Notice of Annual General Meeting

Santos Limited ABN 80 007 550 923

Santos

Notice is hereby given that the 2023 Annual General Meeting of members of Santos Limited ("Santos" or "the Company") will be held on Thursday, 6 April 2023 at 10:00am (Adelaide time).

Shareholders can attend the Annual General Meeting in Hall C, Adelaide Convention Centre, North Terrace, Adelaide.

Shareholders who are unable to attend the meeting in person are encouraged to submit a directed proxy before the Annual General Meeting and may submit written questions in advance of the meeting – see page 27 for further details.

If it becomes necessary, or appropriate, to make alternative or supplementary arrangements to hold the meeting, to those already set out in this notice, shareholders will be given as much notice as possible. Information relating to alternate arrangements will be communicated to shareholders by way of an announcement to the Australian Securities Exchange (ASX) market announcements platform and published at santos.com/investors/2023-annual-general-meeting/.

Notice of Annual General Meeting
continued

BUSINESS

1. Financial Report

To receive and consider the Financial Report for the year ended 31 December 2022 and the reports of the Directors and the Auditor, as set out in the 2022 Annual Report.

2. To re-elect Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(a) Ms Yasmin Allen retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers herself for re-election.

(b) Mr Guy Cowan retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers himself for re-election.

(c) Ms Janine McArdle retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers herself for re-election.

3. Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 31 December 2022 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

4. Grant of Share Acquisition Rights to Mr Kevin Gallagher

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That approval is given for the Company to grant to the Company's Managing Director and Chief Executive Officer, Mr Kevin Gallagher, Share Acquisition Rights under the Santos Employee Equity Incentive Plan on the terms set out in the Explanatory Notes to this Notice of Meeting."

5. Conditional Board Spill Meeting Resolution

If required, to consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That subject to, and conditional on, at least 25 per cent of the votes validly cast on Resolution 3 being cast against the adoption of the Company's Remuneration Report for the year ended 31 December 2022:

*a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this resolution;*

b) all of the Non-executive Directors who were in office when the Board resolution to make the Directors' Report for the year ended 31 December 2022 was passed (being Keith Spence, Yasmin Allen, Peter Hearl, Guy Cowan, Vanessa Guthrie AO, Janine McArdle, Eileen Doyle, Musje Werror and Michael Utsler) and who remain in office at the time of the Spill Meeting cease to hold office immediately before the end of the Spill Meeting; and

c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting."*

Note: Resolution 5 is subject to the result of Resolution 3. Resolution 5 will only be put to the AGM if at least 25 per cent of the votes validly cast on Resolution 3 are against Resolution 3. If you do not want a Spill Meeting to take place, you should vote 'Against' Resolution 5. If you want a Spill Meeting to take place, you should vote 'For' Resolution 5.

Resolution 5 is **NOT SUPPORTED** by the Directors and the Board unanimously recommends that shareholders **VOTE AGAINST** Resolution 5, if Resolution 5 is put to the meeting. The Chair of the meeting intends to vote all undirected proxies against this resolution if it is put to the meeting.

6. Resolutions requisitioned by a group of shareholders

The following resolutions are **NOT SUPPORTED** by the Board:

6(a) Special resolution – amendment to the Constitution

If required, to consider, and if thought fit, pass the following resolution as a special resolution:

"To amend the constitution to insert the following new clause 32A: "The Company in general meeting may, by ordinary resolution, express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised. However, such a resolution must relate to a material risk as identified by the Company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company."

Note: As at the date of this notice, the Company is assessing whether Resolution 6(a) is valid and has the support of the required number of members. Resolution 6(a) will only be put to the AGM if it is considered to be valid.

6(b) Ordinary resolution – capital protection

If required, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

Shareholders note the Company's support for the climate goals of the Paris Agreement,[1] along with the publication of the International Energy Agency's Net Zero Emissions by 2050 Scenario,[2] and the Climate Action 100+ company assessment.[3] Shareholders, therefore, request the Company disclose, in subsequent annual reporting, information that demonstrates how the Company's capital allocation to oil and gas assets will align with a scenario in which global energy emissions reach net zero by 2050, facilitating the efficient managing down of these assets.

This information should include:

1. Production guidance for the lifetime of the Company's oil and gas assets;

2. Plans and capital expenditure expectations for decommissioning and rehabilitating oil and gas asset sites;
3. Plans and provisions for supporting staff to transition to future employment following oil and gas asset closures; and
4. Details of how remaining value in the Company's oil and gas assets will be redeployed or returned to investors.

Note: Resolution 6(b) is a contingent advisory resolution that will only be put to the AGM if Resolution 6(a) is passed as a special resolution. In addition, as at the date of this notice, the Company is assessing whether Resolution 6(b) is valid and has the support of the required number of members. Resolution 6(b) will only be put to the AGM if it is considered to be valid (and if Resolution 6(a) is passed as a special resolution).

1 https://www.santos.com/wp-content/uploads/2021/12/Climate-Change-Policy.pdf

2 https://www.iea.org/reports/net-zero-by-2050

3 https://www.climateaction100.org/company/santos-limited/

VOTING ENTITLEMENT

The Board has determined, in accordance with the Company's Constitution and the Corporations Regulations, that a person's entitlement to vote at the Annual General Meeting will be taken to be the entitlement of that person shown in the Register of Members at 6.30 pm (Adelaide time) Tuesday, 4 April 2023.

Voting restrictions in relation to Resolutions 3, 4 and 5 apply to the Company's key management personnel and their closely related parties, which also affect proxy voting. Full details are included in the Notes Relating to Voting commencing on page 23. In particular, please note that if the Chair of the meeting is appointed as your proxy, and you have not directed him on how to vote, then by submitting the proxy form you will be expressly authorising the Chair of the meeting to exercise your undirected proxy on Resolutions 3, 4 and 5, even though the resolutions are connected with the remuneration of the Company's key management personnel.

The Explanatory Notes and Notes Relating to Voting form part of this Notice of Meeting.

By Order of the Board

Amanda Devonish
Company Secretary

Ground Floor
Santos Centre
60 Flinders Street
Adelaide, South Australia, 5000

7 March 2023

EXPLANATORY NOTES

1. FINANCIAL AND STATUTORY REPORTS

As required by section 317 of the *Corporations Act 2001* (Cth) (Corporations Act), the Financial Report and the reports of the Directors and the Auditor for the financial year ended 31 December 2022 will be laid before the meeting.

During this item of business, shareholders as a whole will be given a reasonable opportunity to ask questions and make comments about the reports, and the business and management of the Company. Shareholders will also be given a reasonable opportunity to ask a representative of the Company's Auditor, Ernst & Young, questions in relation to the conduct of the audit (including the independence of the Auditor), the preparation and content of the auditor's report and the accounting policies adopted by the Company.

The Financial Report and the reports of the Directors and the Auditor for the year ended 31 December 2022 are contained in the Santos' 2022 Annual Report, available on the Company's website at santos.com/investors/company-reporting/.

2. RE-ELECTION OF DIRECTORS

Rule 34 of the Company's Constitution specifies that at every Annual General Meeting of the Company, one third of the Directors (disregarding any fractions) who have been longest in office since the date of their last election or appointment (excluding the Managing Director and any Director not yet elected), must retire. In addition, no Director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the Director was last elected or re-elected. Any Director appointed by the Board in addition to the existing Directors, or to fill a casual vacancy, holds office until the conclusion of the next Annual General Meeting and may then stand for election.

As part of the Board's annual performance review process, the Board has reviewed the performance of each of the Directors standing for re-election and considered the contribution made to the Board and its Committees by those Directors, as well as their skills and expertise.

Accordingly, Ms Yasmin Allen, Mr Guy Cowan and Ms Janine McArdle will retire and seek re-election.

Brief biographical details of each Director standing for re-election follow.

MS YASMIN ALLEN
BCom, FAICD

Ms Allen is an independent non-executive Director. She joined the Board on 22 October 2014, and is Chair of the People, Remuneration and Culture Committee, and a member of the Audit and Risk Committee and Nomination Committee.

Ms Allen has extensive experience in finance and investment banking, including senior roles at Deutsche Bank AG, ANZ and HSBC Group Plc, as former Chairman of Macquarie Global

Infrastructure Funds, and a former Director of EFIC (Export, Finance and Insurance Corporation). She is a Director of Cochlear Limited (since 2010), chairs its Audit Committee and is a member of its Nomination and Remuneration Committee.

Ms Allen is also a Director of ASX Limited (since 2015), a Director of the ASX Clearing and Settlement boards and a member of its Audit Committee. She is a Director of QBE Insurance Group Limited (since 2022).

Ms Allen is a Director of the George Institute for Global Health Board (since 2014), Chair of the Digital Skills Organisation (since 2020), Acting President of the Australian Government Takeovers Panel (since 2017), Chair of Tic:Toc Home Loans (since 2021), and a member (and former Council member) of Chief Executive Women.

Ms Allen is a former non-executive Director of Insurance Australia Group Limited (2004 to 2015) and a former national Director (2010 to 2016), and acting Chair (2015 to 2016) of the Australian Institute of Company Directors.

RECOMMENDATION

Having reviewed Ms Allen's performance, the Board considers that Ms Allen makes a valuable contribution to the Santos Board. The review included consideration of Ms Allen's expertise, skills and experience, as well as her performance and contribution to the work of the Board since her appointment. The Board considers Ms Allen to be a high-performing Director.

The Board (with Ms Allen abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Ms Allen.

MR GUY COWAN
BSc (Hons) Engineering, FCA (UK) MAICD

Mr Cowan is an independent non-executive Director. He joined the Board on 10 May 2016, and is Chair of the Audit and Risk Committee, a Director of Santos Finance Limited and a member of the Nomination Committee.

Mr Cowan had a 23-year career with Shell International in various senior commercial and financial roles. His last two roles were as CFO and Director of Shell Oil US and CFO of Shell Nigeria. He was CFO of Fonterra Co-operative Ltd between 2005 and 2009.

Mr Cowan is currently Chairman of Queensland Sugar Limited (since 2009), Port of Brisbane (since 2021), AFF Cotton Pty Ltd (since 2021), the Stahmann Webster Group (since 2021), and Winson Group Pty Ltd (since 2014), and he sits on the Board of Ability First Australia (since 2015). He is a former Director of UGL Limited (2008 to 2017) where he chaired the Health and Safety Committee. Mr Cowan is also a former Director of Coffey International (2012 to 2016) and Ludowici Limited (2009 to 2012) where he chaired the Audit and Risk Committees for both companies and Health and Plant Protein Ltd. Mr Cowan was a Shell-appointed alternative director of Woodside between 1992 and 1995.

RECOMMENDATION

Having reviewed Mr Cowan's performance, the Board considers that Mr Cowan makes a valuable contribution to the Santos Board. The review included consideration of Mr Cowan's expertise, skills and experience, as well as his performance and contribution to the work of the Board since his appointment. The Board considers Mr Cowan to be a high-performing Director.

The Board (with Mr Cowan abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Mr Cowan.

MS JANINE MCARDLE
BS (Chemical Engineering), MBA

Ms McArdle is an independent non-executive Director. She joined the Board on 23 October 2019 and is a member of the Audit and Risk Committee, and the Environment, Health, Safety and Sustainability Committee.

Ms McArdle has more than 30 years experience in the global oil and gas industry. She most recently spent 13 years with Apache Corporation in the United States, where she held roles including Executive Officer, Senior Vice President of Global Gas Monetization, President of Kitimat LNG CO and Vice President, Worldwide Oil and Gas Marketing.

Prior to joining Apache, she worked with Aquila Energy for nine years in the United States in senior leadership positions and in the United Kingdom, with P&L responsibilities across trading, mergers and acquisitions and e-commerce.

Ms McArdle is the Founder, CEO and President of Apex Strategies, a global consultancy business providing advisory services to companies engaged in midstream and downstream operations within the energy industry.

She is currently a member of the University of Nebraska's College of Engineering Advisory Board (since 2017), a non-executive Director of Antero Midstream Corp (since 2020), non-executive Director of Advantage Energy Ltd (since 2022) and committee member of TruMarx Data Partners' LNG Advisory Committee (since 2020).

Ms McArdle is a former independent Director of Halcon Resources (2018 to 2019), the Palmer Drug Abuse Program in Houston TX (2003 to 2018) and Intercontinental Exchange Corp (2000 to 2002).

RECOMMENDATION

Having reviewed Ms McArdle's performance, the Board considers that Ms McArdle makes a valuable contribution to the Santos Board. The review included consideration of Ms Ardle's expertise, skills and experience, as well as her performance and contribution to the work of the Board since her appointment. The Board considers Ms McArdle to be a high-performing Director.

The Board (with Ms McArdle abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Ms McArdle.

3. REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report for the financial year ended 31 December 2022 (**2022 Remuneration Report**). The 2022 Remuneration Report is set out on pages 35 to 65 of the 2022 Annual Report, and is also available from the Company's website (www.santos.com). A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

The Remuneration Report:

- outlines the key developments that impacted Santos' remuneration strategy during 2022;
- explains the Board's policies in relation to the objectives and structure of remuneration;
- highlights the links between the Company's performance and the remuneration received by Directors and other key management personnel (KMP);
- explains the components of remuneration for Directors and other KMP, including relevant performance conditions; and
- sets out the remuneration details for the Directors and other KMP of the Group.

At last year's Annual General Meeting, 25.32 per cent of the votes cast on the resolution to adopt the Remuneration Report for the financial year ended 31 December 2021 were cast against the resolution and the Company received a "first strike". Since the 2022 Annual General Meeting, Santos has listened to the feedback from shareholders, and information on the actions taken to address the "first strike" are set out in the 2022 Remuneration Report.

The shareholder vote on the 2022 Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with section 250R of the Corporations Act. Shareholders should note that while the vote on this resolution is advisory only, if more than 25 per cent of the votes cast on this resolution are cast against adopting the 2022 Remuneration Report, the Contingent Spill Meeting Resolution (Resolution 5) will be put to the meeting. The operation and consequences of a spill resolution are set out under Resolution 5 on page 17.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on pages 23 to 27.

RECOMMENDATION

The Board recommends that shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

4. GRANT OF SHARE ACQUISITION RIGHTS TO MR KEVIN GALLAGHER

The Company is seeking the approval of shareholders for the grant of Share Acquisition Rights (SARs) to the Managing Director and Chief Executive Officer, Mr Kevin Gallagher, under the Santos Employee Equity Incentive Plan (SEEIP)[4] on the terms set out below.

TERMS AND CONDITIONS

Performance period	Four years commencing on 1 January 2023 and ending on 31 December 2026.
Date of grant	If approval is obtained, the SARs will be granted to Mr Gallagher as soon as practicable after the Annual General Meeting. In any event, they will not be granted more than 12 months after the date of the Annual General Meeting.
Performance conditions	The Board has determined that the SARs to be granted to Mr Gallagher will be divided into four tranches, each of which will comprise 25% of the SARs. The performance conditions for the vesting of the SARs in each tranche are set out on the following pages. There is no re-testing if performance conditions are not met and any SARs that do not vest on testing will lapse.

4 Formerly known as the Santos Employee Share Purchase Plan, which was approved by shareholders at the Annual General Meeting held on 5 May 2000.

Tranche 1: Relative TSR against ASX 100

25% of the SARs will be subject to the Company's Total Shareholder Return (TSR) performance, relative to the TSR performance of the companies comprising the ASX 100 index as at 1 January 2023 ("the ASX 100 Comparator Group").

At the end of the performance period, the TSR of the Company and the other companies in the ASX 100 Comparator Group will be calculated and the Company's relative TSR ranking determined.

Once the Company's relative TSR ranking is determined, the SARs will vest according to the following vesting scale:

TSR percentile ranking	% of tranche vesting
Below 51st percentile	0%
51st percentile	50%
Straight-line pro-rata vesting in between	
76th percentile and above	100%

The Board has absolute discretion over the calculation methodology and may adjust the ASX 100 Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

Tranche 2: Relative TSR against S&P Global Energy Index

25% of the SARs will be subject to the Company's TSR performance relative to the TSR performance of the companies comprising the S&P Global Energy Index as at 1 January 2023 ("the S&P Global Energy Index Comparator Group").

At the end of the performance period, the TSR of the Company and the other companies in the S&P Global Energy Index Comparator Group will be calculated and the Company's relative TSR ranking determined.

Once the Company's relative TSR ranking is determined, the SARs will vest according to the following vesting scale:

TSR percentile ranking	% of tranche vesting
Below 51st percentile	0%
51st percentile	50%
Straight-line pro-rata vesting in between	
76th percentile and above	100% vesting

The Board has absolute discretion over the calculation methodology and may adjust the S&P Global Energy Index Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

Tranche 3: Free Cash Flow Breakeven Point

25% of the SARs will be subject to the Company's performance on its Free Cash Flow Breakeven Point (FCFBP).

FCFBP is the US$ oil price at which cash flows from operating activities equals cash flows from investing activities, as published in the Company's financial statements.

This condition has been chosen in order to drive the underlying business to be an operationally efficient low-cost producer focused on delivering shareholder value throughout the oil price cycle. As the aim of the condition is to measure the performance of the underlying business, the Board will have discretion to adjust the FCFBP for individually material items, including asset acquisitions and disposals that may otherwise distort the measurement.

The Company's FCFBP will be calculated each year and will be an average over the four-year performance period, and the SARs will vest in accordance with the following vesting scale:

FCFBP	% of tranche vesting
Above US$35/bbl	0%
Equal to US$35/bbl	50%
Straight-line pro-rata vesting in between	
Equal to or below US$25/bbl	100% vesting

Tranche 4: Relative Return on Average Capital Employed

25% of the SARs will be subject to the Company's performance in relation to Return on Average Capital Employed (ROACE) relative to the Company's weighted average cost of capital (WACC).

ROACE is measured as underlying earnings before interest and tax (EBIT) divided by average capital employed, being shareholders' equity plus net debt as published in the Company's financial statements. Average capital employed is calculated as the simple average of opening and closing balances.

This condition has been chosen in order to drive the underlying business to be an operationally efficient low-cost producer focused on delivering shareholder value throughout the oil price cycle. As the aim of the condition is to measure the performance of the underlying business, the Board will have discretion to adjust the ROACE for individually material items that may otherwise distort the measurement.

The Company's ROACE will be calculated as an average over the four year performance period from 2023 to 2026 and compared to the Company's WACC over the four-year performance period, in order to determine whether the SARs will vest in accordance with the following vesting scale:

ROACE percentile ranking	% of grant vesting
Santos' ROACE is equal to or below 110% of WACC	0%
From greater than 110% of WACC	50%
straight line pro rata vesting in between	
Equal to or above 140% of WACC	100% vesting

Number of SARs	The number of SARs to be granted to Mr Gallagher has been determined using the 'face value' methodology, that is, by dividing an amount equivalent to 180% of Mr Gallagher's 2023 total fixed remuneration of $2,010,000 by $7.14, being the share price at the start of the performance period (the price on Friday 30 December 2022 was used as 1 January 2023 was not a trading day). This was the same face value methodology that was used to calculate the number of SARs awarded to other executives of the Company as part of the Company's long-term incentive program. Based on the above formula, it is proposed that Mr Gallagher be granted 506,722 SARs. The SARs will be granted at no cost to Mr Gallagher, and no amount is payable on vesting of the SARs if the performance conditions are met. Each SAR entitles Mr Gallagher to one fully paid ordinary share in the Company which, when allocated, will rank equally with shares in the same class. At Santos' election, cash to the same value can be paid as an alternative to providing shares.
Other material terms	In the period between allocation and vesting of SARs, Mr Gallagher has no legal or beneficial interest in Santos shares, no entitlement to receive dividends and no voting rights. For SARs which vest, Mr Gallagher will receive additional Santos shares equivalent in value to notional dividends accrued and reinvested during the period between allocation and vesting, or the cash equivalent value. These additional shares or cash equivalent value will be provided at, or around, the time of vesting. No entitlement to additional shares or cash payment will be provided in respect of SARs which do not vest. If this grant is approved, some, or all, of the SARs granted to Mr Gallagher may vest, lapse or remain on foot on cessation of employment, subject to the Board's discretion. Under the SEEIP, the Board also has discretion to vest or lapse the CEO's SARs if there is a change of control. The SEEIP rules also give the Company the discretion to lapse unvested SARs, and claw back vested shares or cash in certain circumstances (such as dishonesty, fraud or breach of material obligations). The SEEIP can be amended by the Board, subject to the Listing Rules.

OTHER INFORMATION REQUIRED BY THE ASX LISTING RULES

Why is approval being sought and what will happen if approval is not given?	Listing Rule 10.14 provides that a listed company must not issue shares to a Director under an employee incentive scheme unless it obtains the approval of its shareholders. Santos is seeking shareholder approval for the purposes of Listing Rule 10.14, and for transparency and governance reasons. While obtaining shareholder approval would give Santos the flexibility to issue shares to satisfy SARs that vest, Santos currently intends to satisfy any vested SARs (as well as any distribution equivalent amount) with shares that have been purchased on market. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Gallagher.
Why are SARs used for Mr Gallagher's Long Term Incentive?	Santos uses SARs because they create share price alignment between executives and ordinary shareholders, but do not provide the Executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the SARs vest.
Mr Gallagher's total remuneration package for FY22	Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Gallagher's current total remuneration:

Total Fixed Remuneration (including superannuation) (**TFR**)	$2,010,000
Short Term Incentive	100% of TFR at target, 167% of TFR at maximum
Long Term Incentive	180% of TFR on a face value basis

Shareholders are referred to the remuneration report for full details of Mr Gallagher's remuneration.

Other information	• Mr Gallagher is the only Director entitled to participate in SEEIP. • There is no loan in relation to the SARs. • The ASX Listing Rules require this Notice of Meeting to state the number and average price of securities received by Mr Gallagher under Santos' Long Term Incentive plan. 3,647,917 SARs have been issued to Mr Gallagher under the SEEIP (at no cost) in respect of prior year Long Term Incentives. • Details of any SARs issued under the SEEIP will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14, who become entitled to participate in an issue of shares under the SEEIP after this resolution is approved, and who are not named in this Notice of Meeting, will not participate until approval is obtained under that rule.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 24.

RECOMMENDATION

The non-executive Directors consider the grant of SARs to Mr Gallagher to be reasonable and appropriate in all the circumstances. The non-executive Directors recommend that shareholders vote **IN FAVOUR** of Resolution 4.

5. CONDITIONAL BOARD SPILL MEETING RESOLUTION

At last year's Annual General Meeting, more than 25 per cent of the votes cast on the resolution to adopt the Remuneration Report were cast against adopting the report and the Company received a "first strike".

Resolution 5 is a conditional resolution and will not be required to be put to the meeting if more than 75 per cent of votes cast on Resolution 3 are cast in favour of the resolution to adopt the Remuneration Report – that is if the Company avoids a "second strike".

However, if at least 25 per cent of the votes validly cast on Resolution 3 are cast against the adoption of the 2022 Remuneration Report, then the Company will be required to put Resolution 5 to a vote at the 2023 Annual General Meeting.

If the Company is required to put the conditional spill resolution to the meeting, it will only be passed if an ordinary majority (more than 50 per cent) of the votes validly cast on it are in favour of it.

If the conditional spill meeting resolution is required to be put to the meeting and is passed, an extraordinary meeting of shareholders to consider the composition of the Board (the Spill Meeting) must be held within 90 days of the date of the Annual General Meeting is passed. If a Spill Meeting is required, the date of the meeting will be notified to shareholders in due course.

If the Spill Meeting is held, the following non-executive Directors will automatically vacate office immediately before the end of the Spill Meeting unless they are willing to stand for re-election and are re-elected at the Spill Meeting:

- Keith Spence
- Yasmin Allen*
- Guy Cowan*
- Dr Eileen Doyle
- Dr Vanessa Guthrie AO
- Peter Hearl
- Janine McArdle*
- Musje Werror
- Michael Utsler

* Even if these Directors are re-elected at the 2023 Annual General Meeting, they will still need to stand for re-election at the Spill Meeting.

The Directors listed above are those who held office on 21 February 2023 when the 2022 Directors' Report was approved.

Resolutions to appoint individuals to the offices that would be vacated immediately before the end of the Spill Meeting would be put to the vote at the Spill Meeting.

Eligibility to stand for election or re-election at the Spill Meeting will be determined in accordance with the Constitution of the Company. Each of the Directors listed above is eligible to stand for re-election at the Spill Meeting, but there is no guarantee they will choose to stand for re-election.

In deciding how to vote on any Spill Resolution put to the AGM, the Directors suggest that shareholders consider the following factors:

- the substantial additional expense which holding a Spill Meeting would cause;
- the Board's view that it currently has the right mix of skills and experience;

- the disruption to the Company which would be caused by changes to the Board composition; and
- the Company's response to the 'first strike' received at the 2022 Annual General Meeting, which is set out on pages 39 to 40 of the 2022 Annual Report.

RECOMMENDATION

The Board recommends that shareholders vote **AGAINST** the conditional spill meeting resolution.

6. RESOLUTIONS REQUISITIONED BY A GROUP OF SHAREHOLDERS

Resolutions 6(a) and (b) following are **NOT SUPPORTED** by the Board.

6(a) Special Resolution – Amendment to the Constitution

A group of shareholders holding approximately 0.007 per cent of the Company's ordinary shares has proposed the resolution in Item 6(a) under section 249N of the Corporations Act, and requested pursuant to section 249P of the Corporations Act, that the statement set out in Appendix 2 to this notice be provided to shareholders.

Note: As at the date of this notice, the Company is assessing whether Resolution 6(a) is valid and has the support of the required number of members. Resolution 6(a) will only be put to the AGM if it is considered to be valid.

The Board's response

The Board respects the rights of shareholders to requisition a resolution that seeks to amend the Company's Constitution. However, the Board does not consider this resolution to change the Constitution to be necessary or in the best interests of the Company and **recommends that shareholders vote against it** for the reasons set out below.

This resolution proposes to insert a new provision in the Company's Constitution that would enable shareholders, by ordinary resolution, to express an opinion, ask for information or make a request about the way in which the management of the business and affairs of the Company has been, or should be, exercised.

Shareholders already have a right under the Corporations Act to put effective resolutions to general meetings. In addition, there are a number of avenues available to them to express their opinions about the management of the Company. At any time during the year, shareholders can contact the Company, and many do, to express their opinions or ask questions. The Company's Investor Relations team is diligent in ensuring such correspondence is properly addressed and responded to. Most notably, shareholders can attend, engage and ask questions at general meetings of the Company, or submit questions in advance of the meeting when they are unable to attend in person.

Santos regularly and constructively engages with its shareholders and wider stakeholder groups on the Company's strategy, operations and activities, and performance. Through this process, the Company receives and takes into account feedback on its strategy, outlook and reporting to shareholders and other stakeholders. For example, at the 2022 AGM, we held our first shareholder advisory 'Say on Climate' vote on our Climate Transition Action Plan as described in the 2022 Climate Change Report. At that vote,

63 per cent of shareholders voted to support our climate strategy and plan. Since the AGM, we have engaged extensively with our shareholders and have sought to address their concerns in the 2023 Climate Change Report.

Creating a constitutional power to 'express an opinion' or 'make a request' on the exercise of powers vested in the Directors would allow groups of shareholders to use the general meeting process as a public platform to pursue single issues or their individual interests, which may not be in the broader interests of the Company or shareholders as a whole. Interest and advocacy groups have other avenues to engage with the Company that are more appropriate – and the Company welcomes and encourages that engagement.

The amendment contemplated by this resolution will not improve the ability of shareholders, as a whole, to be heard and to express their opinions about the management of the Company. Importantly, the Directors are of the view that the proposed resolution could adversely impact on the governance of the Company, even if it were advisory only. The power to manage the business of the Company is conferred on the Board by the Constitution. It is important that the Directors are able to make decisions using their professional expertise and business judgement about the affairs of the Company in the interests of shareholders as a whole. Shareholders have the ability to hold Directors to account for their decisions and actions by voting on the appointment and removal of Directors. Having regard to these reasons, the Board considers the proposed amendment to the Company's Constitution is not necessary or in the best interests of shareholders as a whole.

6(b) Ordinary Resolution – Capital Protection

A group of shareholders holding approximately 0.007 per cent of the Company's ordinary shares has proposed the resolution in Item 6(b) under section 249N of the Corporations Act, and requested pursuant to section 249P of the Corporations Act, that the statement set out in Appendix 2 to this notice be provided to shareholders.

Resolution 6(b) is an advisory resolution and is conditional on Resolution 6(a) being passed by special resolution. Resolution 6(b) will only be put to the AGM if Resolution 6(a) is passed by the required majority. If Resolution 6(a) is not passed by the required majority, Resolution 6(b) will not be put to the AGM.

Note: As at the date of this notice, the Company is assessing whether Resolution 6(b) is valid and has the support of the required number of members. Resolution 6(b) will only be put to the AGM if it is considered to be valid.

The Board's response

The resolution states that it seeks to assure shareholders that Santos' oil and gas assets will be managed in a way that protects value while ensuring transition and asset decomissioning obligations are adequately planned and resourced. That is already occurring.

The Board does not endorse the resolution and **recommends that shareholders vote against** this resolution for the following reasons:

- Santos aims to deliver shareholder return through our new strategy: Backfill and sustain – Decarbonisation – Clean fuels.

- Santos Energy Solutions will lead the Company's decarbonisation agenda transparently.
- Santos' Climate Change Report outlines our approach to climate change.
- Santos is committed to a just transition and ensuring the world has access to affordable and reliable energy.
- Santos is committed to ongoing investor engagement on climate change.

Detailed responses on the above points are set out below.

The Board has reasonably formed the view that Santos can deliver sustainable shareholder returns through building around our existing infrastructure, developing resources to sustain and backfill current operations, decarbonising the critical fuels the world continues to demand and investigating the development of cleaner fuels as market demand evolves. A critical component of this strategy is the pursuit of carbon capture and storage (CCS) projects and new technologies such as direct air capture. Fatih Birol, Executive Director of the IEA has said that reaching net zero goals without CCS "will become virtually impossible".[5] As the market for carbon abatement grows globally and in Australia, Santos sees CCS as an important opportunity to grow new revenue streams, while supporting the decarbonisation of the oil and gas industry, and of hard-to-abate sectors such as steel and cement. Independent and public analysis of the international voluntary carbon market shows a forecast demand increase, even at the low end of the scenario, of more than four times the demand from 90MtCO2e/yr in 2020 to a projected range of 430-1300 MtCO2e/yr in 2030.[6]

Santos has publicly stated it supports the objective of the Paris Agreement to limit global temperature rise to less than two degrees Celsius and pursue efforts to limit the temperature rise to 1.5 degree Celsius.

In terms of climate policy, Santos received 63 per cent support from shareholders on our first advisory 'Say on Climate' vote on our Climate Transition Action Plan, as described in the 2022 Climate Change Report.

In November, Santos unveiled its new strategy: Backfill and sustain – Decarbonisation – Clean fuels. As part of the strategy, Santos established an Energy Solutions division, which includes midstream processing assets, decarbonisation and carbon management services. It is responsible for the development of clean fuels opportunities as the market and customer demand evolves.

The establishment of Santos Energy Solutions as a separate business division provides more transparency of Santos' transition strategy for investors.

Aligned with international reporting standards, our Climate Change Report affirms that Santos is well-placed to manage the risks of climate change, continue to drive shareholder returns from our long-life, low-cost natural gas assets and seize the opportunities associated with the global energy

5 IEA (2020), Energy Technology Perspective 2020, Special Report on Carbon Capture Utilisation and Storage in Clean Energy Transitions: https://iea.blob.core.windows.net/assets/181b48b4-323f-454d-96fb-0bb1889d96a9/CCUS_in_clean_energy_transitions.pdf

6 G., Turner (2020), Future carbon credit demand, supply and price, Slide 6: https://www.ieta.org/resources/Conferences_Events/2021/IETA%20LIVE%20Series/Trove%20Research_Carbon%20Credit%20Demand%20and%20Prices.pdf

transition to provide cleaner energy and cleaner fuels.

Santos does not intend to close down its oil and gas operations, as Santos believes that doing so would be against the interests of shareholders, against the interests of consumers around the world and would not be consistent with global climate and human development goals.

It is vitally important that new supply investment happens in a considered way. Companies like Santos, which are publicly listed, subject to ESG scrutiny by their investors and which report transparently on carbon emissions and their climate transition plans, are best placed to supply critical fuels more sustainably, striving for lower emissions intensity and better environmental outcomes. Divesting assets and driving investment in new supply to less transparent producers will not reduce global emissions or advance the transition to Net Zero.

Natural gas is critical to the energy transition by providing firming for intermittent renewables in power generation and delivering significant global emissions reduction gains over much of the last decade through coal-to-gas switching in power generation, particularly in Asia and the US.

Resilience of the Company's portfolio through transition/business alignment with climate goals

In the supporting statement of this resolution, reference is made to one pathway to achieve net-zero. There are a range of pathways to achieve global Net Zero goals. For example, the IEA's NZE scenario, a 1.5 degree Celsius scenario, is one of the three IEA scenarios, outlined in the 2022 World Energy Outlook.[7] The IPCC has developed 90 scenarios with mitigation pathways that are consistent with limiting the temperature rise to 1.5 degrees Celsius.[8]

Santos' annual Climate Change reports have demonstrated the business is resilient across a range of energy transition scenarios and is well placed to address the risks and seize the opportunities of the global transition to increasingly cleaner energy and fuels over coming decades.

In Santos' 2022 Climate Change Report we detailed scenario analysis which modelled the company's portfolio of assets in a range of macroeconomic circumstances, including the company's benchmark portfolio case, the IEA 2021 World Energy Outlook Stated Policies scenario (STEPS), and three scenarios demonstrating possible paths toward an accelerated transition, including two scenarios aimed at limiting temperature rise to 1.5 degrees Celsius and achieving Net Zero by 2050.

In all scenarios modelled, Santos achieves our 2030 emissions reduction targets and net-zero 2040 target.

Climate action

In the supporting statement of this resolution, reference is made to Santos' decision to take final investment decision on our Pikka Phase 1 Project in Alaska, which we committed our equity share

7 https://www.iea.org/reports/world-energy-outlook-2022

8 https://www.iea.org/reports/world-energy-outlook-2022

to being net-zero Scope 1 and 2 emissions from first production.

Pikka will be one of the first oil projects sanctioned in Alaska, and one of the first in the world, to target net-zero Scope 1 and 2 emissions from first oil. Projects like Pikka Phase 1 come at a critical time for global and United States energy security and respond to new demand for Organization for Economic Co-operation and Development supply following the Russian invasion of Ukraine. The project was designed to high ESG standards from technology selection, to environmental reporting, to stakeholder engagement. The effort to achieve this net-zero commitment was multi-disciplinary, incorporating project design optimisations, innovative operational strategies, engagement with key Indigenous stakeholders, and the development of market-leading partnerships.

In terms of action on climate change, Santos has set a target to achieve net-zero Scope 1 and 2 emissions by 2040, as well as interim milestones. This target is more ambitious than many industry peers and is underpinned by planned projects and associated investment.

To achieve our emission reduction goals, Santos has released a Climate Transition Action Plan (CTAP). Our CTAP outlines how we plan to materially reduce emissions and deliver value for shareholders through the energy transition by improving operational efficiency, offering carbon solutions and clean fuels, as market demand evolves.

Through the CTAP, we aim to decarbonise and lower the emissions of our current business and develop clean fuels as market and customer demand evolves. This responsible approach, aims to ensure a just transition, especially for the world's most vulnerable communities for whom energy must be reliable and affordable as well as lower emissions.

Today, around 80 per cent of global energy supply comes from hydrocarbons. This supply cannot be replaced overnight, which is why Santos is committed to delivering a responsible energy transition initially focused on decarbonisation. The world has an insatiable demand for energy because it fuels human development, improving living standards and economic prosperity. Geopolitical unrest, government policies and activism are impacting global gas supply and sending commodity prices to new highs. High natural gas prices and lack of available supply have resulted in fuel substitution in electricity markets, in favour of coal and oil products, leading to higher CO2 emissions and local pollution, impacting air quality. According to the IEA's 2022 World Energy Outlook, some 70 million people who recently gained access to electricity are likely to lose the ability to pay for it, highlighting the need to maintain energy affordability while pursuing a lower-carbon energy transition.

Santos views natural gas as critical to the energy transition, providing flexible and firming power to support intermittent renewables in power generation and lowering emissions in hard-to-abate sectors including heavy industry.

The latest information on Santos' approach to climate change including the company's allocation of capital to achieve our emission reduction targets can be found at https://www.santos.com/sustainability/climate-change/.

Commitment to just transition and decommissioning

Santos is committed to ensuring a just transition for both our employees and the communities that benefit from our operations.

Throughout the energy transition, we are seeking to repurpose infrastructure and facilities wherever possible. Santos' ability to do this places us in a unique position with a purposeful focus on leveraging existing infrastructure, rather than a sole focus of end-of-life decommissioning.

Santos' Moomba CCS Project is a great example. This project will extend the life of our Moomba facilities for decades and provide new and ongoing jobs with similar skill requirements to oil and gas production and processing.

Through repurposing our infrastructure and facilities, the communities in which we operate will continue to benefit from our operations.

Ongoing investor engagement

Santos continues to have constructive engagement with Climate Action 100+, other investor groups and institutional investors on our climate change strategy as well as initiatives to achieve our mid and long-term targets.

Our company has a strong, value accretive future as a company producing natural gas and, in the future, as market demand evolves, other clean fuels enabled by large-scale CCS such as the Moomba CCS project, nature-based offsets programs and increased use of renewables and energy efficiency in our operations.

NOTES RELATING TO VOTING

1. ATTENDING THE ANNUAL GENERAL MEETING

Registration for shareholders, proxies, corporate representatives and attorneys will open at 9:00am Adelaide time on the day of the AGM at the Adelaide Convention Centre. If you have a smartphone, please bring it with you to use the online voting platform during the meeting. If you do not have a smartphone, other options will be available.

Non-shareholders (who are not proxies, corporate representatives or attorneys) who wish to attend the AGM are requested to register by 5:00pm Adelaide time on Tuesday, 4 April 2023, by emailing their details to returningofficer@computershare.com.au. Santos retains its discretion to decline entry to visitors at its AGM for safety or other reasons.

Please monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

2. VOTING EXCLUSIONS

Resolutions 3 and 5

The Company will disregard any votes cast on resolutions 3 and 5:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 31 December 2022, or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolutions 3 and 5:

- in accordance with a direction in the proxy form; or
- by the Chair of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy, even though resolutions 3 and 5 are connected with the remuneration of the Company's KMP.

Resolution 4

The Company will disregard any votes cast on Resolution 4:

- in favour of the resolution by, or on behalf of, Mr Gallagher or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast on Resolution 4:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman of the meeting decides, even though the resolution is connected with the remuneration of a member of the Company's KMP; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder, to vote in that way.

3. VOTING ENTITLEMENT ON A POLL

All resolutions will be decided on a poll. On a poll, every member has one vote for every fully paid ordinary share held.

4. PROXIES

Any shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in their place. The following information is relevant if you wish to appoint a proxy to vote on your behalf on resolutions at the Annual General Meeting.

The Chair of the Annual General Meeting acting as proxy

You may appoint the Chair of the Annual General Meeting as your proxy. In addition, the Chair of the meeting is deemed to be appointed where a completed proxy form is submitted, which does not contain the name of the proxy or where the person appointed on the form does not attend the meeting.

If a member directs the Chair of the meeting how to vote on an item of business, the Chair of the meeting must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chair of the meeting, the Chair of the meeting intends to vote all available proxies in favour of the resolutions 2, 3 and 4, and against Resolution 5 and resolutions 6(a) and 6(b) (if they are valid and put to the meeting).

In relation to each of the remuneration-related resolutions (being resolutions 3, 4 and 5), if the Chair of the meeting is appointed as your proxy, and you have not directed your proxy how to vote on the relevant resolution, please note that by submitting the proxy form you will be expressly authorising the Chair of the meeting to exercise your undirected proxy on these resolutions as the Chair of the meeting decides, even though they are connected with the remuneration of the Company's key management personnel.

Directing your proxy how to vote

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form.

If you mark the "abstain" box for a particular item, you are directing your proxy not to vote on your behalf and your shares will not be counted in computing the required majority on a poll.

If you do not mark a voting instructions box in respect of a resolution, your proxy can vote as he or she decides, subject to any voting exclusions that apply to the proxy.

Does the proxy you appoint need to be a member?

A proxy may be an individual or a body corporate, and need not be a member of the Company.

Appointing two proxies

A member entitled to attend and vote is entitled to appoint not more than two proxies. If you wish to appoint two proxies, you must specify the nominated percentage or number of your votes given to each proxy on the proxy form. If the proxy form does not specify the proportion or number of your votes, each proxy may exercise half of the votes.

Appointment of a body corporate representative as a proxy

Where a member appoints a body corporate as proxy, that body corporate will need to ensure that:

- it appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act (the "Certificate of Appointment of Corporate Representative" that can be obtained from the Share Registry can be used for this purpose); and

- the instrument appointing the corporate representative is received by the Company at its registered office by the time referred to below.

Completing the proxy form

A proxy form must be signed by the member or his/her attorney or, in the case of a corporation, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the proxy form is signed by an attorney or by the authorised officer of a corporation, the power of attorney or other authority (or a notarially certified copy) must accompany the form unless it has previously been provided to the Company. If the proxy form is sent electronically or by fax, any accompanying power of attorney or other authority must be certified.

Lodgement of proxy forms

Proxy forms must be received by the Company by 10:00am (Adelaide time) on Tuesday 4 April 2023. You may lodge your proxy form:

- online by visiting https://www.investorvote.com.au;
- by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- by post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001.

Note that references to submitting a proxy form in this Notice of Meeting include appointing a proxy using any of the above methods.

5. APPOINTING AN ATTORNEY TO VOTE ON YOUR BEHALF

Where a member appoints an attorney to act on his/her behalf at the meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by the Company at Computershare Investor Services Pty Limited by hand or post as set out in section 4 above, by the time referred to in section 4 above.

6. APPOINTING A CORPORATE REPRESENTATIVE

Where a member is a corporation and appoints a representative under section 250D of the Corporations Act, appropriate evidence of the appointment must be produced. A “Certificate of Appointment of Corporate Representative” can be obtained from the Share Registry. It should be completed prior to the Annual General Meeting and presented at the registration desk on the day of the meeting.

7. SUBMITTING QUESTIONS IN ADVANCE OF THE MEETING

Shareholders are welcome to provide questions in advance of the Annual General Meeting. If you wish to submit questions to the Company or the external auditor in advance of the AGM, you may do so by visiting santos.com/investors/2023-annual-general-meeting/.

Questions must be received no later than 5.00pm (Adelaide Time) on Thursday, 30 March 2023. During the Annual General Meeting, the Chair of the meeting will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

8. VIDEO OF MEETING

The Annual General Meeting will be recorded and available to view at santos.com/investors/2023-annual-general-meeting/

Appendix

APPENDIX A

Glossary of terms

Barrel (bbl)
The standard unit of measurement for all oil and condensate production: one barrel equals 159 litres or 35 imperial gallons

Carbon capture and storage (CCS)
A process in which greenhouse gases, including carbon dioxide, methane and nitrous oxide, from industrial and energy-related sources, are separated (captured), conditioned, compressed, transported and injected into a geological formation, that provides safe and permanent storage deep underground

CEO
Chief Executive Officer

clean fuels
Fuels which have the potential to materially reduce Scope 1, 2 and/or 3 greenhouse gas emissions. Clean hydrogen is an example of a clean fuel

Clean hydrogen
Hydrogen with lower Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from other lower emissions production technologies, including renewable sources, and / or using offsets as required

Cleaner energy/Cleaner fuels
Energy sources that are used for power generation, transport, industrial processes or heating which have lower emissions of greenhouse gases or air pollutants (NOx, SOx and particulates) than other fuel sources. Natural gas is an example of a cleaner fuel and energy source/fuel, as it has lower greenhouse gas emissions than coal when used in power generation

CO2
Carbon dioxide

Condensate
A mixture of hydrocarbons (mainly pentanes and heavier) that exist in the gaseous phase at original temperature and pressure of the reservoir, but when produced, are in the liquid phase at surface pressure and temperature conditions. Condensate differs from natural gas liquids in two respects:

1. natural gas liquid is extracted and recovered in gas plants rather than lease separators or other lease facilities, and
2. natural gas liquid includes very light hydrocarbons (ethane, propane, or butanes) as well as the pentanes-plus that are the main constituents of condensate

Critical fuels
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

CTAP
Climate Transition Action Plan

decarbonise
To decarbonise is the process of avoiding, reducing or offsetting anthropogenic greenhouse gas emissions through operational activities or efficiencies, technology deployment, use of generated or acquired carbon credit units, and/or other means

Emissions
Greenhouse gas emissions, unless otherwise specified

Gas
Natural gas

Hydrocarbon
Compounds containing only the elements hydrogen and carbon, which may exist as solids, liquids or gases

IPCC
The Intergovernmental Panel on Climate Change

Liquid hydrocarbons (liquids)
A sales product in liquid form; for example, condensate and LPG

LPG
Liquefied petroleum gas. A mixture of light hydrocarbons derived from oil bearing strata that is gaseous at normal temperatures but that has been liquefied by refrigeration or pressure to store or transport it. Generally, LPG comprises mainly propane and butane

Net Zero
In relation to greenhouse gas emissions, is achieved when anthropogenic emissions of greenhouse gases are balanced by anthropogenic removal of greenhouse gases through means such as operational activities or efficiencies, technology (e.g, CCS), offset through the use of carbon credit units, or other means

Net-zero emissions
Net Zero Scope 1 and Scope 2 greenhouse gas emissions; when referring to Santos, meaning net-zero equity share of these emissions

Net-zero Scope 1 and 2 emissions
Santos' equity share of Net Zero Scope 1 and 2 greenhouse gas emissions

Notice
This Notice of the Company's Annual General Meeting

NZE
IEA Net Zero by 2050 scenario

Oil
A mixture of liquid hydrocarbons of different molecular weights

Santos
Santos Limited

Appendix
continued

Sustainable/Sustainably
At Santos, sustainability is about striving to ensure safe operations, minimising environmental harm and greenhouse gas emissions, and creating long term value for our stakeholders including our customers, community, employees, partners and shareholders; balancing the needs of today without undermining the ability to meet the demands of tomorrow

target
An outcome sought that Santos has identified a pathway, or pathways, toward delivery, subject to conditions and assumptions

APPENDIX B

Supporting Statement 1

The shareholders who requisitioned the resolution in item 6(a) have requested, pursuant to section 249P of the Corporations Act, that the following statement accompany the resolution. Santos is legally required to circulate the statement to shareholders. However, the Board and Company do not endorse and are not responsible for the contents of the statement or for any inaccurate or misleading statements contained in it.

Statement pursuant to Section 249P of the Corporations Act in relation to Item 6(a)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders do not enjoy the same rights as their UK, US, New Zealand or Canadian counterparts in this respect.

A board of directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity. In some situations an appropriate course of action for shareholders is to formally and publicly alert the board that shareholders seek more information or favour a particular approach to corporate policy.

The constitution of Santos is not conducive to the right of shareholders to place advisory resolutions on the agenda of a shareholder meeting. This is contrary to the long-term interests of Santos, its board and shareholders.

Passage of this resolution – to amend the Santos constitution – will simply put Santos in a similar position in regard to shareholder resolutions as listed companies in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

Supporting Statement 2

The shareholders who requisitioned the resolution in item 6(b) have requested, pursuant to section 249P of the Corporations Act, that the following statement accompany the resolution. Santos is legally required to circulate the statement to shareholders. However, the Board and Company do not endorse and are not responsible for the contents of the statement or for any inaccurate or misleading statements contained in it.

Statement pursuant to Section 249P of the Corporations Act in relation to Item 6(b)

This resolution seeks to assure shareholders that Santos' oil and gas assets will be managed in a way that protects value, while ensuring employee transition and asset decommissioning obligations are adequately planned and resourced.

Failure to adopt these requests would see Santos continuing to exacerbate climate-related financial risks by undermining its own climate claims and defying investors' clear expectations.

Appendix
continued

Investor calls for Santos to align its business with global climate goals include:

1. 2020: 43% of shareholders voted for scope 1, 2, and 3 emissions targets, and exploration and capital expenditure plans aligned with the Paris Agreement,
2. Since 2021: the Climate Action 100+ demand to "align future capital expenditures with the Paris Agreement's objective of limiting global warming to 1.5° Celsius" has remained unmet,[9]
3. 2022: 15% of shareholders voted for the company to manage down oil and gas production in line with a net zero by 2050 scenario, following 13% for a similar resolution in 2021, and
4. 2022: 37% of shareholders voted against the company's climate plan.

Rather than respond to these calls, Santos has moved in the opposite direction, drastically increasing exposure to transition risk by pursuing increased oil and gas production and new projects that are incompatible with the Paris climate goals and a net zero by 2050 scenario.

Increasing transition risk

In its landmark 2021 Net Zero Emissions by 2050 Scenario (NZE), the International Energy Agency (IEA) found that to have a 50% chance of limiting global warming to 1.5°C: "The rapid drop in oil and natural gas demand in the NZE means… no new oil and natural gas fields are required beyond those that have already been approved for development."[10]

This position is consistent with a "large consensus" of Paris-aligned climate scenarios, which have found "developing any new oil and gas fields is incompatible with limiting warming to 1.5°C".[11]

The IEA's 2022 World Energy Outlook (WEO) reiterated this conclusion: "No one should imagine that Russia's invasion can justify a wave of new oil and gas infrastructure in a world that wants to reach net zero emissions by 2050".[12] In fact, the latest NZE projects even sharper declines in gas demand than the previous version, falling 23% globally by 2030.[13]

Demonstrating the immense financial risk posed by a net zero transition, Santos' own analysis shows the value of its oil and gas portfolio would drop by half under the NZE.[14]

This risk is becoming increasingly likely to materialise, with markets rapidly moving to align policy with climate goals. Japan[15] and Korea,[16] key markets for Santos, have both announced plans to reduce gas in their energy mixes by 2030. IEEFA found in late 2021 that over 60% of proposed LNG import and gas power infrastructure in emerging Asia is unlikely to be built, a situation only exacerbated by high gas prices since.[17]

Yet Santos plans to increase production by at least 17% over the decade to 2030[18] (excluding the potential start up of the P'nyang LNG project, which could bring 2030 production to 58% above the 2020 baseline[19]). These plans would likely see Santos' total annual emissions sit more than 25% above a (combined Santos and Oil Search) 2020 baseline through 2026-2029, even without P'nyang.

Betting against climate action

Despite the IEA's clear warnings since 2021, Santos sanctioned the US$2.6 billion (US$1.3 billion Santos share) Pikka oil project in Alaska in August 2022. Pikka is expected to produce almost 400 million barrels of oil, causing estimated emissions of 224 million tonnes of carbon dioxide equivalent (including Scope 3).[20]

Other new projects being pursued by Santos include:[21]

1. Barossa LNG (Santos share of capex ~US$1.8 billion)
2. Narrabri coal-seam gas (~US$650 million)
3. Dorado oil (~US$1.6 billion)
4. Papua LNG (~US$2.3 billion).

Independent analyses – including by Carbon Tracker,[22] former Australian Chief Scientist Penny Sackett,[23] and IEEFA[24] – have found Santos' planned new oil and gas projects incompatible with global climate goals.

Investment in these projects therefore equates to Santos betting shareholder capital against the achievement of climate goals the company claims to support.

Legal and regulatory risks

Santos' pursuit of new fossil fuel projects has also exposed the company to legal and regulatory risks. Ongoing challenges suggest Santos may be downplaying its transition risk problem, while opposition from First Nations communities threatens to derail projects.

A current Australian Federal Court case alleges Santos engaged in misleading and deceptive conduct by claiming to have a "clear and credible pathway to achieve net zero emissions by 2040", but failing to "disclose that it has firm plans to increase its greenhouse gas emissions by developing new or existing oil and gas projects".[25] ASIC has also been asked to investigate Santos' potentially misleading claims that its new oil and gas plans were consistent with the NZE.[26]

Australia's Federal Court has ruled a key environmental approval for Santos' Barossa project invalid due to the company's failure to properly consult with Tiwi Islands Traditional Owners.[27] The contradiction between Santos' claim that it did not "anticipate any material cost or schedule impact" due to the court's decision and the company's previous statement that pausing the drilling would cause "a daily loss in the order of hundreds of thousands of dollars" forms the basis of complaints lodged with ASIC and the ASX.[28]

In January, Gomeroi Traditional Owners filed an appeal to the Native Title Tribunal's decision to permit Santos' Narrabri gas project without their consent.[29]

Support required

Shareholder support for this resolution is required to ensure returns from Paris-aligned production are maximised, while preventing capital being wasted on projects and plans that pose unacceptable financial risks.

9 https://www.climateaction100.org/company/santos-limited/

10 https://www.iea.org/reports/net-zero-by-2050

11 https://www.iisd.org/system/files/2022-10/navigating-energy-transitions-mapping-road-to-1.5.pdf

12 https://www.iea.org/reports/world-energy-outlook-2022

13 https://www.iea.org/reports/world-energy-outlook-2022

14 https://www.santos.com/wp-content/uploads/2022/03/220330-Release-of-2022-Climate-Change-Report.pdf

15 https://www.enecho.meti.go.jp/en/category/others/basic_plan/pdf/6th_outline.pdf

16 https://www.spglobal.com/platts/en/market-insights/latest-news/energy-transition/101921-south-korea-finalizes-2050-carbon-neutrality-roadmaps

17 http://ieefa.org/wp-content/uploads/2021/12/Examining-Cracks-in-Emerging-Asias-LNG-to-Power-Value-Chain_December-2021.pdf

https://ieefa.org/resources/unaffordable-fuel-prices-stall-asias-lng-expansion

18 Conservative production scenario produced by Grant Samuel for the Santos and Oil Search merger Scheme Booklet: https://www.santos.com/wp-content/uploads/2021/11/211111-Oil-Search-and-Santos-merger-update-Court-approves-distribution-of-Scheme-Booklet-and-convening-of-Scheme-Meeting.pdf

19 https://www.santos.com/wp-content/uploads/2021/11/211111-Oil-Search-and-Santos-merger-update-Court-approves-distribution-of-Scheme-Booklet-and-convening-of-Scheme-Meeting.pdf

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