

# First Quarter Report

For period ending 31 March 2021

ASX: STO | ADR: SSLZY

# Santos

22 April 2021

## Strong base business generated US\$302 million free cash flow in first quarter

- First quarter production of 24.8 mmmboe was 39 per cent above the corresponding quarter in 2020 primarily due to the ConocoPhillips acquisition which completed in May 2020
- Production was 2 per cent lower than the December quarter primarily due to lower domestic gas demand in Western Australia and unplanned maintenance in PNG, offset by strong production from Bayu-Undan
- Higher GLNG equity gas production from the Roma and Arcadia fields supported annualised LNG production of 6.4 mtpa in the quarter
- First quarter revenue of US\$964 million was stronger despite the contractual 3-month lag in oil-linked LNG prices and lower overall sales volumes
- Santos generated US\$302 million in free cash flow in the first quarter

## Balance sheet supportive of disciplined and phased growth

- Net debt at the end of the first quarter (including leases) was US\$3.6 billion after payment of the US\$104 million 2020 final dividend and gearing was 33.6 per cent
- S&P Global Ratings reaffirmed Santos' investment grade credit rating with stable outlook and Fitch Ratings assigned Santos an inaugural BBB rating with stable outlook
- Final investment decision to proceed with the US\$3.6 billion gross Barossa gas and condensate project to backfill Darwin LNG and the US\$600 million gross Darwin LNG life extension and pipeline tie-in projects
- FEED entry planned in the coming months for the Dorado phase 1 oil project

## Energy transition to clean fuels

- Moomba CCS project is FID-ready, subject to eligibility for Australian Carbon Credit Units, with the project having an estimated lifecycle breakeven cost of <US\$24 per tonne of CO<sub>2</sub>
- Concept studies indicate that the production cost of zero-emissions hydrogen produced at Moomba utilising CCS would be below the Australian Government's target of A\$2/kg

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos had delivered another strong quarter of production and sales volumes, and strong free cash flow, as the business benefited from higher commodity prices and a low free cash flow breakeven oil price. This was despite the 3-month lag in oil-linked LNG prices, which should see stronger prices in the second quarter.

"Our consistent and successful strategy combined with the disciplined, low-cost operating model continue to drive strong performance across our diversified portfolio. Free cash flow generation of US\$302 million in the first quarter demonstrates our diversification and leverage to oil price. We are currently forecasting more than US\$1 billion in free cash flow for the year at current oil prices.

"The strategy to grow around our five core asset hubs has not changed since 2016. As we now enter a growth phase with FID on Barossa, we will remain disciplined in managing our major project costs, consistent with our operating model.

"It is a great achievement to have extended the life of Bayu-Undan following the approval of the infill drilling program and taken FID on the Barossa project less than a year after we completed the ConocoPhillips acquisition.

"Last December we announced an ambitious roadmap to net-zero emissions by 2040. Our Moomba carbon capture and storage project is FID-ready, subject to eligibility for Australian Carbon Credit Units. First injection is expected to commence in 2024 and importantly this project represents a step-change in emission reduction," Mr Gallagher said.

## Comparative performance

Santos share	Unit	Q1 2021	Q4 2020	Change	2021 YTD	2020 YTD	Change
Production	mmboe	24.8	25.4	-2%	24.8	17.9	39%
Sales volume	mmboe	27.4	31.1	-12%	27.4	22.3	23%
Sales revenue	\$million	964	922	5%	964	883	9%
Capital expenditure <sup>1</sup>	\$million	201	267	-25%	201	186	8%

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

### Media enquiries

James Murphy  
+61 (0) 478 333 974  
james.murphy@santos.com

### Investor enquiries

Andrew Nairn  
+61 8 8116 5314 / +61 (0) 437 166 497  
andrew.nairn@santos.com

### Santos Limited

ABN 80 007 550 923  
GPO Box 2455, Adelaide SA 5001  
T +61 8 8116 5000 F +61 8 8116 5131  
www.santos.com

## Sales volumes (Santos share)

Product	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
LNG	000 t	1,327.6	1,382.2	851.6	1,327.6	851.6
Domestic sales gas & ethane	PJ	62.9	76.5	55.5	62.9	55.5
Crude oil	000 bbls	1,713.5	2,818.2	2,958.5	1,713.5	2,958.5
Condensate	000 bbls	1,781.3	1,451.3	1,414.1	1,781.3	1,414.1
LPG	000 t	64.3	73.9	44.5	64.3	44.5
<b>Sales</b>						
Own product	mmboe	22.8	25.6	17.2	22.8	17.2
Third-party	mmboe	4.6	5.5	5.1	4.6	5.1
<b>Total sales volume</b>	<b>mmboe</b>	<b>27.4</b>	<b>31.1</b>	<b>22.3</b>	<b>27.4</b>	<b>22.3</b>

First quarter sales volumes were lower than the prior quarter primarily due to lower domestic gas sales in Western Australia, lower third-party crude volumes and the timing of crude liftings, partially offset by the timing of condensate liftings.

## Sales revenues (Santos share)

Product	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
LNG	\$million	427	388	397	427	397
Domestic sales gas & ethane	\$million	285	303	209	285	209
Crude oil	\$million	107	132	189	107	189
Condensate	\$million	108	66	67	108	67
LPG	\$million	37	33	21	37	21
<b>Sales</b>						
Own product	\$million	779	721	632	779	632
Third-party	\$million	185	201	251	185	251
<b>Total sales revenue</b>	<b>\$million</b>	<b>964</b>	<b>922</b>	<b>883</b>	<b>964</b>	<b>883</b>
Third-party purchase costs	\$million	157	151	190	157	190

First quarter sales revenues were higher than the prior quarter reflecting significantly improved commodity prices partially offset by lower sales volumes.

## Average realised prices

Product	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
LNG price	US\$/mmBtu	6.12	5.34	8.88	6.12	8.88
Domestic gas price	US\$/GJ	4.54	3.97	3.77	4.54	3.77
<i>East coast domestic</i>	US\$/GJ	5.32	4.15	4.63	5.32	4.63
<i>West coast domestic</i>	US\$/GJ	4.18	3.67	2.91	4.18	2.91
Crude oil price	US\$/bbl	62.29	46.76	63.80	62.29	63.80
Condensate price	US\$/bbl	60.41	45.82	47.05	60.41	47.05
LPG price	US\$/t	581.26	443.37	465.79	581.26	465.79

The average realised LNG price was higher than the prior quarter reflecting the linkage of sales contracts to a lagged Japan Customs-cleared Crude (JCC) price. Three-month lagged JCC averaged US\$44/bbl in the first quarter compared to US\$41/bbl in the fourth quarter. Santos' LNG projects shipped 64 cargoes in the first quarter, of which eight were spot cargoes from Darwin LNG (6) and PNG LNG (2).

## Production by asset (Santos share)

Product	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
Western Australia	mmboe	8.1	8.9	6.2	8.1	6.2
Cooper Basin	mmboe	4.0	4.0	4.4	4.0	4.4
Queensland & NSW	mmboe	3.3	3.4	3.3	3.3	3.3
PNG	mmboe	3.1	3.3	3.3	3.1	3.3
Northern Australia & Timor-Leste	mmboe	6.3	5.8	0.9	6.3	0.9
<b>Total production</b>	<b>mmboe</b>	<b>24.8</b>	<b>25.4</b>	<b>17.9</b>	<b>24.8</b>	<b>17.9</b>

## Production by product (Santos share)

Product	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
Sales gas to LNG plant	PJ	68.8	62.1	34.8	68.8	34.8
Domestic sales gas & ethane	PJ	58.4	68.2	52.5	58.4	52.5
Crude oil	000 bbls	1,063.8	1,136.2	1,561.1	1,063.8	1,561.1
Condensate	000 bbls	1,494.6	1,505.6	1,073.7	1,494.6	1,073.7
LPG	000 t	60.7	61.3	41.4	60.7	41.4
<b>Total production</b>	<b>mmboe</b>	<b>24.8</b>	<b>25.4</b>	<b>17.9</b>	<b>24.8</b>	<b>17.9</b>

First quarter production was lower than the prior quarter predominantly due to lower domestic gas production in Western Australia and unplanned maintenance at PNG LNG. This was partially offset by stronger gas production at Bayu-Undan to Darwin LNG, which was 9 per cent up on the fourth quarter of 2020.

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

## 2021 Guidance

All guidance for 2021 is maintained, as shown in the table below.

2021 guidance item	Guidance <sup>1</sup>
Production	84-91 mmboe
Sales volumes	98-105 mmboe
Capital expenditure – base	~\$900 million
Capital expenditure – major growth	~\$700 million
Upstream production costs	\$8.00-8.50/boe

<sup>1</sup> All guidance reflects the full-year and assume sell-down of 25% interest in Bayu-Undan to SK E&S in the first half of 2021, so first half volumes and costs are expected to be higher than second half.

## Western Australia

Santos share	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Sales volume</b>						
Sales gas	PJ	42.4	48.3	27.7	42.4	27.7
Condensate	000 bbls	319.6	368.0	324.3	319.6	324.3
Crude oil	000 bbls	-	807.0	830.8	-	830.8
<b>Total sales volume</b>	<b>mmboe</b>	<b>7.6</b>	<b>9.4</b>	<b>5.9</b>	<b>7.6</b>	<b>5.9</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>196</b>	<b>233</b>	<b>149</b>	<b>196</b>	<b>149</b>
<b>Production</b>						
Sales gas	PJ	42.3	46.7	28.7	42.3	28.7
Condensate	000 bbls	346.7	381.5	321.0	346.7	321.0
Crude oil	000 bbls	473.4	497.5	913.6	473.4	913.6
<b>Total production</b>	<b>mmboe</b>	<b>8.1</b>	<b>8.9</b>	<b>6.2</b>	<b>8.1</b>	<b>6.2</b>
Capital expenditure	\$million	44	82	29	44	29

Domestic gas production and sales decreased in the first quarter reflecting lower overall contract and spot market demand.

Oil production was lower due to a shutdown at the Pyrenees field in preparation for cyclone activity at the end of January. There were no crude liftings during the quarter. As previously announced, the Ningaloo Vision FPSO (Van Gogh and associated oil fields) returned from scheduled maintenance in Singapore at the end of the first quarter and is back on station producing around 11,000 barrels per day gross.

Preparations for the three-well infill drilling campaign on the Van Gogh field are progressing well with drilling expected to start in the coming weeks. First oil production from the infill wells is still expected in late 2021.

Work continues on the pre-FEED phase for the Dorado project, with FEED entry planned in the coming months and FID in the first half of 2022 for the Phase 1 oil project. A geophysical and geotechnical survey was completed in the field to support FPSO mooring design and wellhead platform design. The results of the survey are being integrated into the design by EPC contractors working across both the wellhead platform and FPSO. A detailed evaluation of a future phase of gas export to follow the initial phase of liquids development was also completed to utilise Santos' domestic gas infrastructure in Western Australia.

The Noble Tom Prosser rig was contracted to drill a number of near field exploration opportunities in the Carnarvon and Bedout basins commencing in late 2021 and extending into 2022. The Dancer prospect is located seven kilometres from the Reindeer field and would be developed via the Devil Creek facility in a success case. The Pavo and Apus opportunities in the Bedout Basin are located 35 to 40 kilometres from the Dorado field and would be developed as subsea tiebacks to the Dorado development in a success case.

Consistent with Santos' strategy to phase growth projects and review equity levels in-line with disciplined capital management, Santos has commenced a process to explore interest from the market in non-operated equity in Dorado and potentially other WA oil assets.

## Cooper Basin

Santos share	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Sales volume</b>						
Sales gas and ethane <sup>1</sup>	PJ	18.6	17.1	18.5	18.6	18.5
Condensate <sup>1</sup>	000 bbls	388.5	397.8	607.7	388.5	607.7
LPG <sup>1</sup>	000 t	38.0	45.8	39.9	38.0	39.9
Crude oil						
Own product	000 bbls	632.7	529.5	714.4	632.7	714.4
Third-party	000 bbls	1,079.7	1,479.7	1,410.5	1,079.7	1,410.5
Total	000 bbls	1,712.4	2,009.2	2,124.9	1,712.4	2,124.9
<b>Total sales volume</b>	<b>mmboe</b>	<b>5.6</b>	<b>5.7</b>	<b>6.2</b>	<b>5.6</b>	<b>6.2</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>222</b>	<b>199</b>	<b>255</b>	<b>222</b>	<b>255</b>
<b>Production</b>						
Sales gas and ethane	PJ	16.6	16.2	17.9	16.6	17.9
Condensate	000 bbls	270.1	268.6	347.2	270.1	347.2
LPG	000 t	35.6	36.7	37.2	35.6	37.2
Crude oil	000 bbls	589.3	637.5	644.7	589.3	644.7
<b>Total production</b>	<b>mmboe</b>	<b>4.0</b>	<b>4.0</b>	<b>4.4</b>	<b>4.0</b>	<b>4.4</b>
Capital expenditure	\$million	70	87	70	70	70

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

Cooper Basin total production in the first quarter was 4 mmboe, consistent with the prior quarter. Higher gas production offset natural oil field decline.

Fifteen wells were drilled in the first quarter of 2021, including 5 development wells, 8 appraisal wells and 2 exploration wells. The horizontal well programme continues in the Cooper Basin with the last well drilled in 2020, Moomba-257, placed on production in the first quarter. The well is online and gas production is expected build over time in line with the lateral length. Five gas and seven horizontal oil wells are planned for the 2021 drilling program.

FEED and project assurance are complete for the 1.7 mtpa Moomba carbon capture and storage (CCS) project. Eligibility for Australia Carbon Credit Unit (ACCU) methodology for CCS is the key remaining milestone that would enable an FID decision on the project.

Concept studies have been completed on options to produce and distribute emissions-free hydrogen from Moomba utilising CCS. The studies indicate that the production cost of hydrogen produced at Moomba is lower than the Australian Government's target of A\$2/kg.

## Queensland & NSW

Santos share	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Sales volume</b>						
GLNG Joint Venture						
LNG	000 t	471.2	536.8	481.0	471.2	481.0
Domestic contracts	PJ	0.2	1.5	2.4	0.2	2.4
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	6.1	6.9	5.4	6.1	5.4
<b>Total sales volume<sup>2</sup></b>	<b>mmboe</b>	<b>5.2</b>	<b>6.1</b>	<b>5.9</b>	<b>5.2</b>	<b>5.9</b>
<b>Total sales revenue<sup>2</sup></b>	<b>\$million</b>	<b>167</b>	<b>181</b>	<b>266</b>	<b>167</b>	<b>266</b>
<b>Production</b>						
GLNG Joint Venture						
	PJ	15.1	14.9	13.8	15.1	13.8
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	4.0	5.1	5.0	4.0	5.0
NSW	PJ	0.2	0.2	0.2	0.2	0.2
<b>Total production<sup>2</sup></b>	<b>mmboe</b>	<b>3.3</b>	<b>3.4</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>
Capital expenditure	\$million	38	39	42	38	42

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

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

GLNG operational data (gross)	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
Sales gas to domestic market <sup>1</sup>	PJ	11	8	14	11	14
LNG produced <sup>2</sup>	000 t	1,569	1,752	1,576	1,569	1,576
Sales gas to LNG plant						
GLNG equity gas	PJ	51	50	44	51	44
Santos portfolio gas	PJ	13	15	15	13	15
Third-party	PJ	31	41	36	31	36
<b>Total sales gas to LNG plant</b>	<b>PJ</b>	<b>95</b>	<b>106</b>	<b>95</b>	<b>95</b>	<b>95</b>
LNG cargoes shipped		26	30	27	26	27

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

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

Gross GLNG-operated upstream sales gas production increased to a record 690 TJ/day at the end of the first quarter. This is a 5 per cent increase on the prior quarter, driven by better than expected production growth in the Arcadia field and reliable production from the Scotia, Roma and Fairview fields.

The Roma field reached production of over 190 TJ/day driven by growth in Roma East and strong legacy field performance. Arcadia also continues to perform well, exceeding 70 TJ/day and dewatering ahead of expectation. Scotia produced a steady 70 TJ/day and Fairview was delivering 358 TJ/day in line with expected reservoir decline.

The strong upstream gas production supported annualised LNG production of 6.4 mtpa in the quarter.

Fifty-eight wells were drilled and 40 connected across the GLNG acreage in the first quarter.

Santos' share of non-operated Eastern Queensland production was lower than the prior quarter due to planned maintenance during the quarter.

In late 2020, the Narrabri Gas Project received EIS approval by the NSW Independent Planning Commission (IPC) and Federal approval under the EPBC Act. Since that time, Santos has been progressing activities to address EIS and EPBC consent conditions to allow the commencement of the appraisal drilling program, which is required to inform the phased development at Narrabri. An appeal against the NSW IPC approval has been lodged with a hearing scheduled in August.

## PNG

Santos share	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Sales volume</b>						
PNG LNG						
LNG <sup>1</sup>	000 t	270.8	296.6	287.8	270.8	287.8
Condensate	000 bbls	341.3	372.0	360.9	341.3	360.9
Crude oil	000 bbls	1.2	1.9	2.8	1.2	2.8
<b>Total sales volume</b>	<b>mmboe</b>	<b>2.9</b>	<b>3.2</b>	<b>3.1</b>	<b>2.9</b>	<b>3.1</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>119</b>	<b>97</b>	<b>149</b>	<b>119</b>	<b>149</b>
<b>Production</b>						
PNG LNG						
Sales gas to LNG <sup>1</sup>	PJ	16.6	17.6	17.1	16.6	17.1
Condensate	000 bbls	290.8	306.9	323.8	290.8	323.8
Crude oil	000 bbls	1.1	1.2	2.7	1.1	2.7
<b>Total production</b>	<b>mmboe</b>	<b>3.1</b>	<b>3.3</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>
Capital expenditure	\$million	3	5	14	3	14

<sup>1</sup> Includes SE Gobe

PNG LNG operational data (gross)	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Production</b>						
LNG	000 t	2,090	2,194	2,163	2,090	2,163
Sales gas to LNG plant	PJ	124	130	128	124	128
Condensate <sup>1</sup>	000 bbls	2,149	2,275	2,394	2,149	2,394
Sales gas (SE Gobe) <sup>2</sup>	PJ	2	2	2	2	2
LNG cargoes shipped		26	29	28	26	28

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

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

During the quarter, PNG LNG operated at an annualised rate of approximately 8.5 mtpa. Sales gas, condensate and LNG production were lower than the prior quarter due to unplanned maintenance at the Hides Gas Conditioning Plant. LNG plant scheduled compressor maintenance is planned to commence in mid-April, which is expected to result in reduced LNG production rates for approximately six weeks. The operator continues to implement COVID-19 management plans to support stable production and shipping.

## Northern Australia & Timor-Leste

Santos share	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Sales volume</b>						
Darwin LNG						
LNG	000 t	585.6	548.7	82.9	585.6	82.9
Bayu-Undan						
Condensate	000 bbls	732.2	311.2	121.8	732.2	121.8
LPG	000 t	26.4	26.9	4.7	26.4	4.7
<b>Total sales volume</b>	<b>mmboe</b>	<b>6.5</b>	<b>5.8</b>	<b>0.9</b>	<b>6.5</b>	<b>0.9</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>237</b>	<b>173</b>	<b>43</b>	<b>237</b>	<b>43</b>
<b>Production</b>						
Darwin LNG						
Sales gas to LNG	PJ	32.5	29.9	4.6	32.5	4.6
Bayu-Undan						
Condensate	000 bbls	587.0	548.7	81.7	587.0	81.7
LPG	000 t	25.0	24.6	4.2	25.0	4.2
<b>Total production</b>	<b>mmboe</b>	<b>6.3</b>	<b>5.8</b>	<b>0.9</b>	<b>6.3</b>	<b>0.9</b>
Capital expenditure	\$million	39	36	22	39	22

DLNG operational data (gross)	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Production</b>						
LNG	000 t	902	875	856	902	856
Sales gas to LNG plant	PJ	52	53	52	52	52
Condensate	000 bbls	1,019	1,079	980	1,019	980
LPG	000 t	42	44	47	42	47
LNG cargoes shipped		12	14	14	12	14

First quarter LNG production at Darwin LNG was higher than the prior quarter due to continued strong supply from Bayu-Undan and high uptime at the LNG plant. Reflecting the transition away from the foundation LNG contracts as Bayu-Undan approaches end of field life, the March quarter saw a combination of spot sales (6), the last SPA cargoes based on oil-linked pricing (5) and the first SPA cargo based on JKM pricing (1). First quarter sales volume was 12 per cent higher than the previous quarter reflecting increased cargo size despite the lower number of cargoes shipped.

The US\$235 million Phase 3C infill drilling program at the Bayu-Undan field will commence in the second quarter. The program comprises three production wells (two platform and one subsea) and will develop additional natural gas and liquids reserves, extending field life as well as production from the offshore facilities and the Darwin LNG plant.

On 30 March 2021, Santos announced a final investment decision to proceed with the US\$3.6 billion Barossa gas and condensate project to backfill Darwin LNG. Barossa is one of the lowest cost, new LNG supply projects in the world and will give Santos and Darwin LNG a competitive advantage in a tightening global LNG market. First gas production is expected in 2025. Barossa FID also starts the US\$600 million investment in the Darwin LNG life extension and pipeline tie-in projects, which will extend the facility life for around 20 years.

Barossa FID was the final condition required for completion of the 25 per cent equity sell-downs in Darwin LNG and Bayu-Undan to SK E&S. Completion is expected at the end of April and result in net funds to Santos of approximately US\$190 million. Santos and JERA continue to progress the sale and purchase agreement for JERA to acquire a 12.5 per cent interest in Barossa.

Well pad preparation is underway to support the drilling, fracture stimulation and flow testing of two horizontal wells later this year in the McArthur/Beetaloo. The wells will target the Velkerri shale gas play and follow on from the successful flow test acquired in the vertical Tanumbirni 1 well last year.



Santos completed a sale and purchase agreement with Armour Energy to acquire its remaining rights in five highly prospective exploration permits in the South Nicholson Basin (SNB), which will take Santos' interest in these blocks to 100 per cent. Santos farmed-in to these blocks in 2019 for a 70 per cent interest, with Armour retaining a 30 per cent interest. Santos now holds a 100 per cent interest in ATP 1087 and, upon formal award, the right to 100 per cent interest in five exploration application blocks (EP(A) 172, EP(A) 177, ATP 1107, ATP 1192 and ATP 1193) covering the most prospective parts of the SNB. ATP 1107, which was part of the original farm-in deal, will revert to Armour 100 per cent.

## Corporate, exploration and eliminations

Santos share	Unit	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Total sales volume</b>	<b>mboe</b>	<b>(0.4)</b>	<b>0.9</b>	<b>0.3</b>	<b>(0.4)</b>	<b>0.3</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>23</b>	<b>40</b>	<b>22</b>	<b>23</b>	<b>22</b>
Capital expenditure	\$million	7	18	8	7	8

Sales volumes and revenues in the corporate segment primarily represent gas trading activities. First quarter reported sales volumes include a prior period adjustment.

## Capital expenditure

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

\$million	Q1 2021	Q4 2020	Q1 2020	2021 YTD	2020 YTD
<b>Capital expenditure</b>					
Exploration	13	26	10	13	10
Evaluation	57	41	25	57	25
Development and other capex (inc restoration)	131	200	151	131	151
<b>Capital expenditure excl capitalised interest</b>	<b>201</b>	<b>267</b>	<b>186</b>	<b>201</b>	<b>186</b>
Capitalised interest	9	10	3	9	3
<b>Total capital expenditure</b>	<b>210</b>	<b>277</b>	<b>189</b>	<b>210</b>	<b>189</b>
<b>Exploration and evaluation expensed</b>					
Exploration	8	19	7	8	7
Evaluation	1	4	3	1	3
<b>Total current year expenditure</b>	<b>9</b>	<b>23</b>	<b>10</b>	<b>9</b>	<b>10</b>
Write-off of amounts capitalised in prior years	-	-	-	-	-
<b>Total expensed</b>	<b>9</b>	<b>23</b>	<b>10</b>	<b>9</b>	<b>10</b>

Capital expenditure in the first quarter comprised US\$150 million in the base business (including \$7 million for restoration costs) and US\$51 million for major growth projects.

## Oil price hedging

3.4 million barrels of hedging matured during the first quarter resulting in a net outflow before tax of US\$21 million.

11.6 million barrels of oil are currently hedged for the remainder of 2021 using zero cost collars, with an average floor price of US\$42 per barrel and an average ceiling price of US\$55 per barrel.

For 2022, 4 million barrels of oil are currently hedged using zero cost collars, with an average floor price of US\$50 per barrel and an average ceiling price of US\$66 per barrel.

## Seismic activity

Acquisition of the Kanook East 3D seismic survey covering ~135 square kilometres across the southwestern Queensland section of the Cooper Basin commenced in the fourth quarter of 2020 and completed in the first quarter of 2021.

## Drilling summary

### Near-field exploration (NFE) / Appraisal wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Annabella 1	QLD	60.60%	P&A
Bolah 7	QLD	66.06%	C&S, successful
Ruby 3	QLD	60.60%	C&S, successful
Moomba 260	SA	100.00%	C&S, successful
Moomba 259	SA	100.00%	C&S, successful
Moomba 261	SA	100.00%	C&S, successful
Moomba 262	SA	100.00%	C&S, successful
Moomba 264	SA	100.00%	C&S, successful

\*Spud in Q4, completed in Q1

Cooper Basin oil			
Well name	Area	Santos	Well status
N/A			

### Development wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Anna North 2	QLD	60.06%	C&S, successful
Bolah 5	QLD	66.06%	C&S, successful
Dullingari 56	SA	66.60%	C&S, successful
Dullingari 62	SA	66.60%	C&S, successful
Dullingari 63	SA	66.60%	C&S, successful
Dullingari North 23*	SA	66.60%	C&C, successful
Dullingari North 25	SA	66.60%	C&C, successful
Tarwonga 6	SA	66.60%	C&S, successful

\*Spud in Q4, completed in Q1

Queensland - GLNG gas			
Well name	Area	Santos	Well status
Mount Kingsley 37	Arcadia	22.85%	C&S, successful
Mount Kingsley 38	Arcadia	22.85%	C&S, successful
Mount Kingsley 40	Arcadia	22.85%	C&S, successful
Mount Kingsley 41	Arcadia	22.85%	C&S, successful
Mount Kingsley 42	Arcadia	22.85%	C&S, successful
Mount Kingsley 43	Arcadia	22.85%	C&S, successful
Mount Kingsley 44	Arcadia	22.85%	C&S, successful
FV11-108-1	Fairview	22.82%	C&S, successful
FV12-104-1	Fairview	22.82%	C&S, successful
FV12-22-5	Fairview	22.82%	C&S, successful
FV16-06-2	Fairview	22.82%	C&C, successful
FV17-54-1	Fairview	22.82%	C&S, successful
FV17-59-1	Fairview	22.82%	C&C, successful
FV17-61-1	Fairview	22.82%	C&C, successful
FV18-40-1	Fairview	22.82%	C&S, successful
FV18-69-1	Fairview	22.82%	C&S, successful
FV18-70-1	Fairview	22.82%	C&S, successful
FV18-71-1	Fairview	22.82%	C&S, successful
FV18-72-1	Fairview	22.82%	C&S, successful
RM09-70-2	Roma	30.00%	C&C, successful
RM09-72-2	Roma	30.00%	C&C, successful
RM13-53-1A	Roma	30.00%	C&S, successful
RM14-27-1	Roma	30.00%	C&S, successful
RM15-16-2	Roma	30.00%	C&S, successful
RM15-18-1	Roma	30.00%	C&S, successful
RM15-18-2	Roma	30.00%	C&S, successful
RM15-19-1	Roma	30.00%	C&S, successful
RM15-20-1	Roma	30.00%	C&S, successful
RM15-22-1	Roma	30.00%	C&S, successful
RM15-25-2	Roma	30.00%	C&C, successful
RM15-30-1	Roma	30.00%	C&S, successful
RM15-31-1	Roma	30.00%	C&S, successful
RM15-32-1	Roma	30.00%	C&S, successful
RM15-33-1	Roma	30.00%	C&S, successful
RM15-38-1	Roma	30.00%	C&S, successful
RM15-39-1	Roma	30.00%	C&S, successful
RM15-40-1	Roma	30.00%	C&S, successful
RM15-41-1	Roma	30.00%	C&S, successful

Queensland - GLNG gas			
Well name	Area	Santos	Well status
RM15-42-1	Roma	30.00%	C&S, successful
RM15-46-1	Roma	30.00%	C&C, successful
RM15-47-1	Roma	30.00%	C&C, successful
RM15-48-1	Roma	30.00%	C&S, successful
RM15-49-1	Roma	30.00%	C&S, successful
RM15-55-1	Roma	30.00%	C&C, successful
RM15-64-1	Roma	30.00%	C&C, successful
RM15-74-1	Roma	30.00%	C&C, successful
RM15-74-2	Roma	30.00%	C&C, successful
RM15-81-1	Roma	30.00%	C&S, successful
RM15-97-1	Roma	30.00%	C&S, successful
RM15-99-1	Roma	30.00%	C&S, successful
RM68-137-1	Roma	30.00%	C&C, successful
RM68-144-1	Roma	30.00%	C&C, successful
RM68-147-1	Roma	30.00%	C&S, successful
RM68-148-1	Roma	30.00%	C&S, successful
RM68-149-1	Roma	30.00%	C&S, successful
Avalon 20	Scotia	30.00%	C&C, successful
Avalon 21	Scotia	30.00%	C&C, successful
Avalon 27	Scotia	30.00%	C&C, successful

\*Spud in Q3, completed in Q4

## Abbreviations and conversion factors

Abbreviations		Conversion factors	
C&C	cased and completed	Sales gas and ethane, 1 PJ	171.937 boe x 10 <sup>3</sup>
C&S	cased and suspended	Crude oil, 1 barrel	1 boe
gas	natural gas	Condensate, 1 barrel	0.935 boe
DES	delivered ex-ship	LPG, 1 tonne	8.458 boe
FEED	front-end engineering and design	LNG, 1 PJ	18,040 tonnes
FID	final investment decision	LNG, 1 tonne	52.54 mmBtu
FPSO	floating production, storage and offloading		
GJ	gigajoules		
JCC	Japan Customs-cleared Crude		
kbbbls	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. Totals in the tables may not add due to rounding. The symbol “~” means approximately.

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

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