

# First Quarter Report

For period ending 31 March 2022

ASX: STO | PNGX: STO | ADR: SSLZY

**Santos**

21 April 2022

## Record quarterly production, sales revenue and free cash flow

- Santos achieved record production of 26 million barrels of oil equivalent (mmbœ) in the first quarter
- Stronger commodity prices combined with higher sales volumes delivered record quarterly sales revenue of US\$1.9 billion, up 25 per cent compared to the prior quarter and 99 per cent higher than the corresponding period in 2021
- Santos generated a record US\$865 million in free cash flow in the quarter, up 186 per cent on the corresponding period
- 13 LNG cargoes sold in the first quarter from Santos' LNG projects on JKM prices

## Strong balance sheet supportive of disciplined growth and higher returns

- Strong free cash flows reduced gearing to 26 per cent at the end of March following payment of the 2021 final dividend, meaning the balance sheet is well positioned to fund disciplined growth and higher shareholder returns
- Barossa project is 33 per cent complete and progressing on schedule and budget
- Moomba CCS project is 14 per cent complete and progressing on schedule and budget
- Bayu-Undan and Darwin LNG joint ventures entered FEED on the Bayu-Undan CCS project
- Successful oil discovery at Pavo significantly increases resource size and provides a potential low-cost tie-back to Dorado

## On track to deliver merger integration synergies

- US\$54 million in ongoing annual synergies achieved in the first three months of integration<sup>1</sup>
- On track to deliver guidance of US\$90-115 million per annum in synergies<sup>1</sup>

## Sustainability

- 2022 Climate Change Report released confirming Santos is well placed to address the risks and seize the opportunities of the global transition to cleaner energy and clean fuels

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos delivered record production, sales revenue and free cash flow in the first quarter, demonstrating the strong performance of the base business and strategic benefits of our diverse portfolio.

Strong production combined with higher commodity prices delivered record quarterly free cash flow of US\$865 million, an increase of 186 per cent from the corresponding period last year.

"By designing our portfolio to provide strong cash flows throughout the commodity price cycle, our disciplined, low-cost operating model has positioned us to take full advantage of the increase in commodity prices," Mr Gallagher said.

"Today's results demonstrate that our business has the size, scale and cash flows to enable Santos to deliver stronger shareholder returns.

"Consistent with our strategy, our next stage of growth will be disciplined and phased appropriately. The Barossa project is 33 per cent complete and making excellent progress, while the Moomba carbon capture and storage project will deliver a step-change in our emissions profile when it comes online in 2024.

"Our goal is to deliver superior shareholder returns while being a global leader in the transition providing cleaner energy and clean fuels that are affordable and reliable."

## Comparative performance

Santos share	Unit	Q1 2022	Q4 2021	Change	2022 YTD	2021 YTD	Change
Production	mmbœ	26.0	22.9	14%	26.0	24.8	5%
Sales volume	mmbœ	28.1	26.0	8%	28.1	27.4	3%
Sales revenue	\$million	1,916	1,532	25%	1,916	964	99%
Capital expenditure <sup>2</sup>	\$million	436	493	-12%	436	201	117%

<sup>1</sup> Excludes integration and other one-off costs.

<sup>2</sup> Capital expenditure including restoration expenditure but excluding capitalised interest.

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## Sales volumes

Product	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
LNG	000 t	1,541.8	1,107.9	1,327.6	1,541.8	1,327.6
Domestic sales gas & ethane	PJ	50.8	62.5	62.9	50.8	62.9
Crude oil	000 bbls	2,730.9	2,781.5	1,713.5	2,730.9	1,713.5
Condensate	000 bbls	1,625.6	1,651.6	1,781.3	1,625.6	1,781.3
LPG	000 t	51.1	50.5	64.3	51.1	64.3
Sales						
Own product	mmboe	23.9	21.3	22.8	23.9	22.8
Third-party	mmboe	4.2	4.7	4.6	4.2	4.6
<b>Total sales volume</b>	<b>mmboe</b>	<b>28.1</b>	<b>26.0</b>	<b>27.4</b>	<b>28.1</b>	<b>27.4</b>

First quarter sales volumes were higher than the prior quarter primarily due to completion of the Oil Search merger in December 2021, partially offset by lower domestic gas volumes in Western Australia and expected natural field decline at Bayu-Undan.

## Sales revenues

Product	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
LNG	\$million	1,116	791	427	1,116	427
Domestic sales gas & ethane	\$million	281	324	285	281	285
Crude oil	\$million	309	240	107	309	107
Condensate	\$million	170	135	108	170	108
LPG	\$million	40	42	37	40	37
Sales						
Own product	\$million	1,661	1,293	779	1,661	779
Third-party	\$million	255	239	185	255	185
<b>Total sales revenue</b>	<b>\$million</b>	<b>1,916</b>	<b>1,532</b>	<b>964</b>	<b>1,916</b>	<b>964</b>
Third-party purchase costs	\$million	208	152	157	208	157

First quarter sales revenues were a record and 25 per cent higher than the prior quarter reflecting the Oil Search merger and higher gas, LNG and oil prices.

## Average realised prices

Product	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
LNG price	US\$/mmBtu	13.77	13.64	6.12	13.77	6.12
Domestic gas price	US\$/GJ	5.54	5.19	4.54	5.54	4.54
<i>East coast domestic</i>	<i>US\$/GJ</i>	<i>6.37</i>	<i>6.31</i>	<i>5.32</i>	<i>6.37</i>	<i>5.32</i>
<i>West coast domestic</i>	<i>US\$/GJ</i>	<i>5.03</i>	<i>4.61</i>	<i>4.18</i>	<i>5.03</i>	<i>4.18</i>
Crude oil price	US\$/bbl	113.09	86.32	62.29	113.09	62.29
Condensate price	US\$/bbl	104.63	80.91	60.41	104.63	60.41
LPG price	US\$/t	776.47	831.20	581.26	776.47	581.26

The average realised LNG price was higher than the prior quarter reflecting the linkage of sales contracts to an improving lagged Japan Customs-cleared Crude (JCC) price and higher JKM spot prices. Three-month lagged JCC averaged US\$80/bbl in the first quarter compared to US\$73/bbl in the fourth quarter of 2021. Santos' LNG projects shipped 60 cargoes in the first quarter, of which 7 spot cargoes (Darwin LNG 4, PNG LNG 3) and 6 contracted GLNG cargoes were sold at JKM prices.

## Production by asset

Asset	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
Western Australia	mmboe	6.5	8.5	8.1	6.5	8.1
Cooper Basin	mmboe	3.5	3.6	4.0	3.5	4.0
Queensland & NSW	mmboe	3.4	3.5	3.3	3.4	3.3
PNG	mmboe	10.6	4.9	3.1	10.6	3.1
Northern Australia & Timor-Leste	mmboe	2.0	2.4	6.3	2.0	6.3
<b>Total production</b>	<b>mmboe</b>	<b>26.0</b>	<b>22.9</b>	<b>24.8</b>	<b>26.0</b>	<b>24.8</b>

## Production by product

Product	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
Sales gas to LNG plant	PJ	81.9	56.8	68.8	81.9	68.8
Domestic sales gas & ethane	PJ	46.8	56.5	58.4	46.8	58.4
Crude oil	000 bbls	2,134.3	1,938.5	1,063.8	2,134.3	1,063.8
Condensate	000 bbls	1,513.8	1,175.1	1,494.6	1,513.8	1,494.6
LPG	000 t	40.5	45.4	60.7	40.5	60.7
<b>Total production</b>	<b>mmboe</b>	<b>26.0</b>	<b>22.9</b>	<b>24.8</b>	<b>26.0</b>	<b>24.8</b>

First quarter production was a record and higher than the prior quarter primarily due to completion of the Oil Search merger in December 2021, partially offset by expected natural field decline at Bayu-Undan and lower domestic gas volumes in Western Australia due to reduced customer nominations.

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

## 2022 Guidance

All guidance for 2022 is maintained, as shown in the table below. Guidance assumes current equity interest in all assets.

2022 Guidance item	Guidance
Production	100-110 mmboe
Sales volumes	110-120 mmboe
Capital expenditure – base including restoration	~\$1,100 million
Capital expenditure – major projects	~\$1,150-\$1,300 million
Capital expenditure – contingent major projects, subject to FID <sup>1</sup>	Up to ~\$400 million
Upstream production costs	\$8.00-8.50/boe

<sup>1</sup> Unsanctioned projects contingent amount of up to ~\$400 million for Dorado phase 1 and Pikka phase 1 (subject to FID).

## Western Australia

Santos share	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Sales volume</b>						
Sales gas	PJ	31.4	40.5	42.4	31.4	42.4
Condensate	000 bbls	194.3	380.2	319.6	194.3	319.6
Crude oil	000 bbls	1,424.1	1,328.3	-	1,424.1	-
<b>Total sales volume</b>	<b>mmboe</b>	<b>7.0</b>	<b>8.6</b>	<b>7.6</b>	<b>7.0</b>	<b>7.6</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>349</b>	<b>337</b>	<b>196</b>	<b>349</b>	<b>196</b>
<b>Production</b>						
Sales gas	PJ	30.4	40.0	42.3	30.4	42.3
Condensate	000 bbls	259.3	299.2	346.7	259.3	346.7
Crude oil	000 bbls	1,009.8	1,265.1	473.4	1,009.8	473.4
<b>Total production</b>	<b>mmboe</b>	<b>6.5</b>	<b>8.5</b>	<b>8.1</b>	<b>6.5</b>	<b>8.1</b>
Capital expenditure	\$million	89	80	44	89	44

Domestic gas production and sales were lower than the prior quarter due to an outage at a major customer and lower spot sales. Santos' average realised domestic gas price in WA increased to over US\$5/GJ in the quarter.

Oil production was lower than the prior quarter due to natural decline of infill wells, partially offset by higher production uptime on the Ningaloo Vision and Pyrenees FPSOs.

The Spartan project continued to make good progress in support of developing additional reserves back to Varanus Island. The project is on track to start-up in early 2023, with successful completion of the first offshore subsea campaign in the first quarter.

In the Bedout Basin, the Pavo-1 exploration well made a material oil discovery 46 kilometres east of the Dorado field. The discovery could add significant value to the Dorado project through a potential low-cost tie-back to the proposed Dorado facility. For more information, refer to Santos' ASX announcement of 23 March 2022.

Following the success at Pavo, the drilling rig moved to the Apus-1 well location, approximately 30 kilometres from Dorado. The well was drilled to final total depth of approximately 2,900 metres and while hydrocarbons were observed in the well, a commercial hydrocarbon pool was not discovered. The well will be plugged and decommissioned.

The Dorado development FEED continued during the quarter targeting FID-ready in the second half of the year. The initial phase of development will involve gas reinjection to maximise liquids recovery ahead of a second phase of gas export from the field. This future phase of gas export offers backfill supply to Santos' existing domestic gas infrastructure in Western Australia. In early April, the Dorado joint venture accepted the production licence offered by NOPTA while stage 2 assessment of the Offshore Project Proposal (OPP) is progressing.

## Cooper Basin

Santos share	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Sales volume</b>						
Sales gas and ethane <sup>1</sup>	PJ	15.0	15.5	18.6	15.0	18.6
Condensate <sup>1</sup>	000 bbls	397.6	402.3	388.5	397.6	388.5
LPG <sup>1</sup>	000 t	38.6	39.8	38.0	38.6	38.0
Crude oil						
Own product	000 bbls	471.0	1,035.0	632.7	471.0	632.7
Third-party	000 bbls	346.8	222.1	1,079.7	346.8	1,079.7
Total	000 bbls	817.8	1,257.1	1,712.4	817.8	1,712.4
<b>Total sales volume</b>	<b>mmboe</b>	<b>4.1</b>	<b>4.6</b>	<b>5.6</b>	<b>4.1</b>	<b>5.6</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>237</b>	<b>253</b>	<b>222</b>	<b>237</b>	<b>222</b>
<b>Production</b>						
Sales gas and ethane	PJ	14.5	14.8	16.6	14.5	16.6
Condensate	000 bbls	215.0	237.8	270.1	215.0	270.1
LPG	000 t	31.4	33.5	35.6	31.4	35.6
Crude oil	000 bbls	578.1	545.8	589.3	578.1	589.3
<b>Total production</b>	<b>mmboe</b>	<b>3.5</b>	<b>3.6</b>	<b>4.0</b>	<b>3.5</b>	<b>4.0</b>
Capital expenditure	\$million	73	108	70	73	70

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

Cooper Basin production was slightly lower than the previous quarter due to natural field decline and weather impacts from increased rainfall causing delays to the development program. Oil production was 6 per cent higher than the previous quarter due to new wells in the Limestone Creek area and an improvement in downtime.

Twelve gas wells were drilled and five connected across the Cooper Basin in the first quarter. The well count was lower than plan due to significant rainfall events across the Cooper Basin during the first quarter.

The initial horizontal drilling program was completed in the quarter with all oil wells successfully landed in the reservoir target and the program delivered below budget. Frostillicus-2 was the longest horizontal oil well drilled by Santos in the Cooper Basin and is currently the strongest oil producer in the Basin. A well in the Granite Wash was successfully stimulated with 12 stages and the well is now on flow back.

Following FID in November 2021, the Moomba CCS project is 14 per cent complete and progressing on budget and schedule for first injection of CO<sub>2</sub> in 2024. Key procurement packages have been awarded and are progressing as planned.

The Moomba CCS project is an important enabler for the production of hydrogen. Engineering, commercial and marketing studies are progressing on the Moomba hydrogen project with the goal of positioning the project as Australia's lowest cost and one of the largest commercial hydrogen opportunities. A FEED-entry decision is targeted in 2022.

## Queensland & NSW

Santos share	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Sales volume</b>						
GLNG Joint Venture						
LNG	000 t	446.9	512.1	471.2	446.9	471.2
Domestic contracts	PJ	0.4	0.8	0.2	0.4	0.2
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	4.0	4.7	4.3	4.0	4.3
<b>Total sales volume<sup>2</sup></b>	<b>mmboe</b>	<b>4.9</b>	<b>5.8</b>	<b>5.2</b>	<b>4.9</b>	<b>5.2</b>
<b>Total sales revenue<sup>2</sup></b>	<b>\$million</b>	<b>375</b>	<b>302</b>	<b>167</b>	<b>375</b>	<b>167</b>
<b>Production</b>						
GLNG Joint Venture	PJ	15.5	15.8	15.1	15.5	15.1
Eastern Qld (non-GLNG) <sup>1</sup>	PJ	4.1	4.1	4.0	4.1	4.0
NSW	PJ	0.3	0.3	0.2	0.3	0.2
<b>Total production<sup>2</sup></b>	<b>mmboe</b>	<b>3.4</b>	<b>3.5</b>	<b>3.3</b>	<b>3.4</b>	<b>3.3</b>
Capital expenditure	\$million	32	71	38	32	38

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

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

GLNG operational data (gross)	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
Sales gas to domestic market <sup>1</sup>	PJ	11	13	11	11	11
LNG produced <sup>2</sup>	000 t	1,520	1,510	1,569	1,520	1,569
Sales gas to LNG plant						
GLNG equity gas	PJ	53	52	51	53	51
Santos portfolio gas	PJ	13	13	13	13	13
Third-party	PJ	26	33	31	26	31
<b>Total sales gas to LNG plant</b>	<b>PJ</b>	<b>92</b>	<b>98</b>	<b>95</b>	<b>92</b>	<b>95</b>
LNG cargoes shipped		25	29	26	25	26

<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 sales gas production reached 695 TJ/day at the end of the first quarter. In the Arcadia field, production continues to build with facility upgrades delivering 103 TJ/day in March. Scotia increased slightly to 78 TJ/d through continued field optimisation efforts. Roma increased to greater than 200 TJ/d with continued growth and optimisation of development wells, while production at Fairview was steady quarter-on-quarter at 317 TJ/d.

Seventy-four wells were drilled and forty-five were connected across the GLNG acreage in the first quarter.

During the quarter, work continued on the Arcadia Valley Phase 2 project with awarding and contracting of facility packages, mobilisation of crews to begin construction of well pads and access tracks, and the drilling of the first of approximately 200 wells. Facility civils earthworks and pilling activities are well underway. Santos' share of capital expenditure is approximately \$90 million with the first well expected online in the second half of 2022.

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

In January, the deadline passed for any further appeals of the NSW Independent Planning Commission's development consent for the Narrabri Gas Project.

## PNG

Santos share	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Sales volume</b>						
PNG LNG						
LNG <sup>1</sup>	000 t	913.4	383.5	270.8	913.4	270.8
Condensate	000 bbls	874.8	576.7	341.3	874.8	341.3
Crude oil	000 bbls	489.0	196.1	1.2	489.0	1.2
<b>Total sales volume</b>	<b>mmboe</b>	<b>10.1</b>	<b>4.5</b>	<b>2.9</b>	<b>10.1</b>	<b>2.9</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>759</b>	<b>295</b>	<b>119</b>	<b>759</b>	<b>119</b>
<b>Production</b>						
PNG LNG						
Sales gas to LNG <sup>1</sup>	PJ	54.0	25.9	16.6	54.0	16.6
Condensate	000 bbls	842.8	419.1	290.8	842.8	290.8
Crude oil	000 bbls	546.4	127.5	1.1	546.4	1.1
<b>Total production</b>	<b>mmboe</b>	<b>10.6</b>	<b>4.9</b>	<b>3.1</b>	<b>10.6</b>	<b>3.1</b>
Capital expenditure	\$million	48	24	3	48	3

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

PNG LNG operational data (gross)	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Production</b>						
LNG	000 t	2,165	2,170	2,090	2,165	2,090
Sales gas to LNG plant	PJ	128	129	124	128	124
Condensate <sup>1</sup>	000 bbls	1,982	2,065	2,149	1,982	2,149
Sales gas (SE Gobe) <sup>2</sup>	PJ	3	3	2	3	2
LNG cargoes shipped		28	28	26	28	26

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

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

Santos' interest in PNG LNG increased to 42.5 per cent in December 2021 following completion of the Oil Search merger.

Strong production at PNG LNG was maintained during the first quarter with the plant operating at an annualised rate of 8.8 mtpa. The project shipped 28 cargoes in the quarter, of which three were sold at JKM spot prices.

The coiled tubing campaign in the Moran field was completed with Moran 15ST2 returning to production at expected rates after being offline for more than a year.

The Papua LNG project continued to progress technical and commercial, regulatory, social and environmental activities, with pre-FEED activities progressing well in support of a FEED-entry decision targeted later in 2022.

The P'nyang Gas Agreement was successfully executed between the PRL3 joint venture partners and the Government of PNG on 22 February 2022. This agreement provides a framework for the future development of the P'nyang project.



## Northern Australia & Timor-Leste

Santos share	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Sales volume</b>						
Darwin LNG						
LNG	000 t	181.6	212.3	585.6	181.6	585.6
Bayu-Undan						
Condensate	000 bbls	159.2	292.3	732.2	159.2	732.2
LPG	000 t	12.6	10.8	26.4	12.6	26.4
<b>Total sales volume</b>	<b>mmboe</b>	<b>2.0</b>	<b>2.4</b>	<b>6.5</b>	<b>2.0</b>	<b>6.5</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>179</b>	<b>322</b>	<b>237</b>	<b>179</b>	<b>237</b>
<b>Production</b>						
Darwin LNG						
Sales gas to LNG	PJ	9.8	12.4	32.5	9.8	32.5
Bayu-Undan						
Condensate	000 bbls	196.7	219.0	587.0	196.7	587.0
LPG	000 t	9.1	11.9	25.0	9.1	25.0
<b>Total production</b>	<b>mmboe</b>	<b>2.0</b>	<b>2.4</b>	<b>6.3</b>	<b>2.0</b>	<b>6.3</b>
Capital expenditure	\$million	166	127	39	166	39

DLNG operational data (gross)	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Production</b>						
LNG	000 t	544	763	902	544	902
Sales gas to LNG plant	PJ	33	45	52	33	52
Condensate	000 bbls	813	1,093	1,019	813	1,019
LPG	000 t	32	47	42	32	42
LNG cargoes shipped		7	11	12	7	12

Gross Bayu-Undan gas and liquids production was lower than the prior quarter due to expected natural field decline. The field is expected to continue to decline through 2022 and production is anticipated to cease in late 2022, in-line with expectations.

Darwin LNG shipped seven cargoes in the quarter, of which four were sold on a JKM basis and three based on legacy contract pricing.

The Barossa gas and condensate project to backfill Darwin LNG is 33 per cent complete and remains on schedule and on budget for first production in the first half of 2025. Construction of the FPSO hull and topsides continues to progress in Korea and Singapore, respectively. Manufacture of 92,000 tonnes of line-pipe for in-field flowlines and for the gas export pipeline is now complete, whilst manufacture of subsea hardware is well progressed. Drilling equipment has been staged in Darwin, with drilling on trial to commence around mid-year. The pipeline installation campaign is due to start by late-2022. The Darwin LNG life extension project remains on schedule and budget with preliminary civil works completed on site.

The sale of a 12.5 per cent interest in the Barossa project to JERA is expected to complete by the end of April following the completion of all regulatory approvals, with cash proceeds due to Santos at completion expected to be approximately US\$327 million.

During the quarter, technical, commercial and regulatory engagement activities continued for the proposed carbon capture and storage project at Bayu-Undan. A FEED-entry decision on the project was taken in March – for further information, refer to Santos' ASX release of 9 March 2022.

In the onshore McArthur Basin (Beetaloo Sub-basin) in the Northern Territory, extended well test operations continued on the Tanumbirini 2HST1 and Tanumbirini 3HST1 horizontal wells.



## Corporate, exploration and eliminations (including Alaska)

Santos share	Unit	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Total sales volume</b>	<b>mmboe</b>	<b>0.0</b>	<b>0.1</b>	<b>(0.4)</b>	<b>0.0</b>	<b>(0.4)</b>
<b>Total sales revenue</b>	<b>\$million</b>	<b>17</b>	<b>23</b>	<b>23</b>	<b>17</b>	<b>23</b>
Capital expenditure	\$million	28	83	7	28	7

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

The Pikka Phase 1 project in Alaska has received all major environmental and regulatory approvals and is progressing FEED activities to be FID-ready by mid-year.

## Capital expenditure

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

\$million	Q1 2022	Q4 2021	Q1 2021	2022 YTD	2021 YTD
<b>Capital expenditure</b>					
Exploration	59	73	13	59	13
Evaluation	42	66	57	42	57
Development and other capex (incl restoration)	335	354	131	335	131
<b>Capital expenditure excl capitalised interest</b>	<b>436</b>	<b>493</b>	<b>201</b>	<b>436</b>	<b>201</b>
Capitalised interest	30	15	9	30	9
<b>Total capital expenditure</b>	<b>466</b>	<b>508</b>	<b>210</b>	<b>466</b>	<b>210</b>
<b>Exploration and evaluation expensed</b>					
Exploration	36	24	8	36	8
Evaluation	9	34	1	9	1
<b>Total current year expenditure</b>	<b>45</b>	<b>58</b>	<b>9</b>	<b>45</b>	<b>9</b>
Write-off of amounts capitalised in prior years	-	-	-	-	-
<b>Total expensed</b>	<b>45</b>	<b>58</b>	<b>9</b>	<b>45</b>	<b>9</b>

Capital expenditure in the first quarter comprised US\$190 million in the base business (including \$15 million for restoration costs) and US\$246 million for major growth projects.

## Oil price hedging

1.5 million barrels of oil hedging matured in the first quarter resulting in a loss of US\$33 million before tax.

For the remainder of 2022, 4.5 million barrels of oil equivalent are currently hedged at an average floor price of US\$50 per barrel and an average ceiling price of US\$64 per barrel using a combination of zero cost collars and three-way option structures. For 1.5 million barrels of these hedged volumes, there is also the ability to re-participate at an oil price greater than US\$65 per barrel due to their three-way option structure.

## Seismic activity

The Precipice Creek 2D Seismic Survey was acquired in March adjacent to the Fairview gas field in Queensland. The survey will assist to further delineate nearby CSG plays.

The Keraudren Extension North Phase 2 seismic survey was acquired in the Bedout Sub-basin by the vessel Geo Coral using Shearwater Geoservices.

In the Petrel Sub-basin, offshore Northern Territory, the South-West 3D Marine Seismic Survey was acquired by the vessel Geo Coral using Shearwater Geoservices.

## Drilling summary

### Exploration / Appraisal wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Beanbush 3-ST1*	SA	72.32%	C&S, successful
Pelican 14	SA	66.6%	C&S, successful
Meranji 27	SA	66.6%	C&S, successful

\*Spud in Q4 2021, completed in Q1 2022

Queensland GLNG gas			
Well name	Area	Santos	Well status
Cattle Creek 10	QLD	22.85%	C&S, successful
Cattle Creek 11	QLD	22.85%	C&S, successful
Cattle Creek 6	QLD	22.85%	C&S, successful
Cattle Creek 7	QLD	22.85%	C&S, successful
Cattle Creek 8	QLD	22.85%	C&S, successful
Cattle Creek 9	QLD	22.85%	Drilling

Carnarvon Basin gas			
Well name	Area	Santos	Well status
Dancer 1*	WA	100%	P&A

Bedout Sub-basin oil and gas			
Well name	Area	Santos	Well status
Pavo 1	WA	70%	Oil discovery

\*Spud in Q4 2021, completed in Q1 2022

### Development wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Coolah 18	QLD	60.06%	P&A
Meranji 25	SA	66.6%	C&C, successful
Moomba 226	SA	66.6%	C&S, successful
Meranji 24	SA	66.6%	C&S, successful
Tirrawarra 96	SA	66.6%	C&S, successful
Meranji 26	SA	100%	C&C, successful
Moomba 227	SA	66.6%	C&S, successful
Bolah 8	QLD	60.6%	C&S, successful
Beckler 8	SA	66.6%	Drilling
Tirrawarra 97	SA	66.6%	C&S, successful
Kappa 2	QLD	60.06%	C&S, successful
Kudrieke 3	SA	66.6%	C&S, successful oil and gas

### Queensland GLNG gas

Well name	Area	Santos	Well status
AC23-64-1	QLD	22.85%	C&S, successful
AC23-65-1	QLD	22.85%	C&S, successful
AC23-66-1	QLD	22.85%	C&S, successful
AC23-72-1	QLD	22.85%	C&S, successful
AC23-73-1	QLD	22.85%	C&S, successful
Bottle Tree 10	QLD	22.85%	C&S, successful
Bottle Tree 11	QLD	22.85%	C&S, successful
Bottle Tree 12	QLD	22.85%	C&S, successful
Bottle Tree 13	QLD	22.85%	C&S, successful
Bottle Tree 14	QLD	22.85%	C&S, successful
Bottle Tree 15	QLD	22.85%	C&S, successful
Bottle Tree 19*	QLD	22.85%	C&S, successful
Bottle Tree 20	QLD	22.85%	C&S, successful
Bottle Tree 5	QLD	22.85%	C&S, successful
Bottle Tree 6	QLD	22.85%	C&S, successful
Bottle Tree 7	QLD	22.85%	C&S, successful
Bottle Tree 8	QLD	22.85%	C&S, successful
Bottle Tree 9	QLD	22.85%	C&S, successful
Castle Hill 41	QLD	22.85%	C&S, successful
Castle Hill 51	QLD	22.85%	C&S, successful
Castle Hill 53	QLD	22.85%	C&S, successful
Castle Hill 54	QLD	22.85%	C&S, successful
Daldowie 17	QLD	30%	C&S, successful
Daldowie 18	QLD	30%	C&S, successful
Daldowie 19	QLD	30%	C&S, successful
FV12-106-1	QLD	22.82%	C&S, pending future drilling
FV12-119-1*	QLD	22.82%	C&S, pending future drilling
FV12-86-1*	QLD	22.82%	C&S, successful
FV16-30-2	QLD	22.82%	C&S, pending future drilling
Glen Evis 2	QLD	30%	C&S, successful
Glen Evis 3	QLD	30%	C&S, successful
Glen Evis 4	QLD	30%	C&S, successful
Glen Evis 5	QLD	30%	C&S, successful
Glen Evis 6	QLD	30%	C&S, successful
Glen Evis 7	QLD	30%	C&S, successful

### Queensland GLNG gas

Well name	Area	Santos	Well status
Glen Evis 8	QLD	30%	C&S, successful
Linga Longa 10	QLD	22.85%	C&S, successful
Linga Longa 5	QLD	22.85%	C&S, successful
Linga Longa 6	QLD	22.85%	C&S, successful
Linga Longa 7	QLD	22.85%	C&S, successful
Linga Longa 8	QLD	22.85%	C&S, successful
Linga Longa 9	QLD	22.85%	C&S, successful
RM13-74-1	QLD	30%	C&S, successful
RM13-79-1	QLD	30%	C&S, successful
RM13-83-1	QLD	30%	C&S, successful
RM13-83-2	QLD	30%	C&S, successful
RM13-84-1*	QLD	30%	C&S, successful
RM13-84-2	QLD	30%	C&S, successful
RM13-88-1	QLD	30%	C&S, successful
RM13-93-1	QLD	30%	C&S, successful
RM13-94-1	QLD	30%	C&S, successful
RM13-99-1	QLD	30%	C&S, successful
RM14-48-1	QLD	30%	C&S, successful
RM14-57-1	QLD	30%	C&S, successful
RM15-65-1	QLD	30%	C&S, successful
RM15-66-1	QLD	30%	C&S, successful
RM15-76-1	QLD	30%	C&S, successful
RM22-17-2	QLD	30%	C&S, successful
RM22-22-2	QLD	30%	C&S, successful
RM22-23-1	QLD	30%	C&S, successful
RM22-24-2	QLD	30%	C&S, successful
RM22-25-1	QLD	30%	C&S, successful
RM22-28-1	QLD	30%	C&S, successful
RM22-30-1	QLD	30%	C&S, successful
RM22-31-1	QLD	30%	C&S, successful
RM22-33-1	QLD	30%	C&S, successful
RM22-34-1	QLD	30%	C&S, successful
RM42-07-1	QLD	30%	C&S, successful
RM42-10-1	QLD	30%	C&S, successful
RM42-11-1	QLD	30%	C&S, successful
RM42-12-1	QLD	30%	C&S, successful
RM42-14-1	QLD	30%	C&S, successful

\*Spud in Q4 2021, completed in Q1 2022

## Definitions, abbreviations and conversion factors

Definitions			
Clean fuels	Clean fuels refer to fuels which have the potential to materially reduce Scope 1, 2 and/or 3 greenhouse gas emissions. Hydrogen is an example of a clean fuel with no end-use combustion emissions and the potential for low Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from renewable sources		
Cleaner energy / cleaner fuels	Cleaner energy / fuels refer to energy sources that are used for power generation, transport, industrial processes or heating which have lower emissions of greenhouse gases or air pollutants (NO <sub>x</sub> , SO <sub>x</sub> and particulates) than other fuel sources. Natural gas is an example of a cleaner fuel and energy source, as it has lower greenhouse gas emissions than coal when used in power generation		
Net-zero emissions	Net-zero Scope 1 and Scope 2 greenhouse gas emissions; when referring to Santos, meaning net-zero equity share of these emissions		

  

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

This release contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, carbon emissions reduction and associated technology risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals, conduct of joint venture participants and contractual counterparties and cost estimates. The forward-looking information in this release 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 release 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 release. 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 release.

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.