

# Third Quarter Report

For period ending 30 September 2023

ASX: STO | PNGX: STO | ADR: SSLZY

# Santos

19 October 2023

## Robust sales revenue, production and free cash flow

- Sales revenue of more than US\$1.4 billion in the third quarter.
- Third quarter production of 23.3 mmbœ was slightly higher than the prior quarter primarily due to increased crude oil production in PNG.
- Bayu-Undan continuing to produce with at least one more LNG cargo expected, followed by sales into the Australian domestic market until end of field life.
- Free cash flow from operations of around US\$470 million in the third quarter and US\$1.6 billion year to date.

## Strong balance sheet to deliver development projects

- Pikka drilling is progressing with rig operations completed on the first three wells and the fourth well in progress. One well has been stimulated and flowed back for cleanup and data collection.
- Barossa project now 68 per cent complete, excluding Darwin Pipeline Duplication project. Drilling activities remain suspended pending assessment and acceptance of the associated environment plan by the regulator.
- In October Santos notified NOPSEMA that it plans to commence pipelay activities on the Barossa Gas Project after complying with the requirements of the General Direction issued by the regulator.
- In September Santos conducted a debt offering and successfully priced a US\$850 million senior unsecured transaction in the US dollar 144A/RegS market.
- Net debt of \$4.3 billion and gearing at 19.3 per cent excluding operating leases (22.6 per cent including operating leases) at 30 September 2023.

## Santos Energy Solutions focused on decarbonising the energy supply chain

- Moomba CCS project is 75 per cent complete with first injection on track for mid 2024. Moomba CCS is targeting ~US\$24 per tonne, lifecycle breakeven which will make it one of the lower cost CCS projects globally.
- The 0.25 tonnes per day Direct Air Capture (DAC) unit arrived in Moomba during the quarter with pre-field trials commissioning work successfully completed in Perth.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said the underlying business performance, combined with a strong focus on operational excellence, delivered yet another strong quarter.

“Free cash flow of US\$1.6 billion year-to-date positions the company well to deliver shareholder returns, backfill and sustain our existing business, while also investing in our major projects and progressing our decarbonisation plans.” Mr Gallagher said.

“Over the last quarter Santos completed the First Nations underwater cultural heritage assessment required prior to pipelaying at Barossa. In response to the General Direction issued by the regulator, the independent expert concluded after extensive research and interviews that ‘there were no specific underwater cultural heritage places along the planned Barossa pipeline route that may be affected by the activities’ covered by the pipeline environmental plan.

“The Santos Energy Solutions business is advancing with the Moomba CCS project, it is now 75 per cent complete and on track for start-up in mid-2024. This project will be the only CCS project in Australia that has currently qualified to generate Australian Carbon Credit Units for CO<sub>2</sub> injected and stored in Cooper Basin reservoirs. Direct Air Capture field trials at Moomba will also begin this year, with the unit having arrived onsite in September.”

“We were also pleased to see further positive momentum for our Bayu-Undan CCS project with legislation to implement the London Protocol’s cross-border provisions for CO<sub>2</sub> transport and storage passing the House of Representatives and Senate Environment and Communications Legislation Committee recommending the bill will be passed.”

### Media enquiries

Ken McGregor  
+61 (0) 401 037 140  
Ken.McGregor@santos.com

### Investor enquiries

Brian Massey  
+61 8 8116 7354 | +61 (0) 432 099 391  
Brian.Massey@santos.com

**Santos Limited** ABN 80 007 550 923  
GPO Box 2455, Adelaide SA 5001  
T +61 8 8116 5000 F +61 8 8116 5131  
www.santos.com

## Comparative performance

Santos share	Unit	Q3 2023	Q2 2023	Change	2023 YTD	2022 YTD	Change
Production	mboe	23.3	22.8	2%	68.3	77.6	-12%
Sales volume	mboe	24.0	23.3	3%	71.1	85.4	-17%
Sales revenue	\$million	1,436	1,336	7%	4,403	5,906	-25%
Capital expenditure <sup>1</sup>	\$million	649	572	13%	1,785	1,394	28%

<sup>1</sup> Capital expenditure including restoration expenditure but excluding capitalised interest.

## Sales volumes

Product	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
LNG	000 t	1,299.5	1,332.8	1,491.7	4,039.6	4,427.4
Domestic sales gas & ethane	PJ	45.9	44.3	64.8	130.3	171.2
Crude oil	000 bbls	2,502.5	1,340.3	2,638.9	5,911.3	8,028.2
Condensate	000 bbls	1,015.3	1,411.5	1,583.0	3,888.9	4,845.0
LPG	000 t	33.2	36.6	50.0	78.7	143.4
<b>Sales</b>						
Own product	mboe	20.4	20.4	24.4	60.5	71.1
Third-party	mboe	3.6	2.9	5.5	10.6	14.3
<b>Total sales volume</b>	<b>mboe</b>	<b>24.0</b>	<b>23.3</b>	<b>29.9</b>	<b>71.1</b>	<b>85.4</b>

Third quarter sales volumes were higher than the prior quarter due to higher crude oil volumes from PNG, offset by slightly lower condensate and LNG volumes across the portfolio.

## Sales revenues

Product	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
LNG	\$million	821	838	1,313	2,728	3,502
Domestic sales gas & ethane	\$million	294	270	387	828	916
Crude oil	\$million	225	111	285	517	912
Condensate	\$million	79	97	133	286	472
LPG	\$million	17	20	32	44	104
<b>Sales</b>						
Own product	\$million	1,262	1,186	1,797	3,839	5,025
Third-party	\$million	174	150	353	564	881
<b>Total sales revenue</b>	<b>\$million</b>	<b>1,436</b>	<b>1,336</b>	<b>2,150</b>	<b>4,403</b>	<b>5,906</b>
Third-party purchase costs	\$million	99	88	184	335	605

Third quarter sales revenues were higher than the prior quarter primarily due to higher crude oil volumes, and higher commodity prices for all products.

## Average realised prices

Product	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
LNG price	US\$/mmBtu	12.02	11.96	16.76	12.85	15.06
Domestic gas price	US\$/GJ	6.39	6.11	5.97	6.36	5.35
<i>East coast domestic<sup>1</sup></i>	<i>US\$/GJ</i>	<i>8.07</i>	<i>7.97</i>	<i>8.96</i>	<i>8.17</i>	<i>7.38</i>
<i>West coast domestic</i>	<i>US\$/GJ</i>	<i>4.90</i>	<i>4.87</i>	<i>4.10</i>	<i>4.92</i>	<i>4.09</i>
Crude oil price	US\$/bbl	89.97	82.91	108.21	87.54	113.63
Condensate price	US\$/bbl	77.84	68.61	83.89	73.54	97.29
LPG price	US\$/t	508.55	540.48	635.94	552.23	726.99

<sup>1</sup> Q3 2023 US\$5.90/GJ for Santos equity volumes and US\$12.38/GJ for third-party volumes.

Average realised LNG prices were aligned with the prior quarter, with higher realised prices from Darwin LNG offsetting lower oil linked sales contracts from lagged Japan Customs-cleared Crude (JCC) prices. Three-month lagged JCC averaged US\$84/bbl in the third quarter of 2023 compared to US\$87/bbl in the second quarter. Santos' LNG projects shipped 51 cargoes in the third quarter, of which five were sold on a JKM-linked basis (Darwin LNG 1, PNG LNG 4). The third quarter east coast domestic gas price is skewed by third-party gas trading activities, which facilitate the supply to customers. Santos recovers a portion of committed transport costs for this traded gas. These third-party volumes were contracted in 2022 prior to implementation of the Government's Emergency Price Order.

## Production by asset

Asset	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
Western Australia	mmboe	5.2	5.5	7.5	15.4	21.0
Cooper Basin	mmboe	3.4	3.3	3.4	10.0	10.4
Queensland & NSW	mmboe	3.5	3.5	3.4	10.4	10.3
PNG	mmboe	10.6	9.7	10.6	30.4	31.6
Northern Australia & Timor-Leste	mmboe	0.6	0.8	1.2	2.1	4.3
<b>Total production</b>	<b>mmboe</b>	<b>23.3</b>	<b>22.8</b>	<b>26.1</b>	<b>68.3</b>	<b>77.6</b>

## Production by product

Product	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
Sales gas to LNG plant	PJ	73.4	69.8	77.5	214.3	238.0
Domestic sales gas & ethane	PJ	42.8	44.0	54.0	126.4	149.9
Crude oil	000 bbls	1,923.0	1,915.0	1,832.1	5,613.0	5,848.0
Condensate	000 bbls	1,195.9	1,170.6	1,432.7	3,534.7	4,361.4
LPG	000 t	28.1	32.4	35.2	90.8	111.3
<b>Total production</b>	<b>mmboe</b>	<b>23.3</b>	<b>22.8</b>	<b>26.1</b>	<b>68.3</b>	<b>77.6</b>

Third quarter production was two per cent higher than prior quarter primarily due to increased sales gas to LNG volumes in PNG.

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

## 2023 Guidance

2023 guidance remains unchanged from updated guidance provided in the second quarter. 2023 production, sales and cost guidance includes PNG LNG at a 42.5 per cent working interest. Guidance will be revised once the expected sell-down has completed.

2023 Guidance item	Previous 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 <sup>1</sup>
Depreciation, depletion and amortisation	~\$1.9 billion

<sup>1</sup> Excludes Bayu-Undan.

## 2023 Investor Day

Santos will host its annual Investor Briefing Day on Wednesday 22nd November from 9:00am AEDT / 9.30am ACDT in Sydney.

## Western Australia

Santos share	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Sales volume</b>						
Sales gas	PJ	24.2	26.5	39.9	72.6	106.1
Condensate	000 bbls	4.0	273.4	299.8	583.9	771.7
Crude oil	000 bbls	1,302.8	426.0	946.9	2,718.4	3,179.7
<b>Total sales volume</b>	<b>mmboe</b>	<b>5.5</b>	<b>5.2</b>	<b>8.0</b>	<b>15.7</b>	<b>22.1</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>241</b>	<b>182</b>	<b>292</b>	<b>643</b>	<b>889</b>
<b>Production</b>						
Sales gas	PJ	23.7	25.7	37.7	71.6	102.8
Condensate	000 bbls	241.1	229.2	252.4	634.9	755.3
Crude oil	000 bbls	859.0	920.6	720.3	2,525.8	2,567.5
<b>Total production</b>	<b>mmboe</b>	<b>5.2</b>	<b>5.5</b>	<b>7.5</b>	<b>15.4</b>	<b>21.0</b>
Capital expenditure	\$million	50	54	90	190	273

### Upstream Gas and Liquids

Domestic gas production and sales were lower than last quarter due to maintenance activities at Varanus Island and Devil Creek facilities during July and August. At the end of the quarter, domestic gas production has returned to higher rates with contribution from the new Spartan development well and from Reindeer field with Devil Creek online. The Reindeer field is expected to continue to produce intermittently through fourth quarter 2023 and cease production in early 2024. Oil production was lower than prior quarter due to a 3-day planned shutdown of Ningaloo Vision FPSO for subsea maintenance activity and natural decline from production wells.

As previously announced in December 2022, Santos will commence purchasing gas from the Walyering Joint Venture (Strike Energy and Talon Energy) next quarter. The agreement is facilitated by Santos' existing customer relationships and pipeline transport positions, with gas to be delivered into Santos' WA domestic sales gas portfolio.

### Santos Energy Solutions

Santos continues to conduct feasibility studies evaluating opportunities to capture and transport CO2 emissions from local industrial and international sources for long term storage in several Santos' gas reservoirs including the Reindeer field.

Santos is actively engaging and collaborating with several nearby large-scale emitters and international industrial groups to support concept development to provide decarbonisation solutions for a range of heavy industries.

## Cooper Basin

Santos share	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Sales volume</b>						
Sales gas and ethane <sup>1</sup>	PJ	15.1	14.3	14.9	42.6	44.0
Condensate <sup>1</sup>	000 bbls	97.1	260.4	220.8	523.3	825.4
LPG <sup>1</sup>	000 t	33.5	36.7	37.4	78.7	118.3
Crude oil						
Own product	000 bbls	621.4	578.0	567.2	1,843.7	1,629.2
Third-party	000 bbls	-	-	579.5	-	1,705.1
Total	000 bbls	621.4	578.0	1,146.7	1,843.7	3,334.3
<b>Total sales volume</b>	<b>mmboe</b>	<b>3.6</b>	<b>3.6</b>	<b>4.3</b>	<b>10.3</b>	<b>12.7</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>164</b>	<b>167</b>	<b>250</b>	<b>484</b>	<b>769</b>
<b>Production</b>						
Sales gas and ethane	PJ	14.7	13.9	14.5	41.7	43.3
Condensate	000 bbls	185.7	156.7	201.2	527.2	642.6
LPG	000 t	24.2	28.3	27.4	78.3	88.0
Crude oil	000 bbls	498.0	553.0	525.0	1,660.5	1,646.9
<b>Total production</b>	<b>mmboe</b>	<b>3.4</b>	<b>3.3</b>	<b>3.4</b>	<b>10.0</b>	<b>10.4</b>
Capital expenditure	\$million	135	134	115	384	276

<sup>1</sup> Sales volumes include own product and third-party volumes.

### Upstream Gas and Liquids

Cooper Basin overall production increased from the last quarter. Gas production increased through strong new well performance and stable operations.

22 wells were drilled, and 23 wells (19 Gas and 4 Oil) were connected across the Cooper Basin in the third quarter, bringing the YTD totals to 84 drills and 77 new wells connected (66 Gas and 11 Oil).

### Santos Energy Solutions

Execution and construction of the US\$220m Moomba CCS project continued throughout the quarter with 75 per cent of works complete. All four injection wells had downhole equipment installed and perforations were completed to the storage formation. Site construction for the facility continues to progress well and is on track for mid 2024 start-up.

Power generation construction for Phase 1 of the Moomba Electrification project is now more than 90% complete with commissioning activities commencing during the quarter.

The 0.25 tonnes per day Direct Air Capture (DAC) unit for the Cooper Basin successfully arrived in Moomba during the quarter with preparation works ongoing for the commencement of field trials.

## Queensland & NSW

Santos share	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Sales volume</b>						
GLNG Joint Venture						
LNG	000 t	391.2	385.2	457.6	1251.0	1,342.9
Domestic contracts	PJ	4.5	2.0	0.8	6.7	1.5
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	3.7	3.6	4.8	11.3	12.9
<b>Total sales volume<sup>2</sup></b>	<b>mmboe</b>	<b>5.0</b>	<b>4.6</b>	<b>5.2</b>	<b>14.8</b>	<b>15.0</b>
<b>Total sales revenue<sup>2</sup></b>	<b>\$million</b>	<b>312</b>	<b>289</b>	<b>404</b>	<b>972</b>	<b>1,079</b>
<b>Production</b>						
GLNG Joint Venture						
	PJ	16.2	15.8	15.4	47.4	46.5
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	4.0	4.2	4.0	12.1	12.2
NSW	PJ	0.3	0.4	0.3	1.1	1.0
<b>Total production<sup>2</sup></b>	<b>mmboe</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>	<b>10.4</b>	<b>10.3</b>
Capital expenditure	\$million	79	70	49	202	129

<sup>1</sup> Combabula, Scotia (Santos legacy domestic volumes), and Spring Gully.

<sup>2</sup> Total sales volume, sales revenue and production include sales gas from NSW assets.

GLNG operational data (gross)	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
Sales gas to domestic market <sup>1</sup>	PJ	19	19	15	46	40
LNG produced <sup>2</sup>	000 t	1,370	1,263	1,520	4,178	4,495
Sales gas to LNG plant						
GLNG equity gas	PJ	45	44	54	142	160
Santos portfolio gas	PJ	15	14	15	43	41
Third-party	PJ	23	18	23	67	70
<b>Total sales gas to LNG plant</b>	<b>PJ</b>	<b>83</b>	<b>76</b>	<b>92</b>	<b>252</b>	<b>271</b>
LNG cargoes shipped		22	22	26	71	76

<sup>1</sup> Includes APLNG equity share of Fairview, Arcadia and Roma East.

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

Gross GLNG operated upstream gas production increased by 8TJ/day to an average rate of 700TJ/day for the quarter. In the Scotia field, production has continued to increase quarter on quarter through new wells online and facility optimisation with an average production rate of 91TJ/day. Fairview has had quarter on quarter increases with an average rate of 312TJ/day. Arcadia and Roma continue to remain steady at rates of ~100TJ/day and ~200 TJ/day, respectively.

LNG production was similar to the previous quarter as seasonal shaping of the project's domestic gas commitment continued over the winter months. GLNG has delivered approximately 15 PJs (gross) of gas into the domestic market over the second and third quarters of 2023. Over the remainder of the year, based on current shipping plans, LNG sales is expected to remain around 6 mtpa for the full-year.

83 wells were drilled, and 133 wells were connected across the GLNG acreage in the third quarter bringing the YTD totals to 273 drills and 342 new connections.

Recent horizontal drilling results in Fairview continue to support the upcoming developments in Fairview and Arcadia. Production results for the horizontal wells have been increasing with current single well rates of up to 8TJ/d and the recent drilling results have included wells extending over 2.5 kilometres through the coal seam.

The Arcadia Valley Phase 2 project continued to progress with 123 wells drilled out of a total of around 200 wells. The new gas compression facility reached a significant milestone in Q3 2023 as it became operational with the first two compressor units installed.

Two compressors have been converted in Fairview from gas to electricity providing an additional 5TJ/d of gas production as a result and providing a pathway to reduced emissions as the QLD grid improves.

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

In December 2022, the Narrabri Gas Project received a positive determination from the National Native Title Tribunal. A Notice of Appeal was received in January 2023 and was heard by the Federal Court in August 2023, with a decision expected by the end of the year. Santos is continuing to progress land access agreements and environmental surveys to finalise the pipeline easements and planning is underway to support construction activity.



## PNG

Santos share	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Sales volume</b>						
PNG LNG						
LNG <sup>1</sup>	000 t	866.8	876.3	930.1	2,612.3	2,697.0
Condensate	000 bbls	888.5	680.8	895.8	2,473.2	2,687.0
Crude oil	000 bbls	578.3	336.3	545.3	1,349.1	1,517.8
<b>Total sales volume</b>	<b>mmboe</b>	<b>9.8</b>	<b>9.4</b>	<b>10.4</b>	<b>28.9</b>	<b>30.0</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>678</b>	<b>649</b>	<b>933</b>	<b>2,133</b>	<b>2,556</b>
<b>Production</b>						
PNG LNG <sup>1</sup>						
Sales gas to LNG <sup>1</sup>	PJ	54.4	50.5	54.1	157.3	161.3
Condensate	000 bbls	637.8	643.0	785.2	1,961.8	2,401.3
Crude oil	000 bbls	565.9	441.5	586.8	1,426.7	1,633.6
<b>Total production</b>	<b>mmboe</b>	<b>10.6</b>	<b>9.7</b>	<b>10.6</b>	<b>30.4</b>	<b>31.6</b>
Capital expenditure	\$million	119	106	72	315	205

<sup>1</sup> Includes SE Gobe.

PNG LNG operational data (gross)	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Production</b>						
LNG	000 t	2,111	2,066	2,149	6,314	6,424
Sales gas to LNG plant	PJ	125	122	127	371	379
Condensate <sup>1</sup>	000 bbls	1,500	1,512	1,784	4,613	5,644
Sales gas (SE Gobe) <sup>2</sup>	PJ	4	5	3	13	8
LNG cargoes shipped		28	28	29	83	85

<sup>1</sup> Measured at the Kutubu entry point.

<sup>2</sup> Purchased by PNG LNG.

Steady production at PNG LNG was maintained and supported by strong production from Santos-operated field. In the third quarter, 28 cargoes were shipped including 3 spot cargoes.

Continued strong oil and gas production rates from the Santos-operated fields due to improved compression performance following second quarter preventative maintenance activities in the Central and Gobe Processing Facilities. Infill drilling activities continued through the third quarter for new development wells in Kutubu and Moran fields.

As previously announced, Santos has executed a binding sale agreement to deliver Kumul Petroleum Holdings Limited a 2.6 per cent participating interest in PNG LNG with an option to acquire a further 2.4 per cent expiring on 30 June 2024. For further information, refer to Santos' ASX release of 1 September 2023.

FEED work continues on Papua LNG with an expected FID in 2024.

## Northern Australia & Timor-Leste

Santos share	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Sales volume</b>						
Darwin LNG						
LNG	000 t	41.6	71.3	104.0	176.3	387.5
Bayu-Undan						
Condensate	000 bbls	29.5	199.3	166.9	362.0	561.9
LPG	000 t	-	-	12.7	0.4	25.3
<b>Total sales volume</b>	<b>mmboe</b>	<b>0.4</b>	<b>0.9</b>	<b>1.2</b>	<b>2.0</b>	<b>4.4</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>27</b>	<b>40</b>	<b>187</b>	<b>110</b>	<b>481</b>
<b>Production</b>						
Darwin LNG						
Sales gas to LNG	PJ	2.8	3.5	5.3	9.6	20.8
Bayu-Undan						
Condensate	000 bbls	130.9	141.7	193.9	410.5	562.2
LPG	000 t	3.7	4.2	7.9	12.4	23.3
<b>Total production</b>	<b>mmboe</b>	<b>0.6</b>	<b>0.8</b>	<b>1.2</b>	<b>2.1</b>	<b>4.3</b>
Capital expenditure	\$million	107	97	119	330	403

DLNG operational data (gross)	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Production</b>						
LNG	000 t	91	134	288	366	1,124
Sales gas to LNG plant	PJ	7	9	18	26	69
Condensate	000 bbls	363	431	793	1,276	2,295
LPG	000 t	10	12	28	35	82
LNG cargoes shipped		1	3	4	5	16

### Upstream Gas and Liquids

The Bayu-Undan field continued to produce through the third quarter. Gross gas and liquids production was lower than last quarter due to planned maintenance activities and expected natural field decline. Production is anticipated to cease during fourth quarter 2023.

The Barossa gas and condensate project to backfill Darwin LNG is 63 per cent complete, including DPD (68 per cent excluding DPD).

Following a comprehensive assessment, the independent expert concluded that there are no specific “underwater cultural heritage places” along the Barossa GEP route that may be affected by the activities covered by the Gas Export Pipeline (GEP) environmental plan (EP).

The Barossa drilling operations remain suspended with the drill rig on standby off the coast of Darwin as Santos works to secure the requisite approvals to recommence work. Assuming that drilling re-commences before end 2023 and that the GEP commences installation in 2023, the Barossa project remains on target to commence production in the first half 2025 and within current cost guidance.

### Santos Energy Solutions

Santos and joint venture partners continue engagement with potential customers for the Bayu-Undan CCS project. Discussions have commenced with the newly formed Autoridade Nacional do Petróleo (ANP) on regulatory and commercial frameworks.

## Corporate, exploration and eliminations (including Alaska)

Santos share	Unit	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Total sales volume</b>	<b>mmboe</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>0.8</b>	<b>(0.6)</b>	<b>1.2</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>14</b>	<b>9</b>	<b>84</b>	<b>61</b>	<b>132</b>
Capital expenditure	\$million	159	111	60	364	108

Sales volumes and revenues in the corporate segment represent gas trading activities.

The Pikka Phase 1 project is progressing to plan and remains on schedule and on budget, targeting first oil in 2026. All major drilling, fabrication and construction contracts are in place. All materials have been procured and are being delivered per plan and camps have been mobilised for the upcoming 2023/2024 winter season pipeline installation. Fabrication activities for fluid processing, seawater treatment, drill site, camp and grind and inject facilities are all progressing to meet the first oil target.

The Pikka drilling program continues to progress on plan, with rig operations completed on the first three wells (including disposal well used for drill cuttings). One well has been stimulated and flowed back for cleanup and data collection. The fourth well, NDB-024, is currently drilling and is the first production well to target the central reservoir area. Intermediate casing has been set at 3,495 metres and the horizontal section through the Nanushuk reservoir section of the well will be drilled to a target depth of 5,496 metres. Following completion of drilling activities, the well will be fracture stimulated and flow tested late in the fourth quarter of 2023.

In September Santos announced it would farm-down half of its working interest in 148 exploration leases (more than 270,000 acres of State of Alaska lands) on the Alaska North Slope in an agreement with APA Alaska LLC and Lagniappe Alaska LLC.

During the quarter Santos conducted a debt offering and successfully priced a US\$850 million senior unsecured fixed rate bond transaction in the US dollar 144A/RegS market. The bonds have been priced at a fixed coupon of 6.875 per cent for a period of 10 years, maturing in September 2033. The proceeds are intended for general corporate purposes.

## Capital expenditure

Total exploration, evaluation and development expenditure is summarised in the table below.

\$million	Q3 2023	Q2 2023	Q3 2022	2023 YTD	2022 YTD
<b>Capital expenditure</b>					
Exploration	17	15	21	61	140
Evaluation	47	34	39	110	119
Development and other capex (incl restoration)	585	523	445	1,614	1,135
<b>Capital expenditure excl capitalised interest</b>	<b>649</b>	<b>572</b>	<b>505</b>	<b>1,785</b>	<b>1,394</b>
Capitalised interest	53	54	32	150	99
<b>Total capital expenditure</b>	<b>702</b>	<b>626</b>	<b>537</b>	<b>1,935</b>	<b>1,493</b>
<b>Exploration and evaluation expensed</b>					
Exploration	16	19	18	60	110
Evaluation	3	2	2	8	13
<b>Total current year expenditure</b>	<b>19</b>	<b>21</b>	<b>20</b>	<b>68</b>	<b>123</b>
Write-off of amounts capitalised in prior years	-	-	-	-	-
<b>Total expensed</b>	<b>19</b>	<b>21</b>	<b>20</b>	<b>68</b>	<b>123</b>

Capital expenditure in the third quarter comprised US\$291 million sustaining capital (including \$25 million for decommissioning costs) and US\$358 million for major projects.

## Oil price hedging

Oil hedges were executed in September 2023, in the form of zero cost collars for Q4 2023. The volume of exposure hedged was 5mmbbl at a floor price of \$75/bbl and an average cap of \$103.80. Subsequent to quarter end, 13mmbbl of Cal 2024 of zero cost collars were executed at a floor price of \$75/bbl and an average cap of \$90.94.

FX hedges were executed during the quarter. A\$100 million of Q4 2023 forward contracts were entered into at an all-in rate of 0.6574 and A\$400 million of 2024 forward contracts were entered into at an average all-in rate of 0.6529.

Subsequent to quarter end, A\$570 million of 2024 forward contracts were entered into at an average all-in rate of 0.6378. In total for 2024, the company has entered into forward contracts totalling A\$970 million at an average all-in rate of 0.6440.

## Seismic activity

In Q3 2023 three seismic surveys were acquired in the Bowen Basin; Eastern Expedition 2D, ATP 2056 2D and ATP 2052/2054 2D. The objective of the Eastern Expedition 2D is to delineate the presence of local faulting within the Bandanna Coals to assist the upcoming horizontal drilling campaign. The ATP 2056 survey is designed to improve the understanding and evaluation of Bowen Tight Gas potential. The ATP 2052/2054 survey will evaluate opportunities in both CSG and the Bowen Tight Gas play. Processing of all volumes has commenced. Seismic re-processing is ongoing for the Snowball 3D (Cooper Basin) with Phase 1 (121km<sup>2</sup>) completed in Q3 and plans to extend the project to Phase 2 (771 km<sup>2</sup>) commencing in Q4 2023. Planning of the Kita 3D (Cooper Basin) & ATP 631 2D (Bowen Basin) seismic acquisition are in final stages with the survey's expected to commence early in Q4. Processing of the Hector 3D is ongoing and is expected to complete in Q4.

## Drilling summary

### Exploration / Appraisal wells

Cooper Basin gas			
Well name	Area	Santos	Well status
KAPPA 3	QLD	60.06%	Drilling
MOOMBA 258	SA	66.60%	P&S, Successful
MOOMBA 304	SA	66.60%	Drilling
NAPOWIE 13*	SA	66.60%	C&C, Successful
NHUGANHA NGAKALANGA 1	QLD	60.06%	C&S, Successful
PSYCHE 9	QLD	60.06%	C&S, Successful

\*Spud in Q2 completed in Q3.

Cooper Basin oil			
Well name	Area	Santos	Well status
WALTER 1	QLD	40.0%	P&A, Unsuccessful
WATKINS NORTH 1	QLD	40.0%	C&S, Successful
WATKINS NORTH 2	QLD	40.0%	C&S, Successful

Queensland GLNG gas			
Well name	Area	Santos	Well status
BBNML 02	QLD	30.00%	Observation Well
OBGML 01*	QLD	24.57%	Observation Well
RM27-46-1	QLD	30.00%	C&S, Successful
RM27-47-1	QLD	30.00%	C&S, Successful

RM27-48-1	QLD	30.00%	C&S, Successful
RM27-49-1	QLD	30.00%	C&S, Successful
RM27-50-1	QLD	30.00%	C&S, Successful

\*Spud in Q2 completed in Q3.

### Development wells

Cooper Basin gas			
Well name	Area	Santos	Well status
MERANJI 28	SA	66.60%	C&S, Successful
MERANJI 29	SA	66.60%	C&S, Successful
MERANJI 30	SA	66.60%	C&S, Successful
MERANJI 31	SA	66.60%	C&S, Successful
MERANJI 32	SA	66.60%	C&S, Successful
MOOMBA 306*	SA	66.60%	C&S, Successful
MOOMBA 309*	SA	66.60%	C&S, Successful
MOOMBA 310	SA	66.60%	C&S, Successful
MOOMBA 311	SA	66.60%	C&S, Successful
MOOMBA 312	SA	66.60%	C&S, Successful
PSYCHE 8	QLD	60.06%	C&S, Successful
TIRRAWARRA 106	SA	66.60%	C&S, Successful
WINNINIA NORTH 6*	QLD	60.06%	C&S, Successful

\*Spud in Q2 completed in Q3.

Cooper Basin oil			
Well name	Area	Santos	Well status
GRANCHIO 4	SA	66.60%	C&S, Successful
STIMPEE 6	SA	66.60%	Drilling

Papuan Basin oil			
Well name	Area	Santos	Well status
MORAN 17*	Southern Highlands	49.39%	C&S, Successful

\*Well is currently in completions phase.

Alaska oil			
Well name	Area	Santos	Well status
DW-02*	Pikka	51.0%	C&C, successful
NDBi-043	Pikka	51.0%	C&C, successful
NDB-032	Pikka	51.0%	C&S, successful
NDB-024	Pikka	51.0%	Drilling

\*Cuttings disposal well.

Queensland GLNG gas			
Well name	Area	Santos	Well status
BRUMBY 15	QLD	22.85%	C&S, Successful
BRUMBY 16	QLD	22.85%	C&S, Successful
BRUMBY 17	QLD	22.85%	C&S, Successful
BRUMBY 18	QLD	22.85%	C&S, Successful
BRUMBY 19	QLD	22.85%	C&S, Successful
BRUMBY 20	QLD	22.85%	C&S, Successful
BRUMBY 21	QLD	22.85%	C&S, Successful
BRUMBY 22	QLD	22.85%	C&S, Successful
BRUMBY 23	QLD	22.85%	C&S, Successful
BRUMBY 24	QLD	23.87%	C&S, Successful
FV06-56-1	QLD	22.85%	C&S, Successful
FV06-58-1	QLD	22.85%	C&S, Successful
FV06-61-1	QLD	22.85%	Drilling
FV07-01-4	QLD	22.85%	C&S, Successful
FV17-34-3	QLD	22.85%	C&S, Successful
FV17-66-1*	QLD	22.85%	C&C, Successful
FV17-72-1	QLD	22.85%	C&S, Successful
FV17-79-1	QLD	22.85%	C&S, Successful
FV17-80-1	QLD	22.85%	C&S, Successful
FV17-81-1	QLD	22.85%	C&S, Successful
FV17-83-1	QLD	22.85%	C&S, Successful
FV18-106-1	QLD	22.85%	C&S, Successful
FV18-107-1	QLD	22.85%	C&S, Successful
FV18-108-1*	QLD	22.85%	C&S, Successful
FV18-111-1	QLD	22.85%	C&S, Successful

FV18-112-1	QLD	22.85%	C&S, Successful
FV18-113-1	QLD	22.85%	C&S, Successful
FV18-114-1	QLD	22.85%	C&S, Successful
FV18-116-1	QLD	22.85%	C&S, Successful
FV18-117-1	QLD	22.85%	C&S, Successful
FV18-118-1	QLD	22.85%	C&S, Successful
FV18-119-1	QLD	22.85%	C&S, Successful
FV18-119-2	QLD	22.85%	C&S, Successful
FV18-120-1	QLD	22.85%	C&S, Successful
FV18-121-1	QLD	22.85%	C&S, Successful
FV18-127-1	QLD	22.85%	C&S, Successful
FV18-129-1	QLD	22.85%	C&S, Successful
FV18-131-1	QLD	22.85%	C&S, Successful
FV18-133-1	QLD	22.85%	Drilling
FV18-141-1	QLD	22.85%	C&S, Successful
FV18-27-2	QLD	22.85%	C&S, Successful
FV18-30-2	QLD	22.85%	C&S, Successful
FV18-98-1	QLD	22.85%	C&S, Successful
FV18-99-1	QLD	22.85%	C&S, Successful
RM13-32-2	QLD	30.00%	C&S, Successful
RM17-05-2*	QLD	30.00%	C&C, Successful
RM40-155-1	QLD	24.57%	C&C, Successful
RM40-45-1	QLD	24.57%	C&S, Successful
RM40-53-1	QLD	24.57%	C&S, Successful
RM40-81-1	QLD	24.57%	C&S, Successful
RM68-121-2	QLD	30.00%	C&C, Successful
RM90-101-1	QLD	24.57%	C&S, Successful
RM90-102-1	QLD	24.57%	C&S, Successful
RM90-103-1	QLD	24.57%	C&S, Successful
RM90-104-1	QLD	24.57%	C&S, Successful
RM90-124-1	QLD	24.57%	C&S, Successful
RM90-125-1	QLD	24.57%	C&S, Successful
RM90-38-1	QLD	24.57%	C&C, Successful
RM90-39-1	QLD	24.57%	C&C, Successful
RM90-40-1	QLD	24.57%	C&S, Successful
RM90-49-1	QLD	24.57%	C&C, Successful
RM90-50-1	QLD	24.57%	C&S, Successful
RM90-61-1	QLD	24.57%	C&S, Successful
RM90-62-1	QLD	24.57%	C&C, Successful
RM90-63-1	QLD	24.57%	C&S, Successful
RM90-69-1	QLD	24.57%	C&S, Successful
RM90-70-1	QLD	24.57%	C&S, Successful
RM90-71-1	QLD	24.57%	C&S, Successful
RM90-72-1	QLD	24.57%	C&C, Successful
RM90-73-1	QLD	24.57%	C&S, Successful

RM90-80-1	QLD	24.57%	C&S, Successful	RM90-89-1	QLD	24.57%	C&S, Successful
RM90-81-1	QLD	24.57%	C&S, Successful	RM90-90-1	QLD	24.57%	C&S, Successful
RM90-82-1	QLD	24.57%	C&S, Successful	RM90-91-1	QLD	24.57%	C&S, Successful
RM90-88-1	QLD	24.57%	C&S, Successful	RM90-92-1	QLD	24.57%	C&S, Successful

## Abbreviations and conversion factors

Abbreviations		Conversion factors	
C&C	cased and completed	Sales gas and ethane, 1 PJ	171.937 boe x 10 <sup>3</sup>
C&S	cased and suspended	Crude oil, 1 barrel	1 boe
gas	natural gas	Condensate, 1 barrel	0.935 boe
DES	delivered ex-ship	LPG, 1 tonne	8.458 boe
FEED	front-end engineering and design	LNG, 1 PJ	18,040 tonnes
FID	final investment decision	LNG, 1 tonne	52.54 mmBtu
FPSO	floating production, storage and offloading		
GJ	gigajoules		
JCC	Japan Customs-cleared Crude		
JKM	Japan Korea Marker		
kbbbls	thousand barrels		
kt	thousand tonnes		
LNG	liquefied natural gas		
LPG	liquefied petroleum gas		
m	million		
mmbbl	million barrels		
mmboe	million barrels of oil equivalent		
mmBtu	million British thermal units		
mmscf	million standard cubic feet		
mt	million tonnes		
mtpa	million tonnes per annum		
NFE	near-field exploration		
mBRT	metres below rotary table		
P&A	plugged and abandoned		
pa	per annum		
PJ	petajoules		
PSC	production sharing contract		
t	tonnes		
TJ	terajoules		

## Disclaimer

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All references to dollars, cents or \$ in this document are to United States currency, unless otherwise stated. Totals in the tables may not add due to rounding. The symbol "~" means approximately and the symbol "-" means zero.

Free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments) is a non-IFRS measure that is presented to provide an understanding of the performance of Santos' operations.

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