



ASX / Media Release

23 August 2023

Santos reports robust first half free cash flow and earnings

1H 2023 Highlights

- Production of 45 million barrels of oil equivalent down 13%
- EBITDAX¹ \$2,112 million down 23%
- Free cash flow from operations¹ US\$1,129 million down 34%
- Underlying profit¹ US\$801 million down 37%
- Statutory net profit after tax US\$790 million down 32%
- Interim dividend of US\$283 million, a 14 per cent increase to US8.7 cents per share unfranked
- 2023 guidance remains unchanged

Santos today announced its half-year results for 2023, reporting strong free cash flow of US\$1.1 billion and underlying profit of US\$801 million. The results reflect the strength of the disciplined operating model which is designed to ensure the business remains resilient through the oil price cycle.

The Board has resolved to pay an interim dividend of US 8.7 cents per share unfranked (US\$283 million), 14 per cent higher than the corresponding prior period interim cash dividend.

Managing Director and Chief Executive Officer Kevin Gallagher said Santos has delivered strong free cash flow and underlying earnings in the 2023 first half, despite an ever-changing macro environment.

“We remain focused on executing our strategy to backfill and sustain our existing infrastructure, decarbonise and develop our Santos Energy Solutions division. Our goal is to strike the right balance between disciplined and phased major project spend, returns to shareholders, and investment in new energy solutions to meet customer demand,” Mr Gallagher said.

“Our Santos Energy Solutions division is expanding and continues to work on building new revenue sources through decarbonisation projects. The Moomba carbon capture and storage project will be one of the biggest and lowest cost in the world and is on track for first injection of CO₂ next year.

“Our critical fuels play a key role in the energy security of Australia and Asia. Gas enables a cleaner energy future, offering firming for renewable electricity and an affordable, reliable alternative to higher-emitting fuels.”

Live webcast

A live webcast for analysts and investors will be held today at 11:00 AEST. To access the live webcast, register on Santos' website at www.santos.com.

Ends.

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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 financial statements which have been subject to review by the auditor. A reconciliation between net profit after tax and underlying profit is provided in the Appendix of the 2023 half-year results presentation released to ASX on 23 August 2023.

Santos

2023 Half-year results

23 AUGUST 2023



Disclaimer and important notice

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry, and the carbon capture and storage and carbon emissions reduction technologies industries. 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 on any products we produce, store, trade or capture, 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 from operations (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.

First-half 2023 financial overview

Disciplined operating model delivered robust free cash flow

Free cash flow
from operations¹ ▼ 34%

\$1,129 million

Profit after tax² ▼ 32%

\$790 million

Underlying profit² ▼ 37%

\$801 million

Sales revenue ▼ 21%

\$2,967 million

EBITDAX ▼ 23%

\$2,112 million

Interim dividend
declared (unfranked) ▲ 14%

8.7 UScps

1. Operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments.

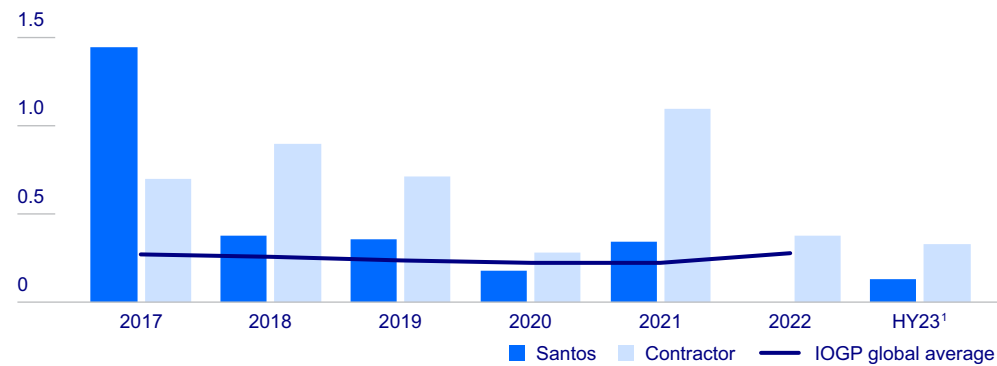
2. A reconciliation between net profit after tax and underlying profit is provided in the Appendix. Underlying profit excludes the impacts of costs associated with asset acquisitions and disposals, impairments, derivatives and items that are subject to significant variability from one period to the next.

Personal and process safety performance

Always safe is a core value at Santos. Focusing on contractor management improvements

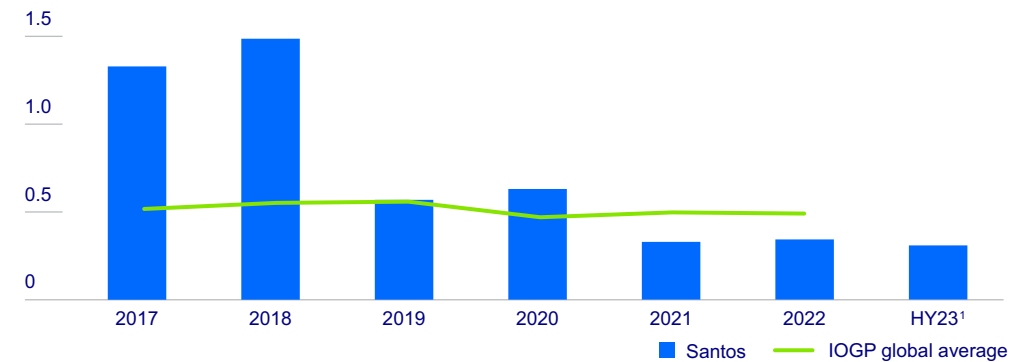
Lost time injuries

Number per million hours worked



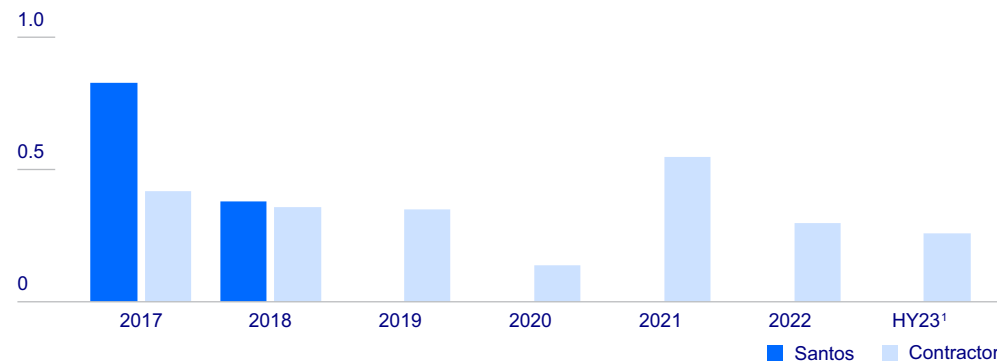
Loss of containment, Tier 1 and 2

Number per million hours worked



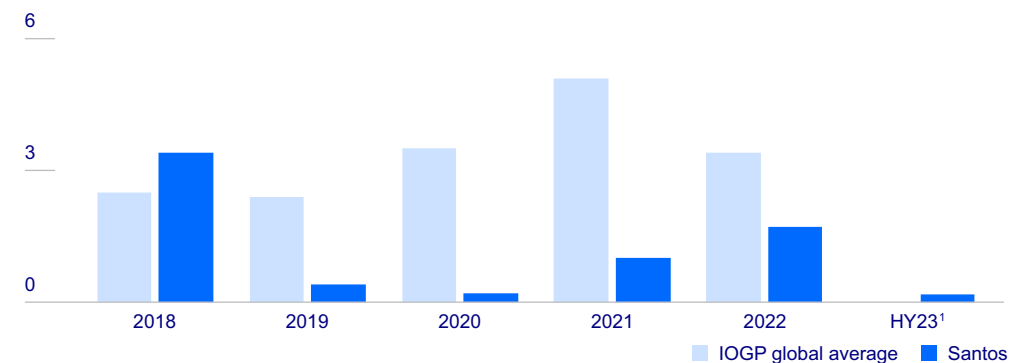
Moderate harm

Number per million hours worked



Hydrocarbon release rate²

Boe released per mmboe of production



1. Frequency rates are represented as a 12-month rolling average.

2. Releases to the environment greater than 1 barrel.

First-half 2023 operational highlights

Upstream business performance reflects disciplined operating model. Santos Energy Solutions division is expanding

Upstream Gas and Liquids: EBITDAX: \$2 billion¹

GLNG – Arcadia

- > 4km horizontal wells to deliver incremental production
- > Well productivity >15x higher than vertical stimulated wells

Cooper Basin

- > On track to drill >100 wells in 2023 (62 YTD)

PNG

- > Angore first gas expected in 2024
- > Pre-merger reliability (83%) increased to 96% delivering production from operated assets
- > Papua LNG FEED entry achieved

Western Australia

- > Successful Spartan start-up to supply domestic gas to the WA market
- > Dorado OPP approved

Northern Australia

- > Expecting at least one more cargo in 2023 from Bayu-Undan
- > Potential for domestic gas supply once Darwin LNG production ceases

Santos Energy Solutions: EBITDAX: \$119 million²

Moomba CCS

- > 70% complete at 30 June and costs updated to ~\$220 million (gross)
- > Electrification work progressing on upstream Cooper Basin assets

Northern Australia

- > Four MOUs signed for Bayu-Undan CCS for volumes >10 mtpa
- > MOU signed with TIMOR GAP to explore partnership opportunities
- > Amendments to London Protocol passed the House of Representatives in Australia

Western Australia

- > Santos has completed the concept select phase of Reindeer CCS and has entered pre-FEED
- > Discussions with third party customers in WA progressing well

Nature-based solutions

- > Executed agreement with Alaska Native landowner to secure nature-based offsets

New technologies

- > Direct air capture trials planned for Cooper Basin
- > Partnership with Osaka Gas for e-methane feasibility studies

1. 1H23 EBITDAX excluding Santos Energy Solutions and Corporate.

2. 1H23 EBITDAX excluding GLNG, Upstream Gas and Liquids and Corporate.

Major project delivery update

Disciplined approach to major project delivery



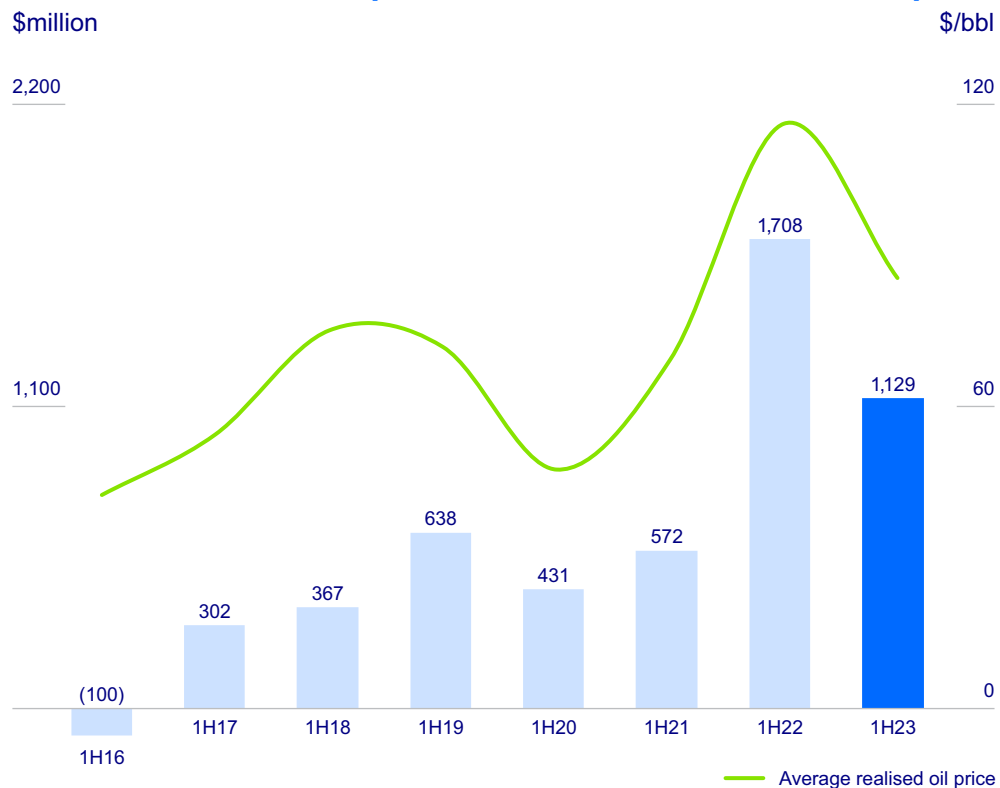
	Moomba CCS	Barossa Gas Project	Pikka Phase 1
Gross capex	~\$220 million ¹	\$3.6 billion (excl. DPD) / \$4.3 billion (incl. DPD) ²	\$2.6 billion ²
% complete	70% ³	> 60% incl. Darwin pipeline duplication project > 66% excl. Darwin pipeline duplication project	18%
First injection / production	1H 2024	1H 2025	2026
1H23 milestones achieved	<ul style="list-style-type: none"> > 4 injection wells complete > Compressors and gas turbines at site and lifted onto foundations > Second CO2 train tie-in complete > 50km pipeline construction complete 	<ul style="list-style-type: none"> > Barossa FPSO hull floated > Fabrication of the FPSO topsides modules continues to plan. Fabrication of the subsea hardware underway > Planning of the gas pipeline and subsea campaigns are progressing well 	<ul style="list-style-type: none"> > Completed major contracting > Drilled the first well (for cuttings disposal) > Completed first winter construction season > Initiated module fabrication activities > Community projects in progress
Key upcoming milestones	<ul style="list-style-type: none"> > Continued pre-commissioning activities 	<ul style="list-style-type: none"> > Ongoing consultation on and submission of outstanding activity EPs for Barossa project 	<ul style="list-style-type: none"> > 23/24 winter construction / pipeline season > Continue drilling program > Progress module fabrication for transportation

1. To first injection.
 2. To nameplate capacity.
 3. At 30 June 2023 prior to cost update.

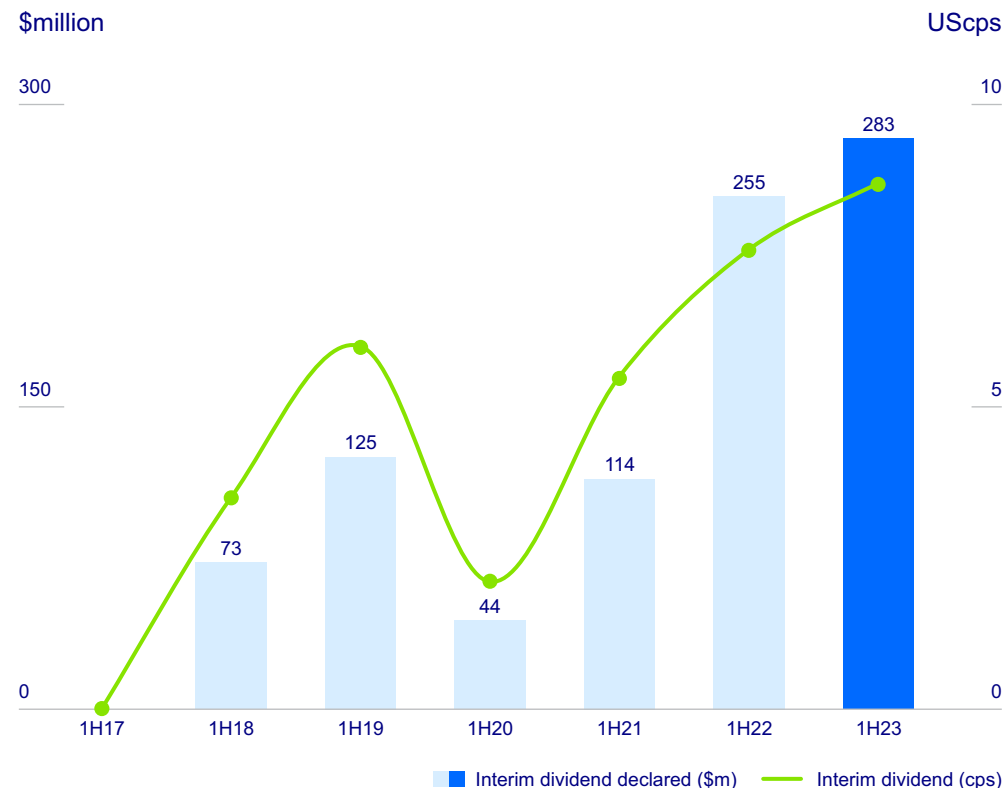
Returns to shareholders

Interim cash dividend of \$283m / US8.7 cents per share unfranked, 14 per cent increase from 1H 2022

Free cash flow from operations¹



Interim dividend²



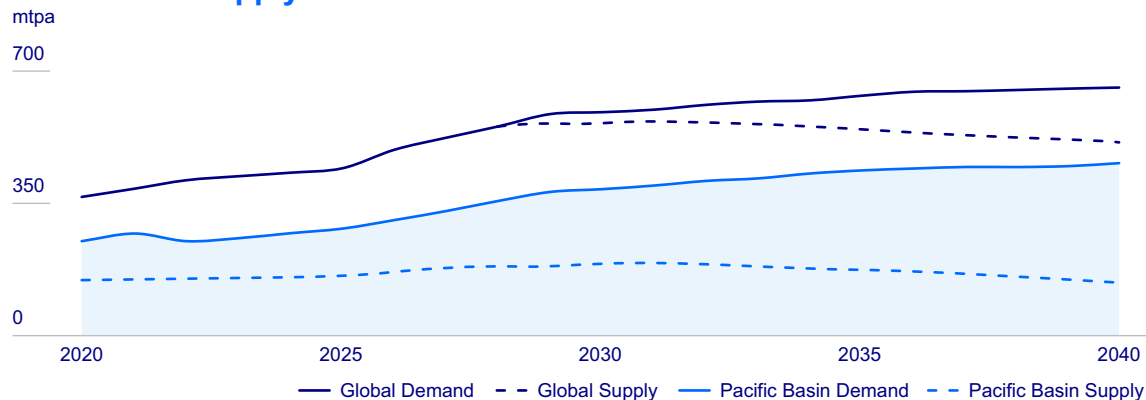
1. Operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments.

2. Excludes \$700 million on-market share buyback program announced in 2022 and completed in July 2023.

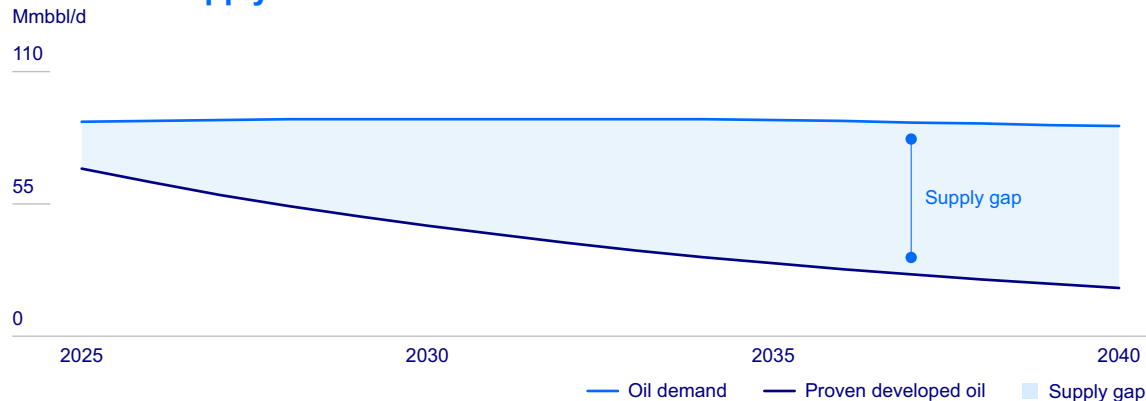
Market outlook

Pacific Basin LNG demand increasing >80% by 2040. New oil supply in stable political environments required for energy security

Global LNG supply and demand¹



Global oil supply and demand²



LNG markets

- > Global LNG demand continues to increase, requiring projects to be sanctioned to fill the widening supply-demand imbalance
- > Asia Pacific continues to be an LNG sink as demand outpaces supply
- > Santos has an increasing exposure to LNG markets through Barossa and Papua LNG
- > Gas continues to be an affordable and reliable energy source required to support industry

Domestic gas

- > ACCC forecasts³ a well-balanced east coast market in 2024
- > In Western Australia, prices have increased to a level that will incentivise new domestic supply

Oil markets

- > New projects are required to meet demand well into the future
- > New lower carbon intensity oil projects and supply from stable regulatory environments likely to be preferred

1. Source: Wood Mackenzie LNG Data Tool Q2 2023, Wood Mackenzie Global Gas July 2023.

2. Source: Wood Mackenzie, Defining Advantaged Resources, July 2023.

3. ACCC Gas Inquiry 2017-2030, June Interim update on the east coast market, June 2023.

Disciplined and consistent execution of strategy

The right balance of disciplined and phased major project spend, returns to shareholders and investment in the energy transition

Robust operating performance	Strong free cash flow driving returns to shareholders	Investment in decarbonisation	Disciplined and phased major projects
Disciplined operating model delivered strong free cash flow and strengthened balance sheet to deliver in our strategy	Interim unfranked cash dividend of \$283 million / US8.7 cents per share	Progressing Santos' three operated CCS hubs	Barossa, Moomba CCS and Pikka Phase 1 in execution

Finance and capital management

First-half 2023 financial achievements

Disciplined capital management including returns to shareholders

Free cash flow from operations¹

\$1,129 million

Unit production costs²

\$7.62 /boe

Gearing

21.9%

18.2% excluding operating leases

Major project capex investment

\$657 million

Interim dividend

\$283 million
(8.7c/share)

Liquidity

\$4.4 billion

1. Operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments.

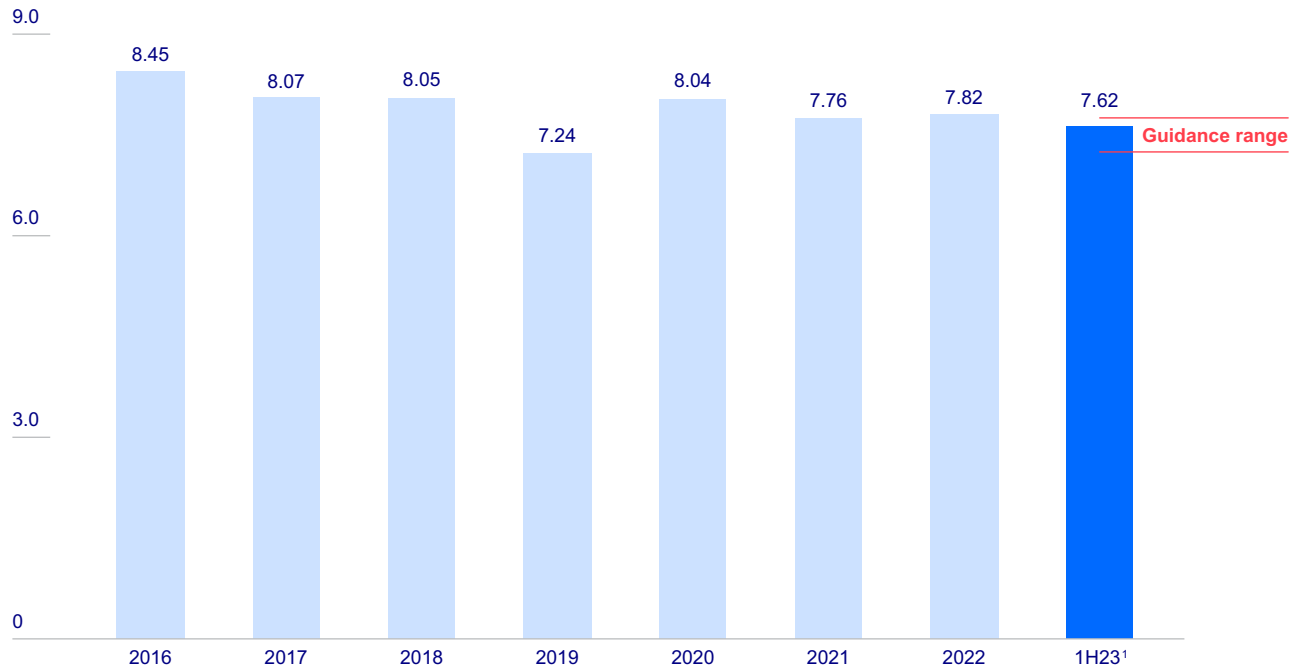
2. Excludes Bayu-Undan unit costs.

Maintaining cost discipline

Production guidance maintained at \$7.25 to \$7.75/boe

Upstream unit production cost

\$/boe



Disciplined Operating Model

- > Guidance maintained at \$7.25 to \$7.75/boe
 - > Targeting free cash flow breakeven at <\$35 per bbl oil price through the oil price cycle
-
- > Unit production costs, excluding Bayu-Undan, are slightly lower than 2022
 - > Impact of inflation on production costs managed within operating divisions partially assisted by favourable FX rates on AUD costs
 - > 1H 2023 unit production costs at \$7.62, excluding Bayu-Undan within \$7.25 - \$7.75/boe guidance range
 - > Total nominal production costs ~9% lower half on half despite inflationary impacts

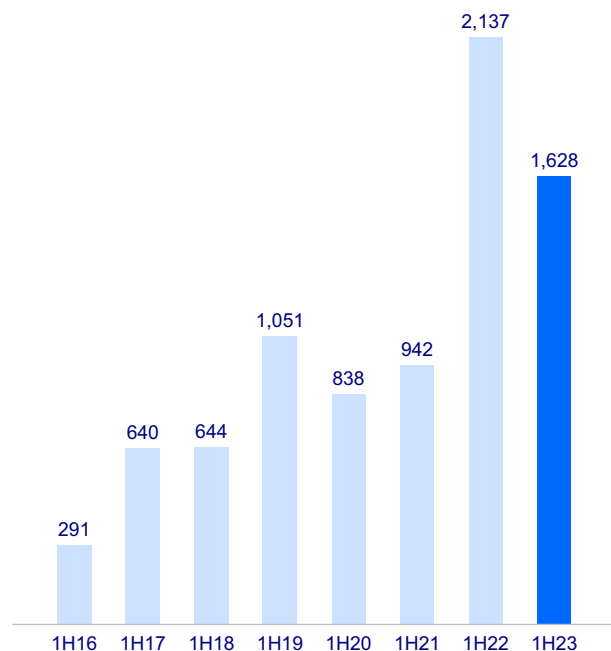
1. 1H23 unit production cost including Bayu-Undan is \$8.52/boe.

Free cash flow from operations

Free cash flow from operations \$1.1 billion

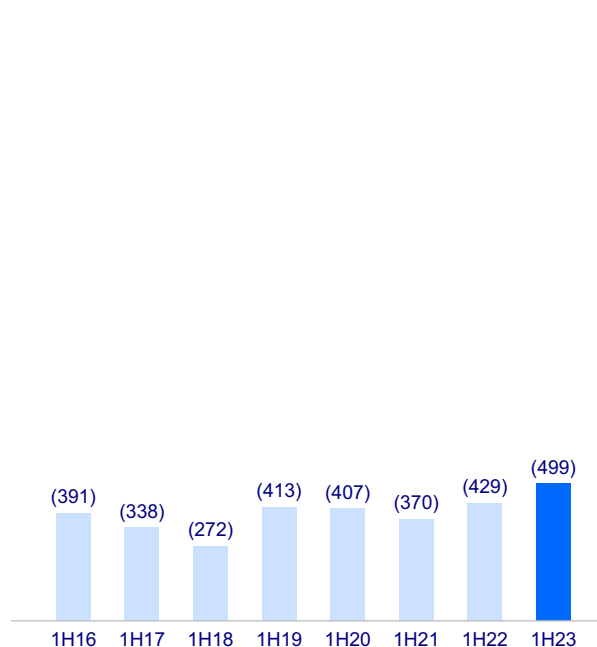
Operating cash flow

\$million



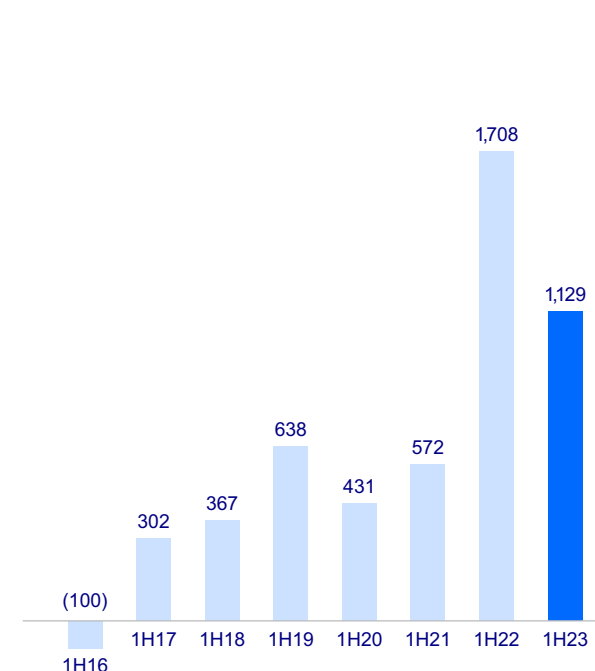
Investing cash flow¹

\$million



Free cash flow from operations¹

\$million

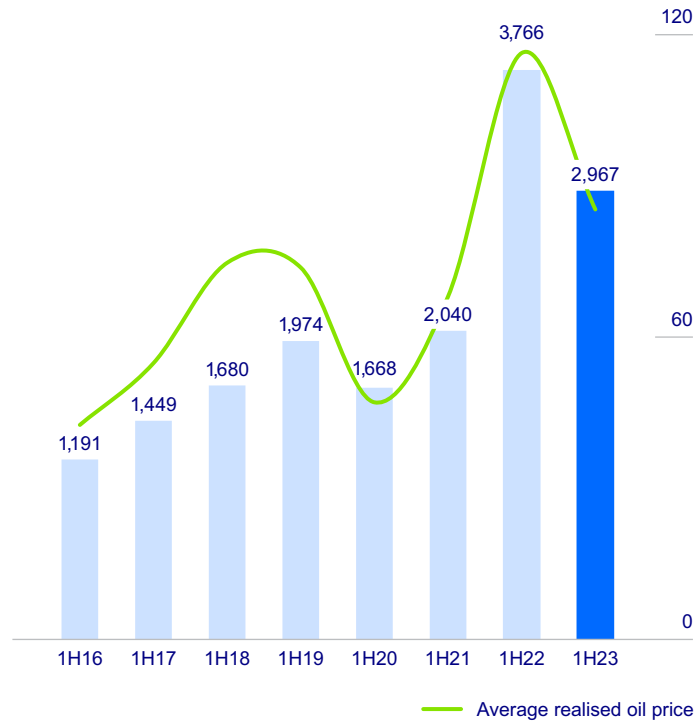


1. Excludes acquisitions/divestments, major growth capex, major growth working capital, major capitalised interest, loan to associate and includes lease liability payments. Reference slide 31 for 1H 2023 free cash from operations calculation.

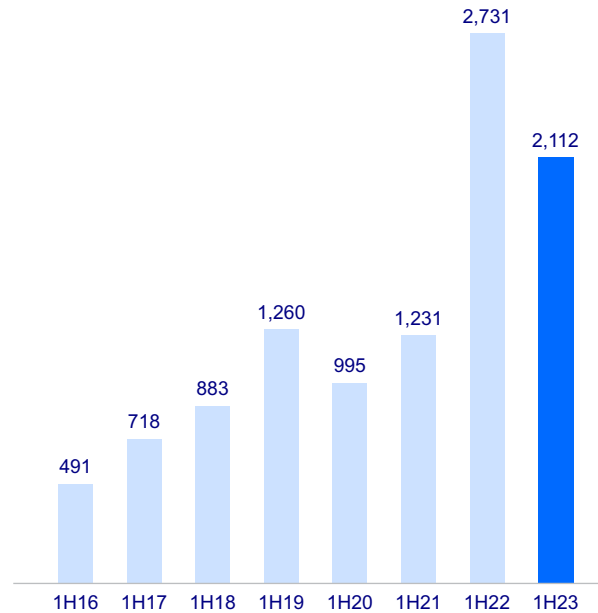
Underlying earnings

EBITDAX \$2.1 billion and underlying profit \$801 million

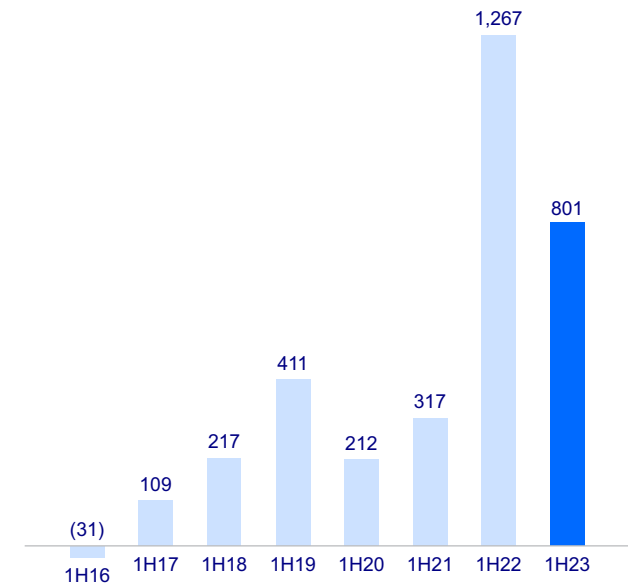
Product sales revenue
\$million



EBITDAX
\$million



Underlying profit¹
\$million



1. Underlying profit excludes the impacts of costs associated with asset acquisitions and disposals, impairments, derivatives and items that are subject to significant variability from one period to the next.

Financial snapshot

Disciplined operating model continues to generate revenue despite lower volumes and commodity prices

2023 half year results summary ^{1,2}	Cooper Basin	Queensland & NSW	PNG	Northern Australia & Timor-Leste	Western Australia	Santos
Total revenue (\$million)	362	669	1,469	83	405	3,057
Production cost (\$/boe)	10.68	6.03	6.51	34.70	9.85	8.52
Capex (\$million)	250	123	200	222	140	1,136
EBITDAX (\$million)	230	396	1,217	56	252	2,112
EBITDAX (margin)	64%	59%	83%	67%	62%	69%

- > Lower revenue driven by decreased volumes and lower realised commodity prices
- > Strong Group EBITDAX margin maintained

1. Corporate segment not shown.

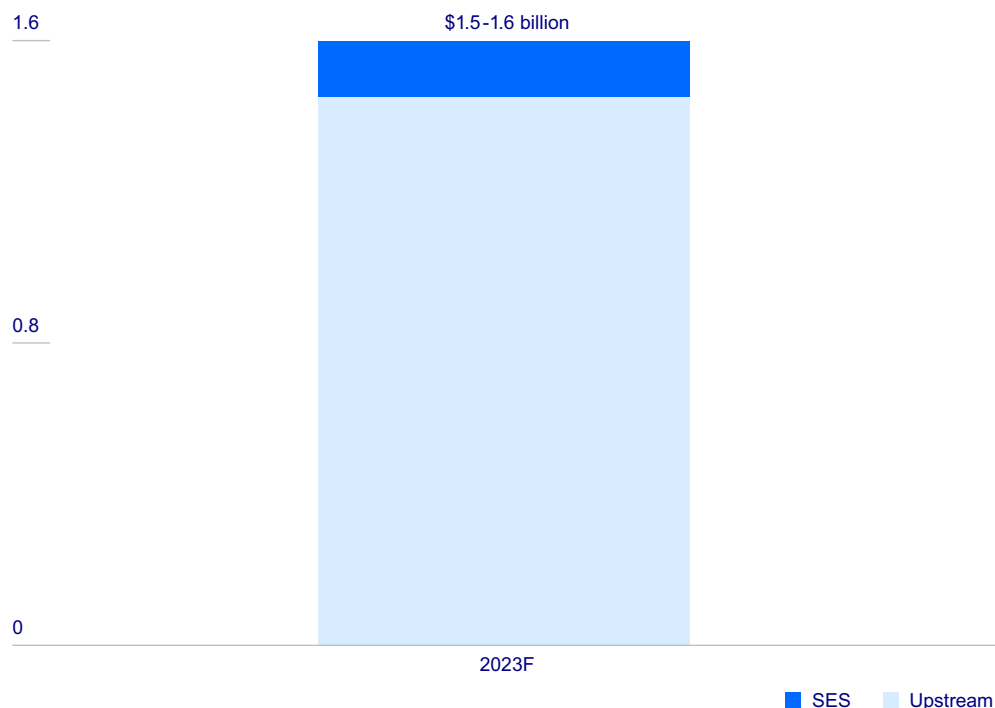
2. Includes Bayu-Undan.

Major projects capital expenditure

Phasing and equity levels optimised consistent with disciplined operating model

Major project capex for committed activities

\$billion



Disciplined approach to capital management

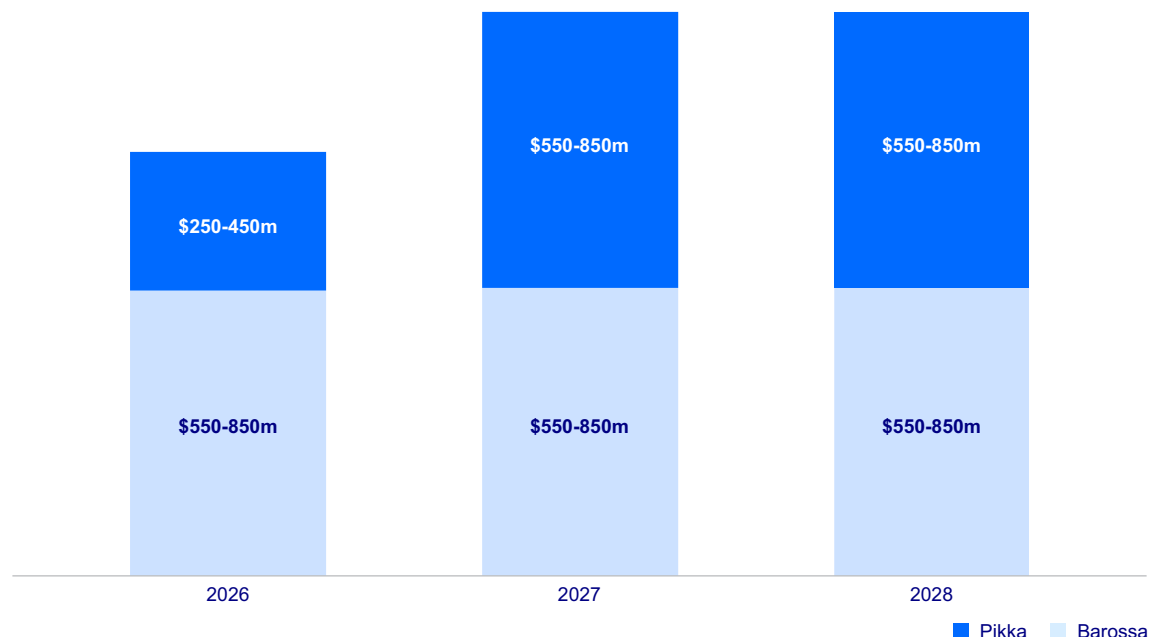
- > 2023 major project capex guidance at ~\$1.5 -1.6 billion, driven by rephasing of activities
- > Santos Energy Solutions major projects ~\$100m in 2023 including Moomba CCS and Cooper Basin electrification
- > Upstream Gas and Liquids major projects include Barossa, Pikka Phase 1 and Papua LNG FEED

Major projects to deliver significant cash flows

Targeting cash flows at full production rates of ~\$1.1 billion to \$1.7 billion

Expected free cash flow (after tax) from committed major projects¹

\$million

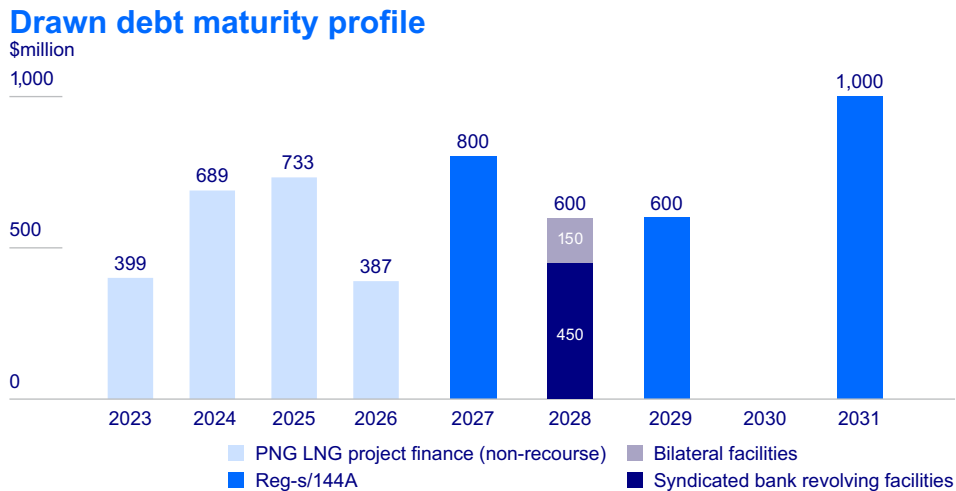
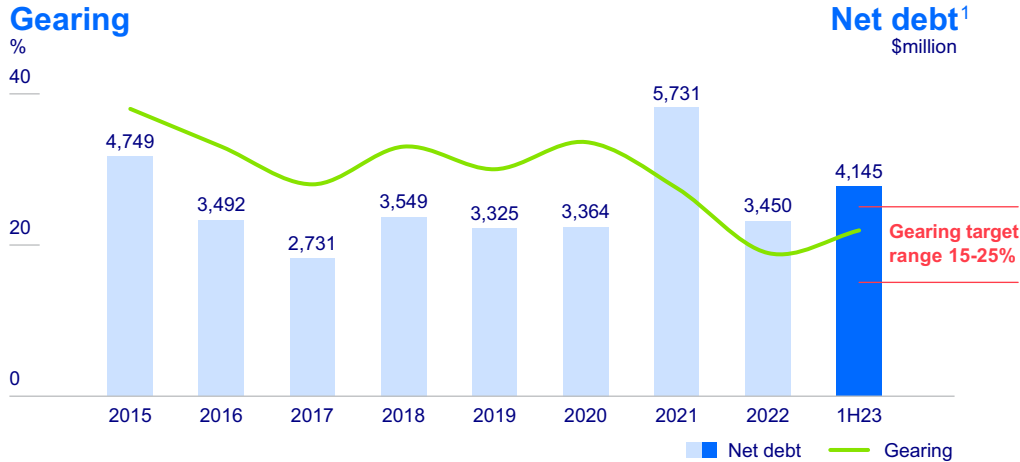


- > Committed growth projects Barossa and Pikka are expected to deliver significant free cash flow from first production
- > Targeting cash flows of ~\$1.1 billion - \$1.7 billion per year from incremental major projects at full production rates
- > Pikka and Barossa provide flexibility to sustain and backfill the operations, deliver returns to shareholders, and continue to provide low cost and reliable energy

1. Based on oil prices of \$70-100/bbl (2023 real) in all years and JKM of \$10-14/mmbtu (2023 real) in all years.

Balance sheet

Balance sheet well positioned to deliver major projects and returns to shareholders



Focus on maintaining strong liquidity and disciplined capital management framework

- > Total available liquidity of \$4.4 billion²
- > Gearing at 21.9% within target range. Excluding operating leases 18.2%
- > Balance sheet remains positioned to deliver strategy including major projects and returns to shareholders

Long-dated debt maturity profile

- > Nearest material debt maturity in September 2027³
- > PNG LNG debt repaid in 2026 from project cash flows

Stable investment grade credit rating

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

1. Includes assets held for sale in 2022 and 2023.

2. As at 30 June 2023.

3. Excluding PNG LNG project finance.

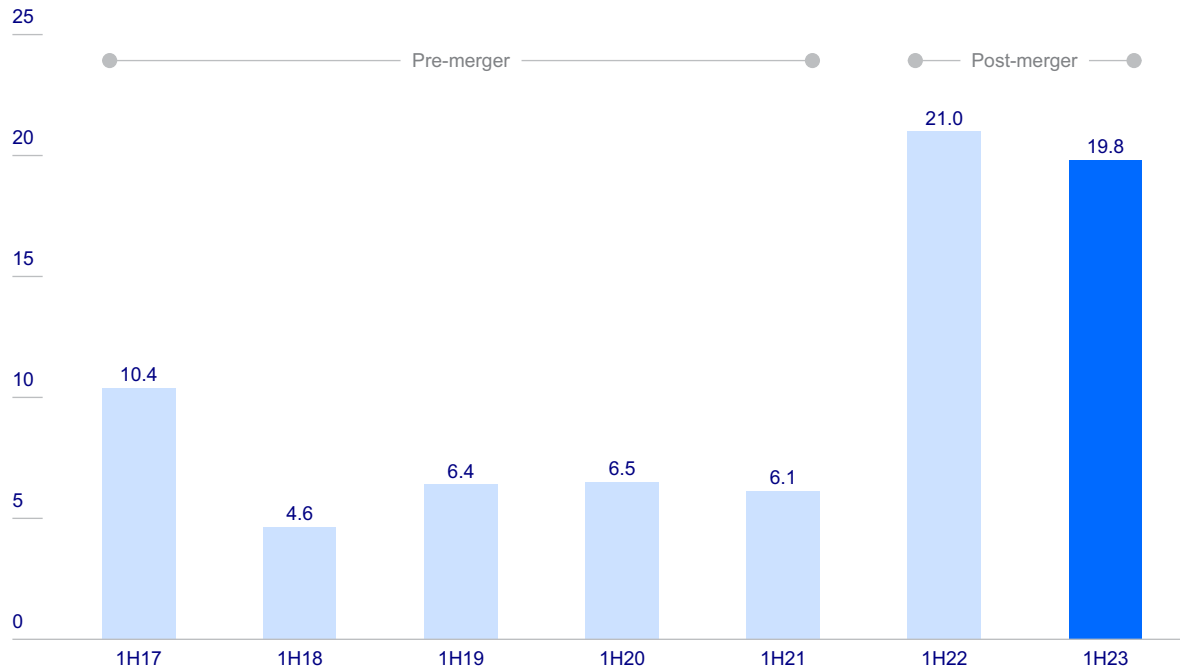
Upstream asset performance

Papua New Guinea

Strong oil and gas production from improved reliability and field performance

PNG production (includes operated oil assets)

mmboe



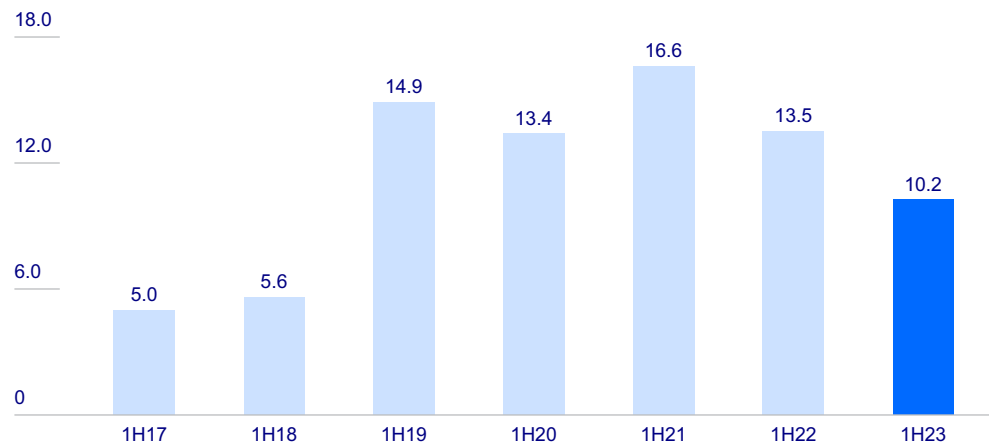
- > Santos operated compression and reliability improvement driving increased production
- > Successful 35 day planned maintenance turndown from Central Processing Facility aligned with PNG LNG rate reduction
- > Infill short cycle oil drilling program for 2023 and 2024 underway
- > IDT-26 well intersected oil-bearing sands in the Kutubu Field (PDL 2) in deeper reservoirs beneath the main producing unit currently undergoing commissioning
- > PNG LNG maintained steady production with planned maintenance activities and rate reduction
- > Angore drilling ongoing with first gas expected in 2024

Western and Northern Australia

Spartan is Santos' first gas development online in WA in 10 years. Bayu-Undan continues producing in 2H 2023

Western Australia production

mmboe



WA Gas

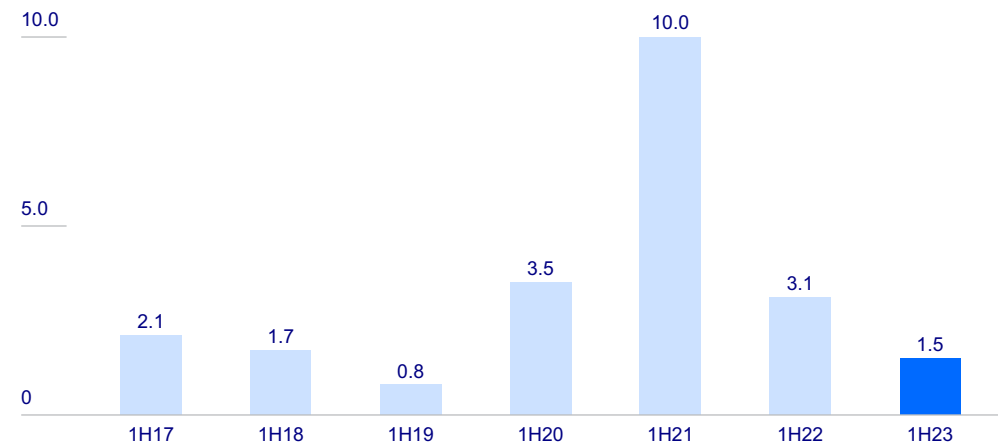
- > Expecting stronger 2H 23 following unplanned downtime, continued cycling of Reindeer and Varanus Island train shutdown is 60% complete
- > Spartan online in June-23
- > Reindeer effective cycling, prolonging field life
- > Planning for Spar-Halyard infill well – drilling planned for 2024

WA Oil

- > Pyrenees Phase 4 infill well online

Northern Australia and Timor-Leste production

mmboe



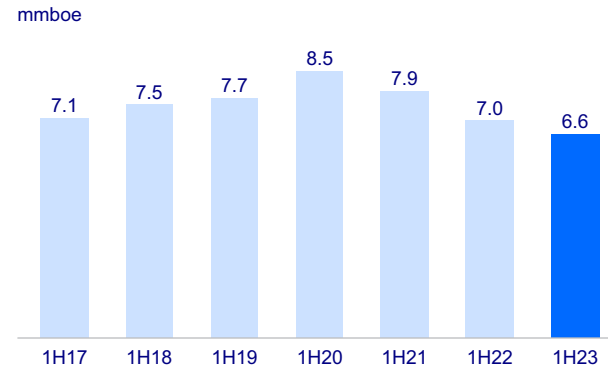
Bayu-Undan

- > Production extended into 2H23
- > Field reaching end of life, anticipated to cease in 2H23
- > Bayu-Undan continued production resulted in 4 cargoes in 1H 2023
- > Potential for further LNG offtakes and domestic gas supply in 2H2023

Cooper Basin operating model

Focus on continued reduction in days to sale, ahead of target for wells drilled and connections

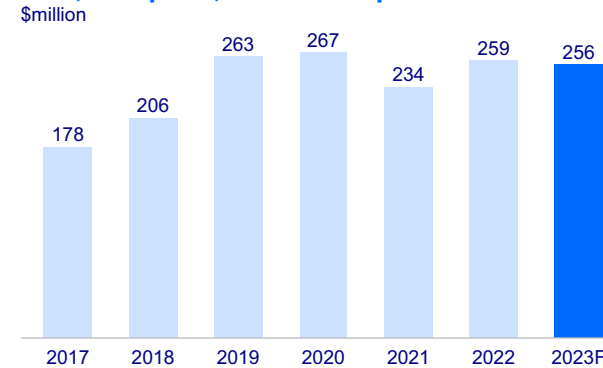
Production



Continuous improvement

- > Strong well delivery performance, ahead of budget
- > 2022 Shallow Oil program performing above expectations
- > Targeted focus on reliability / availability

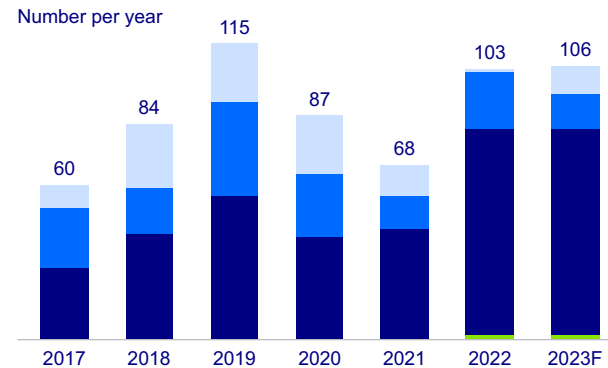
Drill, complete, connect capex



Continuous cost out focus

- > Growth self-funded within the disciplined operating model
- > Low-cost efficient drilling through campaigns and pad drilling
- > Improved capital efficiency and increased well counts

Wells drilled

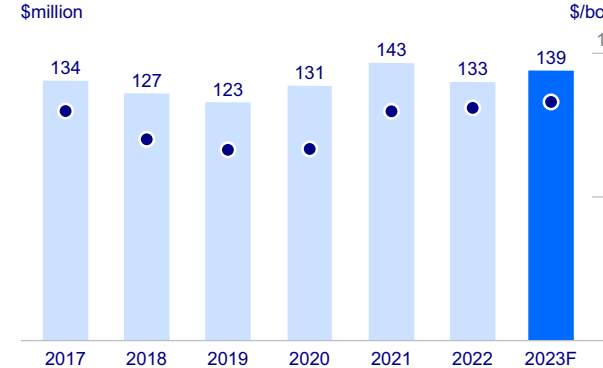


■ 2P undeveloped reserves ■ Prospective resources
■ 2C contingent resources ■ CCS injector wells

Targeting >100 wells per year

- > 62 wells drilled and 54 connected in 1H23
- > All activity ahead of plan
- > Improvement in days to sales

Production cost¹



Unit cost¹



● Unit production cost

Maintaining cost discipline

- > Slightly increased unit costs due to lower production
- > Pursuing cost efficiencies through repeatable scope and a focus on higher reliability

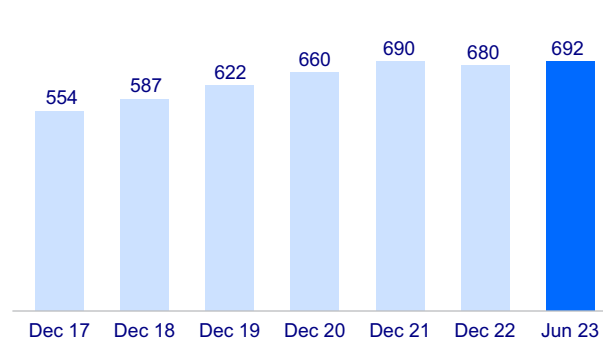
1. Includes Midstream production costs.

GLNG on track to deliver ~6 mt in 2023

On track to deliver record well connection program supporting production growth

GLNG sales gas production

TJ/d (gross)

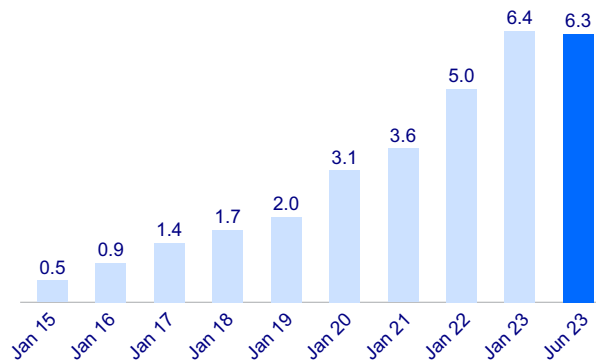


Strong GLNG gas production

- > Maintaining ramp in field activity to support increasing production profile throughout the year
- > Arcadia: 4km horizontal wells to deliver incremental production
- > Well productivity >15x higher than vertical stimulated wells
- > Scotia, Arcadia and Fairview production exceeding expectations

Mean time between failure

Years (Roma)

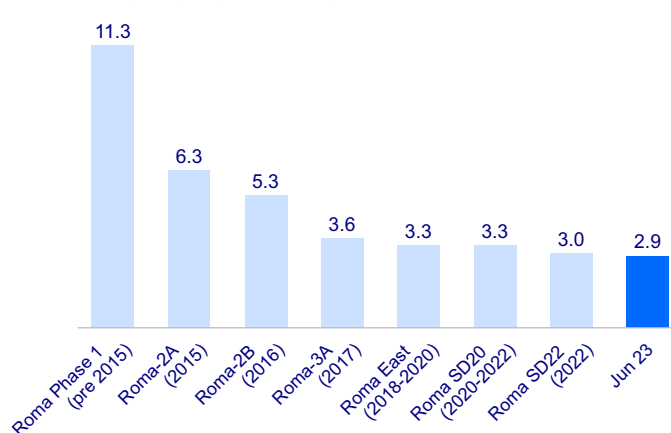


Driving down operating cost and increasing production

- > Innovative operational tools to mitigate solids-related failures
- > Continuous improvement of technologies and processes

Days – development drilling

Average days rig release to rig release

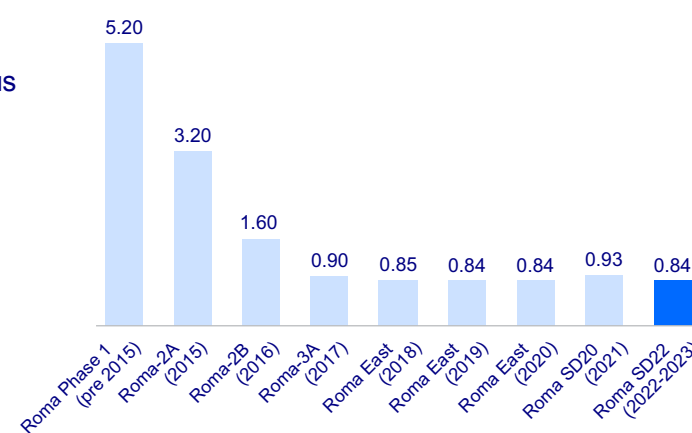


Fit for purpose rigs, experienced crews

- > High volume, sequential and repeatable scope
- > Technical limit focus driving a continuous reduction in drilling cycle times

Roma well cost – GLNG¹

\$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.

Unsanctioned upstream projects

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

	Papua LNG	Narrabri	Dorado
			
Description	> Up to 6 mpta including ~4 mpta expansion and ~2 mpta PNG LNG capacity	> Domestic gas project, committed to supply the east coast market	> Optimisation of development concept
Project update	<ul style="list-style-type: none"> > Entered FEED for integrated project in March 2023 > Progress the upstream and downstream engineering work 	<ul style="list-style-type: none"> > Notice of Appeal for Native Title Tribunal was heard in August 2023, and a decision is anticipated by end 2023 > Progressing land access agreements and environmental surveys to finalise pipeline route 	<ul style="list-style-type: none"> > Dorado phase 1 liquids development with a focus on Pavo integration and opportunities to reduce the overall development cost > Advancing gas exploration targets to enhance the phase 2 gas development value proposition > Offshore Project Proposal (OPP) approved by NOPSEMA
Targeted FID-ready	> Early 2024	> 2024 ²	> 2024 for Phase 1
Santos working interest	> 17.7% ¹	> 100%	> 80% Dorado, 70% Pavo

1. Post PNG government back-in.

2. Timing is subject to securing pipeline approvals and Native Title Determination.

Santos Energy Solutions

Santos Energy Solutions 1H23 achievements

SES projects are progressing across the hubs, setting the platform for decarbonisation

Eastern Australia Hub



Northern Australia Hub



Western Australia Hub



Operational efficiencies

Cooper Basin Electrification (Phase 1)

- > Power generation construction 50% complete

Power solutions under evaluation

Ongoing emissions reduction projects in execution

Carbon Capture and Storage (CCS)

Moomba CCS Phase 1

- > 70% complete at June 30. First injection in 2024

Direct Air Capture

- > 0.25tpd unit constructed and undergoing tests

Bayu-Undan CCS

- > Significant demand for CO2 supply
- > 4 x MOUs signed with international partners
- > MOU signed with TIMOR GAP to explore partnership opportunities together

WA and Reindeer CCS

- > Commercial discussions continuing with large industrial emitters
- > Investigating fields offshore Varanus Island for CO2 storage potential

Other initiatives

Port Bonython Mobility

- > FID-ready targeted by year end

E-methane pre-FEED

- > Study commenced with Osaka Gas

Darwin Ammonia

- > Discussions with major industrial offtakers

- > Working with potential industrial customers in WA to identify opportunities

Investing in decarbonisation technologies

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

Direct Air Capture



- > CCS enables large scale decarbonisation projects such as DAC
- > Targeted delivery to Moomba in Q3 2023 for field trials
- > 0.25tpd unit constructed and undergoing tests
- > Unit optimisations is continuing
- > Next phase build and trial of a CO2 1 tonne per day unit

Port Bonython Mobility Project



- > Concept developed
- > Inclusion of solar backed 5MW electrolyser
- > Potential expansion of solar farm
- > Targeting FID by year-end 2023

E-Methane (synthetic methane)



- > Pre-FEED stage
- > Agreement with Osaka Gas for Pre-FEED work on a demonstration scale projects to produce carbon neutral e-methane from green hydrogen
- > Aiming to use existing extensive infrastructure position
- > Progressing with assessment of costs, schedules, feasibility and risks

Carbon Solutions

Generating a portfolio of tradeable emissions reduction units from nature based initiatives

- > An integrated approach to land management and restoration together with agricultural uses, traditional management practices
- > Extending the Santos-owned land bank and unlocking existing land management options
- > Partnering with communities to enhance existing capabilities which helps enable the nature project value chain

Greater than 40,000ha of land assets under management

Greater than 60 landholder carbon agreements globally



Financial appendix

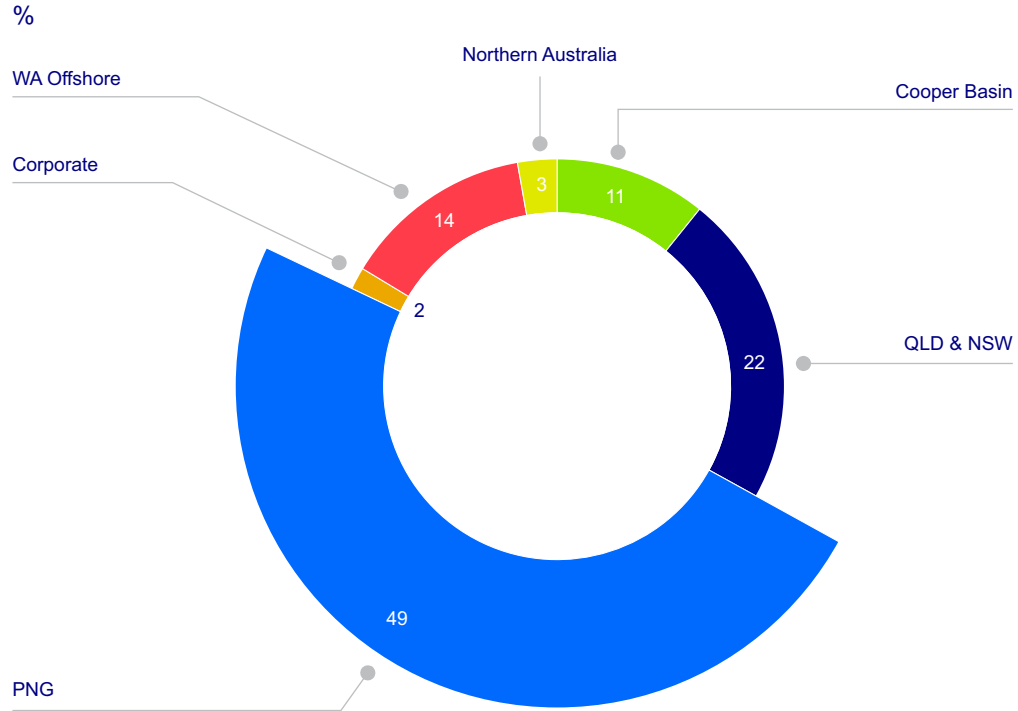
Half-year financial performance

	1H23 \$million	1H22 \$million
Total revenue	3,057	3,843
Production costs	(384)	(420)
Other operating costs	(288)	(250)
Third-party product purchases	(237)	(431)
Other	(34)	104
Foreign exchange gain	8	(34)
Fair value (loss) on derivatives	(10)	(81)
EBITDAX	2,112	2,731
Exploration and evaluation expense	(49)	(103)
Depreciation and depletion	(951)	(853)
Net impairment loss	(22)	(2)
Change in future restoration assumptions	16	(23)
EBIT	1,106	1,750
Net finance costs	(130)	(120)
Profit/(loss) before tax	976	1,630
Tax expense	(186)	(463)
Profit/(loss) after tax	790	1,167
Underlying profit	801	1,267

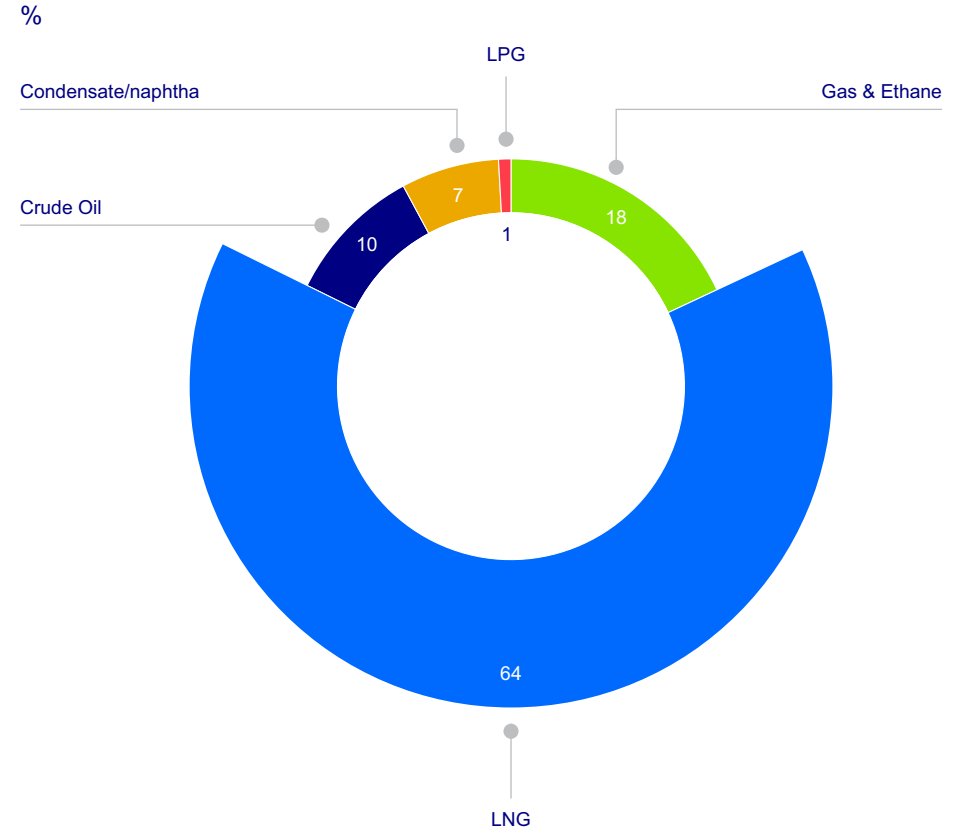
- > Total revenue down due to lower volumes and lower realised prices
- > Production costs are down compared to the previous half year due to lower volumes from Bayu-Undan and lower operational activity from Western Australia due to John Brookes pipeline repair
- > Other has decreased due to the 2022 embedded derivative gain on an underlying domestic gas sales agreement which has now concluded
- > Third party product purchases has decreased significantly as the costs relating to the change in accounting treatment of the COSPA agreement, associated liquids volumes, purchases and sales are now reported through net other revenue
- > DD&A increased due to reduced useful life estimates in some WA offshore assets

Sales revenue

1H23 sales revenue by asset



1H23 sales revenue by product



- > Diversified portfolio of product mix and geography
- > Strong cash flow generated from product sales

Free cash flow from operations

Calculation of 1H 2023 half year free cash flow

	1H23 \$million
Operating cash flows	1,628
Less: Investing cash flows	(1,401)
Add: Acquisition and disposal payments	202
Add: Major growth capex	657
Add: Major growth working capital & capitalised interest	136
Add: Loan to associate	29
Less: Lease liability payments	(122)
Free cash flow from operations	1,129

Significant items

Reconciliation of half year net profit to underlying profit

	1H23 \$million	1H22 \$million
Net profit after tax	790	1,167
Add/(deduct) significant items after tax		
Net gains on sales of non-current assets	–	(3)
Impairment losses	9	1
Fair value losses on commodity hedges	–	57
Costs associated with acquisitions and disposals	2	45
Underlying profit	801	1,267

2023 guidance

2023 guidance remains unchanged

2023 guidance item	Guidance
Production	89-93 mmboe
Sales volumes	90-100 mmboe
Capital expenditure – sustaining including decommissioning	~\$1.2 billion
Capital expenditure – major projects including Santos Energy Solutions	~\$1.5 to \$1.6 billion
Upstream production costs	\$7.25-7.75/boe ¹
Depreciation, depletion and amortisation	~\$1.9 billion

1. Excludes Bayu-Undan.

Liquidity and net debt

Net debt \$4,145 million. Liquidity of \$4,379 million

Liquidity		30 June 2023 \$million	31 Dec 2022 \$million
Cash and cash equivalents		1,840	2,352
Committed (undrawn) bank facilities		2,465	3,115
Assets held for sale – cash		74	78
Total liquidity		4,379	5,545
Debt		30 June 2023 \$million	31 Dec 2022 \$million
Bank loans – unsecured	Senior, unsecured	600	–
Reg-S/ 144A bonds	Senior, unsecured	2,386	2,384
PNG LNG project finance	Non-recourse, secured	2,206	2,591
Leases	Leases	853	899
Other	Derivatives and other accounting adjustments	14	6
Total debt¹		6,059	5,880
Total net debt¹		4,145	3,450

1. Includes assets held for sale.

2023 Half-year segment summary

	Eastern AU, PNG			WA, Northern AU, TL		Corporate exploration & elims \$million	2023 Total \$million
	Cooper Basin \$million	Queensland & New South Wales \$million	PNG \$million	Northern Australia & Timor-Lest \$million	Western Australia \$million		
Revenue	362	669	1,469	83	405	69	3,057
Production costs	(70)	(42)	(129)	(52)	(101)	10	(384)
Other operating costs	(56)	(72)	(88)	–	(43)	(29)	(288)
Third-party product purchases	(1)	(107)	(8)	–	(10)	(111)	(237)
Inter-segment purchases	(1)	(58)	–	–	–	59	–
Product stock movement	(7)	3	6	–	21	–	23
Other income	9	13	18	3	1	4	48
Other expenses	(6)	(10)	(54)	12	(21)	(39)	(118)
FX loss	–	–	–	–	–	8	8
Fair value loss on hedges	–	–	–	–	–	(10)	(10)
Share of profit/(loss) of associates	–	–	3	10	–	–	13
EBITDAX	230	396	1,217	56	252	(39)	2,112
Santos Energy Solutions¹							
EBITDAX	46	–	–	12	61	–	119

1. Santos Energy Solutions are included within the reportable segment above.

2022 Half-year segment summary

	Eastern AU, PNG			WA, Northern AU, TL		Corporate exploration & elims \$million	2022 Total \$million
	Cooper Basin \$million	Queensland & New South Wales \$million	PNG \$million	Northern Australia & Timor-Lest \$million	Western Australia \$million		
Revenue	552	701	1,632	294	600	64	3,843
Production costs	(71)	(41)	(143)	(78)	(111)	24	(420)
Other operating costs	(67)	(51)	(93)	–	(3)	(36)	(250)
Third-party product purchases	(250)	(98)	(3)	–	–	(80)	(431)
Inter-segment purchases	(1)	(42)	–	–	–	43	–
Product stock movement	69	(5)	2	–	(23)	–	43
Other income	10	11	22	13	151	38	245
Other expenses	(8)	(7)	(56)	3	(11)	(92)	(171)
FX loss	–	–	–	–	–	(34)	(34)
Fair value loss on hedges	–	–	–	–	–	(80)	(80)
Share of profit/(loss) of associates	–	–	2	(16)	–	–	(14)
EBITDAX	234	468	1,363	216	603	(153)	2,731
Santos Energy Solutions¹							
EBITDAX	50	–	–	(12)	77	–	115

1. Santos Energy Solutions are included within the reportable segment above.

Santos