

First Quarter Activities Report

For period ending 31 March 2020

ASX: STO | ADR: SSLZY

Santos

23 April 2020

Strong free cash flow and liquidity

- Strong operational performance delivered US\$265 million of free cash flow in the first quarter
- 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\$1.15 billion in cash after payment of the 2019 final dividend in March and US\$1.9 billion in committed undrawn debt facilities
- Net debt was US\$3.1 billion, including ~US\$400 million in AASB16 lease liabilities, and gearing was 29%

Disciplined operating model driving stronger onshore performance

- Cooper Basin gas production was the highest in nine years driven by strong flow rates from new wells. The Cooper Basin produced at an annualised rate of 17.6 mmboe in the quarter, achieving the 2025 production growth target range ahead of expectations
- GLNG produced at an annualised rate of 6.4 mtpa in the quarter
- 112 new wells drilled across Santos' operated onshore assets despite significant wet weather impacts

Balanced and diversified portfolio with 70% of volumes fixed-price

- First quarter production of 17.9 mmboe was 4% lower than the prior quarter, primarily due to an unplanned domestic gas customer outage in Western Australia and the impact of Cyclone Claudia, partially offset by stronger Cooper Basin and Queensland-operated onshore production
- Approximately 70% of forecast production volumes for the remainder of 2020 are fixed-price, comprising:
 - Fixed-price domestic gas sales contracts, and
 - 14 million barrels of oil hedged at an average floor price of US\$39/bbl with upside participation

COVID-19 response and lower oil price environment

- On 23 March, Santos announced financial measures in response to the lower oil price environment, including a US\$550 million (38%) reduction in 2020 capital expenditure, a US\$50 million reduction in cash production costs and a target free cash flow breakeven oil price of US\$25 per barrel
- Growth projects deferred until business conditions improve
- Announced an agreement to sell a 25% interest in Darwin LNG and Bayu-Undan to SK E&S for US\$390 million and a letter of intent to sell a 12.5% interest in Barossa to JERA. Currently in discussions for the sale of further equity in Barossa in line with previously stated target ownership level of around 40%
- The company's debt covenants have sufficient headroom and are not under threat at current oil prices for a number of years
- S&P Global Ratings reaffirmed Santos' investment grade credit rating with stable outlook

Santos Managing Director and Chief Executive Officer Kevin Gallagher said Santos has implemented a series of measures to protect the health and safety of its people and to ensure it continues to provide secure energy supply for customers, which is vital in the current global and national crisis.

"In response to COVID-19, the financial initiatives we announced on 23 March demonstrated we are taking decisive action to ensure Santos is well-positioned in a lower oil price environment. Production levels from our current assets are relatively steady for the next four or five years without any new growth projects and all our major capital projects are yet to take final investment decisions, providing flexibility in commitment timing."

"Our disciplined, low-cost operating model continues to drive strong performance. Free cash flow generation from our portfolio of low-cost assets was US\$265 million in the first quarter. Our oil assets performed well with strong realised prices in the quarter, while our onshore assets performed particularly strongly including the highest quarterly Cooper Basin gas production in nine years and GLNG operating above guidance at 6.4 mtpa."

"For the remainder of 2020, around 70% of our forecast production volumes are either fixed-price domestic gas contracts or oil hedged at an average floor price of US\$39 per barrel."

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“The current environment is a time for discipline. We have a strong liquidity position with over US\$3 billion available and we have sufficient headroom in our debt covenants for a number of years at current oil prices.”

“The COVID-19 crisis continues to put demand pressure on industries across the globe and we are not immune. I remain confident our disciplined, low-cost operating model is built to see Santos through these challenging periods and today’s results are a strong base for us to build on as we fight current low oil prices and COVID-19. Santos is well positioned to leverage the opportunities when prices and demand recover, which they will,” Mr Gallagher said.

Comparative performance

Santos share	Unit	Q1 2020	Q4 2019	Change	2020 YTD	2019 YTD	Change
Production	mmboe	17.9	18.7	-4%	17.9	18.4	-3%
Sales volume	mmboe	22.3	24.1	-7%	22.3	22.8	-2%
Ave. realised oil price	\$/bbl	63.80	73.49	-13%	63.80	65.57	-3%
Sales revenue	\$million	883	1,029	-14%	883	1,016	-13%
Capital expenditure ¹	\$million	186	301	-38%	186	176	6%

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

Sales volumes (Santos share)

Product	Unit	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
LNG	000 t	851.6	736.5	768.0	851.6	768.0
Domestic sales gas & ethane	PJ	55.5	65.1	65.5	55.5	65.5
Crude oil	000 bbls	2,958.5	3,755.4	2,897.6	2,958.5	2,897.6
Condensate	000 bbls	1,414.1	1,801.2	1,298.8	1,414.1	1,298.8
LPG	000 t	44.5	49.4	17.0	44.5	17.0
Sales						
Own product	mmboe	17.2	18.6	17.4	17.2	17.4
Third-party	mmboe	5.1	5.5	5.4	5.1	5.4
Total sales volume	mmboe	22.3	24.1	22.8	22.3	22.8

First quarter sales volumes were lower than the prior quarter primarily due to an unplanned major gas customer outage in Western Australia and downtime at the Ningaloo Vision and Pyrenees FPSOs as a result of Cyclone Claudia.

Sales revenues (Santos share)

Product	Unit	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
LNG	\$million	397	351	435	397	435
Domestic sales gas & ethane	\$million	209	270	304	209	304
Crude oil	\$million	189	276	190	189	190
Condensate	\$million	67	109	79	67	79
LPG	\$million	21	23	8	21	8
Sales						
Own product	\$million	632	735	788	632	788
Third-party	\$million	251	294	228	251	228
Total sales revenue	\$million	883	1,029	1,016	883	1,016
Third-party purchase costs	\$million	190	264	206	190	206

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

Average realised prices

Product	Unit	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
LNG price	US\$/mmBtu	8.88	9.07	10.79	8.88	10.79
Domestic gas price	US\$/GJ	3.77	4.14	4.64	3.77	4.64
Crude oil price	US\$/bbl	63.80	73.49	65.57	63.80	65.57
Condensate price	US\$/bbl	47.05	60.72	60.73	47.05	60.73
LPG price	US\$/t	465.79	457.80	468.12	465.79	468.12

The average realised LNG price was lower than the prior quarter reflecting the linkage of sales contracts to a lagged Japan Customs-cleared Crude (JCC) price.

The average realised domestic gas price in USD-terms was lower than the prior quarter due to the sales mix and FX movements on AUD-denominated domestic gas contracts.

The average realised oil and condensate prices in the quarter were lower reflecting lower market prices.

Production by asset (Santos share)

Asset	Unit	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Western Australia	mmboe	6.2	7.4	7.2	6.2	7.2
Cooper Basin	mmboe	4.4	4.1	3.8	4.4	3.8
Queensland & NSW	mmboe	3.3	3.4	3.1	3.3	3.1
PNG	mmboe	3.3	3.3	3.2	3.3	3.2
Nthn Australia & Timor-Leste	mmboe	0.9	0.7	1.0	0.9	1.0
Total production	mmboe	17.9	18.7	18.4	17.9	18.4

Production by product (Santos share)

Product	Unit	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales gas to LNG plant	PJ	34.8	32.7	33.0	34.8	33.0
Domestic sales gas & ethane	PJ	52.5	58.2	54.9	52.5	54.9
Crude oil	000 bbls	1,561.1	1,760.6	2,047.3	1,561.1	2,047.3
Condensate	000 bbls	1,073.7	1,061.0	1,044.5	1,073.7	1,044.5
LPG	000 t	41.4	40.1	35.3	41.4	35.3
Total production	mmboe	17.9	18.7	18.4	17.9	18.4

First quarter production was lower than the prior quarter primarily due to an unplanned major gas customer outage in Western Australia and shutdowns at the Ningaloo Vision and Pyrenees FPSOs as a result of Cyclone Claudia, partially offset by a strong Cooper Basin operating performance including the highest quarterly Cooper gas production in nine years.

2020 Guidance

Production guidance from the base business (excluding ConocoPhillips acquisition) is maintained at 73-80 mmboe.

Based on current business conditions and the projected impact of COVID-19, sales volumes from the base business are expected to be at the lower end of the guidance range due to updated forecasts of customer demand, including the major WA domestic gas customer unplanned plant outage in the first quarter extending longer than expected and lower LNG sales volumes due to customers exercising contractual downward quantity tolerances. Santos continues to work with its customers to manage the impact of COVID-19 and update sales forecasts as the response to the pandemic evolves.

On 23 March 2020, Santos announced a \$550 million (38%) reduction in 2020 capital expenditure. This resulted in base business capex guidance of approximately \$750 million and major growth capex guidance of approximately \$150 million for 2020. Santos also announced a \$50 million reduction in 2020 cash production costs. Unit production cost guidance in the base business is reduced to \$6.70-7.10 per boe.

Guidance on production and sales volumes from the ConocoPhillips acquisition is updated to reflect an assumed completion at the end of the first half of 2020, at which time Santos' interest in Bayu-Undan and Darwin LNG would increase to 68.4% (currently 11.5%). Previous guidance assumed completion at the end of the first quarter and 25% sell-down of interests in Bayu-Undan and Darwin LNG to SK E&S also occurred at the end of the first quarter (sell-down is subject to Barossa FID which has been deferred until business conditions improve).

All guidance is shown in the table below.

2020 Guidance item	Base business		COP acquisition ¹		Total	
	Previous	Updated	Previous ²	Updated ³	Previous	Updated
Production (mmboe)	73-80	No change	6-7	8-9	79-87	81-89
Sales volumes (mmboe)	93-100	Lower end ⁴	6-7	8-9	99-107	101-109 ⁴
Capex – Base (\$m)					~\$750m	No change
Capex – Major growth (\$m) ⁵					~\$150m	No change
Unit production costs (\$/boe) ⁶	\$7.00-7.40	\$6.70-7.10			To be provided post-completion	

¹ Completion of the acquisition is expected in the first half of 2020 and is subject to third-party consents and regulatory approvals.

² Previous guidance assumed completion of the acquisition and sell-down of 25% interests in Bayu-Undan and Darwin LNG to SK E&S both occurred on 31 March 2020. Santos' interest in Bayu-Undan and Darwin LNG would have been 43.4% from 1 April 2020.

³ Updated guidance assumes completion of the acquisition occurs on 30 June 2020 and Santos' interest in Bayu-Undan and Darwin LNG is then 68.4%.

⁴ Lower end of the range expected based on current market conditions and the projected impact of COVID-19.

⁵ Major growth comprises the Barossa, Dorado and PNG LNG train 3 projects. Assumes Santos' interest in Barossa increases to 62.5% from 1 July 2020.

⁶ Production cost guidance includes all planned shutdown activity and PNG LNG earthquake recovery costs.

Western Australia

Santos share	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales volume						
Sales gas	PJ	27.7	34.1	32.6	27.7	32.6
Condensate	000 bbls	324.3	649.9	175.4	324.3	175.4
Crude oil	000 bbls	830.8	1,292.5	955.5	830.8	955.5
Total sales volume	mmboe	5.9	7.8	6.7	5.9	6.7
Total sales revenue	\$million	149	243	199	149	199
Production						
Sales gas	PJ	28.7	34.9	33.3	28.7	33.3
Condensate	000 bbls	321.0	334.6	351.9	321.0	351.9
Crude oil	000 bbls	913.6	1,070.5	1,187.0	913.6	1,187.0
Total production	mmboe	6.2	7.4	7.2	6.2	7.2
Capital expenditure	\$million	29	64	43	29	43

Sales gas sales volumes and production continued to be impacted by an unplanned customer outage extending from the prior quarter. Operations at the customer's facility resumed in mid-March.

Condensate sales volumes were lower than the prior quarter due to the timing of liftings and production was lower in-line with the lower gas production volumes due to the unplanned gas customer outage.

Crude oil sales and production volumes were lower due to both the Pyrenees and Ningaloo Vision FPSOs being taken offline in the quarter due to Cyclone Claudia.

The Ningaloo Vision FPSO (Van Gogh and associated oil fields) was shut-in at quarter-end in preparation for the planned shipyard maintenance commencing in April 2020. Planning is progressing for the Van Gogh infill phase 2 project with three dual lateral wells targeting undrained parts of the field. First oil is targeted for late 2021.

The Dorado project is now expected to move into FEED in the third quarter of 2020 following the completion of a competitive pre-FEED phase with FPSO contractors over the coming months. Opportunities to both lease and purchase the FPSO are being evaluated ahead of moving into FEED. Good progress is also being made on other fronts for the project, including receipt of expressions of interest for the wellhead platform, and preparation of the Field Development Plan and Offshore Project Proposal. A final investment decision on the project is still targeted for 2021, subject to business conditions.

Cooper Basin

Santos share	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales volume						
Sales gas and ethane ¹	PJ	18.5	16.6	16.6	18.5	16.6
Condensate ¹	000 bbls	607.7	598.4	574.7	607.7	574.7
LPG ¹	000 t	39.9	42.7	9.8	39.9	9.8
Crude oil						
Own product	000 bbls	714.4	694.9	551.0	714.4	551.0
Third-party	000 bbls	1,410.5	1,765.7	1,387.8	1,410.5	1,387.8
Total	000 bbls	2,124.9	2,460.6	1,938.8	2,124.9	1,938.8
Total sales volume	mmboe	6.2	6.3	5.4	6.2	5.4
Total sales revenue	\$million	255	317	247	255	247
Production						
Sales gas and ethane	PJ	17.9	16.2	14.6	17.9	14.6
Condensate	000 bbls	347.2	308.7	222.4	347.2	222.4
LPG	000 t	37.2	35.0	28.7	37.2	28.7
Crude oil	000 bbls	644.7	687.5	856.9	644.7	856.9
Total production	mmboe	4.4	4.1	3.8	4.4	3.8
Capital expenditure	\$million	70	100	59	70	59

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

Cooper Basin gas production was 23% above the corresponding quarter and the highest quarterly gas production since 2011. Production was driven by strong flow rates from new gas wells combined with lower equipment downtime. Total Cooper Basin production was at an annualised rate of 17.6 mmboe Santos-share in the first quarter, achieving the 2025 production growth target range ahead of expectations.

Gas sales volumes were higher than the prior quarter as a result of higher production and customer demand. Condensate sales volumes also increased due to the shipping schedule.

Crude oil production was lower than the prior quarter due to expected natural field decline and impacts from significant wet weather events during the quarter.

32 wells were spudded during the first quarter: 16 development wells, 12 appraisal wells and 4 near-field exploration wells. Five wells out of the eight-well development program for the Moomba South project Phase 2 have been drilled with results as expected.

FEED commenced and is progressing well 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 aims to have the CCS project FID-ready by the end of 2020.

Queensland & NSW

Santos share	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales volume						
GLNG Joint Venture						
LNG	000 t	481.0	394.0	410.9	481.0	410.9
Domestic contracts	PJ	2.4	4.9	4.6	2.4	4.6
Eastern Qld (non-GLNG) ¹	PJ	5.4	8.5	4.9	5.4	4.9
Total sales volume²	mmboe	5.9	6.0	5.5	5.9	5.5
Total sales revenue²	\$million	266	239	289	266	289
Production						
GLNG Joint Venture						
Sales gas to LNG	PJ	13.1	12.6	11.0	13.1	11.0
Domestic contracts	PJ	0.7	1.1	1.3	0.7	1.3
Eastern Qld (non-GLNG) ¹	PJ	5.0	5.9	5.5	5.0	5.5
NSW	PJ	0.2	0.1	0.2	0.2	0.2
Total production²	mmboe	3.3	3.4	3.1	3.3	3.1
Capital expenditure	\$million	42	63	58	42	58

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)	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales gas to domestic market	PJ	14	20	19	14	19
LNG produced ¹	000 t	1,576	1,391	1,307	1,576	1,307
Sales gas to LNG plant						
GLNG equity gas	PJ	44.2	41.9	37.5	44.2	37.5
Santos portfolio gas	PJ	15.0	14.5	14.1	15.0	14.1
Third-party	PJ	35.7	26.3	27.7	35.7	27.7
Total sales gas to LNG plant	PJ	95.0	82.7	79.3	95.0	79.3
LNG cargoes shipped		27	22	23	27	23

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

LNG production in the first quarter was above the ~6.2 mtpa guidance run-rate, supported by higher upstream equity gas production and third-party volumes. Gross GLNG-operated upstream sales gas production increased to 632 TJ/d 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.

Gross daily production from Fairview was 385 TJ/day at the end of the quarter. Production continues to be supported by a focused program of development, well optimisation projects and well trip reduction in the field.

Continued steady production growth from Roma resulted in gross daily production increasing to 155 TJ/day at the end of the quarter. Production continues to build, supported by growth in both legacy and new development areas of the field. Drilling continues in the Roma East project with 368 wells drilled and 340 of 424 wells online to date.

Gross daily production from the Scotia field was steady at 72 TJ/d at the end of the quarter. Production from the Arcadia field grew to 19 TJ/d by the end of the quarter, supported by a growing contribution from the new Arcadia Valley wells. Drilling continues in the Arcadia Valley project with 139 wells drilled and 117 wells online to date.

80 wells were drilled and 88 connected across the GLNG acreage in the first quarter. Wet weather in February impacted the drilling and connection program but activity is expected to return to plan levels by mid-year.

Santos' share of production from the non-operated Combabula and Spring Gully fields was 46 TJ/day.

PNG

Santos share	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales volume						
PNG LNG						
LNG ¹	000 t	287.8	286.2	265.8	287.8	265.8
Condensate	000 bbls	360.9	459.7	389.4	360.9	389.4
Crude oil	000 bbls	2.8	2.5	3.3	2.8	3.3
Total sales volume	mmboe	3.1	3.2	2.9	3.1	2.9
Total sales revenue	\$million	149	168	175	149	175
Production						
PNG LNG						
Sales gas to LNG ¹	PJ	17.1	17.0	17.0	17.1	17.0
Condensate	000 bbls	323.8	331.0	342.5	323.8	342.5
Crude oil	000 bbls	2.7	2.4	3.3	2.7	3.3
Total production	mmboe	3.3	3.3	3.2	3.3	3.2
Capital expenditure	\$million	14	23	7	14	7

¹ Includes SE Gobe

PNG LNG operational data (gross)	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Production						
LNG	mt	2.2	2.2	2.2	2.2	2.2
Sales gas to LNG plant	PJ	128	127	127	128	127
Condensate ¹	000 bbls	2,394	2,444	2,539	2,394	2,539
Sales gas (SE Gobe) ²	PJ	2	2	2	2	2
LNG cargoes shipped		28	28	29	28	29

¹ Measured at the Kutubu entry point.

² Purchased by PNG LNG.

Strong first quarter production was in-line with the prior quarter with the PNG LNG plant operating at an annualised rate of 8.7 mtpa during the first quarter.

Given the uncertain economic impact of COVID-19 combined with the current lower oil price environment, major growth capital expenditure on the proposed PNG LNG expansion project has been deferred as Santos announced on 23 March.

Long-term pressure build-up monitoring continues at the Muruk-2 appraisal well. As previously reported, results from the drill stem test confirmed the presence of gas in the Toro A reservoir with pressure data and gas composition informing volumetric estimates and establishing a likely connection to the Muruk-1 discovery.

The Greater Juha 2D seismic survey will be suspended due to COVID-19. The plan is to complete the current line and then demobilise all people and equipment by the end of April.

Northern Australia & Timor-Leste

Santos share	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Sales volume						
Darwin LNG						
LNG	000 t	82.9	56.3	91.3	82.9	91.3
Bayu Undan						
Condensate	000 bbls	121.8	93.6	160.2	121.8	160.2
LPG	000 t	4.7	6.9	7.4	4.7	7.4
Total sales volume	mmboe	0.9	0.7	1.1	0.9	1.1
Total sales revenue	\$million	43	38	52	43	52
Production						
Darwin LNG						
Sales gas to LNG	PJ	4.6	3.1	5.1	4.6	5.1
Bayu Undan						
Condensate	000 bbls	81.7	86.7	127.6	81.7	127.6
LPG	000 t	4.2	5.2	6.6	4.2	6.6
Total production	mmboe	0.9	0.7	1.0	0.9	1.0
Capital expenditure	\$million	22	21	6	22	6

Darwin LNG / Bayu-Undan operational data (gross)	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Production						
LNG	000 t	856	652	940	856	940
Sales gas to LNG plant	PJ	52	40	57	52	57
Condensate	000 bbls	980	1,236	1,529	980	1,529
LPG	000 t	47	63	77	47	77
LNG cargoes shipped		14	11	14	14	14

First quarter sales and production volumes were higher than the prior quarter due to the LNG cargo lifting schedule.

Santos' acquisition of ConocoPhillips' northern Australia and Timor-Leste business is expected to complete in the first half of 2020, subject to third-party consents and regulatory approvals, and deliver operatorship and control of a high quality portfolio of low-cost, long-life assets and strategic infrastructure. Santos' interest in Bayu-Undan and Darwin LNG will increase to 68.4% at completion and provide a significant boost to production and cash flows. Santos will also benefit from cash flows generated from the acquired business from the effective date of 1 January 2019 to completion with customary adjustments. The remaining net funding requirement for the acquisition before any sell-down of interests in the acquired assets is expected to be approximately \$800 million and is fully-funded from Santos' current cash and \$750 million in committed two-year acquisition debt.

As announced on 23 March, given the uncertain economic impact of COVID-19 combined with the current lower oil price environment, FID on Barossa has been deferred until business conditions improve. Barossa remains an important project for Santos due to its brownfield nature and low cost of supply.

Santos also announced an agreement to sell a 25% interest in Darwin LNG and Bayu-Undan to SK E&S for US\$390 million and the signing of a letter of intent to sell a 12.5% interest in Barossa to JERA. Following completion of the ConocoPhillips acquisition and the sell-downs to SK E&S and JERA, Santos will hold a 43.4% interest in Darwin LNG and a 50% interest in Barossa. Discussions continue with other parties for equity in Barossa.

Production testing at the Tanumbirini-1 vertical well in the McArthur Basin (Beetaloo Sub-basin) was completed in the first quarter following a four-stage stimulation program. The results at Tanumbirini-1 provide critical data to inform the next phase of appraisal, which is expected to include the drilling and multi-stage stimulation of two horizontal wells now commencing in 2021.

Corporate, exploration and eliminations

Santos share	Units	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Total sales volume	mmboe	0.3	0.3	1.2	0.3	1.2
Total sales revenue	\$million	22	25	55	22	55
Capital expenditure	\$million	8	28	4	8	4

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	Q1 2020	Q4 2019	Q1 2019	2020 YTD	2019 YTD
Capital expenditure					
Exploration ¹	10	15	19	10	19
Evaluation	25	60	15	25	15
Development and other capex (inc restoration)	151	226	142	151	142
Capital expenditure excl capitalised interest	186	301	176	186	176
Capitalised interest	3	9	3	3	3
Total capital expenditure¹	189	310	179	189	179
Exploration and evaluation expensed					
Exploration	7	13	7	7	7
Evaluation	3	6	3	3	3
Total current year expenditure	10	19	10	10	10
Write-off of amounts capitalised in prior years	-	-	-	-	-
Total expensed	10	19	10	10.0	10

¹ Includes acquisition of exploration assets

First quarter capital expenditure comprised \$161 million in the base business and \$25 million for major growth projects.

Oil price hedging

14.2 million barrels of oil are hedged for the remainder of 2020 at a weighted-average floor price of US\$39 per barrel with an average ceiling price of US\$49 using a combination of two-way and three-way zero cost collars. For 4.6 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 collar structure.

Seismic activity

The table below details seismic activity during the quarter and status.

Permit	Basin/area	Survey	Type	Total km ²	Status
ATP1189AA / PL131,150,254,255	Cooper	Bearcat	3D	212	Complete
PPL402	PNG	Greater Juha	2D	118	74% complete
WA-6-R / NT/RL1	Bonaparte	Petrex ¹	3D	2,886	Complete

¹ Polarcus multi-client survey acquired for a joint venture partner.

Drilling summary

Near-field exploration (NFE) / Appraisal wells

Cooper Basin oil			
Well name	Basin/area	Santos	Well status
Cooroo North West 4	QLD	55.5%	P&A
Jarrar 7	QLD	55.5%	C&S, successful
Bugito 3	SA	66.6%	C&S, successful
Bugsy 1	SA	66.6%	P&A
Isoptera 3	SA	66.6%	C&S, successful
Jena 24	SA	66.6%	C&S, successful
Seccante 3	SA	66.6%	C&S, successful
Seccante 4	SA	66.6%	C&S, successful
Seccante 5	SA	66.6%	C&S, successful
Seccante 6	SA	66.6%	C&S, successful
Seccante 7	SA	66.6%	C&S, successful
Teringie 5*	SA	100%	C&C, successful
Ulandi 11	SA	66.6%	P&A

Hera 5	QLD	60.06%	C&S, successful
Hera 6	QLD	60.06%	C&S, successful
Moomba 238	SA	100%	C&S, successful
Moomba 239	SA	100%	C&S, successful
Moomba 240	SA	100%	C&S, successful
Moomba 241	SA	100%	C&S, successful
Moomba 254	SA	100%	C&S, successful
Moomba 255	SA	100%	Drilling
Moorari 19	SA	66.6%	C&S, successful
Moorari 20	SA	66.6%	C&S, successful
Pondrinie 19	SA	66.6%	Drilling

Cooper Basin oil			
Well name	Basin/area	Santos	Well status
Cooroo North West 3	QLD	55.5%	Drilling
Jarrar 6	QLD	55.5%	C&S, successful
Jarrar 8	QLD	55.5%	C&S, successful
Isoptera 2	SA	66.6%	C&S, successful

Cooper Basin gas			
Well name	Basin/area	Santos	Well status
Durham Downs West 1	QLD	60.06%	P&A
Toltec 1	QLD	60.06%	C&C, successful
Merchant 1	SA	66.6%	C&S, successful
Moomba 236	SA	100%	C&S, successful
Moomba 253	SA	100%	Drilling

*Spud in Q4, completed in Q1

Development wells

Cooper Basin gas			
Well name	Basin/area	Santos	Well status
Barrolka North East 5*	QLD	60.06%	P&A
Durham Downs North 8	QLD	60.06%	C&C, successful

Queensland - GLNG gas			
Well name	Basin/area	Santos	Well status
AC23-46-1	Arcadia	30%	C&S, successful
AC23-52-1	Arcadia	30%	C&S, successful
AC23-53-1	Arcadia	30%	C&S, successful
AC23-54-1	Arcadia	30%	C&S, successful
AC23-56-1	Arcadia	30%	C&S, successful
AC23-57-1	Arcadia	30%	C&S, successful
AC23-58-1	Arcadia	30%	C&S, successful
AC23-59-1	Arcadia	30%	C&S, successful
AC23-61-1	Arcadia	30%	C&S, successful
AC23-62-1	Arcadia	30%	C&S, successful
Sunnyholt 49	Arcadia	30%	C&S, successful
Sunnyholt 50	Arcadia	30%	C&S, successful
Fairview 79	Fairview	23.85%	C&C, successful
FV07-35-1	Fairview	23.85%	C&S, successful

FV08-02-2	Fairview	23.85%	C&S, successful
FV08-06-1	Fairview	23.85%	C&S, successful
FV08-08-1	Fairview	23.85%	Drilling
FV13-32-1	Fairview	23.85%	C&S, successful
FV15-25-1	Fairview	23.85%	C&S, successful
FV15-27-1	Fairview	23.85%	C&S, successful
FV16-64-1	Fairview	23.85%	C&C, successful
FV16-66-1	Fairview	23.85%	C&C, successful
FV18-43-1	Fairview	23.85%	C&S, successful
FV18-46-1	Fairview	23.85%	C&S, successful
FV18-50-1	Fairview	23.85%	C&S, successful
FV18-53-1	Fairview	23.85%	C&S, successful
FV18-59-1A	Fairview	23.85%	C&S, successful
FV18-66-1	Fairview	23.85%	C&S, successful
FV18-68-1	Fairview	23.85%	C&S, successful
FV18-68-2	Fairview	23.85%	Drilling
RM21-17-1	Roma	30%	C&C, successful
RM21-19-1	Roma	30%	C&C, successful
RM21-20-1	Roma	30%	C&C, successful
RM21-21-1	Roma	30%	C&C, successful
RM40-11-1	Roma	30%	C&S, successful
RM40-12-1	Roma	30%	C&S, successful
RM40-19-2	Roma	30%	C&S, successful
RM40-20-1	Roma	30%	C&S, successful
RM49-137-1	Roma	30%	C&S, successful
RM49-146-1	Roma	30%	C&S, successful
RM49-148-1	Roma	30%	C&S, successful
RM49-156-1	Roma	30%	C&S, successful
RM49-156-2	Roma	30%	C&S, successful
RM49-160-1	Roma	30%	C&C, successful
RM50-101-1	Roma	30%	C&S, successful
RM50-110-1	Roma	30%	C&S, successful
RM50-111-1	Roma	30%	C&S, successful
RM50-112-1	Roma	30%	C&S, successful
RM50-115-1	Roma	30%	C&S, successful
RM50-120-1	Roma	30%	C&S, successful
RM50-121-1	Roma	30%	C&S, successful
RM50-122-1	Roma	30%	C&S, successful
RM50-123-1	Roma	30%	C&S, successful
RM50-127-1	Roma	30%	Drilling
RM50-132-1	Roma	30%	C&S, successful
RM50-133-1	Roma	30%	C&S, successful
RM50-134-1	Roma	30%	C&S, successful
RM50-137-1	Roma	30%	C&S, successful
RM50-142-1	Roma	30%	C&S, successful
RM50-143-1	Roma	30%	C&S, successful
RM50-144-1	Roma	30%	C&S, successful
RM50-145-1	Roma	30%	C&S, successful

RM50-155-1	Roma	30%	C&S, successful
RM90-10-1	Roma	30%	C&S, successful
RM90-13-1	Roma	30%	C&C, successful
RM90-14-1	Roma	30%	C&C, successful
RM90-22-1	Roma	30%	C&S, successful
RM90-23-1	Roma	30%	C&C, successful
RM90-24-1	Roma	30%	C&C, successful
RM90-25-1	Roma	30%	C&C, successful
RM90-33-1	Roma	30%	C&C, successful
RM90-33-2	Roma	30%	C&C, successful
RM90-34-1	Roma	30%	C&C, successful
RM90-35-1	Roma	30%	C&C, successful
RM90-46-1	Roma	30%	C&C, successful
RM90-57-1	Roma	30%	C&C, successful

Queensland - Eastern Queensland gas (EQ)

Well name	Basin/area	Santos	Well status
Combabula 375 [#]	Combabula	7.28%	C&S, successful
Combabula 376 [#]	Combabula	7.28%	C&S, successful
Combabula 380 [#]	Combabula	7.28%	C&S, successful
Combabula 400 [#]	Combabula	7.28%	C&S, successful
Combabula 423 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 71 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 72 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 73 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 74 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 75 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 102 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 103 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 104 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 105 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 135 [#]	Combabula	7.28%	C&S, successful
Reedy Creek 286 [#]	Combabula	7.28%	C&S, successful
Durham Ranch 326 [#]	Spring Gully	4%	C&S, successful
Durham Ranch 758 [#]	Spring Gully	4%	C&S, successful
Durham Ranch 762 [#]	Spring Gully	4%	C&S, successful
Durham Ranch 763 [#]	Spring Gully	4%	C&S, successful
Durham Ranch 764 [#]	Spring Gully	4%	C&S, successful
Durham Ranch 868 [#]	Spring Gully	4%	C&S, successful

[#] Not operated by Santos

* Spud in Q4, completed in Q1

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.

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.