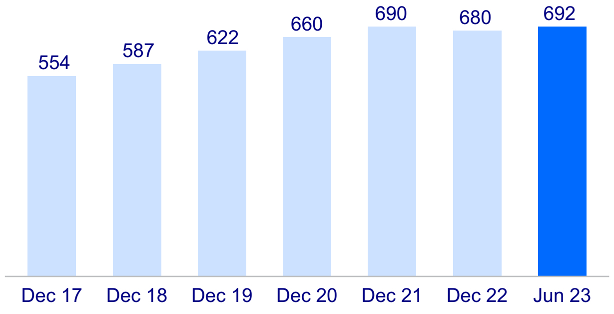
> Pursuing cost efficiencies through repeatable scope and a focus on higher reliability

1. Includes Midstream production costs.

# GLNG on track to deliver ~6 mt in 2023

## On track to deliver record well connection program supporting production growth

### GLNG sales gas production
TJ/d (gross)



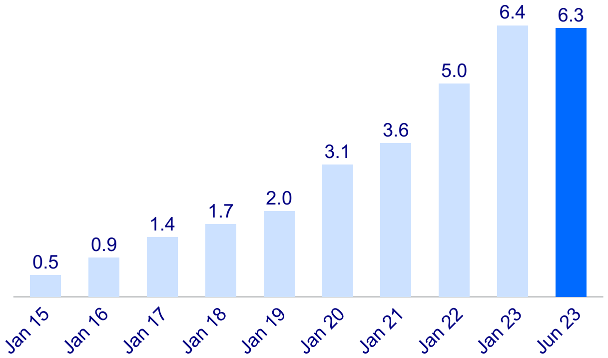

### Strong GLNG gas production
> Maintaining ramp in field activity to support increasing production profile throughout the year

> Arcadia: 4km horizontal wells to deliver incremental production

> Well productivity >15x higher than vertical stimulated wells

> Scotia, Arcadia and Fairview production exceeding expectations

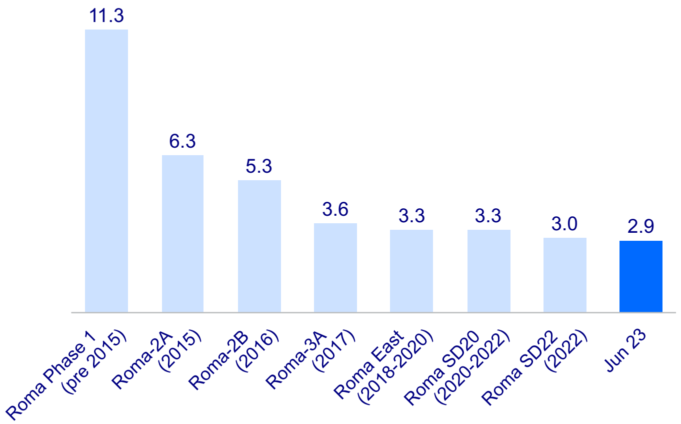
### Mean time between failure
Years (Roma)




### Driving down operating cost and increasing production
> Innovative operational tools to mitigate solids-related failures

> Continuous improvement of technologies and processes

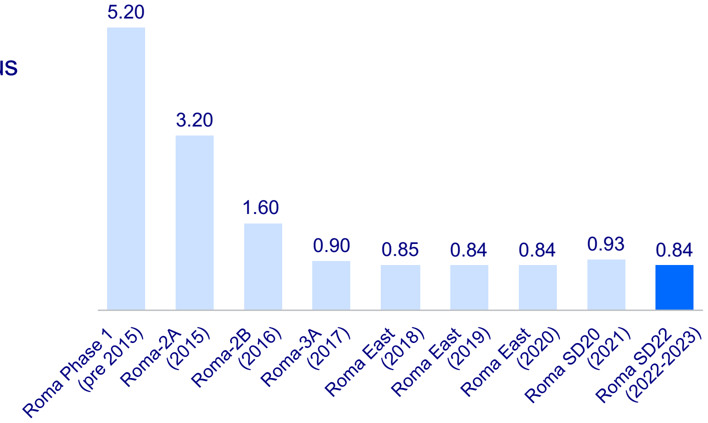
### Days – development drilling
Average days rig release to rig release




### Fit for purpose rigs, experienced crews
> High volume, sequential and repeatable scope

> Technical limit focus driving a continuous reduction in drilling cycle times

### Roma well cost – GLNG[1]
$million per well




### Maintaining well cost discipline
> Relentless focus on lowering well cost

> Expect to drill ~350-400 wells in 2023

1. Drill, complete, connect.

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# Unsanctioned upstream projects

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

| | Papua LNG | Narrabri | Dorado |
|---|---|---|---|
| |  |  |  |
| **Description** | > Up to 6 mpta including ~4 mpta expansion and ~2 mpta PNG LNG capacity | > Domestic gas project, committed to supply the east coast market | > Optimisation of development concept |
| **Project update** | > Entered FEED for integrated project in March 2023<br>> Progress the upstream and downstream engineering work | > Notice of Appeal for Native Title Tribunal was heard in August 2023, and a decision is anticipated by end 2023<br>> Progressing land access agreements and environmental surveys to finalise pipeline route | > Dorado phase 1 liquids development with a focus on Pavo integration and opportunities to reduce the overall development cost<br>> Advancing gas exploration targets to enhance the phase 2 gas development value proposition<br>> Offshore Project Proposal (OPP) approved by NOPSEMA |
| **Targeted FID-ready** | > Early 2024 | > 2024 [2] | > 2024 for Phase 1 |
| **Santos working interest** | > 17.7% [1] | > 100% | > 80% Dorado, 70% Pavo |

1. Post PNG government back-in.
2. Timing is subject to securing pipeline approvals and Native Title Determination.

# Santos Energy Solutions

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# Santos Energy Solutions 1H23 achievements

## SES projects are progressing across the hubs, setting the platform for decarbonisation

| | Eastern Australia Hub | Northern Australia Hub | Western Australia Hub |
|---|---|---|---|
| |  |  |  |
| **Operational efficiencies** | **Cooper Basin Electrification (Phase 1)**<br>> Power generation construction 50% complete | **Power solutions** under evaluation | Ongoing **emissions reduction projects** in execution |
| **Carbon Capture and Storage (CCS)** | **Moomba CCS Phase 1**<br>> 70% complete at June 30. First injection in 2024<br>**Direct Air Capture**<br>> 0.25tpd unit constructed and undergoing tests | **Bayu-Undan CCS**<br>> Significant demand for CO2 supply<br>> 4 x MOUs signed with international partners<br>> MOU signed with TIMOR GAP to explore partnership opportunities together | **WA and Reindeer CCS**<br>> Commercial discussions continuing with large industrial emitters<br>> Investigating fields offshore Varanus Island for CO2 storage potential |
| **Other initiatives** | **Port Bonython Mobility**<br>> FID-ready targeted by year end<br>**E-methane pre-FEED**<br>> Study commenced with Osaka Gas | **Darwin Ammonia**<br>> Discussions with major industrial offtakers | > Working with potential industrial customers in WA to identify opportunities |

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# Investing in decarbonisation technologies

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

### Direct Air Capture

> CCS enables large scale decarbonisation projects such as DAC
> Targeted delivery to Moomba in Q3 2023 for field trials
> 0.25tpd unit constructed and undergoing tests
> Unit optimisations is continuing
> Next phase build and trial of a CO2 1 tonne per day unit

### Port Bonython Mobility Project

> Concept developed
> Inclusion of solar backed 5MW electrolyser
> Potential expansion of solar farm
> Targeting FID by year-end 2023

### E-Methane (synthetic methane)

> Pre-FEED stage
> Agreement with Osaka Gas for Pre-FEED work on a demonstration scale projects to produce carbon neutral e-methane from green hydrogen
> Aiming to use existing extensive infrastructure position
> Progressing with assessment of costs, schedules, feasibility and risks

# Carbon Solutions

## Generating a portfolio of tradeable emissions reduction units from nature based initiatives

> An integrated approach to land management and restoration together with agricultural uses, traditional management practices

> Extending the Santos-owned land bank and unlocking existing land management options

> Partnering with communities to enhance existing capabilities which helps enable the nature project value chain

Greater than 40,000ha of land assets under management

Greater than 60 landholder carbon agreements globally

# Financial appendix

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# Half-year financial performance

| | 1H23 $million | 1H22 $million |
|---|---|---|
| Total revenue | **3,057** | 3,843 |
| Production costs | **(384)** | (420) |
| Other operating costs | **(288)** | (250) |
| Third-party product purchases | **(237)** | (431) |
| Other | **(34)** | 104 |
| Foreign exchange gain | **8** | (34) |
| Fair value (loss) on derivatives | **(10)** | (81) |
| **EBITDAX** | **2,112** | 2,731 |
| Exploration and evaluation expense | **(49)** | (103) |
| Depreciation and depletion | **(951)** | (853) |
| Net impairment loss | **(22)** | (2) |
| Change in future restoration assumptions | **16** | (23) |
| **EBIT** | **1,106** | 1,750 |
| Net finance costs | **(130)** | (120) |
| **Profit/(loss) before tax** | **976** | 1,630 |
| Tax expense | **(186)** | (463) |
| **Profit/(loss) after tax** | **790** | 1,167 |
| **Underlying profit** | **801** | 1,267 |

- Total revenue down due to lower volumes and lower realised prices
- Production costs are down compared to the previous half year due to lower volumes from Bayu-Undan and lower operational activity from Western Australia due to John Brookes pipeline repair
- Other has decreased due to the 2022 embedded derivative gain on an underlying domestic gas sales agreement which has now concluded
- Third party product purchases has decreased significantly as the costs relating to the change in accounting treatment of the COSPA agreement, associated liquids volumes, purchases and sales are now reported through net other revenue
- DD&A increased due to reduced useful life estimates in some WA offshore assets

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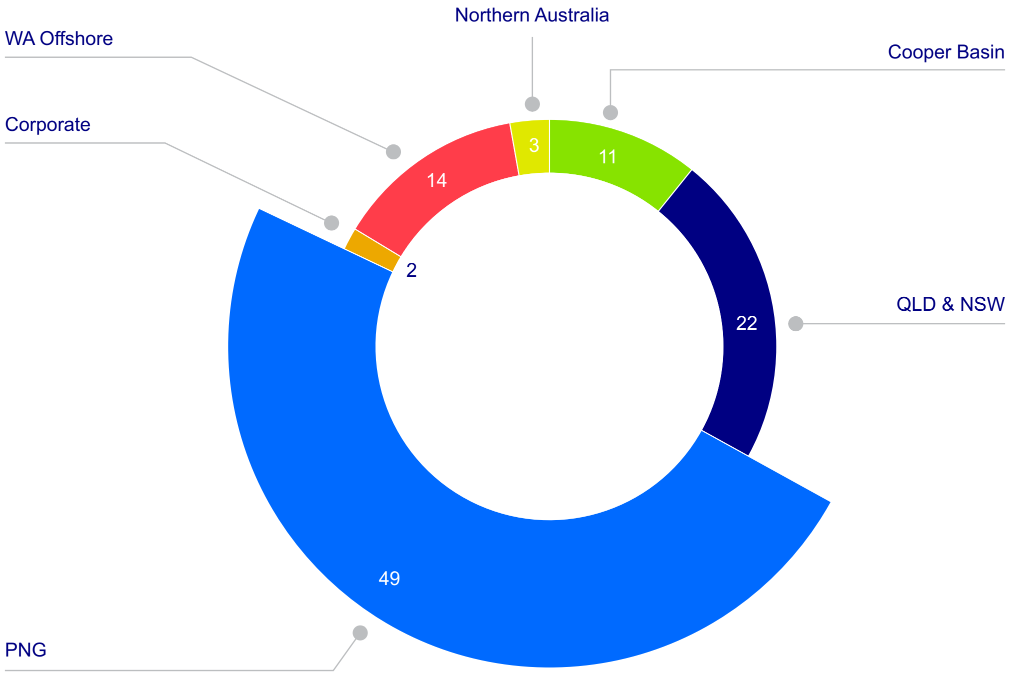
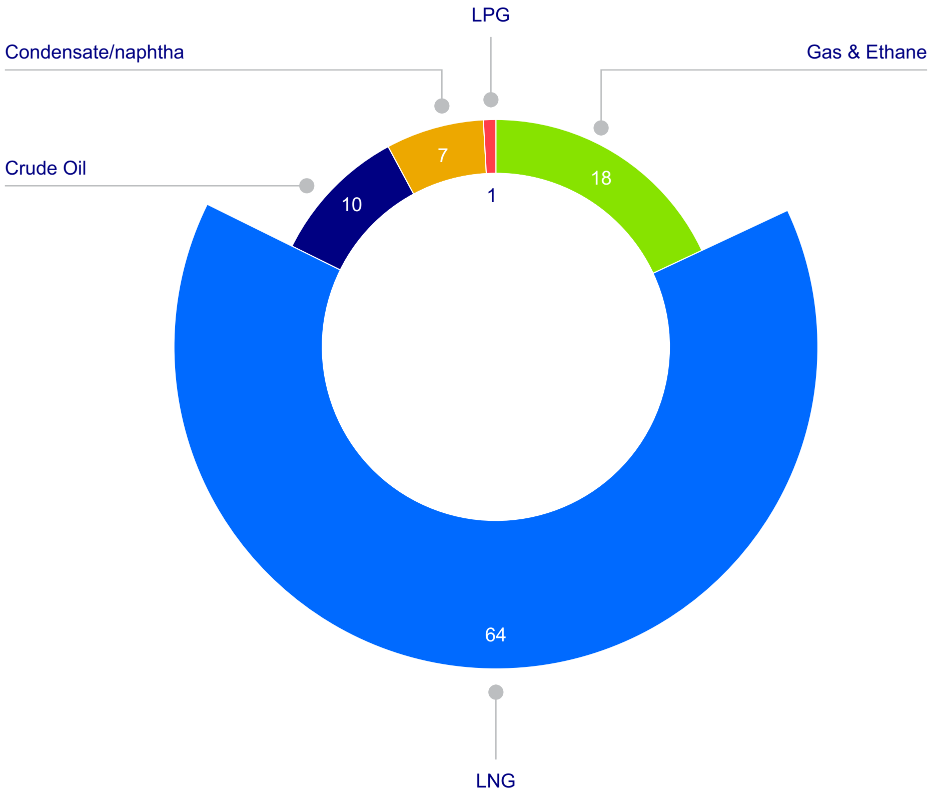
# Sales revenue

### 1H23 sales revenue by asset
%




### 1H23 sales revenue by product
%




> Diversified portfolio of product mix and geography
> Strong cash flow generated from product sales

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# Free cash flow from operations

## Calculation of 1H 2023 half year free cash flow

| | 1H23<br>$million |
|---|---|
| **Operating cash flows** | **1,628** |
| Less: Investing cash flows | **(1,401)** |
| Add: Acquisition and disposal payments | **202** |
| Add: Major growth capex | **657** |
| Add: Major growth working capital & capitalised interest | **136** |
| Add: Loan to associate | **29** |
| Less: Lease liability payments | **(122)** |
| **Free cash flow from operations** | **1,129** |

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# Significant items

## Reconciliation of half year net profit to underlying profit

| | 1H23 $million | 1H22 $million |
|---|---|---|
| **Net profit after tax** | **790** | 1,167 |
| **Add/(deduct) significant items after tax** | | |
| Net gains on sales of non-current assets | **–** | (3) |
| Impairment losses | **9** | 1 |
| Fair value losses on commodity hedges | **–** | 57 |
| Costs associated with acquisitions and disposals | **2** | 45 |
| **Underlying profit** | **801** | 1,267 |

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# 2023 guidance

## 2023 guidance remains unchanged

| 2023 guidance item | Guidance |
|---|---|
| Production | 89-93 mmboe |
| Sales volumes | 90-100 mmboe |
| Capital expenditure – sustaining including decommissioning | ~$1.2 billion |
| Capital expenditure – major projects including Santos Energy Solutions | ~$1.5 to $1.6 billion |
| Upstream production costs | $7.25-7.75/boe [1] |
| Depreciation, depletion and amortisation | ~$1.9 billion |

1. Excludes Bayu-Undan.

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# Liquidity and net debt

## Net debt $4,145 million. Liquidity of $4,379 million

| Liquidity | 30 June 2023 $million | 31 Dec 2022 $million |
|---|---|---|
| Cash and cash equivalents | **1,840** | 2,352 |
| Committed (undrawn) bank facilities | **2,465** | 3,115 |
| Assets held for sale – cash | **74** | 78 |
| **Total liquidity** | **4,379** | 5,545 |

| Debt | | 30 June 2023 $million | 31 Dec 2022 $million |
|---|---|---|---|
| Bank loans – unsecured | Senior, unsecured | **600** | – |
| Reg-S/ 144A bonds | Senior, unsecured | **2,386** | 2,384 |
| PNG LNG project finance | Non-recourse, secured | **2,206** | 2,591 |
| Leases | Leases | **853** | 899 |
| Other | Derivatives and other accounting adjustments | **14** | 6 |
| **Total debt** [1] | | **6,059** | 5,880 |
| **Total net debt** [1] | | **4,145** | 3,450 |

1. Includes assets held for sale.

# 2023 Half-year segment summary

| | Eastern AU, PNG | | | WA, Northern AU, TL | | | |
|---|---|---|---|---|---|---|---|
| | Cooper Basin $million | Queensland & New South Wales $million | PNG $million | Northern Australia & Timor-Lest $million | Western Australia $million | Corporate exploration & elims $million | 2023 Total $million |
| **Revenue** | **362** | **669** | **1,469** | **83** | **405** | **69** | **3,057** |
| Production costs | (70) | (42) | (129) | (52) | (101) | 10 | **(384)** |
| Other operating costs | (56) | (72) | (88) | – | (43) | (29) | **(288)** |
| Third-party product purchases | (1) | (107) | (8) | – | (10) | (111) | **(237)** |
| Inter-segment purchases | (1) | (58) | – | – | – | 59 | **–** |
| Product stock movement | (7) | 3 | 6 | – | 21 | – | **23** |
| Other income | 9 | 13 | 18 | 3 | 1 | 4 | **48** |
| Other expenses | (6) | (10) | (54) | 12 | (21) | (39) | **(118)** |
| FX loss | – | – | – | – | – | 8 | **8** |
| Fair value loss on hedges | – | – | – | – | – | (10) | **(10)** |
| Share of profit/(loss) of associates | – | – | 3 | 10 | – | – | **13** |
| **EBITDAX** | **230** | **396** | **1,217** | **56** | **252** | **(39)** | **2,112** |
| **Santos Energy Solutions** [1] | | | | | | | |
| **EBITDAX** | **46** | **–** | **–** | **12** | **61** | **–** | **119** |

1. Santos Energy Solutions are included within the reportable segment above.

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# 2022 Half-year segment summary

| | Eastern AU, PNG | | | WA, Northern AU, TL | | | |
|---|---|---|---|---|---|---|---|
| | **Cooper Basin** $million | **Queensland & New South Wales** $million | **PNG** $million | **Northern Australia & Timor-Lest** $million | **Western Australia** $million | **Corporate exploration & elims** $million | **2022 Total** $million |
| **Revenue** | **552** | **701** | **1,632** | **294** | **600** | **64** | **3,843** |
| Production costs | (71) | (41) | (143) | (78) | (111) | 24 | **(420)** |
| Other operating costs | (67) | (51) | (93) | – | (3) | (36) | **(250)** |
| Third-party product purchases | (250) | (98) | (3) | – | – | (80) | **(431)** |
| Inter-segment purchases | (1) | (42) | – | – | – | 43 | **–** |
| Product stock movement | 69 | (5) | 2 | – | (23) | – | **43** |
| Other income | 10 | 11 | 22 | 13 | 151 | 38 | **245** |
| Other expenses | (8) | (7) | (56) | 3 | (11) | (92) | **(171)** |
| FX loss | – | – | – | – | – | (34) | **(34)** |
| Fair value loss on hedges | – | – | – | – | – | (80) | **(80)** |
| Share of profit/(loss) of associates | – | – | 2 | (16) | – | – | **(14)** |
| **EBITDAX** | **234** | **468** | **1,363** | **216** | **603** | **(153)** | **2,731** |
| **Santos Energy Solutions** [1] | | | | | | | |
| **EBITDAX** | **50** | **–** | **–** | **(12)** | **77** | **–** | **115** |

1. Santos Energy Solutions are included within the reportable segment above.

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