SNOWCAP • March 2023

Reform Santos

Reduce Growth Capex. **Return** Capital. **Realign** Incentives.

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Executive Summary

Santos Ltd ("Santos" or "the Company") is a top-10 independent Exploration and Production (E&P) company with an attractive portfolio of oil & gas reserves and LNG capacity across Australia and Papua New Guinea and Alaska

Since pivoting to an aggressive growth strategy in 2021, Santos has underperformed *every* peer and is now the lowest returning large-cap E&P company over the past 10 years. Santos' stock has meaningfully decoupled from oil prices and currently trades at a significant discount to both peers and fair value. We believe this underperformance can be attributed to the following:

- **Misguided & Reckless Growth Strategy.** Since 2021, Santos has committed to $7bn+ of new upstream oil and gas projects; the most aggressive capex plan of *any* listed large-cap E&P company[1]. By contrast, US peers are focused on capital discipline amidst an uncertain future for fossil fuels, inflationary pressures, and evolving investor demands
- **Inadequate Capital Returns Ignore Transition Risk.** In the past 5 years, Santos has returned an average of just 13% of operating cash flow to shareholders vs a peer average of 32% and 26% returned by Woodside
- **Unacceptable Environmental & Safety Record.** Santos' *Climate Action Plan* has drawn criticism for "greenwashing" and a lack of credibility. In 2021, the Company's total injury rate was 4x the industry average
- **Misaligned Executive Incentives.** Santos' growth plans appear to be driven by executive incentives which reward absolute upstream growth while failing to penalise destructive investments. This includes a controversial $6 million "once-off growth projects award" for the CEO

We believe Santos must take urgent action to reduce its upstream capex, increase capital returns, and realign executive incentives. **Doing so has the potential to unlock 30-50% upside in Santos' share price and materially improve the company's alignment with the energy transition**

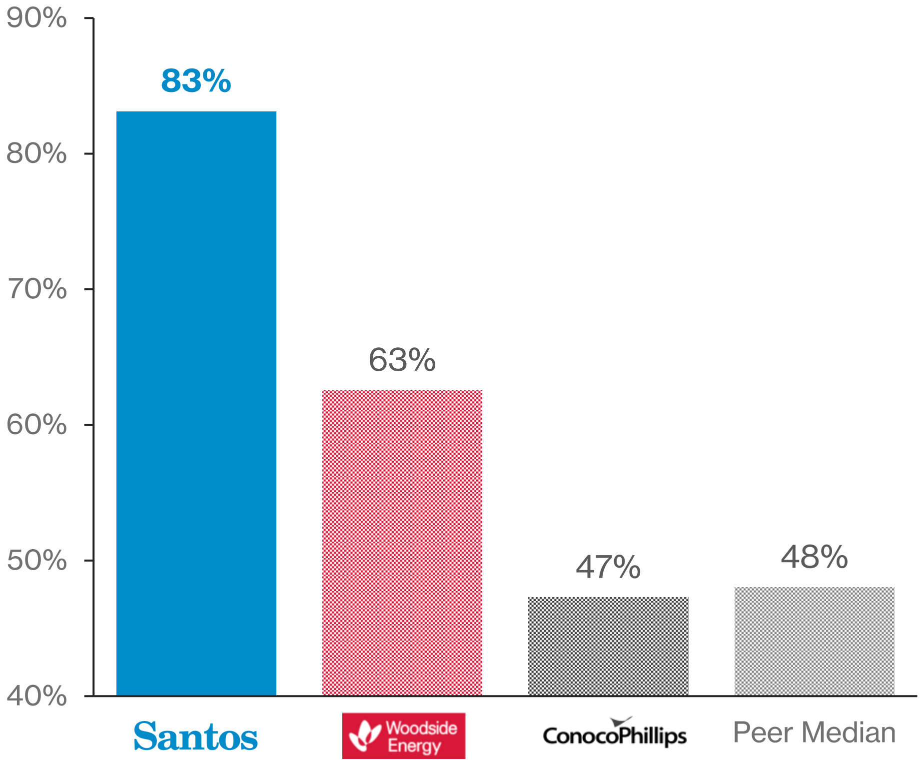
1. *As measured by forecast total Capex as a proportion of forecast Operating Cash Flow between 2023-2025 (consensus estimates using data from S&P Capital IQ). Listed large-cap E&P companies defined as publicly listed Exploration and Production companies and Integrated Oil and Gas companies where E&P activities contributed >50% of LTM EBITDA. Excludes companies with a free float <65%. Large-cap defined as companies with an Enterprise Value >$15.0bn.*

Santos' focus on growth has led to *drastic* underperformance

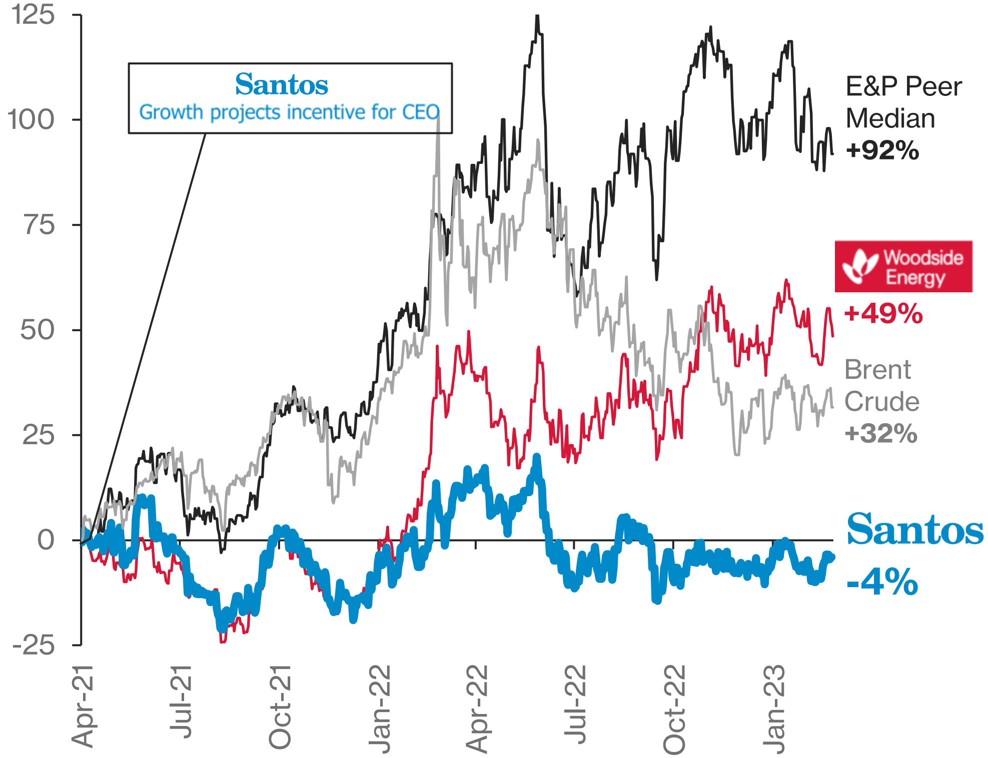
In the next 3 years, Santos is forecast to spend more of its operating cash flow on capex than any large-cap E&P peer (1)

Since pivoting to a growth strategy at the start of 2021, Santos has underperformed every large-cap E&P peer(2)

Forecast Re-Investment Rate, 2023-25E
Capex as % of Operating Cash Flow, Consensus Estimate



Santos Total Return vs Peers since CEO Growth Incentive Introduced (April 2021)



1. Source: Data using Consensus Estimates from S&P Capital IQ as of 08/03/2023. E&P Peers defined as all publicly listed oil and gas companies with a market capitalisation >$15.0bn where Exploration and Production activities constitute >50% of LTM EBITDA. Excludes companies with a free float <65%. 2023-25E
2. Data from S&P Capital IQ as of 08/03/2023. All returns shown reflect USD-denominated dividend-adjusted share price performance.
3. Santos' growth strategy pivot defined as 12th April 2021, the date on which CEO Kevin Gallagher was awarded a "once-off growth projects incentive" for delivery of major growth projects until 2025.

A better path forward: ***Reforming Santos***

Santos Today	Reformed Santos
Growth at All Costs	*Value Over Growth*
• Overcommitted on Upstream Investment	✓ Disciplined Upstream Investment
• Says "yes" to every project	✓ Invests only in "advantaged"[1] projects
• Inadequate Capital Returns	✓ Enhanced Capital Returns
• Environmental Laggard	✓ Robust Climate Action Plan
• Unacceptable Safety Performance	✓ Best-in-class Safety Culture
• Misaligned Incentives	✓ Incentives aligned with Shareholder Interests
• Governance Concerns	✓ Refreshed Governance
• ***Heavily Exposed to Transition Risk***	✓ ***Transition Aligned***

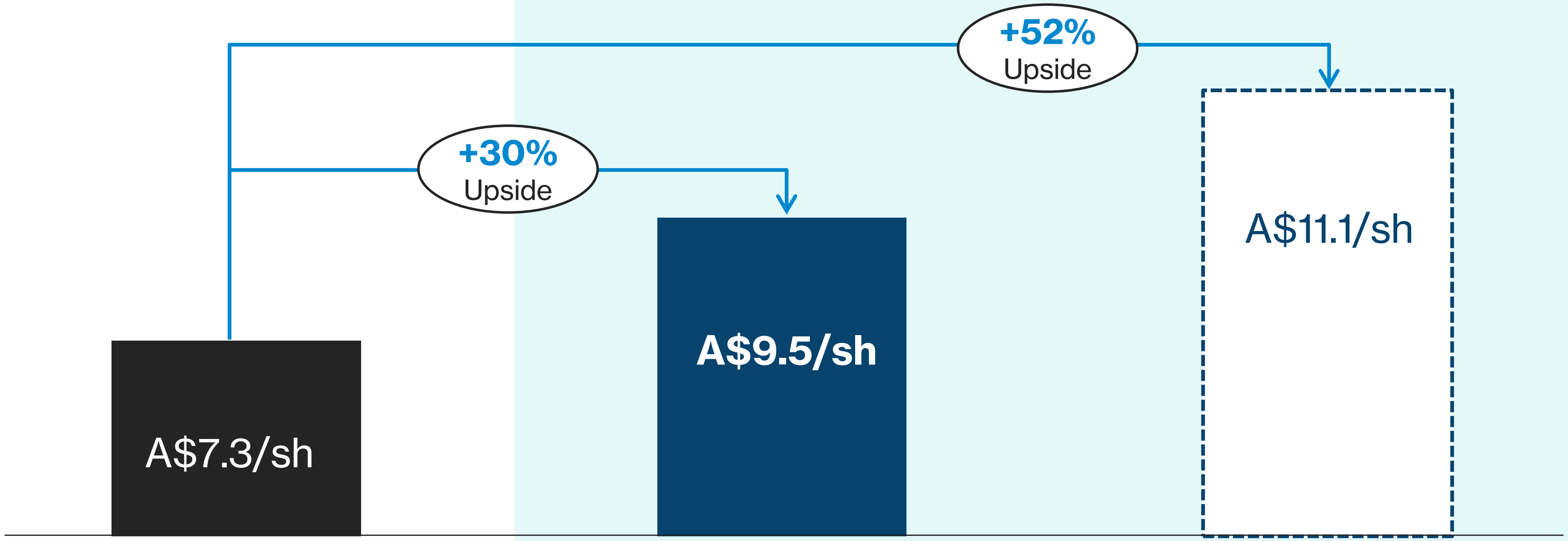
1. *"Advantaged" projects defined by McKinsey as "those which offer the best combination of lower break-even prices and lower emissions intensity".*

5 steps for ***Reforming Santos***

1 **Reduce Growth Capex & Re-instil Capital Discipline**	**Reduce upstream growth capex, targeting a re-investment rate of <50% of operating cash flow** • Prioritise only high-return, low-emission projects that high-grade Santos' portfolio • Explore full or partial sell-downs of current growth projects • Continue existing initiatives to develop Carbon Capture & Storage ("CCS") capacity
2 **Increase Capital Returns**	**Establish target of returning 100% of Santos' market cap to shareholders within 10 years** • Increase minimum capital return to 30% of operating cash flow with commitment to return 50%+ when oil prices are above $80/boe • Explore additional recurring "green" dividend in lieu of renewables investment • Execute on $3bn+ of promised asset sales and use proceeds to conduct a one-off share buyback
3 **Address ESG Underperformance**	• Set new Climate Action Plan to reduce reliance on CCS for achieving emission targets • Set ambitious 2025 scope 1 emission intensity reduction targets for all *operated* assets • Review operational and safety culture to urgently reduce injury frequency rate below 1.0
4 **Realign Incentives**	• **Cancel CEO Growth Projects Incentive**. In its place, increase LTIP awards from 2023 onwards but with more challenging vesting hurdles that ensure a renewed focus on TSR • Remove growth-oriented metrics from STIP awards and replace with metrics that align with shareholder interests (e.g. re-investment rate, capital return, 1-year relative ROCE) • Redefine "Target" performance to ensure bonuses don't vest for sub par ESG performance
5 **Refresh Governance**	• Rebalance board committees and introduce limits on external directorships • Add new board members to broaden expertise in decarbonisation and capital projects

Upside potential in a Reformed Santos

Valuation



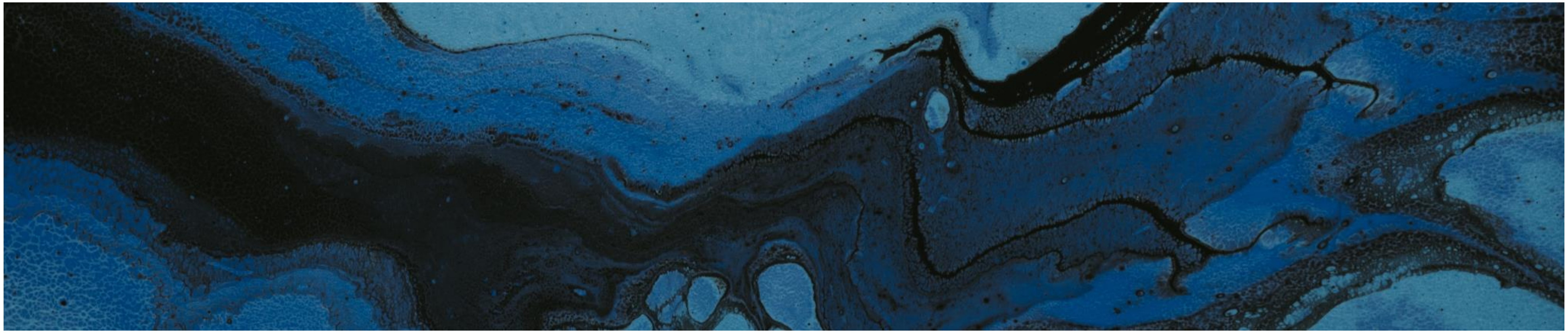
	Santos Today	**Multiple Re-rate in line with US E&P Peers[2]**	**Snowcap Sum-of-the-Parts Valuation[3]**
X'25 EBITDA	*4.2x*	***5.4x***	***6.2x***
TEV	US$19.1bn	US$23.9bn[4]	US$27.4bn
Market Cap	US$15.9bn	US$20.7bn	US$24.2bn
US$/Share	*$4.8[1]*	*$6.3*	*$7.3*
A$/Share[5]	***A$7.3***	***A$9.5***	***A$11.1***

1. *Data from S&P Capital IQ as of 08/03/2022.*
2. *Refer to slide 19.*
3. *Refer to Appendix: Snowcap Sum-of-the-parts Valuation (High Case)*
4. *Based on S&P Capital IQ 2025 consensus EBITDA estimate of US$4,405m.*
5. *Assumes AUD/USD FX rate of 0.66*

Why a **Reformed Santos can benefit *all* stakeholders**

Shareholders	• **Realises Santos' full value potential** • Reduces exposure to long term fossil fuel demand • Increased dividend yield
Environment	• **Avoids new oil and gas developments where they make neither financial or environmental sense** • Maximises reduction in emissions • Reallocates capital for investment in alternative energy sources via capital returns
Employees	• **Improved employee safety and working conditions** • Greater visibility on transition timeline
Public	• **Provides essential and secure source of energy** • Improved transparency and accountability

Good Governance



Introduction to Santos

Santos Ltd (ASX:STO)

Company Overview

Santos Ltd ("Santos", "STO", or "the company") is an independent Exploration and Production (E&P) company with a portfolio of oil and gas reserves across Australia, Papua New Guinea and Alaska

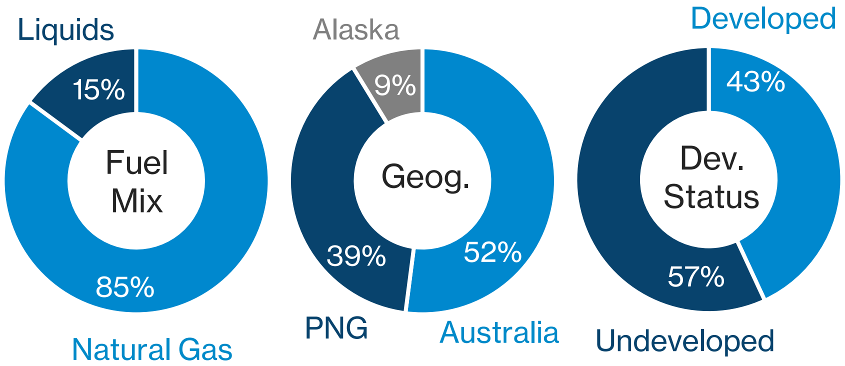
- Proven reserves of 1,028 mmboe (85% nat gas)
- 2nd largest domestic gas supplier in Australia
- 7.9mtpa of LNG capacity, supplying customers across Asia Pacific region
- ASX20 company with $19.1bn Enterprise Value
- In 2021, completed a merger with Oil Search, significantly increasing its stake in PNG LNG

Key Financials[1]

	Historical			Consensus Estimates		
(USDm)	FY Dec-20	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-25
Production (mmboe)	89.0	92.1	103.2	92.5	88.9	93.7
Revenue	3,387	4,713	7,790	6,531	6,181	5,979
EBITDAX	**1,898**	**2,805**	**5,646**	**4,885**	**4,560**	**4,558**
Margin	*56%*	*60%*	*72%*	*75%*	*74%*	*76%*
Operating Cash Flow	1,476	2,272	4,558	3,772	3,531	3,608
(-) Capex	(858)	(1,387)	(2,069)	(2,927)	(3,214)	(2,782)
Free Cash Flow	**618**	**885**	**2,489**	**845**	**317**	**826**
Net Debt	3,680	5,066	3,167	2,843	3,063	2,885
xEBITDAX	*1.9x*	*1.8x*	*0.6x*	*0.6x*	*0.7x*	*0.6x*

Proved Reserves Overview

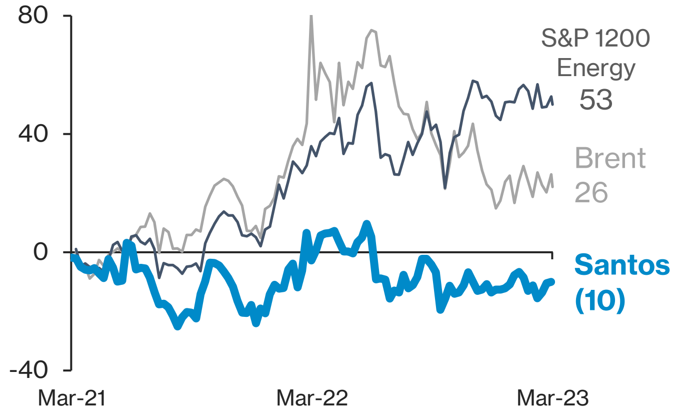
1,028 mmboe of 1P Reserves as of Dec-22



TEV Summary[2]

(USDm)	
Shr. price (USD)	4.83
No. of shares (m)	3,301
Market cap.	**15,942**
(+) Net debt	3,167
(+) Minority interest	-
TEV	**19,109**
x2023 EBITDAX	*3.9x*
x2P Reserves	*$11.0/boe*

2yr TSR[3]



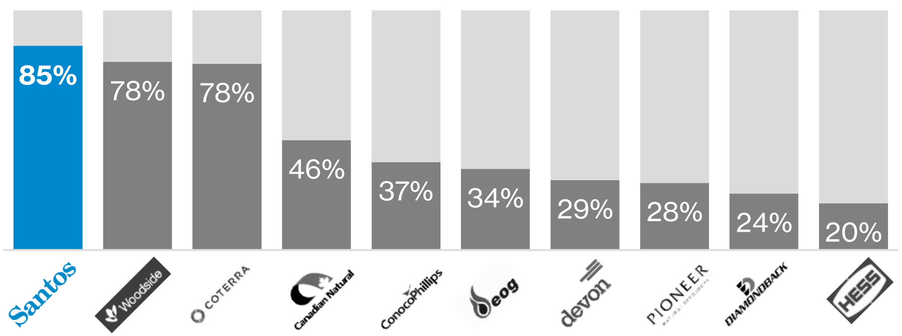
1. Data from S&P Capital IQ and Company Filings as of 08/03/2023.
2. Data from S&P Capital IQ as of 08/03/2023.
3. Data from S&P Capital IQ as of 08/03/2023. All returns shown reflect USD-denominated total return performance.

Santos is a *top-10 global independent* E&P company with **favourably-positioned assets**

✓ Highest Gas % of Top 10 E&Ps

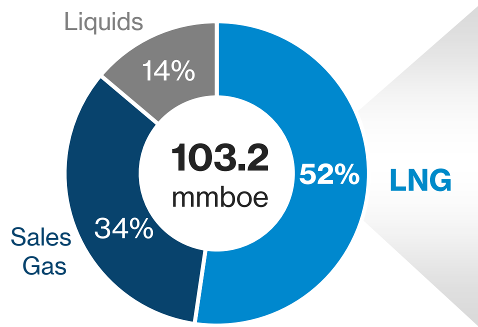
Natural Gas Exposure of Top 10 Global E&P Independents[(1)]:

% of 2022 Proved (1P) Reserves (mmboe)



✓ 65%+ Oil-linked Pricing via 8mtpa LNG Capacity

2022 Production[(2)]:



Santos LNG Facilities:

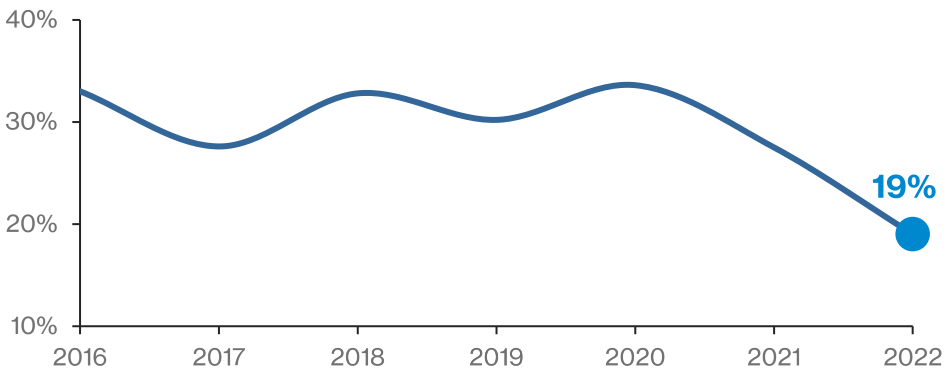
	Total Capacity	*Santos %*
PNG LNG	8.6mtpa	*37.5%*
Gladstone LNG	8.6mtpa	*30.0%*
Darwin LNG	3.7mtpa	*43.4%*
Santos Owned Capacity		**7.9mtpa**

Note: Santos LNG production sold predominantly under oil-linked contracts (JCC)

✓ Reduced Leverage to 0.6x Net Debt / EBITDAX

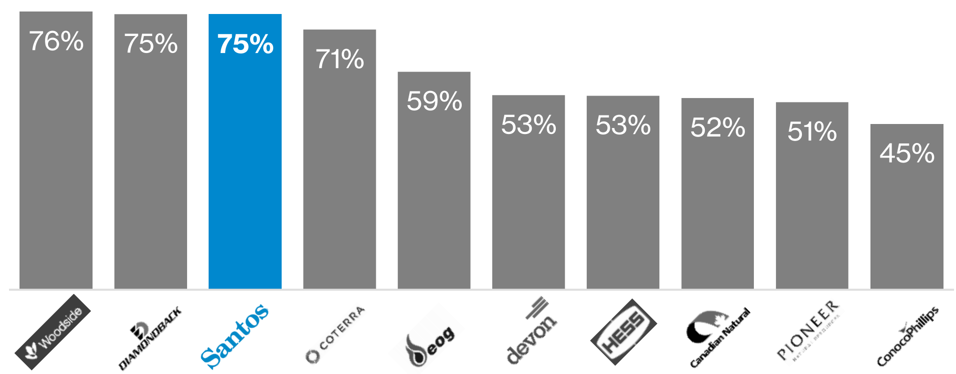
Santos Net Gearing:

%

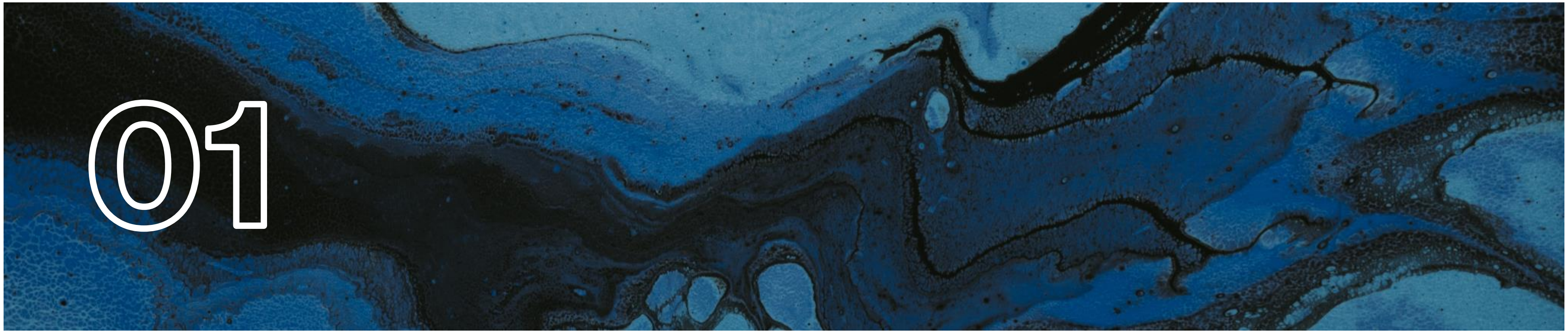


✓ High Margin Reduces Commodity Volatility

2023E EBITDAX Margin of Top 10 Global E&P Independents[(3)]:



1. *Reserve Data from Company Filings. Ten largest publicly listed Oil and Gas Exploration and Production companies as measured by Total Enterprise Value. Excludes companies with a free float <75%.*
2. *Company Filings.*
3. *Data from S&P Capital IQ as of 08/03/2023.*



Santos has **drastically underperformed** since pivoting to a growth strategy in 2021

In 2021, Santos announced that it was moving into a **"growth phase"**

In March 2021, Santos announced FID for the $4.2bn Barossa offshore gas project

> 30 March 2021 — Santos
>
> ## Santos announces FID on the Barossa gas project for Darwin LNG
>
> Santos, as operator of the Barossa joint venture, today announced a final investment decision (FID) has been taken to proceed with the US$3.6 billion gas and condensate project, located offshore the Northern Territory.

Shortly after, Santos announced a special incentive scheme to award CEO for delivering growth projects to 2025

> 12 April 2021 — Santos
>
> ## Growth projects incentive for CEO
>
> Santos today announced the Board has agreed to provide the company's Managing Director and Chief Executive Officer Kevin Gallagher with a once-off growth projects incentive to ensure Mr Gallagher sees through the successful delivery of Santos' major growth projects and energy transition strategy to 2025.
>
> Santos is now moving into a growth phase consistent with the company's strategy for disciplined growth utilising existing infrastructure around the company's core assets. Major growth projects include Barossa, Dorado and Moomba carbon capture and storage.

1. *Santos Press Release (March 2021)*
2. *Santos Press Release (April 2021)*

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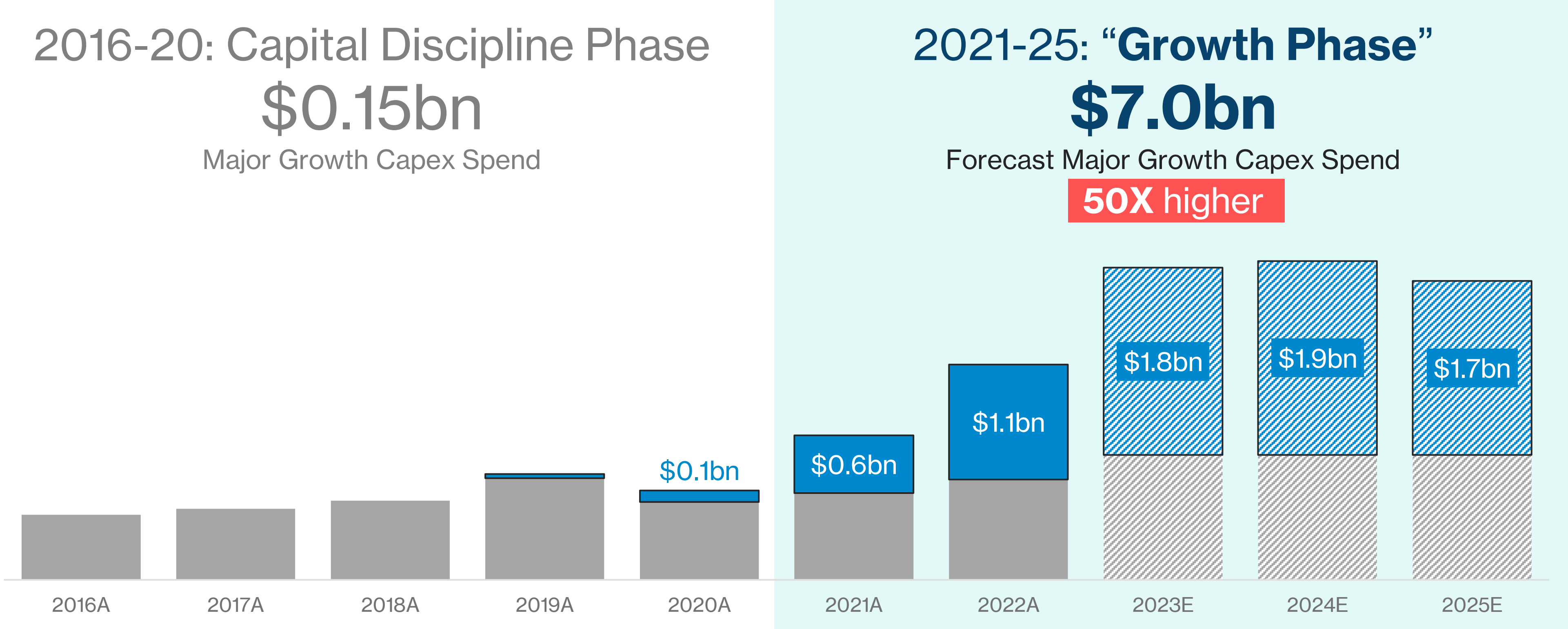
Since then, Santos has **committed to ~$7bn of new oil & gas projects…**

In the past 24 months, Santos has committed to ~$7bn+ of new upstream development projects[1], including announced FIDs on *Barossa* – an offshore gas project, and *Pikka* - an oil field on the Alaskan North Slope

Santos Capital Expenditures[2]
2016-2025, US$bn

Major Growth Capex
Sustaining Capex



Santos is on track to spend 50x more on major growth capex between 2021-25 than it did in the previous 5-years

1. *$7.0bn of total committed growth projects investment as referenced by Santos in H1 2022 Results Presentation (slide 6) projects including Barossa, Pikka Phase 1, Darwin Life Extension, Angore and Moomba CCS. Snowcap have deducted $0.1bn from this figure to exclude Santos' share of Moomba CCS capex and added back $0.6bn to include Santos' major growth capex for 2021.*
2. *Data from S&P Capital IQ as of 08/03/2023 and Company Filings. 2023E capex figures based on Santos' latest guidance. 2024-25E total capex figures based on S&P Capital IQ Consensus Estimates as of 08/03/2023. Growth capex shown calculated assuming constant sustaining capex of $1.2bn p.a. from 2023 onwards as per Santos' guidance.*

…with a further **$6bn+ of growth projects targeted for FID in the next 2 years**

Santos' Key Oil & Gas Growth Projects

Committed Post-FID

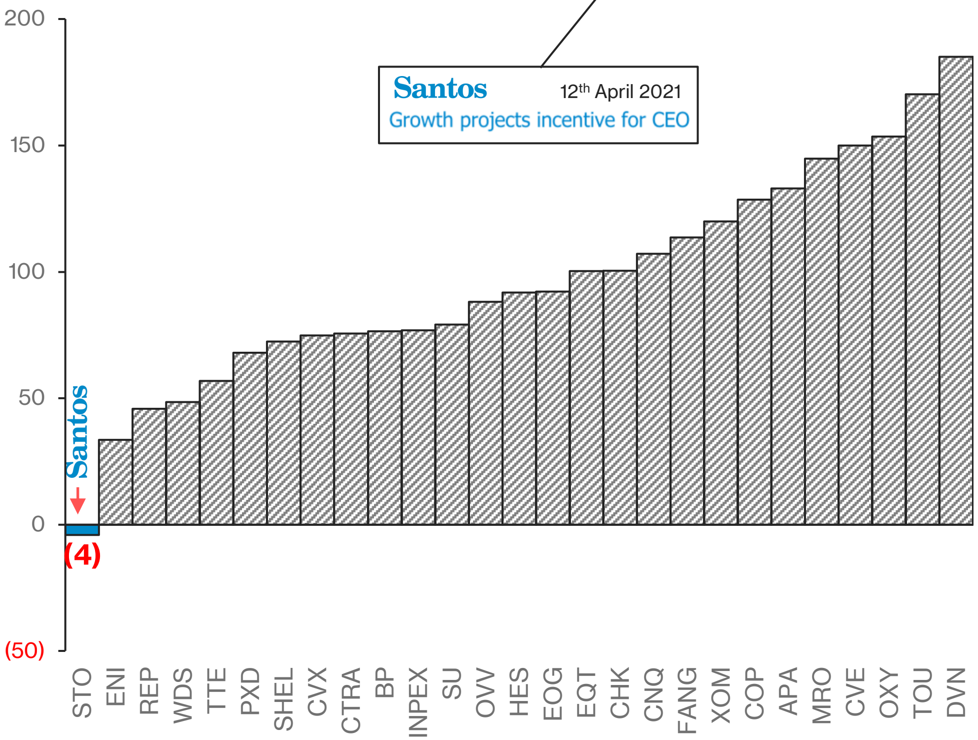
Uncommitted Pre-FID

	Project	Description	Status	Capacity	Total Capex[1]	Santos Equity	**Santos Capex**
	**Barossa** *Northern Australia*	Offshore Gas to backfill **LNG**	• FID (Mar-21) • 55% complete • First Gas targeted for 2025[3]	800m scf/d	$4.2bn[2]	50.0%	$2.1bn
	**Pikka** (Phase 1) *Alaska, US*	Onshore **Oil**	• FID (Jul-22) • First Oil targeted for 2026	80k boe/d	$2.6bn	51.0%	$1.3bn
	**Dorado** (+ Pavo) *Western Australia*	Offshore **Oil & Gas**	• Pre FID (FID targeted for **2024**)	100k boe/d	$2.0bn	80.0%	**$1.6bn**
	**Narrabri** *NSW, Australia*	Onshore **Gas**	• Pre FID (FID targeted for **2024**)	200 Tj/d	$2.6bn	100%	**$2.6bn**
	**Papua LNG** *PNG*	Integrated **LNG**	• Pre FEED (FID targeted for **2023/4**)	5.4 mtpa	$13.0bn	17.7%	**$2.2bn**

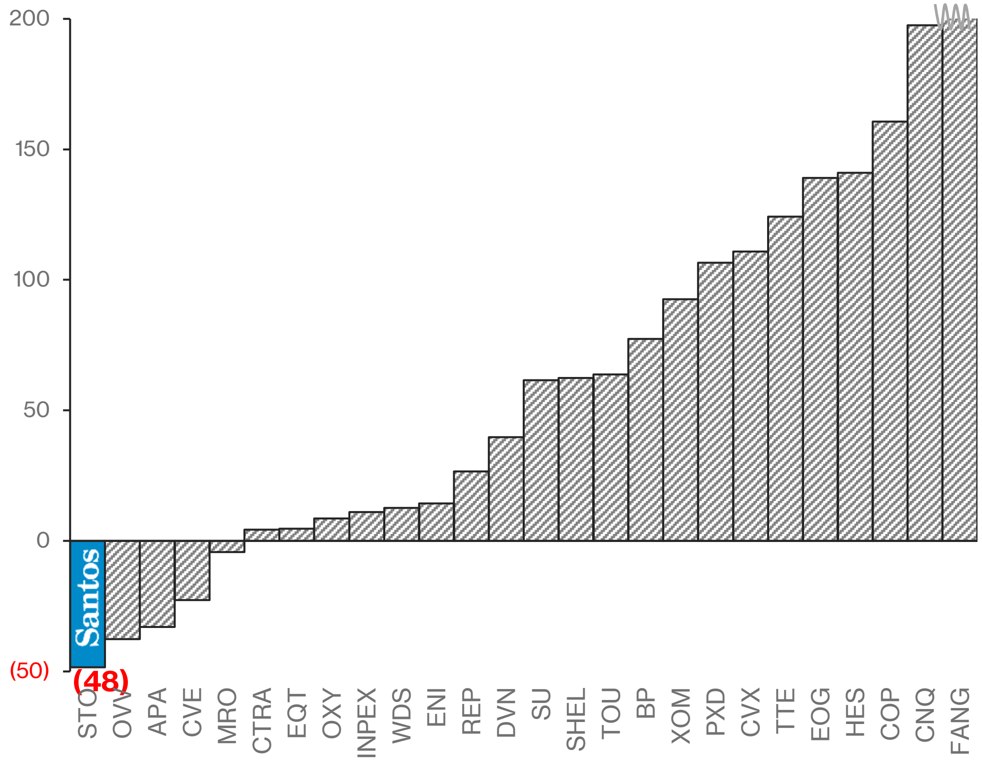
1. *Estimate amounts based on Santos' disclosed guidance.*
2. *Includes expected $0.6bn capex spend for DLNG Life Extension (Santos share 43.4%).*
3. *First gas is expected to be later than initially targeted due to several project delays.*

Since pivoting to a growth strategy, **Santos has underperformed *every* E&P peer**

Cumulative Total Return since 12th April 2021[1]
Santos vs large-cap E&P peers[2]



10-Year Cumulative Total Return
Santos vs large-cap E&P peers



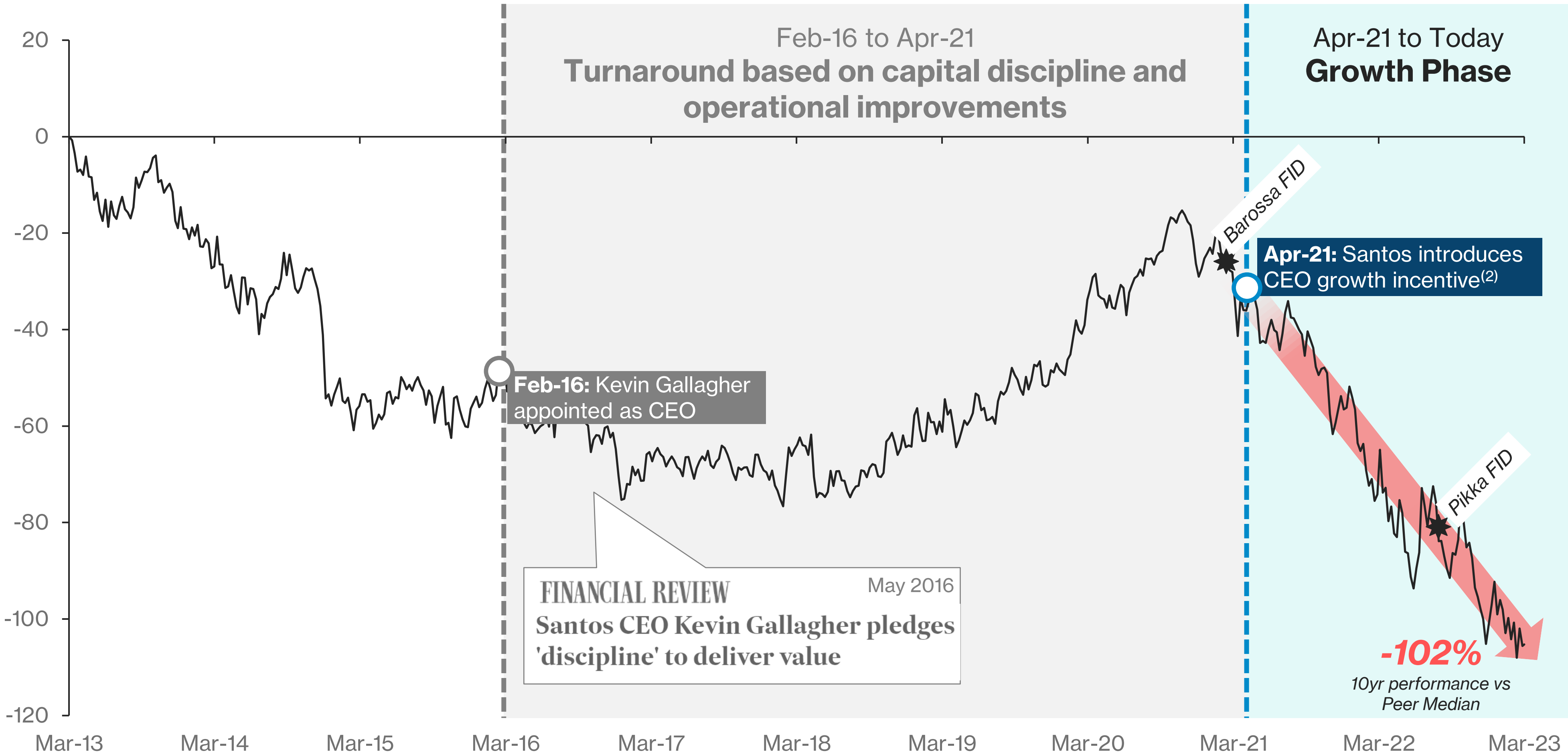
Santos is now the lowest returning large-cap E&P company over the past 10 years

1. *Data from S&P Capital IQ as of 08/03/2023. All returns shown reflect USD-denominated dividend-adjusted share price performance.*
2. *Data using Consensus Estimates from S&P Capital IQ as of 08/03/2023. Peers defined as publicly listed Exploration and Production companies and Integrated Oil and Gas companies where E&P activities contributed >50% of LTM EBITDA. Excludes companies with a free float <65%. Large-cap defined as companies with an Enterprise Value >$15.0bn.*

Santos' recent **underperformance has reversed its previous turnaround under CEO Gallagher**

Santos Total Return Relative Performance vs Median of E&P Peers over 10 Years

USD-denominated relative performance, indexed from 8th March 2013



1. Data from S&P Capital IQ as of 08/03/2023. Large-cap E&P Peer group as defined on slide 16. All returns calculated using USD-denominated dividend-adjusted share prices.
2. Santos' growth strategy pivot defined as 12th April 2021, the date on which CEO Kevin Gallagher was awarded a "once-off growth projects incentive" for delivery of major growth projects until 2025.
3. AFR (May 2016)
4. Santos Press Release (March 2021)
5. Santos Press Release (August 2022)

Santos' stock has now **materially decoupled from brent oil prices**

Since 2021, Santos's share price has dramatically decoupled from brent oil prices. The last time this happened, Santos received a takeover offer from Harbour Energy at a 30% premium

Santos Total Return vs Brent Crude Oil Price[1]

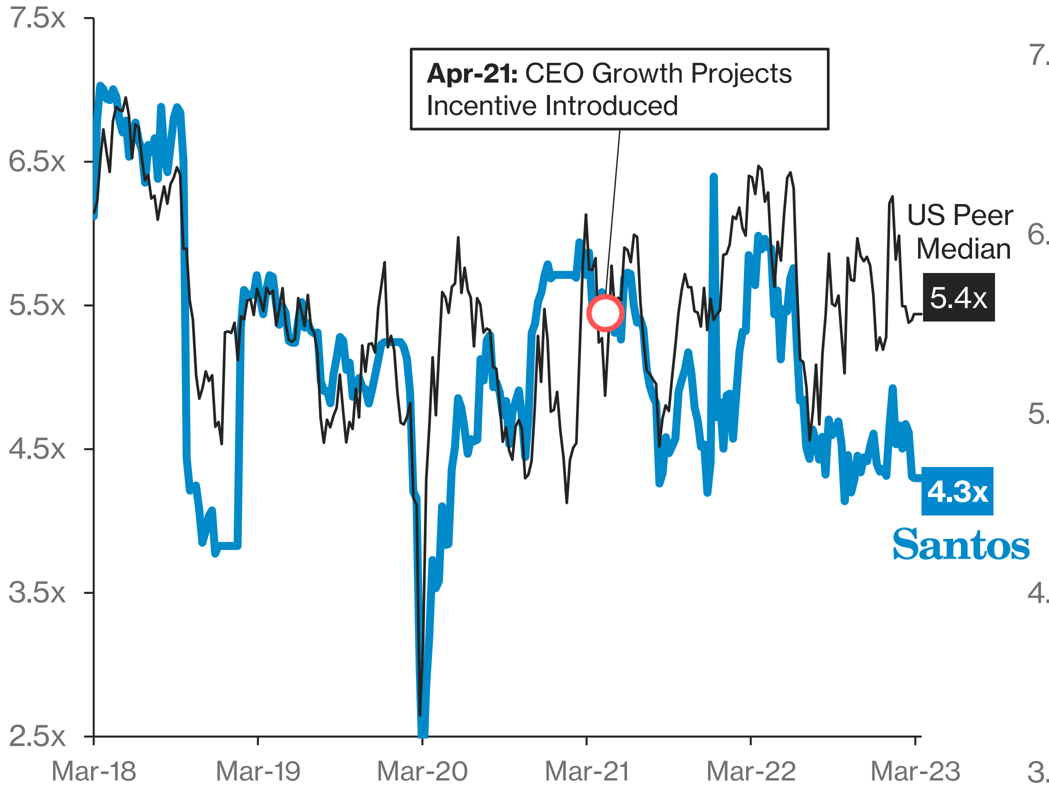
Last 10 years, Indexed to Santos USD dividend-adjusted Share Price

1. Source: Capital IQ as of 08/03/2023. USD denominated dividend-adjusted share price. Brent Crude pricing US$/boe.
2. EIG Partners (April 2018)

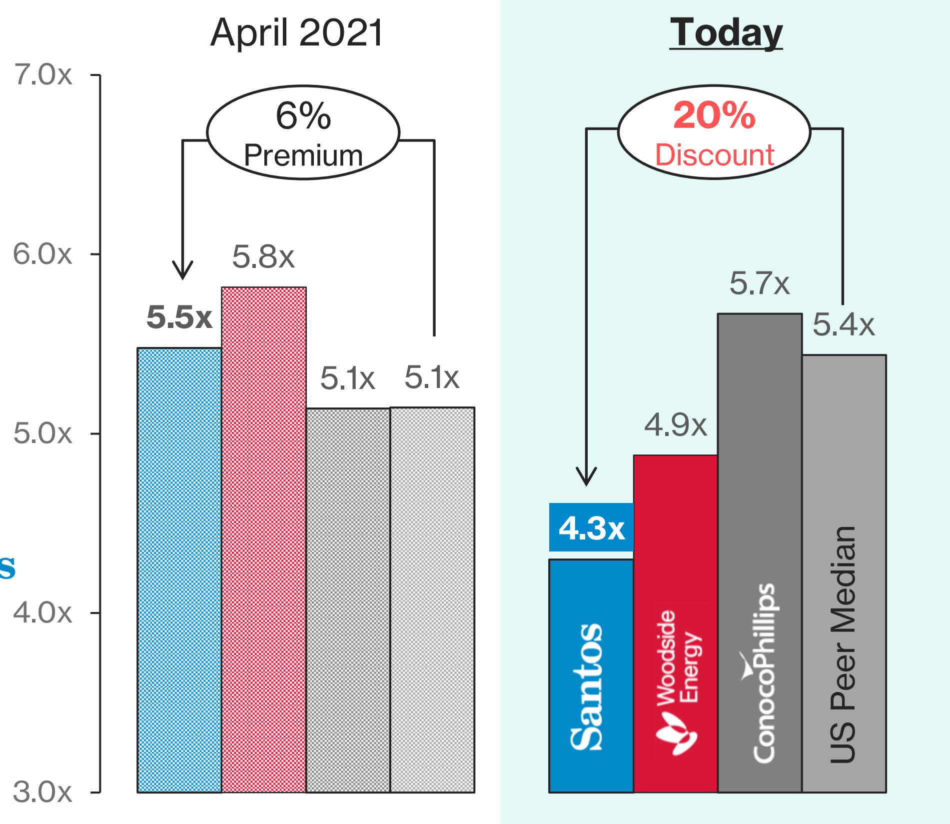
Santos now **trades at a meaningful discount to peers**

Santos has historically traded in line with US E&P peers based on forward EV/FY+2 EBITDA multiples. Today it trades at a 20% discount. (*Note: Santos' key growth projects are not due to start operating until after 2025*)

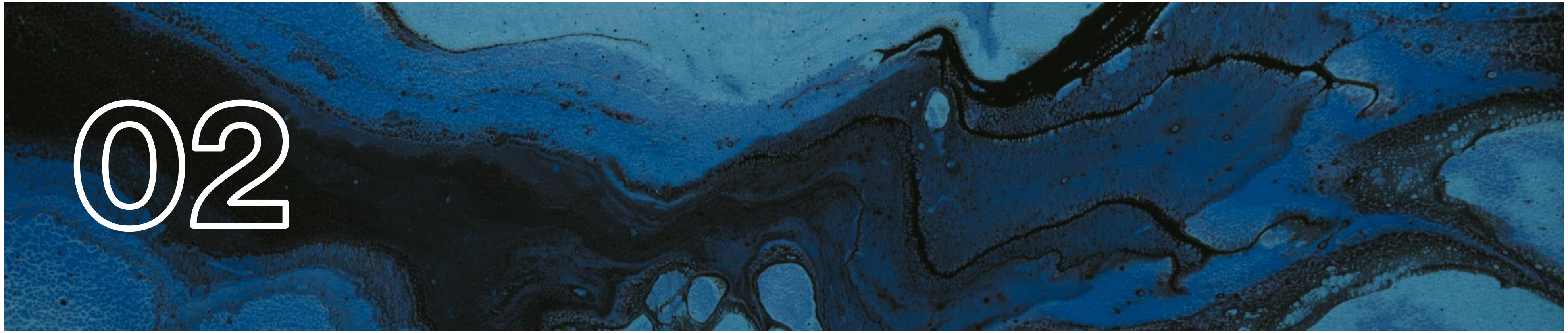
EV/FY+2 EBITDA[1]
Santos vs Peer Median. Last 5 years



EV/FY+2 EBITDA
Santos vs Peers



1. Data from S&P Capital IQ as of 07/03/2023. Peer set used includes Woodside Energy and US large-cap Exploration and Production peers with predominantly oil-linked pricing exposure (COP, CVX, DVN, EOG, FANG, HES, MRO, OXY, PXD, XOM).



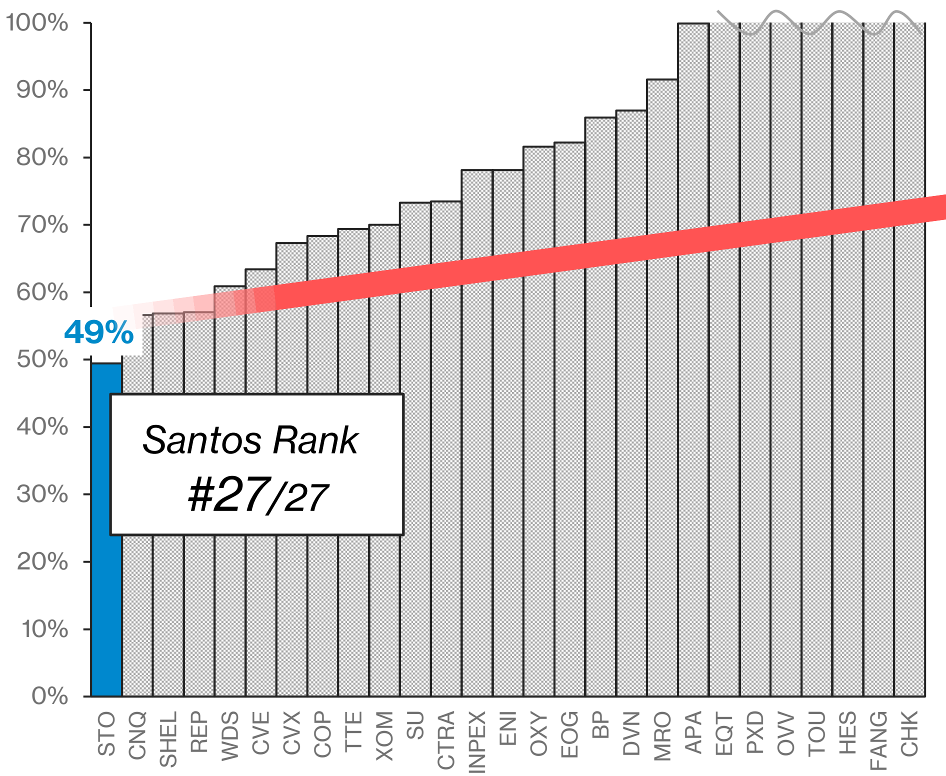
Santos’ **growth strategy is reckless and misguided**

Today, **Santos' growth plans are by far the *most aggressive* in the industry**

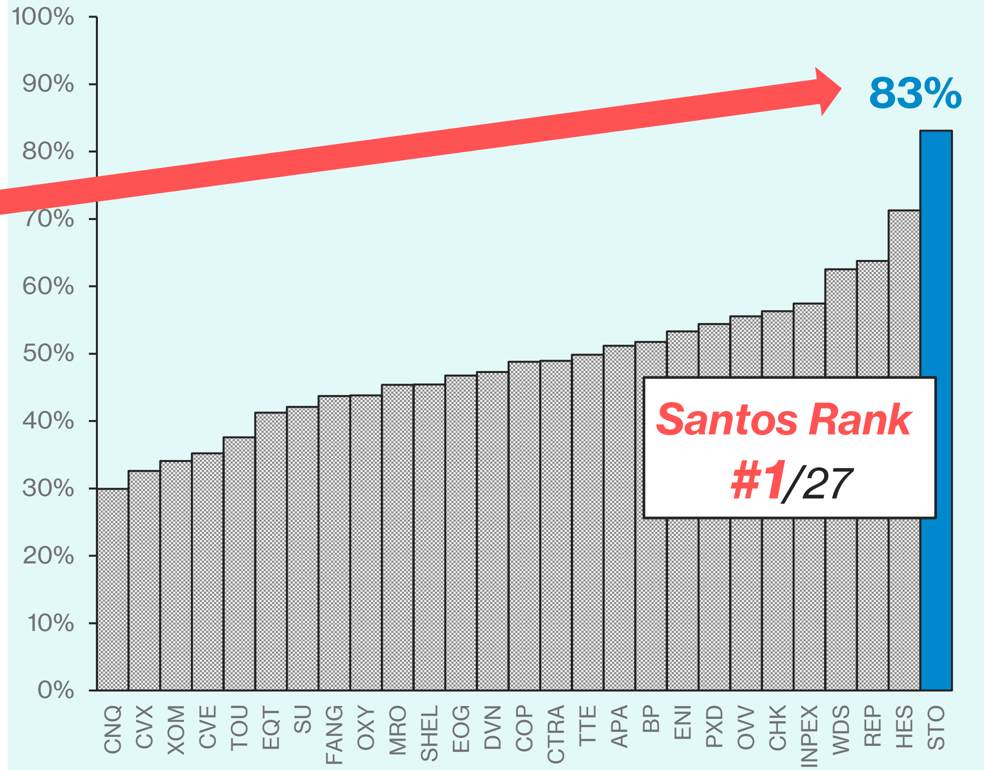
Between 2016-20, Santos had the lowest capex spend as a proportion of Operating Cash Flow in its peer group

In the next 3 years, Santos is expected to spend **83%** of its OCF on capex, **the highest proportion of any listed large-cap E&P peer**

Capex as % of Operating Cash Flow, 2016-20A[1]
Actual



Capex as % of Operating Cash Flow, 2023-25E[1]
Consensus Estimate



1. Source: S&P Capital IQ as of 07/03/2023. Peer set as defined on slide 16.

US E&P peers have **committed to capital discipline.** ***Not*** **production growth**

Bloomberg 8 November 2022

US Cut Oil Output Forecast Again as Shale Growth Slows Down

- Shale drillers are sticking to pledges of capital discipline

US shale producers have cited rising costs as one reason for slow growth. Executives speaking on earnings conference calls over the past week have warned of the impact of supply-chain constraints. Limited supplies of labor and equipment are "dictating the pace of the industry" right now, Ryan Lance, the chief executive officer of US oil producer ConocoPhillips, said Nov. 3.

Rocketing inflation for oilfield items such as pipes, steel casing and frack sand is weighing on producers. The number of rigs drilling for crude in the US has climbed at a slower pace since July, while the inventory of drilled-but-uncompleted wells that swelled during the height of the pandemic is now largely used up.

But the biggest factor behind the slowdown in growth is shale companies' commitment to profits over production, a major reversal from the preceding decade when they increased output at almost any cost.

"we have no reason to put growth before returns"

DIAMONDBACK ENERGY

"We are not going to change, as I said, at $100/bl oil, $150/bl oil, **we are not going to change our growth rate."**

PIONEER NATURAL RESOURCES

"The **majority of companies** are drilling and investing in a way that's **more disciplined** than what was in favor prior to the pandemic"

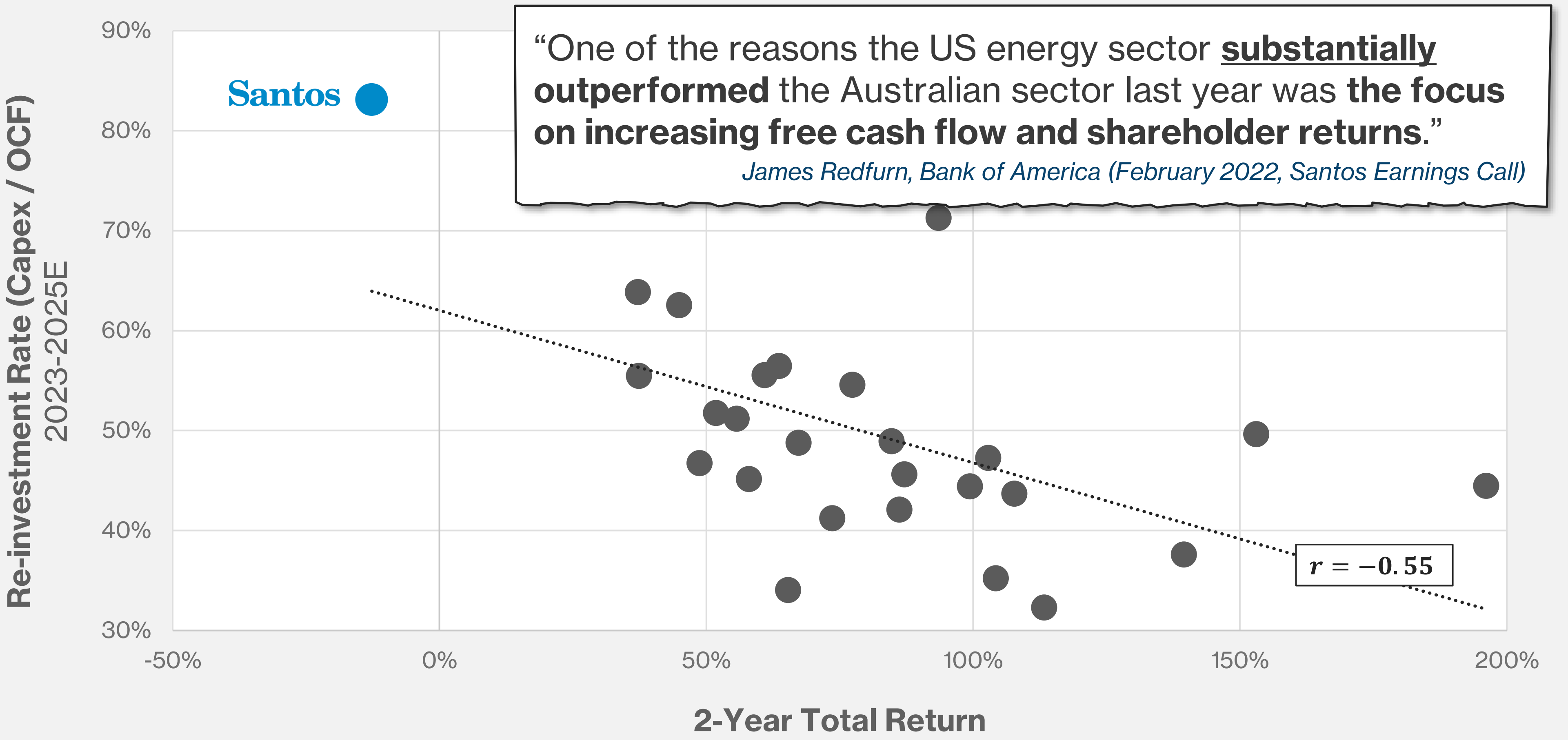
eog resources

1. Bloomberg (November 2022)
2. Tim Stice, CEO of Diamondback. 2Q22 earnings call.
3. Scott Sheffield, CEO of Pioneer Resources, 2Q22 earnings call.
4. Ezra Yacob, CEO of EOG Resources, 3Q22 earnings call.

Oil & Gas investors increasingly reward **returns** ***over* production growth**

Future Re-investment Rate vs 2-Year Total Return[1]

Large Cap E&P Companies, Snowcap Analysis



1. *Data from S&P Capital IQ as of 07/03/2023. Forecast re-investment rate calculated using taken from consensus estimates of capex and operating cash flow Peer set as defined on slide 16 excluding CHK given 3-year total return not applicable. USD-denominated Total Return.*
2. *Santos FY2021 Results earnings call.*

Oil & Gas investors increasingly reward **returns *over* production growth** *cont'd.*

S&P Global

"We've seen a shift in the mentality of investors behind these companies in terms of almost **demanding a focus on prioritization of value over volume"**

pwc

"The unfortunate reality is that those who have historically invested in oil and gas such as **growth investors, are no longer interested in the industry**. That means **it's time to focus on the remaining type of investor: the value investor"**

McKinsey & Company

"Companies in this class recognize that the mature phase of any industry's development is often the most profitable for the strongest performers. **They are offering investors high yield potential, if not top line growth**, and an investment proposition that is not complicated by new businesses to which their competencies may not naturally stretch."

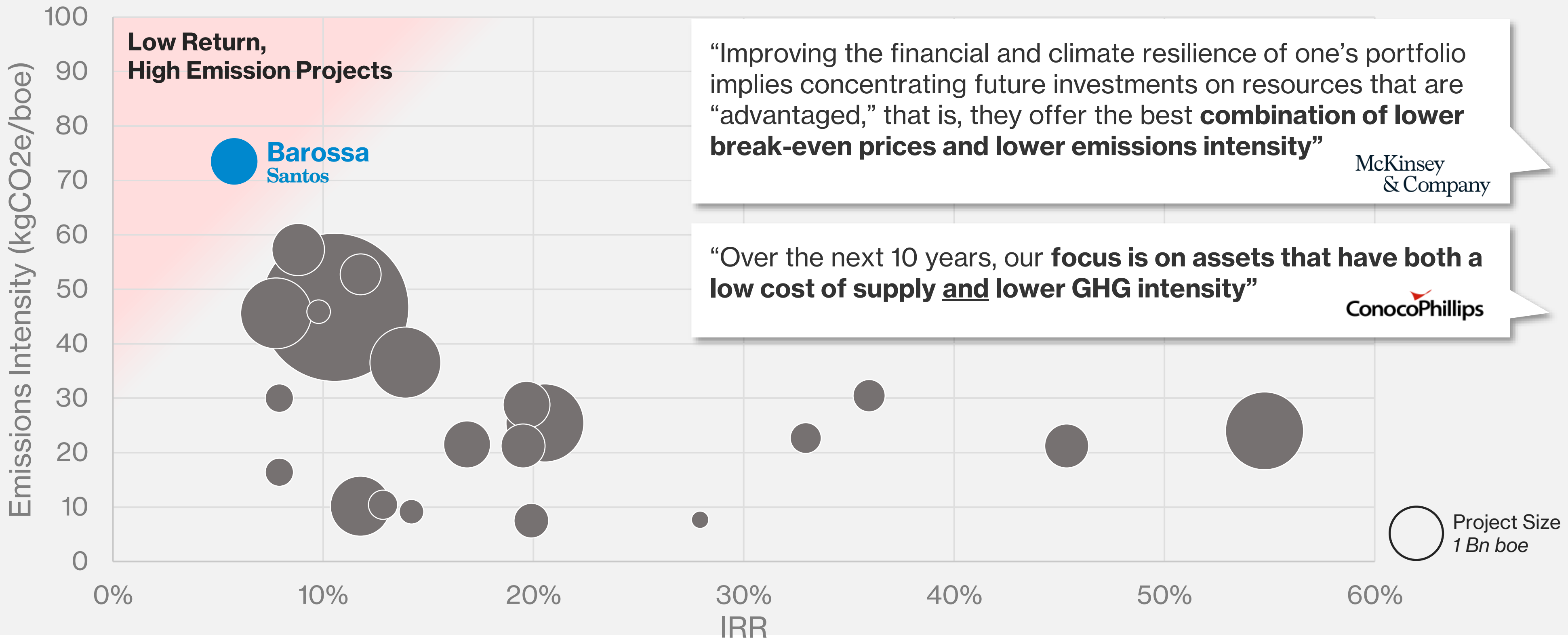
1. *Kevin Birn, S&P Global, Financial Post (August 2022)*
2. *McKinsey – "The big choices for oil and has in navigating the energy transition" (March 2021)*
3. *PWC – "How oil and gas companies can attract investors"*

Santos' committed **growth projects lack obvious strategic merit**

Barossa has attracted significant adverse attention for its high emissions intensity. At the time of FID in March 2021, Wood Mackenzie independently projected an IRR for the project of less than 10%

Return / Emissions Analysis for Conventional Projects up for FID in 2021

Wood Mackenzie Analysis. Excludes any impact from potential CCS



"Improving the financial and climate resilience of one's portfolio implies concentrating future investments on resources that are "advantaged," that is, they offer the best **combination of lower break-even prices and lower emissions intensity"**

McKinsey & Company

"Over the next 10 years, our **focus is on assets that have both a low cost of supply <u>and</u> lower GHG intensity"**

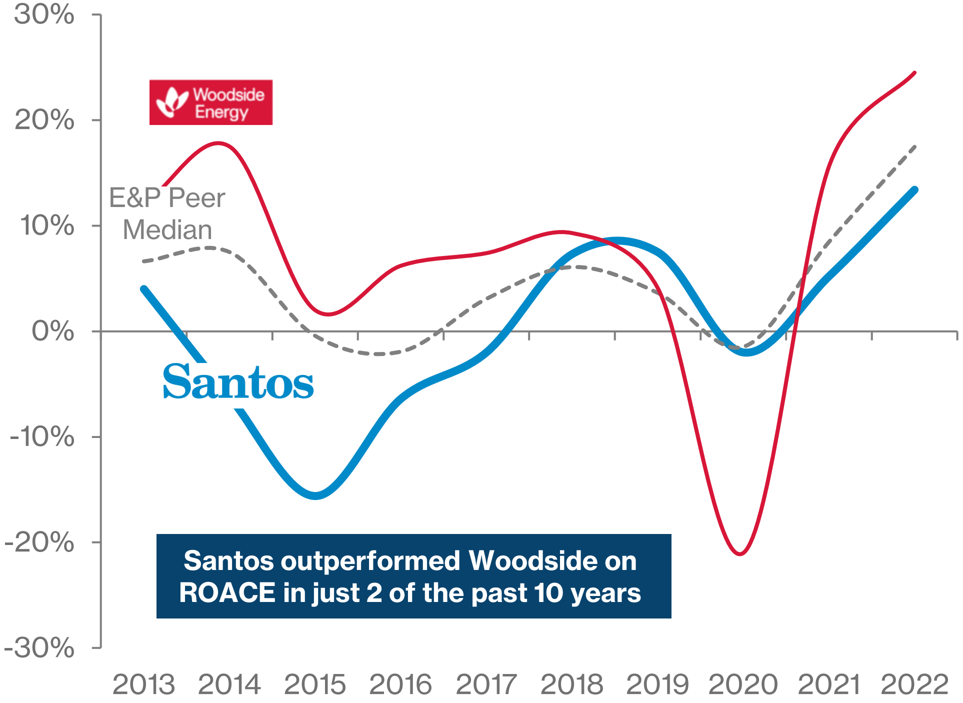
ConocoPhillips

1. Wood Mackenzie (April 2021)
2. McKinsey – "The big choices for oil and has in navigating the energy transition" (March 2021)
3. ConocoPhilips – "Plan for the Net-Zero Energy Transition"

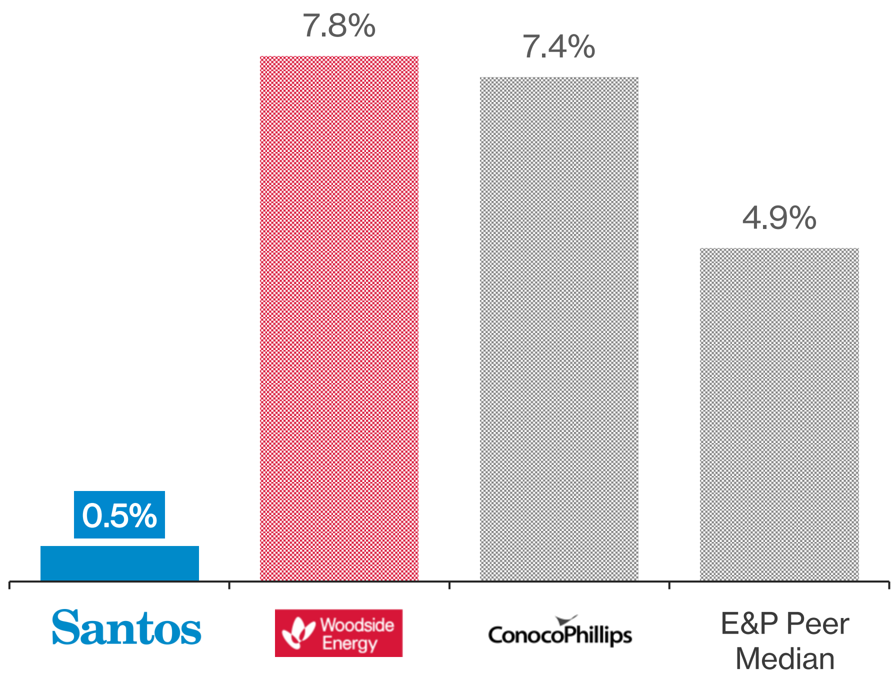
Santos has a **poor historical track record for investment**

In the past decade, Santos averaged an ROACE of just 0.5% - one of the lowest among all E&P peers globally and significantly below the company's Weighted Average Cost of Capital

Return on Average Capital Employed (ROACE)
Santos vs Peers, 2013-2022



10-year Average ROACE
Santos vs Peers, 2013-2022



Has Santos earned the right to pursue the most aggressive capex plan in the industry?

1. *E&P peer data shown reflects Return on Capital as per S&P Capital IQ as of 08/03/2023. Data for Santos and Woodside Energy taken from company filings. E&P peer set as described on slide 16.*

Investors and Analysts have expressed concerns about Santos' growth strategy

Key Concerns

Stranded Asset Risk…	"Investor concerns are rising about the **potential risks of [Santos] spending big on what could become stranded assets**" *Australian Financial Review (April 2021)*
Exposure to Capex Inflation…	"[without asset sell-downs] **management risk stretching the balance sheet through over-committing to projects in an inflationary environment** when capital expenditure budgets are likely to come under pressure" *Vince Pezzullo, Perpetual (July 2022)*
Prioritising the Wrong Projects…	"What do you say to the idea that selling the market's favourite asset, which is PNG LNG and delaying nearby Dorado, which is relatively smaller, shorter cycle oil project **in order to do Alaska is actually doing the opposite of what most investors want**?" *Saul Kavonic, Credit Suisse (August 2022, Santos Earnings Call)*
Quality of Underlying Projects…	"When we're thinking about Alaska and obviously, you've been through an attempted sales process. **I'm just really interested if is there anything that potential buyers are seeing in this asset?**.. Is there something you're butting up against from corporates, in particular, **why we should be so panicked about this project** versus other projects" *Mark Samter, MST Marquee (August 2022, Santos Earnings Call)*

By its *own* admission, **Santos' board lacks the skills to oversee large capital projects**

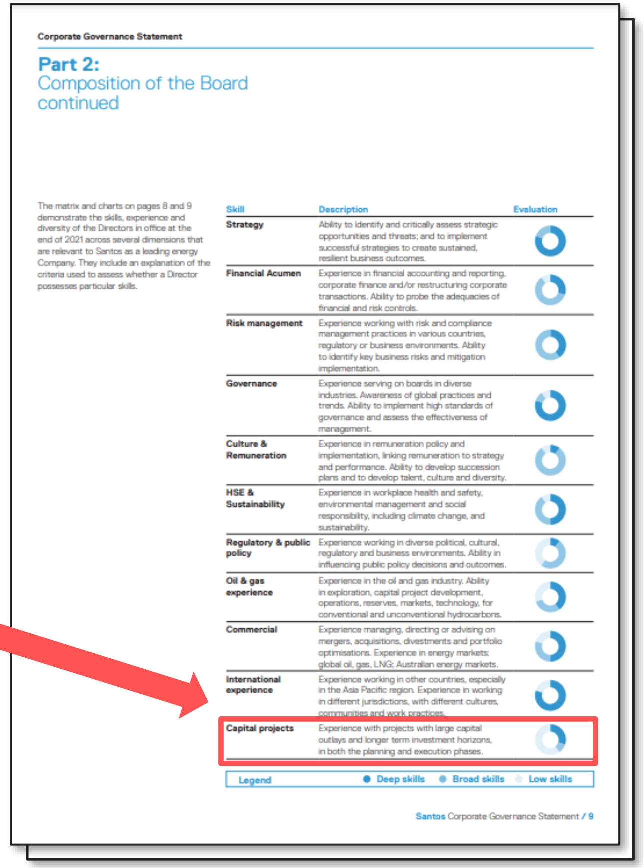
In its own 2021 Corporate Governance Statement, Santos identified "Capital Projects" as the area where its Board most lacked relevant skills

>60% of Santos' board have "**low skills**" for "**projects with large capital outlays** and longer term investment horizons in **both the planning and execution phases**"

Skill	Description	Evaluation
Capital projects	Experience with projects with large capital outlays and longer term investment horizons, in both the planning and execution phases.	

Legend ● Deep skills ● Broad skills ● Low skills

Note: the composition of Santos' board has not changed since assessment.


Corporate Governance Statement

Part 2:
Composition of the Board continued

The matrix and charts on pages 8 and 9 demonstrate the skills, experience and diversity of the Directors in office at the end of 2021 across several dimensions that are relevant to Santos as a leading energy Company. They include an explanation of the criteria used to assess whether a Director possesses particular skills.

Skill	Description	Evaluation
Strategy	Ability to Identify and critically assess strategic opportunities and threats; and to implement successful strategies to create sustained, resilient business outcomes.	
Financial Acumen	Experience in financial accounting and reporting, corporate finance and/or restructuring corporate transactions. Ability to probe the adequacies of financial and risk controls.	
Risk management	Experience working with risk and compliance management practices in various countries, regulatory or business environments. Ability to identify key business risks and mitigation implementation.	
Governance	Experience serving on boards in diverse industries. Awareness of global practices and trends. Ability to implement high standards of governance and assess the effectiveness of management.	
Culture & Remuneration	Experience in remuneration policy and implementation, linking remuneration to strategy and performance. Ability to develop succession plans and to develop talent, culture and diversity.	
HSE & Sustainability	Experience in workplace health and safety, environmental management and social responsibility, including climate change, and sustainability.	
Regulatory & public policy	Experience working in diverse political, cultural, regulatory and business environments. Ability in influencing public policy decisions and outcomes.	
Oil & gas experience	Experience in the oil and gas industry. Ability in exploration, capital project development, operations, reserves, markets, technology, for conventional and unconventional hydrocarbons.	
Commercial	Experience managing, directing or advising on mergers, acquisitions, divestments and portfolio optimisations. Experience in energy markets: global oil, gas, LNG; Australian energy markets.	
International experience	Experience working in other countries, especially in the Asia Pacific region. Experience in working in different jurisdictions, with different cultures, communities and work practices.	
Capital projects	Experience with projects with large capital outlays and longer term investment horizons, in both the planning and execution phases.	

Legend ● Deep skills ● Broad skills ● Low skills

Santos Corporate Governance Statement / 9

1. Santos' 2021 Corporate Governance Statement. (February 2022).

Santos has **poorly managed investor expectations** around its growth projects

Feb 2022 Santos promised investors $2-3bn of asset sales but has so far failed to deliver on these

"We will see our target to raise between $2 billion and $3 billion from sales proceeds by selling down some of the portfolio..."

"We'll **continue with Oil Search's plans to sell-down [Alaska]...**"

Kevin Gallagher, Santos CEO *(Feb 2022, Earnings Call)*

Portfolio optimisation — Santos

Optimise portfolio to reduce gearing and conduct a review of the capital management framework including returns to shareholders

Optimise portfolio	Optimise balance sheet	Review capital management framework
Targeting $2-3 billion in asset sale proceeds	Aim for less than 25% gearing through the cycle including major growth	+ Returns to shareholders + Reduced debt + Invest in growth + Invest in the energy transition

Aug 2022 Santos surprised the market by announcing FID for Alaska

REUTERS — 17th August 2022

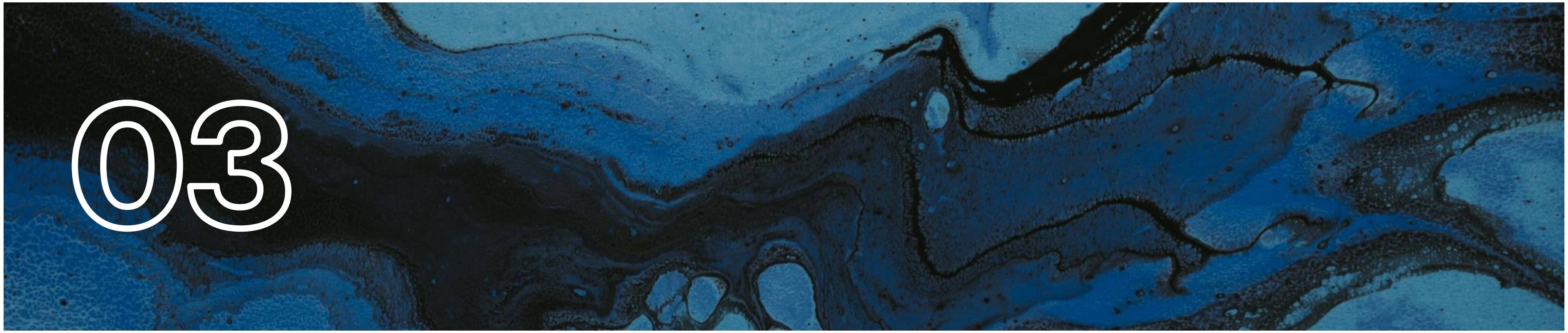
Australia's Santos surprises with backing for Alaska oil project

"If we were to rewind about 6 months ago, I think there was a market expectation that Alaska would be sold completely, you take some big sell-downs of Dorado and PNG LNG and then there could be scope for a big buyback. **It's almost like there's been a reversal in all of those expectations.**"

Saul Kavonic, Credit Suisse

(Aug 2022, Santos Earnings Call)

1. Santos FY2021 Results Presentation.
2. McKinsey – "The big choices for oil and has in navigating the energy transition" (March 2021)
3. ConocoPhilips – "Plan for the Net-Zero Energy Transition"

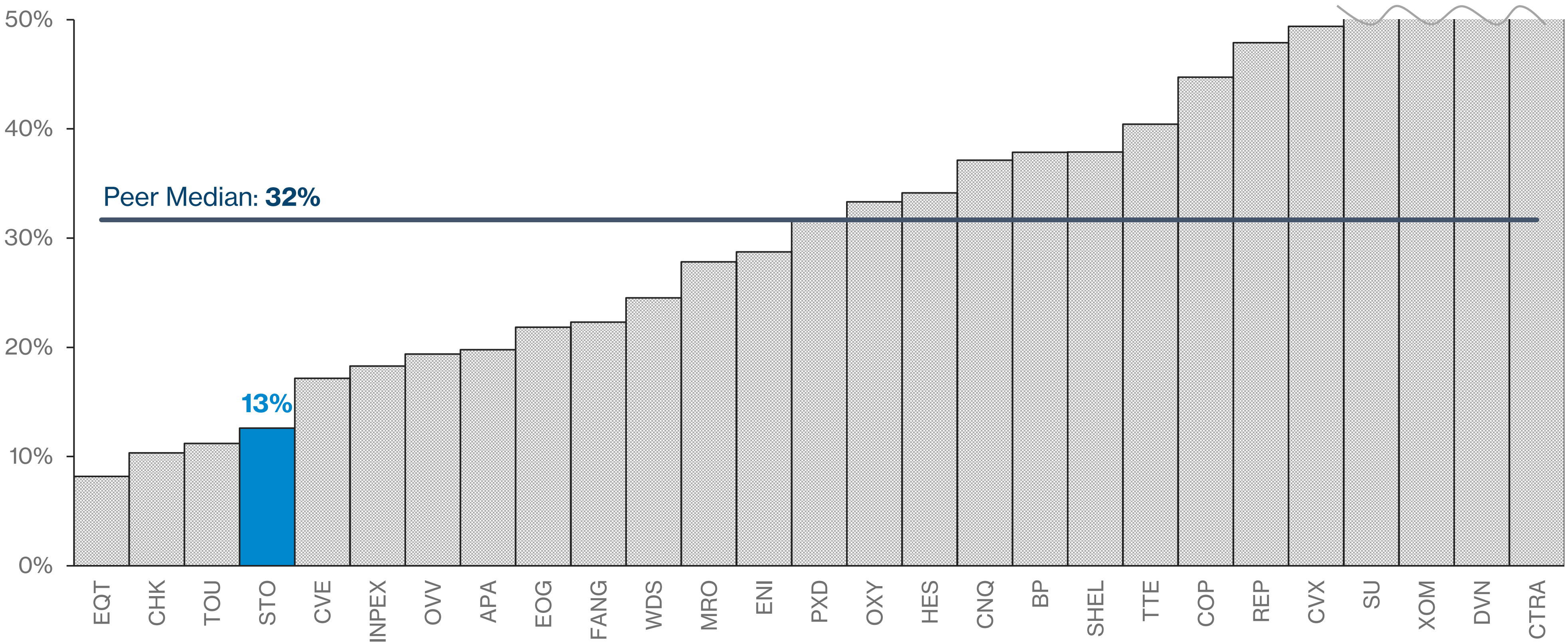


Santos' **capital returns are inadequate and ignore transition risk**

Santos has **returned significantly less capital to shareholders than most peers**

Since 2018, Santos has returned an average of just 13% of Operating Cash Flow to shareholders via dividends & share buybacks. Santos' closest peer Woodside returned 26% during this time

Capital Returns as % of Operating Cash Flow - Santos vs E&P Peers 2018-22
Dividends + Share Buybacks



1. *Calculated using data from S&P Capital IQ as of 08/03/2023.*

In the past decade, Santos spent ***8x more on exploration & development*** than capital returns

Santos Cumulative Spend, 2013-22
US$bn. Exploration Spend includes Capitalised & Expensed

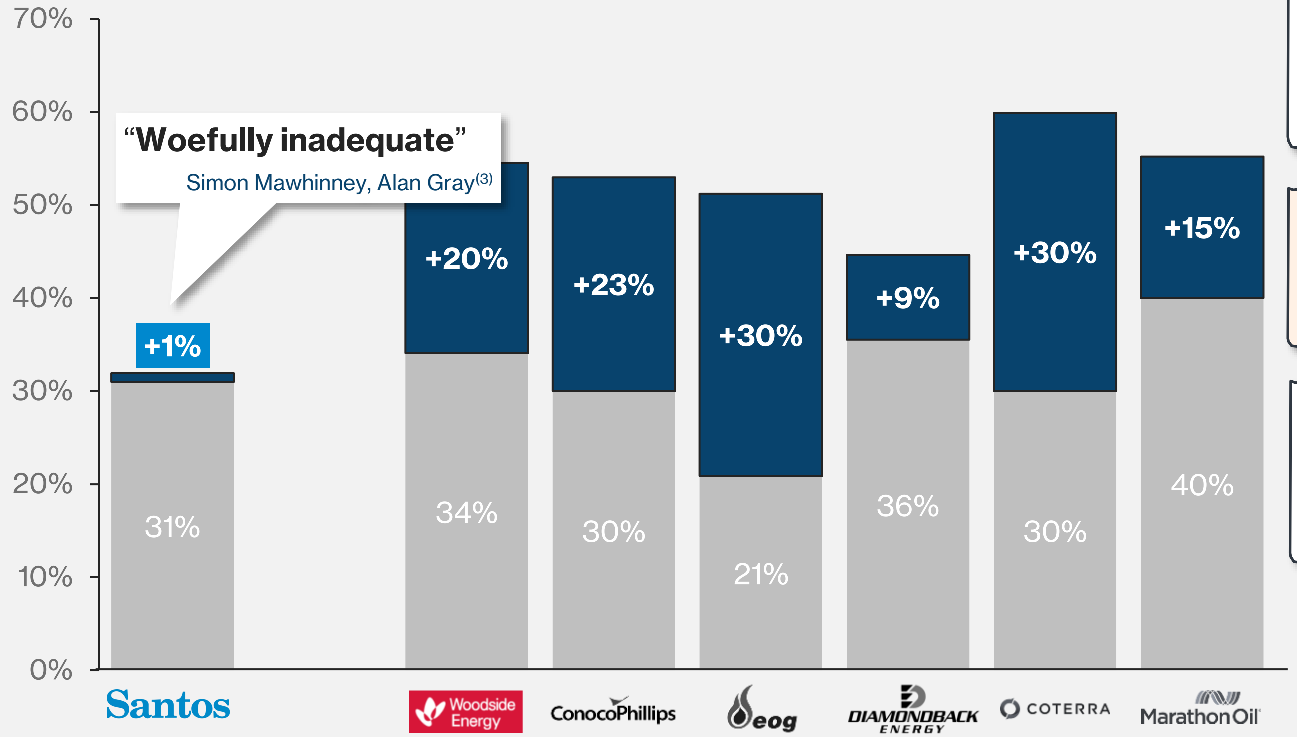
1. *Santos Company Filings.*
2. *Total Exploration spend calculated by summing additions to Exploration & Evaluation assets (excludes assets acquired through acquisition) and Exploration and Evaluation cash expenses.*
3. *Oil and Gas Development spend calculated summing additions to Oil and Gas Assets (both Assets in development and Producing Assets).*
4. *Energy Transition Investment spend assumes no capital investment made in Energy Transition projects prior to 2022. 2022 figure of $0.1bn taken from Santos 2022 Results presentation.*
5. *Capital Return includes cumulative dividends and share repurchases.*

Santos has **failed to share recent bumper profits with investors**

In 2022, Santos realised an average oil price of $110/boe, yet elected not to make any material capital returns to shareholders beyond its minimum capital return target. Meanwhile, E&P peers announced extraordinary capital returns of 45-60% of Operating Cash Flows; well in excess of their policy targets

2022 Capital Returns as % of Operating Cash Flow

Santos vs E&P Peers



1. *Calculated using data from S&P Capital IQ as of 08/03/2023. Figures for Santos and Woodside Energy include dividends and buybacks declared during period. For Santos actual capital returns paid during period were lower than figures shown.*
2. *Capital Return targets taken from Company Filings.*
3. *AFR (August 2022).*

Returning capital must be prioritised given the existential threat from transition

Santos cannot ignore the transition risk facing its business.
Returning value to shareholders must be prioritised

Full BNEF transition score ranking

Bloomberg NEW ENERGY FINANCE

Company, ranking and changes from 2021 score

1 Shell (--)	15 SK (↑5)	29 Woodside (↑6)
2 TotalEnergies (--)	16 P66 (↓2)	30 Devon (↓1)
3 Repsol (↑1)	17 PetroChina (↑7)	31 Aramco (↑1)
4 Galp (↓1)	18 Chevron (↓8)	32 MOL (↓20)
5 BP (--)	19 CNOOC (↑6)	33 Exxon (↓5)
6 ENI (↑3)	20 Marathon (↓5)	34 Lukoil (↓15)
7 Equinor (--)	21 Formosa (↑12)	35 Conoco (↓9)
8 ENEOS (↑5)	22 Indian Oil (↑8)	36 Santos (↑3)
9 Neste (new)	23 Reliance (↓1)	37 Gazprom (↑1)
10 PTT (↑8)	24 ONGC (↓7)	38 EOG (↓1)
11 Sinopec (↓3)	25 Petrobras (↓4)	39 Rosneft (↓5)
12 Suncor (↓6)	26 Petronas (new)	40 Imperial Oil (↓13)
13 Valero (↑10)	27 Occidental (↑4)	41 CNRL (↓5)
14 OMV (↓3)	28 EcoPetrol (↓12)	

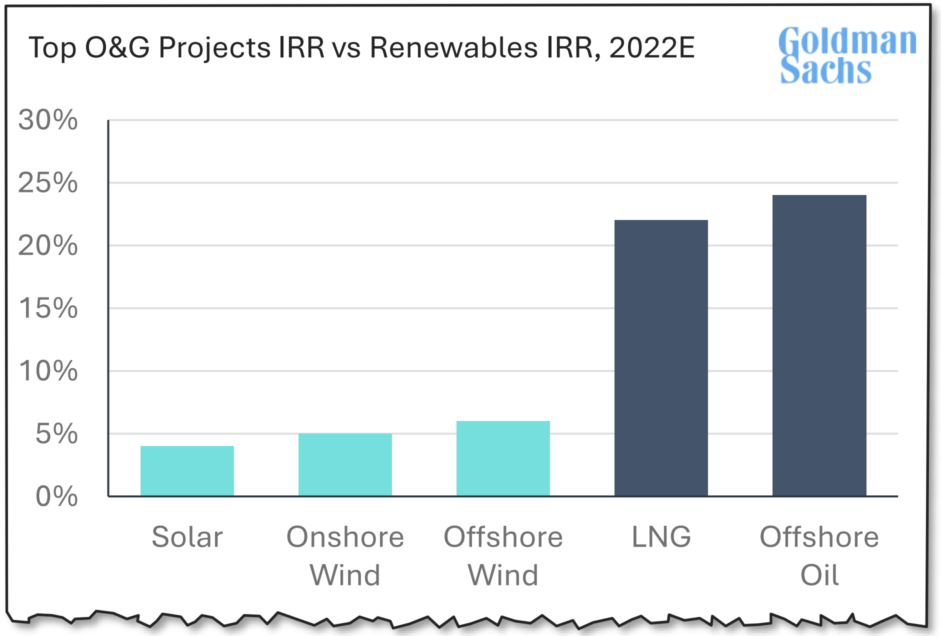
Santos Rank: **#36**/41

1. *Bloomberg New Energy Finance (April 2022).*

Santos is right to spurn renewables, but should **pay shareholders an additional "green dividend" in lieu of this**

Wind and solar investments do not meet the cost of capital requirements of E&P companies like Santos…

…nor do E&P companies have any expertise or competitive advantage in renewables



"There's one other reason that we wouldn't [invest in renewables]. **It's not our business**. What makes anybody think we're skilled and good at the electricity retail business, and comparing with people who've operated in that for decades. And it's a crowded market."

Kevin Gallagher, Santos CEO
November 2020 Earnings Call

Capital returns enable investors to re-allocate capital towards dedicated alternative energy investments

1. Goldman Sachs (November 2022)
2. Santos Earnings Call (November 2020)

Santos' revised capital return policy ***remains inadequate***

In December 2022, Santos introduced a new Capital Management Framework committing to return at least 40% of Free Cash Flow before major growth capex[1]. Although a step in the right direction, Santos' new policy remains far less ambitious than peers. This especially applies to a low oil-price scenario given the higher volatility of Free Cash Flow.

Santos Capital Return Policy (Dec-22) vs Peers[2]

E&P Peer	Capital Return Policy
Marathon Oil	Min. 40% of Operating Cash Flow
ConocoPhillips	Min. 30% of Operating Cash Flow
Coterra	Min. 30% of Operating Cash Flow
Diamondback Energy	Min. 75% of Free Cash Flow
eog	Min. 60% of Free Cash Flow
Canadian Natural	Min. 50% of Free Cash Flow exc. Growth Capex
Woodside	50%-80% of Net Operating Profit After Tax
Santos	**Min. 40% of Free Cash Flow exc. Growth Capex**

Issue 1: Not Ambitious Enough

Retrospectively applied to the period 2017-21, Santos' new capital return target would have returned just 21% of Operating Cash Flow – **7% less than E&P peers on average.**[3]

Historical Cap. Returns @40% of FCF *Snowcap Analysis, US$bn*	2017	2018	2019	2020	2021	*2017-21 Avg.* Santos	*2017-21 Avg.* Peers
Operating Cash Flow	1.2	1.6	2.0	1.5	2.3		
(-) Sustaining Capex	(0.7)	(0.8)	(1.0)	(0.7)	(0.8)		
Free Cash Flow pre Growth Capex	0.6	0.8	1.1	0.7	1.4		
(x) 40% Santos Cap. Return Target	0.2	0.3	0.4	0.3	0.6		
Capital Return as % of OCF	***18%***	***21%***	***21%***	***20%***	***25%***	***21%***	*28%*

Issue 2: Not tied to Operating Cash Flow

Capital return targets tied to Operating Cash Flow rather than Free Cash Flow avoid being distorted by capex, reducing their exposure to inflation and oil price volatility. A firm commitment also provides a yardstick against which to assess investment opportunities.

> "We would advocate for transitioning guidance around capital allocation to include percentage of operating cash flow"
>
> Kimmeridge

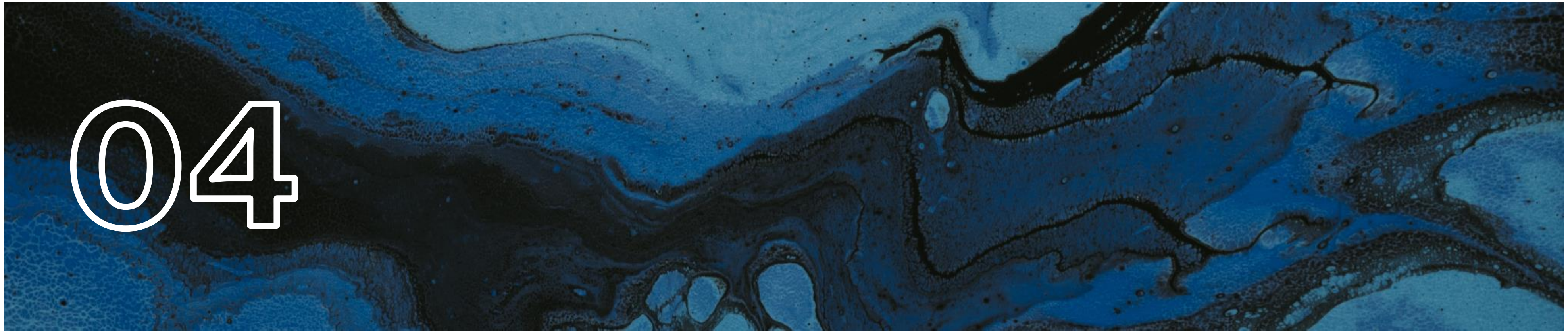
1. Santos Press Release (December 2022)
2. Policies collected from company filings and releases. For CNQ, Free Cash Flow defined as CFO minus base capex and dividends.
3. Snowcap analysis of large-cap E&P companies, conducted using data from S&P Capital IQ, showed median capital returns of 28% during the 2017-21 period.
4. Kimmeridge "Now or Never Testing the Resolve of the E&P Industry" (March 2022)

Share buybacks offer significant value creation opportunity at Santos' current price

Santos' discounted share price provides an attractive opportunity to create value for shareholders via share buybacks. We estimate that a once-off $3.0bn buyback would generate ~$900m-$1,600m of value at Santos' current share price

"I think that **we are very significantly undervalued** and I think that's [share buybacks] a **good use of the funds for shareholders.**" *Kevin Gallagher, Santos CEO (August 2022, Earnings Call)*

Illustrative Value Creation from $3.0bn Share Buyback Snowcap Analysis			**Snowcap Low Case** $20.7bn Fair Value	**Snowcap High Case** $24.2bn Fair Value
	a.	Buyback Amount	$3.0bn	$3.0bn
	b.	Share Price	$4.83	$4.83
	c. = a / b	Shares Repurchased	621m	621m
Pre-Buyback	d.	Equity Fair Value *(Snowcap)*	$20.7bn	$24.2bn
	e.	Shares Outstanding	3,301m	3,301m
	f. = d / e	Fair Value / Share	$6.27 / A$9.50	$7.33 / A$11.11
Post-Buyback	g. = d - b	Equity Fair Value	$17.7bn	$21.2bn
	h. = e - c	Shares Outstanding	2,684m	2,684m
	i. = g / h	Fair Value / Share	$6.61 / A$10.01	$7.91 / A$11.99
	= (c x f) - a	**Total Value Created**	**+$0.90bn**	**+$1.55bn**
	= i - f	**/Share**	**+ $0.33 / A$0.51**	**+ $0.58 / A$0.88**



Santos' **Environmental & Safety performance is unacceptable**

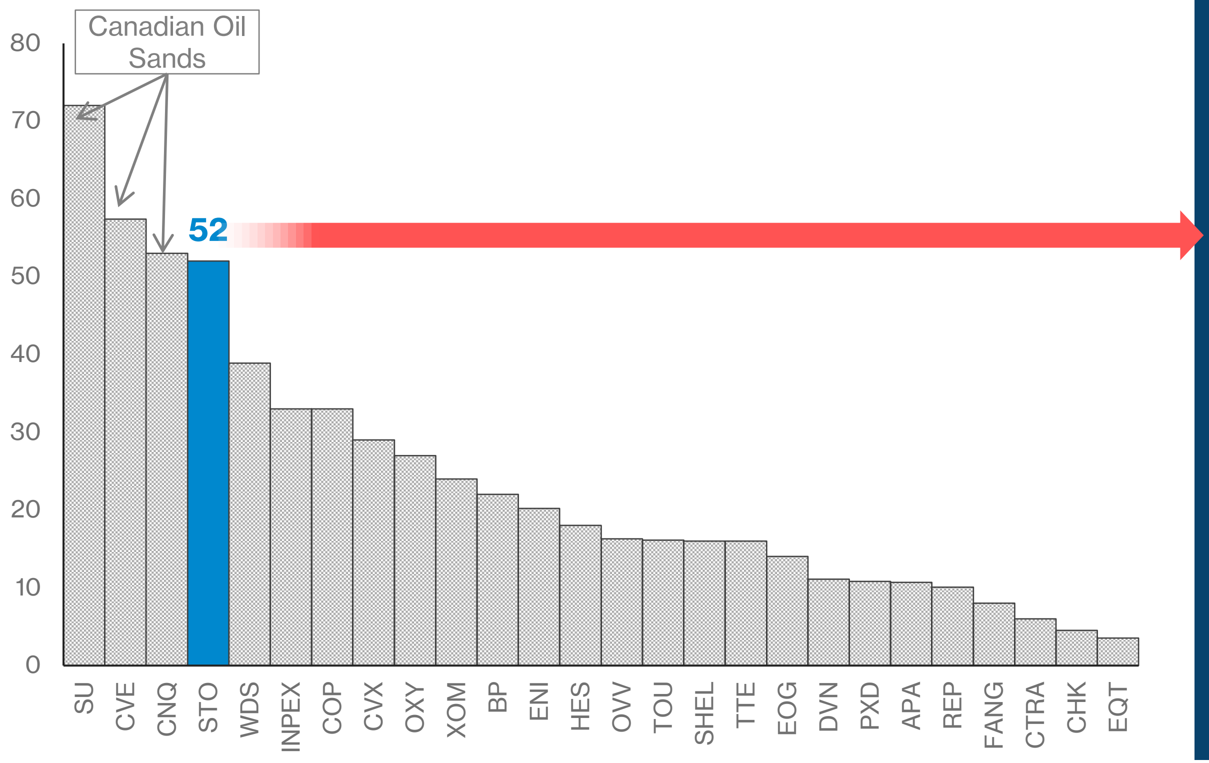
Santos has one of the **highest emissions intensities among E&P Peers**

Santos currently has one of the highest direct (scope 1) emissions intensity amongst E&P peers

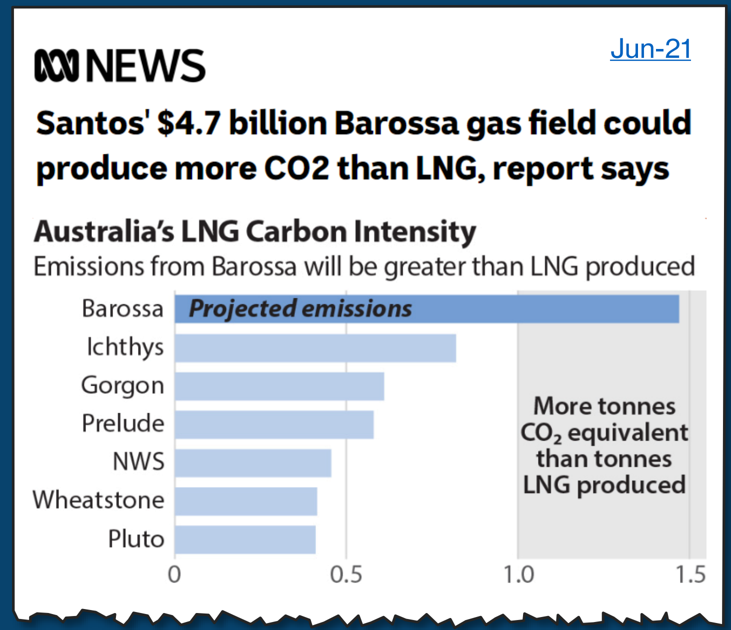
Santos growth plans are set to make this worse in the short term: Barossa, one of Santos' key growth developments, is expected to have an emission intensity of over 70tCO2-e/Mboe

Scope 1 & 2 GHG Emissions Intensity, 2021[1]

Santos vs Peers. tCO2-e/Mboe Production. Upstream operations.



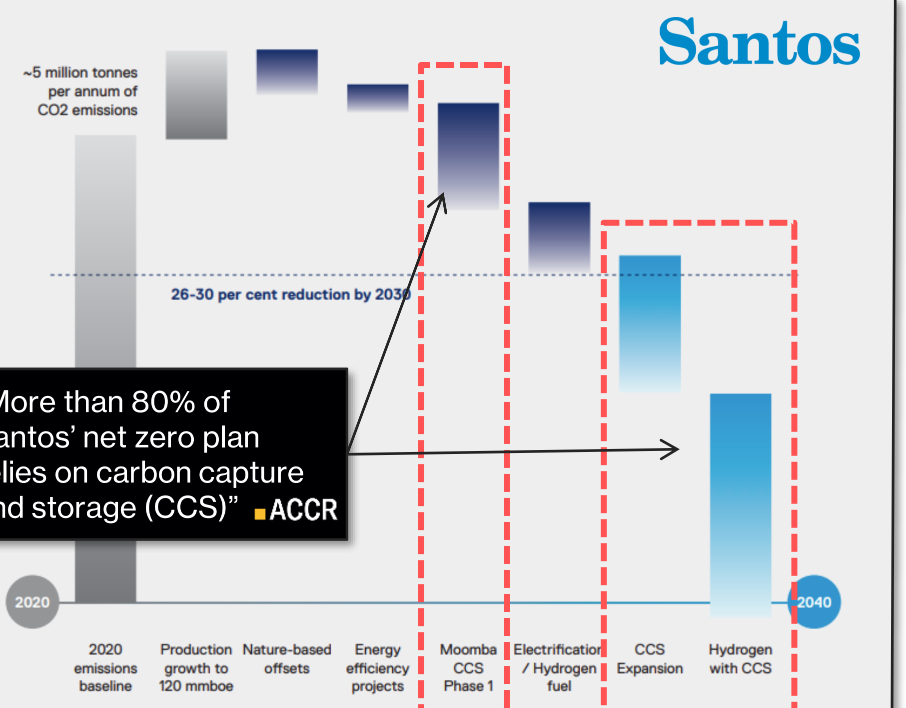
Santos' new growth projects set to make scope 1 emissions intensity worse not better[3]



1. Snowcap Analysis using Company Filings. Shows equity share emissions unless data only available for operated emissions.
2. IEEFA
3. Excludes any potential impact from Carbon Capture & Storage.

Santos’ climate action plans have drawn **criticism for their lack of credibility and greenwashing**

Santos’ “Roadmap to net zero 2040” is heavily reliant on speculative carbon capture & storage (CCS) technology that remains unproven at scale(1)



“More than 80% of Santos’ net zero plan relies on carbon capture and storage (CCS)” ACCR

Source: Santos Climate Change Report 2021

Lawsuit from Shareholder Advocacy group alleges that Santos’ Climate Targets are misleading and lack credibility

Bloomberg Aug-22

Landmark Greenwash Case Sees Gas Firm Santos Face New Claim

- Activist group makes new allegations over climate targets
- Company’s plans lacked sufficient details, group alleges

“The litigation discovery process has revealed further instances where **we contend that Santos has engaged in greenwashing.**

We allege that Santos misled investors and the public about its plan to achieve ‘net zero’ by 2040 and to produce "zero-emissions" blue hydrogen. The documents produced by Santos have heightened our **concerns that these plans lacked sufficient detail to be put into the market.”**

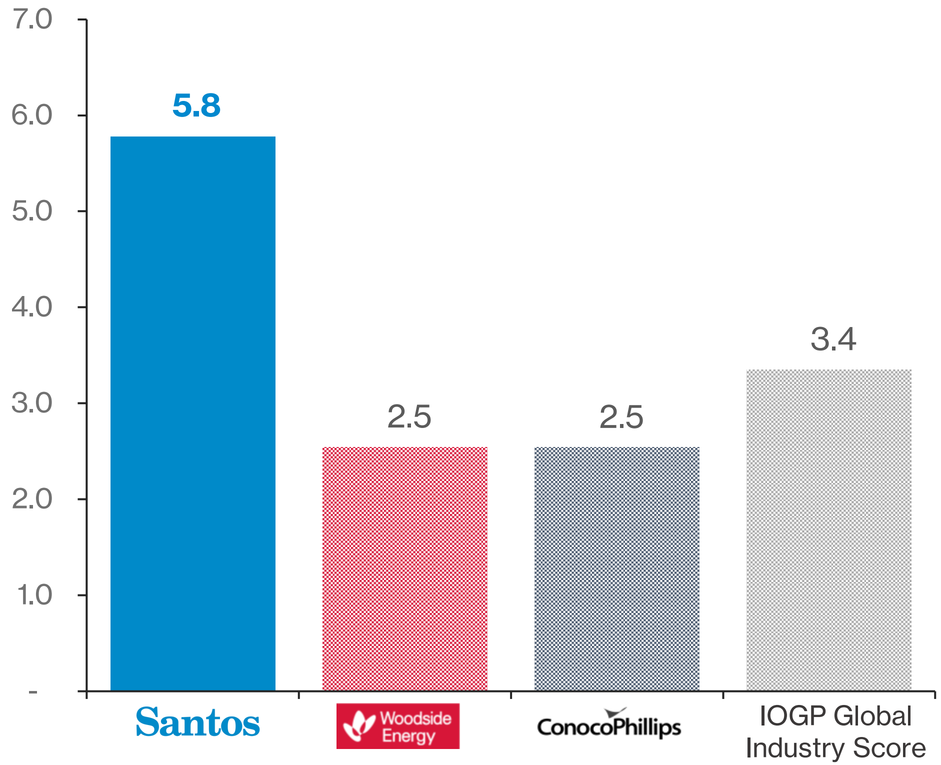
Brynn O’Brien, Australasian Centre for Corporate Responsibility

1. Sydney Morning Herald (November 2022)
2. ACCR Press Release (August 2022)

Santos' **high hydrocarbon spill rates indicate sub-par operational performance**

In the past 3 years, Santos' hydrocarbon spill rate has been more than double those of Woodside and ConocoPhillips

Hydrocarbon Spill Rate, 2018-21 Average[1]
Boe spilt per thousand boe of production.




ABC NEWS
Feb-23
Whistleblower says 'Santos lied to all of us' over severity of oil spill,
They described how they were "appalled at the culture and management" demonstrated by Santos at the time, and that a "black and white lie" from the company prompted them to speak up.


OIL&GAS JOURNAL
Nov-22
Gas leak shuts down Santos offshore gas field

1. *Snowcap Analysis using Company Filings for Santos, Woodside Energy and ConocoPhillips. IOGP data from 2021 Environmental Performance Indicators report (June 2022).*

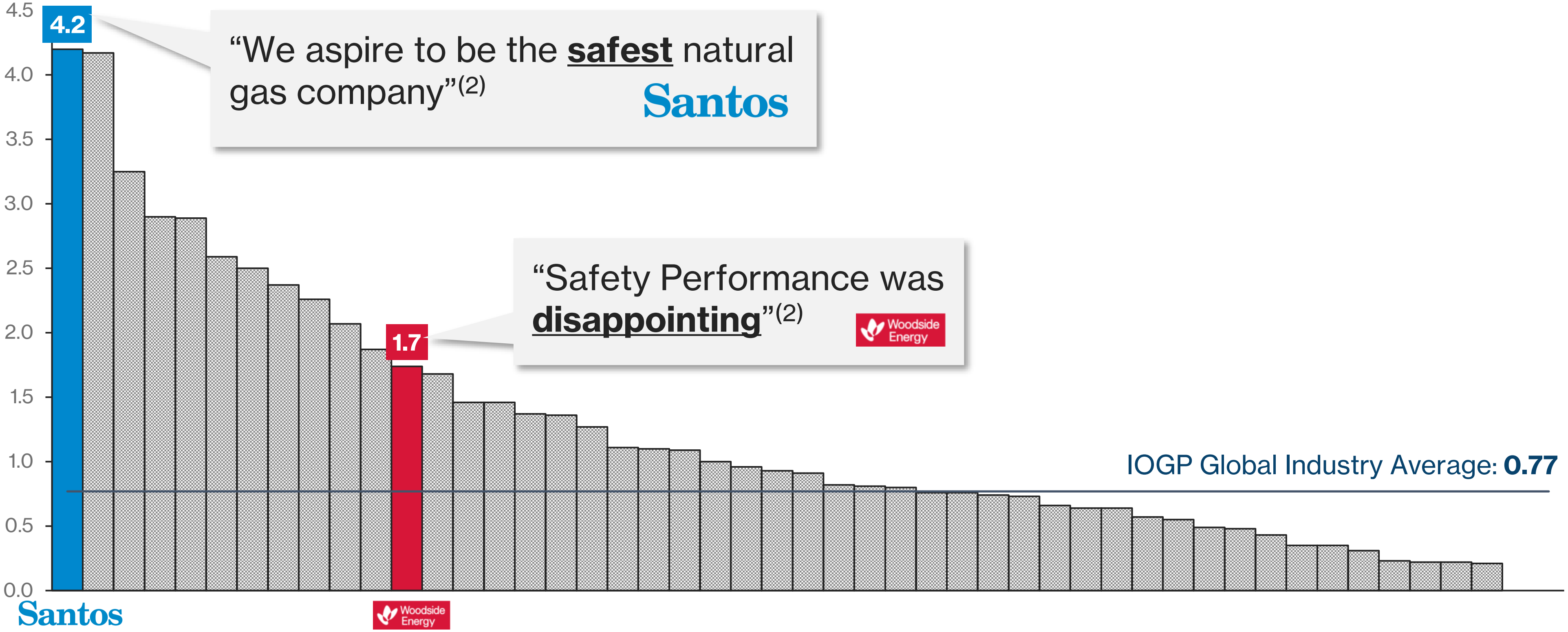
Santos' **high injury rate indicates *worst-in-class* safety performance**

In 2021, Santos recorded a higher total injury rate (TRIR) than any of the 48 companies who self reported to the IOGP, and more than 5 times the IOGP global industry rate

Closest peer Woodside described its own 2021 TRIR score of 1.74 as "disappointing"

Total Recordable Injury Rate 2021 - Santos vs IOGP Contributing Oil & Gas Companies[1]

Incidents per million hours worked. Includes employees and contractors.

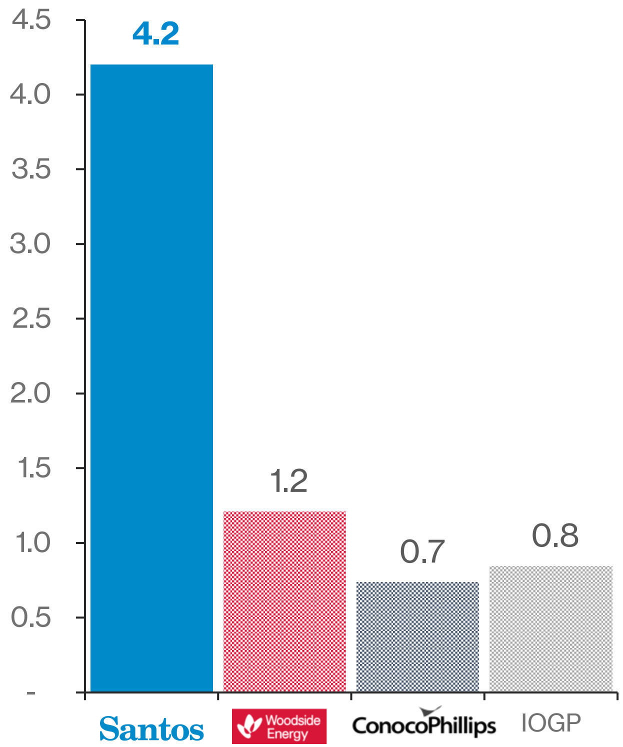


1. Data from IOGP Safety Indicators Report 2021 (June 2022). Companies contributing include: ADNOC, Aker BP, Assala Energy, Beach Energy, BHP, BP, BW Energy, Capricorn Energy PLC, CCED, Cenovus, CEPSA EP, Chevron, CNOOC, ConocoPhillips, Dana Gas, ENI, Equinor, ASA, ExxonMobil, GENEL, Gulf Keystone, Harbour Energy, INPEX Corporation, KMG, Kosmos Energy, Kuwait Oil Company, MOL, Neptune Energy, North Oil Company, Oil Search, OMV, Pan American Energy, Petrobras, Petronas Carigali SDN BHD, PGNiG, Pluspetrol, Premier Oil, PTTEP, QatarGas, Repsol, Shell Companies, SOCAR, Sonangol, Spirit Energy, Suncor, TotalEnergies, Tullow Oil, Vår Energy, Wintershall Dea, Woodside, YPF SA.
2. Santos 2021 Sustainability Report. Woodside 2021 Annual Report.

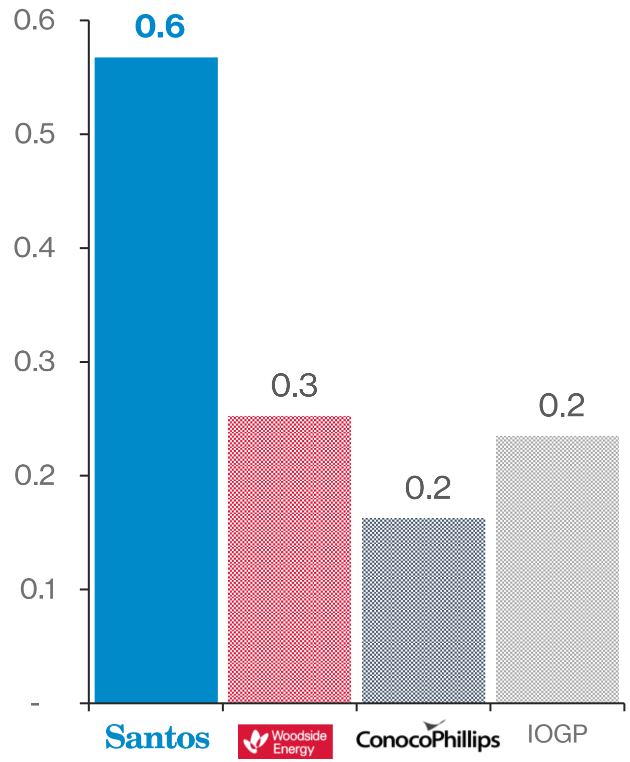
Santos' **safety performance is *unacceptable* across a range of metrics**

Santos has consistently performed worse than Woodside, ConocoPhillips and the IOGP Industry Average across key safety metrics. We note that in 2022, Santos' safety metrics showed signs of improvement, but the Company remains a long way off acceptable performance

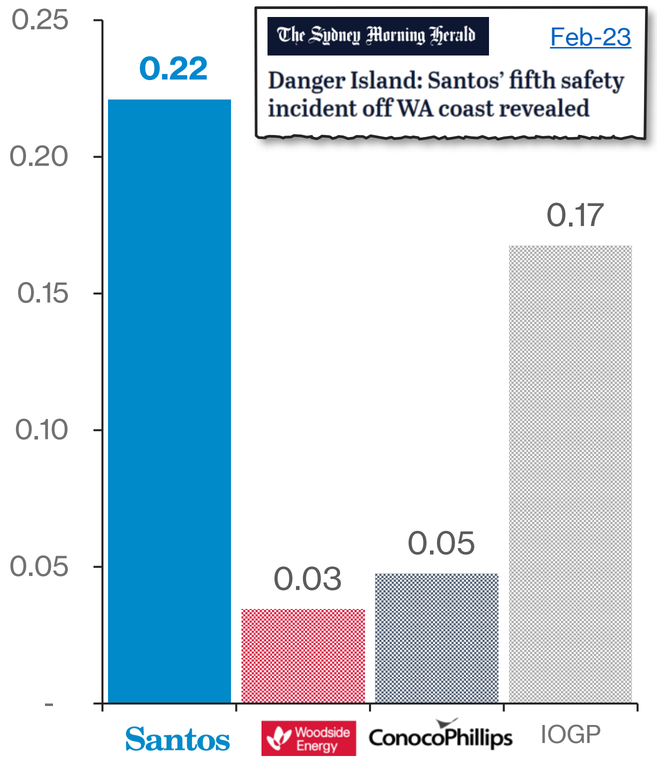
TRIR 2018-21 Average
Injuries per million hrs worked.



LTIR 2018-21 Average
Lost-Time Injuries per million hrs worked.



Tier 1 SPE Frequency[1]
Tier 1 Events per million hrs worked.

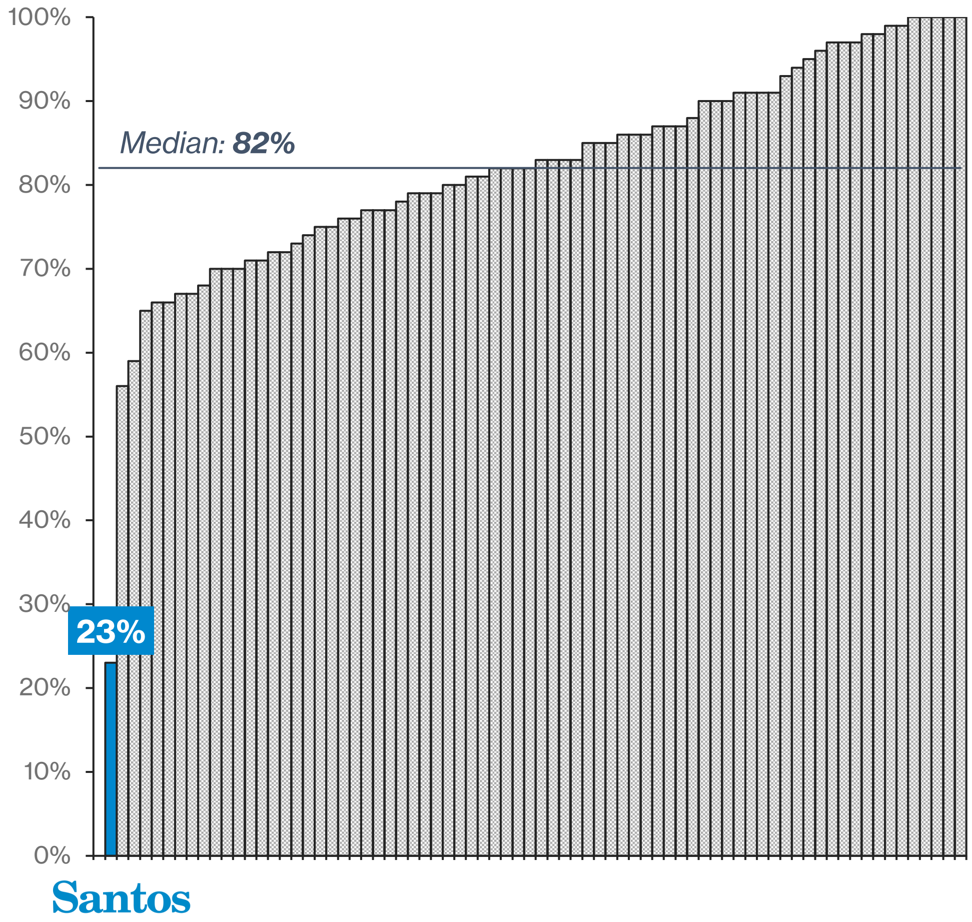


1. *Snowcap Analysis using Company Filings for Santos, Woodside Energy and ConocoPhillips. IOGP data from 2021 Safety Performance Indicators report (June 2022).*
2. *Snowcap data point shown for Tier 1 SPE Frequency reflects 2019-21 average only, given total working hours not disclosed for 2018.*

Santos' **employee satisfaction & culture has significant room for improvement**

CEO Approval %, ASX100 Constituents[1]

Glassdoor data as of March 2023




The Sydney Morning Herald

May-22

Santos staff blast management in confidential survey after CEO offered $6m bonus

Santos staff damned their management as ineffective and untrustworthy in an internal survey conducted just months after the oil and gas company's board dangled $6 million in front of chief executive Kevin Gallagher to encourage him to extend his reign.

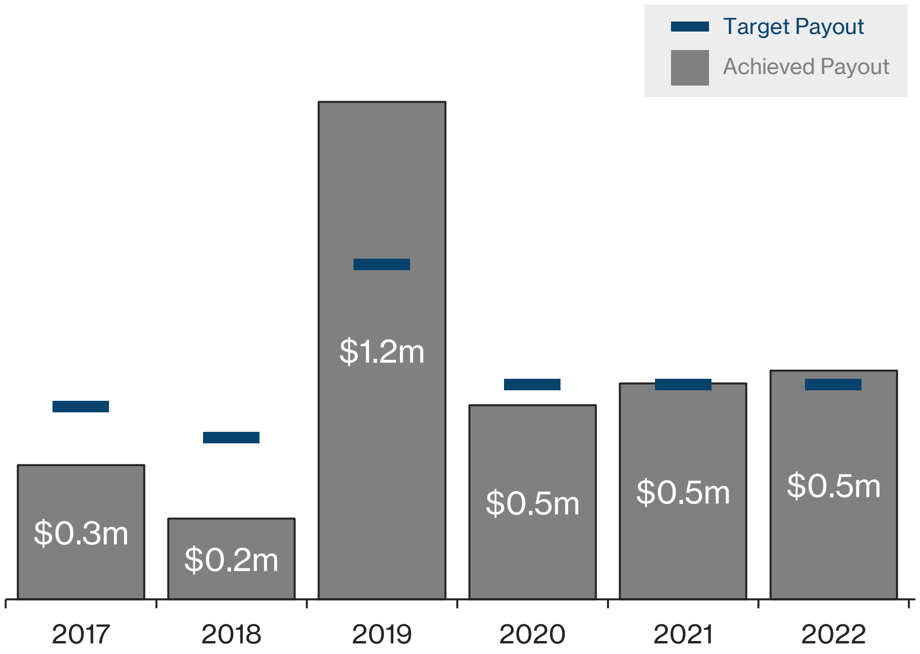
The July 2021 survey showed "trust in leadership," and belief that the $27 billion oil and gas company was "effectively managed and well run," were both "well below benchmarks."

1. *Glassdoor data as of 08/03/2023*
2. *Excludes CEOs with fewer than 10 reviews. Data was not available for some companies.*

Yet Santos has paid executives **100% of their Target ESG bonuses**

Since 2017, Santos' CEO has been awarded $3.2m (A$4.7m) in short-term bonuses related to ESG performance. This qualified as above "Target" performance as defined by Santos' scorecard metrics

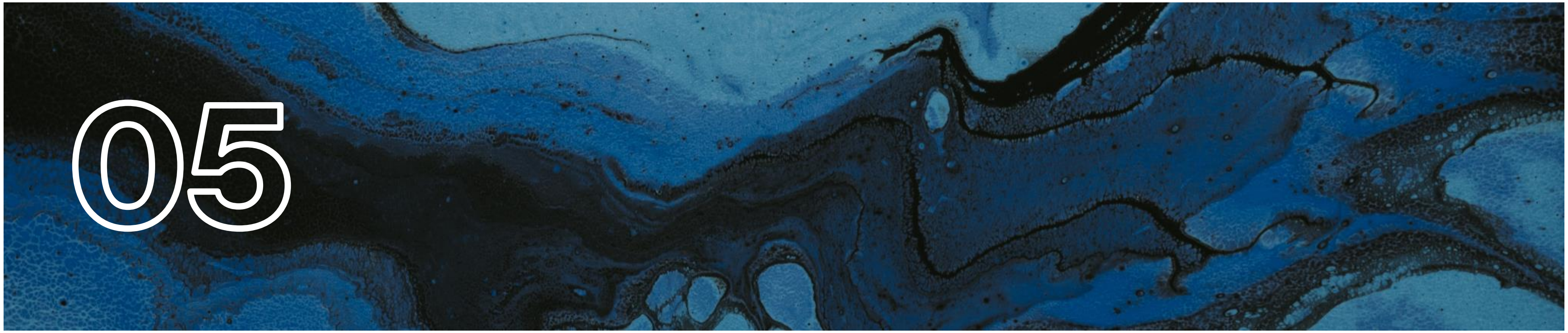
Short Term Incentive Bonuses Paid to CEO for Safety, Environmental & Culture Performance 2017-22[1]
US$m



	2017	2018	2019	2020	2021	2022	2017-22
Bonus Offered for Target Sustainability Performance *% of Total Fixed Remuneration*	25%	20%	40%	25%	25%	25%	27%
Sustainability Bonus Achieved *% of Total Fixed Remuneration*	17%	10%	59%	23%	25%	27%	27%
Sustainability Performance Score *"Target" = 100%* *"Max" =167%*	**87%**	**50%**	**149%**	**90%**	**100%**	**106%**	**101%**

Santos must reset S,E&C "targets" to ensure executives are not rewarded for sub-par performance

1. *Santos Annual Reports 2017-22.*



Santos’ executive **incentives are misaligned with shareholder interests**

Santos' **growth plans are fuelled by an egregious A$6m incentive scheme** for CEO

In April 2021, Santos awarded CEO Kevin Gallagher a "once-off" A$6m compensation package to incentivise the "delivery of Santos' major growth projects" for the period to 2025[(1)]

Santos

GROWTH PROJECTS INCENTIVE FOR CEO

12th April 2021

Santos today announced the Board has agreed to provide the company's Managing Director and CEO Kevin Gallagher with a **once-off growth projects incentive** to ensure Mr Gallagher sees through the successful **delivery of Santos' major growth projects and energy transition strategy to 2025.**

Santos is now **moving into a growth phase…**

Santos CEO Growth Projects Incentive

Deliverables	Allocation	Targets
Major Growth Projects	60%	Initiatives related to the delivery of: • The Barossa Project • The Dorado and Pikka Project • Developing backfill resources to maximise ongoing utilisation and future expansion of existing facilities
Emissions reduction, net-zero plan and energy transition	40%	Initiatives related to the delivery of: • CCS Operational targets • Progress towards net-zero Scope 1 and 2 operations emissions • New energy business development which supports Energy Transition • Achieve significant progress on a commercial scale hydrogen or downstream clean fuels project

1. Santos Press Release (April 2021)
2. Santos Annual Report 2022.

Why the *CEO Growth Projects Incentive* is **not aligned with shareholder interests**

1 **Encourages Investment in Growth Projects even where it does not make sense for shareholders**	• We believe it is fundamentally flawed to directly link compensation to the delivery of specific growth projects. Where new investments are genuinely attractive opportunities, we would expect executives to be sufficiently incentivised to successfully deliver these via standard long-term performance metrics (e.g. TSR, ROCE) • Linking the award to specific named projects means Santos' CEO will likely incur a conflict of interest should those projects no longer be in the best interests of shareholders. We are particularly concerned about 3 potential outcomes in this scenario: **a) Santos progresses named projects despite commercial terms having significantly worsened since award introduced.** E.g. Dorado where Santos has already announced that project costs have risen to a point where FID "doesn't make sense"(1) **b) Santos prioritises named projects over superior capital allocation alternatives.** This could include more advantaged growth projects or returning capital **c) Santos is unable to progress named projects but finds alternative major growth projects to justify vesting of award.** E.g. In 2022 where award was retrospectively adjusted to vest for Pikka FID due to issues with progressing Barossa and Dorado
2 **Projects Not Operational Until After Award has Fully Vested**	• None of the named growth projects (Barossa, Pikka or Dorado) are now expected to start operating prior to 2026, meaning the award will have the opportunity to fully vest before the successful operation / commercial outcomes of these projects has been tested
3 **Opaque Vesting Conditions**	• Santos has not disclosed any performance metrics as part of the award on the grounds of commercial sensitivity • Retrospective disclosures of measures used for assessing performance on growth projects in 2021 and 2022 reveal a lack of any objective metrics to date beyond "approving FID"
4 **Duplicated Compensation**	• 22.5% of Santos' CEO STIP is also linked to elements within the Growth Projects Award (7.5% for Growth Projects, 10% for Low-Carbon Projects, and 5% for Emissions Reduction)

1. *Santos Earnings Call August 2022.*

"Energy Transition" component of CEO Growth Projects Incentive appears to be lip service

40% of Santos' Growth Projects Incentive is allocated for "emissions reduction, net-zero plan and energy transition". Yet as far as we can tell, these projects will account for just 1% of Santos' total capex spend during the time frame of the award (2021-2025)

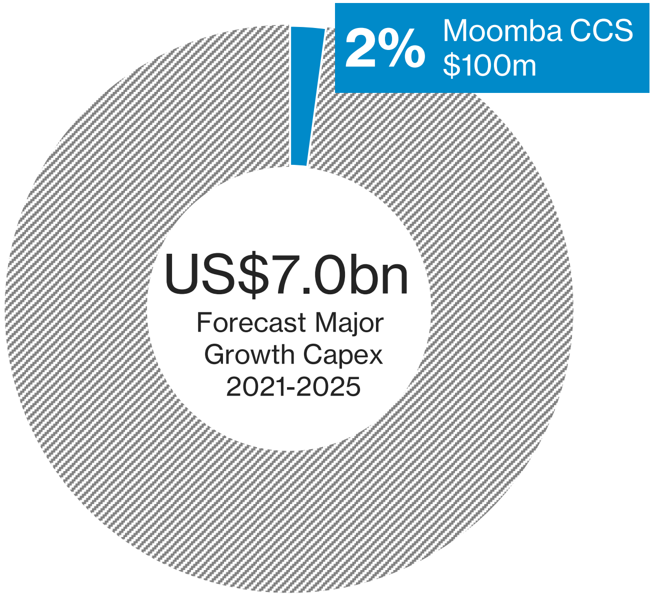
Moomba CCS is Santos' only Carbon Capture project expected to fall within timeframe of CEO Compensation

Moomba CCS makes up just 2% of Santos projected growth capex spend from 2022-25 (and 1% of total capex spend)(2)

Indicative Timeline of Key Santos Climate Transition Action Plan Initiatives[1]:

Project	FID (construction start)	Operational
Moomba CCS	2021	2024
Bayu-Udan CCS*	2025	2027
Reindeer CCS*	2025	2028
PNG CCS*	2028	2031
Moomba Hydrogen*	2027	2033

Outside of time horizon of executive compensation



1. Santos Climate Change Report 2022

Santos has refused to back down on CEO growth incentive despite **shareholder opposition**

Over 25% of shareholders voted against Santos' 2021 remuneration report, resulting in a first "strike" against the company[1]

REUTERS® 3rd May 2022

Santos shareholders oppose 'excessive' pay bonus for CEO

Over a quarter of Santos Ltd's (STO.AX) shareholders voted against the company's executive pay plans on Tuesday, which included a A$6 million ($4.26 million) incentive for chief executive officer Kevin Gallagher.

"Excessive and well above market and the expectations of many shareholders"[3] — ISS

"We have concerns over the major one-off award granted to the MD/CEO"[4] — ROYAL LONDON ASSET MANAGEMENT

Santos' response: retrospectively altering the award to ensure it also vested for delivering FID on Pikka...

2021 Annual Report

Targets

Initiatives related to the delivery of:

- the Barossa Project
- the Dorado Project

2022 Annual Report:

Targets

Initiatives related to the delivery of:

- the Barossa Project;
- the Dorado and/or Pikka Project;

"The question is **why you negotiated the change to the awards to still allow the full award to vest despite not being able to deliver Dorado** [by 2025]."

Saul Kavonic, Credit Suisse (February 2023)

1. AFR (May 2022)
2. Reuters (May 2022)
3. Institutional Shareholder Services, April 2022.
4. Royal London Asset Management (May 2022)

Santos' CEO STIP **rewards *absolute* growth** rather than value *accretive* growth

Santos' CEO STIP includes several growth-related metrics that reward absolute upstream investment.

Santos contrasts starkly with many peers, including ConocoPhillips, where short-term TSR and ROCE metrics feature prominently as a means of discouraging value-destructive upstream capex.

Snowcap Side-by-Side Comparison of Annual CEO Bonus Schemes, Santos vs ConocoPhillips

Santos

0% of KPIs discourage ***value-destructive*** investment

33% of KPIs reward ***absolute*** growth

Growth 25%	Decarb. Projects, 10.0%
	Growth Projects, 7.5%
	Merger Synergies, 7.5%
Financial 25%	Decommissioning, 5.0%
	Gearing, 10.0%
	Sustaining Capex, 5.0%
	Unit Production Costs, 5.0%
Production 25%	**Late Life Assets Production, 5%**
	Core Assets Production, 20%
Sustainability 25%	Emissions Intensity , 5.0%
	Relationships, 5.0%
	Culture, 5.0%
	H,S&E 10.0%

ConocoPhillips

40% of KPIs discourage ***value-destructive*** investment

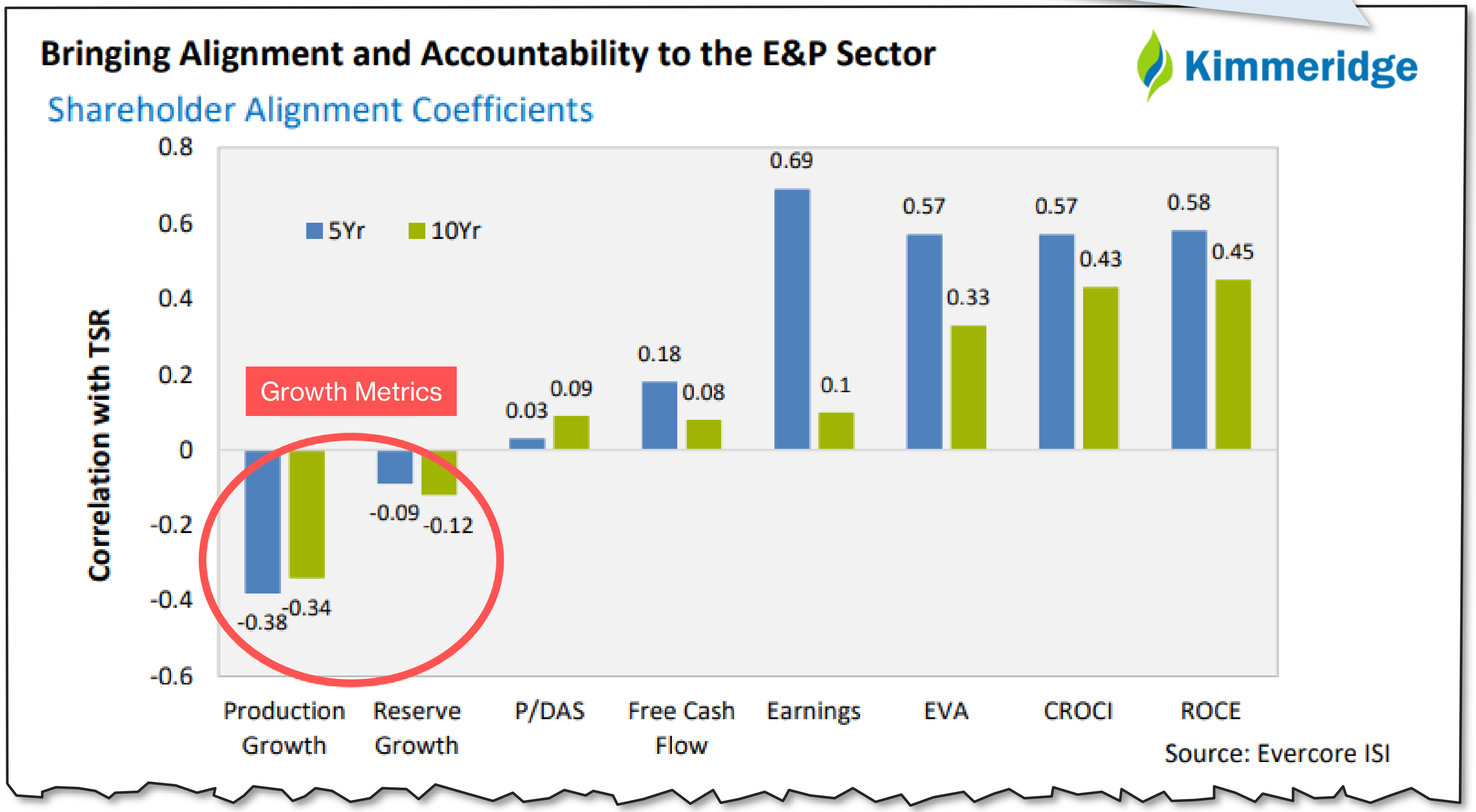
5% of KPIs reward ***absolute*** growth

TSR 20%	**TSR (1yr vs peers) 20.0%**
Strategic & ESG 20%	Diversity & Inclusion, 5.0%
	ESG Performance, 5.0%
	Emissions, 5.0%
	Cost & Capital Reductions, 5.0%
Financial 20%	**Adjusted ROCE (absolute & vs peers) 20.0%**
Operational 20%	Operational Milestones, 5%
	Opex & Overheads, 5%
	Capital, 5%
	Production, 5%
H,S&E 20%	PSE, 10%
	TRIR, 10%

1. *Snowcap analysis based on Company Filings of Santos and ConocoPhillips.*

Growth incentives have been shown to **negatively correlate with TSR**

"**<u>We would eliminate all growth-related metrics</u> such as production**, reserves or cash flow. We would **focus on metrics that are aligned with the evolution of the E&P business model** including reinvestment rates, debt paydown, return of capital and emission reduction targets."



1. *Kimmeridge Governance Paper (November 2020)*

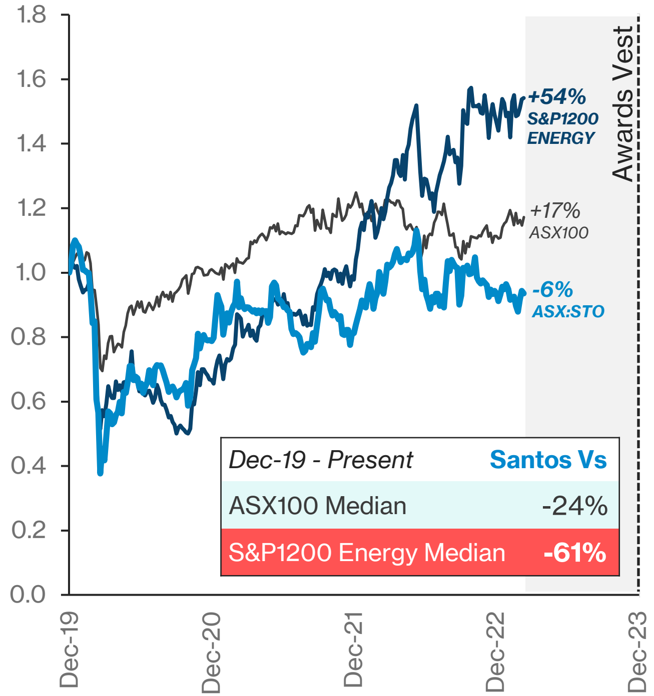
Recent underperformance puts **TSR targets out of reach**, rendering them ineffective

Santos' underperformance in the past 24 months has made hitting TSR benchmarks as part of its 2025 LTI awards significantly harder (especially for awards vesting in 2023 and 2024)

This adds considerable relative weight behind the CEO growth projects incentive, the metrics of which are likely to be considerably easier.

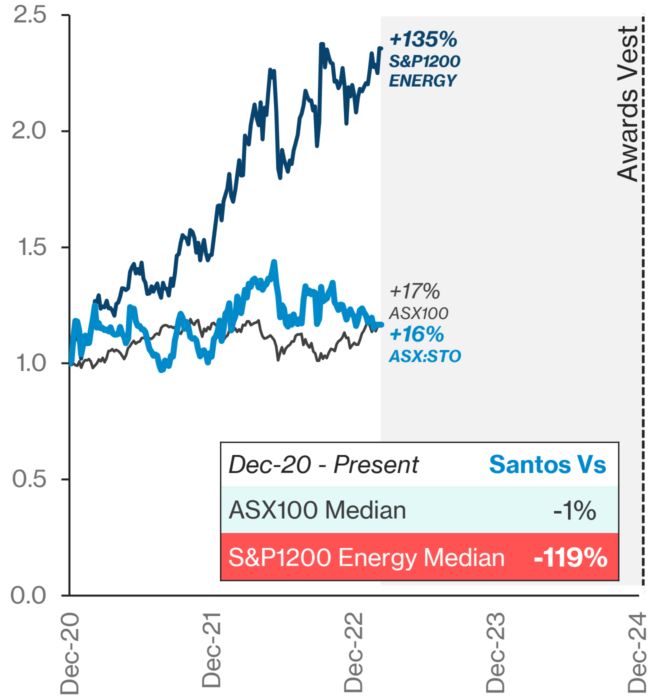
Santos TSR performance vs Vesting Thresholds for CEO LTIP Awards

2019 LTI Award *(vesting 2023)*



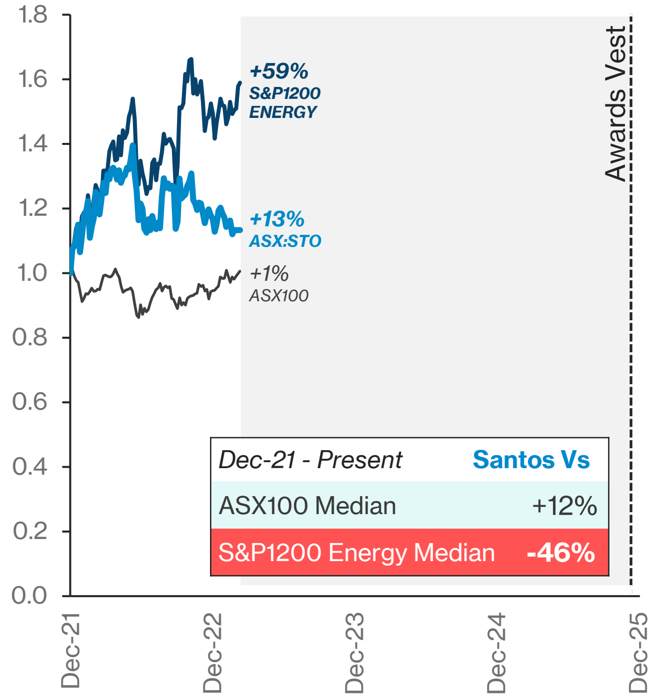
Dec-19 - Present	Santos Vs
ASX100 Median	-24%
S&P1200 Energy Median	**-61%**

2020 LTI Award *(vesting 2024)*



Dec-20 - Present	Santos Vs
ASX100 Median	-1%
S&P1200 Energy Median	**-119%**

2021 LTI Award *(vesting 2025)*



Dec-21 - Present	Santos Vs
ASX100 Median	+12%
S&P1200 Energy Median	**-46%**

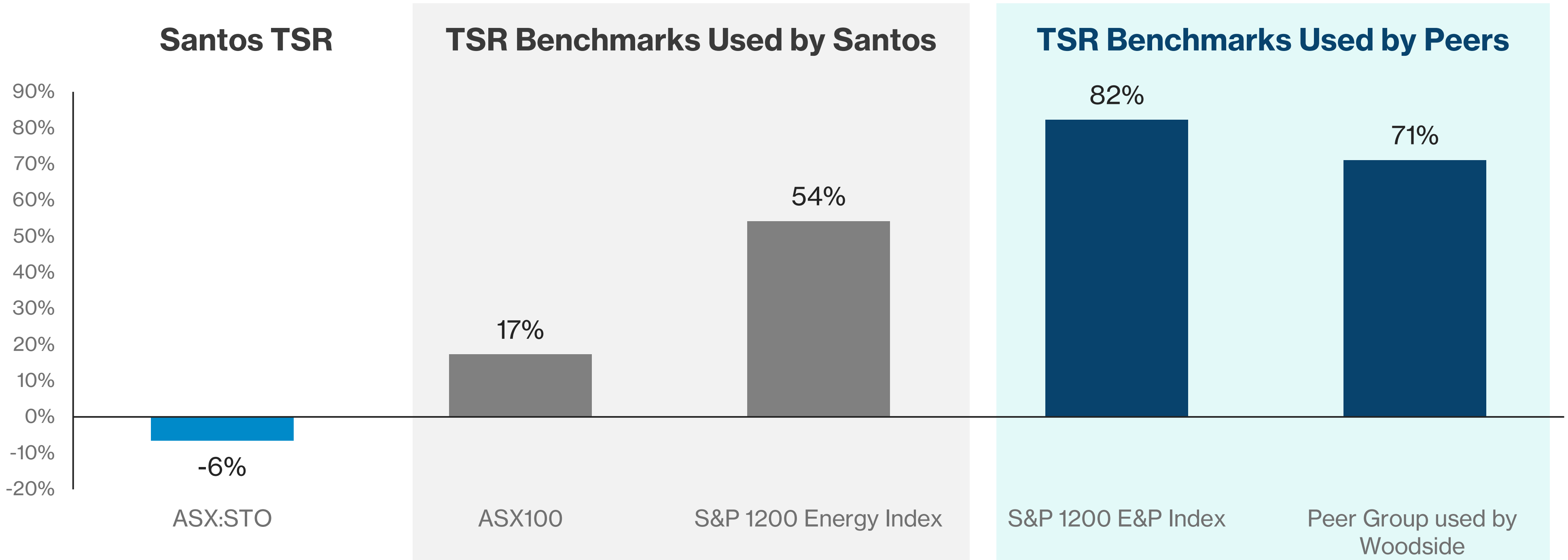
1. *Snowcap analysis using data from S&P Capital IQ as of 06/03/2023. Charts reflect median of indices – the benchmark at which LTIP awards start to vest (beginning at 50% of award)*
2. *Note: we consider the ASX100 benchmark to be an ineffective incentive given that Santos' relative performance to the ASX100 index is likely be influenced more by performance in underlying commodity prices than Kevin Gallagher's relative performance as a CEO.*

Santos' CEO incentives are **tied to the wrong TSR benchmarks**

50% of Long Term Incentives for Santos' CEO are linked to TSR performance relative to the ASX100 and S&P 1200 Energy Indexes; both of which we consider to be imperfect benchmarks for Santos

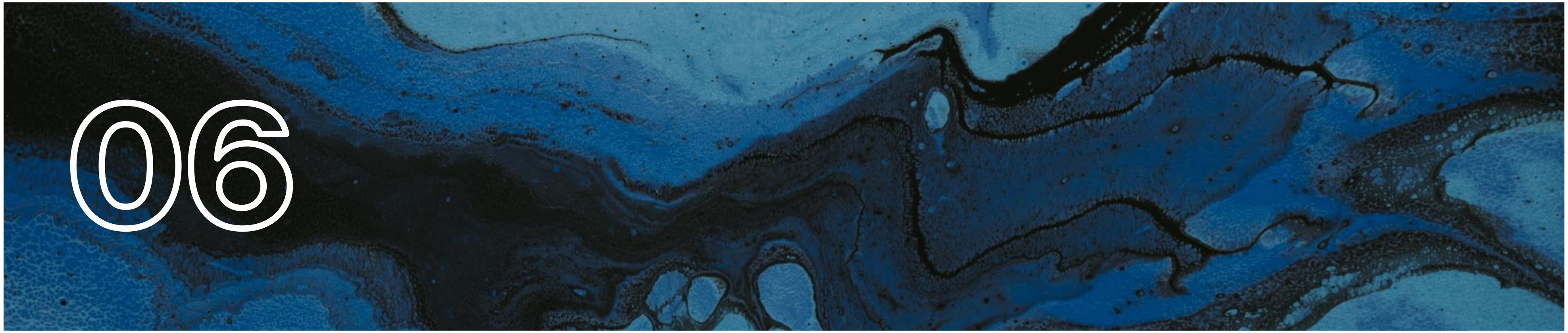
By comparison, many of Santos' peers use E&P-specific benchmarks for assessing relative CEO performance. This includes Woodside, who uses a custom benchmark of relevant E&P peers for 2/3rds of its TSR hurdle

Total Return, Santos vs Various Benchmarks
1st January 2019 – Present (relevant period of 2019 LTI award, vesting at 2023 YE)



Santos' CEO performance should be assessed against a more relevant group of E&P peers

1. *Snowcap analysis using data from S&P Capital IQ as of 06/03/2023.*



Santos' **governance requires a refresh**

"The Board is responsible for overseeing the performance and operations of the Company.

The Board's overriding objective is to **safely and sustainably increase shareholder value** within a business framework which **protects shareholders' interests**."

Santos

1. Santos' Website.

Santos’ **board lacks a culture of ownership**

Santos’ board members (ex. CEO) own an average of just $0.2 million of stock; the second lowest ownership of an ASX20 board

Average Inside Ownership of ASX20 Non-Executive Board Members
$m, Snowcap Analysis

Of the Board Directors in charge of approving the CEO Growth Projects Incentive in April 2021, only 1 has since purchased shares in Santos(2)

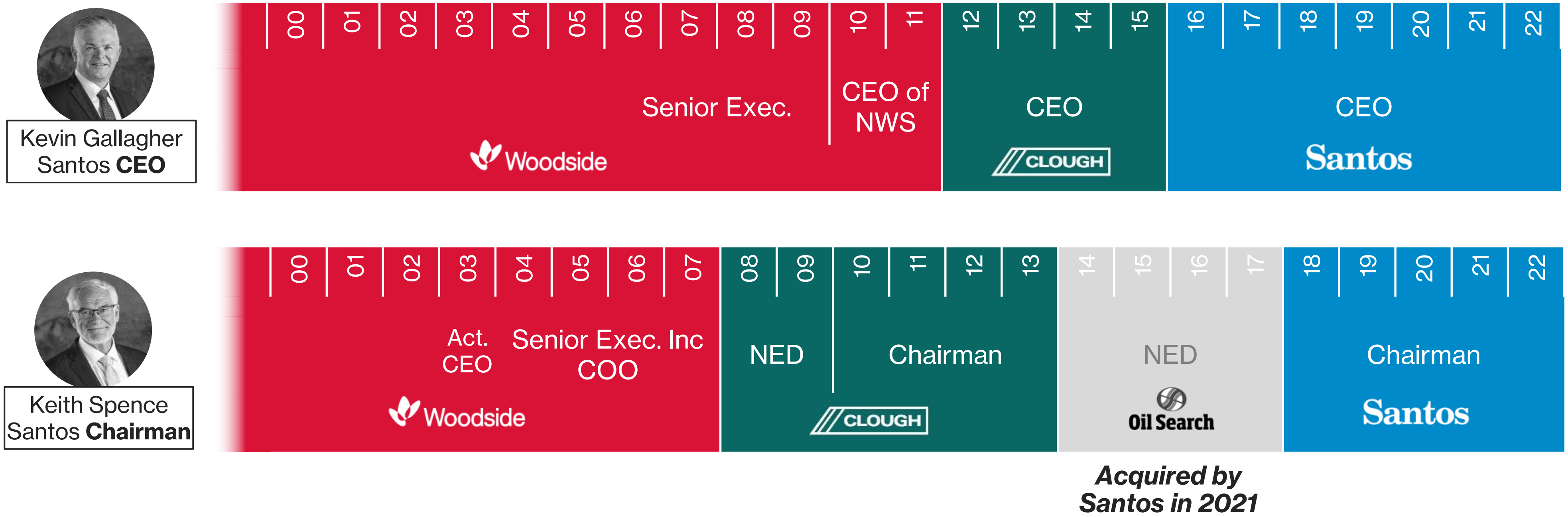
1. *Snowcap analysis using data from S&P Capital IQ as of 08/03/2023.*
2. *Janice McArdle acquired 32,000 shares during 2022.*

Santos' **CEO & Chairman appear to lack sufficient independence** from each other

Prior to Santos, Kevin Gallagher and Keith Spence were former colleagues at both Woodside and Clough Group – where they held the same respective roles of CEO and Chairman

Career Timeline - CEO Kevin Gallagher and Chairman Keith Spence

1999 – Present. *Note: Not inclusive of all Directorship roles*



1. *Information from Company Filings and LinkedIn.*

Santos' **key directors are over-committed to other boards**

Yasmin Allen (Chair of Santos' Remuneration, People & Culture committee) and Guy Cowan (Chair of Santos' Audit & Risk committee) both appear to be significantly overcommitted with other directorships. **We believe this may compromise their ability to effectively perform their duties to shareholders, especially given their prominent roles on Santos' board.**

Santos Board Member	Company / Organisation	Joined	Position	#	Total
Yasmin Allen Member of 3 Santos Board Committees inc. **Chair of Remuneration, People & Culture**	Santos	2014	NED	1	6+3*
	ASX **(inc. 2 comms.)**	2015	NED	1	
	QBE Insurance	2022	NED	1	
	Cochlear **(inc. 4 comms.)**	2010	NED	1	
	Tic:Toc	2021	Chair	2	
	*Digital Skill Organisation**	*2016*	*Chair*	*2*	
	*The George Institute for Public Health**	*2014*	*NED*	*1*	
Guy Cowan Member of 2 Santos Board Committees inc. **Chair of Audit & Risk**	Santos	2016	NED	1	11
	Port of Brisbane	2021	Chair	2	
	Queensland Sugar	2009	Chair	2	
	Winson Group	2014	Chair	2	
	Stahman Webster	2021	Chair	2	
	AFF Cotton	2021	Chair	2	

**Non-profit Organisation*

"It is critical that directors are able to devote sufficient time to each of their roles, while also retaining some capacity to deal with any unexpected corporate events that may increase the demands on their time. **For non-executive directors, we will apply a guide of five roles"[(5)]**

ROYAL LONDON ASSET MANAGEMENT

"Depending on the NED's workload, including on other boards, and capacity, we may also **recommend voting against a NED who serves on more than four major boards**. For this purpose, we believe service as non-executive chair of a board is equivalent to two ordinary nonexecutive directorships, given the amount of time needed to fulfil the duties of chair.."

GLASS LEWIS

1. *Information from Company Filings and LinkedIn,*
2. *Royal London Asset Management Global Voting Policy 2022*
3. *Glass Lewis Voting Guidelines Australia 2022*

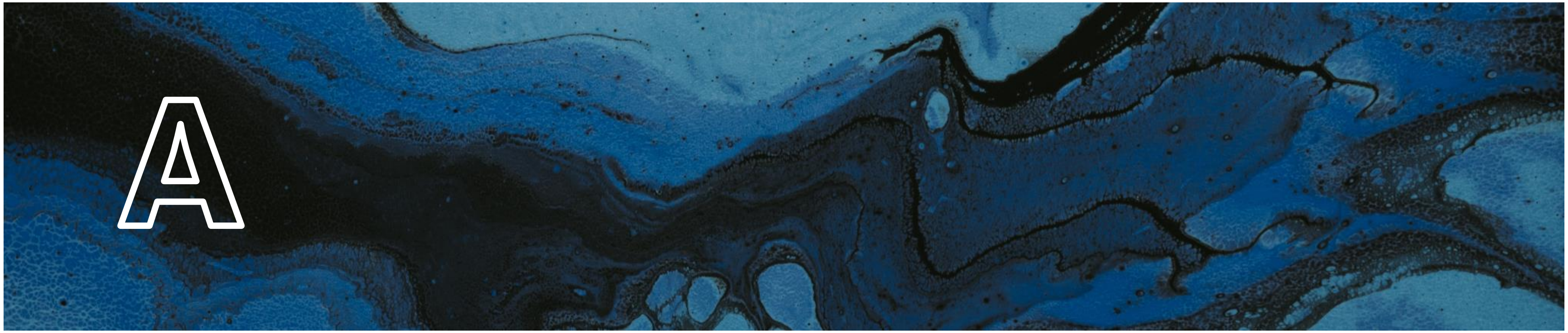
Santos' **committee membership is highly concentrated**

Santos' 3 longest standing NEDs hold 53% of all committee membership positions and 100% of all committee chair positions (excluding Chair of Nominations committee which is automatically granted to Chairman of the Board under Santos' charter)

Santos Independent Board Members	Joined	Position	Committee Membership				Total
			N	**R**	**A**	**H,S&E**	
Keith Spence	Jan 2018	Chair	C				2
Yasmin Allen	Oct 2014	NED	M	C	M		**4**
Guy Cowan	May 2016	NED	M		C		**3**
Peter Hearl	May 2016	NED	M	M		C	**4**
Dr Vanessa Guthrie AO	Jul 2017	NED		M		M	2
Janine McArdle	Oct 2019	NED			M	M	2
Dr Eileen Doyle	Dec 2021	NED				M	1
Musje Werror	Dec 2021	NED		M			1
Michael Utsler	May 2022	NED			M		1

C Committee Chair M Committee Member

1. Santos nomination committee charter 2019



Appendix

Snowcap Sum-of-the-parts Valuation
Low Case

	Key Assets	'22 EBITDAX	2P	NAV	xEBITDAX	x2P	Comments
PNG	• PNG LNG (42.5%)	$2,920m	574	$12.3bn	*4.2x*	*21.1x*	*PNG LNG valued at $28bn TEV (5.0% sale agreed to Kumul @$1.4bn valuation) +$400m for other PNG operating assets (Grant Samuel valuation as of Nov-21). Brent Futures have since materially improved.*
Australia	• GLNG (30%) • DLNG (43.3%) • WA, CB & NSW Operating Assets	$2,970m	631	$8.7bn	*3.0x*	*14.1x*	*Valued at 3.5x LTM EBITDAX (exc. NATL valued at 0.5x to reflect Bayu-Undan field winding down during 2023). Comp. Beach Energy (ASX:BPT) trades at 3.1x LTM EBITDAX. Premium applied for GLNG.*
Development Assets	• Barossa (50%) • Pikka (51%)	-	540	$2.6bn	*n/a*	*4.8x*	*10% discount to Book Value ($2,931m as of Dec-22)*
Exploration & Evaluation Assets	• Dorado (80%) • Narrabri (100%) • Papua LNG (18%)	-	-	$1.1bn	*n/a*	*n/a*	*50% discount to Book Value*
Corporate		($244m)	-	($0.9bn)	*4.1x*	*n/a*	*Blended multiple*
TEV		**$5,646m**	**1,745**	**$23.9bn**	***4.1x***	***13.7x***	
(-) Net Debt				($3.2bn)			
Equity Value				**$20.7bn**			
US$/Share				***$6.3***			
A$/Share				***A$9.5***			
% Upside				***+30%***			

1. *Net Debt as per S&P Capital IQ.*

Snowcap Sum-of-the-parts Valuation
High Case

	Key Assets	'22 EBITDAX	2P	NAV	xEBITDAX	x2P	Comments
PNG	• PNG LNG (42.5%)	$2,920m	574	$13.1bn	4.5x	22.9x	*Premium valuation to reflect long-term forecast supply-demand imbalance in APAC LNG market*
Australia exc. Midstream	• GLNG (30%) • WA, CB & NSW Operating Assets	$2,600m	631	$6.5bn	2.5x	10.1x	*Reduced multiple to reflect separation of midstream assets.*
Midstream & Clean Fuels	• DLNG (43.3%)	$370m	-	$3.7bn	10.0x	n/a	*Assumes higher multiple for contracted nature of midstream revenues. Assumes constant EBITDAX in midstream assets since FY21 results (not split out in FY22 results).*
Development Assets	• Barossa (50%) • Pikka (51%)	-	540	$2.9bn	n/a	5.4x	*Valued at Book Value ($2,931m as of Dec-22)*
Exploration & Evaluation Assets	• Dorado (80%) • Narrabri (100%) • Papua LNG (18%)	-	-	$2.3bn	n/a	n/a	*Valued at Book Value ($2,271m as of Dec-22)*
Corporate		($244m)	-	($1.2bn)	4.8x	n/a	*Blended multiple*
TEV		**$5,646m**	**1,745**	**$27.4bn**	***4.8x***	***15.7x***	
(-) Net Debt				($3.2bn)			
Equity Value				**$24.2bn**			
US$/Share				***$7.3***			
A$/Share				***A$11.1***			
% Upside				***+52%***			

1. *Net Debt as per S&P Capital IQ.*

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