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Market Announcements Office  
Australian Securities Exchange Limited

**TO:** ASX Market Announcements  
**FROM:** Company Secretary  
**SUBJECT:** 2025 Annual General Meeting

Please find attached addresses of both the Chair and Managing Director and Chief Executive Officer to Santos' 2025 Annual General Meeting held today.

**Amelia Senneck**  
**Company Secretary**

Encl.



## AGM 2025 Chair's Address

I will commence our business today with my report to you.

Note that values referred to are US dollars unless otherwise stated.

On behalf of the Board, I would like to acknowledge the work and commitment of everyone at Santos throughout 2024.

Our Managing Director and CEO Kevin Gallagher and his team have continued the momentum of previous years by generating strong cash flows – and through sound execution of our major projects to bring on new production.

I'd particularly like to congratulate everyone at Santos for achieving the company's best personal safety performance in ten years.

Our company continues to drive shareholder value through our disciplined low-cost operating model and our strategy to build and sustainably grow production while also decarbonising operations.

This was achieved despite the headwinds of global geopolitical instability and the upending of the global trading system that was based on building open, competitive markets over many decades following World War Two.

Together we face the global challenges of:

- Energy security
- Climate change and the energy transition
- The digital revolution that is changing the way we work
- Heightening geopolitical tensions and the risk of more conflicts
- And the contraction of global trading.

This uncertain, volatile, complex world, which I see as being with us for many years to come, is adversely affecting the global economy and causing volatility in commodity prices.

Our disciplined, low-cost operating model and the value-based decisions Santos has taken over the past nine years, has positioned the Company to be competitive through the commodity price cycle – with a free cash flow breakeven oil price of less than 35 dollars per barrel.

And our strategy to backfill and sustainably grow our production around our existing LNG and liquids infrastructure, positions us well to take advantage of long-term demand growth on our doorstep in the Asia-Pacific – which accounts for around half of total global energy demand.

Now, to our results and progress in 2024.

Financial performance was strong with Santos generating 1.9 billion dollars of free cash flow from operations.

Production was just over 87 million barrels of oil equivalent.

The Board was pleased to declare a final dividend of 10.3 cents per share unfranked – bringing total dividends declared for 2024 to 23.3 cents per share.

Since 2016, Santos has generated more than 12 billion dollars in cumulative free cash flow from operations and returned more than 4 billion dollars of that to you, our loyal shareholders.

To put that into perspective, we've returned more to shareholders than the entire market capitalisation of the company back in 2016.

In November, we announced an updated capital allocation framework that will target returns to shareholders of at least 60 per cent of all-in free cash flow from 2026, once Barossa and Pikka are online.

When gearing is below our target range of 15-25 per cent, up to 100 per cent of free cash flow would be returned to shareholders in the form of dividends and/or buybacks.

There is no set target on an allocation between buybacks and cash dividends – the Board will consider the best way to return capital to shareholders, based on market conditions at the time.

The timing for implementing the updated framework follows a period of major capital investment for Santos in Barossa and Pikka.

I'm pleased to say we now have the finishing line in sight for both projects.

Barossa is tracking on original schedule and budget – remarkable given the project commenced in March 2021 at the height of COVID restrictions and supply chain disruption, and the subsequent lawfare challenges and resulting delays.

Santos' production is expected to increase by more than 30 per cent by 2027 compared to 2024, significantly lowering unit production cost.

This will support strong free cash flow generation throughout the commodity price cycle.

Our updated capital allocation framework reflects our commitment to prioritise shareholder returns following the company's investment in this new production.

Just as we are focused on disciplined capital allocation and maintaining a strong, credit-grade balance sheet, we are equally focused on costs.

The foundation of our disciplined low-cost operating model, introduced when Kevin became CEO, is to maintain a competitive advantage in unit production cost so that the company can thrive throughout the commodity price cycle.

As you saw in the opening video, in 2024 Santos achieved a transformational milestone in the delivery of our Climate Transition Action Plan, with our Moomba CCS project starting up in late September 24.

Moomba is a very significant first step in Santos' three-CCS hub strategy.

Moomba CCS has been very successful, having sequestered over 600,000 tonnes of CO<sub>2</sub> since start up, at a run rate of 1.7 million tonnes per annum – and with a lifecycle cost of less than 28 dollars per tonne, the lowest cost in the world.

To give you a sense of impact, it is equivalent to taking 700,000 petrol cars off the road each year.

And, very soon, having passed six months of operation, it will generate its first revenue with the allocation of Australian Carbon Credit Units.

Moomba CCS is demonstrating our long-held view that a low-carbon future presents a commercial opportunity for Santos.

Our investments in energy transition initiatives such as Moomba are assessed against the same commercial screening criteria that we use for our oil and gas investments.

They must be able to generate value for our shareholders.

The past year has seen commercial carbon management services becoming a reality around the world.

In Norway, the Northern Lights CCS project will commence operation shortly, annually sequestering around the same amount of CO<sub>2</sub> as Moomba.

Northern Lights, approved by the European Union, is the first project in the world allowing industrial companies to transport and sequester their CO<sub>2</sub> emissions.

It offers a safe and reliable shipping and storage service to industrial emitters across Europe – and, in response to growing demand for carbon management services, just two weeks ago, the project proponents approved the expansion of shipping and storage capacities to 5 million tonnes per year.

Globally, the total number of CCS projects in the pipeline reached 628 in 2024, up 60 per cent on 2023.

For Australia – and for Santos – this momentum presents a wonderful business opportunity.

This is why Santos is confident in our strategy to expand Moomba CCS by offering third-party carbon management services – and to pursue development of our Darwin and WA CCS hubs.

This year when we released our first integrated Annual Report – also covering climate and sustainability – we announced a new carbon storage growth target.

Santos will aim to build and operate a commercial carbon storage business, safely and permanently storing approximately 14 million tonnes of third-party CO<sub>2</sub> per annum by 2040.

We aspire longer term to store more carbon than we emit – scope 1, 2 and equivalent scope 3.

Since 2022, Santos has invested over 740 million dollars in our Climate Transition Action Plan.

Real dollars. Real projects. Real emissions reduction.

Our company has achieved its three short-term – 2025 – climate-related targets, set in 2018, and we are making real progress to our 2030 targets.

We have achieved 84 per cent of our 2030 absolute Scope 1 and 2 emissions reduction target.

We are 23 per cent of the way to achieving our Scope 1 and 2 emissions intensity reduction target.

And, in 2024, our methane intensity was 0.16 per cent – below the Oil and Gas Climate Initiative's target of less than 0.2 per cent by 2025.

I will have more to say about this later today when we ask you to vote in favour of the climate transition approach described in Santos' 2024 Climate Transition Action Plan and 2024 Annual Report.

A highlight for the Board in 2024 was its visit to Papua New Guinea in June.

Our assets in PNG are truly world class and, not only are they the jewel in the crown of the Santos portfolio, they are making a real difference to the lives of the people of PNG, through jobs, the activities of our Santos Foundation and the revenue to government that supports investment in better health, education and infrastructure.

In fact, since it started in 2014, PNG LNG has generated more than 7 billion dollars for PNG and its people in the form of taxes, royalties, distributions and development levy payments.

Santos and PNG LNG are spoilt for choice with no shortage of healthy upstream development options to keep our LNG infrastructure full.

Front end engineering for Papua LNG is ongoing and options such as P'nyang, Muruk and Juha are in the queue to sustain PNG LNG production over the long term.

Santos has never been in a stronger position to deliver value for shareholders.

Customer demand for our products, particularly LNG, continues to be robust – and the majority of our LNG volumes is sold under well-priced long and mid-term contracts balanced with around 10-20 per cent exposure to spot markets over the medium to longer term.

In March, the International Energy Agency released its Global Energy Outlook 2025, showing global energy demand grew 2.2 per cent in 2024 with more than 80 per cent of growth coming from emerging and developing economies.

Natural gas accounted for 28 per cent of energy demand growth with oil accounting for 11 per cent.

And energy-related CO2 hit another all-time high, demonstrating why Santos' strategy to focus on decarbonising the production and consumption of hydrocarbons is so important.

I want to take a moment to address some of the feedback I've heard in recent weeks regarding the share price performance.

I too believe our stock is undervalued and has been for some time.

Of course, the last week has added a new layer of complexity with the whole stock market losing value amid ongoing volatility.

However, the company is both strong and resilient, and I am very optimistic about our future.

We are just months away from first gas at Barossa and a year away from first oil at Pikka, which, as I said earlier, will see a 30 per cent increase in production by 2027 compared to 2024.

These low-operating-cost assets will also serve to reduce unit production cost, delivering increased margins and setting the company up for stable, long-term production and cash flows.

We aim to deliver competitive shareholder returns through our disciplined low-cost operating model and capital allocation framework – and we will continue to evaluate all opportunities to maximise the value accretion of our portfolio for our shareholders.

On Tuesday night, Santos held its 20th Environmental Health Safety and Sustainability Awards.

These awards are a great inspiration to me and the Board, showcasing the innovation of our people in delivering safer, more environmentally sustainable and more efficient operations.

Also on display was the wide range of health, education and other community projects supported by Santos and the Santos Foundation across our global operations.

If I just look at the finalists for the Chairman's community award, they truly reflect the diversity of our company and are a demonstration of the social impact of our vision to create a better world for everyone.

They extend from a program in Alaska to ensure no one goes hungry – to the incredible work of Dr Julia and our PNG medical team, which is literally saving lives through early detection of cervical cancer.

In the Northern Territory a training and jobs pathway program for local Aboriginal and Torres Strait Islander people is achieving real employment outcomes for Indigenous Territorians, setting them up for a life of purpose and economic independence.

And in outback Queensland, together with the Gondwana Foundation, local landholders and Traditional Owners, we're uncovering archaeological history – discovering dinosaurs and preserving ancient fossils – and as a result, attracting tourists to the region and bolstering the local economy.

These programs and projects are truly building a better future for the communities where we operate.

So, to all our Santos people, thank you for your contribution and commitment to our company and for your ongoing support to deliver Vision 2040.

We have a great leader in Kevin, a really strong and capable management team, and a depth of talent right across the organisation.

When you combine our people with our strategy and our quality portfolio of assets and growth opportunities, I believe the outlook for Santos is very bright.

Finally, I thank my fellow Board members for their commitment to Santos over the past year and you, our loyal shareholders, for your steadfast belief in the company.

I am optimistic about our future as we continue to supply the fuels the world needs today and for decades to come.

I am confident Santos is on an upward trajectory with great assets and great people.

I'll now hand over to Kevin. Thank you.

## **AGM 2025 CEO's Address**

Thank you, Keith.

Good morning everyone, and welcome to Santos' 2025 Annual General Meeting.

It's a pleasure to stand before you today and reflect on what has been another year of strength and resilience for our company.

But before I do that, I want to address the recent turbulence in global equity markets and the impact this is having on Santos' share price performance.

The global uncertainty in capital markets is affecting stocks worldwide, not only Santos.

Despite this, Santos' business continues to perform well and generate strong cash flows.

With low unit production cost, Santos is not only well positioned – we are also focused on delivering shareholder returns through this volatility.

We have a strong balance sheet and we're on the cusp of increasing our production by more than 30 per cent by 2027 when Barossa and Pikka are online.

Demand for our products continues to be strong, particularly LNG, and we have tier one customers who value long-term contracts for energy security.

We have three world-class LNG projects in Australia and Papua New Guinea that are advantaged with adjacent, large-scale upstream gas resources and proximity to the growth markets of Asia.

Our portfolio is diverse in terms of products, geographies and markets, and we have a wealth of growth opportunities for the future.

So our company remains strong and resilient.

And our strategy is to continue to deliver sustainable returns to shareholders throughout the cycle.

Despite uncertainty and significant challenges, Santos continues to deliver on our commitments to shareholders, customers and the communities we serve.

We have done this by remaining focused on what matters most:

- Maintaining our disciplined low-cost operating model with a free cash flow breakeven oil price of less than 35 dollars per barrel
- Executing our major developments, Barossa LNG and Pikka phase one to bring new production on line this year and next
- Starting up our Moomba carbon capture and storage project, a responsible, realistic path to lower emissions
- Investing in the communities where we operate, and
- Delivering on our promise to return at least 40 per cent of free cash flow from operations to you, our loyal shareholders.

Santos is proud of the role we play in powering Australia and the Asia Pacific region – supporting jobs and prosperity, and contributing to national and global energy security.

And today, I want to talk about our achievements and the need for sensible energy policy in the energy transition to lower greenhouse gas emissions.

Because, the world is going to need more energy, not less, and all energy sources will have a role to play.

I am very pleased to say that Santos continued to deliver strong financial and operational performance in 2024.

Sales volumes were 91.7 million barrels of oil equivalent with revenue of 5.4 billion dollars.

Free cash flow from operations was 1.9 billion dollars with an underlying profit of 1.2 billion dollars.

This allowed Santos to return a total of 757 million dollars in cash to shareholders – via dividends of 23.3 US cents per share – whilst maintaining a strong balance sheet and investment grade credit rating.

And just as we are focused on balance sheet strength, we are equally focused on costs.

To that end, Santos announced at the beginning of this year that we are embarking on a new cost reduction program.

The program will target at least 100 to 150 million dollars in structural cost reduction to be realised over the next one to two years, as we emerge from a period of major acquisitions, integrations and – of course – as we bring our major development projects at Barossa and Pikka into operation.

This work will be supported by a thorough review of our cost base across the business and the deployment of smart technology and better ways of working will be key focus areas.

The foundation of our disciplined low-cost operating model is to maintain a competitive advantage in unit production cost so that the company can thrive throughout the commodity price cycle.

Santos also delivered a number of key operational milestones in 2024.

We made history when our Moomba Carbon Capture and Storage project came online last September.

Back in 2020, I said we would do this.

We took a final investment decision in 2021, we said it would work – and it does.

The technology and reservoir is performing as expected, putting Moomba CCS on track to safely and permanently store up to 1.7 million tonnes of CO<sub>2</sub> per annum, depending on CO<sub>2</sub> availability.

At Moomba CCS, we store more CO<sub>2</sub> emissions every four days than 10,000 electric vehicles avoid in one year.

The project should provide Australia with a real confidence boost in the potential for CCS technology to help Australia achieve its decarbonisation targets faster.

For our investors, it should also affirm our superior position to take advantage of growing customer demand for commercial carbon management services, as we pursue our third-party carbon storage growth target – and our longer-term ambition to store more carbon than we emit.

Australia has a unique and natural advantage in carbon capture and storage that is complemented by a well-established, world-class regulatory regime administered by the Clean Energy Regulator.

As Keith outlined, the rest of the world is investing heavily in the potential of CCS, and we need Australia to pick up the pace – because CCS is the one technology with real potential to abate emissions at scale.

Very importantly, we made great progress in 2024 on both our Barossa LNG and Pikka phase one projects which will set the company up with stable, long-term production and cash flows.

The Barossa LNG project is 95.2 per cent complete at the end of March – and remains on track for first gas in the third quarter of this year.

The pipelines connecting the Barossa field to the Darwin LNG plant are complete – and within days we expect to complete the second installation campaign for the subsea umbilicals, risers and flowlines.

Four wells are drilled and completed.

A fifth well is suspended for later completion and drilling of the sixth well is under way.

Finally, other work packages are also on track to support the first gas date for Barossa LNG.

In March, I visited our Pikka phase one project in Alaska and I'm pleased to announce that we have now substantially completed the pipeline, one year ahead of schedule – with minor tie-in and punch list works remaining.

Drilling at our Pikka project is progressing well with seventeen wells drilled to date.

The results compare favourably to pre-drill expectations, with the four production wells tested to date demonstrating continuous improvement on hydraulic stimulation.

The highest initial 30-day production rate is 7,850 barrels of oil per day, with an overall average rate so far of 6,900 barrels per day.

The grind and inject facility for handling drilling wastes is up and running, and the seawater treatment plant barge is being readied to leave Indonesia for Alaska in the third quarter of this year.

First oil remains on track for mid-2026 with an early start-up possible – but subject to weather and logistics, which will become clearer over the coming months.

As Keith said, our premier PNG LNG project is performing strongly.

In November we announced completion of the Angore project in PNG's Hela Province, which will deliver up to 350 million standard cubic feet of gas per day to support stable, long-term PNG LNG production.

Angore unlocks a one trillion cubic feet natural gas resource to supply PNG LNG for years to come.

The supply of associated gas from Kutubu through optimisation of the Central Processing Facility is also exceeding expectations with more than 18 billion cubic feet of gas accelerated in 2024.

Associated gas from Agogo and Moran could deliver at least another 125 million standard cubic feet per day and we are working to make this development ready for a final investment decision by 2026.

At the same time, front end engineering for Papua LNG is ongoing and fields such as P'nyang, Muruk and Juha also remain in the queue to sustain PNG LNG production over the long term.

This is a great position for Santos and PNG LNG to be in – we are spoilt for choice with no shortage of healthy upstream development options to keep our LNG infrastructure full.

And that is the case right across our portfolio.

Our 2P reserves and 2C resources position of approximately 4.9 billion barrels of oil equivalent provides 2P reserves life of 18 years – with a range of opportunities to backfill and sustainably grow in PNG, Alaska and Australia.

With strong ongoing demand for our products, we will continue to develop and replace our reserves and resources in accordance with our disciplined capital allocation framework to drive long-term shareholder value.

I'm very excited about our strong resource position in Alaska, which will underpin future expansion opportunities.

And the scale of the Beetaloo sub-basin in the Northern Territory, if appraisal confirms its potential, would be a gamechanger not only for the Territory, but for East Coast domestic and LNG markets as well.

With characteristics similar to the Marcellus and Utica Shales in the US, I am looking forward to the drilling appraisal program we're planning for 2026.

We recently executed a memorandum of understanding with Tamboran Resources to undertake a joint study on gas export options through Darwin, where Santos has approved expansion capacity for another 6.6 million tonnes of LNG per annum.

And we will continue to evaluate the potential for an integrated gas and liquids project at Dorado and the Bedout Basin, following further exploration being planned for 2026-27.

Narrabri gas, 100 per cent of which will go to the domestic market, could solve the supply concerns of east coast households, power generators, manufacturers and businesses – it's a great project to have in our portfolio, but native title, pipeline licenses and various other approvals are still being worked through.

Santos will not take a final decision on Narrabri until all the approvals and litigation risk that accompanies energy investments in Australia these days – is resolved.

Whoever wins the federal election on May the third must work with state and territory governments to address the quagmire of project approvals complexity and uncertainty that is stifling investment in energy and infrastructure around the country.

Another highlight of 2024 was the performance of our LNG marketing business.

Long-term LNG Supply and Purchase Agreements were signed with Hokkaido Gas and Shizuoka Gas Co, and mid-term agreements were signed with TotalEnergies and Glencore – all tier one customers.

Santos' equity LNG portfolio is around 90 per cent contracted over the next five years with strong pricing driven by the high heating value of our LNG, our reputation for reliability and our proximity to Asian markets where gas demand is forecast to grow by around 34 per cent over the next decade alone.

Looking ahead – despite the challenges of the external environment – I remain optimistic and excited about the future of Santos.

We have the resources, the expertise and the opportunity to lead the world in responsible energy production and emissions reduction.

Our commitment remains clear:

- ✓ Delivering safe, reliable and affordable energy for Australians and our regional partners.
- ✓ Advancing practical, scalable emissions reduction solutions while maintaining energy security.
- ✓ Advocating for a policy environment that supports investment, innovation, economic growth and better living standards.

Because – the world needs more energy, not less.

The energy transition the world needs is “energy unleashed” to alleviate global poverty, lift living standards and fulfil human potential through the infinite computing power of AI.

The modern lifestyles of the people in this room today – along with about a billion others across the developed world – require 4 to 13 times as much energy as the other seven billion people on the planet.

Those seven billion people aspire to the lifestyles that we enjoy.

They too want access to reliable electricity for lighting, cooking, heating and cooling.

They want access to time-saving conveniences like washing machines and refrigerators, and they want access to motorised transport and air travel.

Yet, two billion people still cook over indoor wood fires and the pollution from that activity kills around two million people a year, mostly women and children.

So we need energy policy around the world that does not leave people behind – energy policy focused on human advancement.

And we need climate policy focused on the right problem – reducing greenhouse gas emissions – not cutting access to affordable, reliable, life-advancing energy.

Too often, energy policy is conflated with climate policy, leading to outcomes that threaten both energy affordability and reliability, and undermining needed investment in the energy sector.

Therefore, I believe we must reconsider the current approach of merging energy policy with climate policy.

However, let me be clear – Santos supports emissions reduction.

We support the energy transition.

But it is also essential that climate policy does not overshadow energy security.

A strong, independent energy policy should ensure two things:

- Domestic energy security and affordability.
- Regional energy security across the energy-consuming nations of the Asia Pacific– because energy security also assures national security and regional stability.

Australia's wealth has been built on these two pillars for decades – and they are interdependent because development of our energy resources has only been possible with capital inflows from our international customers and investors.

The reality is that the world will continue to need our natural gas from both Australia and PNG for decades to come.

And therefore, our focus should be – and, in Santos' case, is – on reducing emissions from gas production and use.

To governments – and whoever may form government – I say: don't be misled by self-interest of false prophets, pushing unrealistic and damaging narratives that risk leaving Australians with higher energy prices, job losses and an unstable energy system.

Work with us – because it is the energy companies who have the balance sheet, skills and technology to deliver both energy security and decarbonisation.

To our investors, customers, employees, contractors, joint venture and community partners – thank you for your support and trust.

Santos has always been – and will continue to be – a leader in responsible energy.

Together, we can ensure that Santos remains strong, competitive and well-positioned for the future.

Personally, I am energised as never before and I'm looking forward to our next phase – which I expect will see compelling shareholder returns and balanced reinvestment in sustainable production growth.

Despite rumours to the contrary, I am not planning to go anywhere anytime soon!

There is still plenty for me to do!

And I see this same level of energy and commitment in my strong and highly capable management team.

This team is the best in our industry in this part of the world.

As the company has grown, the team has evolved over my time as CEO, and while it has always been strong, I think it is now the best it has ever been – with an excellent balance of experienced hands and smart, youthful talent.

So thank you for your support and I hope you all join me in looking forward to the next exciting chapter for our company.

Thank you.