

Narrabri Gas Project

Community Consultative Committee - 18 May 2021

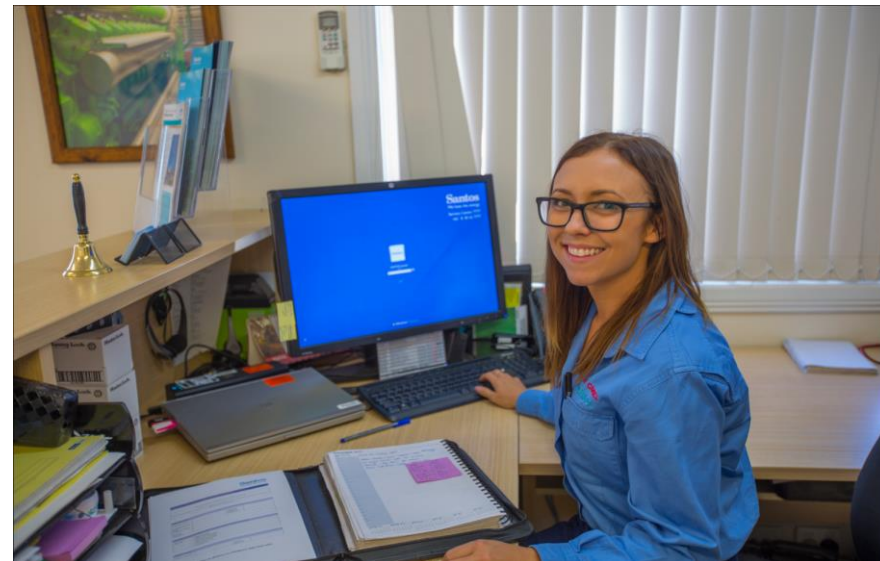
Santos



- + This presentation 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, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.
- + All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

Santos update

- + Company update
- + NGP Development
- + NGP Approvals – Management Plans
 - + Role of CCC in reviewing Management Plans
- + Social Impact Management



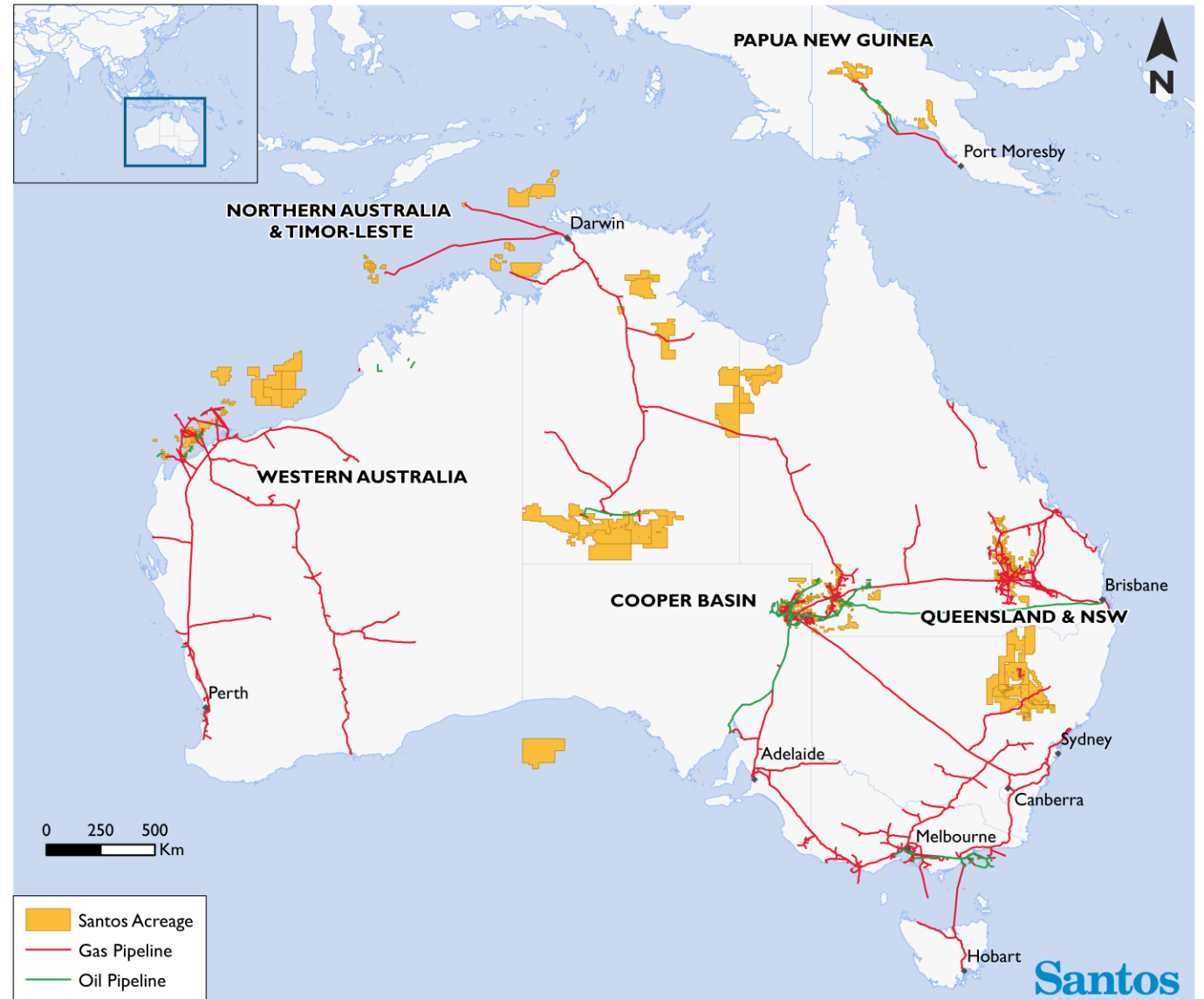
About Santos

A proudly Australian company, Santos is a leading supplier of natural gas, a fuel for the future providing cleaner energy to improve the lives of people in Australia and Asia.

Santos is already Australia's biggest domestic gas supplier and aims to be a leading Asia-Pacific LNG supplier.

For over 65 years, Santos has been working in partnership with local communities, providing jobs and business opportunities, and safely and sustainably developing Australia's natural gas resources.

Santos' strategy is centred on five core long-life natural gas and LNG assets: the Cooper Basin, Queensland and New South Wales, Western Australia, Northern Australia and Timor-Leste, and Papua New Guinea.



Santos

Santos commitments

Local Industry, Community and Indigenous Participation



Policy

Our Commitment

As an Australian owned and operated business, Santos believes that working with local industry, local and Indigenous communities is vital to sustaining the long term viability of our business and to deliver the economic and environmental benefits of natural gas to homes and businesses throughout Australia and Asia.

We are committed to building and maintaining mutually beneficial relationships with local communities, businesses and Indigenous people wherever we operate. We do this through implementing our community investment framework and by providing employment, training, education and enterprise opportunities associated with our industry so that the communities where we work share in the benefits of natural gas development.

Santos seeks to engage with local communities at the earliest opportunity and to provide information that is relevant and accessible to those communities about our operations.

Our Actions

We will:

1. Ensure Santos has a culturally aware workforce
2. Work proactively with landholders, local communities, Traditional Owners / clans and Indigenous communities to ensure they are fully informed prior to accessing land
3. Apply best practice in the assessment, identification and protection of cultural heritage
4. Actively work to increase the benefit of development activity to local industry and Traditional Owners / clans through the supply chain
5. Positively favour local and Indigenous businesses by taking into account the social licence value when evaluating contract proposals
6. Give preference to those tenderers that maximise local content in both labour and materials where comparative tenders are commercially competitive and technically acceptable
7. Develop procurement strategies that take into consideration local and Indigenous capability
8. Engage local schools to promote the benefits of natural gas and career opportunities
9. Provide employment and training opportunities through education and workforce pathways programs
10. Implement our community investment framework across our assets
11. Actively promote the development of local industry in regions where Santos operates

Governance

The Environment, Health, Safety and Sustainability Committee is responsible for reviewing the effectiveness of this policy.

This policy will be reviewed at appropriate intervals and revised when necessary to keep it current.

Kevin Gallagher

Managing Director & CEO

We will ...

- + Actively work to increase the benefit of development activity to local industry and Traditional Owners through the supply chain
- + Support local and Indigenous businesses by taking into account the social value when evaluating contract proposals
- + Encourage tenderers that maximise local content in both labour and materials while ensuring comparative tenders are commercially competitive and technically acceptable
- + Develop procurement strategies that take into consideration local and Indigenous capability

Proven track record - Currently **90 percent** of our annual procurement spend is within Australia.

Climate Change



Policy

Our Commitment

Santos recognises the science of climate change and supports the objective of limiting global temperature rise to less than 2 degrees Celsius.

Our strategy focusses on natural gas which we believe will continue to play a key role in a low carbon future.

We are committed to being part of the solution by supporting the twin objectives of limiting greenhouse gas emissions while providing access to reliable and affordable energy to domestic and global markets.

Our Actions

We will:

- + Work with governments and stakeholders in the design of climate change regulation and policies
- + Factor carbon pricing and greenhouse gas emissions into all business decision-making
- + Set greenhouse gas emission targets consistent with the objective of limiting global temperature rise to less than 2 degrees Celsius
- + Identify and pursue opportunities to reduce greenhouse gas emissions within our operations and through the supply chain
- + Identify and pursue opportunities to offset greenhouse gas emissions where relevant in further support of achievement of emissions targets
- + Identify, manage and mitigate climate change risks for our activities
- + Report on the company's climate change governance, strategy, risk management and targets and metrics in a transparent manner

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Environment, Health & Safety



Policy

Our Commitment

Santos is committed to being the safest gas company wherever we have a presence and preventing harm to people and the environment

Our Actions

We will:

1. Integrate environment, health and safety management requirements into the way we work
2. Comply with all relevant environmental, health and safety laws and continuously improve our management systems
3. Include environmental, health and safety considerations in business planning, decision making and asset management processes
4. Identify, control and monitor risks that have the potential for harm to people and the environment, so far as is reasonably practicable
5. Report, investigate and learn from our incidents
6. Consult and communicate with, and promote the participation of all workers to maintain a strong environment, health and safety culture
7. Empower our people, regardless of position, to "Stop the Job" when they feel it necessary to prevent harm to themselves, others or the environment
8. Work proactively and collaboratively with our stakeholders and the communities in which we operate
9. Set, measure, review and monitor objectives and targets to demonstrate proactive processes are in place to reduce the risk of harm to people and the environment
10. Report publicly on our environmental, health and safety performance

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Santos

Santos update

- + The Santos Annual General Meeting was held on 15 April 2021 with Santos Chairman Mr Keith Spence and Managing Director and CEO Mr Kevin Gallagher addressing the meeting.
- + On 22 April 2021, Santos announced its First Quarter results for 2021. Santos Managing Director and CEO reporting Santos had delivered another strong quarter of production and sales volumes, and strong free cash flow generation of US\$302 million in the first quarter demonstrating the company's diversification and leverage to oil price.
- + Last year, Santos spent \$3 billion with Australian Businesses, which represents more than 90% of our total procurement.
- + 2021 Sustainability Report has been released. It is available on the company website.
- + On 13 April 2021, Santos held its annual Directors' Environment Health Safety and Sustainability (EHSS) Awards, recognising exceptional leadership, teamwork, innovation and efficiency in environment, health, safety and sustainability across the business.
- + Santos, as operator of the Barossa joint venture, has announced a final investment decision has been taken to proceed with the US\$3.6 billion gas and condensate project, located offshore of the Northern Territory.

Consistent and successful strategy providing stability in volatile times



Transform

- + Diverse and balanced portfolio of five core, long-life natural gas assets
- + Robust balance sheet
- + Lowest cost onshore operator in Australia
- + Disciplined, low cost operating model, portfolio free cash flow breakeven at $\leq \$35/\text{bbl}$ oil price
- + Reduce emissions across core assets



Build

- + Develop low-risk, brownfields growth prospects across the core portfolio
- + Pursue strategically aligned, value accretive acquisition opportunities
- + Leverage facilities and infrastructure operations strategic capability
- + Maximise margin through M&T business
- + Establish Energy Solutions business
- + Focused exploration strategy around core assets



Grow

- + Execute and bring on-line growth opportunities accessing asset infrastructure
- + Exploit M&A opportunities to strengthen core assets
- + Generate new revenue through low-carbon Energy Solutions projects

5 Net zero by 2040

Emissions reduction targets designed to support Australia's Paris Agreement commitments.
26-30% reduction by 2030

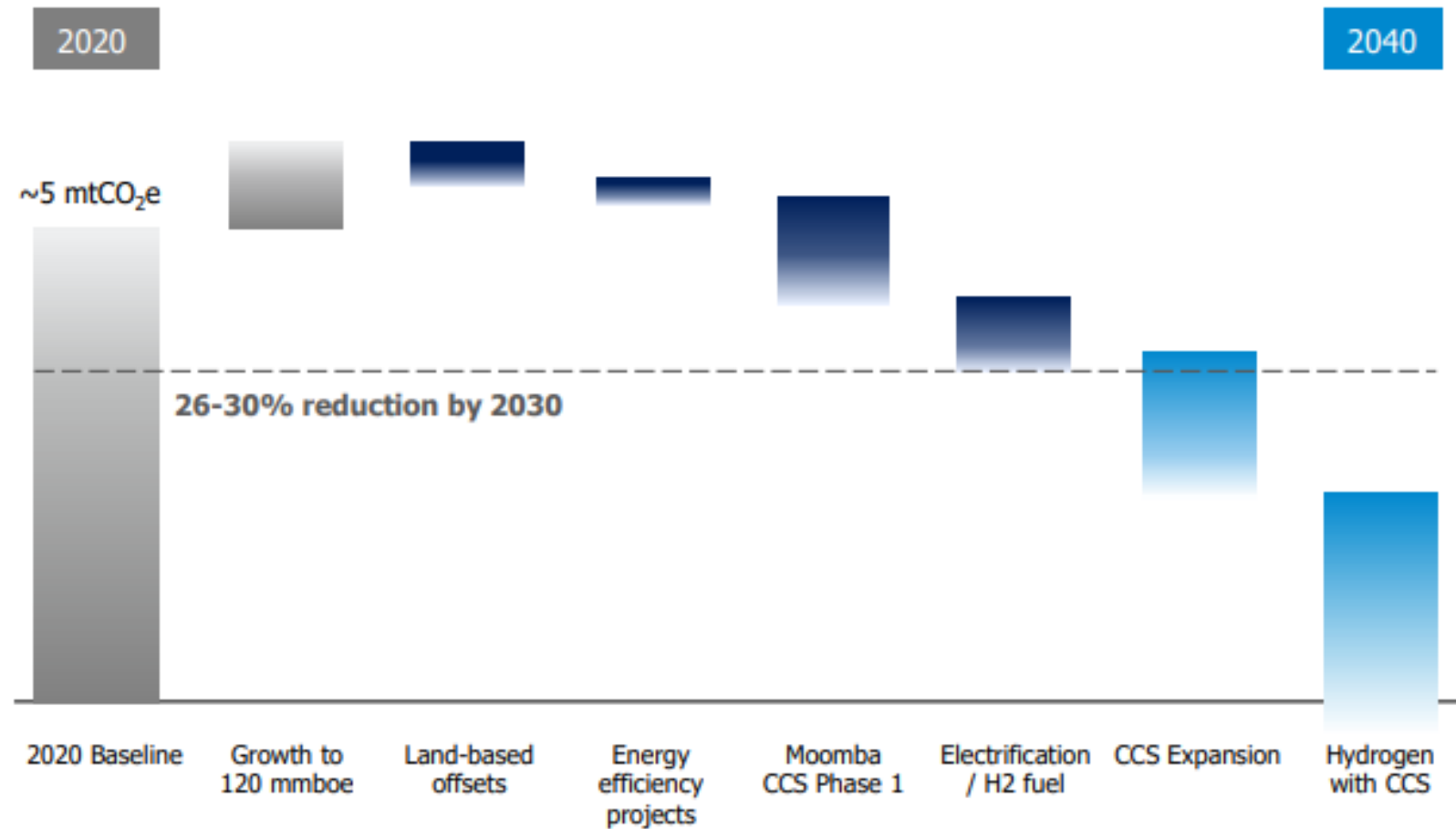
2025 target	2030 target	2030 Scope 3 emissions target	2040 target
<ul style="list-style-type: none">+ Reduce emissions >5% across the Cooper Basin and Queensland operations+ Ahead of plan	<ul style="list-style-type: none">+ Reduce Scope 1 and 2 absolute emissions by 26-30% by 2030 from 2020 baseline¹+ New target	<ul style="list-style-type: none">+ Santos will actively work with customers to reduce their Scope 1 and 2 emissions by >1 mtCO₂e per year by 2030	<ul style="list-style-type: none">+ Net zero Scope 1 and 2 absolute emissions by 2040

Technology enablers

- + Fuel efficiency
- + Electrification and renewables integration
- + Utilisation of CCS technology to reduce emissions and to accelerate the economic feasibility of hydrogen and natural gas to hydrogen switching as the market transitions

5 Roadmap to net zero

CCS and hydrogen are the pathway to net zero emissions by 2040



Planned activities

- + Land-based offsets include the existing savanna burning program in Arnhem Land
- + Energy Solutions to deliver 0.6 mtCO₂e pa emission reduction projects by 2025
- + Moomba CCS Phase 1 is FID-ready with first injection planned as early 2024
- + Cooper Basin electrification with hydrogen fuel and CCS decarbonises energy at the source
- + CCS expansion involves potential scale-up in the Cooper Basin or at other sites
- + Domestic and export opportunities for zero-emissions hydrogen enabled by CCS

¹ Baseline is defined as Santos' net share of Scope 1 and 2 emissions, in mtCO₂e, from financial year 19/20 production volumes, adjusted to include Bayu-Undan and DLNG at 68.4% from 1 January 2020

What is Coal Seam Gas?

What is coal seam natural gas?

Definition

- + Methane (natural gas) that exists within coal
- + Target CSG zones are 500-1,000 metres sub surface

Key facts

- + Australian CSG is typically 98% methane, <2% inert gas, no liquids
- + Production process is simply dewatering and compression

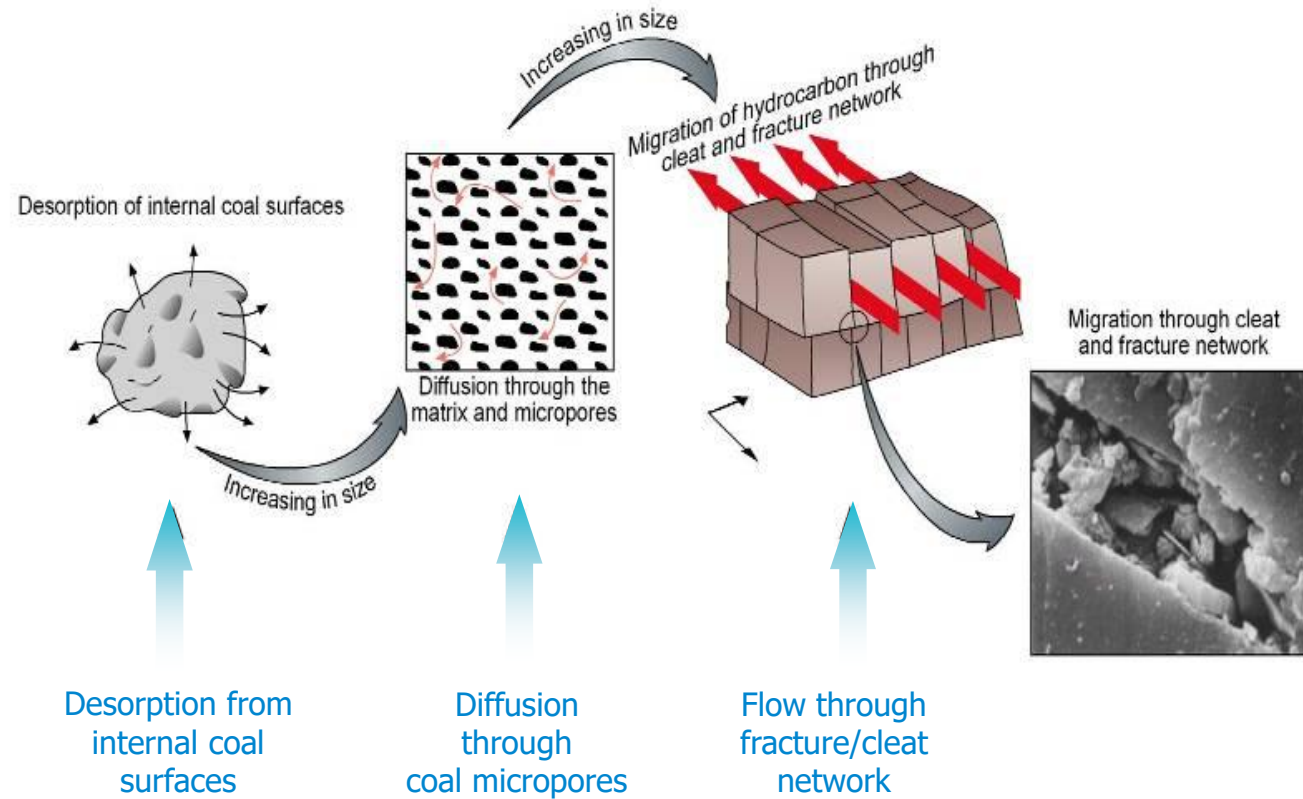
Key characteristics

- + Sweet gas (not sour)
- + Cost-effective and clean-burning
- + Pipeline quality – minimal processing
- + Produced at low pressures

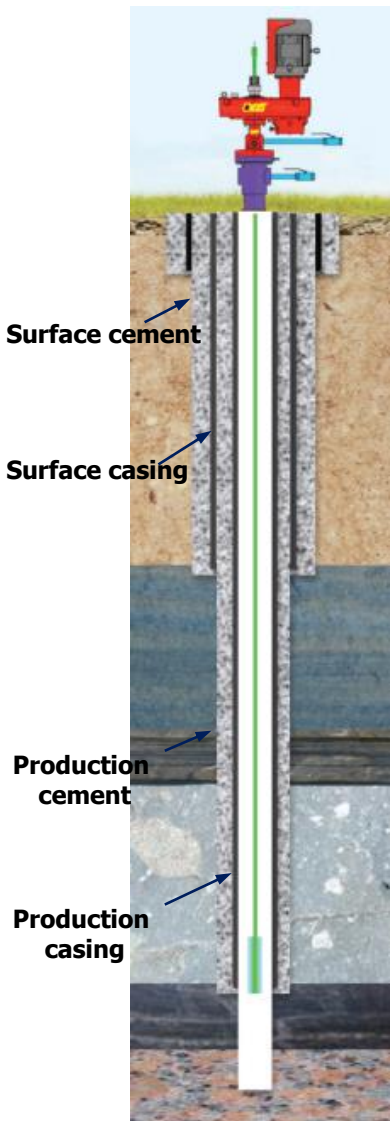


How is natural gas produced?

- + Coal typically occurs underground at elevated pressure as a result of overlying water that exists in almost all rocks near the earth's surface
- + This pressure within the coal causes methane molecules to adsorb onto the internal surfaces of the coal



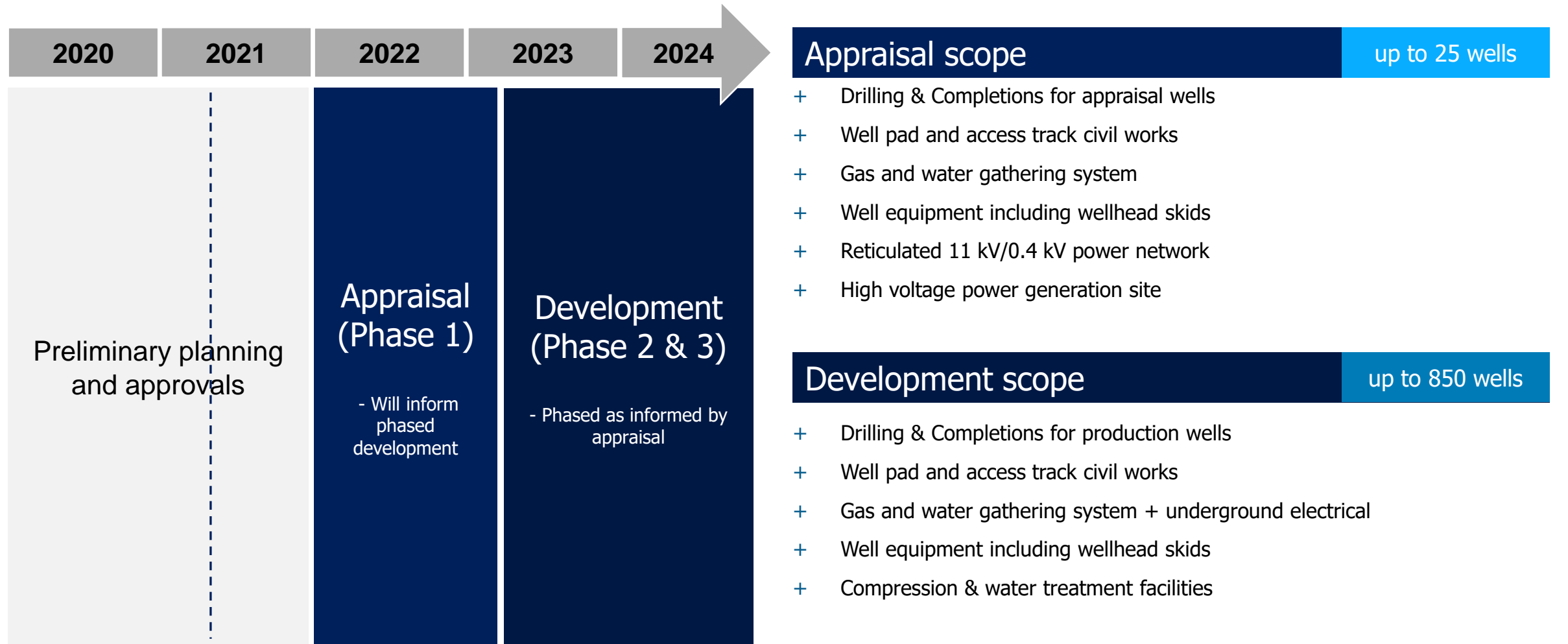
How we extract natural gas



Narrabri Gas Project update

NGP indicative timeline and scope

Once all approvals are in place, a 12 to 18 month appraisal drilling program will be undertaken to inform the phased development of the Project.



Staged Development

Phase 1: Ongoing exploration and appraisal activities

Phase 2: Construction activities for production wells and related infrastructure;

Phase 3: Gas production operations; and

Phase 4: Gas well and infrastructure decommissioning, rehabilitation and closure.



- + Existing exploration/appraisal infrastructure
 - + Continued operations
- + Proposed new infrastructure
 - + 6 x pilot wells
 - + 4 x core holes
 - + gathering lines/access tracks
 - + water monitoring bores
- + Indicative seismic surveys



Development lifecycle



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Approvals

Management plans that must be developed in consultation with CCC:

Phase 1

- + Field Development Plan
- + Noise Management Plan

Phase 2

- + Air Quality and Greenhouse Gas Management Plan
- + Social Impact Management Plan



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Social Impact

- + Commenced a baseline assessment study
 - + Baseline desktop study has been completed
 - + Next step is to conduct community interviews with key stakeholders
 - + Research will be updated based on new literature and findings from consultations



- + Narrabri Gas Project website – www.narrabrigasproject.com.au
- + Email – Energy.NSW@santos.com
- + Visit the community shopfront @ 125 Maitland St, Narrabri
- + Call – 02 6792 9035

