

12 April 2021

Growth projects incentive for CEO

Santos today announced the Board has agreed to provide the company's Managing Director and Chief Executive Officer Kevin Gallagher with a once-off growth projects incentive to ensure Mr Gallagher sees through the successful delivery of Santos' major growth projects and energy transition strategy to 2025.

Since joining Santos in February 2016, Mr Gallagher has led a significant turnaround. Santos is now a sustainable and resilient business generating significant free cash flow. Central to the turnaround has been the clear and consistent Transform-Build-Grow strategy and the disciplined, low-cost operating model.

Santos' share price has more than doubled during Mr Gallagher's tenure, generating a total shareholder return of 159% including dividends, compared to 83% for the ASX 200 Index and 37% for the ASX Energy Index.

Santos is now moving into a growth phase consistent with the company's strategy for disciplined growth utilising existing infrastructure around the company's core assets. Major growth projects include Barossa, Dorado and Moomba carbon capture and storage. Santos is also leading the energy transition to cleaner fuels and has a clear roadmap to achieve its target of net-zero emissions by 2040.

Santos Chairman Keith Spence said Mr Gallagher is well-recognised as one of Australia's leading chief executives with a proven track record of delivering value for shareholders.

"Kevin is critical to the successful delivery of the company's strategy, major growth projects and driving the energy transition over the next five years," Mr Spence said.

Kevin Gallagher said: "It is a privilege to lead Santos. We have made significant progress on our transformation journey, but the job is not yet done. I am delighted to commit to continuing to drive the delivery of our growth strategy, the transition to a leading clean fuels business and to achieve our net-zero emissions targets."

The growth projects incentive will be delivered in the form of Share Acquisition Rights (SARs) with a face value at grant of A\$6 million. Vesting of the SARs will be subject to strict performance hurdles related to the successful delivery of major growth projects, the energy transition strategy and continued employment.

Further details on the incentive will be provided at the 2021 Annual General Meeting to be held on Thursday 15 April. Santos will seek shareholder approval for the issue of shares to satisfy vested awards at the 2022 Annual General Meeting.

Ends.

This ASX announcement was approved and authorised for release by Keith Spence, Chairman.

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