

Third Quarter Report

For period ending 30 September 2021

ASX: STO | ADR: SSLZY

Santos

21 October 2021

Record sales revenue and record free cash flow

- Strong base business performance and improved commodity prices delivered record quarterly sales revenue of US\$1.14 billion, up 6%, and record quarterly free cash flow of US\$359 million, up 33%
- Gross Bayu-Undan production was higher in the quarter due to the successful start-up of the first well in the infill drilling program. Gas production was also stronger in Queensland and PNG. Despite the higher production, Santos' net third quarter production of 21.9 mboe was 3% lower than the second quarter following the 25% sell-down in Bayu-Undan and Darwin LNG completed at the end of April and a lower net entitlement to Bayu-Undan production under the terms of the Production Sharing Contract
- Continued growth in GLNG equity gas production from the Roma and Arcadia fields contributed to a 20% increase in LNG production and supports forecast LNG production above 6.4 million tonnes in 2021
- Strong free cash flows reduced net debt (including leases) to US\$3.1 billion and gearing to 29.7% at the end of September. Gearing is forecast to be less than 28% at year-end at current commodity prices

Disciplined and phased growth

- Barossa 15% complete and progressing on schedule and budget, with first steel cut for the FPSO hull
- Award of major FEED contracts for the Dorado project
- Registration of the Moomba CCS project with the Clean Energy Regulator underway

Merger with Oil Search to create a regional champion of size and scale

- In September, Santos and Oil Search entered into a definitive agreement to merge the two companies in an all-scrip transaction
- Upon completion of the merger, Santos shareholders will own approximately 61.5% of the merged entity and Oil Search shareholders will own approximately 38.5%
- The merger is on track for completion by year-end and is subject to a limited number of customary conditions, including Oil Search shareholder approval, regulatory approvals and Papua New Guinea court approval

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos had delivered another strong quarter. Sales revenues and free cash flow were records for Santos as the business benefited from higher commodity prices, including JKM pricing for 12 LNG cargoes sold during the quarter.

“Our disciplined, low-cost operating model continues to drive strong performance with US\$931 million of free cash flow generated in the first nine months of 2021. At current commodity prices, Santos should generate close to US\$1.3 billion in free cash flow for the full year.

“Consistent with our strategy, our next phase of growth will be disciplined and phased. We are making good progress on the Barossa project, awarded the major FEED contracts for Dorado and commenced the process to register the Moomba CCS project with the Clean Energy Regulator. Once registration is complete, we will be in a position to take a final investment decision to proceed with Moomba CCS.

“The proposed merger with Oil Search is on track for completion by year-end, subject to customary conditions including Oil Search shareholder approval. I'm very happy with how the merger is progressing, and particularly acknowledge the positive comments from PNG Prime Minister Hon. James Marape, at what is an incredibly important time for energy markets and energy companies around the world.

“Size and scale have never been more important as we look to fund the energy transition to net-zero emissions, and the merger is expected to create one of the top-20 companies in our sector globally and a top-20 ASX-listed company.”

Comparative performance

Santos share	Unit	Q3 2021	Q2 2021	Change	2021 YTD	2020 YTD	Change
Production	mboe	21.9	22.5	-3%	69.2	63.6	9%
Sales volume	mboe	24.4	26.4	-8%	78.2	76.0	3%
Sales revenue	\$million	1,142	1,076	6%	3,182	2,465	29%
Capital expenditure ¹	\$million	359	334	7%	894	591	51%

¹ Capital expenditure including restoration expenditure but excluding capitalised interest.

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Sales volumes (Santos share)

Product	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
LNG	000 t	1,055.2	1,064.9	1,124.5	3,447.7	2,896.6
Domestic sales gas & ethane	PJ	65.1	67.2	78.3	195.2	198.6
Crude oil	000 bbls	1,771.2	2,770.9	2,574.1	6,255.6	8,302.4
Condensate	000 bbls	1,244.0	1,413.8	1,924.3	4,439.1	4,877.8
LPG	000 t	29.0	67.8	66.9	161.1	161.8
Sales						
Own product	mmboe	18.7	20.5	24.7	62.0	62.0
Third-party	mmboe	5.7	5.9	4.4	16.2	14.0
Total sales volume	mmboe	24.4	26.4	29.1	78.2	76.0

Third quarter sales volumes were lower than the prior quarter primarily due to the timing of liquids liftings in Western Australia and lower Cooper Basin third-party oil volumes, combined with a lower average working interest in Bayu-Undan/Darwin LNG due to the 25% sell-down to SK E&S completed at the end April 2021. Sales volumes guidance is maintained at 100-105 mmboe for the full year.

Sales revenues (Santos share)

Product	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
LNG	\$million	574	421	252	1,422	1,049
Domestic sales gas & ethane	\$million	324	319	309	928	765
Crude oil	\$million	136	205	125	448	399
Condensate	\$million	90	95	88	293	190
LPG	\$million	18	36	23	91	62
Sales						
Own product	\$million	875	832	653	2,486	1,913
Third-party	\$million	267	244	144	696	552
Total sales revenue	\$million	1,142	1,076	797	3,182	2,465
Third-party purchase costs	\$million	179	167	152	503	461

Third quarter sales revenues were a record and higher than the prior quarter reflecting improved commodity prices for all products, offset by lower overall sales volumes primarily due to the timing of liquids liftings and the 25% sell-down in Bayu-Undan/Darwin LNG.

Average realised prices

Product	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
LNG price	US\$/mmBtu	10.36	7.52	4.27	7.85	6.90
Domestic gas price	US\$/GJ	4.98	4.74	3.94	4.76	3.85
<i>East coast domestic</i>	US\$/GJ	5.50	5.35	4.35	5.39	4.51
<i>West coast domestic</i>	US\$/GJ	4.72	4.43	3.67	4.44	3.33
Crude oil price	US\$/bbl	76.64	74.06	48.42	71.57	48.01
Condensate price	US\$/bbl	72.17	67.65	45.90	66.01	38.92
LPG price	US\$/t	625.93	517.02	345.06	562.26	382.40

The average realised LNG price was higher than the prior quarter reflecting the linkage of sales contracts to an improving lagged Japan Customs-cleared Crude (JCC) price and higher JKM spot prices. Three-month lagged JCC averaged US\$67/bbl in the third quarter compared to US\$56/bbl in the second quarter. Santos' LNG projects shipped 69 cargoes in the third quarter, of which 12 cargoes (Darwin LNG 11, PNG LNG 1) were sold at JKM spot prices.

Production by asset (Santos share)

Asset	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Western Australia	mmboe	8.6	8.5	8.8	25.2	22.2
Cooper Basin	mmboe	3.8	3.9	4.3	11.7	12.8
Queensland & NSW	mmboe	3.5	3.4	3.4	10.2	10.0
PNG	mmboe	3.2	3.0	3.4	9.3	9.9
Northern Australia & Timor-Leste	mmboe	2.8	3.7	5.2	12.8	8.7
Total production	mmboe	21.9	22.5	25.1	69.2	63.6

Production by product (Santos share)

Product	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales gas to LNG plant	PJ	50.7	54.7	57.2	174.2	135.9
Domestic sales gas & ethane	PJ	59.3	59.0	69.4	176.7	181.4
Crude oil	000 bbls	1,531.1	1,343.4	1,206.4	3,938.3	3,957.1
Condensate	000 bbls	1,150.0	1,249.4	1,605.8	3,894.0	3,955.0
LPG	000 t	48.1	48.6	66.8	157.4	159.6
Total production	mmboe	21.9	22.5	25.1	69.2	63.6

Third quarter production was lower than the prior quarter primarily due a lower average working interest in Bayu-Undan due to the 25% sell-down to SK E&S completed at the end of April 2021 combined with a lower net entitlement under the Bayu-Undan Production Sharing Contract due to higher realised commodity prices. This was partially offset by stronger oil production in Western Australia due to commencement of production from the Van Gogh Phase 2 infill project and higher gas production in both Queensland and PNG.

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

2021 Guidance

Strong production and cost performance in the base business enables a further narrowing of production guidance to the upper part of the range and a reduction in production cost guidance. Higher LNG spot prices are expected to impact Santos' net entitlement to Bayu-Undan production volumes in the fourth quarter under the Production Sharing Contract.

Base business sustaining capital expenditure is expected to be in the range of \$800-900 million. Major growth capital expenditure is expected to be in the range of \$500-600 million, lower than previous guidance primarily due to deferral of planned spend on Narrabri due to the legal appeal against the NSW Independent Planning Commission approval combined with timing of expenditure on the Barossa project.

All guidance is shown in the table below. Guidance is Santos standalone for 2021 and does not include the proposed merger with Oil Search.

2021 guidance item	Previous guidance	Updated guidance
Production	87-91 mmboe	88-91 mmboe
Sales volumes	100-105 mmboe	No change
Capital expenditure – base	~\$900 million	\$800-900 million
Capital expenditure – major growth	~\$700 million	\$500-600 million
Upstream production costs	\$7.90-8.30/boe	\$7.70-8.00/boe
Depreciation, depletion and amortisation	\$1.15-1.25 billion	\$1.20-1.25 billion

Western Australia

Santos share	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales volume						
Sales gas	PJ	42.4	43.4	46.7	128.2	110.5
Condensate	000 bbls	302.3	310.0	406.4	931.9	1,025.8
Crude oil	000 bbls	522.8	1,165.0	574.0	1,687.8	1,716.4
Total sales volume	mmboe	8.1	8.9	9.0	24.6	21.7
Total sales revenue	\$million	262	304	216	762	490
Production						
Sales gas	PJ	42.4	43.4	46.5	128.1	112.3
Condensate	000 bbls	321.8	374.6	376.3	1,043.1	1,070.8
Crude oil	000 bbls	1,005.2	766.3	494.3	2,244.9	1,951.1
Total production	mmboe	8.6	8.5	8.8	25.2	22.2
Capital expenditure	\$million	102	90	37	236	89

Domestic gas production and sales were slightly lower than the previous quarter, reflecting customer nominations. Oil production was higher in the third quarter due to the successful start-up of production from the first of three Van Gogh Phase 2 infill wells. Sales volumes and revenues were lower than the previous quarter primarily due to the timing of liquids liftings.

Drilling and completion activities for the Van Gogh Phase 2 infill program were completed in September, ahead of schedule and delivering record drilling performance in the basin. Tie in and start-up activities for the two remaining dual lateral wells are planned for the fourth quarter.

The Varanus Island Compression and Spartan projects continued to make good progress in support of developing additional reserves back to Varanus Island. The subsea transport and installation contract was awarded for Spartan, and the first offshore campaign is planned for early 2022. The Varanus Island Compression Project is on track for start-up late 2021.

The Dorado development progressed with the award of major FEED contracts for the FPSO and Wellhead Platform. Stage 1 assessment of the Offshore Project Proposal (OPP) has been approved by NOPSEMA, allowing the public consultation period to commence. The initial phase of development will involve gas reinjection to maximise liquids recovery ahead of a second phase of gas export from the field. This future phase of gas export offers backfill supply to Santos' existing domestic gas infrastructure in Western Australia. The project is targeting a final investment decision around mid-2022.

The Noble Tom Prosser rig is scheduled to mobilise to the Carnarvon Basin late in the fourth quarter to drill the Dancer prospect, located seven kilometres from the Reindeer field. This will then be followed by drilling the Pavo and Apus prospects in the Bedout Basin, located 35 to 40 kilometres east of the Dorado field.

Cooper Basin

Santos share	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales volume						
Sales gas and ethane ¹	PJ	17.0	16.4	18.9	52.0	55.3
Condensate ¹	000 bbls	393.1	603.1	513.4	1,384.7	1,516.2
LPG ¹	000 t	16.7	44.2	39.5	98.9	121.1
Crude oil						
Own product	000 bbls	400.8	488.5	900.2	1,522.0	2,737.7
Third-party	000 bbls	846.7	1,116.4	1,098.2	3,042.8	3,840.9
Total	000 bbls	1,247.5	1,604.9	1,998.4	4,564.8	6,578.6
Total sales volume	mmboe	4.6	5.4	6.0	15.6	18.5
Total sales revenue	\$million	206	244	208	672	648
Production						
Sales gas and ethane	PJ	16.4	16.0	17.5	49.0	52.3
Condensate	000 bbls	233.1	270.2	281.7	773.4	881.2
LPG	000 t	33.8	35.1	39.1	104.5	113.6
Crude oil	000 bbls	524.7	576.1	710.8	1,690.1	1,999.5
Total production	mmboe	3.8	3.9	4.3	11.7	12.8
Capital expenditure	\$million	80	71	83	221	226

¹ Sales volumes include own product and third-party volumes.

Cooper Basin production was 3.8 mmboe in the third quarter, slightly lower than the previous quarter primarily due to natural field decline, the impact of the reduced number of wells drilled in 2020 and 2021 due to joint venture budget constraints and higher unplanned surface downtime in oil production. Gas production was higher in the third quarter with reduced surface downtime.

During the quarter a fourth drilling rig was added to the program. Nineteen wells were drilled, including seventeen development wells, one appraisal well and one exploration well. Ten wells were connected across the Cooper Basin including eight gas wells and two oil wells. The Liger 1 exploration well was a successful Toolachee and Patchawarra gas discovery in south-west Queensland.

The horizontal well drilling program continued with the drilling of two gas horizontal wells in the Durham Downs North Field and the drilling of four oil horizontal wells in the McKinlay oil field. The horizontal drilling activity will continue in the fourth quarter with two gas and three oil horizontal wells.

In October, the Federal Government released the carbon capture and storage (CCS) method for the Emissions Reduction Fund. Santos has commenced the process to apply to register the Moomba CCS Project with the Clean Energy Regulator to enable the project to generate Australian Carbon Credit Units (ACCUs). Once the project has been registered, Santos will be in a position to take a final investment decision to proceed with Moomba CCS. The project will have the capacity to capture and permanently store 1.7 million tonnes of CO₂ per annum, with first injection expected in 2024.

The Moomba CCS project also is an important enabler for the production of hydrogen. Engineering, commercial and marketing studies are progressing on the Moomba hydrogen project with the goal of positioning the project as Australia's lowest cost and largest commercial hydrogen opportunity.

Queensland & NSW

Santos share	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales volume						
GLNG Joint Venture						
LNG	000 t	514.7	449.6	358.3	1,435.5	1,264.8
Domestic contracts	PJ	1.0	1.3	2.2	2.5	7.3
Eastern Qld (non-GLNG) ¹	PJ	4.4	4.9	5.4	13.6	15.8
Total sales volume²	mmboe	5.8	5.3	4.7	16.3	15.9
Total sales revenue²	\$million	278	209	102	654	604
Production						
GLNG Joint Venture	PJ	15.8	15.4	14.5	46.3	42.6
Eastern Qld (non-GLNG) ¹	PJ	4.1	4.1	5.0	12.2	14.8
NSW	PJ	0.2	0.3	0.2	0.7	0.6
Total production²	mmboe	3.5	3.4	3.4	10.2	10.0
Capital expenditure	\$million	45	41	61	124	154

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)	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales gas to domestic market ¹	PJ	13	17	19	41	50
LNG produced ²	000 t	1,761	1,468	1,296	4,798	4,240
Sales gas to LNG plant						
GLNG equity gas	PJ	55	49	50	155	142
Santos portfolio gas	PJ	15	14	11	42	36
Third-party	PJ	36	25	17	92	78
Total sales gas to LNG plant	PJ	106	89	78	289	255
LNG cargoes shipped		29	25	20	80	71

¹ Includes APLNG equity share of Fairview, Arcadia and Roma East.

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

GLNG produced a record 1.76 million tonnes of LNG in the quarter and shipped 29 cargoes. The plant returned to higher production rates in the quarter following the successful completion of a planned one-month statutory LNG train shut-down in the prior quarter. LNG production is expected to be above 6.4 million tonnes for the full year.

Gross GLNG-operated upstream sales gas production was 688 TJ/day at the end of the third quarter with record production rates achieved in both Roma and Arcadia. In the Arcadia field, production continues to build with field and facility improvements delivering 96 TJ/day. Production at the end of the quarter was 74 TJ/day at Scotia, 198 TJ/day at Roma and 325 TJ/day at Fairview. Sixty wells were drilled and sixty-two connected across the GLNG acreage in the third quarter.

During the quarter, the GLNG project participants took the final investment decision on the Arcadia Phase 2 project. The project will involve drilling approximately 200 new wells and constructing an additional compression facility. Santos' share of capital expenditure is approximately \$90 million with first gas expected in the first half of 2025.

Santos' share of non-operated Eastern Queensland production was consistent with the prior quarter.

On 18 October, the appeal against the NSW Independent Planning Commission approval of the Narrabri Gas Project was dismissed. Santos welcomed the decision, which will enable the appraisal phase of the project to continue.

PNG

Santos share	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales volume						
PNG LNG						
LNG ¹	000 t	296.4	265.2	313.6	832.4	866.6
Condensate	000 bbls	260.6	341.2	346.4	943.1	1,071.3
Crude oil	000 bbls	0.9	0.9	1.8	3.0	7.5
Total sales volume	mmboe	3.1	2.9	3.3	8.9	9.3
Total sales revenue	\$million	175	142	80	436	347
Production						
PNG LNG						
Sales gas to LNG ¹	PJ	17.1	15.8	17.7	49.5	52.1
Condensate	000 bbls	290.0	272.0	326.3	852.8	970.0
Crude oil	000 bbls	1.2	1.0	1.3	3.3	6.5
Total production	mmboe	3.2	3.0	3.4	9.3	9.9
Capital expenditure	\$million	6	1	8	10	34

¹ Includes SE Gobe

PNG LNG operational data (gross)	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Production						
LNG	000 t	2,148	1,988	2,229	6,226	6,573
Sales gas to LNG plant	PJ	128	118	132	370	389
Condensate ¹	000 bbls	2,143	2,011	2,404	6,303	7,159
Sales gas (SE Gobe) ²	PJ	2	2	2	5	6
LNG cargoes shipped		29	27	29	82	86

¹ Measured at the Kutubu entry point.

² 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 all higher than the prior quarter due to planned maintenance activities at the Hides Gas Conditioning Plant and the LNG Plant in the second quarter. COVID-19 management plans continue to be implemented to support stable production and shipping.

During the quarter, the PNG LNG project participants took the final investment decision on the Angore Development project, with associated activity commencing late July. This development represents the next tranche of gas backfill to maintain plateau production. Santos' share of capital expenditure is approximately \$135 million with first gas expected in 2024.

Discussions are ongoing between the PNG LNG and Papua LNG joint ventures in relation to the potential sharing of infrastructure and construction and operation of the proposed Papua LNG facility at the PNG LNG site.

Northern Australia & Timor-Leste

Santos share	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Sales volume						
Darwin LNG						
LNG	000 t	244.0	350.1	452.6	1,179.7	765.2
Bayu-Undan						
Condensate	000 bbls	288.4	159.8	658.3	1,180.4	1,265.8
LPG	000 t	12.3	23.7	27.6	62.4	41.0
Total sales volume	mmboe	2.7	3.7	5.1	12.9	8.8
Total sales revenue	\$million	199	146	147	582	293
Production						
Darwin LNG						
Sales gas to LNG	PJ	14.0	18.6	25.0	65.1	42.5
Bayu-Undan						
Condensate	000 bbls	305.0	332.6	621.5	1,224.6	1,032.9
LPG	000 t	14.3	13.6	27.6	52.9	46.0
Total production	mmboe	2.8	3.7	5.2	12.8	8.7
Capital expenditure	\$million	102	109	20	250	57

DLNG operational data (gross)	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Production						
LNG	000 t	782	742	769	2,426	2,160
Sales gas to LNG plant	PJ	47	45	47	144	131
Condensate	000 bbls	1,208	846	1,167	3,073	2,985
LPG	000 t	50	33	51	125	135
LNG cargoes shipped		11	11	12	34	34

Gross Bayu-Undan gas and liquids production was higher in the third quarter due to better-than-expected performance from the first well of the Phase 3C infill drilling campaign. The well, W13ST2, commenced production in July at 178 million standard cubic feet per day (mmscfd) of gas and 11,350 barrels per day of liquids gross.

Although gross production was higher for the quarter, Santos' share of Bayu-Undan production was lower than the prior quarter primarily due to a lower average working interest following the 25% sell-down to SK E&S completed at the end of April 2021 and a downward adjustment to Santos' net entitlement under the terms of the Bayu-Undan Production Sharing Contract due to higher realised commodity prices.

Darwin LNG shipped 11 cargoes in the quarter, all of which were priced on JKM. Santos' net share of sales revenue was up 36% to US\$199 million for the quarter.

The second well in the infill campaign, W10, was drilled and found gas bearing reservoir as expected. The well has been completed and production tested at 30 mmscfd. Pressure build-up analysis and well log data suggest that deliverability from the well could be improved and a well intervention program is planned in the coming months. The third and final well of the infill program was spudded on 2 October.

In September 2021, Santos, as operator of the Bayu-Undan Joint Venture, signed a Memorandum of Understanding with the Timor-Leste regulator Autoridade Nacional do Petróleo e Minerais (ANPM) to consider carbon capture and storage (CCS) at Bayu-Undan once production ceases. Technical, commercial and regulatory engagement activities continued in the quarter.

The US\$3.6 billion gross Barossa gas and condensate project is progressing on schedule and budget, with first gas production expected in the first half of 2025. First steel for the FPSO's hull was cut on 1 September at the shipyard in

Korea, three months earlier than originally planned. The manufacture of all wellheads and the first subsea tree have been completed. Manufacturing has commenced for the infield flowlines and the gas export pipeline. Preliminary civil work to prepare for the Darwin LNG life extension project has commenced. Santos and JERA continue to progress the sale and purchase agreement for JERA to acquire a 12.5 per cent interest in Barossa.

In the onshore McArthur Basin (Beetaloo Sub-basin) in the Northern Territory, the Tanumbirini 2H ST1 well reached a total depth of 4,598m MDRT, having intersected more than 1,000 metres of lateral section within the Velkerri Formation B Shale target interval. The well encountered excellent drill gas shows and has been cased and suspended. The second well, Tanumbirini 3H, was spudded from the same drill pad on 23 August 2021 and at the end of the quarter was drilling ahead in the 8 ½" hole at 1,203 metres MDRT. This second horizontal well will also target the Velkerri B Shale interval. Upon completion of drilling operations, multi-stage stimulation and flow testing of both wells is planned.

Santos has executed a binding term sheet to farm-down interests in various exploration permits (EP 82, EP 105, EP 112, EP 125, EP(A) 111 and EP(A) 124)¹ within the Amadeus Basin to Peak Helium (Amadeus Basin) Pty Ltd. In exchange for a confidential consideration, Peak Helium would acquire certain non-operated interests in the permits. The transaction would provide funding for progressing the exploration program in the Amadeus Basin, including re-drilling of the Dukas prospect to test the sub-salt play. The transaction is subject to customary conditions and regulatory approvals.

¹ EP(A) 111 and EP(A) 124 permits not yet granted.

Corporate, exploration and eliminations

Santos share	Unit	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Total sales volume	mmboe	0.1	0.2	1.0	(0.1)	1.8
Total sales revenue	\$million	22	31	43	76	82
Capital expenditure	\$million	24	22	9	53	30

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	Q3 2021	Q2 2021	Q3 2020	2021 YTD	2020 YTD
Capital expenditure					
Exploration	29	29	8	71	39
Evaluation	15	26	29	98	72
Development and other capex (incl restoration)	315	279	182	725	480
Capital expenditure excl capitalised interest	359	334	219	894	591
Capitalised interest	22	12	9	43	19
Total capital expenditure	381	346	228	937	610
Exploration and evaluation expensed					
Exploration	13	20	9	41	29
Evaluation	4	12	2	17	7
Total current year expenditure	17	32	11	58	36
Write-off of amounts capitalised in prior years	-	-	-	-	-
Total expensed	17	32	11	58	36

Capital expenditure in the third quarter comprised US\$203 million in the base business (including \$15 million for restoration costs) and US\$156 million for major growth projects.

Oil price hedging

3.9 million barrels of oil hedging matured in the third quarter resulting in a net outflow before tax of US\$69 million.

3.9 million barrels of oil equivalent 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, 6 million barrels of oil equivalent are currently hedged at an average floor price of US\$50 per barrel and an average ceiling price of US\$64 per barrel using a combination of zero cost collars and three-way option structures. For 2.0 million barrels, there is also the ability to re-participate at an oil price greater than US\$65 per barrel due to their three-way option structure.

Seismic activity

In the Bedout Sub-basin offshore WA, the Keraudren Extension 3D was completed at the end of July.

Drilling summary

Exploration / Appraisal wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Cherokee 3	QLD	60.06%	P&A
Liger 1	QLD	52.5%	C&S, successful
Merlin 1*	QLD	60.06%	P&A

*Spud in Q3, completed in Q4

McArthur Basin gas			
Well name	Area	Santos	Well status
Tanumbirini 2H ST1*	NT	75%	C&S, successful
Tanumbirini 3H	NT	75%	Drilling

*Spud in Q2, completed in Q3

Other Queensland gas			
Well name	Area	Santos	Well status
Sunshine Ranch 1*	Scotia	30%	C&S, successful
Warrinilla 11	Denison	50%	C&S, successful

*Drilled in GLNG acreage

Development wells

Carnarvon Basin oil			
Well name	Area	Santos	Well status
Van Gogh VGB 16H	WA	52.5%	C&C, successful
Van Gogh VGB 17H	WA	52.5%	C&C, successful

Bonaparte Basin gas and condensate			
Well name	Area	Santos	Well status
Bayu-Undan W10	TL	43.4%	C&C, successful

Cooper Basin gas			
Well name	Area	Santos	Well status
Bearcat 2	QLD	60.06%	C&S, successful
Cherokee 2	QLD	60.06%	C&S, successful
Coolah 13	QLD	60.06%	C&S, successful
Coolah 14	QLD	60.06%	C&C, successful
Coolah 15	QLD	60.06%	C&S, successful

Coolah 16	QLD	60.06%	C&C, successful
Coolah 17	QLD	60.06%	Drilling
Durham Downs North 9*	QLD	60.06%	C&C, successful
Durham Downs North 10	QLD	60.06%	C&C, successful
Leghorn 2	QLD	60.06%	C&S, successful
Big Lake 154*	SA	66.6%	C&S, successful
Boongala 3*	SA	66.6%	C&S, successful
Gidgealpa 65	SA	66.6%	C&S, successful
Pira 4	SA	66.6%	C&S, successful

*Spud in Q2, completed in Q3

Cooper Basin oil			
Well name	Area	Santos	Well status
McKinlay 20	SA	66.6%	C&C, successful
McKinlay 21	SA	66.6%	C&C, successful
McKinlay 22	SA	66.6%	C&C, successful
McKinlay 23	SA	66.6%	C&S, successful
McKinlay 24*	SA	66.6%	C&S, successful

*Spud in Q3, completed in Q4

Queensland - GLNG gas			
Well name	Area	Santos	Well status
Avalon 24	Scotia	30%	C&S, successful
Avalon 28	Scotia	30%	C&S, successful
Avalon 29	Scotia	30%	C&S, successful
Kelsall 18^	Scotia	30%	C&S, successful
Kelsall 19	Scotia	30%	C&S, successful
Kelsall 21	Scotia	30%	C&S, successful
Kelsall 22	Scotia	30%	C&S, successful
Kelsall 23	Scotia	30%	C&S, successful
Kelsall 24	Scotia	30%	C&S, successful
Kelsall 25	Scotia	30%	C&S, successful
Kelsall 26	Scotia	30%	C&S, successful
The Rock 22	Scotia	30%	C&S, successful
FV12-118-1	Fairview	22.82%	C&S, successful
FV13-74-1^	Fairview	22.82%	C&S, successful
FV13-75-1	Fairview	22.82%	C&S, successful
FV13-81-1	Fairview	22.82%	C&S, successful
FV13-90-1	Fairview	22.82%	C&S, successful
FV13-90-2	Fairview	22.82%	C&S, successful
FV13-91-1	Fairview	22.82%	C&S, successful

Queensland - GLNG gas			
Well name	Area	Santos	Well status
FV13-92-1	Fairview	22.82%	C&S, successful
FV13-94-1	Fairview	22.82%	C&S, successful
FV17-63-1	Fairview	22.82%	C&S, successful
FV17-64-1	Fairview	22.82%	C&S, successful
FV18-01-3	Fairview	22.82%	C&S, successful
RM14-39-1	Roma	30%	C&S, successful
RM14-41-1	Roma	30%	C&S, successful
RM14-42-1	Roma	30%	C&S, successful
RM14-43-1	Roma	30%	C&S, successful
RM14-44-1	Roma	30%	C&S, successful
RM14-45-1	Roma	30%	C&S, successful
RM14-46-1	Roma	30%	C&S, successful
RM14-47-1	Roma	30%	C&S, successful
RM14-53-1 [^]	Roma	30%	C&S, successful
RM15-100-2 [*]	Roma	30%	C&S, successful
RM15-102-1	Roma	30%	C&S, successful
RM15-103-1	Roma	30%	C&S, successful
RM15-104-1	Roma	30%	C&S, successful
RM15-105-1	Roma	30%	C&S, successful
RM15-106-1	Roma	30%	C&S, successful
RM15-109-2	Roma	30%	C&S, successful
RM15-111-2	Roma	30%	C&C, successful
RM15-113-1	Roma	30%	C&S, successful
RM15-114-1	Roma	30%	C&S, successful
RM15-115-1	Roma	30%	C&S, successful
RM15-116-1	Roma	30%	C&S, successful
RM15-60-1	Roma	30%	C&S, successful
RM15-67-1	Roma	30%	C&S, successful
RM15-67-2	Roma	30%	C&S, successful
RM15-75-1	Roma	30%	C&S, successful
RM15-75-2	Roma	30%	C&S, successful
RM15-77-1	Roma	30%	C&S, successful
RM15-83-1	Roma	30%	C&S, successful
RM15-84-1	Roma	30%	C&S, successful
RM15-85-1	Roma	30%	C&S, successful
RM15-87-1	Roma	30%	C&S, successful
RM15-88-1	Roma	30%	C&S, successful
RM15-93-1	Roma	30%	C&S, successful
RM15-94-1	Roma	30%	C&S, successful
RM15-96-1	Roma	30%	C&S, successful
RM49-166-1	Roma	24.57%	C&S, successful
RM49-169-1	Roma	24.57%	C&C, successful
RM50-157-1	Roma	24.57%	C&C, successful

*Spud in Q2, completed in Q3

[^]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 ³
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		
mBRT	metres below rotary table		
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.