

Climate Change

Santos

We aspire to achieve net-zero emissions from our operations by 2050, in line with global ambitions to limit temperature rises to well below 2°C.

Natural gas is playing a key role in delivering a lower-carbon future

More than ever, natural gas is a fuel for the future. We see a strong future for Santos and a sustained shift to natural gas will significantly reduce greenhouse emissions and contribute to a lower-carbon world.

Natural gas is expected to supply 25% of all global energy demand in 2040.



1.5% emissions reduction
in 2019 from delivered projects



Santos' emissions intensity has **decreased by 17%** in the past 5 years



Santos is investing in a **\$16M project** to convert oil well pumps to run on solar power in the Cooper Basin

Our targets

Santos is committed to limiting greenhouse gas emissions while providing access to reliable and affordable energy to domestic and global markets. Our long-term aspiration is to achieve net-zero emissions by 2050.

Santos is on track to meet its short and medium term targets. Our first step in realising our net-zero emissions aspiration is through a focused and sustained effort in achieving our three medium-term targets outlined below.



Reduction of global emissions through liquefied natural gas export growth



Economically reduce emissions from our base operations



Pursue step-change emissions reductions technology

Further information:

[Climate Change Policy](#)
[Emissions Assurance Statement](#)
[2019 Climate Change Report](#)

Reduction of global emissions through liquefied natural gas (LNG) export growth



Our target is to grow liquefied natural gas exports to at least 4.5 million tonnes per year by 2025.

The greatest impact Santos can have in reducing global greenhouse emissions in a meaningful way is to export more liquefied natural gas, replacing higher-emitting coal in household heating and cooking, industrial processes and power generation in Asia.



Every tonne of carbon dioxide emitted in LNG production in Australia, **saves between 3-10 tonnes** of emissions when it replaces coal in power generation in Asia



Asia contributes to **50% of the world's** greenhouse gas emissions

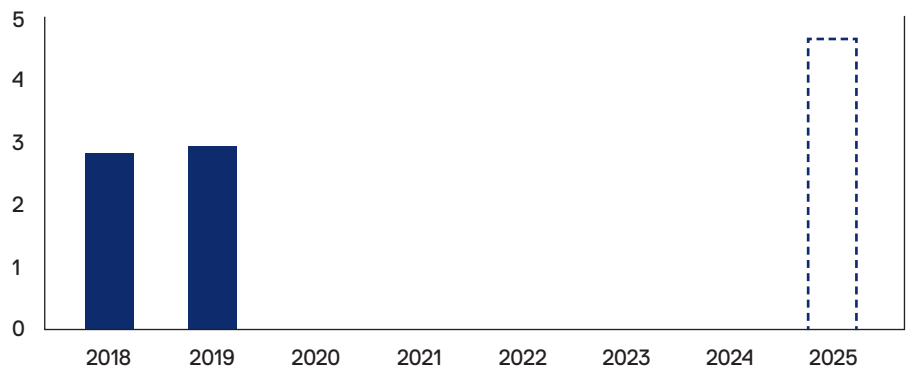


Santos is already an **established exporter of LNG** to Asian markets, currently 3 million tonnes per year

We're already making progress

Santos is on track to meet its target to grow liquefied natural gas sales to at least **4.5 million tonnes** per year by 2025

LNG sales (Mtpa)



Economically reduce emissions from our base operations



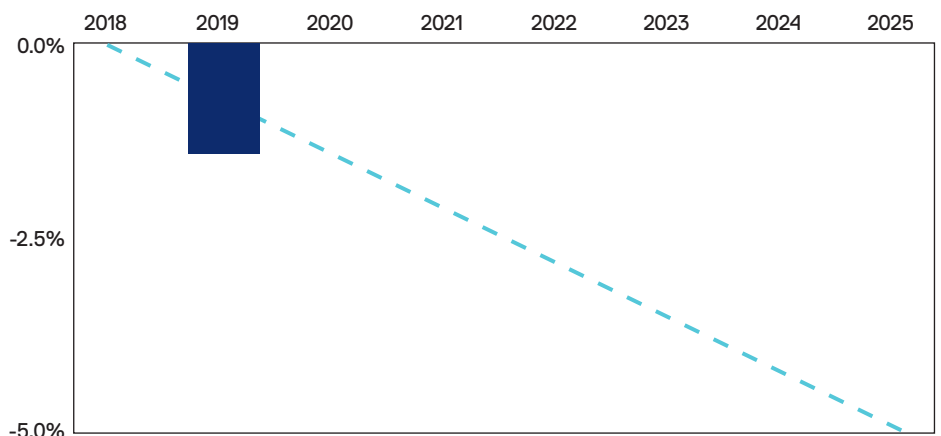
Our target is to reduce emissions by more than 5% across current operations in the Cooper Basin and Queensland by 2025.

Santos is committed to minimising the emissions footprint of our operations. We aim to achieve these reductions through integration of renewable energy into our operations and delivering energy efficiency projects that will reduce our overall fuel gas usage.

We're already making progress

Santos is ahead of the progress needed to achieve our target of reducing emissions **by more than 5%** across existing operations by 2025

We have reached a **quarter of the target** in one year



— 5% target trajectory ● 2019 reductions from delivered projects

Australia's first solar and battery powered oil well

In 2018, Santos commenced a program to convert oil well pumps to run on solar power in the Cooper Basin. Converting oil well pumps to solar power will deliver clear environmental benefits by reducing crude oil consumption, long distance fuel haulage and emissions associated with burning crude oil. The pilot well has proved that solar power and batteries can maintain reliability and availability in the harsh environment of the Cooper Basin. This was Australia's first oil well running on solar and battery, off grid.



Santos is investing in a **\$16M project** to convert oil well pumps to run on solar power



22 of the 56 wells initially identified have been completed



Potential to expand to **200 wells** across the Cooper Basin

For further examples of emission reduction projects across our operations see our [2019 Climate Change Report](#).

Pursue step-change emissions reductions technology



Our target is to pursue investments in technology and innovation that deliver a step change in emissions.

Our initial focus is on capture and storage (CCS), which is a critical technology to achieving the world's climate goals.



The world needs more than **2 billion tonnes of CO2 stored through CCS** per year by 2040



The Cooper and Eromanga Basin has the potential to store up to **20 million tonnes of CO2** per year



CCS is an important enabler to the production of **zero emissions hydrogen** from natural gas

We're already making progress

Santos is actively pursuing carbon capture and storage, highlighted by our recent efforts in the Cooper Basin.

Carbon Capture and Storage in the Cooper Basin

In 2019, Santos drilled two wells in the Cooper Basin to test the potential of permanently storing carbon dioxide. Santos is collaborating with experts including Occidental Petroleum, which has world leading operational expertise in carbon dioxide injection in the United States. Success could result in the development of a commercial-scale carbon capture and storage project that captures emissions not only from oil and gas, but from other industries as well.

This pilot could capture **300,000 tonnes of emissions**