

8 November 2022

## 2022 Investor Briefing Day

Santos today announced a new Purpose, Strategy and business organisation as the company reaffirmed its commitment to delivering strong shareholder returns and achieving net-zero emissions (scope 1 and 2, equity share) by 2040.

Speaking at the company's Investor Briefing Day in Adelaide, Managing Director and Chief Executive Officer Kevin Gallagher said Santos' new Purpose – to provide cleaner energy that is both affordable and sustainable to help create a better world for everyone – is our future.

“The energy transition journey that we have been on will only accelerate from here. We are building on our pioneering past to achieve our aim of creating a better world for everyone, through providing cleaner energy,” Mr Gallagher said.

“The successful execution of our **Transform - Build - Grow** strategy since 2016 has the company positioned for disciplined growth and sustainable shareholder returns. The business is performing well, with strong free cash flow generation of US\$2.7 billion this year to the end of September.

“But we will continue to evolve to meet the challenges of the transition to cleaner energy and a net-zero future. Today we have unveiled our new strategy of **Backfill and sustain - Decarbonisation - Clean fuels**.

“Energy security is a top priority for countries in our region. Given the strong customer demand for our product now and into the future, we will seek to backfill and sustain our core assets to deliver the critical fuels the world needs into the 2040s. But we will also decarbonise these critical fuels, in-line with our target of net-zero emissions (scope 1 and 2, equity share) by 2040, and produce clean fuels as customer demand evolves.

“This will provide a low carbon intensity base business that will provide a strong foundation to provide sustainable shareholder returns and fund the energy transition.

“To deliver the transition and our new Purpose, we have restructured the business into two divisions of Upstream Gas and Liquids and Santos Energy Solutions. In 2017, Santos set up an Energy Solutions team and today's announcement is the next step in our plans to build our transition business, including our decarbonisation and carbon management services business, on our path to a cleaner energy future.

“We have a strong balance sheet supportive of disciplined growth and a business model to generate strong shareholder returns through the transition.”

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## Guidance

2022 production guidance is maintained at 103-106 million barrels of oil equivalent (mmboe) and sustaining capital expenditure guidance is maintained at approximately US\$1.1 billion. Major projects capital expenditure in 2022 is expected to be approximately US\$1.2 billion, the mid-point of the previous guidance range. 2022 unit production costs are expected to be at the lower end of the US\$7.90-8.30/boe guidance range.

Production in 2023 is expected to be in the range of 91-98 mmboe, influenced by the end-of field-life at Bayu-Undan, timing of completion of the expected sell-down of a five per cent stake in PNG LNG and lower Western Australia domestic gas production.

Sustaining capital expenditure in 2023 is expected to be approximately US\$1.2 billion and major projects capital expenditure is expected to be approximately US\$1.835 billion (including the Barossa, Pikka Phase 1, Papua and Moomba CCS projects).

Santos announced on 27 September 2022 it had received a binding conditional offer from Kumul Petroleum Holdings Limited (Kumul) to acquire a five per cent interest in PNG LNG for asset value of US\$1.4 billion, including a proportionate share of project finance debt of US\$0.3 billion. The offer is conditional on Kumul obtaining the waivers of certain pre-emptive rights by each other PNG LNG project participant under the project operating agreement to allow the transaction to proceed. Completion will be subject to customary conditions including necessary regulatory approvals and Kumul securing financing.

Guidance for 2023 provided in this release and in the attached Investor Briefing Day presentation assumes Santos' existing 42.5 per cent in PNG LNG. Guidance would be revised once the expected sell-down of the five per cent interest has completed.

## Live webcast

A live webcast of the 2022 Investor Briefing Day will be available on Santos' website at [www.santos.com](http://www.santos.com) from 12:30pm ACDT (Adelaide time) today.

Ends.

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