

Second Quarter Activities Report

For period ending 30 June 2020

ASX: STO | ADR: SSLZY

Santos

23 July 2020

Record quarterly and half-year production

- Second quarter production of 20.6 mmboe was a record for Santos and 15% higher than the prior quarter
- The strong production result was driven by higher domestic gas production in Western Australia, continued strong onshore production and a higher equity interest in Bayu-Undan following completion of the ConocoPhillips acquisition
- Quarterly sales revenue of US\$785 million was 11% lower than the prior quarter primarily due to lower liquids prices partially offset by higher domestic gas and LNG sales revenues
- Half-year production was up 4% to a record 38.5 mmboe. Santos' disciplined operating model continues to drive strong onshore performance - first half Cooper Basin and Queensland equity gas production was up 18% and 5%, respectively. Initial results from horizontal wells in the Cooper Basin are promising
- Santos' diversified portfolio of fixed-price domestic gas revenues cushioned the impact of lower oil prices. Half-year sales revenue was US\$1.7 billion, 16% lower than the previous first half

Strong free cash flow and liquidity

- Strong operational and cost performance delivered US\$431 million of free cash flow in the first half
- Targeting 2020 free cash flow breakeven oil price of US\$25 per barrel
- Liquidity of over US\$3 billion at the end of the quarter, comprising US\$1.3 billion in cash and US\$1.9 billion in committed undrawn debt facilities
- Approximately 60% of production volumes for the remainder of 2020 are either fixed-price domestic gas contracts or oil hedged at an average floor price of US\$38 per barrel

Growth project optionality maintained

- The Santos-operated Barossa, Dorado and Moomba CCS major growth projects continue to progress toward investment-ready, subject to market conditions and relevant approvals
- The NSW Minister for Planning referred the Narrabri gas project to the Independent Planning Commission with a determination expected in the third quarter

Santos Managing Director and Chief Executive Officer Kevin Gallagher said the first half of 2020 had delivered record production volumes and strong free cash flow of US\$431 million, despite significantly lower oil prices.

"Our disciplined, low-cost operating model continues to drive strong performance across our diversified asset portfolio and completion of the ConocoPhillips acquisition in late-May further boosted our production and cash flows."

"The operating model allowed us to maintain activities key to sustaining strong operational performance across all of our core assets. As a result, we are realising lower costs from the initiatives announced in the first quarter and are targeting a free cash flow breakeven oil price of US\$25 per barrel for 2020."

"By maintaining our sustaining activities, production levels from our core assets are expected to remain relatively steady for the next five or six years, allowing us to continue to progress our major capital projects while maintaining capital discipline and flexibility in commitment timing."

"As COVID-19 and the lower oil price continue to challenge us, we have remained resilient and kept production going, meaning our revenues have continued to flow. Our balance sheet is strong and we remain well positioned to leverage our growth opportunities when business conditions improve," Mr Gallagher said.

Comparative performance

Santos share	Unit	Q2 2020	Q1 2020	Change	2020 YTD	2019 YTD	Change
Production	mmboe	20.6	17.9	15%	38.5	37.0	4%
Sales volume	mmboe	24.6	22.3	10%	46.9	45.2	4%
Ave. realised oil price	\$/bbl	30.78	63.80	-52%	47.83	72.11	-34%
Sales revenue	\$million	785	883	-11%	1,668	1,974	-16%
Capital expenditure ¹	\$million	186	186	0%	372	447	-17%

¹ Capital expenditure including restoration expenditure and acquisition of exploration assets but excluding capitalised interest.

Media enquiries

James Murphy
+61 (0) 478 333 974
james.murphy@santos.com

Investor enquiries

Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

Santos Limited ABN 80 007 550 923

GPO Box 2455, Adelaide SA 5001
T +61 8 8116 5000 F +61 8 8116 5131
www.santos.com

Sales volumes (Santos share)

Product	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
LNG	000 t	920.5	851.6	714.6	1,772.1	1,482.6
Domestic sales gas & ethane	PJ	64.8	55.5	64.3	120.3	129.8
Crude oil	000 bbls	2,769.8	2,958.5	2,666.2	5,728.3	5,563.9
Condensate	000 bbls	1,539.4	1,414.1	1,261.7	2,953.5	2,560.3
LPG	000 t	50.4	44.5	77.8	94.9	94.7
Sales						
Own product	mmboe	20.1	17.2	17.9	37.3	35.3
Third-party	mmboe	4.5	5.1	4.5	9.6	9.9
Total sales volume	mmboe	24.6	22.3	22.4	46.9	45.2

Second quarter sales volumes were higher than the prior quarter primarily due to increased equity in Bayu-Undan production following completion of the acquisition of ConocoPhillips' northern Australia assets on 28 May 2020 and higher domestic gas volumes in Western Australia.

Sales revenues (Santos share)

Product	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
LNG	\$million	400	397	341	797	777
Domestic sales gas & ethane	\$million	247	209	285	456	588
Crude oil	\$million	85	189	211	274	401
Condensate	\$million	35	67	83	102	161
LPG	\$million	18	21	39	39	47
Sales						
Own product	\$million	628	632	712	1,260	1,499
Third-party	\$million	157	251	247	408	475
Total sales revenue	\$million	785	883	959	1,668	1,974
Third-party purchase costs	\$million	119	190	196	309	403

Second quarter sales revenues were lower than the prior quarter primarily due to lower average LNG and liquids prices, partially offset by higher domestic gas and LNG sales volumes.

Average realised prices

Product	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
LNG price	US\$/mmBtu	8.27	8.88	9.09	8.57	9.97
Domestic gas price	US\$/GJ	3.82	3.77	4.40	3.79	4.52
Crude oil price	US\$/bbl	30.78	63.80	79.21	47.83	72.11
Condensate price	US\$/bbl	22.72	47.05	65.39	34.37	63.02
LPG price	US\$/t	358.31	465.79	505.92	408.74	499.12

Production by asset (Santos share)

Asset	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Western Australia	mmboe	7.2	6.2	7.7	13.4	14.9
Cooper Basin	mmboe	4.1	4.4	3.9	8.5	7.7
Queensland & NSW	mmboe	3.3	3.3	3.2	6.6	6.3
PNG	mmboe	3.2	3.3	3.2	6.5	6.4
Nthn Australia & Timor-Leste	mmboe	2.6	0.9	0.6	3.5	1.6
Total production	mmboe	20.6	17.9	18.6	38.5	37.0

Production by product (Santos share)

Product	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales gas to LNG plant	PJ	43.9	34.8	31.6	78.7	64.6
Domestic sales gas & ethane	PJ	59.5	52.5	56.6	112.0	111.5
Crude oil	000 bbls	1,189.6	1,561.1	2,071.2	2,750.7	4,118.5
Condensate	000 bbls	1,275.5	1,073.7	1,088.6	2,349.2	2,133.1
LPG	000 t	51.4	41.4	36.6	92.8	71.9
Total production	mmboe	20.6	17.9	18.6	38.5	37.0

Second quarter production was higher than the prior quarter primarily due increased equity in Bayu-Undan gas production following completion of the acquisition of ConocoPhillips' northern Australia and Timor-Leste assets, and higher domestic gas production in Western Australia, partially offset by lower oil volumes due to the Ningaloo Vision FPSO being off-station to commence a period of planned maintenance.

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

2020 Guidance

Production guidance is updated to 83-88 mmboe and sales volume guidance to 101-107 mmboe. Guidance includes the ConocoPhillips acquisition from the completion date of 28 May 2020, when Santos' interest in Bayu-Undan and Darwin LNG increased to 68.4% (previously 11.5%).

Upstream production cost guidance for the base business (excluding ConocoPhillips acquisition) is unchanged at \$6.70-7.10/boe, consistent with the cost reduction initiatives announced in March. Guidance including the ConocoPhillips acquisition is \$8.50-8.90/boe, which includes Santos' higher equity interest in Bayu-Undan from the completion date. Bayu-Undan has a higher unit upstream production cost (\$21.75/boe in 2019) compared to the balance of the Santos upstream portfolio.

All guidance is shown in the table below.

2020 Guidance item	Previous guidance	Updated guidance
Production (mmboe)	81-89 mmboe	83-88 mmboe
Sales volumes (mmboe)	101-109 mmboe	101-107 mmboe
Capital expenditure – base (\$m)	~\$750 million	No change
Capital expenditure – major growth (\$m)	~\$150 million	No change
Upstream production costs (base business) ¹	\$6.70-7.10/boe	No change
Upstream production costs (incl COP acquisition) ²	n/a	8.50-8.90/boe

¹ Base business excluding ConocoPhillips acquisition but including all planned shutdown activity and PNG LNG earthquake recovery costs.

² Santos portfolio total including ConocoPhillips acquisition (Bayu-Undan/Darwin LNG at 68.4% interest from 28 May 2020) and all planned shutdown activity and PNG LNG earthquake recovery costs.

2020 Half-year results

Santos will release its results for the half-year ended 30 June 2020 on Thursday 20 August 2020. The first-half report (incorporating Appendix 4D) and associated investor presentation will be available on Santos' website at www.santos.com. A webcast briefing including investor/analyst questions will also be available on Santos' website from 11:00am AEST on 20 August 2020.

Financial information included in this report is unaudited and subject to finalisation of the company's accounting and audit processes, and Board review. As such, actual results for the half-year ended 30 June 2020 may differ from the information given in this report.

Santos announced on 21 July that it expects to recognise a non-cash impairment charge in the range of US\$700-800 million before tax (US\$490-560 million after tax) in the 2020 half-year results. The impairment charge is due to revised oil price assumptions resulting from the effects of the COVID-19 pandemic on energy market demand fundamentals. There is no impact on any of Santos' reserves. The impairment charge is a non-cash item with no impact on EBITDAX or cash flow, will be excluded from underlying earnings and is subject to finalisation of the half-year accounts, auditor processes and Board approval.

Western Australia

Santos share	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales volume						
Sales gas	PJ	36.1	27.7	34.4	63.8	67.0
Condensate	000 bbls	295.1	324.3	290.9	619.4	466.3
Crude oil	000 bbls	311.6	830.8	897.2	1,142.4	1,852.6
Total sales volume	mmboe	6.8	5.9	7.1	12.7	13.8
Total sales revenue	\$million	125	149	219	274	417
Production						
Sales gas	PJ	37.1	28.7	35.5	65.8	68.8
Condensate	000 bbls	373.5	321.0	421.2	694.5	773.1
Crude oil	000 bbls	543.2	913.6	1,208.9	1,456.8	2,396.0
Total production	mmboe	7.2	6.2	7.7	13.4	14.9
Capital expenditure	\$million	23	29	79	52	122

Second quarter sales gas volumes increased 30% on the prior quarter due to operations resuming at a major gas customer facility in mid-March and commencement in mid-June of a new 12-year domestic gas contract for an initial supply of 120 TJ/day at favourable US\$-denominated pricing. Condensate production increased in line with higher gas volumes.

Second quarter oil volumes were lower than the first quarter due to the Ningaloo Vision FPSO (Van Gogh, Coniston and Novara fields) being off-station for the planned shipyard maintenance campaign. Due to COVID-19 restrictions in the shipyard, the FPSO is now expected back on station in the first quarter of 2021. First oil production from the phase two infill drilling project on the Van Gogh field is still expected in late-2021.

Work continues on the Dorado project targeting FEED-entry in the third quarter of 2020 and FID in 2021, subject to market conditions. A competitive phase of pre-FEED is being advanced with three FPSO contractors ahead of moving into FEED, including the assessment of both purchase and lease options. Tendering for the wellhead platform is also being progressed, together with preparation of the Offshore Project Proposal and Field Development Plan for the project.

Cooper Basin

Santos share	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales volume						
Sales gas and ethane ¹	PJ	17.9	18.5	16.0	36.4	32.6
Condensate ¹	000 bbls	395.1	607.7	582.0	1,002.8	1,156.8
LPG ¹	000 t	41.7	39.9	71.1	81.6	80.9
Crude oil						
Own product	000 bbls	1,123.1	714.4	972.5	1,837.5	1,523.6
Third-party	000 bbls	1,332.2	1,410.5	792.9	2,742.7	2,180.7
Total	000 bbls	2,455.3	2,124.9	1,765.4	4,580.2	3,704.3
Total sales volume	mmboe	6.3	6.2	5.7	12.5	11.1
Total sales revenue	\$million	185	255	289	440	534
Production						
Sales gas and ethane	PJ	16.9	17.9	15.0	34.8	29.6
Condensate	000 bbls	252.3	347.2	244.9	599.5	467.3
LPG	000 t	37.3	37.2	30.3	74.5	59.1
Crude oil	000 bbls	644.0	644.7	859.1	1,288.7	1,716.0
Total production	mmboe	4.1	4.4	3.9	8.5	7.7
Capital expenditure	\$million	73	70	71	143	130

¹ Sales volumes include own product and third-party volumes.

Cooper Basin first half production was up 10% compared to the previous half-year and represented an annualised rate of 17 mmboe. Production was lower than the prior quarter, primarily driven by a period of planned maintenance. Throughput at Santos' operated facilities at Moomba and Port Bonython remains strong, with the Port Bonython liquids processing facility recording the highest rate on record following debottlenecking activities.

Gas sales volumes were slightly lower than the prior quarter, reflecting the impact of COVID-19 on east coast customer demand.

In the first half of 2020, a total of 53 wells were successfully rig released, including 22 development wells, 24 appraisal wells and seven exploration wells. Three of the wells drilled in the first half were horizontal wells (Durham Downs North 8, Teringie 5 and Merupa 3) with lateral lengths up to 1,513 metres. Initial results from the horizontal wells are promising with initial production rate increases of 3-5 times compared to the relevant offset vertical wells.

Twenty wells were spudded in the second quarter, including 11 development wells, seven appraisal wells and two exploration wells.

Engineering studies are rapidly progressing for the 1.7 mtpa Moomba carbon capture and storage (CCS) project. The Cooper Basin is uniquely placed for CCS given Santos' long experience with gas injection combined with depleted reservoirs with proven rock seal. Santos is targeting to have the CCS project FID-ready by the end of 2020.

Santos has also commenced a concept study on a hydrogen future for the Cooper Basin. The concept study builds on the Moomba CCS project as CCS is the fastest and most efficient route to a hydrogen economy, using less water, decarbonising natural gas at its source and reducing scope 3 emissions.

Queensland & NSW

Santos share	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales volume						
GLNG Joint Venture						
LNG	000 t	425.5	481.0	377.5	906.5	788.5
Domestic contracts	PJ	2.7	2.4	4.7	5.1	9.3
Eastern Qld (non-GLNG) ¹	PJ	5.0	5.4	4.6	10.4	9.5
Total sales volume²	mmboe	5.3	5.9	5.1	11.2	10.6
Total sales revenue²	\$million	236	266	227	502	516
Production						
GLNG Joint Venture						
Sales gas to LNG	PJ	13.7	13.1	12.5	26.8	23.5
Domestic contracts	PJ	0.6	0.7	0.5	1.3	1.8
Eastern Qld (non-GLNG) ¹	PJ	4.8	5.0	5.4	9.8	10.9
NSW	PJ	0.2	0.2	0.2	0.4	0.4
Total production²	mmboe	3.3	3.3	3.2	6.6	6.3
Capital expenditure	\$million	51	42	76	93	133

¹ Combabula, Scotia (Santos legacy domestic volumes), Spring Gully and Denison.

² Total sales volume, sales revenue and production include sales gas from NSW assets.

GLNG operational data (gross)	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales gas to domestic market	PJ	17	14	22	31	40
LNG produced ¹	000 t	1,368	1,576	1,270	2,944	2,577
Sales gas to LNG plant						
GLNG equity gas	PJ	48	44	40	92	78
Santos portfolio gas	PJ	9	15	14	24	28
Third-party	PJ	25	36	22	60	50
Total sales gas to LNG plant	PJ	82	95	77	177	156
LNG cargoes shipped		24	27	21	51	44

¹ Includes LNG produced from GLNG equity gas, Santos portfolio gas and third-party quantities.

Gross GLNG-operated upstream sales gas production increased to 642 TJ/day at the end of the quarter, supported by continued steady growth from Roma and Arcadia and relatively steady production from the Fairview and Scotia assets.

Daily production from Fairview was steady at 383 TJ/day at the end of the quarter. Continued production growth from Roma resulted in gross daily production increasing to 165 TJ/day at the end of the quarter, driven by new development areas of the field and sustained high production in legacy areas. Drilling is now complete in the Roma East project with 387 of 424 wells online to date and the last well expected online in the third quarter.

Production from the Arcadia field grew to 30 TJ/day by the end of the quarter, with the field ramping faster than expected. Drilling is now complete in the Arcadia Valley project with all 148 wells online. Daily production from the Scotia field was steady at 69 TJ/day at the end of the quarter.

LNG production of 1.4 million tonnes was lower than the prior quarter as customers exercised contractual flexibility on cargoes due to lower demand resulting from COVID-19. GLNG managed upstream equity gas production through a combination of injection into Roma storage and exercising contractual flexibility on third-party gas supplies. A one-month planned statutory maintenance shutdown of LNG train 2 commenced in July. Santos now expects GLNG LNG sales in the range of 5.9-6.1 million tonnes in 2020 as a result of lower customer demand due to COVID-19.

Seventy-seven wells were spudded and 109 connected across the GLNG acreage in the second quarter for a total of 157 drilled and 197 connected in the first half of 2020. Santos' share of production from the non-operated Combabula and Spring Gully fields was 44 TJ/day, in line with the prior quarter.

The Narrabri Gas Project has been referred by the NSW Minister for Planning to the NSW Independent Planning Commission. The public hearing process is currently underway with a determination expected during the third quarter of 2020.

PNG

Santos share	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales volume						
PNG LNG						
LNG ¹	000 t	265.2	287.8	284.0	553.0	549.7
Condensate	000 bbls	364.0	360.9	297.2	724.9	686.6
Crude oil	000 bbls	2.9	2.8	3.6	5.7	6.9
Total sales volume	mmboe	2.9	3.1	3.0	6.0	5.9
Total sales revenue	\$million	118	149	150	267	325
Production						
PNG LNG						
Sales gas to LNG ¹	PJ	17.3	17.1	16.5	34.4	33.5
Condensate	000 bbls	319.9	323.8	330.1	643.7	672.6
Crude oil	000 bbls	2.5	2.7	3.1	5.2	6.5
Total production	mmboe	3.2	3.3	3.2	6.5	6.4
Capital expenditure	\$million	12	14	13	26	20

¹ Includes SE Gobe

PNG LNG operational data (gross)	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Production						
LNG	000 t	2,181	2,163	2,097	4,344	4,256
Sales gas to LNG plant	PJ	129	128	124	257	251
Condensate ¹	000 bbls	2,361	2,394	2,428	4,755	4,967
Sales gas (SE Gobe) ²	PJ	2	2	2	4	4
LNG cargoes shipped		29	28	27	57	56

¹ Measured at the Kutubu entry point.

² Purchased by PNG LNG.

Strong LNG production was maintained in-line with the prior quarter with the PNG LNG plant operating at an annualised rate of 8.8 mtpa during the second quarter. Scheduled maintenance was deferred until 2021 as a result of COVID-19 impacts.

Major growth capital expenditure on the proposed PNG LNG expansion project has been deferred as previously announced.

The Greater Juha 2D seismic survey was suspended due to COVID-19 with the contractor demobilised.

Northern Australia & Timor-Leste

Santos share	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Sales volume						
Darwin LNG						
LNG	000 t	229.7	82.9	53.1	312.6	144.4
Bayu-Undan						
Condensate	000 bbls	485.7	121.8	77.1	607.5	237.3
LPG	000 t	8.7	4.7	6.6	13.4	14.0
Total sales volume	mmboe	2.8	0.9	0.6	3.7	1.7
Total sales revenue	\$million	103	43	33	146	85
Production						
Darwin LNG						
Sales gas to LNG	PJ	12.9	4.6	2.7	17.5	7.7
Bayu-Undan						
Condensate	000 bbls	329.7	81.7	92.5	411.4	220.1
LPG	000 t	14.2	4.2	6.3	18.4	12.8
Total production	mmboe	2.6	0.9	0.6	3.5	1.6
Capital expenditure	\$million	15	22	12	37	17

Darwin LNG / Bayu-Undan operational data (gross)	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Production						
LNG	000 t	536	856	620	1,392	1,560
Sales gas to LNG plant	PJ	33	52	38	85	94
Condensate	000 bbls	838	980	1,652	1,818	3,181
LPG	000 t	38	47	81	85	158
LNG cargoes shipped		8	14	9	22	23

Santos completed the acquisition of ConocoPhillips' northern Australia and Timor-Leste assets on 28 May 2020 for a reduced purchase price of US\$1.265 billion and increased contingent payment of US\$200 million subject to FID on the Barossa project. At completion, the net settlement amount was US\$655 million, comprising the revised firm purchase price less cash in the acquired business from the effective date of 1 January 2019 to completion with customary adjustments. Santos' interest in Bayu-Undan and Darwin LNG increased to 68.4%, and in Barossa to 62.5%, and Santos assumed operatorship of the assets.

Second quarter sales and production volumes were higher than the prior quarter reflecting Santos' higher equity interest in Bayu-Undan from 28 May, partially offset by customers exercising contractual flexibility on LNG cargoes.

Santos has signed a binding agreement to sell a 25% interest in Darwin LNG and Bayu-Undan to SK E&S for US\$390 million and has also signed a letter of intent to sell a 12.5% interest in Barossa to JERA. Both transactions are subject to FID on Barossa.

Since assuming Barossa operatorship, Santos has progressed value engineering work targeting reduced project cost, including assessment of both purchase and lease options for the FPSO.

Evaluation of a further phase of infill drilling in Bayu-Undan is also being advanced to optimise field recovery and extend field life and Darwin LNG production ahead of backfill from the Barossa development.

Corporate, exploration and eliminations

Santos share	Unit	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Total sales volume	mmboe	0.5	0.3	0.9	0.8	2.1
Total sales revenue	\$million	17	22	42	39	97
Capital expenditure	\$million	13	8	20	21	24

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

Capital expenditure

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

\$million	Q2 2020	Q1 2020	Q2 2019	2020 YTD	2019 YTD
Capital expenditure					
Exploration ¹	21	10	12	31	32
Evaluation	18	25	86	43	100
Development and other capex (inc restoration)	147	151	172	298	315
Capital expenditure excl capitalised interest	186	186	270	372	447
Capitalised interest	7	3	3	10	5
Total capital expenditure¹	193	189	273	382	452
Exploration and evaluation expensed					
Exploration	13	7	17	20	24
Evaluation	2	3	-	5	3
Total current year expenditure	15	10	17	25	27
Write-off of amounts capitalised in prior years	-	-	-	-	-
Total expensed	15	10	17	25	27

¹ Includes acquisition of exploration assets

Capital expenditure in the second quarter comprised \$168 million in the base business and \$18 million for major growth projects.

Oil price hedging

9.7 million barrels of oil are hedged for the remainder of 2020 at a weighted-average floor price of US\$38 per barrel and an average ceiling price of US\$49 per barrel, using a combination of zero-cost collars and three-way option structures. For 3.1 million barrels, there is also the ability to re-participate at an oil price greater than US\$77 per barrel due to their three-way option structure.

Oil hedge net proceeds received during the first half were US\$39 million before tax, which will be excluded from underlying earnings.

Two million barrels of oil are hedged for 2021 using zero cost collars, with a floor price of US\$40 per barrel and a ceiling price of US\$50 per barrel.

Seismic activity

There was no seismic acquisition activity during the second quarter.

Drilling summary

The tables below detail drilling and completion activity during the quarter.

Near-field exploration (NFE) / Appraisal wells

Cooper Basin oil			
Well name	Area	Santos	Well status
Cooroo 7	QLD	55.5%	C&S, successful
Cooroo North West 5	QLD	55.5%	C&S, successful
Cooroo North West 6	QLD	55.5%	P&A

Cooper Basin gas			
Well name	Area	Santos	Well status
Moon 4	QLD	60.06%	C&S, successful
Favela 1	SA	66.6%	C&S, successful
Gidgealpa South1	SA	66.6%	P&A
Hector South East 1	SA	66.6%	Drilling
Moomba 253*	SA	100%	C&C, successful
Napowie 9	SA	66.6%	Drilling
Pondrinie 18	SA	66.6%	C&S, successful

*Spud in Q1, completed in Q2

Development wells

Cooper Basin gas			
Well name	Area	Santos	Well status
Moon 5	QLD	60.06%	C&S, successful
Brolga 6	SA	66.6%	C&S, successful
Brolga 7	SA	66.6%	C&S, successful
Merupa 3	SA	66.6%	C&S, successful
Moomba 242	SA	100%	C&S, successful
Moomba 243	SA	100%	C&S, successful
Moomba 244	SA	100%	C&S, successful
Moomba 255*	SA	100%	C&S, successful
Moomba 256	SA	100%	C&S, successful
Pondrinie 19*	SA	66.6%	C&S, successful
Pondrinie 20	SA	66.6%	C&S, successful
Toolachee 55	SA	66.6%	C&S, successful
Toolachee 56	SA	66.6%	C&S, successful

*Spud in Q1, completed in Q2

Cooper Basin oil			
Well name	Area	Santos	Well status
Cooroo North West 3*	QLD	55.5%	C&S, successful

*Spud in Q1, completed in Q2

Queensland - GLNG gas			
Well name	Area	Santos	Well status
FV08-08-1*	Fairview	23.85%	C&S, successful
FV08-13-2	Fairview	23.85%	Drilling
FV08-19-1	Fairview	23.85%	C&S, successful
FV13-30-1	Fairview	23.85%	C&S, successful
FV13-31-1	Fairview	23.85%	C&S, successful
FV13-59-1	Fairview	23.85%	C&S, successful
FV13-64-1	Fairview	23.85%	C&S, successful
FV15-30-1	Fairview	23.85%	C&C, successful
FV15-31-1	Fairview	23.85%	C&C, successful
FV18-32-1	Fairview	23.85%	C&S, successful
FV18-33-1	Fairview	23.85%	C&S, successful
FV18-34-1	Fairview	23.85%	C&C, successful
FV18-35-1	Fairview	23.85%	C&C, successful
FV18-36-1	Fairview	23.85%	C&S, successful
FV18-54-1	Fairview	23.85%	C&S, successful
FV18-63-1	Fairview	23.85%	C&S, successful
FV18-68-2*	Fairview	23.85%	C&C, successful
FV18-73-1	Fairview	23.85%	C&S, successful
FV18-74-1	Fairview	23.85%	C&S, successful
FV18-75-1	Fairview	23.85%	C&S, successful
FV18-76-1	Fairview	23.85%	C&S, successful
RM02-66-1	Roma	30%	C&S, successful
RM07-108-1	Roma	30%	C&S, successful
RM08-91-1	Roma	30%	C&S, successful
RM08-102-1	Roma	30%	C&S, successful
RM09-76-1	Roma	30%	C&S, successful
RM28-17-1	Roma	30%	C&S, successful
RM28-18-1	Roma	30%	C&S, successful
RM28-19-1	Roma	30%	C&S, successful
RM40-04-1	Roma	30%	C&S, successful
RM40-05-1	Roma	30%	C&S, successful
RM40-06-1	Roma	30%	C&S, successful
RM40-07-1	Roma	30%	C&S, successful
RM40-08-1	Roma	30%	C&C, successful
RM40-09-1	Roma	30%	C&C, successful
RM40-10-1	Roma	30%	C&C, successful
RM40-14-1A	Roma	30%	C&S, successful
RM40-16-1	Roma	30%	C&S, successful
RM40-17-1	Roma	30%	C&S, successful
RM40-18-1	Roma	30%	C&S, successful
RM40-19-1	Roma	30%	C&S, successful
RM40-27-1	Roma	30%	C&S, successful

Queensland - GLNG gas			
Well name	Area	Santos	Well status
RM40-28-1	Roma	30%	C&S, successful
RM40-29-1	Roma	30%	C&S, successful
RM50-127-1*	Roma	30%	C&C, successful
RM50-128-1	Roma	30%	C&C, successful
RM50-138-1	Roma	30%	C&C, successful
RM50-139-1	Roma	30%	C&C, successful
RM50-140-1	Roma	30%	C&C, successful
RM50-141-1	Roma	30%	C&C, successful
RM50-148-1	Roma	30%	C&C, successful
RM50-149-1	Roma	30%	C&C, successful
RM50-150-1	Roma	30%	C&C, successful
RM50-151-1	Roma	30%	C&C, successful
RM50-152-1	Roma	30%	C&C, successful
RM50-153-1	Roma	30%	C&C, successful
RM50-154-1	Roma	30%	C&C, successful
RM68-83-1	Roma	30%	C&S, successful
RM68-84-1	Roma	30%	C&S, successful
RM68-95-1	Roma	30%	C&S, successful
RM68-96-1	Roma	30%	C&S, successful
RM68-102-1	Roma	30%	C&S, successful
RM68-103-1	Roma	30%	C&S, successful
RM68-104-1	Roma	30%	C&S, successful
RM68-105-1	Roma	30%	C&S, successful
RM68-106-1	Roma	30%	Drilling
RM90-08-1	Roma	30%	C&S, successful
RM90-09-1	Roma	30%	C&S, successful
RM90-19-1	Roma	30%	C&S, successful
RM90-20-1	Roma	30%	C&S, successful
RM90-21-1	Roma	30%	C&S, successful
RM90-31-1	Roma	30%	C&S, successful
RM90-32-1	Roma	30%	C&S, successful
RM90-41-1	Roma	30%	C&S, successful
RM90-42-1	Roma	30%	C&S, successful
RM90-43-1	Roma	30%	C&S, successful
RM90-53-1	Roma	30%	C&S, successful
Wyena 6	Roma	30%	C&S, successful
Wyena 7	Roma	30%	C&S, successful
Wyena 8	Roma	30%	C&S, successful

*Spud in Q1, completed in Q2

Queensland - Eastern Queensland gas (EQ)			
Well name	Area	Santos	Well status
Reedy Creek 68 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 70 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 97 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 98 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 99 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 100 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 128 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 129 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 131 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 158 [#]	Combabula	7.28%	C&S, successful
Reedy Creek South 17 [#]	Combabula	7.28%	C&S, successful
Reedy Creek South 34 [#]	Combabula	7.28%	C&S, successful
Reedy Creek South 36 [#]	Combabula	7.28%	C&S, successful
Durham Ranch 326 ^{**}	Spring Gully	4%	C&S, successful

[#] Not operated by Santos

* Spud in Q1, completed in Q2

Abbreviations and conversion factors

Abbreviations		Conversion factors	
C&C	cased and completed	Sales gas and ethane, 1 PJ	171.937 boe x 10 ³
C&S	cased and suspended	Crude oil, 1 barrel	1 boe
gas	natural gas	Condensate, 1 barrel	0.935 boe
DES	delivered ex-ship	LPG, 1 tonne	8.458 boe
FEED	front-end engineering and design	LNG, 1 PJ	18,040 tonnes
FID	final investment decision	LNG, 1 tonne	52.54 mmBtu
FPSO	floating production, storage and offloading		
GJ	gigajoules		
kbbbls	thousand barrels		
kt	thousand tonnes		
LNG	liquefied natural gas		
LPG	liquefied petroleum gas		
m	million		
mmbbl	million barrels		
mmboe	million barrels of oil equivalent		
mmBtu	million British thermal units		
mmscf	million standard cubic feet		
mt	million tonnes		
mtpa	million tonnes per annum		
NFE	near-field exploration		
P&A	plugged and abandoned		
pa	per annum		
PJ	petajoules		
PSC	production sharing contract		
t	tonnes		
TJ	terajoules		

Disclaimer

This report 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. Totals in the tables may not add due to rounding.

Free cash flow (operating cash flows less investing cash flows net of acquisitions and disposals and major growth capital expenditure, less lease liability payments) is a non-IFRS measure that is presented to provide an understanding of the performance of Santos' operations.

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