22 February 2023

Santos reports record underlying earnings and higher shareholder returns

Highlights

- Underlying profit[1] US$2,461 million, up 160%
- Reported net profit after tax US$2,112 million, up 221%
- EBITDAX[1] US$5,646 million, up 101%
- Free cash flow[1] US$3,641 million, up 142%
- Balance sheet strengthened with gearing reduced to 18.9 per cent
- Annual merger integration synergies US$122 million
- US$1,455 million in announced shareholder returns for 2022, comprising:
    - a 78% increase in the final dividend to US15.1 cents per share unfranked (US$500 million), bringing total dividends declared for the year to US22.7 cents per share (US$755 million)
    - The previously announced increase in the on-market share buyback to US$700 million

Santos today announced its full-year results for 2022, reporting record free cash flow of US$3.6 billion and underlying profit of US$2.5 billion. The results reflect significantly higher oil and LNG prices compared to the corresponding period due to stronger global energy demand combined with a higher interest in PNG LNG following the Oil Search merger.

The reported net profit after tax of US$2.1 billion includes the previously announced impairment charges of US$224 million after tax, losses on commodity hedging and one-off costs associated with acquisitions and disposals.

Santos paid US$1.1 billion in government royalties and excise, royalty-related taxes and income taxes in 2022 and spent US$385 million in our host communities supporting local businesses and community initiatives.

Santos is also investing in decarbonisation projects consistent with our Climate Transition Action Plan. The Moomba Carbon Capture and Storage project was 40 per cent complete at the end of the year and on track for first injection of CO_2 in 2024.

Santos has announced the return of US$1.5 billion to shareholders for 2022 under the company's capital management framework, comprising US$755 million in unfranked dividends and the previously announced on-market share buyback of US$700 million, of which US$384 million had been completed by the end of 2022.

Media enquiries
Claire Hammond
+61 (0) 401 591 488
claire.hammond@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

Santos

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos delivered record production, free cash flow and underlying earnings in 2022 as the company benefited from strong customer demand for our products, higher commodity prices and disciplined cost management.

“Today’s results demonstrate the strength of Santos, with strong diversified cashflows and capacity to provide sustainable shareholder returns, fund new developments and the transition to a lower carbon future,” Mr Gallagher said.

“Strong free cash flows mean we are in a position to deliver higher shareholder returns through an increase in the final dividend and previously announced increase in the on-market buyback, consistent with our disciplined capital management framework.

“Demand for our products has remained strong in both Australia and internationally, due to increased demand and shortages of supply from producing nations because of global underinvestment in new supply sources.

“Our critical fuels not only play a key role in the energy security of Australia and Asia, but they also provide affordable and reliable alternatives to switch from higher emitting fuels.

“We are focused on backfill projects to sustain production of these critical fuels[2] in our core assets.

Live webcast

A video presentation on the 2022 full-year results is available on Santos’ website. A live question and answer webcast for analysts and investors will be held today at 11:30 AEDT.

To access the live webcast, register on Santos’ website at www.santos.com.

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

1 EBITDAX (earnings before interest, tax, depreciation, depletion, exploration, evaluation and impairment), underlying profit and free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments) are non-IFRS measures that are presented to provide an understanding of the performance of Santos’ operations. Underlying profit excludes the impacts of costs associated with asset acquisitions, disposals and impairments, hedging as well as items that are subject to significant variability from one period to the next. The non-IFRS financial information is unaudited however the numbers have been extracted from the audited financial statements. A reconciliation between net profit after tax and underlying profit is provided in the Appendix of the 2022 full-year results presentation released to ASX on 22 February 2023.

2 Oil and natural gas, being hydrocarbon fuels that supply around 80 per cent of the world’s primary energy supply. Hydrocarbon fuels are critical to meet current and forecast energy demand and to the manufacturing of everyday products.

2022 Full-year results

22 February 2023

Santos

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Disclaimer

This presentation 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, carbon emissions reduction and associated technology risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals, conduct of joint venture participants and contractual counterparties and cost estimates. The forward-looking information in this presentation is based on management's current expectations and reflects judgements, assumptions, estimates and other information available as at the date of this document and/or the date of Santos' planning processes. Except as required by applicable regulations or by law, Santos does not undertake any obligation to publicly update or review any forward looking statements, whether as a result of new information or future events. Forward looking statements speak only as of the date of this presentation or the date planning process assumptions were adopted, as relevant. Our strategies and targets will adapt given the dynamic conditions in which we operate; it should not be assumed that any particular strategies, targets or implementation measures are inflexible or frozen in time.

No representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward looking information contained in this presentation. Forward looking statements do not represent guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Santos' control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation.

All references to dollars, cents or $ in this document are to United States currency, unless otherwise stated.

Underlying profit, EBITDAX (earnings before interest, tax, depreciation, depletion, exploration and evaluation expensed, change in future restoration assumptions and impairment) and free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major project capex, less lease liability payments) are non-IFRS measures that are presented to provide an understanding of the performance of Santos' operations. The non-IFRS financial information is unaudited however the numbers have been extracted from the audited financial statements. Free cash flow breakeven is the average annual oil price at which cash flows from operating activities (before hedging) equals cash flows from investing activities. Forecast methodology uses corporate assumptions. Excludes one-off restructuring and redundancy costs, costs associated with asset divestitures and acquisitions, major project capex and lease liability payments.

The estimates of petroleum reserves and contingent resources contained in this presentation are as at 31 December 2022. Santos prepares its petroleum reserves and contingent resources estimates in accordance with the 2018 Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE). The reserves and resources information in this presentation is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Paul Lyford, who is a full-time employee of Santos and is a member of the SPE. Dr Lyford meets the requirements of a QPRRE and is qualified in accordance with ASX Listing Rule 5.41. Conversion factors: 1PJ of sales gas and ethane equals 171,937 boe; 1 tonne of LPG equals 8.458 boe; 1 barrel of condensate equals 0.935; 1 barrel of crude oil equals 1 boe.

Santos

Record operating performance

Disciplined operating model delivered record operating performance, strengthened balance sheet and increased returns to shareholders

Record production

103.2 mmboe[1]

↑ 12%

Record sales revenue

$7.8 billion

↑ 65%

Record free cash flow

$3.6 billion

↑ 142%

Strengthened balance sheet

Net debt reduced

$1.7bn

Gearing reduced

18.9%

Higher returns to shareholders

$1.5bn in announced returns to shareholders[2]

1. Following Bayu-Undan Production Sharing Contract adjustment.
2. Includes 2022 interim and final dividends declared plus US$700 million in announced on-market share buyback, of which US$384 million had been executed by 31 December 2022.

2022 Financial highlights

Strong free cash flow driving higher returns to shareholders

Free cash flow[1]

$3,641 million

↑ 142%

Profit after tax[2]

$2,112 million

↑ 221%

Underlying profit[2]

$2,461 million

↑ 160%

Sales revenue

$7,790 million

↑ 65%

EBITDAX

$5,646 million

↑ 101%

2022 dividends plus announced buybacks[3]

$1,455 million

↑ 262%

1. Operating cash flows less investing cash flows (net of acquisitions and disposals and major growth capex) less lease liability payments.
2. A reconciliation between net profit after tax and underlying profit is provided in the Appendix. Underlying profit excludes the impacts of costs associated with asset acquisitions and disposals, impairments, commodity (oil) hedging and items that are subject to significant variability from one period to the next.
3. Includes interim unfranked dividend of $255 million, final unfranked dividend of $500 million and on-market share buyback of up to $700 million, comprising $384 million buyback executed and $316 million remaining as at 31 December 2022.

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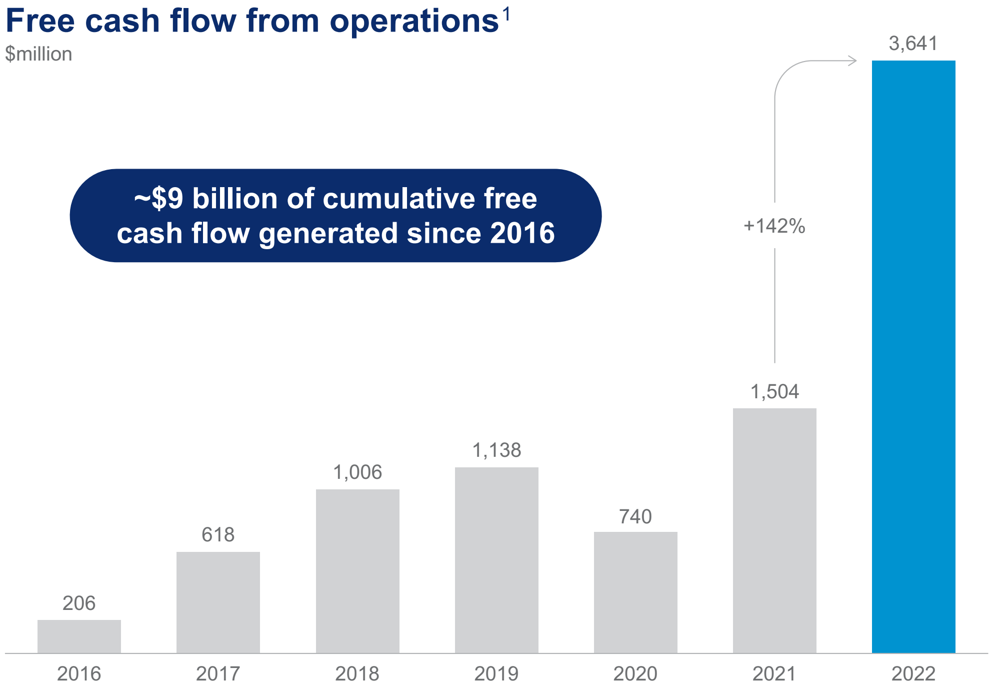
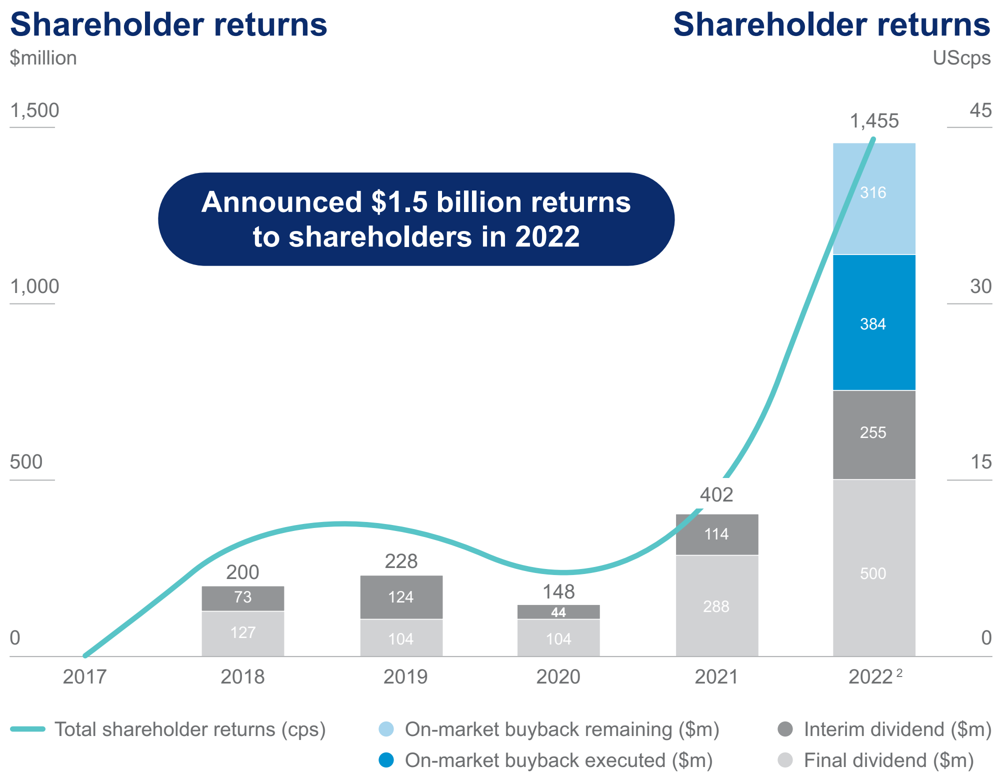
Strong cash flow delivering increased returns

40% of free cash flow in announced shareholder returns through cash dividends and on-market buyback. Final dividend up 78% to US15.1 cents per share





1. Excludes acquisitions / divestments, major growth capex and includes lease liability payments.
2. On-market share buyback is maintained at up to $700 million with $384 million executed to 31 December 2022.

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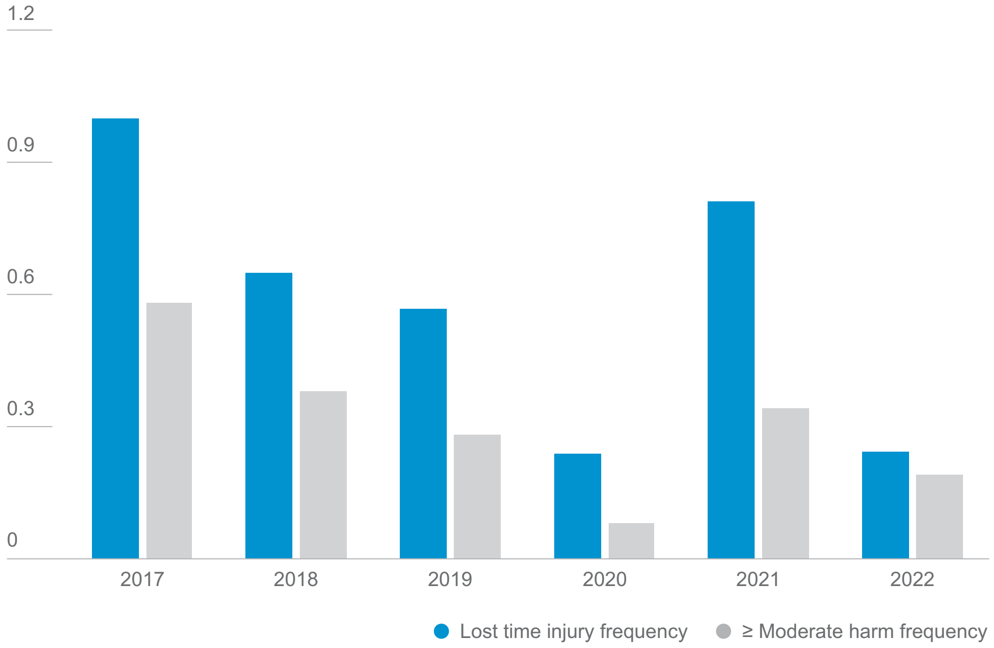
Health, safety and environment

Personal safety performance has improved in 2022

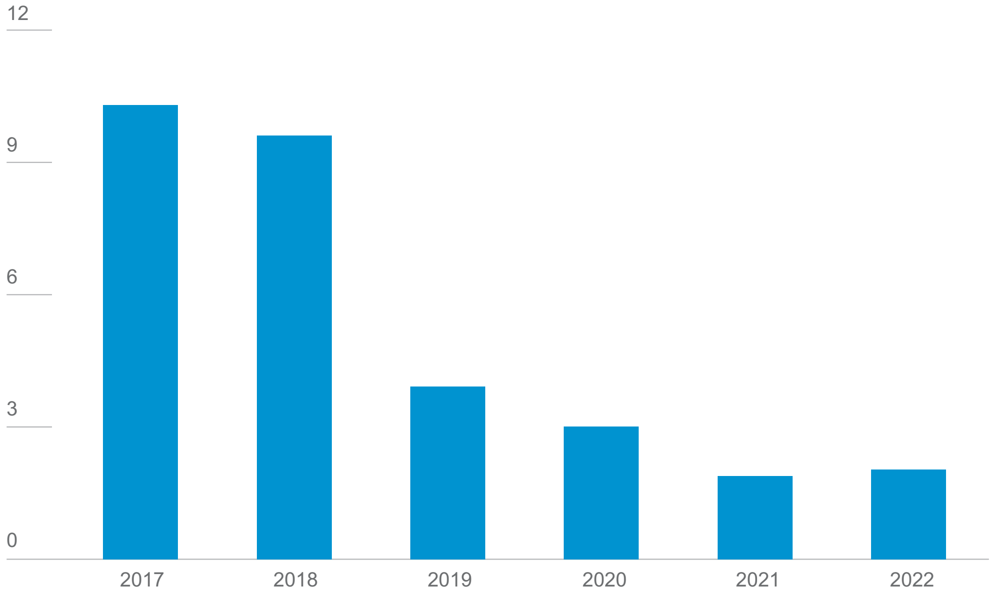
Injury frequency

Number of injuries per million hours worked



Loss of containment, Tier 1 and 2

Frequency per 100 mmboe of available capacity



Upstream Gas and Liquids operating highlights

	Cooper Basin	Queensland & New South Wales	PNG	Northern Australia & Timor-Leste	Western Australia
					
Backfill and sustain	▸ Fifth drilling rig added to the Cooper Basin ▸ 103 wells drilled in 2022 ▸ 2P reserves added	▸ Arcadia performing well ▸ Phase 2 development progressing ▸ 2P reserves added	▸ PNG LNG produced 8.6 mt in 2022 ▸ 2P reserves added ▸ Papua FEED entry decision targeted in first quarter 2023	▸ Bayu-Undan extension of field life into 2023 ▸ Barossa is 55% complete and progressing all remaining approvals	▸ Natural field decline at Reindeer and Spar-Halyard ▸ Spartan well test confirmed excellent reservoir quality and deliverability

Record production and strong cost performance

- Production volumes of 103.2 mmboe, up 12 per cent
- Delivered unit production cost of $7.82/boe
- EBITDAX of $5,665 million [1]

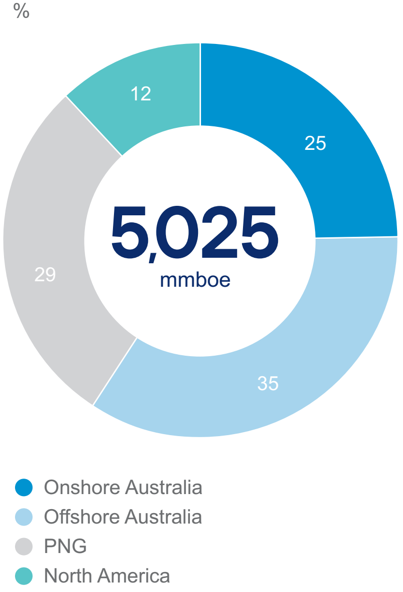
1. Santos 2022 full-year EBITDAX excluding Santos Energy Solutions and Corporate.

Record reserve and resource position of 5 billion boe

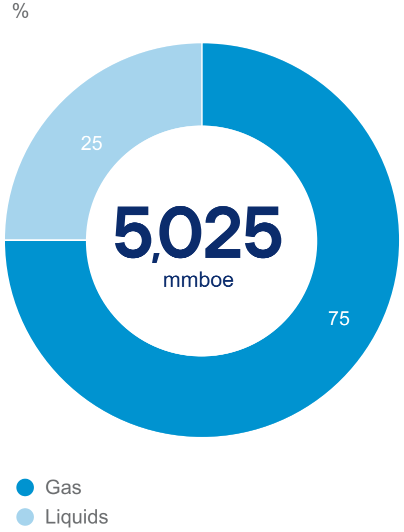
165 mmboe 2P reserves added in Alaska following the sanction of Pikka Phase 1 in 2022

YE22 2C resources and 2P reserves

By location



By product type



5.0 billion boe 2P reserves plus 2C resource

- 2P reserves of 1,745 mmboe, an increase of 171 mmboe before production
  - Pikka Phase 1 FID converted 165 mmboe
- Gas comprises 84 per cent of 2P reserves and 75 per cent of 2C resource plus 2P reserves
- Three-year reserves replacement ratio 366 per cent
- 17 years 2P reserves life
- 97 per cent of 2P reserves are externally audited
- 2C contingent resources increased to 3,280 mmboe
  - Added ~200 mmboe outside Pikka Phase 1 area due to new well data, seismic and reservoir studies

CO2 Storage capacity and contingent resource maintained

- 100 MtCO2 booked in the Cooper Basin

Barossa project update

Barossa is a world-class LNG project targeting a cash cost of production ~$2.00/mmBtu

Project phase	▶ Execution, 55% complete ▶ Drilling currently suspended awaiting re-submission of drilling activity environment plan
2H22 milestones	▶ Darwin Pipeline Duplication project FID approval ▶ Progress on track for FPSO hull, topside and turret construction ▶ Subsea trees delivered in Darwin ▶ Completed Gas Export Pipeline manufacturing and pipe coating
Regulatory approvals	▶ A series of engagement sessions were held on the Tiwi Islands in early February 2023

Barossa FPSO construction

Pikka Phase 1 progressing to plan

First oil	2026
Nameplate capacity	80,000 barrels of oil per day gross
Expected plateau duration	6-8 years
Capex to nameplate capacity	$2.6 billion gross (2022 real), $1.3 billion Santos share at 51% interest
Project progressing to plan	▶ Over $800 million gross of contracts committed ▶ Fabrication of processing modules underway ▶ Drilling rig upgrades proceeding with mobilization in 2Q2023 ▶ 2022/23 winter construction activities in progress
Project attributes	▶ Standardised, modular facility design ▶ Alaska, Canada, Indonesia fabrication sites ▶ Fit for purpose electrified drilling rig ▶ Installation and commissioning: tendering in progress
Net Zero [1] development	▶ Low intensity project ranking in top quartile of projects globally ▶ Securing nature-based carbon offsets with Alaska Native landowner ▶ Participating in DAC [2] CCS [3] hub concept being developed with federal funding potential for the DAC component
Crude pricing	▶ Oil transport utilising existing open access common carrier pipelines ▶ Trades based on Alaska North Slope marker (slight premium to Brent)

Ice road construction

Trans-Alaska pipeline

1. Scope 1 and 2, equity share.
2. Direct Air Capture.
3. Carbon Capture and Storage.

Santos

Santos Energy Solutions focused on decarbonisation & clean fuels

Santos Energy Solutions is delivering large-scale, low-cost decarbonisation initiatives

Darwin and Bayu-Undan Hub

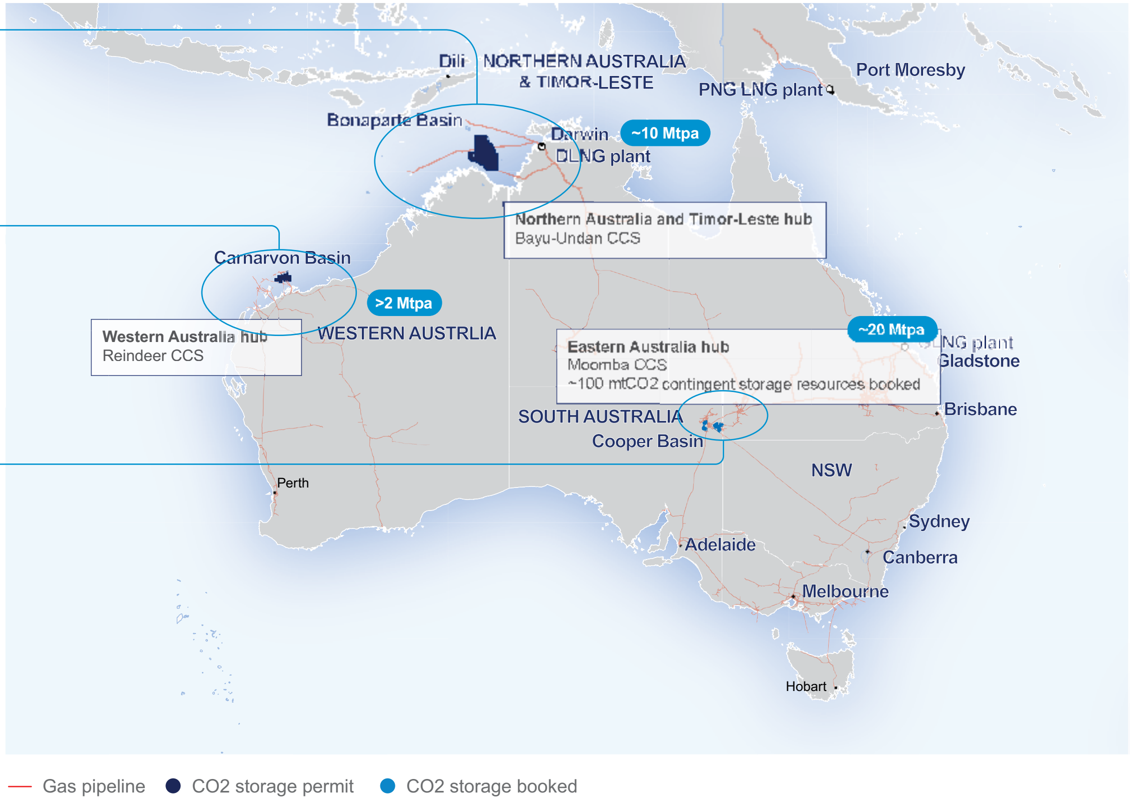
- Bayu-Undan CCS FEED entry achieved
- CO_2 storage permit awarded (G-11-AP)

Western Australia Hub

- CCS feasibility study underway with third-party industrial emitters for Reindeer and Varanus Island
- CO_2 storage permit awarded (G-9-AP)

Moomba Hub

- First two injection wells drilled at Moomba CCS. Project is 40 per cent complete. Targeting first injection in 2024
- CSIRO Direct Air Capture pilot unit construction commenced
- Port Bonython mobility study concept select completed
- Cooper Basin electrification Phase 2 FEED entry decision



Santos

Strategic focus

Development projects that backfill and sustain our core assets to provide critical fuels, decarbonising the energy chain and transition to the production of clean fuels

Upstream Gas and Liquids

Three LNG projects

PNG LNG

Gladstone LNG

Bayu-Undan and Barossa to DLNG

Two Australian domestic gas businesses

West Coast | East Coast

EBITDAX: $5,665 million in 2022[1]

Santos Energy Solutions

Low carbon processing of Santos' and third-party gas and liquids

Decarbonisation and carbon management services

Clean fuels production

EBITDAX: $231 million in 2022[2]

North America

FID on Pikka Phase 1 net-zero[3] oil development project taken in August 2022 with first oil expected in 2026

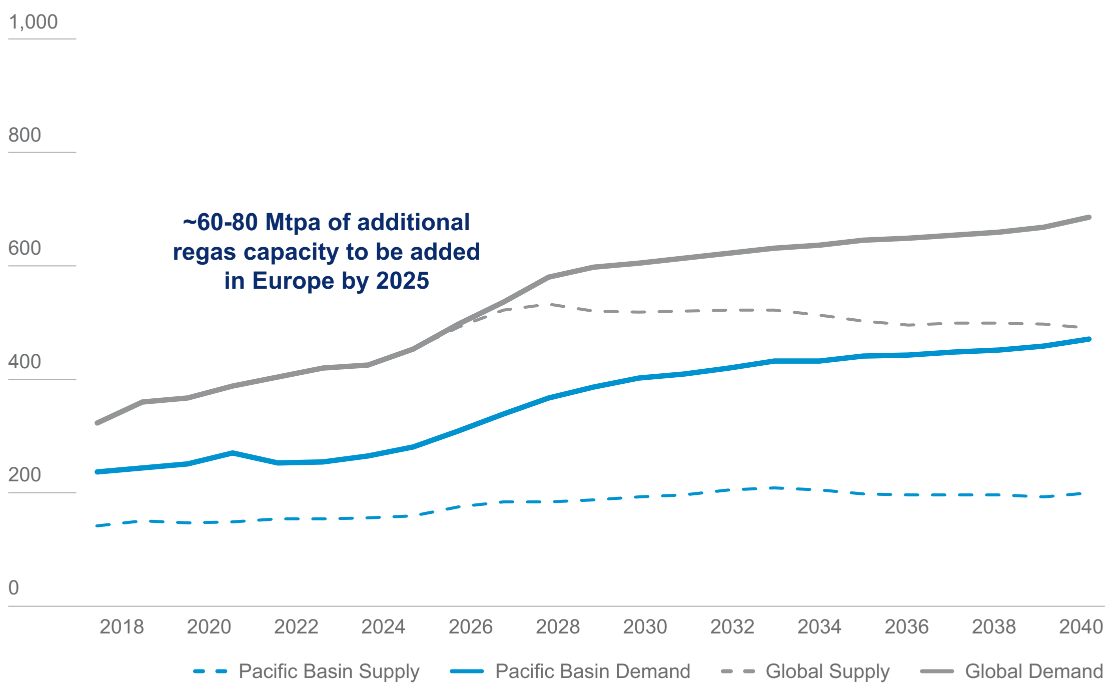
1. Santos 2022 EBITDAX excluding Santos Energy Solutions and Corporate.
2. Santos 2022 EBITDAX excluding GLNG, Upstream Gas and Liquids and Corporate.
3. Scope 1 and 2, equity share.

Santos

Well positioned to supply into strong Asian demand

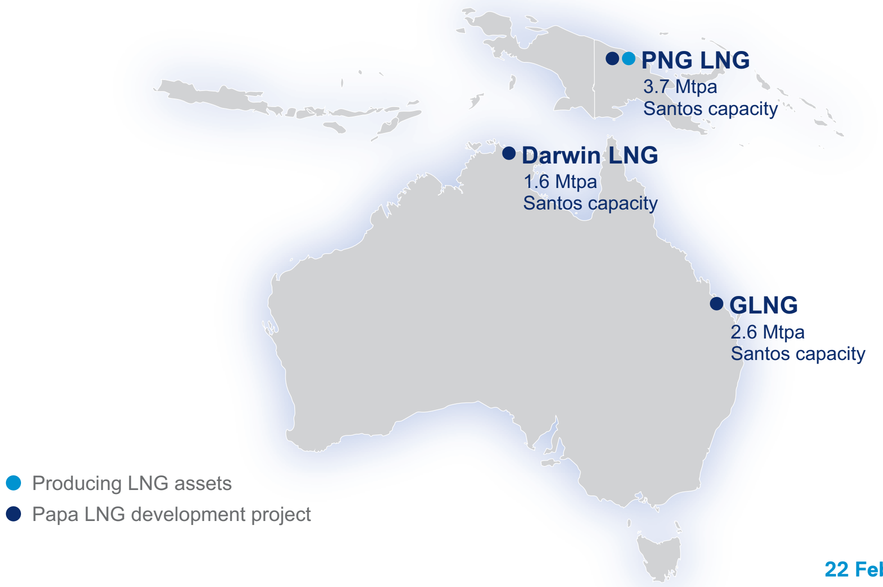
10% of Santos' LNG volumes expected to be sold on JKM-linked pricing in 2023

Global LNG supply and demand [1]



Santos LNG supply

- Expecting at least 2 spot cargoes from Darwin LNG in 2023
- PNG LNG gross volumes available to be sold on spot as mid-term contracts roll-off
  - Unipec 0.45 mtpa from April 2023
  - BP 0.9 mtpa from August 2023



1. Source: Wood Mackenzie Global Gas October 2022. Global Supply includes operational and under construction.

Santos

Summary

Consistent execution of strategy delivering higher shareholder returns

Record operating performance

Disciplined operating model delivered record operating performance and strengthened balance sheet

Strong free cash flow driving higher returns to shareholders

$1.5 billion in returns to shareholders, up 262 per cent

Reserve replacement

Three year 2P reserves replacement ratio of 366 per cent

Energy transition

Progressing Santos' three operated CCS hubs

Achieved 2025 climate-related targets set in 2018

Disciplined growth

Barossa, Pikka Phase 1 and Moomba CCS in execution

Finance and Capital Management

Anthea McKinnell
Chief Financial Officer

Santos

2022 Full-year highlights

Record financial results and increased returns to shareholders

Strong financial results

- Generated free cash flow of $3,641 million ↑ 142%
- Underlying profit $2,461 million ↑ 160%

Delivered higher returns to shareholders

- Targeting shareholder returns of at least 40 per cent of free cash flow from operations generated per annum
- Announced shareholder returns of ~$1.5 billion[1], consistent with policy guidance
- 2022 final dividend of US15.1 cents per share

Disciplined operating model

- Delivered 2022 free cash flow breakeven oil price of ~$18 per barrel before hedging
- Delivered upstream unit costs of $7.82/boe, at the lower end of 2022 guidance
- Continue to execute major projects

Strengthened balance sheet

- Strong liquidity of $5,545 million at 31 December 2022
- Strong free cash flows reduced gearing to 18.9 per cent at 31 December 2022
- Net debt reduced by ~$1,700 million to $3,450 million in 2022

1. Includes interim unfranked dividend of $255 million, final unfranked dividend of $500 million and on-market share buyback of up to $700 million, comprising $384 million buyback executed and $316 million remaining as at 31 December 2022.

Santos

Capital management framework

Simplified capital management framework targeting higher returns to shareholders

Disciplined operating model

Cash from operations — $4.6 billion[3]

Sustaining capital[1] — $1.0 billion[3]

Free cash flow from operations[2]

$3.6 billion[3]

Maintain strong balance sheet

- Target gearing range 15-25%
- Maintain investment grade credit rating

Net debt reduced by $1.7 bn[3]

Gearing at 18.9%[4]

Returns to shareholders

- At least 40% payout of free cash flow from operations (excluding major growth) generated per annum[3]
- Shareholder returns distributed through cash dividends and/or share buybacks, subject to market conditions and Board discretion

$1.5 bn announced returns to shareholders[3]

Invest in major projects

- Disciplined and phased investment around existing infrastructure

$1.0 billion[3]

Invest in the energy transition

- Investments must meet return hurdles and be underpinned by customer demand

$0.1billion[3]

1. Predominately comprises short cycle sustaining capex, exploration and decommissioning.
2. Free cash flow from operations is defined as operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments. The Board will have the discretion to adjust free cash flow for individually material items.
3. Full-year 2022.
4. As at 31 December 2022.

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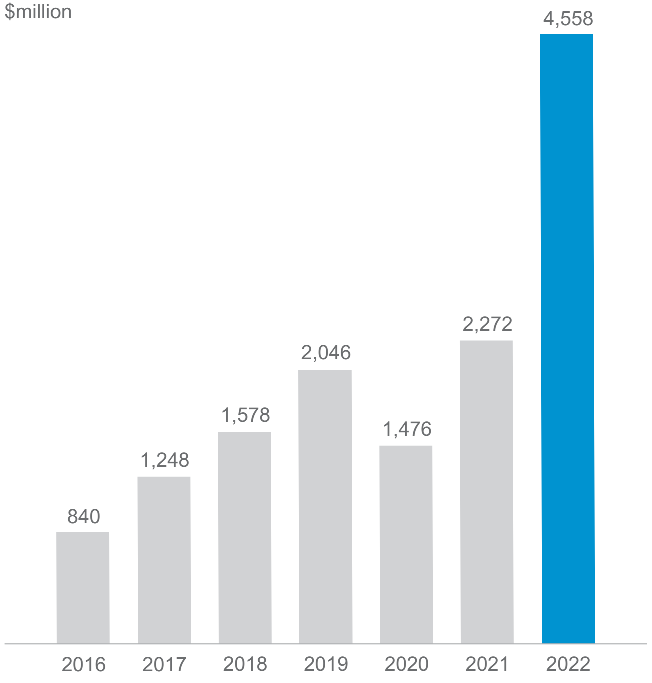
Strong free cash flow generation

Free cash flow from operations $3.6 billion up 142%

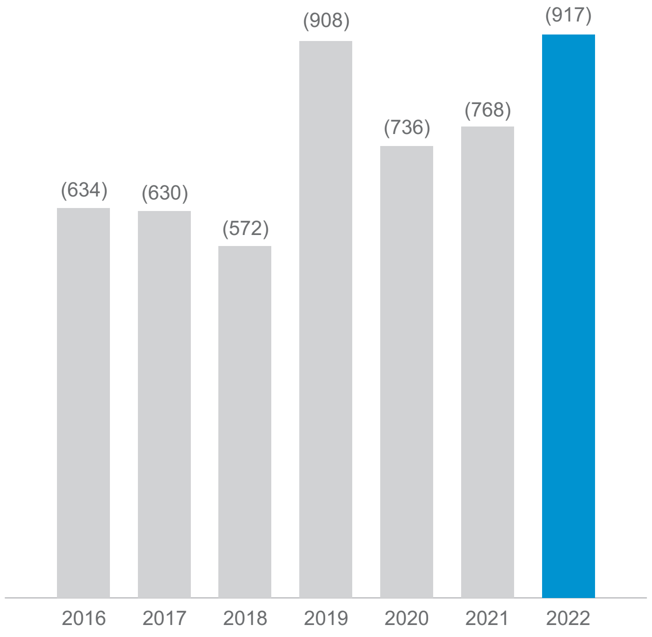
Operating cash flow

$million



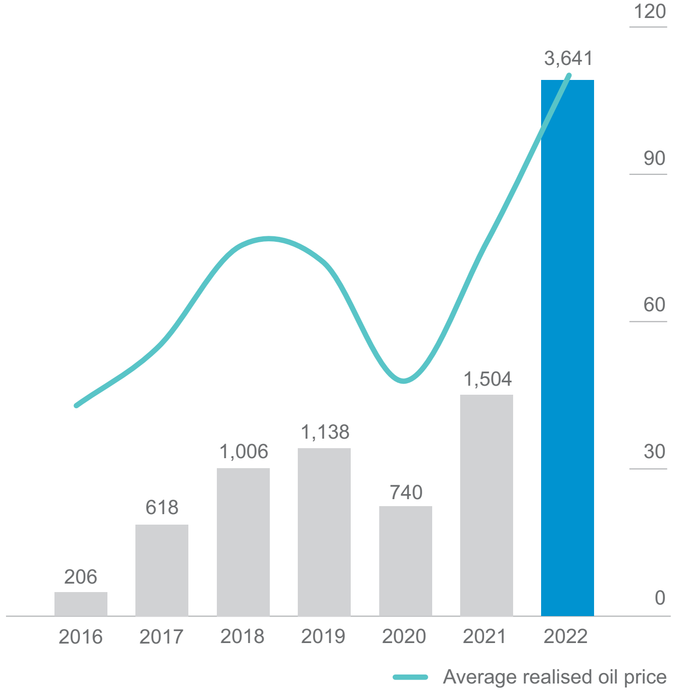
Investing cash flow [1]

$million



Free cash flow from operations [1] Oil price

$million $/bbl



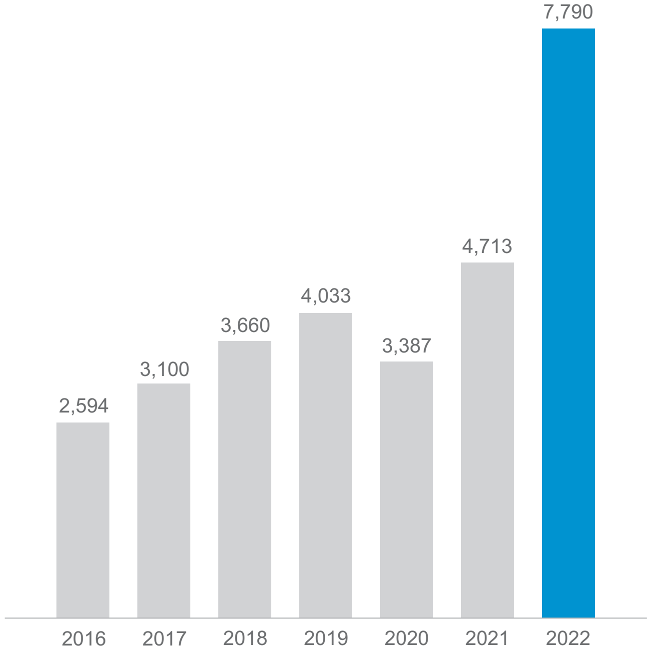
1. Excludes acquisitions / divestments, major growth capex and includes lease liability payments.

Santos

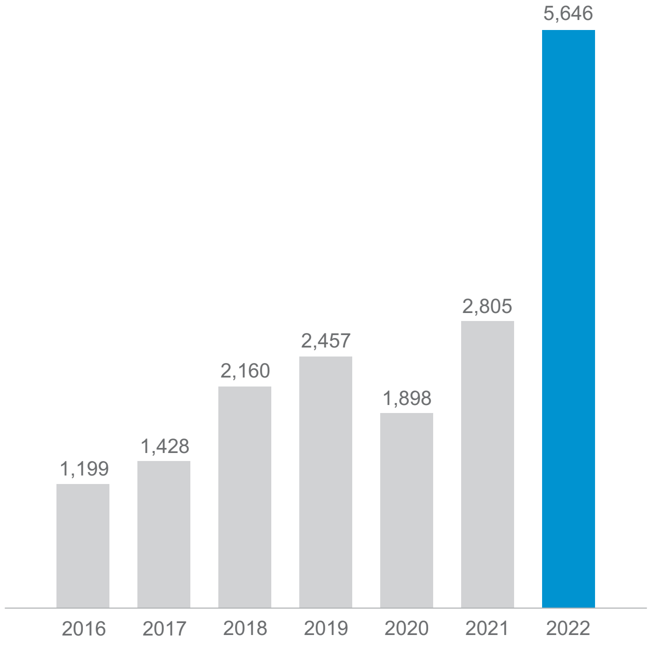
Underlying earnings

EBITDAX more than doubled to $5.6 billion and underlying profit up 160%

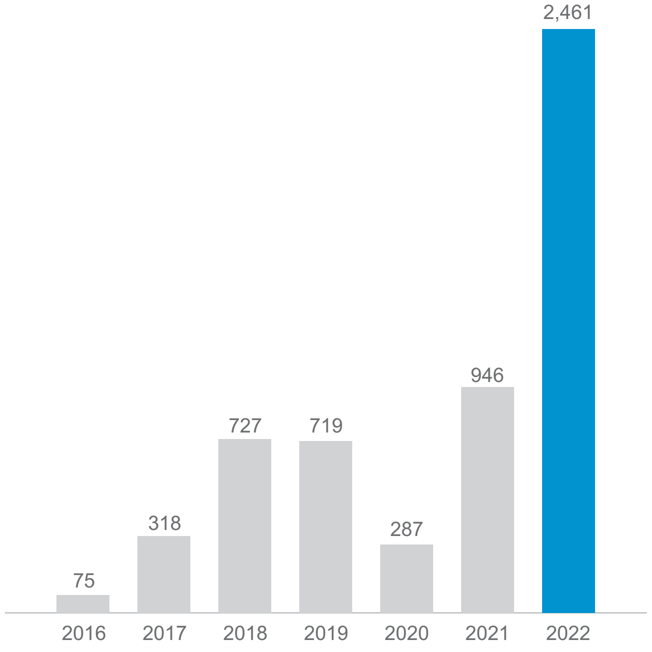
Product sales revenue
$million



EBITDAX
$million



Underlying profit[1]
$million



1. Underlying profit excludes the impacts of asset acquisitions, disposals and impairments, and the impact of commodity hedging.

Santos

Cash generative operating model continues to drive value

EBITDAX margin improved due to higher commodity prices and higher interest in PNG LNG

2022 Full-year results summary [1]

	Cooper Basin	Queensland & NSW	PNG	Northern Australia & Timor-Leste	Western Australia	Santos
Total revenue ($million)	1,065	1,538	3,459	630	1,097	7,987
Production cost ($/boe)	9.55	5.67	6.73	25.48	7.49	7.82
Capex ($million)	419	213	300	549	384	2,069
EBITDAX ($million)	512	984	2,920	498	976	5,646
EBITDAX (margin)	48%	64%	84%	79%	89%	71%

- Higher revenue driven by increased volumes and higher realised commodity prices
- Increased unit cost predominantly due to lower production volumes in Western Australia
- Strong Group EBITDAX margin maintained at over 70 per cent

1. Corporate segment not shown.

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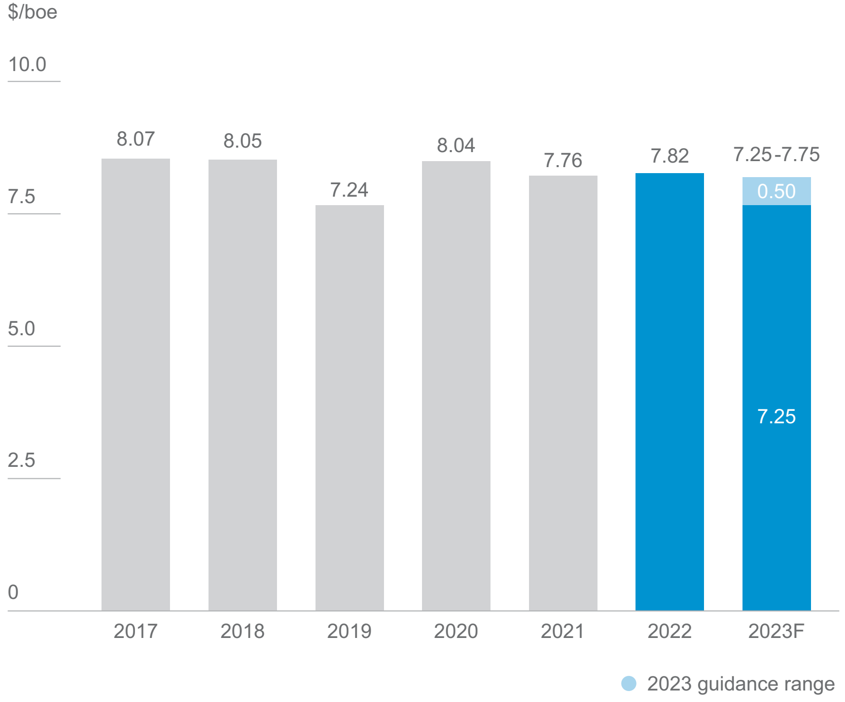
Cost discipline

2023 production cost guidance $7.25-$7.75 per boe[1]

Unit production cost



Disciplined Operating Model

- Core portfolio free cash flow breakeven at ≤$35/bbl oil price through the oil price cycle
- Delivered ~$18/bbl free cash flow from operations breakeven oil price before hedging for 2022
- 2023 free cash flow breakeven oil price expected to be ~$34/bbl predominantly due to lower production volumes and higher sustaining capex
- 2023 free cash flow sensitivity ~$400 million for every $10 above the breakeven oil price

- Overall unit production costs slightly higher than 2021 predominantly due to lower production volumes in Western Australia
- Impact of cost inflation on production costs controlled within operating divisions partially assisted by favorable FX rates on AUD costs
- 2022 Unit production costs at $7.82 which was within the $7.70-$7.90/boe guidance range
- Annual sustaining merger synergies captured to date US$122 million[2]

1. 2023 guidance includes PNG LNG at a 42.5 per cent working interest. Guidance will be revised once the expected selldown of the five per cent interest has completed. Excludes Bayu-Undan.
2. Excludes integration and other one-off costs.

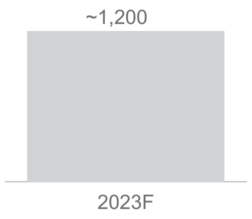
Capital expenditure

Major projects will be phased and equity levels optimised consistent with the disciplined operating model

Sustaining capex

Included in FCF from operations

$million



2023 sustaining capex guidance

- Santos Energy Solutions projects ~$100m and ~$200m restoration

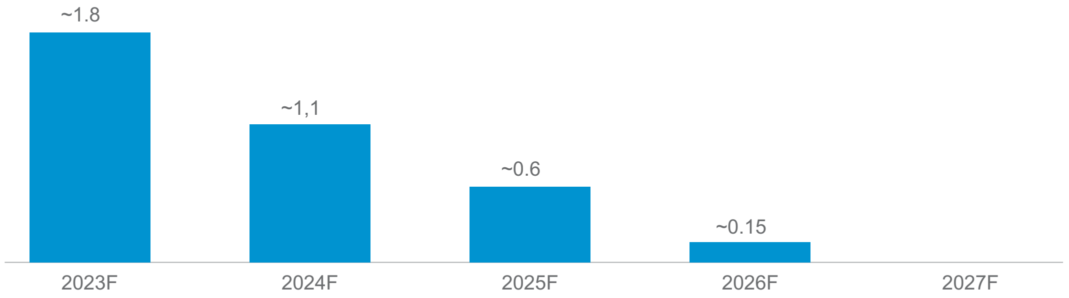
Indicative 2024-2027 sustaining capex [3]

- Expected to be broadly consistent year-on-year

Major project capex for committed activities [1,2]

Excluded from FCF from operations

$billion



2023 major project capex guidance unchanged

- Santos Energy Solutions major projects ~$85m including Moomba CCS and Cooper Basin electrification
- Upstream Gas and Liquids major projects: Barossa (~$650m), Pikka Phase 1 (~$480m) and Papua LNG FEED ($200m)

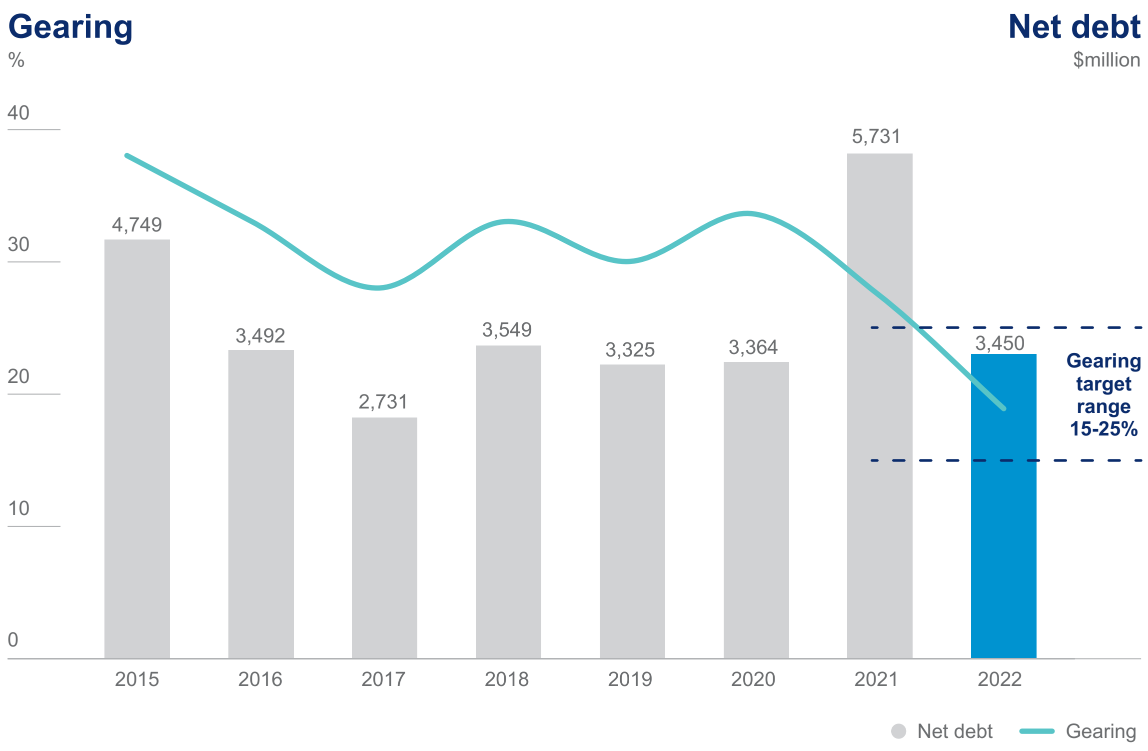
Indicative 2024-2027 major project capex for committed activities [3]

- Committed Upstream Gas and Liquids major project capex significantly decreases in 2026 as Barossa and Pikka Phase 1 are delivered

1. Includes PNG LNG at 42.5% working interest and excludes unsanctioned major projects.
2. Excludes capitalised interest.
3. Indicative only, not guidance.

Strong balance sheet to deliver on business objectives

Gearing reduced to 18.9 per cent, further strengthening the balance sheet



Strong balance sheet

- Gearing reduced to 18.9 per cent down from 27.5 per cent
- Gearing, excluding leases, at 14.7 per cent
- Net debt of $3,450 million down ~33 per cent with $1.7 billion of net debt repaid in 2022
- Announced $1.5 billion in returns to shareholders in 2022
- Low leverage: Net debt/EBITDAX of 0.6 times
- Remains well positioned to deliver upon business objectives including returns to shareholders
- Considering project finance for Papua LNG

Stable investment grade credit rating

- S&P: BBB- / Stable
- Fitch: BBB / Stable
- Moody's: Baa3 / Stable

1. References to net debt includes IFRS 16 lease liabilities from 2019 (2022: $899 million).

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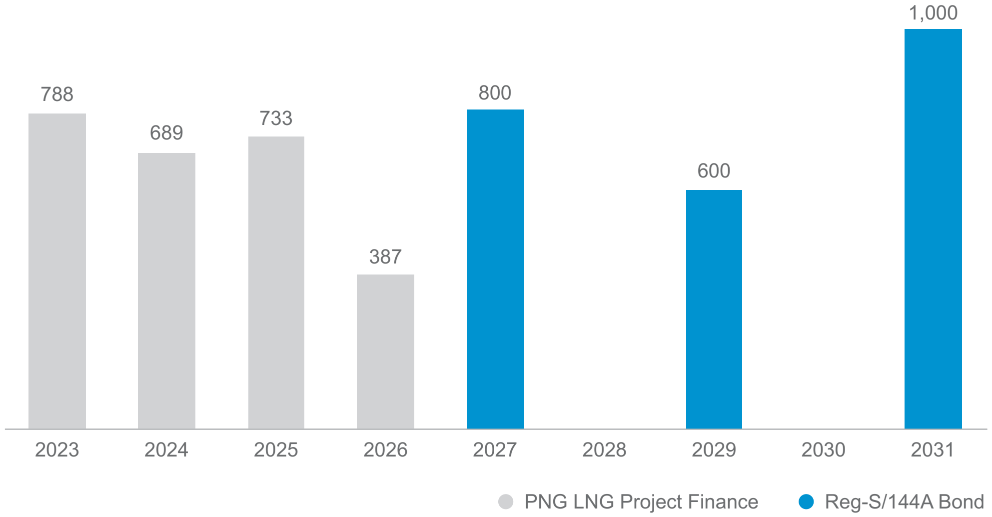
Liquidity position

Disciplined approach to maintaining financial flexibility with no near-term debt maturities[1]

Drawn debt maturity profile

$million



Long-dated debt maturity profile

- Nearest material debt maturity in September 2027[1]
- PNG LNG debt repaid from project cash flows

Strong liquidity position[2]	$million
Cash and deposits	2,430
Committed (undrawn) bank facilities	3,115
Total Liquidity	**5,545**

Focus on maintaining strong liquidity

- Liquidity continues to remain strong
- >1.8x coverage of 2023 sustaining and major project capex guidance

1. Excluding PNG LNG project finance.
2. As at 31 December 2022.

Upstream Gas and Liquids

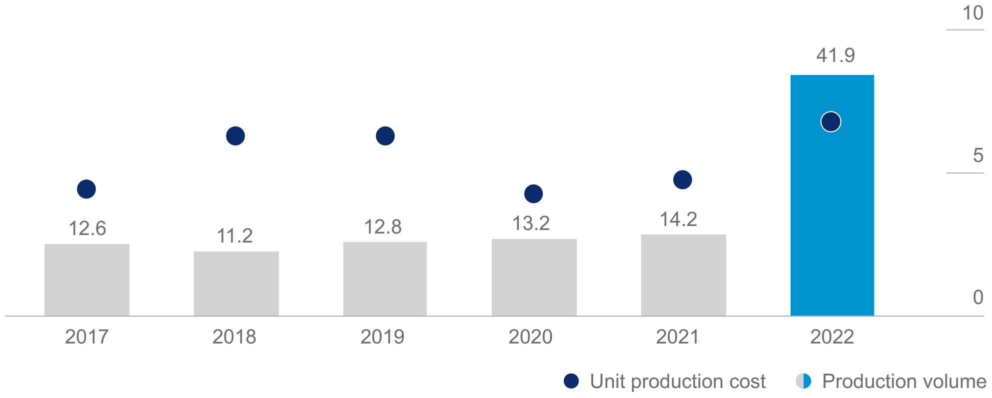
PNG LNG and GLNG upstream performing strongly

PNG LNG maintained strong gross production and GLNG equity production growth year-on-year

PNG production (includes operated oil assets)

mmboe

Unit cost $/boe

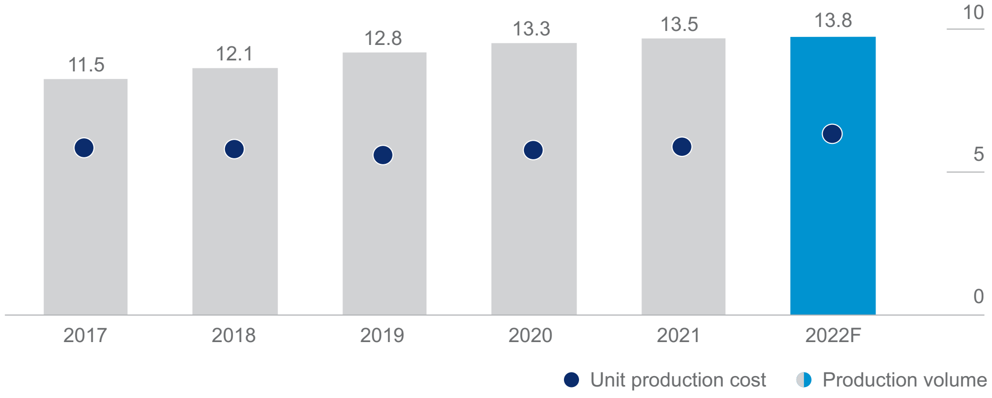


- Merger has delivered equity in the operated oil fields in PNG and increased PNG LNG equity share
- PNG LNG maintaining strong gross production at 8.6mtpa in 2022 delivering >20% above forecast for spot cargoes in 2022
- Santos-operated assets delivering 14% in 2022 of PNG LNG gas supply
- Progressing Angore development to backfill PNG LNG
- Infill short cycle oil drilling program for 2023 and 2024

Upstream Queensland production

mmboe

Unit cost $/boe



- 2022 highest equity gas production to date driven by strong ramp at Roma and Arcadia as well as strong production from new wells in Scotia
- Early gas production exceeding forecast on development programs: Arcadia horizontals, Scotia surface to inseam horizontal program and Fairview development program
- Arcadia Phase 2 expected online 1H 2023
- Maintaining cost discipline and continuous improvement with a consistent high volume repeatable scope ~350 wells per year

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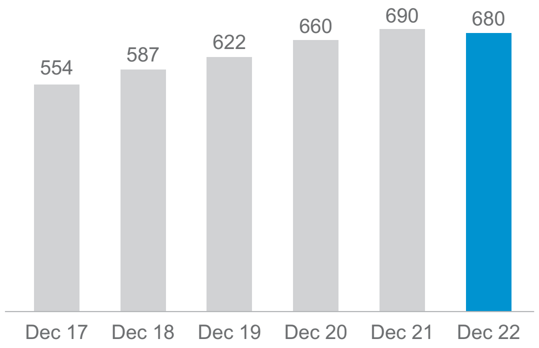
Strong GLNG upstream production

Low cost development focus supporting strong production

GLNG sales gas production

TJ/d (gross)

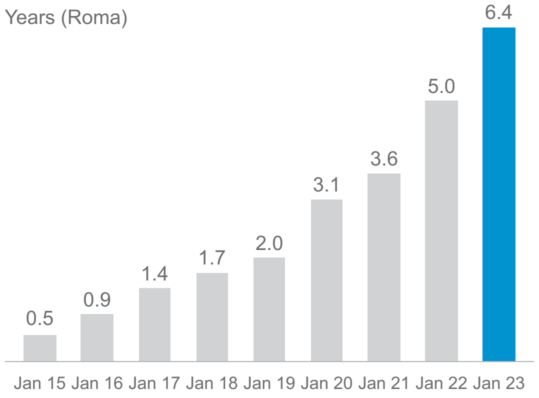


Strong GLNG gas production

- Scotia and Arcadia production exceeding expectations
- Scotia SD21 delivering ~5 TJ/d over expectation

Mean time between failure

Years (Roma)

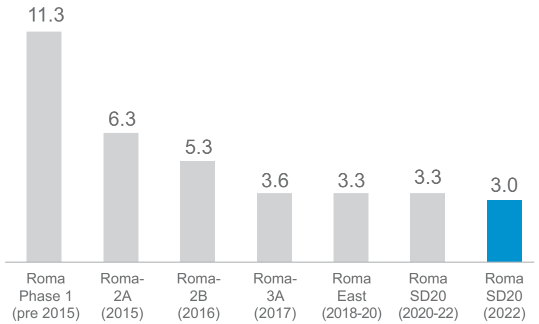


Driving down operating cost and increasing production

- Implementation of new well design
- Innovative operational tools to mitigate solids-related failures
- Continuous improvement of technologies and processes

Days – development drilling

Average days rig release to rig release

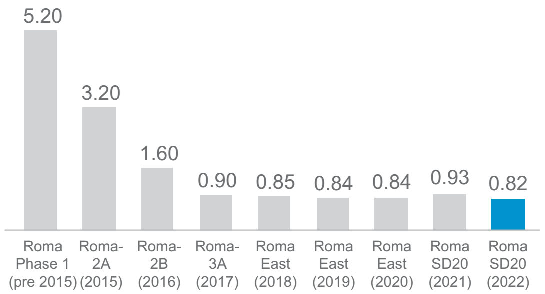


Fit for purpose rigs, experienced crews

- High volume, sequential and repeatable scope
- Technical limit focus

Roma well cost – GLNG [1]

$million per well



Maintaining well cost discipline

- Relentless focus on lowering well cost
- Expect to drill ~350-400 wells in 2023

1. Drill, complete, connect.

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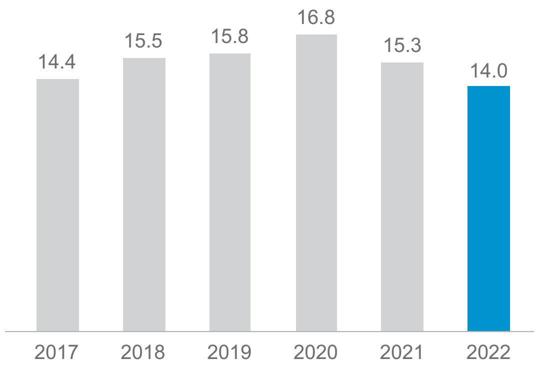
Cooper Basin operating model

Disciplined operating model delivering short cycle capex business

Production

mmboe

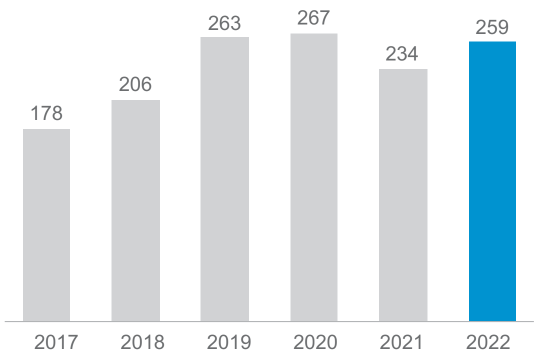


Strong second half of 2022

- Recovery plan implemented to mitigate wet weather impact in 1H
- Record 17 new wells connected in December
- Targeted focus on availability

Drill, complete, connect capex

$million

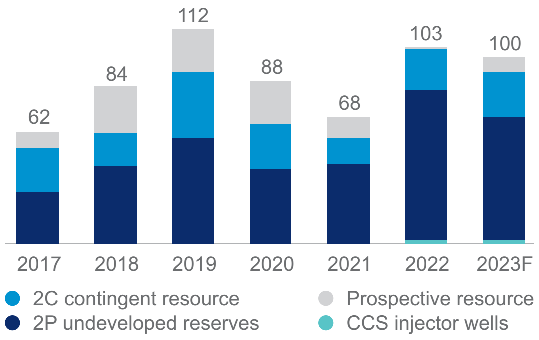


Continuous cost out focus

- Growth self-funded within the disciplined operating model
- Low-cost efficient drilling resulting in improved capital efficiency and more wells

Wells Drilled

Number per year



Targeting >100 wells per year

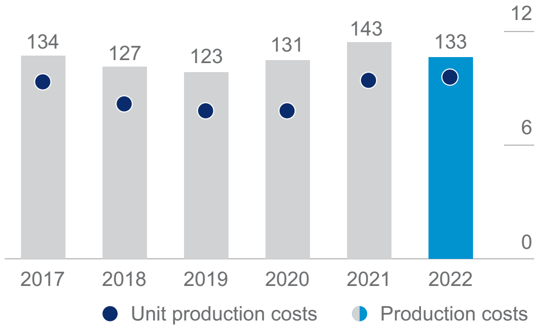
- Drilled 103 wells in 2022, delivering 96% success
- Fifth drill rig extension to capitalise on current market cycle
- Significant improvement in drill rig release to online cycle times

Production cost [1]

$million

Unit cost [1]

$/boe



Maintaining operating cost discipline

- Increased unit costs due to lower production
- Cost efficiencies through repeatable scope and a focus on higher reliability

1. Includes Midstream production costs.

WA Gas backfill opportunities

Near term production decline due to Reindeer end of field life, with near field backfill opportunities being progressed

Base production

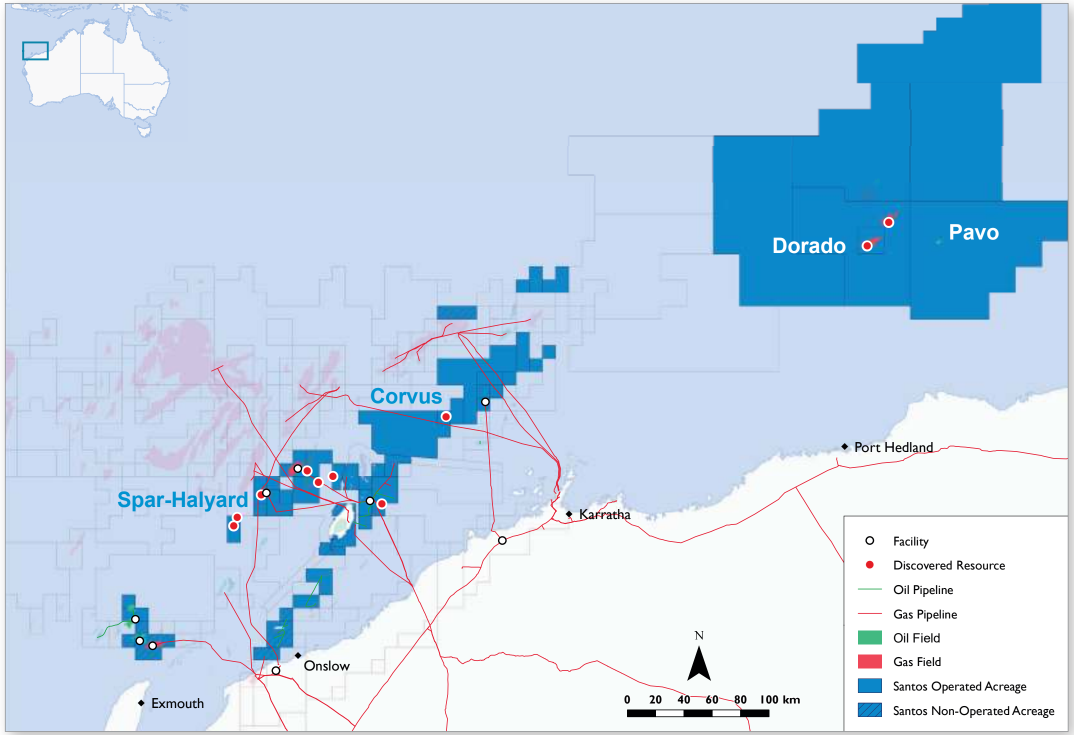
- Majority of throughput from John Brookes and Macedon
- Reindeer and Spar-Halyard approaching end of field life in 2023/24, after continuous production for over 11 years
- Reindeer CCS hub being progressed

New developments

- Spartan, a new gas tie-back development to Varanus Island is expected online in 2Q 2023
- Spartan well test confirmed excellent reservoir quality and deliverability
- Infill well in Spar-Halyard

Future backfill

- Spar Deep and Corvus are under assessment for backfill of Varanus Island
- Dorado and greater Bedout Basin gas export supports longer term gas production



Upstream unsanctioned projects

Pipeline of phased and disciplined projects connected to domestic and Asian markets

	Dorado	Narrabri	Papua LNG
			
Description	▸ Dorado is a proposed phased liquids and gas development ▸ Liquids-rich, low CO_2 resource with nearfield Pavo tieback	▸ Domestic gas project which will supply the east coast market	▸ LNG growth option in PNG
Next steps	▸ Upside in further Bedout appraisal and optimisation of the integrated development concept ▸ Offshore Project Proposal (OPP) approved by NOPSEMA	▸ Finalise outstanding approvals prior to any significant capex investment ▸ Targeting first gas from phase 1 in 2026 ▸ Land access and ecological surveys underway following Hunter Gas Pipeline acquisition	▸ FEED-entry targeted in the first quarter of 2023
Targeted FID-ready	▸ 2024	▸ 2024 [1]	▸ End 2023 / early 2024
Santos working interest	▸ 80% Dorado, 70% Pavo	▸ 100%	▸ 17.7% [2]

1. Timing is subject to securing pipeline approvals and Native Title Determination.
2. Post PNG government back-in.

Santos Energy Solutions

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Creating value from midstream infrastructure portfolio

Unique portfolio of strategic midstream infrastructure assets delivers stable cash flows

Midstream infrastructure assets

	Moomba	Port Bonython	Darwin LNG	Varanus Island	Devil Creek
					
Nameplate capacity	Gas: 400 TJ/d Storage: 70 PJ	Liquids: 20 mmboe/yr	LNG: 3.7 mtpa with approvals up to 10 mtpa	Gas: 390 TJ/d	Gas: 220 TJ/d
2022 throughput (gross)	19 mmboe	6 mmboe	14 mmboe	13 mmboe	8 mmboe
Existing tolling structure	Internal and external tolls	Internal and external tolls	Internal tolls	Internal tolls	Internal tolls
2022 activities	On site activities including CO_2 train tie-ins commenced in preparation for Moomba CCS	Total plant outage to undertake statutory inspections safely executed on time and budget	Readiness activities for Bayu-Undan end of field life and Darwin Life Extension completed	Amine train shutdowns and solution replacement safely completed delivering CO_2 emissions reduction throughout 2022	Remote operations upgrades completed in preparation for control from Perth Operations Centre starting in 2023

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CCS and Clean Fuels Hubs update

Activities progressed across all three hubs in line with Santos' strategy

	Moomba Hub	**Darwin and Bayu-Undan Hub**	**Western Australia Hub**
			
CCS & Decarbonisation	▸ Fabrication of DAC units commenced – 2023 Moomba trials on track ▸ Moomba CCS 40% complete ▸ Cooper Electrification FEED entry completed ▹ Phase 1 High voltage lines installation underway	▸ FEED design work on the Bayu-Undan CCS project nearing completion ▸ MOUs now executed with three potential customers, with demand for CCS services from potential customers equivalent to the maximum sequestration capacity of 10 mtCO2pa ▸ CO2 storage permit awarded (G-11-AP)	▸ Santos leading end to end CCS feasibility study with major nearby industrial emitters to capture and storage emissions from heavy industry ▸ CO2 storage permit awarded (G-9-AP)
Clean fuels	▸ Port Bonython Hydrogen Mobility Study	▸ Studies commenced evaluating a range of clean fuels opportunities for supply domestically & into Asia	▸ Working with potential industrial customers in WA to identify clean fuels opportunities

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Moomba CCS Project update

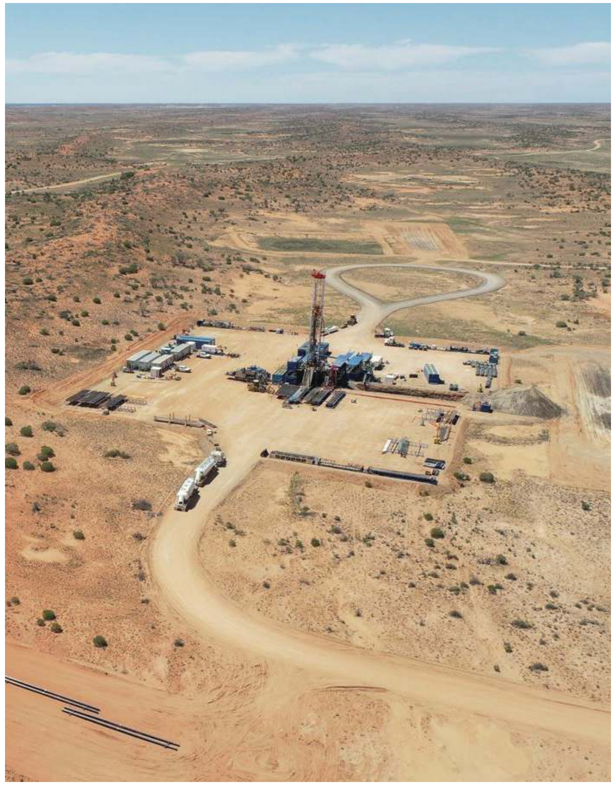
Project progressing on schedule with 40% of activities complete

Subsurface

- First two injection wells cased and suspended

Facilities

- Train 7 pre-shut works complete
- Greenfield bulk earthworks complete with piling commenced
- Major packages including scrubber, cooler and dehydration units have arrived in South Australia
- Pipeline construction tracking to plan



Drilling of CCS injection wells

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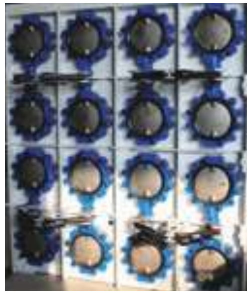
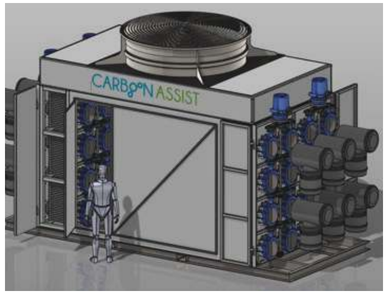
Santos Energy Solutions projects

Santos continues to invest in emerging decarbonisation and clean fuels technologies and transform energy usage to deliver a step change in emissions reduction

	Direct Air Capture	Cooper Electrification	Port Bonython Hydrogen Mobility Hub
	 		
Overview	▸ Ambition to develop lowest cost DAC technology globally	▸ Electrification of ~80% of SA Cooper gas assets using combination of wind, solar and battery	▸ Seeking to establish end-to-end supply chain for green hydrogen mobility solution
Status	▸ Construction underway and trials expected to commence 1H 2023	▸ FEED entry achieved	▸ Concept select completed
Project scope	▸ Multiple technologies being trialled ▸ Construction of unit nearing completion for delivery to Cooper Basin ▸ Study underway for DAC scale up in the Cooper Basin by 2030	▸ Increased production for East Coast Gas Market (~10 TJ/day) ▸ 183 kt p.a. CO2 emission reduction ▸ A world class renewables zone, the Cooper Basin supports development of low-cost renewables ▸ Targeting ~70% renewables penetration ▸ Supports future clean fuels development opportunities	▸ Represents low emissions solution for trucking, supplied by hydrogen production at Port Bonython ▸ Studies underway with potential third-party party project participants targeting online date mid-this decade

Appendix

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Financial performance

EBITDAX up 101% to $5,646 million. Underlying profit up 160% to $2,461 million

$million	2022	2021
Total revenue	**7,987**	4,837
Production costs	**(807)**	(715)
Other operating costs	**(556)**	(347)
Third-party product purchases	**(757)**	(654)
Other [1]	**(59)**	(64)
Foreign exchange losses	**(22)**	(3)
Fair value (losses) on commodity hedges	**(140)**	(249)
EBITDAX	**5,646**	**2,805**
Exploration and evaluation expense	**(148)**	(126)
Depreciation and depletion	**(1,747)**	(1,243)
Net impairment loss	**(328)**	(8)
Change in future restoration assumptions	**(221)**	(6)
EBIT	**3,202**	**1,422**
Net finance costs	**(254)**	(217)
Profit before tax	**2,948**	**1,205**
Tax expense	**(836)**	(547)
Profit after tax	**2,112**	**658**
Underlying profit	**2,461**	**946**

- Production costs higher primarily due to Oil Search merger
- Other operating costs higher primarily due to higher government royalties and excise resulting from higher revenue, and higher LNG plant and shipping costs due to Oil Search merger
- Higher depreciation primarily due to increased assets following Oil Search merger
- Change in future restoration assumptions represents revisions to provisions for late-life and non-producing assets
- Effective tax rate 28%, including royalty-related taxes and one-off items. Normalised for one-off items, effective tax rate was 32%

1. Other includes product stock movement, corporate expenses, other expenses, other income and share of profit of joint ventures.

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Sales revenue

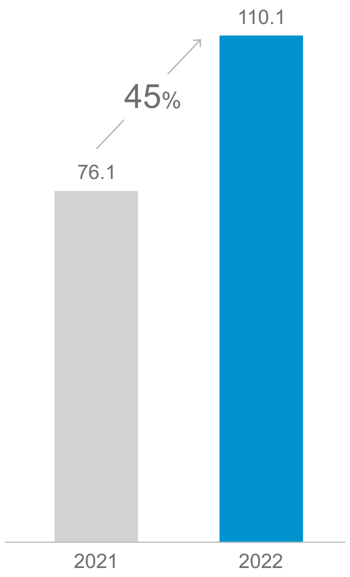
Higher realised prices across all products

$million	2022	2021	Variance
Sales Revenue (incl. third-party)			
Gas, ethane and liquefied gas	**6,009**	3,464	73%
Crude oil	**1,087**	688	58%
Condensate and naphtha	**568**	428	33%
Liquefied petroleum gas	**126**	133	(5)%
Total [1]	**7,790**	**4,713**	**65%**

- Sales revenue up 65% to $7.8 billion
- Average realised oil price up 45% to $110.1/bbl
- Average realised LNG price up 68% to $15.5/mmBtu

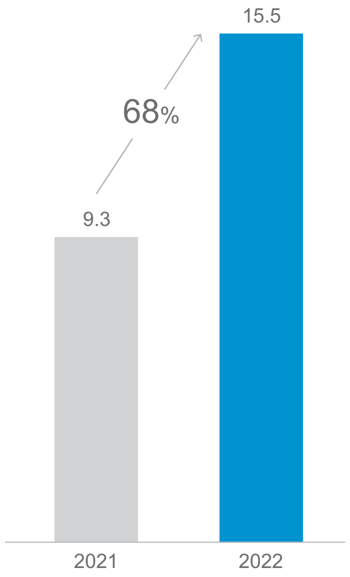
Average realised crude oil price

US$/bbl



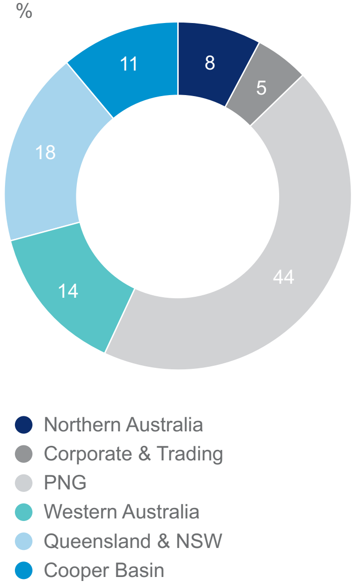
Average realised LNG price

US$/mmBtu



2022 Sales revenue by asset

%



1. Total product sales include third-party product sales of $1,147 million (2021: $936 million).

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Free cash flow from operations

Calculation of 2022 full-year free cash flow from operations

$million	2022
Operating cash flows	**4,558**
Deduct Investing cash flows	(1,669)
Deduct Net acquisitions and disposals	(177)
Add Major growth capex [1]	1,171
Deduct Lease liability payments	(242)
Free cash flow from operations	**3,641**

Lease liability payments are treated as financing cash flows under AASB 16. To ensure like-for-like comparisons with prior periods, the definition of free cash flow reflects operating cash flows less investing cash flows (net of acquisition and disposal payments and major growth capex) less lease liability payments.

Free cash flow is a non-IFRS measure that is presented to provide an understanding of the performance of Santos' operations. The non-IFRS information is unaudited however the numbers have been extracted from the audited financial statements.

1. Includes capitalised interest on major growth projects and movements in working capital associated with major growth capex.

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Significant items

Reconciliation of full-year net profit to underlying profit

$million	2022	2021
Net profit after tax	**2,112**	**658**
Add/(deduct) significant items after tax		
Net gains on sales of non-current assets	(13)	(44)
Impairment losses	224	6
Fair value adjustment on hedges	–	(2)
Fair value losses on commodity (oil) hedges	98	175
One-off acquisition and disposal costs	40	80
One-off tax adjustments	–	73
Underlying profit	**2,461**	**946**

Liquidity and net debt

Net debt $3,450 million. Liquidity of $5,545 million

Liquidity ($million)	31 Dec 2022	31 Dec 2021
Cash	2,430	2,976
Committed (undrawn) bank facilities	3,115	2,635
Total liquidity	**5,545**	**5,611**

Debt ($million)		31 Dec 2022	31 Dec 2021
Bank Loans – unsecured	Senior, unsecured	–	1,043
Bank Loans – secured	Secured (legacy Oil Search)	–	255
US Private Placement	Senior, unsecured	–	238
Reg-S / 144A bonds	Senior, unsecured	2,384	2,380
PNG LNG project finance	Non-recourse, secured	2,591	3,260
Leases	Leases	899	873
Other	Derivatives	6	84
Total debt		**5,880**	**8,133**
Total net debt		**3,450**	**5,157**

2023 guidance

2023 guidance item[1]	Guidance
Production (mmboe)	89-96 mmboe
Sales volumes (mmboe)	90-100 mmboe
Capital expenditure – sustaining including restoration ($billion)	~$1.2
Capital expenditure – major projects including Santos Energy Solutions ($billion)	~$1.8
Upstream production costs ($/boe)	$7.25-$7.75/boe

1. 2023 guidance includes PNG LNG at a 42.5 per cent working interest. Guidance will be revised once the expected selldown of the five per cent interest has completed. Excludes Bayu-Undan.

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2022 Full-year segment results summary

US$million	Cooper Basin	Queensland & New South Wales	PNG	Northern Australia & Timor-Leste	Western Australia	Corporate exploration & elimins	Total
Revenue	**1,065**	**1,538**	**3,459**	**630**	**1,097**	**198**	**7,987**
Production costs	(133)	(79)	(282)	(140)	(208)	35	(807)
Other operating costs	(160)	(122)	(197)	–	(12)	(65)	(556)
Third-party product purchases	(249)	(237)	(8)	–	(10)	(253)	(757)
Inter-segment purchases	(4)	(100)	–	–	–	104	–
Product stock movement	(9)	(8)	(6)	–	(10)	–	(33)
Other income	23	23	34	35	148	31	294
Other expenses	(21)	(31)	(86)	(5)	(29)	(132)	(304)
FX gains and losses	–	–	–	–	–	(22)	(22)
Fair value losses on commodity hedges	–	–	–	–	–	(140)	(140)
Share of profit of joint ventures	–	–	6	(22)	–	–	(16)
EBITDAX	**512**	**984**	**2,920**	**498**	**976**	**(244)**	**5,646**

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2021 Full-year segment results summary

US$million	Cooper Basin	Queensland & New South Wales	PNG	Northern Australia & Timor-Leste	Western Australia	Corporate exploration & elimins	Total
Revenue	**1,000**	**973**	**736**	**903**	**1,105**	**120**	**4,837**
Production costs	(143)	(79)	(67)	(234)	(215)	23	(715)
Other operating costs	(101)	(98)	(61)	–	(4)	(83)	(347)
Third party product purchases	(340)	(191)	–	–	–	(123)	(654)
Inter-segment purchases	(1)	(64)	–	–	–	65	–
Product stock movement	4	(33)	(16)	–	22	–	(23)
Other income	17	25	43	28	2	3	118
Other expenses	(13)	(8)	(21)	7	(59)	(92)	(186)
FX gains and losses	–	–	–	–	–	(3)	(3)
Fair value losses on commodity hedges	–	–	–	–	–	(247)	(247)
Share of profit of joint ventures	–	–	1	24	–	–	25
EBITDAX	**423**	**525**	**615**	**728**	**851**	**(337)**	**2,805**


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