Santos

14 October 2019

Acquisition of ConocoPhillips' northern Australia interests

Key Highlights

- Acquisition of ConocoPhillips' northern Australia business with operating interests in Darwin LNG, Bayu-Undan, Barossa and Poseidon for US$1.39 billion plus a $75 million contingent payment subject to FID on Barossa
- Value accretive acquisition of operating interests in long-life, low cost natural gas assets and strategic LNG infrastructure consistent with Santos' core asset growth strategy
- Fully funded from existing cash resources and new committed debt
- Materially accretive: ~16% expected earnings per share accretion and ~19% EBITDAX accretion in 2020[1]
- Increases pro-forma production by ~25%, pro-forma 2P reserves by ~5% and pro-forma 2C contingent resources by ~27%[2]
- Reduces forecast 2020 free cash flow breakeven oil price by ~US$4 per barrel
- Targeting pre-tax synergies of US$50-75 million per annum (excluding integration and other one-off costs) driven by Santos operatorship and efficiencies
- Acquisition delivers operatorship and control of strategic LNG infrastructure with growth potential
- Acquisition advances and supports Santos' goal of taking Barossa FID by early 2020. Santos is prepared to sell down equity in Barossa and Darwin LNG to a target ownership of 40-50% to achieve increased partner alignment
- Barossa partner SK E&S is highly supportive and has signed a Letter of Intent to acquire a 25% interest in Bayu-Undan and Darwin LNG
- Santos is also in discussions with existing Darwin LNG joint-venture partners for equity in Barossa and in advanced discussions with LNG buyers for Barossa offtake volumes, including with an existing partner in Darwin LNG

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos has enjoyed a long-established relationship with ConocoPhillips which has operated its northern Australia natural gas assets for many years.

"Santos was a founding partner with ConocoPhillips in Darwin LNG, which has been operating since 2006. The acquisition of these assets fully aligns with Santos' growth strategy to build on existing infrastructure positions while advancing our aim to be a leading regional LNG supplier," Mr Gallagher said.

[1] Expected pro-forma accretion in 2020 assuming US$65 per barrel oil price and full-year of ownership. Assumes Santos interest of 68.4% in Bayu-Undan/Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).

[2] 2018 pro-forma based on Santos' 2018 production and reserves and resources. Production adjusted for a full-year of Quadrant ownership. Assumes Santos interest of 68.4% in Bayu-Undan / Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).

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“This acquisition delivers operatorship and control of strategic LNG infrastructure at Darwin, with approvals in place supporting expansion to 10 mtpa, and the low cost, long life Barossa gas project.

“These assets are well known to Santos. It also continues to strengthen our offshore operating and development expertise and capabilities to drive growth in offshore northern and Western Australia.”

“Santos is also committed to be Australia’s leading domestic gas supplier and we will be pursuing domestic gas opportunities in the Northern Territory from our broader northern Australia gas portfolio where we have significant resource potential both onshore and offshore.”

“Santos intends to manage gearing within our stated operating range and is targeting to sell-down equity in Darwin LNG and Barossa to 40-50% in order to create alignment between joint venture participants as well as by optimising equity levels in our Western Australia assets.”

“We are also in discussions with existing Darwin LNG joint-venture partners to sell equity in Barossa and further equity in Darwin LNG and also with LNG buyers for offtake volumes. Santos will target the contracting of ~60-80% of LNG volumes for 10+ years prior to taking FID on Barossa, which is expected by early 2020. Discussions to date have demonstrated strong interest in Barossa LNG, given it is a brownfield upstream development located close to North Asian demand.”

“The acquisition is value accretive for Santos shareholders in year one following completion across a range of metrics and importantly further reduces our free cash flow breakeven oil price by approximately US$4 per barrel in 2020.”

“As we have demonstrated following the acquisition and integration of Quadrant Energy into our offshore business, Santos’ low-cost operating model is creating opportunities for disciplined growth across Australia.”

“We look forward to welcoming ConocoPhillips’ Australia-West employees to Santos and combining the two businesses to create one high performing team with a wide range of exciting career opportunities across Santos,” Mr Gallagher said.

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ConocoPhillips Northern Australia Portfolio Overview

ConocoPhillips holds a high-quality portfolio of operated production, development and exploration assets in northern Australia. It also operates and is the majority owner of the Darwin LNG facility, which has a capacity of 3.7 million tonnes per annum of LNG and significant expansion potential.

Asset	Darwin LNG Infrastructure	Bayu-Undan Production	Barossa Development
Key statistics (gross)	3.7 mtpa LNG capacity	600 mmscf/d gas production capacity	799 mmboe gross 2C resource[1]
Ownership	ConocoPhillips 56.9% **Santos 11.5%** INPEX 11.4% Eni 11.0% JERA 6.1% Tokyo Gas 3.1%	ConocoPhillips 56.9% **Santos 11.5%** INPEX 11.4% Eni 11.0% JERA 6.1% Tokyo Gas 3.1%	ConocoPhillips 37.5% **Santos 25%** SK E&S 37.5%
Operator	ConocoPhillips	ConocoPhillips	ConocoPhillips

[1] Santos net 62.5% interest post-completion is 499 mmboe net 2C resource.

Barossa Project

The Barossa project is the lead candidate to backfill Darwin LNG and continues to make excellent progress towards a final investment decision early next year. Barossa is intended to be developed using subsea wells tied back to an FPSO for gas processing and condensate export. A 260-kilometre gas export pipeline will transport gas to the existing Bayu-Undan pipeline for onwards transport to Darwin LNG.

Recent project milestones include the award of the subsea production system contract, the award of the gas export pipeline contract and entering into exclusive negotiations with Darwin LNG for the supply of backfill gas. Evaluation of tenders for the FPSO, subsea umbilicals and flowlines and drilling rig packages are progressing well.

Santos currently expects a final investment decision on Barossa by early 2020, with first LNG expected in 2024. Barossa development capex is currently expected to be approximately US$4.7 billion (2019 real) to first gas.

Barossa is expected to extend the operating life of Darwin LNG by more than 20 years. Life extension capex at Darwin LNG of approximately US$600 million (2019 real) is expected to be incurred between Bayu-Undan end of field life and the commencement of production at Barossa.

Acquisition Rationale

The acquisition of ConocoPhillips' northern Australia portfolio is fully aligned with Santos' growth strategy to build on existing infrastructure positions around the company's core assets.

The acquisition delivers operated interests in long-life low cost gas assets including Darwin LNG, Bayu-Undan, Barossa and Poseidon. It also brings operatorship of a strategically located LNG hub with significant expansion potential and longer-term opportunities to monetise Santos' material resources in the region.

The acquisition also continues to strengthen Santos' offshore operating and development expertise and capabilities to drive growth in offshore northern and Western Australia.

The acquisition is financially compelling and value accretive for shareholders across a range of short and long-term financial metrics. Santos is targeting material synergies of US$50-75 million per annum (pre-tax) from the acquisition.

Consideration

Santos will acquire ConocoPhillips' interests in northern Australia for total consideration of US$1.465 billion, comprising a US$1.39 billion upfront payment at completion and a US$75 million contingent payment once a final investment decision on Barossa is made. ConocoPhillips will continue to support the FID process for Barossa.

The acquisition will have an effective date of 1 January 2019. Santos will have the benefit of cash flows generated by the acquired business from the effective date with customary adjustments.

Completion is subject to third-party consents and regulatory approvals.

SK E&S support

SK E&S is a major participant in Barossa with a 37.5% stake. SK E&S is highly supportive of the transaction and Santos becoming operator.

Santos and SK E&S have signed a Letter of Intent for SK E&S to acquire a 25% interest in Bayu-Undan and Darwin LNG, which would further align Santos and SK E&S toward the development of Barossa, a key priority for both companies.

Acquisition Funding

The net funding requirement for the acquisition is expected to be approximately US$775-825 million, post the benefit of cash flows generated from the acquired business from the effective date of 1 January 2019 to completion with customary adjustments and proceeds realised from the expected sell-down to SK E&S.

The net funding requirement will be fully funded from Santos' current cash resources and US$750 million in new committed two-year acquisition debt. It is intended that the acquisition debt will be refinanced post-completion of the acquisition.

Santos had US$1.2 billion in cash on hand as at 30 June 2019.

In-line with its long-standing strategy, Santos intends to maintain a strong financial profile consistent with an investment grade credit rating. Net gearing is expected to decline to ~30% by the end of 2020. De-gearing will be supported by Santos' strong free cash flow profile and through potential sell-downs in Barossa and Darwin LNG. Santos also expects to maintain available liquidity in excess of US$2 billion.

Santos also has flexibility to reduce gearing further by optimising its broader asset portfolio through strategically-aligned farm-outs and disposals.

Advisers

Credit Suisse (Australia) Limited and J.B. North & Co. are acting as financial advisers to Santos and Allens is acting as legal adviser to Santos.

Conference call

Santos will host a conference call for analysts and investors today at **9:30am AEDT**.

Dial-in numbers for the conference call are listed below. **Conference ID: 6580332.**

For locations within Australia dial toll-free 1800 123 296 or toll 02 8038 5221.

For other countries, please use one of the following toll-free numbers: Canada (1 855 5616 766); China (4001 203 085); Hong Kong (800 908 865); India (1800 2666 836); Japan (0120 994 669); New Zealand (0800 452 782); Singapore (800 616 2288); United Kingdom (0808 234 0757); United States (1 855 293 1544). For all other countries or operator assistance, please call +61 2 8038 5221.

Call replay details

Dial-in numbers for the call replay are listed below. **Conference ID: 6580332.**

For locations within Australia dial toll-free 1800 153 898 or toll 02 9003 4221.

For other countries, please use one of the following toll-free numbers: Canada (1 855 7590 869); China (4006 322 162); Hong Kong (800 963 117); India (1800 3000 0542); Japan (0120 390 774); New Zealand (0800 453 213); Singapore (800 616 2305); United Kingdom (0808 234 0072); United States (1 855 4525 696). For all other countries or operator assistance, please call +61 2 9003 4211.

Ends.

Acquisition of ConocoPhillips' northern Australia interests

14 October 2019

Santos

Disclaimer and important notice

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 United States currency, unless otherwise stated. Pro-forma metrics are quoted before any impact of purchase price accounting on acquisition.

This presentation refers to estimates of petroleum reserves. Refer to slides 27-28 in the Appendix for cautionary statement regarding reserve estimates.

Investment highlights

Santos to acquire ConocoPhillips' interests in and operatorship of Darwin LNG, Bayu-Undan, Barossa and Poseidon for $1.39 billion plus a contingent $75 million on Barossa FID

Fully aligned with Santos' core asset growth strategy

Operatorship of strategically located LNG hub with approvals in place for expansion to 10 mtpa

~16% EPS accretive and reduces free cash flow breakeven oil price by ~$4/bbl[1]

Value creation from synergies of $50-75 million (pre-tax) per annum

Barossa partner SK E&S has signed an LOI to acquire 25% interest in Bayu-Undan and DLNG

Fully funded from current cash resources and new debt

[1] Expected pro-forma accretion and free cash flow breakeven in 2020 assuming US$65 per barrel oil price and full-year of ownership. Assumes Santos interest of 68.4% in Bayu-Undan/Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).

Investment highlights

Materially accretive and strategic growth acquisition

EPS ACCRETION[1]	EBITDAX ACCRETION[1]	FCFBE OIL PRICE[1]
16% ↑	19% ↑	$4/bbl ↓

2P + 2C INCREASE[2]	GEARING AT COMPLETION BEFORE SELL-DOWN[3]	OPERATING CASH FLOW ACCRETION[1]
540 mmboe ↑ 19%	35% ↑ 4%	15% ↑

[1] Expected pro-forma accretion and free cash flow breakeven in 2020 assuming US$65 per barrel oil price and full-year of ownership. Assumes Santos interest of 68.4% in Bayu-Undan / Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).
[2] Pro-forma 31 December 2018. Assumes Santos interest of 68.4% in Bayu-Undan / Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).
[3] Pro-forma assuming acquisition occurred on 30 June 2019. Before expected sell-down to SK E&S.

Strategically aligned acquisition

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Brownfield growth building on existing infrastructure positions

Strategically aligned acquisition	+ Fully aligned with Santos' growth strategy to build on existing infrastructure positions around our core business + Builds offshore operating position and expertise to continue to drive growth across northern Australia and offshore WA
Significant portfolio upside	+ Delivers operatorship of a strategic LNG hub with approvals in place for expansion to 10 mtpa + Unlocks opportunities to create value through strategic partnerships to bring discovered resources to market, leveraging Santos' strong operating capabilities + Increases exposure to high quality, low-cost production and development assets strategically located, with growth potential underpinned by robust long-term Asian LNG demand
Advances partner alignment	+ Advances and supports Santos' goal of taking Barossa FID by early 2020. Santos is prepared to sell-down equity in Barossa and DLNG to a target ownership of 40-50% to achieve increased partner alignment + Barossa partner SK E&S is highly supportive of the transaction and Santos becoming operator. Santos and SK E&S have signed a Letter of Intent for SK E&S to acquire a 25% interest in Bayu-Undan and Darwin LNG, subject to execution of a sale and purchase agreement + Santos is in discussions with existing Darwin LNG joint-venture partners for equity in Barossa and further equity in Darwin LNG, to achieve Santos' objective of partner alignment + Santos is also in advanced discussions with LNG buyers for Barossa offtake volumes, including with an existing partner in Darwin LNG

Fully aligned with Santos' growth strategy

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✓ Material, high quality, operated LNG growth platform

+ Greater alignment and interest in a leading **integrated LNG project**
+ **Material increase in production, resources and EBITDAX**
+ Operatorship of **strategically located LNG infrastructure hub**
+ Long-term LNG **expansion potential**
+ **Clear pathway to Barossa FID**

✓ Core, long life, low cost assets

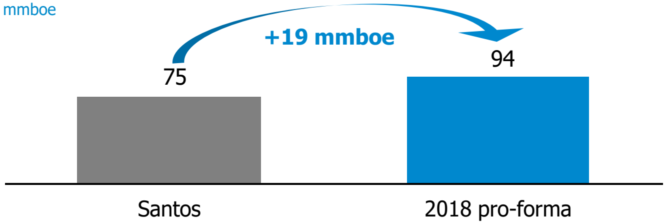
+ Long life, **production and development assets**
+ **Assets are well known to Santos**
+ Barossa production forecast to extend out to 2040s
+ **Project economics robust** in current LNG contracting environment
+ **Free cash flow positive at <$40/bbl**, pre-major growth spend

✓ Existing cash flow generation, financial strength maintained

+ **Immediate uplift in cash-flow** from Bayu-Undan
+ **High margin assets**
+ **Fully funded** from cash and new debt
+ De-gearing supported by **strong free cash-flow** profile and expected sell-down of Barossa and DLNG interests
+ Flexibility to optimise asset portfolio through farm-outs and disposals

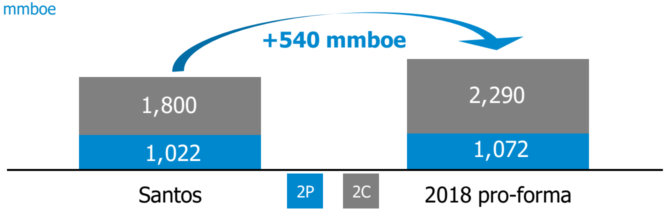
2018 production increase[1,2]

mmboe



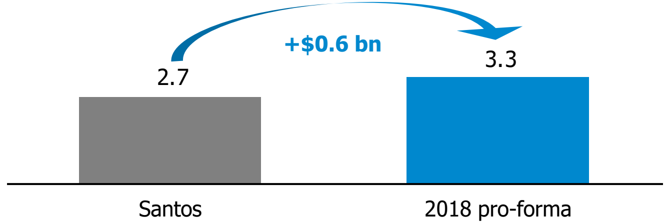
2018 2P and 2C increase[1,2]

mmboe



2018 EBITDAX increase[1]

$ billion



[1] Based on Santos' 2018 reported, adjusted for full-year of Quadrant production and EBITDAX. Assumes Santos interest of 68.4% in Bayu-Undan / Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).
[2] Acquired production and reserves presented on PSC net entitlement basis.

Materially accretive transaction

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Financially compelling acquisition expected to deliver substantial accretion on all key metrics

Strong production and resources growth	+ Increases 2018 pro-forma production by 25% to 94 mmboe[1] + Increases 2018 pro-forma 2P reserves by 50 mmboe (+5%) and 2018 pro-forma 2C resources by 490 mmboe (+27%)[1] + Barossa 2C resources to convert to 2P reserves at FID, expected by early 2020
Material earnings per share accretion	+ ~16% expected earnings per share accretion in 2020[2] + ~19% expected EBITDAX accretion in 2020[2]
Cash flow accretion	+ ~15% expected operating cash flow per share accretion in 2020[2] + Reduces 2020 forecast free cash flow breakeven oil price by ~$4/bbl + No change to stated dividend policy, targeting a range of 10% to 30% payout of free cash flow generated per annum
Potential value uplift	+ Material value per share accretion + Targeting synergies of $50 to $75 million per annum (pre-tax)[3]

[1] 2018 pro-forma based on Santos' 2018 production and reserves. Production adjusted for a full-year of Quadrant ownership. Assumes Santos interest of 68.4% in Bayu-Undan / Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S).
[2] Assumes US$65 per barrel oil price in 2020 and full year of ownership.
[3] Excludes integration and other one-off costs.

Transaction overview and financing

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Acquisition of ConocoPhillips' interests in northern Australia

- Santos has agreed to acquire ConocoPhillips' interests in northern Australia for $1.39 billion payment at completion, with a further $75 million contingent on FID decision at Barossa
- Key assets include: 56.9% interest in Bayu-Undan field and Darwin LNG facility, 37.5% interest in the Barossa Project
- Transaction has an effective date of 1 January 2019 and completion is subject to third-party consents and regulatory approvals. Santos will have the benefit of cash flows generated by the acquired business from the effective date with customary adjustments.

Transaction financing

- Net funding requirement of approximately $775-825 million, post the benefit of cash flows generated from the acquired business from the effective date of 1 January 2019 to completion with customary adjustments and proceeds from the expected sell-down to SK E&S
- Net funding requirement fully funded from cash resources and new committed debt
  - Santos had $1.2 billion in cash on hand as at 30 June 2019
  - $750 million in new committed two-year acquisition debt
- 30 June 2019 pro-forma net debt of $4.5 billion ($3.1 billion excluding PNG LNG project finance)[1]
  - Expect to maintain a strong financial profile consistent with an investment grade credit rating
  - Strong liquidity maintained: $2.8 billion liquidity based on pro-forma 30 June 2019[1]
  - Pro-forma gearing expected to be ~35% at completion and decline to ~30% by year end 2020
- De-gearing will be supported by Santos' strong free cash flow profile and expected sell-downs

[1] Pro-forma assuming acquisition occurred on 30 June 2019.

1	Transaction overview
2	Investment highlights
3	Funding
	Appendix

Portfolio of long-life production and development assets

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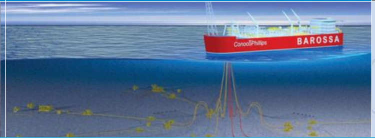
Full alignment with Santos' strategy to become a leading domestic gas and LNG supplier with a portfolio of low-cost, long life assets





	Darwin LNG	Bayu-Undan	Barossa	Poseidon
	Infrastructure	**Production**	**Development**	**Exploration**
Santos ownership[1]	68.4% (operator)	68.4% (operator)	62.5% (operator)	40% (operator)
Key metrics (gross)	+ Capacity: 3.7 mtpa + 2018 LNG sales: 3.3 mt + Life extension capex ~$0.6 billion	+ 2018 production: 40 mmboe + 2P reserves: 108 mmboe + 2C resources: 22 mmboe + Abex ~$1.1 billion	+ 2C resources: 799 mmboe + Development capex ~$4.7 billion to first gas	+ 2C resources: 410 mmboe
Acquired 2P reserves and 2C contingent resources[2] (net)		+ 2P reserves: 46 mmboe + 2C resources: 11 mmboe	+ 2C resources: 300 mmboe	+ 2C resources: 164 mmboe
Overview	+ Reliable liquefaction facility + Operating since start-up in 2006 + Potential for future capacity expansion (up to 10 Mtpa)	+ Producing gas condensate field supplying gas to Darwin LNG + Robust cashflow generation + Associated pipeline is a well maintained regional asset + Mature asset approaching EOFL ~2022 with potential to extend	+ Preferred candidate to backfill Darwin LNG project + Currently in FEED + FID expected by early 2020 + First gas expected 2024	+ Potential to support longer term LNG expansion in region + Retention Licence application lodged September 2018

[1] Santos pro-forma ownership following completion of the acquisition of ConocoPhillips' northern Australia interests (i.e. pre sell-down to SK E&S).
[2] Santos acquired reserves and resources at completion of the acquisition of ConocoPhillips northern Australia interests (i.e. pre sell-down to SK E&S).
Note: Pro-forma reserve and resource estimates as at 31 December 2018.

Advances alignment and supports Barossa FID

Santos is prepared to sell-down to 40-50% interest in Barossa and DLNG to increase partner alignment. SK E&S has signed an LOI to acquire 25% interest in Bayu-Undan and DLNG

	Current			Pro-forma		
Partner	Bayu/ DLNG	Barossa	Operator	Bayu/ DLNG	Barossa	Operator
ConocoPhillips	56.9%	37.5%	✓	-	-	
Santos	**11.5%**	**25%**		**68.4%[1]**	**62.5%**	✓
INPEX	11.4%	-		11.4%	-	
eni	11.0%	-		11.0%	-	
Jera	6.1%	-		6.1%	-	
TOKYO GAS	3.1%	-		3.1%	-	
SK	-	37.5%		-[1]	37.5%	
Total	100%	100%		100%	100%	

- Acquisition advances partner alignment at Barossa and supports Santos' goal of taking FID by early 2020
- Barossa partner SK E&S is highly supportive of the transaction and to Santos becoming operator, and has signed an LOI to acquire a 25% interest in Bayu-Undan and Darwin LNG
- Santos is in discussions with existing Darwin LNG joint-venture partners for equity in Barossa and further equity in Darwin LNG
- Santos is also in advanced discussions with LNG buyers for Barossa offtake volumes, including with an existing partner in Darwin LNG

[1] Santos holding expected to be 43.4% post 25% sell-down to SK E&S.

Operatorship of strategically located LNG hub

Northern Australia has the potential to become a major LNG hub for the long term, supported by Santos' world class regional onshore and offshore gas resources and proximity to Asia

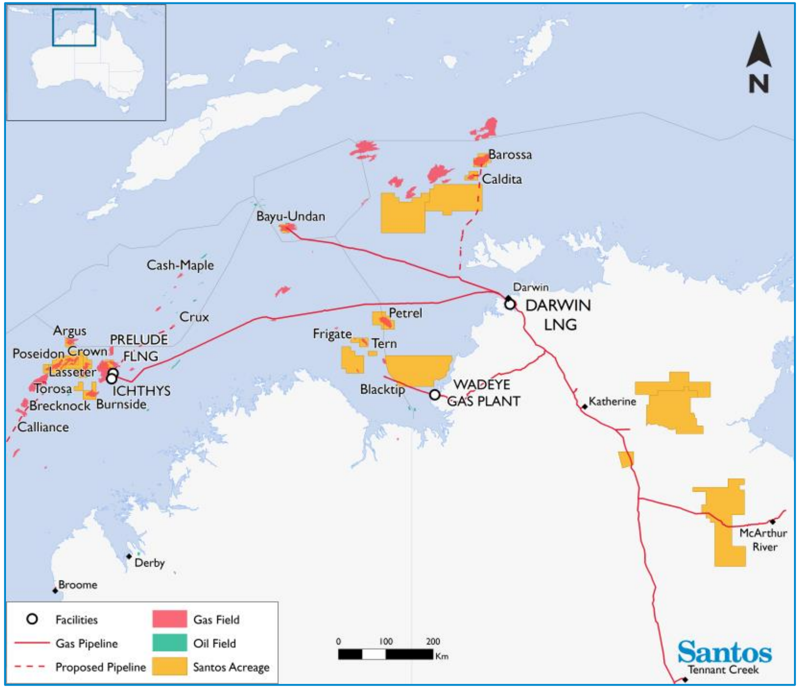
Creation of a major LNG hub strategically located to key LNG end markets

+ Material interest in a high quality integrated LNG project
+ Leverages and strengthens Santos existing offshore operating capability in Northern Territory and Western Australia
+ Operatorship of strategic LNG infrastructure:
  + DLNG brownfield plant expansion opportunities
  + Planning approvals for expansion up to 10 mtpa (3 train plant)
  + Potential to unlock material resources in the region

Santos acreage	Gross 2C resource	Net 2C resource
Barossa	~5.1 tcf	2,600 PJ
Petrel-Tern-Frigate	~2.6 tcf	970 PJ
Browse Basin[1]	~2.8 tcf	850 PJ
Greater Poseidon	~2.1 tcf	880 PJ
McArthur Basin	Multi-tcf potential	

[1] Includes Lasseter, Crown, Burnside, Argus
2 Resource estimates as at 31 December 2018

DLNG expansion supported by regional resource



Long-term LNG market dynamics remain favourable

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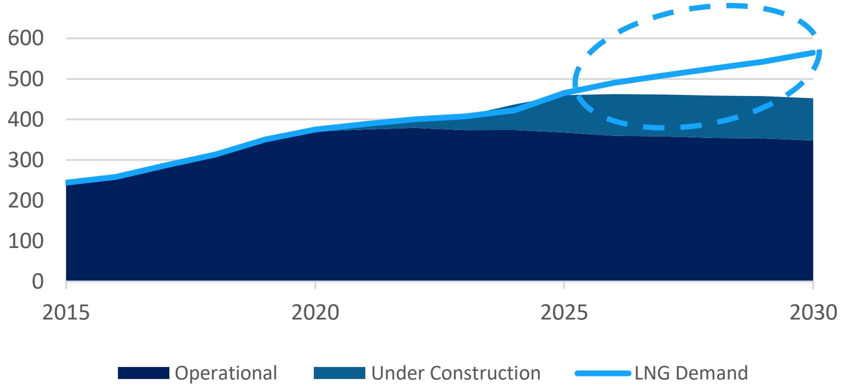
Prior to taking FID on Barossa, Santos intends to target contracting ~60-80% of LNG volumes for 10+ years

+ Underpins brownfield LNG development
+ Attractive 20+ year asset life for DLNG backfill
+ In discussions with LNG buyers – Barossa LNG has been well received given brownfield nature and proximity to Asian demand
+ Potential to align LNG buyers with ownership in the project
+ Project economics are robust in current LNG contracting environment
+ Uncontracted volumes provide flexibility

Global LNG supply / demand

Mtpa



Darwin LNG is well positioned to support LNG demand

✓ Shipping advantage due to proximity to key Asian markets
✓ Globally competitive cost of supply
✓ Source of diversification for LNG buyers
✓ Potential to fully align across the value chain

+ Global LNG demand grew ~10% in 2018
+ Expected to grow by ~5% CAGR to 2030
+ ~80 mmtpa of uncontracted demand expected by 2025
+ ~110 mmtpa of new supply required by 2030
+ Renewed interest from buyers for long-term contracts

Source: Wood Mackenzie, LNG Tool Q3 2019 Dataset

Value creation via synergies and operatorship

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Targeting synergies of $50 to $75 million per annum (pre-tax)

Material synergies	+ Targeting synergies of $50 to $75 million per annum (pre-tax) – Removal of duplication – Optimise operations across the combined asset footprint – Corporate and overhead savings + Full synergy potential to be assessed during integration
Operatorship and offshore capabilities	+ Value creation through scale and operating capabilities + Greater alignment of upstream and midstream interest allows for clear route to Barossa FID + Leverage offshore operating capabilities to capitalise on Barossa + Combined upstream capabilities strengthen platform for sustainable growth
Quadrant experience	+ Santos acquired Quadrant Energy in late 2018 + During acquisition due diligence, Santos identified $30-50 million per annum of cost savings through organisational efficiencies (overheads, support costs, role duplication) + Since taking ownership of Quadrant, Santos has increased its synergy target to $50-60 million per annum + Santos expects to generate synergies from this transaction through applying its low cost operating model and knowledge/experience gained from the Quadrant acquisition

Consistent with Santos’ strategy of upgrading portfolio

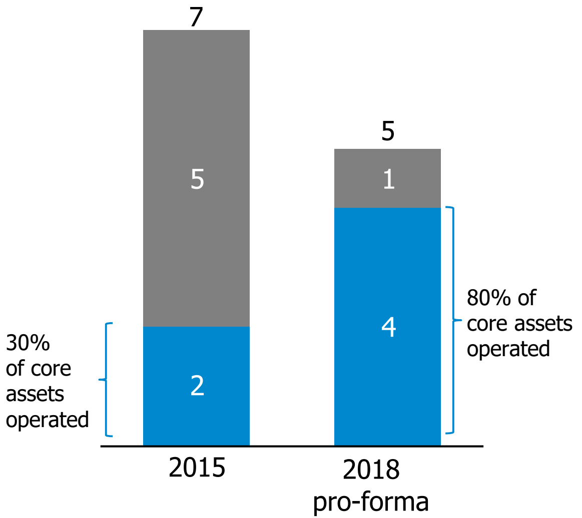
Santos

Organic and inorganic growth strategy has materially improved our portfolio

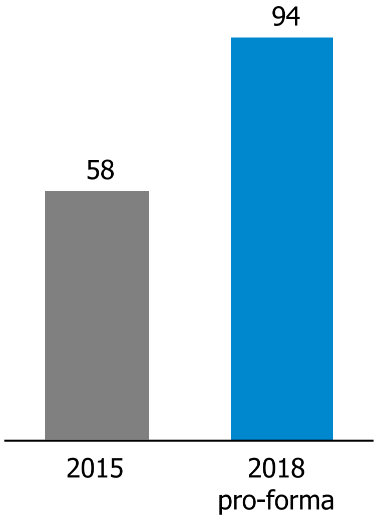
Santos today versus 2015

- ✓ Portfolio simplified and high-graded
- ✓ Focused on operating positions across 5 core asset hubs
- ✓ Long-life, low cost assets
- ✓ Building on existing infrastructure around core assets
- ✓ Operatorship of strategically located domestic and LNG hubs
- ✓ Value creation from synergies and operatorship
- ✓ Targeting lower risk, higher returns from upstream / brownfield growth projects

80% core assets now Santos operated



2018 pro-forma production up 62%[1]
mmboe



[1] 2018 pro-forma production assumes Santos interest of 68.4% in Bayu-Undan / Darwin LNG and 62.5% in Barossa (i.e. pre sell-down to SK E&S)

Fully aligned with Transform Build Grow

Santos

Acquisition fully aligned with Santos' strategy to leverage existing infrastructure positions around our core long-life natural gas assets

Grow

+ Execute and bring on-line growth opportunities across the core portfolio
+ Focused exploration strategy to identify new high-value targets and unlock future core assets
+ Generate new revenue through low-carbon Energy Solutions projects

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

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 ≤$40/bbl oil price

Acquisition funding

Santos

Acquisition fully funded from current cash and new committed debt

Acquisition fully funded from cash and new debt	+ Net funding requirement is expected to be approximately $775-825 million, post the benefit of cash flows generated from the acquired business from the effective date of 1 January 2019 to completion and proceeds from the expected sell-down to SK E&S + Net funding requirement fully funded from cash resources and new committed debt – Santos had $1.2 billion in cash on hand as at 30 June 2019 – $750 million in new committed two-year acquisition debt
De-gearing supported by strong free cash flow and potential sell-down	+ De-gearing supported by strong free cash-flow and potential sell-down of Barossa and DLNG to a target ownership of 40-50% + Existing cash flow generation and financial strength maintained + SK E&S has signed a letter of intent for SK to acquire 25% interest in Bayu-Undan and Darwin LNG + Flexibility to optimise asset portfolio through farm-outs and disposals
Investment grade credit rating	+ Expect to maintain a strong financial profile consistent with an investment grade credit rating
Strong liquidity	+ ~$2.8 billion liquidity based on pro-forma 30 June 2019[1] – ~$0.8 billion in cash – ~$2.0 billion of bilateral facilities

[1] Pro-forma assuming acquisition occurred on 30 June 2019.

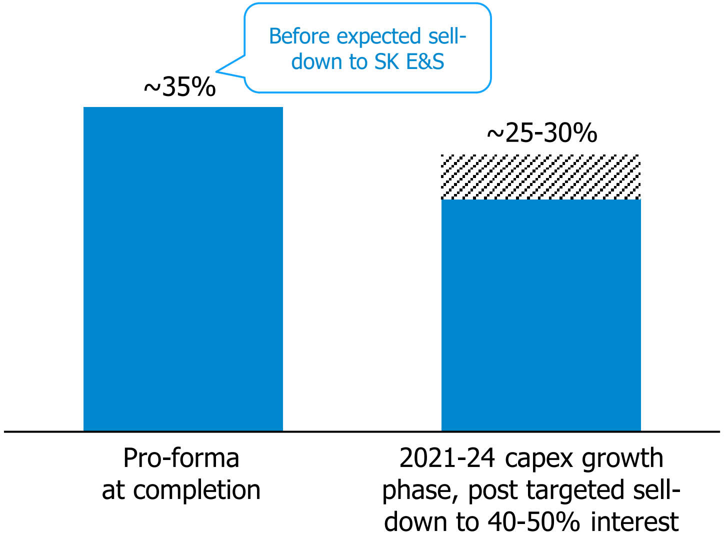
Stable cash flows underpin strong de-leveraging and liquidity

Santos

Targeting medium term gearing ratio of 25-30%, with sufficient flexibility to address all future capital expenditure requirements and maintain dividend policy

Gearing post growth funding and dividends[1]

Net debt / (Net debt + Equity)



Projected gearing profile assumes FID for PNG LNG expansion, Barossa backfill to DLNG, Dorado oil and sell-down of interests in the acquired assets

Disciplined capital management

+ De-gearing supported by Santos' strong free cash flow profile and through a potential sell-down of interests in the acquired assets
+ Gearing of ~25-30% expected during 2021-24 capex growth phase, post expected sell-down of interests in Barossa and Darwin LNG to Santos' targeted 40-50% interest
+ In the event of no sell-down of interests, gearing of <35% expected to be maintained during capex growth phase
+ Rapid de-gearing expected from 2025 onwards
+ Priorities for cash allocation remain unchanged: debt repayment, fund growth projects, fund exploration and returns to shareholders
+ Flexibility to optimise the broader Santos asset portfolio through strategically aligned farm-outs and disposals

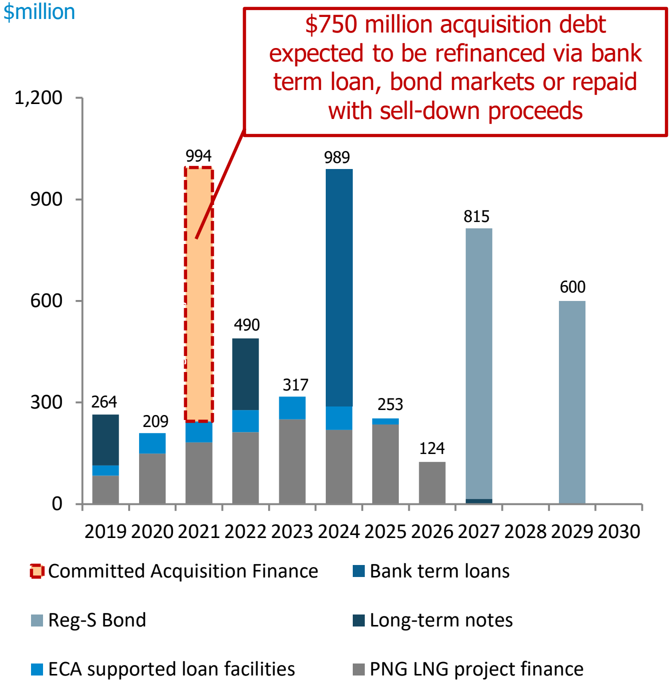
[1] Assumes US$65 per barrel flat real oil price and full-year of ownership of the acquired interests in 2019.

Pro-forma drawn debt maturity profile

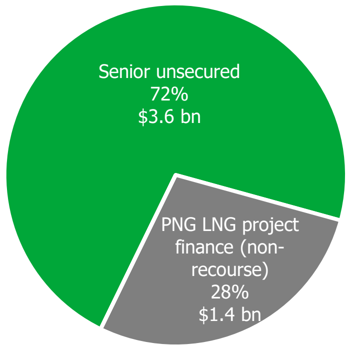
Santos

$750 million committed acquisition debt to be repaid with sell-down proceeds or refinanced post completion

Pro-forma drawn debt maturity profile[1]

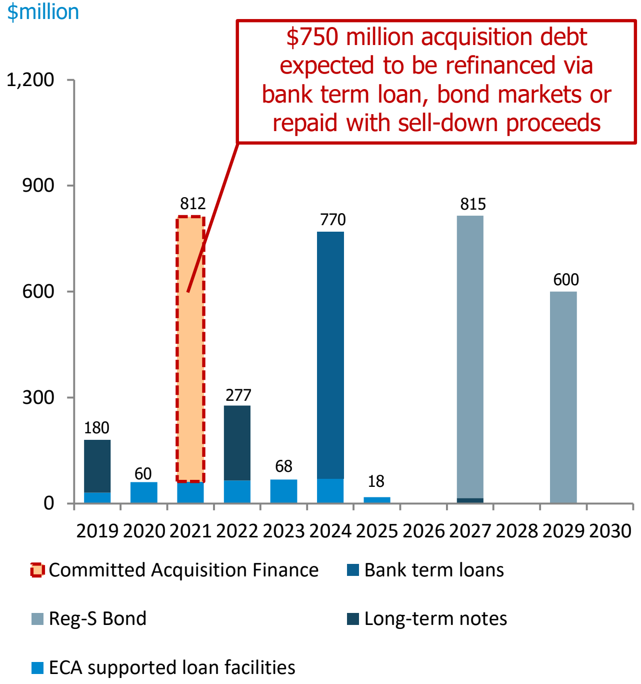


Breakdown of drawn debt facilities[1]



+ Weighted average term to maturity ~4.9 years

Pro-forma drawn debt maturity profile excluding PNG LNG project finance[1]



[1] Pro-forma assuming acquisition occurred on 30 June 2019. Excludes leases and derivatives.

Santos

Darwin LNG overview

Santos

Darwin LNG is a world-class LNG facility (ConocoPhillips operated 56.9%, Santos 11.5%)

+ Darwin LNG is a 3.7 mtpa LNG facility located in Wickham Point in the city of Darwin, northern Australia
+ Joint venture partners include: INPEX (11.4%), Eni (11.0%), JERA (6.1%) and Tokyo Gas (3.1%)
+ The plant commenced production in 2006 and has delivered more than 650 cargoes to date
+ Gas is supplied from the offshore Bayu-Undan field
+ LNG volumes are currently sold via long-term contracts to Tokyo Gas and JERA
+ Bayu-Undan end-of-field-life expected 2022 and Barossa is the lead backfill candidate
+ Planning approvals are in place for an expansion up to 10 mtpa of LNG production

Bayu-Undan overview

Santos

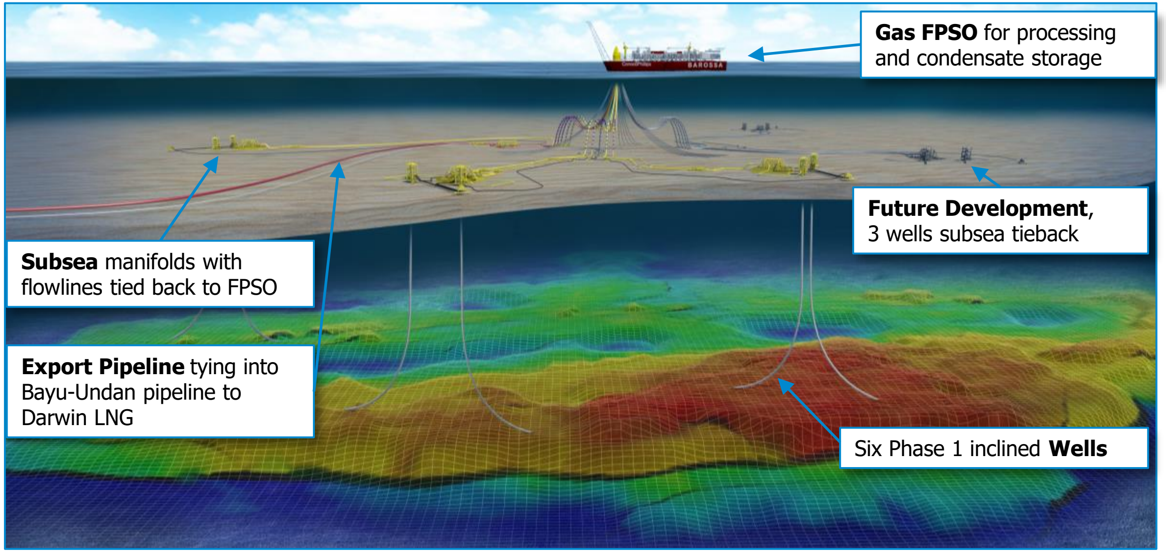
Bayu-Undan is a mature gas-liquids project (ConocoPhillips operated 56.9%, Santos 11.5%)

- 2018 production: ~40 mmboe (gross)
- Pro-forma 2018 year-end 2P reserves: 108 mmboe (gross), 74 mmboe (net)
- Capacity 600 mmscf/d
- Gas-condensate field in Timor Sea
- Timor-Leste Treaty Transition contains stabilisation of tax and regulatory regimes
- Developed by lean gas recycling with condensate and LPG extraction in 2004, followed by export of lean gas to Darwin LNG in 2006
- Offshore facilities comprise:
  - CPP (Central Production and Processing complex)
  - FSO (Floating, Storage and Offloading facility), 2km from the CPP
  - WP1 – an unmanned platform 7kms east of CPP
  - 20 production wells (2 subsea) and 2 subsea water injection wells

Barossa Project overview

Santos

Barossa project entered exclusive negotiations with the Darwin LNG JV for the supply of backfill gas



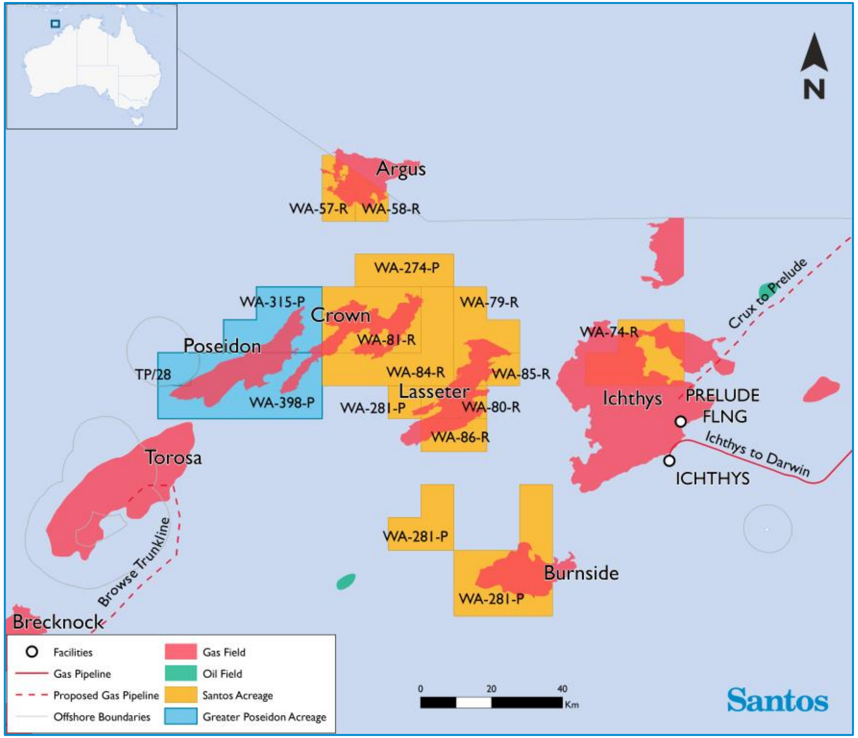
- Material growth opportunity; pro-forma 2018 year-end 2C resource 799 mmboe (gross), 499 mmboe (net)
- Capex to first gas estimated to be ~$4.7 billion (gross)
- Utilising existing DLNG infrastructure delivers competitive upstream project and extends DLNG asset life
- Field Development Plan includes 9 subsea wells to be drilled in 2 phases, 6 in initial phase. Offshore condensate recovery and export via FPSO
- Resource upside within Barossa and late life tiebacks present opportunity to extend development
- Additional 2C resource associated with Caldita field located 20 km south of the Barossa FPSO location

Greater Poseidon overview

Santos

40% operated position in a series of gas fields in the Browse Basin, 950km from Darwin

- Current ownership: 40% ConocoPhillips (operator), 40% Origin, 20% PetroChina
- Pro-forma 2018 year-end 2C resource of 410 mmboe (gross), 164 mmboe (net)
- 8 wells drilled in 2 campaigns in WA-315-P and WA-398-P since 2009 (Poseidon-1)
- 7 discoveries in ~500m water depth, adjacent to Santos Crown-Lasseter discoveries
  - No outstanding commitments
  - Lower Vulcan, Plover reservoirs at 4900-5000mSS, tested at rates up to 34 mmscf/d, CGR 10-22 bbl/mmscf
- Post 2025 dated development opportunity with Darwin LNG expansion an option
- Retention Licence application lodged September 2018



Disclaimer and important notice

Cautionary statement regarding reserve and resource estimates

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.

Notes on reserves and resources statements

The estimates of petroleum reserves and contingent resources have been prepared in accordance with the 2007 Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE).

All estimates of petroleum reserves and contingent resources reported by Santos are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator (QPRRE). Unless otherwise stated, references in this presentation to reserves (other than pro forma statements incorporating ConocoPhillips reserves) are as at 31 December 2018, as contained in the Santos 2018 Annual Report.

Information on petroleum reserves and contingent resources quoted in this reserves statement is rounded to the nearest whole number. Some totals may not add due to rounding.

Conversion factors: 1PJ of sales gas and ethane equals 171,937 boe; 1 tonne of LPG equals 8.458 boe, 1 barrel of condensate equals 0.935 boe; 1 barrel of crude oil equals 1 boe.

Unless otherwise stated, all references to petroleum reserve and contingent resource quantities in this presentation are Santos' net share. Reference points for Santos' petroleum reserves and production are defined points within Santos' operations where normal exploration and production business ceases, and quantities of produced product are measured under defined conditions prior to custody transfer. Fuel, flare and vent consumed to the reference points are excluded. Petroleum reserves are aggregated by arithmetic summation by category and as a result, proved reserves may be a very conservative estimate due to the portfolio effects of arithmetic summation. Petroleum reserves are typically prepared by deterministic methods with support from probabilistic methods.

Disclaimer and important notice

Cautionary statement regarding reserve and resource estimates

Notes on reserves and resources statements – Barossa

The estimates of petroleum reserves and contingent resources in the presentation are based on and fairly represent information and supporting documentation prepared by, or under the supervision of Mr Ian Pedler who is an employee of Santos and a member SPE. Mr Pedler meets the requirements of QPRRE as defined in Chapter 19 and rule 5.41 of the ASX Listing Rules and consents to the inclusion of this information in the form and context in which they appear in this presentation.

Notes on reserves statements – Bayu-Undan and Poseidon

Information on the reserves in this presentation relating to the Bayu-Undan and Poseidon assets is based on an independent assessment conducted by RISC Advisory as at 31 December 2018. The audit was carried out in accordance with the SPE Reserves Auditing Standards under the supervision of Mr Peter Stephenson, an employee of RISC Advisory and a member of the SPE and SPEE. Mr Stephenson meets the requirements of QPRRE as defined in Chapter 19 and rule 5.41 of the ASX Listing Rules and consents to the inclusion of this information in the form and context in which they appear in this presentation. Mr Stephenson is independent with respect to ConocoPhillips and Santos.