

First Quarter Activities Report

For period ending 31 March 2019

ASX: STO | ADR: SSLZY

17 April 2019

Record quarterly production

- First quarter production of 18.4 mmboe was a record for Santos and 33% higher than the corresponding quarter, primarily due to sustained strong asset performance and the acquisition of Quadrant Energy.
- Production in the quarter was impacted by cyclone activity in Western Australia and by facility outages in the Cooper Basin.
- Sales volumes of 22.8 mmboe were 21% higher than the corresponding quarter.
- Sales revenue was up 28% to \$1,015 million, the second highest quarterly revenue on record.

Drilling activity levels increasing within disciplined Operating Model

- 26 wells drilled in the Cooper Basin (85% success rate) and 87 in GLNG (100% success rate).
- Successful completion of the Cooper Basin Moomba South project phase 1 appraisal program, with seven of eight wells on line and two new plays identified with significant resource potential in the Granite Wash and the Fractured Granite.
- Corvus-2 appraisal well (Santos 100%) offshore Western Australia discovered a significant gas resource.
- Muruk-2 appraisal well (Santos 10% economic interest) in PNG confirmed the field is a significant gas discovery which is located nearby existing PNG LNG infrastructure.

Strong free cash flow generation and gross debt reduced

- Santos generated a record \$327 million in free cash flow in the quarter.
- \$1.1 billion in gross debt repaid during the quarter, partly funded by \$600 million Reg-S bond issuance.
- Net debt reduced to \$3.4 billion as at 31 March after the payment of 2018 full-year dividend but excluding the impact of new AASB leasing standard.
- Santos had cash and cash equivalents of \$1 billion and gross debt of \$4.4 billion at the end of the quarter.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said: "Santos' first quarter delivered record production volumes and a record free cash flow for a single quarter."

"Our brownfield growth strategy and disciplined Operating Model continue to drive strong free cash flow to support our growth ambitions across our five long-life natural gas assets. This disciplined approach to capital allocation has now delivered positive free cash flow for twelve consecutive quarters."

"Highlights of the quarter included strong onshore drilling success rates, completion of phase 1 of the Moomba South appraisal project, and drilling success with the Muruk-2 and Corvus-2 appraisal wells."

"We also commenced the drilling of pilot wells for our carbon capture, utilisation and storage project in the Cooper Basin."

"Our operations were however impacted by cyclone activity in Western Australia towards the end of the quarter and also by facility outages in the Cooper Basin."

"The integration of the Quadrant business is proceeding well and we are on track to deliver the integration synergies promised."

"In the second quarter, we look forward to continued drilling success, including commencing appraisal of the exciting Dorado oil discovery offshore Western Australia," Mr Gallagher said.

Production guidance is maintained at between 71 and 78 mmboe and sales volumes between 88 and 98 mmboe.

Comparative performance

Santos share	Units	Q1 2019	Q4 2018	Change	2019 YTD	2018 YTD	Change
Production	mmboe	18.4	15.9	16%	18.4	13.8	33%
Sales volume	mmboe	22.8	20.9	9%	22.8	18.9	21%
Ave. realised oil price	\$/bbl	65.5	68.8	(5)%	65.5	71.6	(8)%
Sales revenue	\$million	1,015	1,043	(3)%	1,015	794	28%
Capital expenditure ¹	\$million	177	272	(34)%	177	139	27%

¹ Capital expenditure including restoration expenditure and acquisition of exploration assets but excluding capitalised interest.

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Sales volumes (Santos share)

Product	Unit	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
LNG	000 t	768.0	779.3	642.5	768.0	642.5
Domestic sales gas & ethane	PJ	65.5	54.6	53.6	65.5	53.6
Crude oil	000 bbls	2,897.6	2,493.9	2,433.9	2,897.6	2,433.9
Condensate	000 bbls	1,298.7	1,226.7	1,068.6	1,298.7	1,068.6
LPG	000 t	17.0	51.6	21.5	17.0	21.5
Sales						
Own product	mmboe	17.4	16.3	13.8	17.4	13.8
Third party	mmboe	5.4	4.6	5.1	5.4	5.1
Total sales volume	mmboe	22.8	20.9	18.9	22.8	18.9

First quarter sales volumes were higher than the prior quarter due primarily to the acquisition of Quadrant Energy in November 2018 partially offset by lower PNG sales volumes due to the timing of LNG shipments.

Sales revenues (Santos share)

Product	Unit	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
LNG	\$m	436	449	276	436	276
Domestic sales gas & ethane	\$m	303	313	261	303	261
Crude oil	\$m	190	171	174	190	174
Condensate	\$m	79	85	71	79	71
LPG	\$m	8	25	11	8	11
Sales						
Own product	\$m	787	818	559	787	559
Third party	\$m	228	225	235	228	235
Total sales revenue	\$m	1,015	1,043	794	1,015	794
3 rd party product purchases	\$m	207	227	199	207	199

First quarter sales revenues were lower than the prior quarter primarily due to lower average realised prices and lower PNG sales volumes due to the timing of LNG shipments, partially offset by higher Western Australia revenues due to the acquisition of Quadrant Energy in November 2018.

Average realised prices

	Unit	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
LNG price	US\$/mmBtu	10.79	10.96	8.19	10.79	8.19
Domestic gas price	US\$/GJ	4.62	5.73	4.87	4.62	4.87
Oil price	US\$/bbl	65.50	68.81	71.56	65.50	71.56
Condensate price	US\$/bbl	60.77	69.11	66.79	60.77	66.79
LPG price	US\$/t	466.03	488.12	529.82	466.03	529.82

Average realised prices were lower than the prior quarter principally due to lower oil and oil-linked LNG prices. The average realised domestic gas price was lower primarily due to a favourable pricing adjustment on a domestic gas contract booked in the prior quarter combined with lower customer nominations in Western Australia due to plant outages and cyclone-related shutdowns.

Production by asset (Santos share)

Product	Unit	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Western Australia	mmboe	7.2	4.4	2.8	7.2	2.8
Cooper Basin	mmboe	3.8	4.0	3.6	3.8	3.6
Queensland & NSW	mmboe	3.1	3.2	2.9	3.1	2.9
PNG	mmboe	3.2	3.3	2.0	3.2	2.0
Northern Australia	mmboe	1.0	1.0	1.2	1.0	1.2
Asia ¹	mmboe	-	-	1.3	-	1.3
Total production	mmboe	18.4	15.9	13.8	18.4	13.8

¹ Asian assets sold effective September 2018.

Production by product (Santos share)

Product	Unit	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales gas to LNG plant	PJ	32.3	31.7	27.0	32.3	27.0
Domestic sales gas & ethane	PJ	55.7	46.5	38.4	55.7	38.4
Crude oil	000 bbls	2,047.3	1,222.0	1,634.5	2,047.3	1,634.5
Condensate	000 bbls	1,044.5	929.4	708.6	1,044.5	708.6
LPG	000 t	35.3	39.0	34.5	35.3	34.5
Total production	mmboe	18.4	15.9	13.8	18.4	13.8

First quarter production was 33% higher than the corresponding quarter primarily due to the completion of the acquisition of Quadrant Energy in November 2018 combined with the PNG LNG earthquake impact in the corresponding quarter, partially offset by the sale of the non-core Asian assets in September 2018.

2019 Guidance

All 2019 guidance is maintained, as shown in the table below.

2019 guidance item	Guidance
Sales volumes	88-98 mmboe
Production	71-78 mmboe
Upstream production costs ¹	\$7.50-8.00/boe
Capital expenditure	~\$1.1 billion

¹ Production cost guidance includes all planned shutdown activity and PNG LNG earthquake recovery costs.

Further detail of 2019 year-to-date capital expenditure, including exploration and evaluation expenditure, is reported in the table on page 11 of this report.

Balance sheet and net debt

On 7 March, Santos announced it had priced a \$600 million senior unsecured fixed rate bond transaction in the US\$ Regulation S market. The bonds were priced at a fixed coupon of 5.25%, for a period of 10 years, maturing on 13 March 2029. The proceeds from the bonds were used to refinance the \$500 million bridge facility used to part-fund the Quadrant Energy acquisition and general corporate purposes.

As disclosed in the Notes to the 2018 Consolidated Financial Statements, Santos will adopt the new AASB 16 Leases standard in 2019. As at 31 December 2018, the estimated balance sheet debt impact of the lease liabilities was \$294 million.

Net debt reduced to \$3.4 billion as at 31 March after the payment of 2018 full-year dividend but excluding the impact of new AASB leasing standard. As at 31 March 2019, Santos had cash and cash equivalents of \$1 billion and gross debt of \$4.4 billion.

Retrospective Petroleum Resource Rent Tax legislation

In April 2019, the Australian Parliament passed changes to the Petroleum Resource Rent Tax (PRRT) Laws which will take effect on 1 July 2019.

The new laws eliminate the ability to transfer onshore exploration costs from 1 July 2019, and also retrospectively eliminate the tax value of the past onshore investment.

Santos will assess any impact of the new laws as part of the preparation of its financial results for the half-year ended June 2019 to be released in August.

Oil price hedging

1.2 million barrels of oil hedging expired in the first quarter.

The following oil price hedging positions were in place as at 31 March 2019.

2019 Open oil price positions	2019
Swaps (barrels)	735,000
Brent fixed swap price (\$/bbl)	US\$63.23
Re-participating swaps (barrels) ¹	360,000
Brent fixed swap price (\$/bbl)	US\$67.39
Brent long call price (\$/bbl)	US\$76.00
Zero-cost collars (barrels) ²	2,585,000
Ceiling (\$/bbl)	US\$79.27
Floor (\$/bbl)	US\$45.00

¹ When Brent price is below the weighted average long call price, Santos realises fixed swap price. When Brent price is above the call strike price, Santos realises Brent price less the difference between the long call price and the fixed swap price.

² When Brent price is above the weighted average ceiling price, Santos realises ceiling price. When Brent price is between the floor and ceiling price, Santos realises Brent price. When Brent price is below the floor price, Santos realises floor price.

Western Australia

Santos share	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales volume						
Sales gas	PJ	32.6	21.6	13.8	32.6	13.8
Condensate	000 bbls	175.4	283.7	177.4	115.0	177.4
Crude oil	000 bbls	955.5	682.4	300.3	955.5	300.3
Total sales volume	mmboe	6.7	4.7	2.8	6.7	2.8
Total sales revenue	\$million	198	159	87	198	87
Production						
Sales gas	PJ	33.3	22.2	13.3	33.3	13.3
Condensate	000 bbls	351.9	237.3	144.3	351.9	144.3
Crude oil	000 bbls	1,187.0	373.0	323.8	1,187.0	323.8
Total production	mmboe	7.2	4.4	2.8	7.2	2.8
Capital expenditure	\$million	43	65	2	43	2

WA sales gas production volumes were lower than the prior full quarter (proforma Santos + Quadrant Energy) primarily due to lower customer nominations due to plant outages and shutdowns for tropical cyclone Veronica in March.

Proforma condensate sales volumes were lower than the prior quarter due to the timing of liftings.

Proforma crude oil sales volumes were 18% higher and production volumes 33% higher than the prior full quarter boosted by the successful Van Gogh infill project campaign partially offset by downtime at both FPSOs due to cyclone Veronica.

A four-well Santos-operated offshore drilling campaign commenced with the spudding of the Corvus-2 appraisal well on 13 March. The well, located in permit WA-45-R in which Santos has a 100% interest, was drilled to a total depth of 3,998 metres and intersected a gross interval of 638 metres, one of the largest ever columns on the North West Shelf. Wireline logging has confirmed 245 metres of net hydrocarbon pay across the target reservoirs in the North Rankin and Mungaroo formations between 3,360 and 3,998 metres. For further well information, refer to Santos' ASX release of 16 April 2019.

The Corvus field is located approximately 28 kilometres from the Reindeer platform, which delivers gas to the Devil Creek domestic gas plant near Karratha, and about 62 kilometres to a Varanus Island tie-in point. Santos has a 100% interest in all these facilities.

Following the success at Corvus-2, the rig will move to the Bedout Basin to drill the Dorado-2 and -3 wells to appraise the Dorado-1 oil and gas discovery. The rig will also drill the Roc South-1 near field exploration well to test an oil and gas prospect analogous and adjacent to the Dorado field.

Cooper Basin

Santos share	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales volume						
Sales gas and ethane						
Own product	PJ	15.8	16.3	15.4	15.8	15.4
Third party	PJ	0.8	0.9	0.9	0.8	0.9
Total	PJ	16.7	17.2	16.3	16.7	16.3
Condensate						
Own product	000 bbls	490.5	376.7	440.7	490.5	440.7
Third party	000 bbls	84.2	30.2	99.3	84.2	99.3
Total	000 bbls	574.7	406.9	540.0	574.7	540.0
LPG						
Own product	000 t	7.0	30.3	6.3	7.0	6.3
Third party	000 t	2.9	13.5	6.0	2.9	6.0
Total	000 t	9.8	43.8	12.3	9.8	12.3
Crude oil						
Own product	000 bbls	551.0	709.3	472.7	551.0	472.7
Third party	000 bbls	1,387.8	1,098.1	1,055.5	1,387.8	1,055.5
Total	000 bbls	1,938.9	1,807.4	1,528.2	1,938.9	1,528.2
Total sales volume	mmboe	5.4	5.5	4.9	5.4	4.9
Total sales revenue	\$million	245	272	224	245	224
Production						
Sales gas and ethane	PJ	14.6	15.6	14.3	14.6	14.3
Condensate	000 bbls	222.4	231.5	230.8	222.4	230.8
LPG	000 t	28.7	32.7	27.7	28.7	27.7
Crude oil	000 bbls	856.9	845.7	658.8	856.9	658.8
Total production	mmboe	3.8	4.0	3.6	3.8	3.6
Capital expenditure	\$million	59	80	60	59	60

First quarter gas production in the Cooper Basin was higher than the corresponding quarter but lower than the prior quarter, primarily due to the timing of gas well connections and field surface compression and CO₂ train outages. Drilling activity in the fourth quarter of 2018 included high levels of exploration and appraisal wells and consequently lower development drilling activity, leading to lower connection activity in the first quarter. Gas production had returned to higher rates by early April.

Strong crude oil production was maintained in-line with the prior quarter with a dedicated oil rig.

Drilling activity levels continue to ramp-up and the Cooper Basin remains on track to drill ~100 wells and grow year-on-year production in 2019.

In the first quarter, 15 development wells and eleven appraisal wells (five gas and six oil) were drilled. Of the appraisal wells, five gas wells and three oil wells were cased and suspended for future production. A continued focus on driving efficiencies resulted in a record 11 wells drilled in the month of February.

The three-well Barrolka Underbalanced Drilling (UBD) appraisal campaign and the first well of a two-well Dullingari North UBD appraisal campaign successfully achieved their objectives confirming high side gas rates and the extension of field limits. The second Dullingari well was drilling ahead at the end of the quarter. A successful three-well appraisal of the Watkins oil field intersected excellent quality reservoir and oil pay.

During the quarter the two remaining wells of the eight-well Moomba South appraisal campaign were successfully completed. The campaign has further delineated a significant contingent resource in Patchawarra tight gas sandstone reservoirs on the southern flanks of Moomba Field. All eight appraisal wells intersected gas-bearing Patchawarra, Toolachee and Epsilon Formations, including several reservoir intervals at virgin reservoir pressure. After fracture stimulation, individual stabilised well test rates have been recorded up to 8.7 mmscf/d. Deeper exploration targets in the

Granite Wash and Fractured Granite play intervals were also proven with production logging confirming gas flows. Seven wells are now online through existing surface infrastructure and undergoing production testing. The results of the appraisal campaign will direct field development planning for the Moomba South project.

Lane-1, a gas exploration well drilled in the prior quarter, intersected gas bearing Dullingari Group metasediments, and Patchawarra and Epsilon Formations, and has delivered a high side result following stimulation of four stages. The well recorded a peak stabilised well test rate over 15 mmscf/d on 48/64" choke at 1,700 psi flowing WHP. The well was connected in April for further production testing.

Also during the quarter, pre-Front End Engineering and Design for the Carbon Capture Utilisation and Storage (CCUS) program continued and the first of two appraisal wells was spudded in early April. The aim of the project is to capture and reinject CO₂ to deliver a step-change reduction in emissions and at the same time drive increased oil recovery and sales.

Queensland & NSW

Santos share	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales volume						
GLNG Joint Venture						
LNG	000 t	410.9	378.1	348.1	410.9	348.1
Domestic contracts	PJ	4.6	5.5	7.0	4.6	7.0
Eastern Qld (non-GLNG) ¹	PJ	4.9	6.1	6.1	4.9	6.1
Total sales volume²	mmboe	5.5	5.5	5.5	5.5	5.5
Total sales revenue²	\$million	289	282	210	289	210
Production						
GLNG Joint Venture						
Sales gas to LNG	PJ	10.2	9.7	10.3	10.2	10.3
Domestic contracts	PJ	2.1	2.7	0.9	2.1	0.9
Eastern Qld (non-GLNG) ¹	PJ	5.5	5.8	5.5	5.5	5.5
NSW	PJ	0.2	0.2	0.2	0.2	0.2
Total production²	mmboe	3.1	3.2	2.9	3.1	2.9
Capital expenditure	\$million	57	70	47	57	47

¹ Combabula, Scotia (Santos legacy domestic volumes), Spring Gully and Denison.

² Total sales volume, sales revenue and production include sales gas from NSW assets.

GLNG operational data (gross)	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales gas to domestic market	PJ	20	25	22	20	22
LNG produced ¹	000 t	1,370	1,198	1,224	1,370	1,224
Sales gas to LNG plant						
GLNG equity gas	PJ	38	36	33	38	33
Santos portfolio gas	PJ	14	15	15	14	15
Third-party	PJ	28	26	26	28	26
Total sales gas to LNG plant	PJ	79	77	74	79	74
LNG cargoes shipped		23	20	19	23	19

¹ Includes LNG produced from GLNG equity gas, Santos portfolio gas and third-party quantities.

The LNG plant produced 1.4 million tonnes in the first quarter, 14% above the prior quarter, and loaded 23 cargoes. The quarter included a two-day total LNG plant shutdown for maintenance. GLNG remains on track to ramp-up LNG sales to ~6 mtpa run-rate by the end of 2019.

Gross GLNG-operated upstream sales gas production increased to 592 TJ/d at the end of the quarter, supported by continued steady increase in production from Roma and Scotia.

Gross daily production from Fairview was 420 TJ/day at the end of the quarter supported by a focussed program of development and well optimisation projects.

Gross daily production from Roma increased to 94 TJ/day at the end of the quarter. Production continues to build, supported by growth in both legacy and new development areas of the field. Drilling continues in the Roma East project with 158 wells drilled to date. First sales gas from Roma East was achieved during the quarter, with 109 wells now online and early dewatering continuing.

Gross daily production from the Scotia field grew to 70 TJ/d at the end of the quarter. Production from the field continues to grow as the reservoir dewateres.

Production from the Arcadia field remained steady. Drilling continues in the Arcadia Valley project with 71 wells drilled to date. The first well was brought online to flare during the quarter, and first production to sales from this phase of development is expected on schedule in late 2019.

Santos' share of production from the non-operated Combabula and Spring Gully fields was 41 TJ/day.

87 wells were drilled across the GLNG acreage in the first quarter, with drilling pace on track to deliver 350-400 wells this year. 48 development wells were drilled across Santos' non-operated Eastern Queensland acreage in the quarter.

In Eastern Queensland, Tinowon-2 in ATP 2017 was successfully fracture stimulated and flow tested the Upper Tinowon and Lorelle Formations. At the end of the quarter, the well was shut-in for a 6-month pressure built-up test to assess the connected volume in the accumulation.

In NSW, Santos and Perdaman announced on 27 February a non-binding agreement for the supply of 14.5 PJ of natural gas per annum over 20 years, subject to a final investment decision for the Narrabri Gas Project. The gas would be supplied to a proposed new ammonium nitrate plant near Narrabri to produce fertiliser for agribusiness.

PNG

Santos share	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales volume						
PNG LNG						
LNG ¹	000 t	265.8	314.0	180.9	265.8	180.9
Condensate	000 bbls	389.4	460.4	240.4	389.4	240.4
Crude oil	000 bbls	3.3	4.1	3.3	3.3	3.3
Total sales volume	mmboe	2.9	3.4	2.0	2.9	2.0
Total sales revenue	\$million	175	215	100	175	100
Production						
PNG LNG						
Sales gas to LNG ¹	PJ	17.0	17.1	10.4	17.0	10.4
Condensate	000 bbls	342.5	363.6	221.3	342.5	221.3
Crude oil	000 bbls	3.3	3.3	2.7	3.3	2.7
Total production	mmboe	3.2	3.3	2.0	3.2	2.0
Capital expenditure	\$million	7	8	6	7	6

¹ Includes SE Gobe

PNG LNG operational data (gross)	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Production						
LNG	mt	2.2	2.2	1.3	2.2	1.3
Sales gas to LNG plant	PJ	127	129	78	127	78
Condensate ¹	000 bbls	2,539	2,664	1,635	2,539	1,635
Sales gas (SE Gobe) ²	PJ	2	2	3	2	3
LNG cargoes shipped		29	30	20	29	20

¹ Measured at the Kutubu entry point.

² Purchased by PNG LNG.

Continued strong performance from PNG LNG during the quarter saw production in-line with the prior quarter. The LNG plant operated at an annualised rate of 8.8 mtpa during the first quarter and achieved record daily rates equivalent to 9.2 mtpa annualised. Sales volumes were lower than the prior quarter due to the timing of shipments.

PNG LNG expansion opportunities continue to be progressed with a proposal for Santos to farm-in to PRL 3 (P'nyang) under negotiation.

Santos along with the other PNG LNG parties and the Papua LNG Joint Venture are also continuing discussions to build alignment for the proposed construction of three additional LNG trains at the PNG LNG site, with two trains to process gas from the Papua LNG project and one train for the proposed PNG LNG expansion.

Drilling of the Muruk-2 appraisal well continued during the quarter and the well was tested. Initial results from a drill stem test confirmed the presence of gas in the Toro A reservoir with a similar composition to that tested in Muruk-1. Wireline logging together with pressure data and gas composition has established a likely connection to the Muruk-1 discovery. The forward plan is for an extended shut-in period to allow for pressure build up, which will assist in constraining the gas resource volume in the Muruk field.

Muruk-2 is located approximately 12 kilometres north-west of the Muruk-1 discovery drilled in 2016. The Muruk-2 result has confirmed the field is a significant gas discovery with the potential to support PNG LNG backfill or expansion. Muruk-1 was drilled in PPL 402 in which Santos has a 20% interest. Muruk-2 was drilled in the adjacent permit, PDL 9, and the field overlaps both permits. Santos holds a 10% economic interest in any Muruk hydrocarbons located in PDL 9 and is funding a corresponding share of the appraisal well.

On 2 April, Santos announced that the PNG LNG Project co-venturers had entered into a mid-term LNG sale and purchase agreement (SPA) with Unipac Singapore, a wholly-owned subsidiary of Sinopec, for the supply of LNG commencing in April 2019. The mid-term SPA with Unipac is for supply of approximately 0.45 million tonnes of liquefied natural gas (LNG) per annum (mtpa) over a four-year period.

Northern Australia

Santos share	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Sales volume						
Darwin LNG						
LNG	000 t	91.3	87.2	113.5	91.3	113.5
Bayu Undan						
Condensate	000 bbls	160.2	76.5	108.3	160.2	108.3
LPG	000 t	7.4	8.0	9.2	7.4	9.2
Total sales volume	mmboe	1.1	1.0	1.3	1.1	1.3
Total sales revenue	\$million	52	57	48	52	48
Production						
Darwin LNG						
Sales gas to LNG	PJ	5.1	4.8	6.3	5.1	6.3
Bayu Undan						
Condensate	000 bbls	127.6	97.0	109.7	127.6	109.7
LPG	000 t	6.6	6.3	6.8	6.6	6.8
Total production	mmboe	1.0	1.0	1.2	1.0	1.2
Capital expenditure	\$million	6	13	9	6	9

Darwin LNG / Bayu-Undan operational data (gross)	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Production						
LNG	000 t	940	927	947	940	947
Sales gas to LNG plant	PJ	57	56	57	57	57
Condensate	000 bbls	1,529	1,230	1,004	1,529	1,004
LPG	000 t	77	65	63	77	63
LNG cargoes shipped		14	16	15	14	15

During the first quarter, Darwin LNG sales and production volumes were higher than the prior quarter due to a net entitlement adjustment for lower realised oil prices in the prior quarter.

The successful delivery of the 3-well Bayu Undan infill program in 2018 has resulted in the delivery of higher liquids production with net entitlement condensate volumes 32% higher than the prior quarter.

Following FEED entry in April 2018, detailed engineering design for the Barossa development is being advanced across a number of fronts with a final investment decision targeted for late 2019 or early 2020. Bids for the Subsea Production System have been evaluated and contract award is expected by mid-year 2019. Technical bids for the FPSO design competition between Modec and the TechnipFMC/Samsung consortium have been received, and commercial bids are expected in the second quarter. Bids for the gas export pipeline have also been received and are under assessment. An invitation to tender for the drilling programme is expected to be released during the second quarter. A Production Licence application for the project has been made.

The successful development of Barossa would extend the operating life of Darwin LNG for more than 20 years and deliver ~9 mmboe average annual net production to Santos.

On 18 February, Santos announced that it had reached an agreement to align the company's interests, under Santos operatorship, across four exploration permits in the Bonaparte Basin offshore Northern Australia adjacent to a large existing contingent resource. The transaction sees Santos and Beach Energy become 50/50 joint venture partners across NT/P82, NT/P85, NT/P84 and WA-454-P.

The wildcat Dukas-1 exploration well targeting a conventional sub-salt play in the Amadeus Basin, Northern Territory, spudded on 16 April.

Approvals from Northern Territory regulatory authorities for the two-well McArthur drilling campaign are progressing and the program remains on-track to spud the first well in the third quarter of 2019.

Corporate, exploration and eliminations

Santos share	Units	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Total sales volume	mmboe	1.2	0.8	1.2	1.2	1.2
Total sales revenue	\$million	55	58	61	55	61
Capital expenditure	\$million	4	35	14	4	14

Sales volumes and revenues in the corporate segment primarily represent gas trading activities.

Capital expenditure

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

\$million	Q1 2019	Q4 2018	Q1 2018	2019 YTD	2018 YTD
Capital expenditure					
Exploration ¹	19	26	17	19	17
Evaluation	15	34	12	15	12
Development and other capex (inc restoration)	143	211	110	143	110
Capital expenditure excl capitalised interest	177	272	139	177	139
Capitalised interest	2	4	1	2	1
Total capital expenditure¹	179	275	140	179	140
Exploration and evaluation expensed					
Exploration	7	18	17	7	17
Evaluation	3	25	3	3	3
Total current year expenditure	10	43	20	10	20
Write-off of amounts capitalised in prior years	-	-	-	-	-
Total expensed	10	43	20	10	20

¹ Includes acquisition of exploration assets

Capital expenditure guidance for 2019 is maintained at approximately \$1.1 billion. Spend is expected to increase in the second quarter as the four-well offshore WA drilling campaign ramps-up.

Seismic activity

No new seismic acquisitions were undertaken in the first quarter of 2019.

Drilling summary

Near-field exploration (NFE) / Appraisal wells

Cooper Basin oil			
Well name	Basin/area	Santos	Well status
Cocinero 13	QLD	55%	C&S, successful
Cuisinier 26	QLD	54.64%	P&A
Watkins 4	QLD	55.5%	C&S, successful
Watkins 5	QLD	55.5%	C&S, successful
Watkins 6	QLD	55.5%	P&A
McKinlay 18	SA	66.6%	C&C, successful
Terlingie 4	SA	100%	P&A

Cooper Basin gas			
Well name	Basin/area	Santos	Well status
Barrolka 18*	QLD	60.06%	C&S, successful
Barrolka 19	QLD	60.06%	C&S, successful
Barrolka 20	QLD	60.06%	C&S, successful
Moomba 234	SA	66.6%	C&S, successful
Moomba 235	SA	66.6%	C&S, successful

Papua New Guinea gas			
Well name	Basin/area	Santos	Well status
Muruk 2 [#]	Southern Highlands PNG	10%**	Testing

Western Australia gas			
Well name	Basin/area	Santos	Well status
Corvus 2	Carnarvon	100%	Testing

[#] Not operated by Santos

* Spud in Q4 2018, completed in Q1 2019

** Muruk-2 was drilled in PDL 9. Santos holds a 10% economic interest in any Muruk hydrocarbons located in PDL 9 and is funding a corresponding share of the appraisal well.

Development wells

Cooper Basin oil			
Well name	Basin/area	Santos	Well status
Cocinero 11	QLD	55%	C&S, successful
Cocinero 12	QLD	55%	C&S, successful
Cuisinier 27	QLD	54.64%	C&S, successful
Cuisinier 28	QLD	54.64%	C&S, successful
Cuisinier 29	QLD	54.64%	C&S, successful
Cuisinier 30	QLD	54.64%	P&A
Stimpee 5	SA	100%	C&S, successful

Cooper Basin gas			
Well name	Basin/area	Santos	Well status
Big Lake 148ST1	SA	66.6%	C&S, successful
Big Lake 149	SA	66.6%	C&S, successful
Big Lake 150	SA	66.6%	C&S, successful
Big Lake 151	SA	66.6%	C&S, successful
Big Lake 152	SA	66.6%	C&S, successful
Dullingari North 21	SA	66.6%	C&S, successful
Dullingari North 22	SA	66.6%	Drilling
Namur 15	SA	66.6%	C&S, successful

Queensland - GLNG gas			
Well name	Basin/area	Santos	Well status
AC18-62-1	Arcadia	30%	C&S, successful
AC18-63-1	Arcadia	30%	C&S, successful
AC18-64-1	Arcadia	30%	C&S, successful
AC21-32-1	Arcadia	30%	C&S, successful
AC21-33-1	Arcadia	30%	C&S, successful
AC21-34-1	Arcadia	30%	C&S, successful
AC21-35-1	Arcadia	30%	C&S, successful
AC21-36-1	Arcadia	30%	C&S, successful
AC21-37-1	Arcadia	30%	C&S, successful
AC21-39-1	Arcadia	30%	C&S, successful
AC21-40-1	Arcadia	30%	C&S, successful
AC21-45-1	Arcadia	30%	C&S, successful
AC21-46-1	Arcadia	30%	C&S, successful
AC21-48-1	Arcadia	30%	C&S, successful
AC21-49-1	Arcadia	30%	C&S, successful
AC21-50-1	Arcadia	30%	C&S, successful
AC21-51-1	Arcadia	30%	C&S, successful

AC21-54-1	Arcadia	30%	C&S, successful	RM49-91-1	Roma	30%	C&C, successful
Mount Kingsley 20	Arcadia	30%	C&C, successful	RM49-93-1	Roma	30%	C&C, successful
Mount Kingsley 21	Arcadia	30%	C&C, successful	RM50-55-1	Roma	30%	C&C, successful
Mount Kingsley 22	Arcadia	30%	C&C, successful	RM50-56-1	Roma	30%	C&C, successful
Mount Kingsley 23	Arcadia	30%	C&C, successful	RM50-85-1	Roma	30%	C&C, successful
Mount Kingsley 25	Arcadia	30%	C&C, successful	RM50-86-1	Roma	30%	C&S, successful
Mount Kingsley 26	Arcadia	30%	C&S, successful	RM50-87-1	Roma	30%	C&S, successful
Mount Kingsley 27	Arcadia	30%	C&S, successful	RM50-88-1	Roma	30%	C&S, successful
Mount Kingsley 28	Arcadia	30%	C&S, successful	RM50-97-1	Roma	30%	C&S, successful
Mount Kingsley 29	Arcadia	30%	C&S, successful	RM50-98-1	Roma	30%	C&S, successful
Mount Kingsley 30	Arcadia	30%	C&S, successful	RM68-108-1	Roma	30%	C&S, successful
Mount Kingsley 31	Arcadia	30%	C&S, successful	RM68-108-2	Roma	30%	C&S, successful
Mount Kingsley 32	Arcadia	30%	C&S, successful	RM68-118-1	Roma	30%	C&S, successful
Mount Kingsley 34	Arcadia	30%	C&S, successful	RM68-118-2	Roma	30%	C&S, successful
Mount Kingsley 35	Arcadia	30%	C&S, successful	RM68-129-1	Roma	30%	C&S, successful
Fairview 173 (re-entry)	Fairview	23.85%	C&S, successful	RM68-129-2	Roma	30%	C&S, successful
FV08-01-2	Fairview	23.85%	C&S, successful	RM68-130-1	Roma	30%	C&S, successful
FV08-01-3	Fairview	23.85%	C&S, successful	RM68-130-2	Roma	30%	C&S, successful
FV11-59-21	Fairview	23.85%	Drilling	RM68-140-1	Roma	30%	C&S, successful
FV11-76-21	Fairview	23.85%	C&S, successful	Wyena 2	Roma	30%	C&C, successful
FV11-80-21	Fairview	23.85%	C&S, successful				
FV11-80-22	Fairview	23.85%	C&S, successful				
FV11-81-21	Fairview	23.85%	C&S, successful				
FV11-82-21	Fairview	23.85%	C&S, successful				
RM49-102-1	Roma	30%	C&C, successful				
RM49-103-1	Roma	30%	C&C, successful				
RM49-104-1	Roma	30%	C&C, successful				
RM49-105-1	Roma	30%	C&S, successful				
RM49-113-1	Roma	30%	C&S, successful				
RM49-114-1	Roma	30%	C&C, successful				
RM49-115-1	Roma	30%	C&C, successful				
RM49-117-1	Roma	30%	C&S, successful				
RM49-126-1	Roma	30%	C&C, successful				
RM49-13-1	Roma	30%	C&C, successful				
RM49-14-1	Roma	30%	C&C, successful				
RM49-34-1	Roma	30%	C&C, successful				
RM49-35-1	Roma	30%	C&C, successful				
RM49-36-1	Roma	30%	C&C, successful				
RM49-46-1	Roma	30%	C&S, successful				
RM49-47-1	Roma	30%	C&C, successful				
RM49-48-1	Roma	30%	C&C, successful				
RM49-58-1	Roma	30%	C&C, successful				
RM49-59-1	Roma	30%	C&C, successful				
RM49-60-1	Roma	30%	C&C, successful				
RM49-61-1	Roma	30%	C&C, successful				
RM49-69-1	Roma	30%	C&S, successful				
RM49-70-1	Roma	30%	C&C, successful				
RM49-71-1	Roma	30%	C&C, successful				
RM49-72-1	Roma	30%	C&C, successful				
RM49-74-1	Roma	30%	C&C, successful				
RM49-83-1	Roma	30%	C&C, successful				

Queensland - Eastern Queensland gas (EQ)

Well name	Basin/area	Santos	Well status
Combabula 343 [#]	Combabula	7.28%	C&S, successful
Combabula 344 [#]	Combabula	7.28%	C&S, successful
Combabula 345 [#]	Combabula	7.28%	C&S, successful
Combabula 346 [#]	Combabula	7.28%	C&S, successful
Combabula 362 [#]	Combabula	7.28%	C&S, successful
Combabula 363 [#]	Combabula	7.28%	C&S, successful
Combabula 364 [#]	Combabula	7.28%	C&S, successful
Combabula 365 [#]	Combabula	7.28%	C&S, successful
Combabula 366 [#]	Combabula	7.28%	C&S, successful
Combabula 368 [#]	Combabula	7.28%	C&S, successful
Combabula 387 [#]	Combabula	7.28%	C&S, successful
Combabula 389 [#]	Combabula	7.28%	C&S, successful
Combabula 390 [#]	Combabula	7.28%	C&S, successful
Combabula 391 [#]	Combabula	7.28%	C&S, successful
Combabula 392 [#]	Combabula	7.28%	C&S, successful
Combabula 393 [#]	Combabula	7.28%	C&S, successful
Combabula 412 [#]	Combabula	7.28%	C&S, successful
Combabula 414 [#]	Combabula	7.28%	C&S, successful
Combabula 474 [#]	Combabula	7.28%	C&S, successful
Combabula 475 [#]	Combabula	7.28%	C&S, successful
Combabula 476 [#]	Combabula	7.28%	C&S, successful
Combabula 481 [#]	Combabula	7.28%	C&S, successful
Combabula 482 [#]	Combabula	7.28%	C&S, successful
Combabula 483 [#]	Combabula	7.28%	C&S, successful
Meeleebee 179 [#]	Combabula	7.28%	P&A
Muggleton 361 [#]	Combabula	7.28%	C&S, successful

Pine Hills 109 [#]	Combabula	7.28%	C&S, successful
Pine Hills 110 [#]	Combabula	7.28%	C&S, successful
Pine Hills 130 [#]	Combabula	7.28%	C&S, successful
Pine Hills 132 [#]	Combabula	7.28%	C&S, successful
Pine Hills 133 [#]	Combabula	7.28%	C&S, successful
Pine Hills 152 [#]	Combabula	7.28%	C&S, successful
Pine Hills 153 [#]	Combabula	7.28%	C&S, successful
Pine Hills 155 [#]	Combabula	7.28%	C&S, successful
Pine Hills 173 [#]	Combabula	7.28%	C&S, successful
Pine Hills 174 [#]	Combabula	7.28%	C&S, successful
Pine Hills 176 [#]	Combabula	7.28%	C&S, successful
Pine Hills 205 [#]	Combabula	7.28%	C&S, successful
Pine Hills 207 [#]	Combabula	7.28%	C&S, successful
Pine Hills 208 [#]	Combabula	7.28%	C&S, successful
Pine Hills 209 [#]	Combabula	7.28%	C&S, successful
Pine Hills 237 [#]	Combabula	7.28%	C&S, successful
Pine Hills 238 [#]	Combabula	7.28%	C&S, successful
Pine Hills 239 [#]	Combabula	7.28%	C&S, successful
Pine Hills 268 [#]	Combabula	7.28%	C&S, successful
Pine Hills 269 [#]	Combabula	7.28%	C&S, successful
Pine Hills 271 [#]	Combabula	7.28%	C&S, successful
Clifford 4 [#]	Spring Gully	4%	C&S, successful
Durham Ranch 860 [#]	Spring Gully	4%	Drilling
Durham Ranch 894 ^{#*}	Spring Gully	4%	C&S, successful
Durham Ranch 910 [#]	Spring Gully	4%	C&S, successful

[#] Not operated by Santos

* Spud in Q4, completed in Q1

Abbreviations and conversion factors

Abbreviations		Conversion factors	
C&C	cased and completed	Sales gas and ethane, 1 PJ	171.937 boe x 10 ³
C&S	cased and suspended	Crude oil, 1 barrel	1 boe
gas	coal seam gas	Condensate, 1 barrel	0.935 boe
DES	delivered ex ship	LPG, 1 tonne	8.458 boe
FPSO	floating production, storage and offloading	LNG, 1 PJ	18,040 tonnes
GJ	Gigajoules	LNG, 1 tonne	52.54 mmBtu
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		
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.