

## Independent reasonable assurance report to the Management and Directors of Santos Limited in relation to compliance with Section 19 of the *National Greenhouse and Energy Reporting Act 2007*

To the Management and Directors of Santos Limited

We have conducted a reasonable assurance engagement of Santos Limited's ("Santos") Energy and Emissions Report for the period 1 July 2016 to 30 June 2017 (the "Energy and Emissions Report"), prepared in accordance with Section 19 of the *National Greenhouse and Energy Reporting Act 2007*.

### Subject Matter

The subject matter for our assurance engagement is Santos' Section 19 Energy and Emissions Report for the period 1 July 2016 to 30 June 2017.

The amounts within the Energy and Emissions Report being audited consist of the following:

- ▶ Scope 1 and 2 greenhouse gas emissions of 6,004,332 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e)

### Criteria applied by Santos Limited

The criteria for reporting the subject matter is as set out in the:

- ▶ Section 19 of the *National Greenhouse and Energy Reporting Act 2007* ("the NGER Act")
- ▶ *National Greenhouse and Energy Reporting Regulations 2008* ("NGER Regulations")
- ▶ *National Greenhouse and Energy (Measurement) Determination 2008*, incorporating amendments up to the *National Greenhouse and Energy Reporting (Measurement) Amendment Determination 2016 (No. 1)* ("the NGER (Measurement) Determination")

### EY's responsibility and independence

Our responsibility is to express a reasonable assurance conclusion as to whether the Subject Matter has been prepared, in all material respects, in accordance with the Criteria. We have conducted our reasonable assurance engagement in accordance with:

- ▶ *National Greenhouse and Energy Reporting (Audit) Determination 2009* ("NGER (Audit) Determination")
- ▶ *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*
- ▶ *ASAE 3410 Assurance Engagements on Greenhouse Gas Statements*
- ▶ *ASAE 3100 Compliance Engagements*

The NGER (Audit) Determination and above relevant national and international standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Energy and Emissions Report is free from material misstatement.

A reasonable assurance engagement involves performing procedures to obtain assurance evidence about the Subject Matter being audited. The procedures selected depend on the audit team leader's judgement, including an assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to Santos' determination of the amounts and disclosures in the matter being audited in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santos' internal controls. A reasonable assurance engagement also includes evaluating the reasonableness of emissions and energy estimates made by management of the company as well as evaluating the overall presentation of the Subject Matter. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In conducting our assurance engagement, we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants* and have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. These include all of the requirements defined in the NGER Regulations regarding the Code of Conduct, independence and quality control. We have the required competencies and experience to conduct this assurance engagement.

Furthermore, in accordance with *Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information and Other Assurance Engagements*, we maintain a comprehensive

system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Santos Limited's responsibility

Management of Santos are responsible for the preparation and presentation of the Subject Matter in accordance with the Criteria, and in compliance with Section 19 of the NGER Act. This includes establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that are free from material misstatement, whether due to fraud or error.

Management of Santos are responsible for the interpretation and application of the requirements of the NGER Act and the NGER (Measurement) Determination in determining operational control and quantifying emissions and energy, which are reflected in Santos' "Basis of Preparation" which has been provided to us.

### Summary of procedures undertaken

The procedures we conducted in our reasonable assurance engagement included, but were not limited to the following:

- ▶ Gaining an understanding of the greenhouse gas and energy reporting processes supporting the business activities
- ▶ Conducting visits to selected sites to identify sources of greenhouse gas emissions, energy consumption and energy production and understand the basis for measurement
- ▶ Conducting interviews and collating evidence to understand processes and controls supporting preparation and presentation of the Energy and Emissions Report
- ▶ Checking documentation in support of operational control decisions
- ▶ Checking that methodologies have been correctly applied as per the requirements in the NGER (Measurement) Determination
- ▶ Testing the calculations performed by the company
- ▶ Undertaking analytical review procedures to support the reasonableness of the Energy and Emissions Report
- ▶ Identifying and testing assumptions supporting the calculations
- ▶ Testing, on a sample basis, the underlying source information to gain an understanding of the completeness and accuracy of the Energy and Emissions Report
- ▶ Reviewing the appropriateness of the presentation of the information.

### Use of our assurance engagement report

This Report has been prepared for the Management and Directors of Santos for the sole purpose of reporting on Santos' Energy and Emissions Report and its compliance with the NGER Act. Accordingly, we disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the intended users, or for any purpose other than that for which it was prepared.

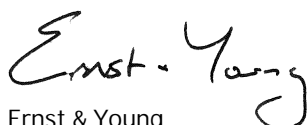
### Inherent limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the Criteria, as a reasonable assurance engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with the Criteria are undertaken on a test basis. The conclusion expressed in this Report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data. We specifically note that Santos has used estimates or extrapolated underlying information to calculate certain amounts included within the greenhouse gas and energy information.

### Our conclusion

In our opinion the subject matter as set out in Santos' Energy and Emissions Report for the period 1 July 2016 to 30 June 2017 has been prepared in accordance with section 19 of the NGER Act, in all material respects.



Ernst & Young  
Adelaide  
30 May 2018