

# Fourth Quarter Report

For period ending 31 December 2021

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**Santos**

20 January 2022

## Record annual production, record sales revenue and record free cash flow

- Strong base business performance delivered record annual production of 92.1 million barrels of oil equivalent (mmbœ), inclusive of 1.7 mmbœ from the Oil Search assets from 11 December 2021
- Stronger commodity prices and higher sales volumes delivered record quarterly sales revenue of US\$1.5 billion, up 34 per cent, and record annual sales revenue of US\$4.7 billion, up 39 per cent
- Free cash flow is expected to be around US\$1.5 billion in 2021, more than double the level in 2020
- GLNG delivered a record 6.4 million tonnes of LNG sales in 2021
- Bayu-Undan delivered higher gross gas and liquids production in 2021, which enabled Darwin LNG to produce 3.2 million tonnes of LNG, almost all of which was sold at JKM spot prices
- Santos' portfolio average realised LNG price increased by 32 per cent in the quarter to US\$13.64/mmBtu

## Disciplined and phased growth

- Barossa 20 per cent complete and progressing on schedule and budget
- FID on the Moomba carbon capture and storage project taken in November 2021, with first injection expected in 2024
- Dorado Phase 1 and Pikka Phase 1 projects targeting FID in mid-2022 and first half 2022, respectively

## Merger with Oil Search completed

- On 10 December 2021, Santos announced the merger with Oil Search had become effective following approvals by Oil Search shareholders and the National Court of Papua New Guinea
- The merger created a company with strong and diversified cash flows, providing a platform to deliver shareholder returns and successfully navigate the transition to a lower carbon future
- Data in this report includes the Oil Search assets from 11 December 2021, unless otherwise stated

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos delivered record annual production and sales revenue in 2021, as strong base business performance positioned the company to benefit from higher commodity prices.

Free cash flow of around US\$1.5 billion for the year was also a record and more than double the level in 2020.

"Our disciplined, low-cost operating model continues to drive strong performance across the business and has positioned us to take full advantage of the increase in commodity prices. The completion of the Oil Search merger delivers us the size and scale to deliver even stronger outcomes in 2022 and beyond," Mr Gallagher said.

"I was particularly pleased that we were able to complete the merger before the end of 2021 and in just 130 days from the announcement of our intent to merge with Oil Search, and this sets us up for what is going to be a very busy 2022.

"Consistent with our strategy, our next stage of growth will be disciplined and phased. The Barossa project is 20 per cent complete and making excellent progress, while I was delighted to announce the final investment decision on the Moomba carbon capture and storage project in November. The Dorado Phase 1 and Pikka Phase 1 projects are progressing towards FID this year.

"Our merger with Oil Search delivers increased scale and capacity to drive a disciplined, low-cost operating model and unrivalled growth opportunities over the next decade – with a vision of becoming a global leader in the energy transition."

## Comparative performance

Santos share	Unit	Q4 2021	Q3 2021	Change	2021	2020	Change
Production	mmbœ	22.9	21.9	5%	92.1	89.0	4%
Sales volume	mmbœ	26.0	24.4	7%	104.2	107.1	-3%
Sales revenue	\$million	1,532	1,142	34%	4,714	3,387	39%
Capital expenditure <sup>1</sup>	\$million	494	359	38%	1,387	858	62%

<sup>1</sup> Capital expenditure including restoration expenditure but excluding capitalised interest.

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## Sales volumes (Santos share including Oil Search from 11 December 2021)

Product	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
LNG	000 t	1,107.9	1,055.2	1,382.2	4,555.6	4,278.8
Domestic sales gas & ethane	PJ	62.5	65.1	76.5	257.7	275.1
Crude oil	000 bbls	2,781.5	1,771.2	2,818.2	9,037.1	11,120.6
Condensate	000 bbls	1,651.6	1,244.0	1,451.3	6,090.7	6,329.1
LPG	000 t	50.5	29.0	73.9	211.6	235.7
Sales						
Own product	mmboe	21.3	18.7	25.6	83.3	87.6
Third-party	mmboe	4.7	5.7	5.5	20.9	19.5
<b>Total sales volume</b>	<b>mmboe</b>	<b>26.0</b>	<b>24.4</b>	<b>31.1</b>	<b>104.2</b>	<b>107.1</b>

Fourth quarter sales volumes were higher than the prior quarter primarily due to inclusion of the Oil Search assets from 11 December 2021 (1.5 mmboe) combined with timing of crude oil liftings, partially offset by lower Cooper Basin third-party oil volumes.

## Sales revenues (Santos share including Oil Search from 11 December 2021)

Product	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
LNG	\$million	791	574	388	2,213	1,437
Domestic sales gas & ethane	\$million	324	324	303	1,252	1,068
Crude oil	\$million	240	136	132	688	531
Condensate	\$million	135	90	66	428	256
LPG	\$million	42	18	33	133	95
Sales						
Own product	\$million	1,293	875	721	3,779	2,634
Third-party	\$million	239	267	201	935	753
<b>Total sales revenue</b>	<b>\$million</b>	<b>1,532</b>	<b>1,142</b>	<b>922</b>	<b>4,714</b>	<b>3,387</b>
Third-party purchase costs	\$million	152	179	151	655	612

Fourth quarter sales revenues were a record and higher than the prior quarter reflecting inclusion of the Oil Search assets from 11 December 2021 (US\$101 million) and improved commodity prices for all products.

## Average realised prices (including Oil Search from 11 December 2021)

Product	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
LNG price	US\$/mmBtu	13.64	10.36	5.34	9.25	6.39
Domestic gas price	US\$/GJ	5.19	4.98	3.97	4.86	3.88
<i>East coast domestic</i>	<i>US\$/GJ</i>	<i>6.31</i>	<i>5.50</i>	<i>4.15</i>	<i>5.62</i>	<i>4.51</i>
<i>West coast domestic</i>	<i>US\$/GJ</i>	<i>4.61</i>	<i>4.72</i>	<i>3.67</i>	<i>4.48</i>	<i>3.33</i>
Crude oil price	US\$/bbl	86.32	76.64	46.76	76.11	47.70
Condensate price	US\$/bbl	80.91	72.17	45.82	70.08	40.50
LPG price	US\$/t	831.20	625.93	443.37	626.53	401.52

The average realised LNG price was higher than the prior quarter reflecting the linkage of sales contracts to an improving lagged Japan Customs-cleared Crude (JCC) price and higher JKM spot prices. Three-month lagged JCC averaged US\$73/bbl in the fourth quarter compared to US\$67/bbl in the third quarter. Santos' LNG projects shipped 68 cargoes in the fourth quarter, of which 12 cargoes (Darwin LNG 11, PNG LNG 1) were sold at JKM spot prices.

## Production by asset (Santos share including Oil Search from 11 December 2021)

Asset	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
Western Australia	mmboe	8.5	8.6	8.9	33.7	31.1
Cooper Basin	mmboe	3.6	3.8	4.0	15.3	16.8
Queensland & NSW	mmboe	3.5	3.5	3.4	13.7	13.4
PNG	mmboe	4.9	3.2	3.3	14.2	13.2
Northern Australia & Timor-Leste	mmboe	2.4	2.8	5.8	15.2	14.5
<b>Total production</b>	<b>mmboe</b>	<b>22.9</b>	<b>21.9</b>	<b>25.4</b>	<b>92.1</b>	<b>89.0</b>

## Production by product (Santos share including Oil Search from 11 December 2021)

Product	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
Sales gas to LNG plant	PJ	56.8	50.7	62.1	231.0	198.0
Domestic sales gas & ethane	PJ	56.5	59.3	68.2	233.2	249.6
Crude oil	000 bbls	1,938.5	1,531.1	1,136.2	5,876.8	5,093.3
Condensate	000 bbls	1,175.1	1,150.0	1,505.6	5,069.1	5,460.6
LPG	000 t	45.4	48.1	61.3	202.8	220.9
<b>Total production</b>	<b>mmboe</b>	<b>22.9</b>	<b>21.9</b>	<b>25.4</b>	<b>92.1</b>	<b>89.0</b>

Fourth quarter production was higher than the prior quarter primarily due to inclusion of the Oil Search assets from 11 December 2021 (1.7 mmboe), partially offset by lower Cooper Basin volumes, a lower net entitlement under the Bayu-Undan Production Sharing Contract due to higher realised commodity prices and lower domestic gas volumes in Western Australia due to planned maintenance.

A data worksheet containing unaudited quarterly sales, revenue, production and capital expenditure tables in Excel format is available on Santos' website.

## 2021 Guidance

2021 Guidance item	Previous guidance (excl. Oil Search)	Updated guidance (excl. Oil Search)	Updated guidance (incl. Oil Search)
Production	88-91 mmboe	90.4 mmboe	92.1 mmboe
Sales volumes	100-105 mmboe	102.7 mmboe	104.2 mmboe
Capital expenditure – base	\$800-900 million	\$819 million	\$835 million
Capital expenditure – major growth	\$500-600 million	\$510 million	\$553 million
Upstream production costs	\$7.70-8.00/boe	~\$7.80/boe	~\$7.80/boe
Depreciation, depletion and amortisation	\$1.20-1.25 billion	~\$1.22 billion	~\$1.25 billion

Guidance on 2021 financial outcomes above is preliminary and subject to finalisation of the company's accounting and audit processes, and Board review. As such, actual results for the year ended 31 December 2021 may differ from the guidance given in this update.

Santos will announce its results for the year ended 31 December 2021 on 16 February 2022. The full-year report (incorporating Appendix 4E) and associated investor briefing presentation will be available on Santos' website at [www.santos.com](http://www.santos.com). A live webcast briefing, including analyst/investor questions, will be available on Santos' website from 11:30am AEDT on 16 February 2022.

## 2022 Guidance

Guidance for 2022 will be provided with the full-year results on 16 February 2022.

## Western Australia

Santos share	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Sales volume</b>						
Sales gas	PJ	40.5	42.4	48.3	168.7	158.8
Condensate	000 bbls	380.2	302.3	368.0	1,312.1	1,393.8
Crude oil	000 bbls	1,328.3	522.8	807.0	3,016.1	2,523.4
<b>Total sales volume</b>	<b>mmboe</b>	<b>8.6</b>	<b>8.1</b>	<b>9.4</b>	<b>33.2</b>	<b>31.1</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>337</b>	<b>262</b>	<b>233</b>	<b>1,099</b>	<b>723</b>
<b>Production</b>						
Sales gas	PJ	40.0	42.4	46.7	168.1	159.0
Condensate	000 bbls	299.2	321.8	381.5	1,342.3	1,452.3
Crude oil	000 bbls	1,265.1	1,005.2	497.5	3,510.0	2,448.6
<b>Total production</b>	<b>mmboe</b>	<b>8.5</b>	<b>8.6</b>	<b>8.9</b>	<b>33.7</b>	<b>31.1</b>
Capital expenditure	\$million	80	102	82	316	171

Domestic gas production and sales were slightly lower than the previous quarter due to a planned maintenance shutdown at Varanus Island.

Tie-in and start-up activities for the two remaining dual lateral wells in the Van Gogh Phase 2 infill program were successfully completed, ahead of schedule and under budget. WA oil production and sales were higher in the fourth quarter due to incremental production from the wells.

The Varanus Island Compression and Spartan projects continued to make good progress in support of developing additional reserves back to Varanus Island. The Varanus Island Compression Project started up during the quarter. Pre-works activities commenced on the John Brookes Platform to tie-back Spartan and prepare for the first offshore campaign planned for early 2022.

The Dorado development has continued to progress with the planned FEED work for the FPSO and Wellhead Platform. The Stage 1 Offshore Project Proposal (OPP) phase has closed and the Stage 2 OPP submitted to NOPSEMA. The initial phase of development will involve gas reinjection to maximise liquids recovery ahead of a second phase of gas export from the field. This future phase of gas export offers backfill supply to Santos' existing domestic gas infrastructure in Western Australia. The project is targeting a final investment decision around mid-2022.

The Noble Tom Prosser rig is currently drilling the Dancer prospect, located seven kilometres from the Reindeer field. This will be followed by drilling the Pavo and Apus prospects in the Bedout Basin, located 35 to 40 kilometres east of the Dorado field.

## Cooper Basin

Santos share	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Sales volume</b>						
Sales gas and ethane <sup>1</sup>	PJ	15.5	17.0	17.1	67.5	72.4
Condensate <sup>1</sup>	000 bbls	402.3	393.1	397.8	1,787.0	1,914.0
LPG <sup>1</sup>	000 t	39.8	16.7	45.8	138.7	166.9
Crude oil						
Own product	000 bbls	1,035.0	400.8	529.5	2,557.0	3,267.2
Third-party	000 bbls	222.1	846.7	1,479.7	3,264.9	5,320.6
Total	000 bbls	1,257.1	1,247.5	2,009.2	5,821.9	8,587.8
<b>Total sales volume</b>	<b>mmboe</b>	<b>4.6</b>	<b>4.6</b>	<b>5.7</b>	<b>20.2</b>	<b>24.2</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>253</b>	<b>206</b>	<b>199</b>	<b>925</b>	<b>847</b>
<b>Production</b>						
Sales gas and ethane	PJ	14.8	16.4	16.2	63.8	68.5
Condensate	000 bbls	237.8	233.1	268.6	1,011.2	1,149.8
LPG	000 t	33.5	33.8	36.7	138.0	150.3
Crude oil	000 bbls	545.8	524.7	637.5	2,235.9	2,637.0
<b>Total production</b>	<b>mmboe</b>	<b>3.6</b>	<b>3.8</b>	<b>4.0</b>	<b>15.3</b>	<b>16.8</b>
Capital expenditure	\$million	108	80	87	329	313

<sup>1</sup> Sales volumes include own product and third-party volumes.

Cooper Basin production was slightly lower than the previous quarter due to natural field decline and higher gas downtime as a result of planned upstream events and unplanned train outages in the Moomba Plant. Oil production was stronger than the previous quarter due to new oil wells in Limestone Creek area and improvement in downhole well losses.

Nineteen wells were drilled (14 gas wells and 5 oil wells), and 14 wells connected (9 gas wells and 5 oil wells) across the Cooper Basin in the fourth quarter.

The horizontal well program continued with the drilling of three oil and two gas horizontal wells. The horizontal oil wells were drilled in the McKinlay, Hobbes and Frostilicus fields. Of the two gas horizontal wells, one was drilled in the Moomba South field and the other in the Beanbush field which was drilling ahead.

In November, Santos took FID on the Moomba CCS Project after the Clean Energy Regulator registered the project with the Emissions Reduction Fund, enabling the project to generate Australian Carbon Credit Units (ACCUs). The project is now in the execute phase and will have the capacity to capture and permanently store 1.7 million tonnes of CO<sub>2</sub> per annum, with first injection expected in 2024.

The Moomba CCS project is an important enabler for the production of hydrogen. Engineering, commercial and marketing studies are progressing on the Moomba hydrogen project with the goal of positioning the project as Australia's lowest cost and one of the largest commercial hydrogen opportunities.

## Queensland & NSW

Santos share	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Sales volume</b>						
GLNG Joint Venture						
LNG	000 t	512.1	514.7	536.8	1,947.6	1,801.6
Domestic contracts	PJ	0.8	1.0	1.5	3.3	8.8
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	4.7	4.4	6.9	18.3	22.7
<b>Total sales volume<sup>2</sup></b>	<b>mmboe</b>	<b>5.8</b>	<b>5.8</b>	<b>6.1</b>	<b>22.1</b>	<b>22.0</b>
<b>Total sales revenue<sup>2</sup></b>	<b>\$million</b>	<b>302</b>	<b>278</b>	<b>181</b>	<b>956</b>	<b>785</b>
<b>Production</b>						
GLNG Joint Venture	PJ	15.8	15.8	14.9	62.1	57.5
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	4.1	4.1	5.1	16.3	19.9
NSW	PJ	0.3	0.2	0.2	1.0	0.8
<b>Total production<sup>2</sup></b>	<b>mmboe</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>	<b>13.7</b>	<b>13.4</b>
Capital expenditure	\$million	71	45	39	195	193

<sup>1</sup> Combabula, Scotia (Santos legacy domestic volumes), Spring Gully and Denison.

<sup>2</sup> Total sales volume, sales revenue and production include sales gas from NSW assets.

GLNG operational data (gross)	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
Sales gas to domestic market <sup>1</sup>	PJ	13	13	8.0	54	58
LNG produced <sup>2</sup>	000 t	1,510	1,761	1,752	6,308	5,992
Sales gas to LNG plant						
GLNG equity gas	PJ	52	55	50	207	192
Santos portfolio gas	PJ	13	15	15	55	50
Third-party	PJ	33	36	41	125	119
<b>Total sales gas to LNG plant</b>	<b>PJ</b>	<b>98</b>	<b>106</b>	<b>106</b>	<b>387</b>	<b>361</b>
LNG cargoes shipped		29	29	30	109	101

<sup>1</sup> Includes APLNG equity share of Fairview, Arcadia and Roma East.

<sup>2</sup> Includes LNG produced from GLNG equity gas, Santos portfolio gas and third-party quantities.

GLNG achieved record annual LNG sales of 6.4 million tonnes in 2021 and shipped 109 cargoes. Sales were higher than LNG production in the year primarily due to timing of shipments.

Gross GLNG operated upstream sales gas production was 690 TJ/day at the end of the fourth quarter. In the Arcadia field, production continues to build with field and facility improvements delivering 100 TJ/day in December. Scotia increasing to 77 TJ/d due to recent developments. Roma averaged 197 TJ/d holding steady at peak to deliver record quarterly production, while production at Fairview averaged 318 TJ/d.

Fifty-five wells were drilled and fifty-nine connected across the GLNG acreage in the fourth quarter.

During the quarter, work commenced on the Arcadia Phase 2 project with awarding and contracting of facility packages, mobilisation of crews to begin construction of well pads and access tracks, and the drilling of the first of approximately 200 wells. Facility construction will commence early in 2022. Santos' share of capital expenditure is approximately \$90 million with first well expected online in the second half of 2022.

Santos' share of non-operated Eastern Queensland production was consistent with the prior quarter.

In October, the NSW Land and Environment Court dismissed the judicial review appeal against the Independent Planning Commission's approval of the Narrabri Gas Project. Also during the quarter, Santos increased its interest in the Narrabri Gas Project to 100 per cent by acquiring the remaining 20 per cent interest for a confidential consideration.

## PNG (excluding Oil Search assets)<sup>1</sup>

Santos share	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Sales volume</b>						
PNG LNG						
LNG <sup>2</sup>	000 t	269.2	296.4	296.6	1,101.6	1,163.2
Condensate	000 bbls	371.5	260.6	372.0	1,341.6	1,443.3
Crude oil	000 bbls	1.9	0.9	1.9	4.9	9.4
<b>Total sales volume</b>	<b>mmboe</b>	<b>3.0</b>	<b>3.1</b>	<b>3.2</b>	<b>11.9</b>	<b>12.5</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>194</b>	<b>175</b>	<b>97</b>	<b>630</b>	<b>444</b>
<b>Production</b>						
PNG LNG						
Sales gas to LNG <sup>2</sup>	PJ	17.3	17.1	17.6	66.8	69.7
Condensate	000 bbls	279.5	290.0	306.9	1,132.3	1,276.9
Crude oil	000 bbls	0.6	1.2	1.2	3.9	7.7
<b>Total production</b>	<b>mmboe</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>	<b>12.5</b>	<b>13.2</b>
Capital expenditure	\$million	6	6	5	16	39

<sup>1</sup> Includes PNG LNG at Santos' pre-merger working interest of 13.5% for the full quarter.

<sup>2</sup> Includes SE Gobe.

## PNG (Oil Search assets from 11 December 2021)<sup>1</sup>

Santos share	Unit	Q4 2021
<b>Sales volume</b>		
PNG LNG		
LNG <sup>1</sup>	000 t	114.3
Condensate	000 bbls	205.2
Crude oil	000 bbls	194.2
<b>Total sales volume</b>	<b>mmboe</b>	<b>1.5</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>101</b>
<b>Production</b>		
PNG LNG		
Sales gas to LNG <sup>1</sup>	PJ	8.6
Condensate	000 bbls	139.6
Crude oil	000 bbls	126.9
<b>Total production</b>	<b>mmboe</b>	<b>1.7</b>
Capital expenditure	\$million	18

<sup>1</sup> Oil Search assets including a 29% working interest in PNG LNG from 11 to 31 December 2021 inclusive.



PNG LNG operational data (gross)	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Production</b>						
LNG	000 t	2,170	2,148	2,194	8,396	8,767
Sales gas to LNG plant	PJ	129	128	130	499	519
Condensate <sup>1</sup>	000 bbls	2,065	2,143	2,275	8,367	9,434
Sales gas (SE Gobe) <sup>2</sup>	PJ	3	2	2	8	8
LNG cargoes shipped		28	29	29	110	115

<sup>1</sup> Measured at the Kutubu entry point.

<sup>2</sup> Purchased by PNG LNG.

On 10 December 2021, Santos announced that the merger with Oil Search had become effective. Santos has included the Oil Search assets in the results of the merged company from 11 December 2021.

As a result of the merger, Santos' interest in the PNG LNG project increased to 42.5 per cent.

Strong production at PNG LNG was maintained during the quarter. The project produced 8.4 million tonnes of LNG for the full-year and shipped 110 cargoes, slightly lower than the previous year due to the COVID-19 impact of deferral of maintenance activities from 2020 into 2021. The PNG LNG operator continues to implement COVID-19 management plans to support stable production and shipping.

A coiled tubing campaign commenced on the operated Moran and Agogo fields to deliver incremental production in 2022.

During the fourth quarter, the Papua LNG project continued to progress technical and commercial, regulatory, social and environmental activities. A FEED-entry decision is targeted in the first half of 2022.

Following the execution of the P'nyang Gas Agreement Heads of Agreement in September 2021, the PRL3 operator continued negotiations with the PNG government to finalise terms. It is expected that the P'nyang Gas Agreement will be executed in 2022.



## Northern Australia & Timor-Leste

Santos share	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Sales volume</b>						
Darwin LNG						
LNG	000 t	212.3	244.0	548.7	1,392.0	1,313.9
Bayu-Undan						
Condensate	000 bbls	292.3	288.4	311.2	1,472.7	1,577.0
LPG	000 t	10.8	12.3	26.9	73.2	67.9
<b>Total sales volume</b>	<b>mmboe</b>	<b>2.4</b>	<b>2.7</b>	<b>5.8</b>	<b>15.3</b>	<b>14.6</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>322</b>	<b>199</b>	<b>173</b>	<b>904</b>	<b>466</b>
<b>Production</b>						
Darwin LNG						
Sales gas to LNG	PJ	12.4	14.0	29.9	77.5	72.4
Bayu-Undan						
Condensate	000 bbls	219.0	305.0	548.7	1,443.6	1,581.6
LPG	000 t	11.9	14.3	24.6	64.8	70.6
<b>Total production</b>	<b>mmboe</b>	<b>2.4</b>	<b>2.8</b>	<b>5.8</b>	<b>15.2</b>	<b>14.5</b>
Capital expenditure	\$million	127	102	36	377	93

DLNG operational data (gross)	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Production</b>						
LNG	000 t	763	782	875	3,189	3,035
Sales gas to LNG plant	PJ	45	47	53	190	184
Condensate	000 bbls	1,093	1,208	1,079	4,166	4,064
LPG	000 t	47	50	44	172	179
LNG cargoes shipped		11	11	14	45	48

Gross Bayu-Undan gas and liquids production was slightly lower than the prior quarter as contribution from the Phase 3C infill wells offset natural field decline in existing wells. The Phase 3C infill wells contributed to Darwin LNG producing 3.2 million tonnes of LNG for the year, five per cent higher than the prior year.

Darwin LNG shipped 11 cargoes in the quarter, all of which were priced on a JKM basis.

Santos' share of Bayu-Undan production in the fourth quarter was lower than the prior quarter due to the slightly lower gross production combined with a lower net entitlement under the Bayu-Undan Production Sharing Contract due to higher realised commodity prices.

The US\$3.6 billion gross Barossa gas and condensate project to backfill Darwin LNG is 20 per cent complete and remains on schedule and on budget. First gas production is expected in the first half of 2025. FPSO hull and topsides are now under construction in Korea and Singapore, respectively. Manufacture of the subsea hardware is well progressed, and the first subsea tree has arrived in Perth to undergo integration testing. Manufacturing of remaining subsea trees, infield flowlines and the gas export pipeline are well progressed. Preparations for the development drilling campaign, expected to commence by mid-2022, and the pipeline installation campaign by late-2022 are well advanced. The Darwin LNG Life Extension project remains on schedule and budget with preliminary civil works completed on site.

In December 2021, Santos signed a binding Sale and Purchase Agreement to sell a 12.5 per cent interest in the Barossa project to JERA. The effective date of the sale is 31 March 2020 and completion is expected in the first half of 2022. Upon completion, which is subject to customary consents and regulatory approvals, JERA will reimburse Santos for its share of capital expenditure on the project from the effective date to completion, with the total consideration due to Santos at completion expected to be approximately US\$300 million.

During the quarter, technical, commercial, and regulatory engagement activities continued for the proposed carbon capture and storage (CCS) project at Bayu-Undan. A FEED-entry decision is targeted in the first half of 2022.

In the onshore McArthur Basin (Beetaloo Sub-basin) in the Northern Territory, the Tanumbirini 3HST1 well reached a total depth of 4,857 metres MDRT, having intersected more than 1,000 metres of lateral section within the Velkerri Formation B Shale target interval. The well encountered excellent drill gas shows and has been cased and suspended. This is the second of two horizontal wells drilled in EP 161 this year. A program of multi-stage fracture stimulations in Tanumbirini 2HST1 and Tanumbirini 3HST1 was successfully completed and flow testing of both wells is currently in progress.

## Corporate, exploration and eliminations (including Alaska from 11 December 2021)

Santos share	Unit	Q4 2021	Q3 2021	Q4 2020	2021	2020
Total sales volume	mmboe	0.1	0.1	0.9	0.0	2.7
Total sales revenue	\$million	23	22	40	99	122
Capital expenditure	\$million	83	24	18	136	48

Sales volumes and revenues in the corporate segment primarily represent gas trading activities. The Oil Search Alaska assets are included in the corporate segment from 11 December 2021.

The Pikka Phase 1 project in Alaska is completing FEED and assurance reviews. All major regulatory and environment approvals have been received. A final investment decision is targeted in the first half of 2022.

## Capital expenditure (Santos share including Oil Search from 11 December 2021)

Total exploration, evaluation and development expenditure is summarised in the table below.

\$million	Q4 2021	Q3 2021	Q4 2020	2021	2020
<b>Capital expenditure</b>					
Exploration	73	29	26	144	65
Evaluation	66	15	41	164	113
Development and other capex (incl restoration)	354	315	200	1,079	680
<b>Capital expenditure excl capitalised interest</b>	<b>493</b>	<b>359</b>	<b>267</b>	<b>1,387</b>	<b>858</b>
Capitalised interest	15	22	10	58	29
<b>Total capital expenditure</b>	<b>508</b>	<b>381</b>	<b>277</b>	<b>1,445</b>	<b>887</b>
<b>Exploration and evaluation expensed</b>					
Exploration	24	13	19	65	48
Evaluation	34	4	4	51	11
<b>Total current year expenditure</b>	<b>58</b>	<b>17</b>	<b>23</b>	<b>116</b>	<b>59</b>
Write-off of amounts capitalised in prior years	-	-	-	-	-
<b>Total expensed</b>	<b>58</b>	<b>17</b>	<b>23</b>	<b>116</b>	<b>59</b>

Capital expenditure in the fourth quarter comprised US\$291 million in the base business (including \$26 million for restoration costs) and US\$202 million for major growth projects.

## Oil price hedging

3.8 million barrels of oil hedging matured in the fourth quarter. Oil hedge net outflow in 2021 was US\$231 million before tax.

For 2022, 6 million barrels of oil equivalent are currently hedged at an average floor price of US\$50 per barrel and an average ceiling price of US\$64 per barrel using a combination of zero cost collars and three-way option structures. For 2.0 million barrels, there is also the ability to re-participate at an oil price greater than US\$65 per barrel due to their three-way option structure.

## Seismic activity

In the Bedout Sub-basin offshore WA, the contract for the Keraudren Extension Phase 2 seismic survey has been awarded to Shearwater Geoservices with seismic acquisition commencing in the first quarter of 2022.

In the Petrel Sub-basin offshore NT, preparations for the South-West 3D seismic survey continued to progress. Pending regulatory approval, acquisition will commence immediately following completion of the Keraudren Extension Phase 2 seismic survey.

## Drilling summary

### Exploration / Appraisal wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Beanbush 3	SA	100%	Drilling
Moomba 195	SA	100%	C&S, successful
Chimera 1	QLD	100%	C&S, successful
Kanook South 1	QLD	100%	P&A
Legbar 1	QLD	60%	P&A
Llama 1	QLD	100%	P&A
Cook East 1	QLD	55%	C&S, successful

Cooper Basin oil			
Well name	Area	Santos	Well status
Chef 1	QLD	54.64%	P&A

Queensland GLNG gas			
Well name	Area	Santos	Well status
Reuben Downs 1	Roma	24.57%	C&S, successful

Other Queensland gas			
Well name	Area	Santos	Well status
Yoorooga East 2	Scotia	100%	C&S, successful
Yoorooga East 3	Scotia	100%	C&S, successful

McArthur Basin gas			
Well name	Area	Santos	Well status
Tanumbirini 3HST1*	NT	75%	C&S, successful

\*Spud in Q3, completed in Q4

Carnarvon Basin gas			
Well name	Area	Santos	Well status
Dancer 1	WA	100%	Drilling

### Development wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Barrolka 21	QLD	60.06%	C&S, successful
Barrolka 22	QLD	60.06%	C&C, successful
Barrolka 23	QLD	60.06%	C&C, successful
Barrolka 24	QLD	60.06%	C&S, successful
Coolah 17*	QLD	60.06%	P&A

\*Spud in Q3, completed in Q4

Cooper Basin oil			
Well name	Area	Santos	Well status
Frotillicus 2	SA	100%	C&S, successful
Hobbies 4	SA	66.6%	C&S, successful

Cooper Basin oil and gas			
Well name	Area	Santos	Well status
Moorari 21	SA	66.6%	C&S, successful
Moorari 22	SA	66.6%	C&S, successful
Moorari 23	SA	66.6%	C&S, successful
Woolkina 3	SA	66.6%	C&S, successful

Bonaparte Basin gas and condensate			
Well name	Area	Santos	Well status
Bayu-Undan DS-06	TL	43.4%	C&C, successful

### Queensland GLNG gas

Well name	Area	Santos	Well status
Bottle Tree 4	Arcadia	22.85%	C&S, successful
Bottle Tree 16	Arcadia	22.85%	C&S, successful
Bottle Tree 17	Arcadia	22.85%	C&S, successful
Bottle Tree 18	Arcadia	22.85%	C&S, successful
Bottle Tree 19*	Arcadia	22.85%	C&S, successful
FV12-38-2	Fairview	22.82%	C&S, successful
FV12-39-2	Fairview	22.82%	C&S, successful
FV12-86-1	Fairview	22.82%	C&S, successful
FV12-119-1*	Fairview	22.82%	C&S, pending future drilling
FV13-76-1	Fairview	22.82%	C&S, successful
FV13-76-2	Fairview	22.82%	C&S, successful
FV13-78-1	Fairview	22.82%	C&S, successful
FV13-79-1	Fairview	22.82%	C&S, successful
FV13-82-1	Fairview	22.82%	C&S, successful
FV13-82-2	Fairview	22.82%	C&S, successful
FV13-83-1	Fairview	22.82%	C&S, successful
FV13-84-1	Fairview	22.82%	C&S, successful
FV13-85-1	Fairview	22.82%	C&S, successful
FV13-93-1	Fairview	22.82%	C&S, successful
FV18-78-1	Fairview	22.82%	C&S, successful
FV18-79-1	Fairview	22.82%	C&S, successful
FV18-81-1	Fairview	22.82%	C&S, successful
FV18-83-1	Fairview	22.82%	C&S, successful
Kelsall 20	Scotia	30%	C&S, successful
RM08-88-1	Roma	30%	C&S, successful
RM09-29-1	Roma	30%	C&S, successful
RM13-84-1*	Roma	30%	C&S, successful
RM14-26-1	Roma	30%	C&S, successful
RM14-28-1	Roma	30%	C&S, successful
RM14-54-1	Roma	30%	C&S, successful
RM14-56-1	Roma	30%	C&S, successful
RM15-34-1	Roma	30%	C&S, successful
RM15-43-1	Roma	30%	C&S, successful
RM15-44-1	Roma	30%	C&S, successful
RM15-56-1	Roma	30%	C&S, successful
RM15-69-1	Roma	30%	C&S, successful
RM15-70-1	Roma	30%	C&S, successful
RM15-78-1	Roma	30%	C&S, successful
RM15-79-1	Roma	30%	C&S, successful
RM15-86-1	Roma	30%	C&S, successful
RM15-95-1	Roma	30%	C&S, successful
RM22-20-1	Roma	30%	C&S, successful
RM22-21-1	Roma	30%	C&S, successful
RM22-22-1	Roma	30%	C&S, successful
RM22-24-1	Roma	30%	C&S, successful

### Queensland GLNG gas

Well name	Area	Santos	Well status
RM22-26-1	Roma	30%	C&S, successful
RM22-27-1	Roma	30%	C&S, successful
RM22-32-1	Roma	30%	C&S, successful
RM49-127-1	Roma	30%	C&S, successful
RM50-158-1	Roma	30%	C&S, successful

\*Spud in Q4, completed in Q1 2022

## Abbreviations and conversion factors

Abbreviations		Conversion factors	
C&C	cased and completed	Sales gas and ethane, 1 PJ	171.937 boe x 10 <sup>3</sup>
C&S	cased and suspended	Crude oil, 1 barrel	1 boe
gas	natural gas	Condensate, 1 barrel	0.935 boe
DES	delivered ex-ship	LPG, 1 tonne	8.458 boe
FEED	front-end engineering and design	LNG, 1 PJ	18,040 tonnes
FID	final investment decision	LNG, 1 tonne	52.54 mmBtu
FPSO	floating production, storage and offloading		
GJ	gigajoules		
JCC	Japan Customs-cleared Crude		
kbbls	thousand barrels		
kt	thousand tonnes		
LNG	liquefied natural gas		
LPG	liquefied petroleum gas		
m	million		
mmbbl	million barrels		
mmboe	million barrels of oil equivalent		
mmBtu	million British thermal units		
mmscf	million standard cubic feet		
mt	million tonnes		
mtpa	million tonnes per annum		
NFE	near-field exploration		
mBRT	metres below rotary table		
P&A	plugged and abandoned		
pa	per annum		
PJ	petajoules		
PSC	production sharing contract		
t	tonnes		
TJ	terajoules		

## Disclaimer

This report 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, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in this document are to United States currency, unless otherwise stated. Totals in the tables may not add due to rounding. The symbol “~” means approximately.

Free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments) is a non-IFRS measure that is presented to provide an understanding of the performance of Santos' operations.

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