

17 August 2022

Santos reports record first half free cash flow and underlying earnings, and higher shareholder returns

Highlights

- Underlying profit¹ US\$1,267 million, up 300%
- Statutory net profit after tax US\$1,167 million, up 230%
- EBITDAX¹ \$2,731 million, up 122%
- Free cash flow¹ US\$1,708 million, up 199%
- Annual merger integration synergies target increased to US\$110-125 million
- US\$605 million in shareholder returns comprising:
 - a 38% increase in the interim dividend to US7.6 cents per share unfranked (US\$255 million)
 - An increase in the previously announced on-market share buyback from US\$250 million to US\$350 million

Santos today announced its half-year results for 2022, reporting record free cash flow of US\$1.7 billion and underlying profit of US\$1.3 billion. The results reflect significantly higher oil and LNG prices compared to the corresponding period due to stronger global energy demand combined with a higher interest in PNG LNG following the Oil Search merger.

Santos intends to return US\$605 million to shareholders (equivalent to US18 cents per share) under the company's capital management framework, comprising a 38 per cent increase in the interim dividend to US7.6 cents per share unfranked (US\$255 million) and an increase in the previously announced on-market share buyback from US\$250 million to US\$350 million.

The US\$350 million on-market buyback is inclusive of the US\$250 million initial on-market buyback announced in April 2022, of which US\$174 million had been completed by the end of June 2022. Santos intends to return the remaining US\$176 million to shareholders via on-market share buybacks during the remainder of 2022.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos delivered record production, free cash flow and underlying earnings in the first half 2022 as the company benefited from strong customer demand for our products and higher commodity prices.

"Demand for our products has remained strong in both Australia and internationally, due to increased demand and shortages of supply from producing nations due global underinvestment in new supply," Mr Gallagher said.

"We are seeing these issues play out in the significant shift in global energy policy towards energy security as a key priority.

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“Our critical fuels not only play a key role in the energy security of Australia and Asia, but they also provide affordable and reliable alternatives to switch from higher emitting fuels.

“Today’s results demonstrate the strength of Santos, with strong diversified cashflows and capacity to provide sustainable shareholder returns, fund new developments and the transition to a lower carbon future.

“Strong first half free cash flows mean we are in a position to deliver higher shareholder returns through an increase in the interim dividend and on-market buyback, consistent with our disciplined capital management framework.”

Santos also announced today a final investment decision has been taken to proceed with the Pikka Phase 1 oil project located on the North Slope of Alaska. Further detail is available in Santos’ separate ASX announcement on the project dated 17 August 2022.

Santos is also in advanced discussions with shortlisted counterparties for the sale of a five per cent interest in the PNG LNG project. Throughout this process, there has been strong interest from reputable counterparties with expected proceeds in-line with market consensus valuation. Santos intends to retain a 37.5 per cent stake in PNG LNG.

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.

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 2022 half-year results presentation released to ASX on 17 August 2022.

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2022 Half-year results

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.

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). Pikka Phase 1 reserve estimates are based on Santos technical evaluation and have been determined using combination of deterministic and probabilistic methods. The Pikka Phase 1 project will develop oil from 32 leases within the greater Pikka Unit. The reference point is the entry to the common carrier Pikka pipeline. Pikka Phase 1 2P undeveloped oil reserves are estimated at 165 mmbbl Santos share at 51% interest and net of 18.67% royalties.

The reserves and resources information in this presentation is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mark Ireland, who is a full-time employee of Santos and is a member of the SPE. Mr Ireland meets the requirements of a QPRRE and is qualified in accordance with ASX Listing Rule 5.41. 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.

2022 Half-year results highlights

Strong free cash flow driving higher returns

Free cash flow¹ ▲ 199%

\$1,708 million

Profit after tax² ▲ 230%

\$1,167 million

Underlying profit² ▲ 300%

\$1,267 million

Sales revenue ▲ 85%

\$3,766 million

EBITDAX ▲ 122%

\$2,731 million

Interim dividend plus buybacks³

\$605 million

1. Operating cash flows less investing cash flows (net of acquisitions and disposals and major growth capex) less lease liability payments.

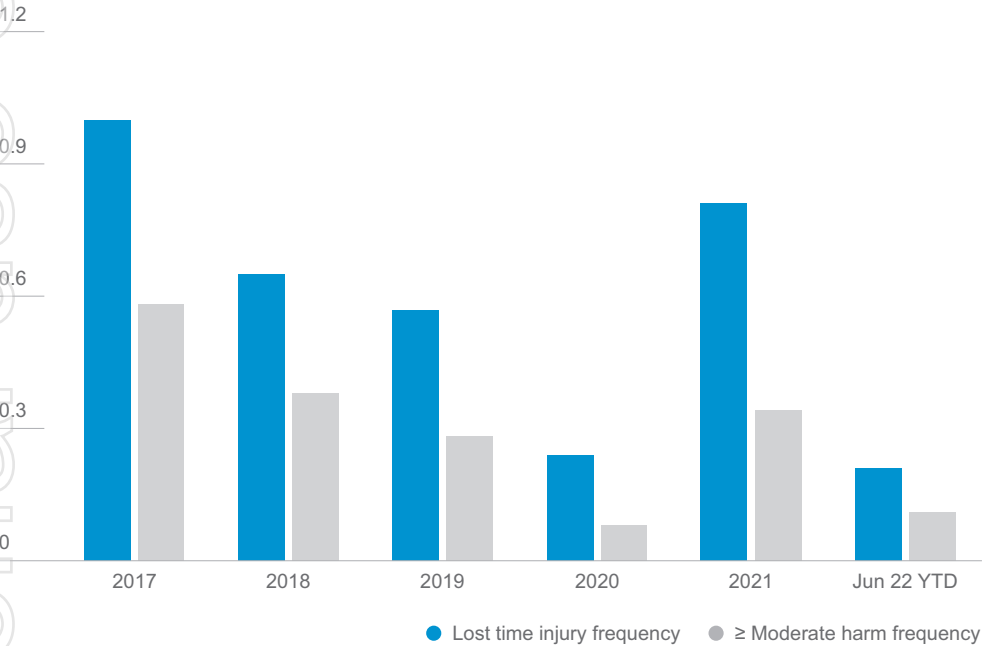
2. A reconciliation between net profit after tax and underlying profit is provided in the Appendix. Underlying profit excludes the impacts of costs associated with asset acquisitions and disposals, impairments, commodity (oil) hedging and items that are subject to significant variability from one period to the next.

3. Includes interim unfranked dividend of \$255 million and on-market share buyback of \$350 million, comprising \$250 million buyback announced on 20 April 2022 plus an additional \$100 million announced on 17 August 2022.

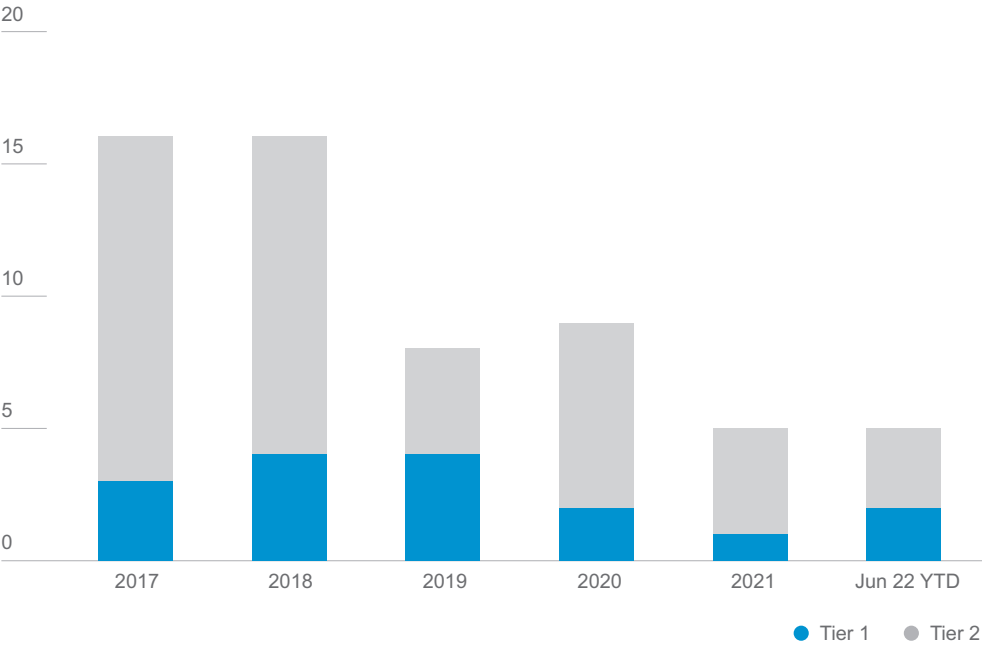
Health, safety and environment

Personal safety performance is improving in the first half of 2022

Injury frequency
Number of injuries per million hours worked



Loss of containment
Number of Tier 1 and Tier 2 incidents



2022 First-half achievements

Improved portfolio diversification, disciplined project and cost management, and increased returns to shareholders

Portfolio optimisation nearing completion

- ▶ Completed sell-down of Barossa to JERA for \$327 million
- ▶ Advanced discussions with shortlisted parties for the sale of 5% in PNG LNG with expected proceeds in line with market consensus valuation

Project and cost discipline

- ▶ Barossa project is 43% complete and Moomba CCS is 20% complete
- ▶ Production cost and capex guidance reduced
- ▶ Achieved annual merger synergies of \$106 million and guidance range increased to \$110-125 million

Disciplined and phased development

- ▶ Pikka Phase 1 sanctioned with first oil expected in 2026
- ▶ Upside in further Bedout appraisal and optimisation of the integrated Dorado development concept

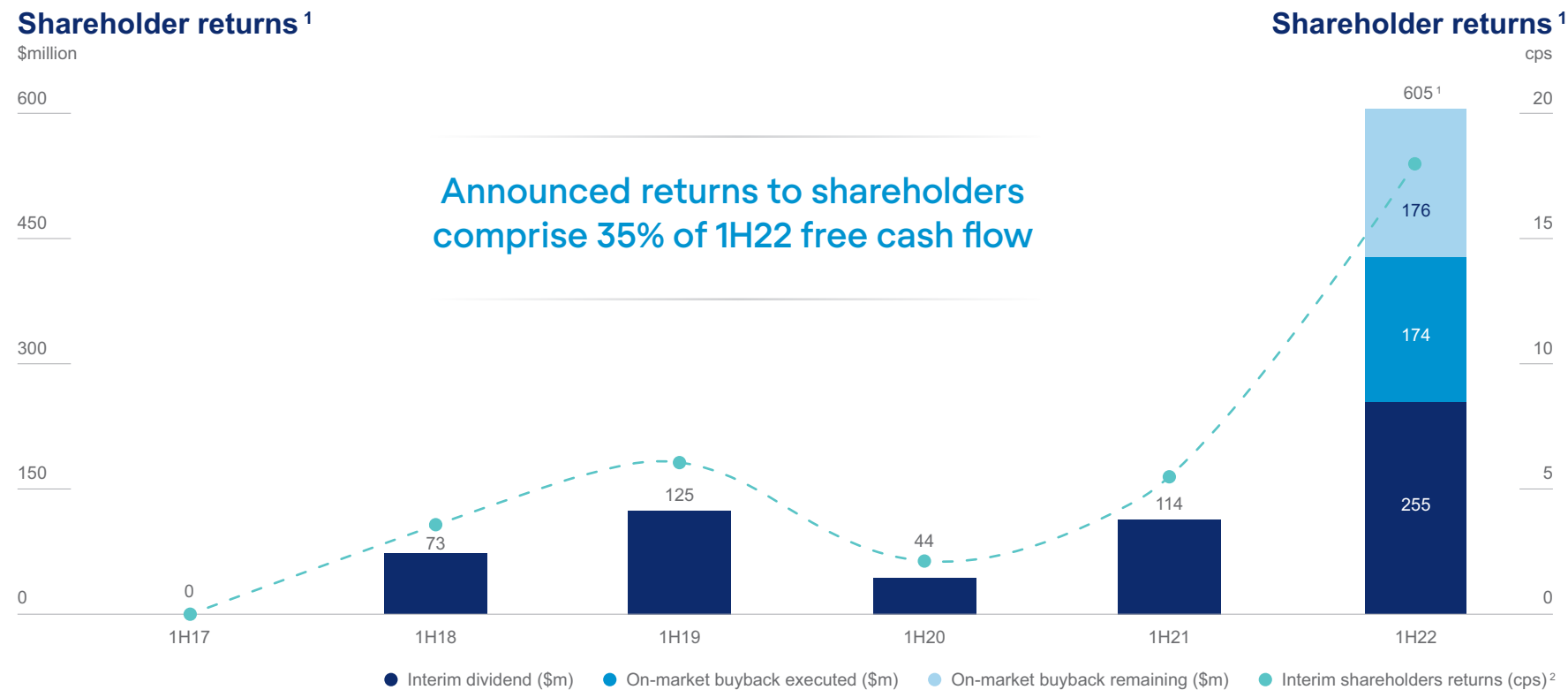
Disciplined capital management

- ▶ Board approved new capital management framework targeting increased returns to shareholders
- ▶ On-market share buyback increased to \$350 million¹
- ▶ Strengthened balance sheet with 22.5% gearing at end June

1. Includes \$250 million buyback announced on 20 April 2022 plus an additional on-market share buyback of \$100 million announced on 17 August 2022.

Capital management framework delivering increased returns

\$605m in shareholder returns. Interim dividend increased by 38% to US7.6 cents per share and on-market buyback increased from \$250m to \$350m with \$174m completed in the first half



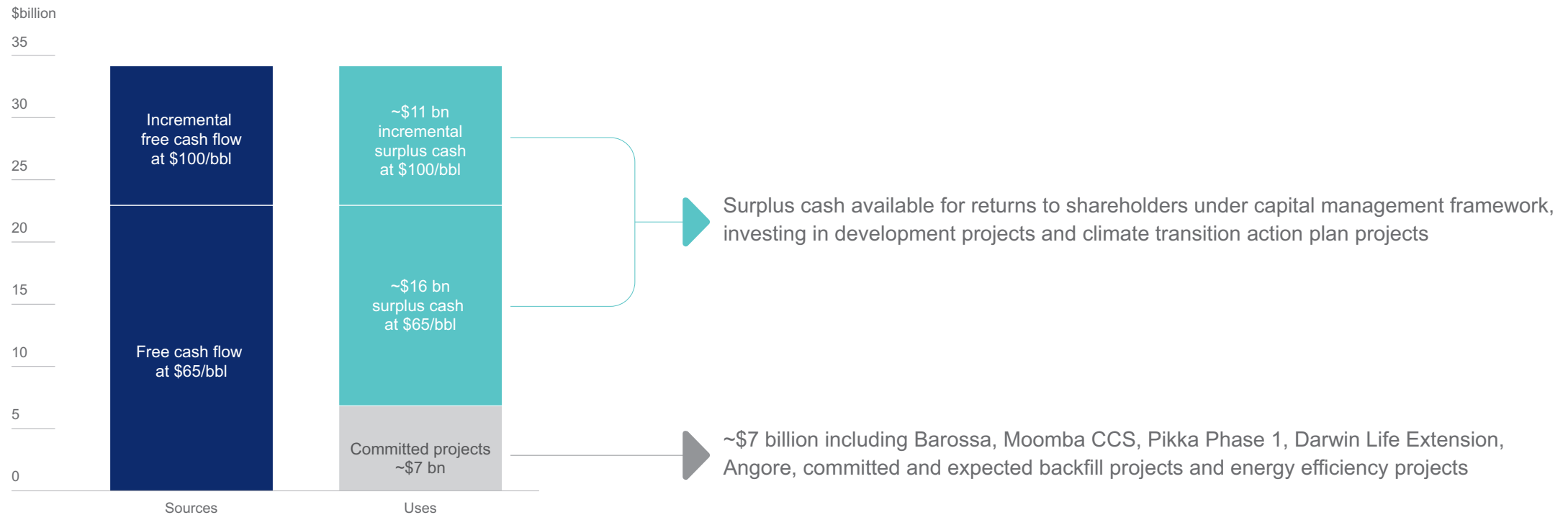
1. On-market share buyback totals \$350 million and comprises \$250 million buyback announced on 20 April 2022 plus an additional on-market share buyback of \$100 million announced on 17 August 2022.

2. Includes \$350 million on-market buyback in 2022.

Cash sources and uses to 2030

~\$16-27 billion in forecast cash available for returns to shareholders and investing in development projects to 2030 at \$65-\$100 per barrel long term oil price range

2022-2030 Forecast cash sources and uses ¹



1. Refer to disclaimer for forward-looking statements. Forecast free cash flow includes expected asset sell-down proceeds. Assumes committed major projects including Pikka Phase 1 at 51% and 5% sell-down of PNG LNG.

Pikka Phase 1 FID

Low emissions intensity unabated and low cost of supply project located in a world-class oil-producing province with low sovereign risk and internationally-competitive investment environment

Pikka Phase 1 project overview

- ▶ Santos committed to a net-zero project (scope 1 and 2, equity share)
- ▶ Strong support from key stakeholders, including the State and landowners
- ▶ ~19% IRR at \$60 long-term oil price

Pikka Phase 1 project

Development plan	Optimised using existing pipeline capacity, single small footprint drilling pad and electrified field operations
Carbon neutral project	Santos committed to delivering a net-zero project from first oil (Scope 1 and 2, equity share)
First oil	2026
Nameplate capacity	80,000 barrels of oil per day gross
2P Reserves	<ul style="list-style-type: none"> ▶ 397 mmbbl gross pre-royalty ▶ 165 mmbbl Santos-share at 51% interest (net of 18.67% state and overriding royalties)
Capex to nameplate capacity	<ul style="list-style-type: none"> ▶ \$2.6 billion gross (2022 real) ▶ \$1.3 billion Santos-share at 51% interest
Annual opex	~\$150 million gross
Forecast IRR	~19% @ \$60 long-term oil price
Lifecycle breakeven oil price	~\$40 per barrel including cost of carbon abatement

Alaska appraisal drilling



Trans-Alaska pipeline

Capital discipline for major projects

Disciplined and phased investment to drive superior shareholder returns

Dorado Oil and Gas Project



Overview

- ▶ Liquids-rich, low CO2 gas resource with nearfield Pavo tieback

Next steps

- ▶ Upside in further Bedout appraisal and optimisation of the integrated development concept
- ▶ Inflationary cost environment and supply chain uncertainty does not support FID in 2022

Regulatory approvals

- ▶ Production licence awarded
- ▶ Stage 2 assessment of Offshore Project Proposal progressing with NOPSEMA

Narrabri Gas Project



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

- ▶ No significant capex expected until FID
- ▶ Targeting first gas from phase 1 in 2026

- ▶ Acquired Hunter Gas Pipeline Pty Ltd which owns an approved underground gas pipeline route from Wallumbilla in Queensland to Newcastle in New South Wales

A global energy company

Compelling investment proposition to deliver long term value to shareholders

Top-10 global independent¹ with a balanced and diversified portfolio

Long-life production weighted to gas and LNG

Clear pathway to decarbonise the business, develop cleaner fuels projects and achieve net-zero by 2040

Investor participation in oil price upside through capital management framework

Strong balance sheet to fund sustainable production and the energy transition

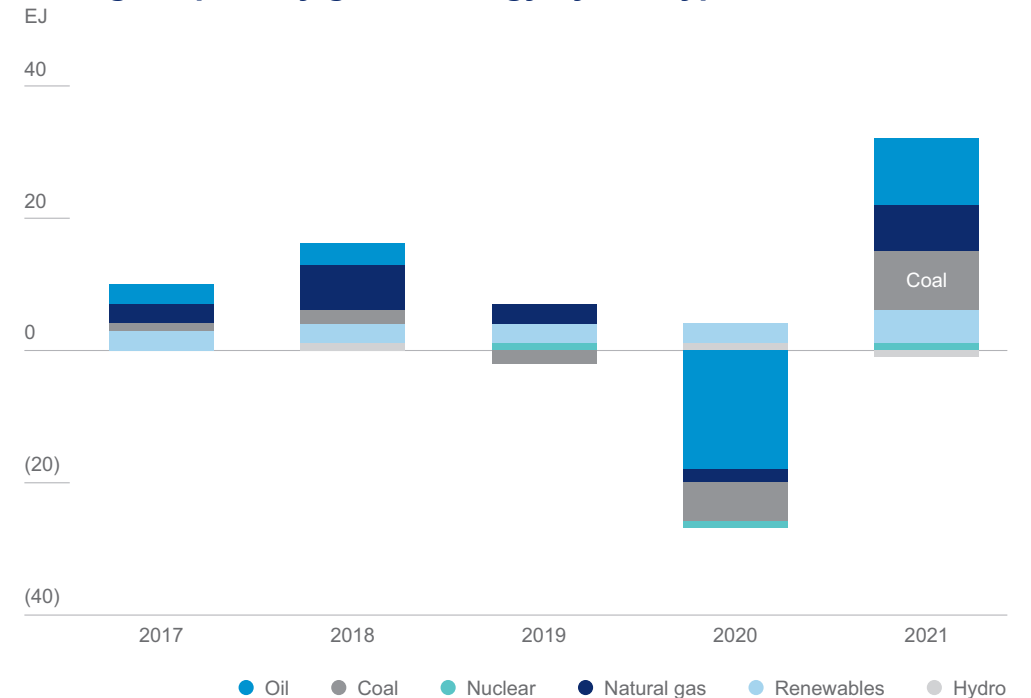
1. Based on Santos analysis of Wood Mackenzie data.

Energy security and the role of natural gas

Lack of investment in new OECD oil and gas supply has led to global shortages and seen the world turn to coal

- ▶ Reversal in global progress towards achieving universal access to clean and affordable energy
- ▶ In 2021, global energy demand returned to pre-COVID levels, underinvestment in gas supply saw a 9% increase in coal-fired electricity generation to a global all-time high
- ▶ Gains from coal-to-gas switching were reversed with CO₂ emissions from energy combustion and industrial processes have never been higher
- ▶ According to the World Health Organisation there are now more people in the world without access to reliable electricity than before the pandemic

Change in primary global energy by fuel type ¹

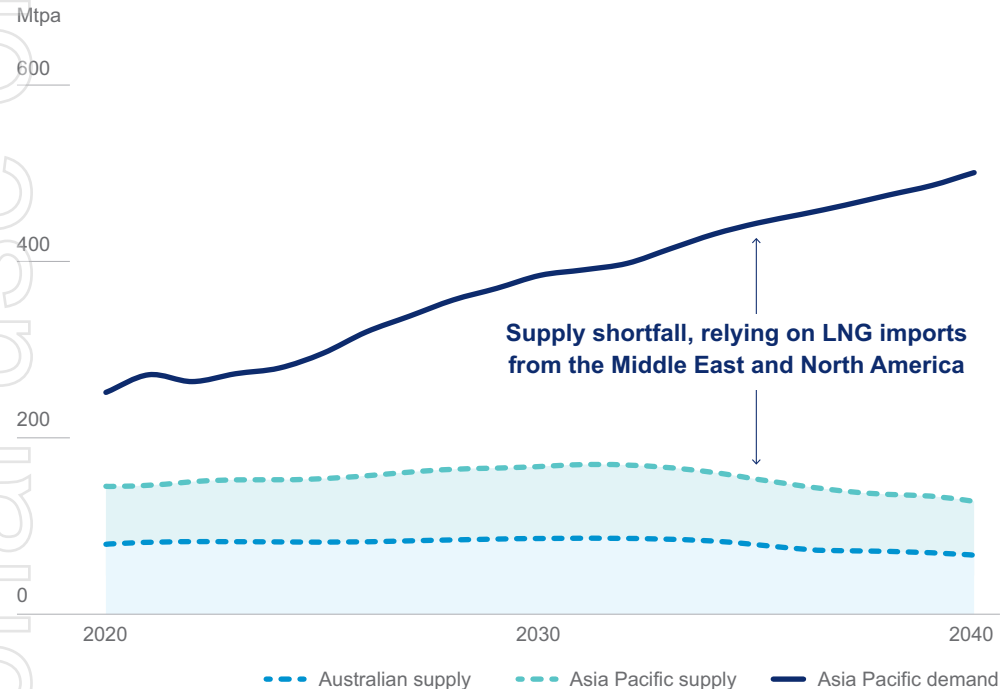


1. BP Statistical Review of World Energy, 2022.

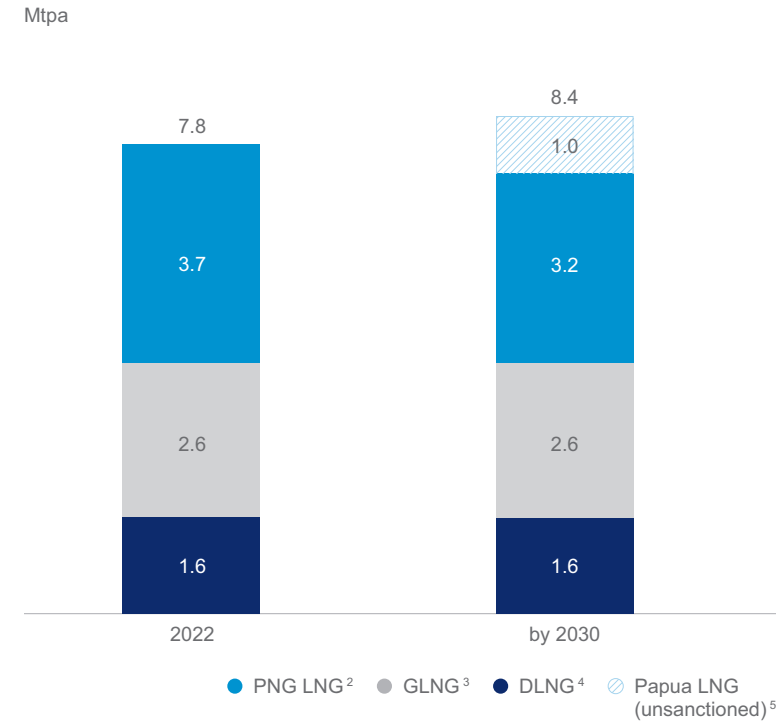
Asia Pacific LNG demand expected to double by 2040

Santos is a leading global independent LNG supplier and well-positioned to benefit from increasing demand

Asia Pacific LNG supply and demand¹



Santos net share LNG capacity



1. Source: Wood Mackenzie LNG Data Tool Q2 2022.

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.

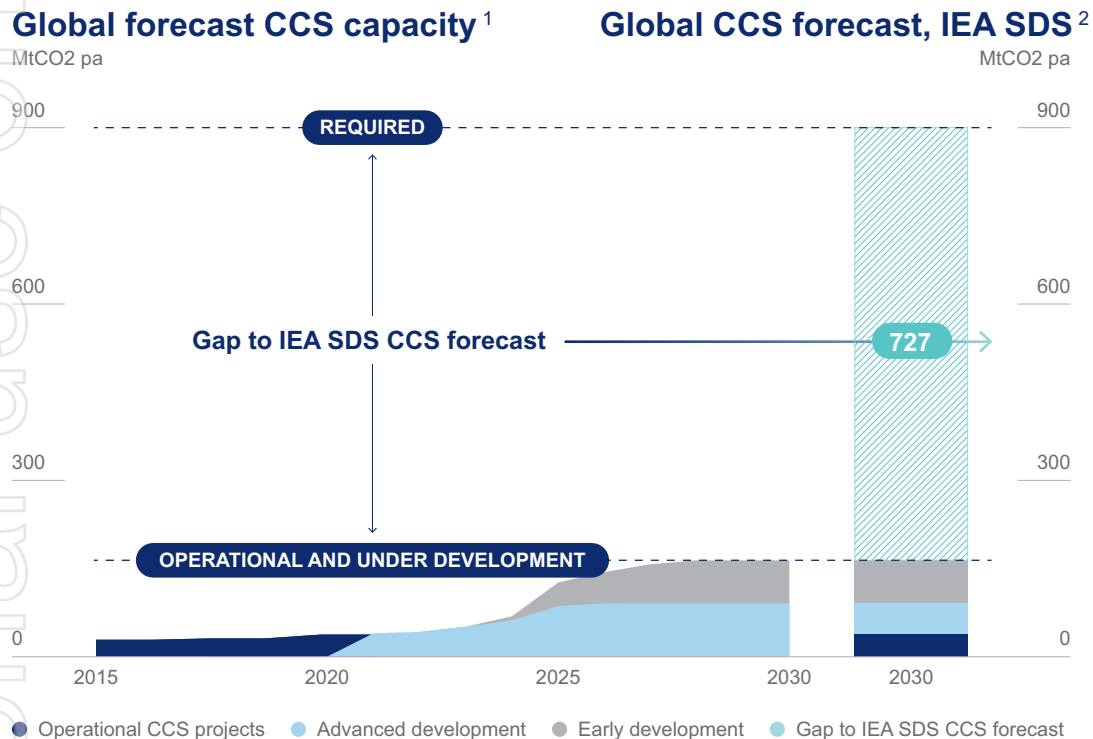
3. GLNG assumes 8.6 Mtpa capacity and 30% working interest.

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.

Large scale-up of CCS required to meet world's climate objectives

CCS is proven technology that is critical to reduce emissions at scale as the world transitions



1. Global CCS Institute, Global Status of CCS 2021. Estimates are based on maximum project capacity. Includes Santos analysis.

2. International Energy Agency, World Energy Outlook 2021.

Progress on global CCS

- ▶ 133 commercial CCS projects operational or under development
- ▶ “Currently, global rates of CCS deployment are far below those in modelled pathways limiting global warming to 1.5°C or 2°C.” IPCC
- ▶ New US Inflation Reduction Act significantly increases incentives with tax credits for CCS now up to \$85/tCO₂, DAC up to \$180/tCO₂
- ▶ Jennifer Granholm, US Energy Secretary: “The only plausible pathways to net-zero involve carbon management solutions – carbon capture and storage, direct air capture”

Santos 1H 2022 decarbonisation milestones

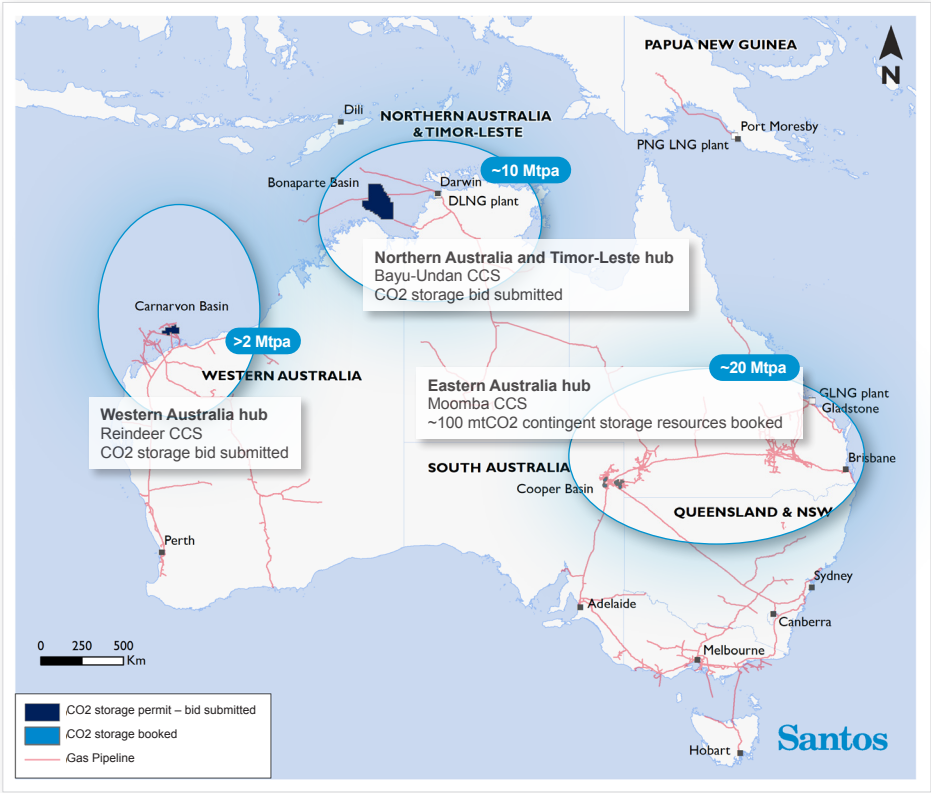
- ▶ 3 x decarbonisation hubs established
- ▶ Executed variety of MOUs with technology providers, customers and third party facility operators to decarbonise their operations
- ▶ ~100 mtCO₂ contingent storage resources booked in the Cooper Basin
- ▶ Bayu-Undan CCS FEED entry
- ▶ CSIRO Direct Air Capture pilot on track for 2023
- ▶ Working with customers to explore decarbonisation opportunities in WA, including carbon capture and storage

Three Santos-operated CCS and clean fuels hubs

Three CCS hubs enable generation of carbon credits, provision of carbon services, clean fuel production and potential for direct air capture

	Eastern Australia Hub	Northern Australia & Timor-Leste Hub	Western Australia Hub
Annual injection capacity, MtCO ₂ e	~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 CO ₂ storage	✓	✓	✓
Third party CO ₂ storage	✓	✓	✓
Repurpose existing infrastructure	✓	✓	✓
Enabling hydrogen and ammonia	✓	✓	✓

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



Finance and Capital Management

Anthea McKinnell
Chief Financial Officer

2022 First-half financial summary

Record financial results and increased returns to shareholders

Strong financial results

- ▶ Sales revenue \$3.8 billion, up 85%
- ▶ Free cash flow \$1.7 billion, up 199%
- ▶ Underlying profit \$1.3 billion, up 300%

Optimising debt maturity profile

- ▶ Syndicated debt refinancing is well progressed and will result in no significant debt maturities until 2027¹
- ▶ Committed to retaining investment grade rating

Increased returns to shareholders

- ▶ Investor participation in oil price upside. Announced returns to shareholders comprise 35% of 1H22 free cash flow
- ▶ Interim dividend of US7.6 cps, up 38%
- ▶ On-market buyback increased to \$350 million with \$174 million completed in first half

Strengthened balance sheet

- ▶ \$1 billion reduction in net debt over the last six months
- ▶ 45% of total drawn debt portfolio (excluding leases) is PNG LNG non-recourse project debt which is expected to be repaid in 2026
- ▶ Strong cash flows supported rapid de-gearing to 22.5%

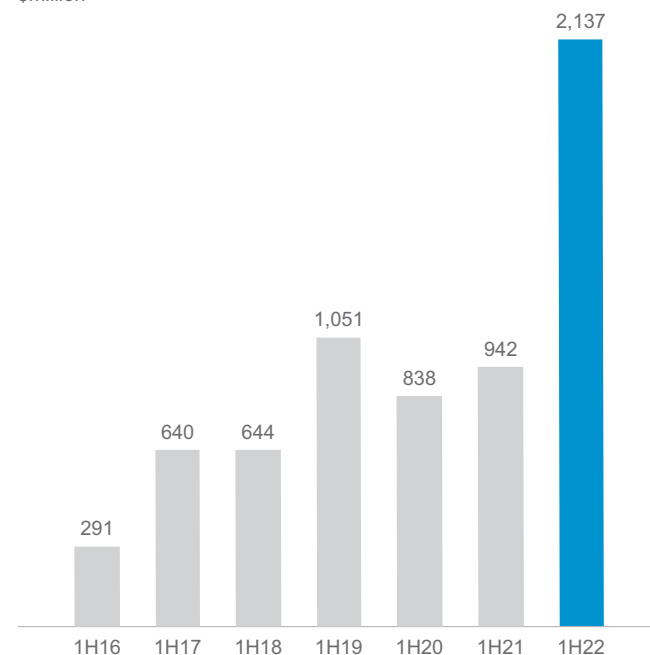
1. Excluding PNG LNG project finance which is financed using project cash flows.

Strong free cash flow generation

Free cash flow \$1.7 billion, up 199%

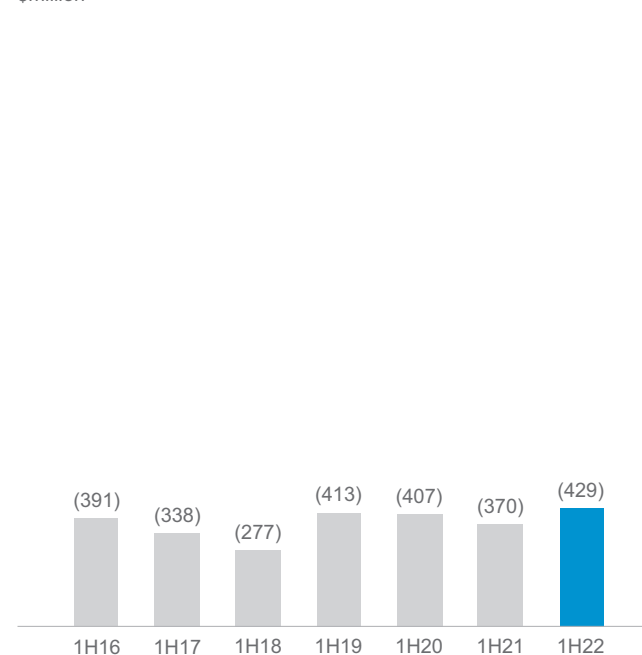
Operating cash flow

\$million



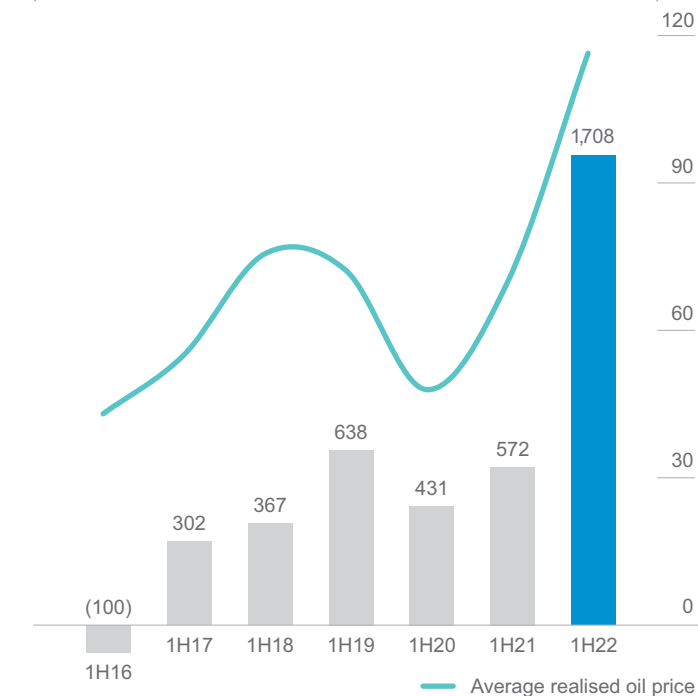
Investing cash flow ¹

\$million



Free cash flow ¹

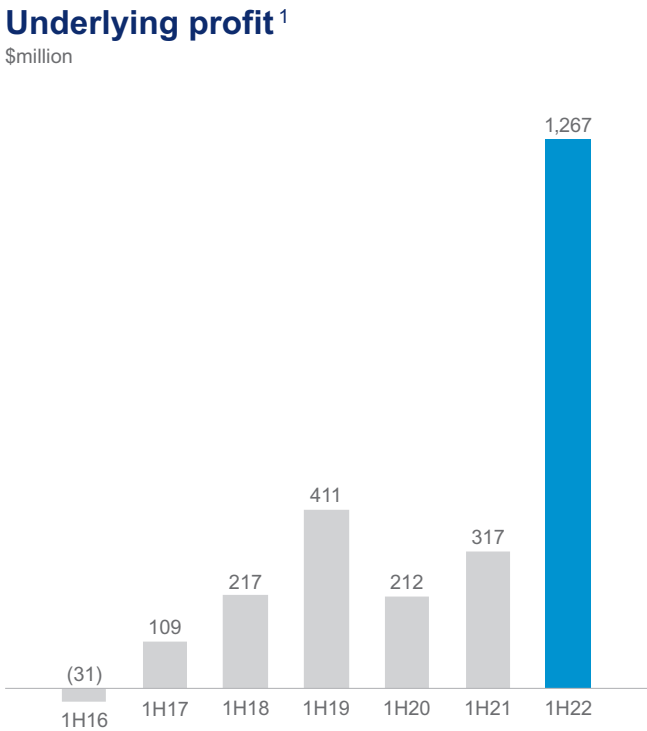
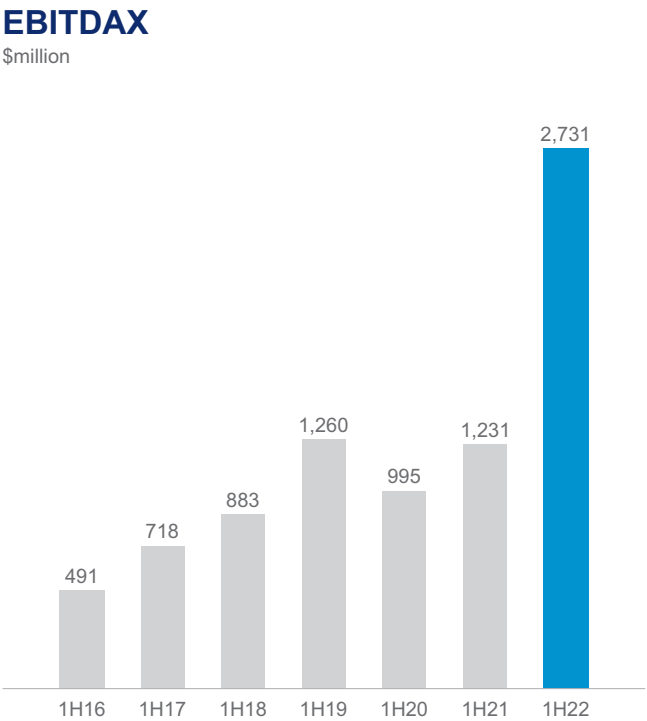
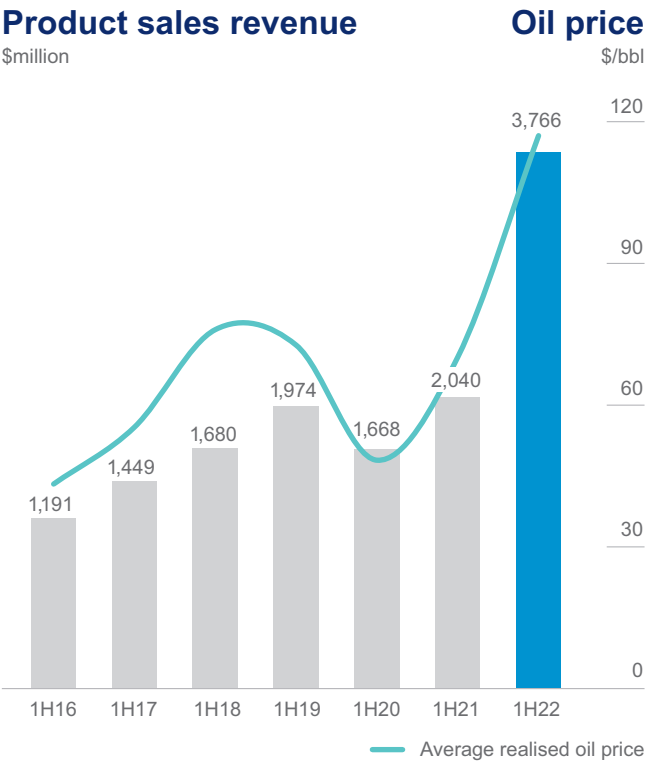
\$million



1. Excludes acquisitions / divestments, major growth capex and includes lease liability payments.

Underlying earnings

EBITDAX more than doubled to \$2.7 billion and underlying profit up 300%



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

Cash generative operating model continues to drive value

EBITDAX margin improved due to higher commodity prices and the addition of PNG interests following the merger

2022 Half-year results summary ¹

	Cooper Basin	Queensland & NSW	PNG	Northern Australia & Timor-Leste	Western Australia	Santos
Total revenue (\$million)	552	701	1,632	294	600	3,843
Production cost (\$/boe)	10.16	6.02	6.81	24.89	8.21	8.16
Capex (\$million)	161	80	133	284	183	889
EBITDAX (\$million)	234	468	1,363	216	603	2,731
EBITDAX (margin)	42%	67%	84%	73%	100%	71%

- ▶ Group EBITDAX margin increased to over 70%
- ▶ Increase in unit production costs due to lower volumes in some assets
- ▶ WA EBITDAX includes \$150 million gain on an embedded derivative in a domestic gas sales agreement

1. Corporate segment not shown.

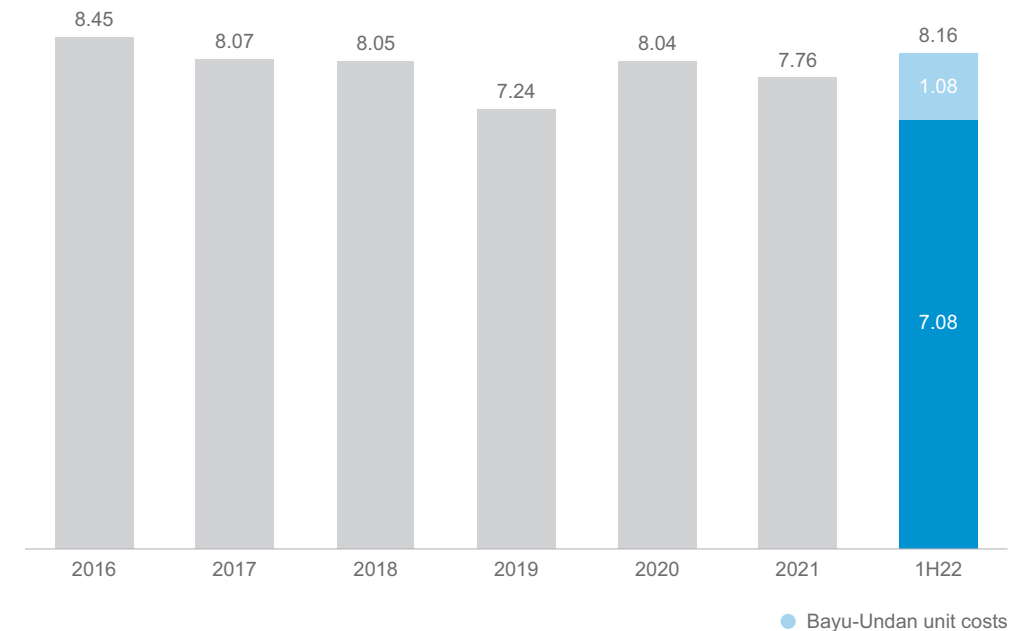
Production costs

2022 guidance maintained at \$7.90-8.30/boe

- ▶ Unit production costs increased by 5% to \$8.16/boe, primarily due to Bayu-Undan natural field decline
- ▶ Excluding Bayu-Undan, unit production costs were \$7.08/boe
- ▶ Other factors influencing unit costs
 - ▶ Lower Cooper Basin production
 - ▶ PNG LNG in-line with last year but higher volumes from operated oil fields increase average PNG segment unit costs
 - ▶ Higher unit costs in WA primarily due to Ningaloo Vision FPSO being online for full half-year
 - ▶ Offset by favourable FX variance on AUD-denominated costs

Upstream unit production costs ¹

\$/boe



1. Includes all planned shutdown activity and PNG earthquake recovery costs.

Capital expenditure

Sufficient free cash flow generated in 1H 2022 to fund major projects and shareholder returns

Disciplined capital allocation

- ▶ 2022 sustaining capex including restoration is unchanged at ~\$1,100 million
- ▶ 2022 major capex guidance reduced to ~\$1,400-1,500 million, including Pikka Phase 1 FID
- ▶ Pikka Phase 1 gross capex \$2.6 billion, Santos net share at 51%, \$1.3 billion over 4 years
- ▶ Equivalent to ~four months free cash flow at 1H 2022 average commodity prices

2022 Major project guidance

\$million

4,000

2,000

0

~\$1,400-1,500

Updated

● Major project capex including Pikka Phase 1

2022 Free cash flow sensitivity ¹

\$million

4,000

2,000

0

~2,925

~3,375

~3,825

\$90/bbl

\$100/bbl

\$110/bbl

1. Forecast free cash flow based on sensitivity of ~\$450 million for each \$10/bbl above forecast free cash flow breakeven of <\$25/bbl in 2022. Excludes hedging.

Capital management framework

Disciplined operating model

Five core gas producing asset hubs

Sustaining capital

Target free cash flow breakeven at <\$35 per barrel

Free cash flow

Maintain strong balance sheet

- ▶ Target gearing range <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 barrel¹
- ▶ **Additional returns:** at least 40% of incremental free cash flow above an average oil price of \$65 per barrel¹

Invest in major projects

- ▶ Disciplined and phased investment around existing infrastructure

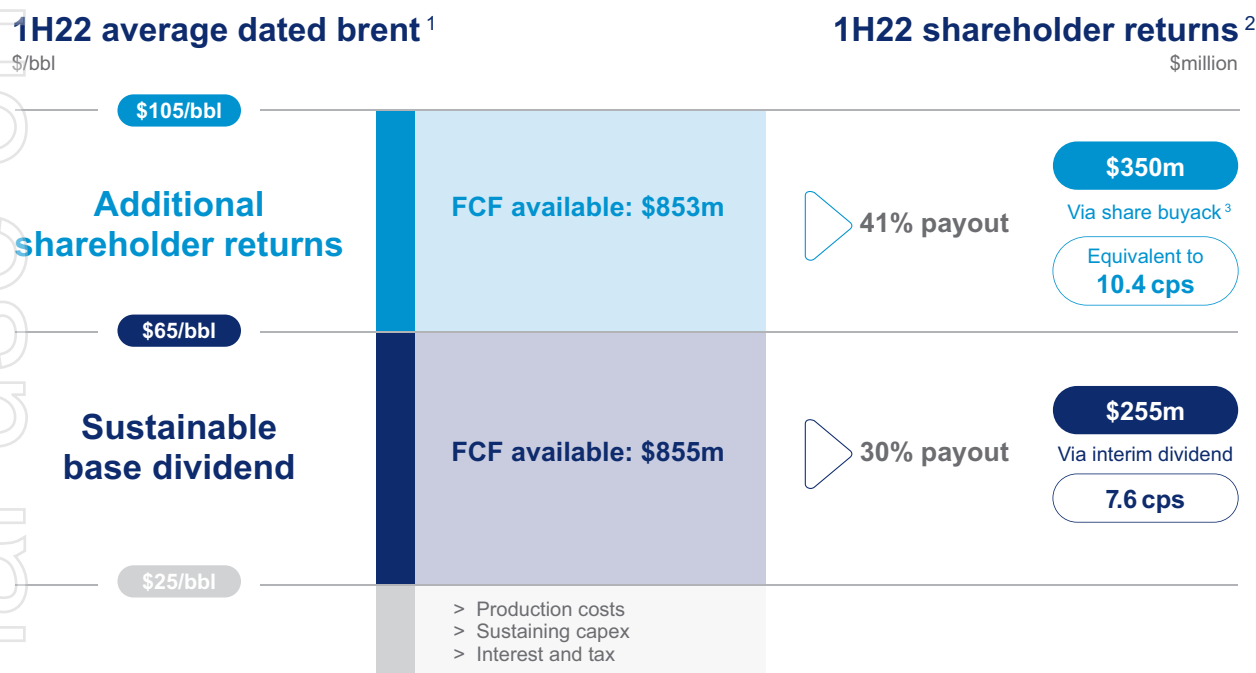
Invest in the energy transition

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

¹. Average Dated Brent oil price for any given period. Free cash flow is operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments. The Board will have the discretion to adjust free cash flow for individually material items.

Application of capital management framework

Investor participation in oil price upside for the first half of 2022



Key 1H 2022 metrics

- ▶ Forecast 2022 free cash flow breakeven \$25/barrel
- ▶ Average Dated Brent \$105/barrel
- ▶ Actual free cash flow \$1.7 billion
- ▶ Shareholder returns are calculated as a proportion of the free cash flow generated up to and above \$65 per barrel average Dated Brent oil price²

1. Average Dated Brent oil price for any given period. Free cash flow is operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments. The Board will have the discretion to adjust free cash flow for individually material items.

2. 1H22 shareholder return calculation:

> Free cash flow for base dividend: $(65-25)/(105-25) * \$1.7 \text{ billion} = \855 million 30% payout = \$255 million.

> Free cash flow for additional shareholder return: $(105-65)/(105-25) * \$1.7 \text{ billion} = \853 million 41% payout = \$350 million.

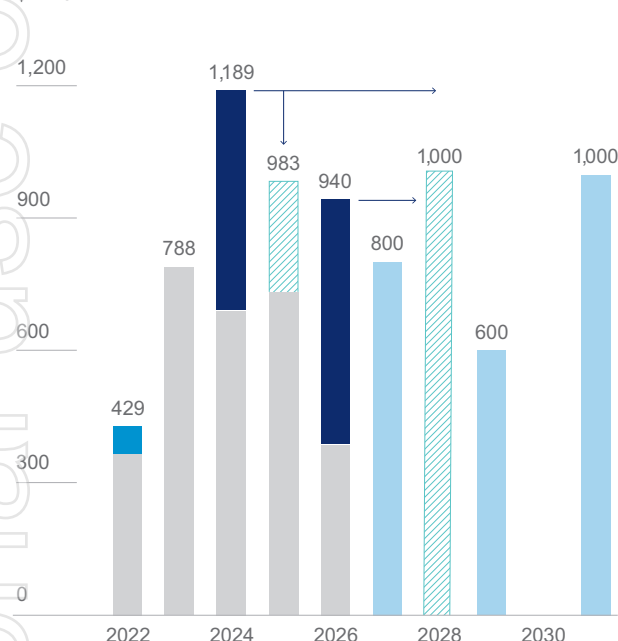
3. \$350 million on-market buyback is inclusive of the initial on-market buyback announced in April 2022, of which \$174 million had been completed by the end of June 2022. Santos intends to return the remaining \$176 million to shareholders via on-market share buyback during the remainder of 2022.

Optimised debt maturity profile

Syndicated debt refinancing well progressed, resulting in no significant debt maturities until 2027¹

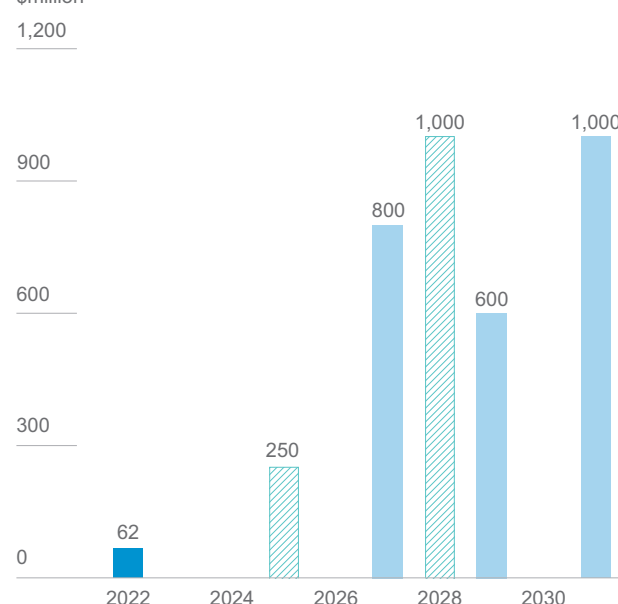
Drawn debt maturity profile at 17 August²

\$million



Drawn debt maturity profile excluding PNG LNG project finance, post re-financing²

\$million



Refinance syndicated facility Bank loans (to be refinanced) Long-term notes Reg-S/144A bond PNG LNG project finance

Events subsequent to 30 June 2022

- ▶ \$150 million 2022 long-term notes have been repaid
- ▶ \$15 million 2027 long-term notes have been repaid

Refinancing activities

- ▶ Refinancing of 2024 and 2026 syndicated term loans well progressed³

1. Excluding PNG LNG project finance which is serviced from project cash flows.

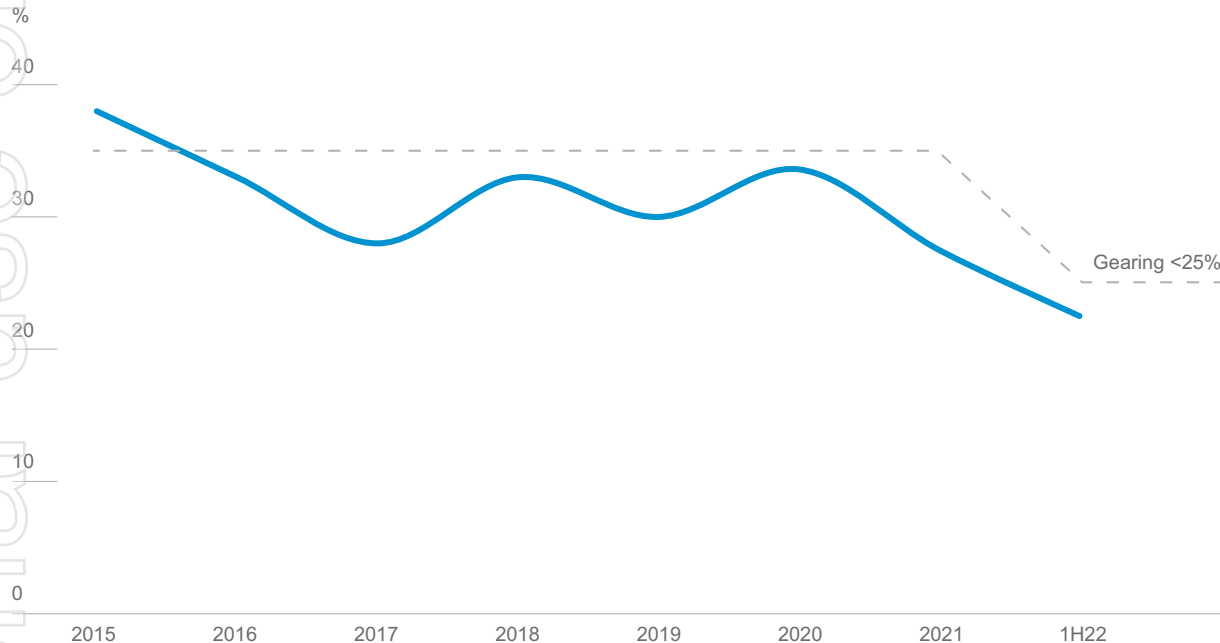
2. Revolving Syndicated Facilities shown may be drawn or undrawn subject to business requirements.

3. Subject to execution of documentation and satisfaction of typical conditions precedent.

Reduced gearing and strengthened balance sheet

Strong free cash flows have supported rapid de-gearing to 22.5% at 30 June 2022

Gearing



New capital management framework

- ▶ Targeting gearing <25%

Commitment to maintain investment grade credit rating

- ▶ S&P: BBB – (stable)
- ▶ Fitch: BBB (stable)
- ▶ Moody's: Baa3 (stable)

Strong liquidity and debt position ¹

- ▶ Liquidity in place of \$5,415 million comprising \$3,350 million in cash and \$2,065 million in committed undrawn debt facilities
- ▶ Net debt of \$4,151 million
- ▶ \$1 billion decrease since December 2021

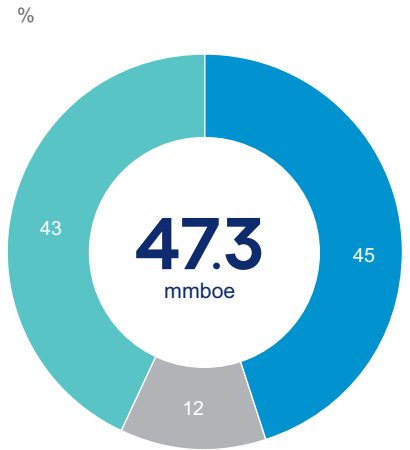
1. As at 30 June 2022.

Asset Performance and Major Projects

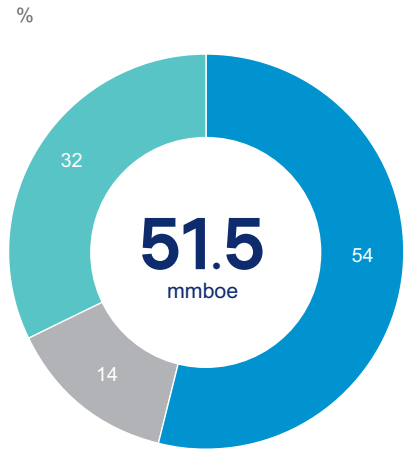
Balanced and diversified portfolio

Strong long-life production base weighted towards gas and LNG

1H21 production volume



1H22 production volume



● LNG ● Liquids ● Domestic gas

LNG

- ▶ Increased LNG weighting with increased equity in PNG LNG, partially offset by expected field decline at Bayu-Undan

Domestic gas

- ▶ One of the leading domestic gas producers and suppliers in Australia
- ▶ Inflation-linked contracts provides resilience to the commodity price cycle

Liquids

- ▶ Increased exposure to liquids during period of improved commodity prices

Upstream asset performance

2022 production guidance maintained at 102-107 mmboe

Cooper Basin



1H22 production

▶ 7.0 mmboe

2H22 focus areas

- ▶ Fifth rig added
- ▶ Increase number of wells drilled

Queensland & New South Wales



▶ 6.9 mmboe

- ▶ Arcadia Phase 2 compression station expected online 1H 2023

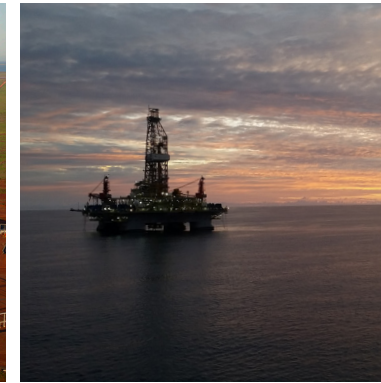
Western Australia



▶ 13.5 mmboe

- ▶ Prepare for Spartan start-up early 2023
- ▶ Pyrenees infill start-up

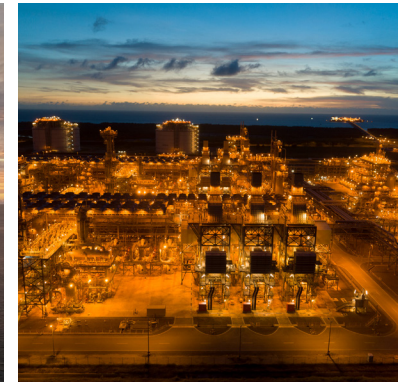
Northern Australia & Timor-Leste



▶ 3.1 mmboe

- ▶ Production expected to cease in late 2022

PNG



▶ 21.0 mmboe

- ▶ Progressing Angore development to backfill PNG LNG

Barossa progressing on budget and schedule

Barossa is a world-class LNG project targeting a cash cost of production ~\$2.00/mmBtu

Barossa project



Project phase

- ▶ Execution, 43% complete

1H22 completed milestones

- ▶ Project substantially protected from world-wide cost inflation as ~78% of the project contracted at fixed prices
- ▶ FPSO hull, topsides, and turret construction in Korea, Singapore, and Indonesia respectively
- ▶ Subsea hardware manufacture progressing well including subsea trees and 280km of gas export pipeline and subsea flowlines

2H22 expected milestones

- ▶ Drilling commenced in July 2022

Darwin LNG life extension project



- ▶ Execution commenced

- ▶ Pre-shutdown works completed
- ▶ Engineering and procurement in progress

- ▶ On track to meet Barossa first gas

Midstream and clean fuels hubs

Three hubs delivering safe, reliable, low-cost operations enabling clean fuels via CCS

Eastern Australia



Northern Australia and Timor-Leste



Western Australia



Midstream infrastructure assets

- ▶ Moomba and Port Bonython

- ▶ Darwin LNG

- ▶ Varanus Island and Devil Creek

Decarbonisation and clean fuels focus

- ▶ Moomba CCS
- ▶ Direct air capture
- ▶ Upstream electrification and renewables integration
- ▶ Near-term potential is displacing diesel used in heavy transport

- ▶ Bayu-Undan CCS
- ▶ Exploring opportunities for CCS in the Petrel Sub-basin
- ▶ Evaluating options to deliver clean fuels to countries in Asia who have set net-zero emissions targets

- ▶ WA CCS hub (Reindeer and Devil Creek)
- ▶ Power optimisation at Devil Creek
- ▶ Working with potential industrial users in northwest WA

1H22 milestones

- ▶ CO2 capacity and contingent resources booked

- ▶ Bayu-Undan CCS FEED entry

- ▶ Working with customers to decarbonise their operations

1H22 EBITDA

\$149 million¹

1. This amount is already included in Santos financials as existing earnings and costs at asset level. Excludes GLNG.

CCS projects update

Site works have commenced at Moomba and first injection remains on track for 2024

Moomba CCS Phase 1



Project phase

- ▶ Execution, 20% complete
- ▶ Works underway on site for CO2 train tie-in to existing plant during Q3
- ▶ Testing of new gas turbines completed
- ▶ Major procurement packages awarded
- ▶ Works safely progressing on budget and schedule
- ▶ Supply chain risk review completed to enable ongoing monitoring and control

1H22 completed milestones

2H22 expected milestones

- ▶ Preparation continuing for four injector wells expected to commence drilling in 4Q 2022

Bayu-Undan and Timor-Leste CCS



▶ FEED activities

- ▶ Onshore and offshore FEED packages awarded and underway since FEED entry in March
- ▶ Working with Australian and Timor-Leste governments to establish regulatory framework and carbon credit methodology
- ▶ Significant interest in CO2 export from Asia to the Bayu-Undan CCS facility being explored

▶ Continue FEED activities

Low carbon solutions

Establishing a business that helps the world to decarbonise through investments in nature based and technology projects that are sustainable and promote development of local communities



1H22 completed milestones

- ▶ Soil carbon studies progressed on land holdings in QLD
- ▶ Reforestation opportunity identified in PNG
- ▶ Carbon abatement opportunities evaluated and progressed in Alaska



2H22 focus areas

- ▶ Establish and progress reforestation opportunity in PNG
- ▶ Leverage land position across Eastern Australia to pursue pilots and carbon projects
- ▶ Build on foundations to deliver carbon projects in Australia, PNG, Timor-Leste and Alaska

Appendix



2022 Half-year financial snapshot

Strong base business generated over \$1.7 billion of free cash flow

\$million	1H22	1H21	Change
Product sales revenue	3,766	2,040	85%
EBITDAX	2,731	1,231	122%
Underlying profit ¹	1,267	317	300%
Net profit after tax	1,167	354	230%
Operating cash flow	2,137	942	127%
Free cash flow ²	1,708	572	199%
Interim dividend (UScps) ³	7.6	5.5	38%
Additional return, on-market buyback	350 ⁴	—	n/a

1. For a reconciliation of 2022 half-year net profit after tax to underlying profit, refer to Appendix.

2. Operating cash flow less investing cash flows (net of acquisitions and disposals and major growth capex) less lease liability payments.

3. 1H22 unfranked, 1H21 fully-franked.

4. Includes \$250 million buyback announced on 20 April 2022 plus an additional on-market share buyback of \$100 million announced on 17 August 2022.

Financial performance

EBITDAX up 122% to \$2,731 million and underlying profit up 300% to \$1,267 million

\$million	1H22	1H21	Variance
Total revenue	3,843	2,112	82%
Production costs	(420)	(377)	11%
Other operating costs	(250)	(165)	52%
Third-party product purchases	(431)	(324)	33%
Other ¹	(11)	(15)	(27%)
EBITDAX	2,731	1,231	122%
Exploration and evaluation expense	(103)	(41)	151%
Depreciation and depletion	(853)	(614)	39%
Impairment losses	(2)	(8)	n/m
Change in future restoration	(23)	20	(215%)
EBIT	1,750	588	198%
Net finance costs	(120)	(109)	10%
Profit before tax	1,630	479	240%
Tax expense	(463)	(125)	270%
Profit after tax	1,167	354	230%
Underlying profit	1,267	317	300%

- ▶ Total revenue up 82% due to higher realised prices and higher sales volumes following merger with Oil Search
- ▶ Average realised oil price up 67% to \$116.28/bbl and average realised LNG price up 111% to \$14.19/mmBtu
- ▶ Production costs higher primarily due to Oil Search merger
- ▶ Other operating costs higher primarily due to higher government royalties and excise resulting from higher revenue, and higher LNG plant and shipping costs due to the Oil Search merger
- ▶ Higher depreciation, primarily due to increased assets following merger with Oil Search
- ▶ Effective tax rate 28% including royalty related taxes and one-off items. Normalised for material other tax items, effective tax rate was 35%
- ▶ Other items impacting the effective tax rate included:
 - ▶ Barossa PRRT credit augmentation (\$25 million in 1H22) – expected to continue until production commences and credits are utilised
 - ▶ Movement in unrecognised deferred tax asset for PNG LNG restoration liabilities (\$54 million in 1H22)
 - ▶ Partial recognition of a deferred tax asset for restoration liabilities for Barrow Island (\$27 million in 1H22)

1. Other includes product stock movement, corporate expenses, other expenses, other income and share of profit /loss of associates.

Sales revenue

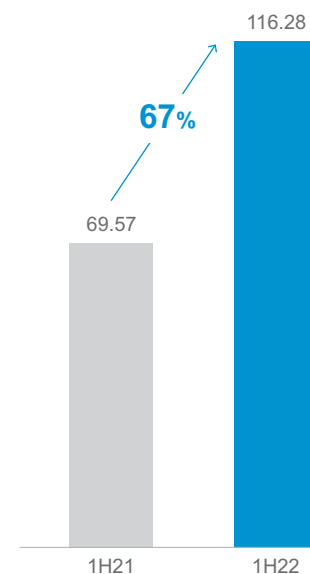
Record sales revenue reflecting improved oil and LNG prices and higher sales volumes

\$million	1H22	1H21	Variance
Sales Revenue (incl. third-party)			
Gas, ethane and liquefied gas	2,728	1,452	88%
Crude oil	627	312	101%
Condensate and naphtha	339	203	67%
Liquefied petroleum gas	72	73	(1%)
Total¹	3,766	2,040	85%

- ▶ Sales revenue up 85% to ~\$3.8 billion
- ▶ Average realised oil price up 67% to \$116.28/bbl
- ▶ Average realised LNG price up 111% to \$14.19/mmBtu
- ▶ Average realised east coast domestic gas price up 22% to \$6.49/GJ
- ▶ Average realised west coast domestic gas price down 5% to \$4.09/GJ

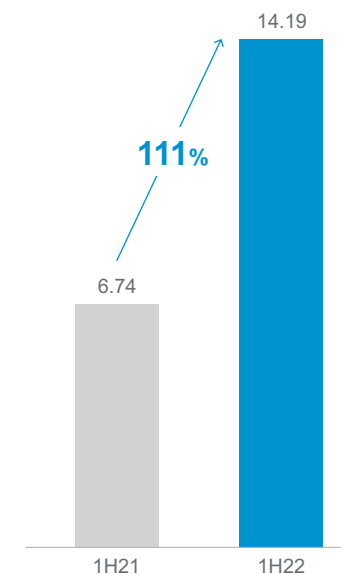
Average realised crude oil price

\$/bbl



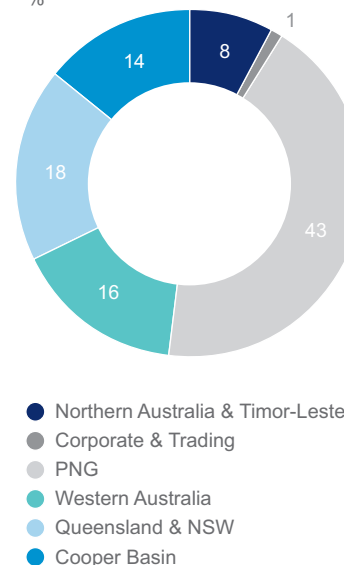
Average realised LNG price

\$/mmBtu



1H22 Sales revenue by asset

%



1. Total product sales include third-party product sales of \$538 million (1H21: \$429 million).

Free cash flow

Calculation of 2022 half-year free cash flow

\$million	1H22
Operating cash flows	2,137
Deduct Investing cash flows	(612)
Add Net acquisitions and disposals	(233)
Add Major growth capex (including capitalised interest)	517
Deduct Lease liability payments	(101)
Free cash flow	1,708

Lease liability payments are treated as financing cash flows under AASB 16. To ensure like-for-like comparisons with prior periods, the definition of free cash flow reflects operating cash flows less investing cash flows (net of acquisition and disposal payments and major growth capex) less lease liability payments.

Free cash flow is a non-IFRS measure that is presented to provide an understanding of the performance of Santos' operations. The non-IFRS information is unaudited however the numbers have been extracted from the financial statements which have been subject to review by the auditor.

Significant items

Reconciliation of half-year net profit to underlying profit

\$million	1H22	1H21
Net profit after tax	1,167	354
Add/(deduct) significant items after tax		
Net gain on disposal of a group of assets	(3)	(51)
Impairment losses	1	6
Fair value losses on commodity hedges	57	39
One-off acquisition and disposal costs	45	1
One-off PRRT credit	–	(32)
Underlying profit	1,267	317

Liquidity and net debt as at 30 June 2022

Liquidity of \$5,415 million. Net debt \$4,151 million

Liquidity (\$million)	30 Jun 2022	31 Dec 2021
Cash	3,350	2,976
Undrawn bank debt facilities	2,065	2,635
Total liquidity	5,415	5,611

Debt (\$million)		30 Jun 2022	31 Dec 2021
Bank Loans – unsecured	Senior, unsecured	1,044	1,043
Bank Loans – secured	Secured (legacy Oil Search)	–	255
US Private Placement	Senior, unsecured	230	238
Reg-S / 144A bonds	Senior, unsecured	2,381	2,380
PNG LNG project finance	Non-recourse, secured	2,958	3,260
Leases	Leases	859	873
Other	Derivatives & reconciling items	29	84
Total debt		7,501	8,133
Total net debt		4,151	5,157

2022 guidance

2022 guidance item	Previous guidance	Updated guidance
Production	102-107 mmboe	No change
Sales volume	100-116 mmboe	No change
Capital expenditure – base including restoration	~\$1,100 million	No change
Capital expenditure – major projects, including Pikka Phase 1	~\$1,100-\$1,200 million	~\$1,400-\$1,500 million
Capital expenditure – contingent major projects subject to FID	Up to ~\$350 million	Incorporated into major projects above
Upstream unit production costs	\$7.90-\$8.30/boe	No change
Depreciation, depletion and amortisation	~\$1.7 billion	No change

2022 Half-year segment results summary

\$million	Cooper Basin	Queensland & New South Wales	PNG	Northern Australia & Timor-Leste	Western Australia	Corporate exploration & elimins	Total
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

2021 Half-year segment results summary

\$million	Cooper Basin	Queensland & New South Wales	PNG	Northern Australia & Timor-Leste	Western Australia	Corporate exploration & elimins	Total
Revenue	507	383	264	383	504	71	2,112
Production costs	(70)	(37)	(25)	(139)	(99)	(7)	(377)
Other operating costs	(48)	(57)	(21)	—	(2)	(37)	(165)
Third-party product purchases	(184)	(81)	(1)	—	—	(58)	(324)
Inter-segment purchases	—	(28)	—	—	—	28	—
Product stock movement	3	(9)	1	—	2	—	(3)
Other income	10	14	—	27	1	—	52
Other expenses	(7)	(2)	(5)	1	(18)	(20)	(51)
FX gains and losses	—	—	—	—	—	28	28
Fair value gains on hedges	—	—	—	—	—	(55)	(55)
Share of profit of associates	—	—	—	14	—	—	14
EBITDAX	211	183	213	286	388	(50)	1,231

Definitions and abbreviations

Carbon Capture and Storage (CCS)	Carbon Capture and Storage (CCS) is a process in which carbon dioxide (CO ₂) 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
Clean fuels	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
Clean hydrogen	Hydrogen with low Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from renewable sources
Cleaner energy	Cleaner energy refers 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 _x , SO _x and particulates) than other fuel sources. Natural gas is an example of a cleaner energy source, as it has lower greenhouse gas emissions than coal when used in power generation.
CO₂	Carbon dioxide
CO₂e	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
Critical fuels	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.
Decarbonise	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
FEED	Front-end engineering and design
FID	Final investment decision

Gas	Natural gas
IEA	International Energy Agency
Liquid hydrocarbon (liquids)	A sales product in liquid form for example, condensate and LPG
LNG	Liquefied natural gas, being natural gas that has been liquified by refrigeration or pressure to store or transport it
mmboe	Million barrels of oil equivalent
MtCO₂e	Million tonnes of carbon dioxide equivalent
Mtpa	Million tonnes per annum
Net-zero emissions	Net Zero Scope 1 and Scope 2 greenhouse gas emissions; when referring to Santos, meaning net-zero equity share of these emissions
Net-zero Scope 1 and 2 emissions	Santos' equity share of net-zero Scope 1 and 2 greenhouse gas emissions
Oil	A mixture of liquid hydrocarbons of different molecular weights
SDS	The Sustainable Development Scenario from the IEA's 2021 World Energy Outlook

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