

Santos Limited and its controlled entities.
For the period ended 30 June 2024, under Listing Rule 4.2A.

ENERGY FOR A BETTER WORLD



Santos

Half-year report
Incorporating Appendix 4D

Results for announcement to the market

APPENDIX 4D FOR THE PERIOD ENDED 30 JUNE 2024

	2024 US\$million	2023 US\$million	Change %
Revenue from ordinary activities	2,711	2,967	(9)
Statutory profit from ordinary activities after tax attributable to equity holders	636	790	(19)
Net profit for the period attributable to equity holders	636	790	(19)

	Amount per security US cents	Franked amount per security at 30% tax US cents
Interim Dividend		

Directors resolved to pay an interim dividend in relation to the half-year ended 30 June 2024

Ordinary securities **13.0** Nil franked

27 August 2024 is the record date for determining entitlements to the dividend

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	2024 US\$million	Change %
Underlying profit attributable to equity holders¹	654	(18)
Product sales	2,711	(9)
EBITDAX¹	1,846	(13)
Free cash flow¹	1,068	(5)
Interim dividend (UScps)	13.0	49

¹ Underlying profit, EBITDAX (earnings before interest, tax, impairment, depreciation and depletion, exploration and evaluation expensed, and change in future restoration assumptions) and free cash flow (operating cash flows, less investing cash flows (net of acquisitions and disposals, and major growth capex), less lease liability payments) are non-IFRS measures that are presented to provide an understanding of the performance of Santos' operations. The non-IFRS financial information is unaudited, however, the numbers have been extracted from the financial statements which have been subject to review by the Company's auditor.

ACKNOWLEDGEMENT

Santos acknowledges the Traditional Custodians of the land and water on which we work upon and pays respect to Elders past and present. We extend this respect to all Indigenous people and recognise your continuing cultural and spiritual connections to your Country.

Directors' Report

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report of the consolidated entity, being Santos Limited and its controlled entities (the Group), for the half-year ended 30 June 2024, and the auditor's review report thereon.

REVIEW AND RESULTS OF OPERATIONS

Unless otherwise stated, all references to dollars are to US dollars.

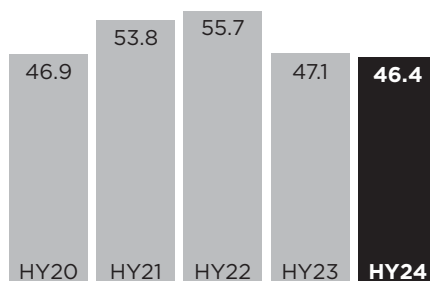
A review of the results of the operations of the consolidated entity during the half-year is as follows:

Summary of results table	2024 mmboe	2023 mmboe	Variance %
Production volume	44.0	45.0	(2)
Sales volume	46.4	47.1	(1)
	US\$million	US\$million	%
Product sales	2,711	2,967	(9)
EBITDAX ¹	1,846	2,112	(13)
Exploration and evaluation expensed	(33)	(49)	(33)
Depreciation and depletion	(845)	(951)	(11)
Net impairment loss	(25)	(22)	14
Change in future restoration assumptions	6	16	(63)
EBIT ¹	949	1,106	(14)
Net finance costs	(70)	(130)	(46)
Tax expense	(220)	(186)	18
Net profit for the period	659	790	(17)
Net Profit attributable to:			
Owners of Santos Limited	636	790	(19)
Non-controlling interest	23	-	100
Underlying profit attributable to owners of Santos Limited for the period ^{1,2}	654	801	(18)

¹ EBITDAX (earnings before interest, tax, impairment, depreciation and depletion, exploration and evaluation expensed, and change in future restoration assumptions), EBIT (earnings before interest and tax) and underlying profit are non-IFRS measures that are presented to provide an understanding of the underlying performance of Santos' operations. The non-IFRS financial information is unaudited, however, the numbers have been extracted from the financial statements which have been subject to review by the Company's auditor.

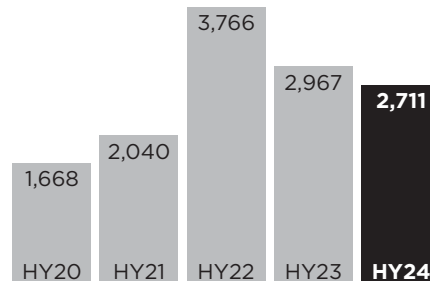
² Underlying profit excludes the impacts of asset acquisitions, disposals, impairments, and the impact of commodity hedging. Please refer to page 8 for the reconciliation from net profit to underlying profit for the period. The calculation of underlying profit has remained consistent with prior periods.

Sales volume
mmboe



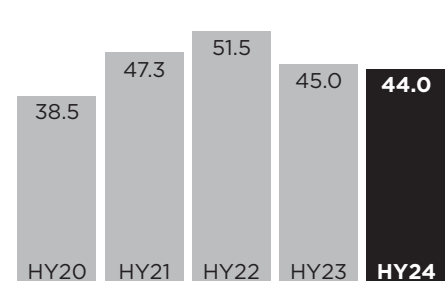
Sales volumes decreased 1 per cent to 46.4 million barrels of oil equivalent (mmboe). The lower volumes were primarily due to Bayu-Undan and Cooper Basin, partly offset by higher gas volumes in Western Australia.

Sales revenue
\$million



Product sales revenue was down 9 per cent compared to the previous first half due to lower volumes, combined with lower realised LNG pricing which was partially offset by higher liquids prices. The average realised oil price increased 4 per cent to US\$89.32/bbl and the average realised LNG price decreased 9 per cent to US\$12.10/mmBtu.

Production
mmboe



Production was down 2 per cent to 44.0 mmboe in the first half, predominantly due to lower production at Bayu-Undan.

Directors' Report

continued

Review of Operations

A focus on operational excellence and project execution has delivered strong production and cash flow in the first half. There is also now line of sight to our major projects progressively coming online, starting with the Moomba Carbon Capture and Storage (CCS) project in the second half of 2024. Other major projects will follow from 2025, ensuring Santos is in a strong position to deliver sustainable, competitive shareholder returns over the long term.

The Santos organisational structure consists of two functional divisions and a regional operating model.

The two functional divisions are Upstream Gas and Liquids and Santos Energy Solutions. The three regional business units are Eastern Australia and PNG, Western and Northern Australia and Timor-Leste, and Alaska. Each business unit executes both Upstream Gas and Liquids and Santos Energy Solutions activities.

Upstream Gas and Liquids Functional Division

The Upstream Gas and Liquids division operates through three regional business units and includes an Asian market-focused LNG business comprising three projects – Papua New Guinea LNG (PNG LNG), Gladstone LNG (GLNG) and Bayu-Undan and Barossa to Darwin LNG (DLNG), a Western Australian domestic gas business, and an oil development in Alaska.

Santos Energy Solutions Functional Division

Santos Energy Solutions business includes midstream processing of Santos' and third-party gas and liquids. It also provides decarbonisation and carbon management services, as well as progressing technologies that support the generation of high-quality emissions reduction units, and development of low carbon fuels.

Santos Energy Solutions has a three-hub strategy for CCS and potential low carbon fuels, which includes Moomba CCS, Bayu-Undan CCS and Western Australian CCS (Reindeer). The Moomba CCS phase one project is expected to generate Australian Carbon Credit Units from first injection in 2024. Additionally, Santos is building a portfolio of nature-based projects that generate emissions reduction units. Santos Energy Solutions will continue to invest in technologies to enable the advancement of low carbon fuels and subsequently progress and scale projects as the technologies advance and customer demand evolves.

Santos Energy Solutions EBITDAX was \$102 million for the first half with revenue of \$189 million. Santos Energy Solutions related asset additions and acquisitions were \$83 million in the first half of 2024. See Note 2.1 Segment Information in the financial report for further information.

Regional Business Units

Eastern Australia and Papua New Guinea Business Unit

Cooper Basin

The Cooper Basin produces natural gas, gas liquids and crude oil. Gas is sold primarily to industry participants, including Santos GLNG and domestic retailers. It is also used for the production of liquefied natural gas with gas liquids and crude oil sold in domestic and export markets.

Santos' strategy in the Cooper Basin is to deliver value by being a low-cost business, increasing its reserves position, investing in new technology to lower development and exploration costs, and reducing emissions. It also aims to increase utilisation of infrastructure including the Moomba and Port Bonython plants (Santos 66.7 per cent interest). Santos is focused on reducing emissions by investing in CCS. The Moomba CCS project is 92 per cent complete as at 30 June 2024 and on track to ramp-up injection of Cooper Basin Gas Plant CO₂ throughout the second half of 2024.

Cooper Basin	HY24	HY23
Production (mmboe)	6.6	6.6
Sales volume (mmboe)	6.5	6.7
Product sales (US\$m)	308	320
Production cost (US\$/boe)	11.71	10.68
EBITDAX (US\$m)	200	230
Capex – Upstream (US\$m)	176	193
Capex – SES (US\$m)	55	57

Cooper Basin EBITDAX was \$200 million, 13 per cent lower than the corresponding period in 2023. This was primarily due to lower sales volumes and higher production costs, including as a result of extreme weather events, and higher government royalties.

Santos' share of Cooper Basin sales gas and ethane production of 28.3 petajoules (PJ) was 4.8 per cent higher than the previous corresponding period (27.0 PJ). Wet weather events and planned maintenance impacted Cooper Basin oil production leading to a slight reduction in volumes produced for the period. The Moomba South Granite Wash horizontal well was successfully drilled. The well will be stimulated and connected in the third quarter.

Queensland and NSW

The GLNG project in Queensland produces LNG for export to global markets from the LNG plant at Gladstone. Gas is also sold into the domestic market. Santos has a 30 per cent interest in GLNG and operates the upstream fields which provide feed gas to the GLNG plant.

The LNG plant has two LNG trains with a combined capacity of 8.6 mtpa. Production from Train 1 commenced in September 2015 and Train 2 in May 2016. Feed gas is sourced from GLNG's upstream fields, Santos portfolio gas and third-party suppliers.

The LNG plant produced 2.98 million tonnes of LNG in the first half of 2024, an increase of 6.4 per cent compared to the previous corresponding period (2.8 million tonnes). There have been 49 LNG cargoes shipped to 30 June 2024. GLNG is supporting domestic gas supply through seasonal shaping of the project's LNG commitments with 18 PJs (gross) of sales gas planned to supply the domestic market across the second and third quarters of 2024.

Santos aims to build GLNG gas supply through upstream development, extract value from existing infrastructure and drive efficiencies to operate at lowest cost.

Santos is progressing the Narrabri domestic gas project in NSW, including working towards land access agreements, environmental surveys, and preliminary works for the Hunter Gas Pipeline route alignment. The National Native Title Tribunal process is ongoing.

Queensland and NSW	HY24	HY23
Production (mmboe)	7.2	6.9
Sales volume (mmboe)	10.4	9.8
Product sales (US\$m)	657	660
Production cost (US\$/boe)	7.14	6.03
EBITDAX (US\$m)	402	396
Capex – Upstream (US\$m)	116	123

Queensland and NSW EBITDAX of \$402 million was 2 per cent higher than the corresponding period in 2023. This was as a result of lower Government Royalties and lower third-party purchase costs, partially offset by higher cash operating costs.

Directors' Report

continued

Papua New Guinea

The PNG LNG project produces LNG for export to global markets, as well as sales gas and gas liquids. The LNG plant near Port Moresby has two LNG trains with capacity to produce more than 8.0 mtpa. Production from both trains commenced in 2014.

Santos' interest in the PNG LNG project is 42.5 per cent, of which 2.6 per cent is subject to a sale agreement with Kumul Petroleum Holdings (Kumul).

In September 2023, Santos executed a binding sale agreement to sell Kumul a 2.6 per cent participating interest in PNG LNG. In addition, Santos agreed to grant Kumul a call option to acquire a further 2.4 per cent participating interest in PNG LNG which has now expired.

In January 2024, Santos and Kumul agreed on an amendment to the sale agreement where Kumul has taken an effective interest in the Santos entity that holds the 2.6 per cent sale interest. Kumul paid \$352 million to Santos (equivalent to a -1.6 per cent interest in PNG LNG) on 31 January 2024 as a part payment.

The amendment provides additional time for Kumul to pay the remaining purchase price of \$241 million. Until final completion, Santos retains control of the entity holding the 2.6 per cent of PNG LNG, and in order to assist with the purchase of the remaining interest, future project distributions associated with the interest sold to Kumul must be applied to acquiring the remaining interest. Kumul has the contractual right to make additional payments to acquire the remaining interest.

The PNG LNG plant produced 4 million tonnes of LNG in the first half of 2024 and shipped 54 cargoes. LNG production was down on the previous corresponding period (4,201 million tonnes of LNG), primarily due to Hides field natural decline, partially offset by continued high compression reliability from Santos-operated gas production from Kutubu and Gobe fields. Production at the two Angore wells is expected to start up in the fourth quarter of 2024, returning the PNG LNG plant to name plate capacity.

The Papua LNG project (Santos 22.8 per cent interest before PNG government back-in) is a proposed LNG project that would share certain midstream infrastructure with PNG LNG. TotalEnergies, operator of the Papua LNG project, continues to work with contractors to agree commercial development contracts, while the project's Delegated Downstream Operator ExxonMobil is working to ensure all key stakeholders are engaged and regulatory permitting is awarded. The project is expected to reach FID in 2025.

Santos operates the Kutubu, Agogo, Moran and Gobe fields. These fields produce oil and raw gas, with the gas being sent to PNG LNG, delivering 21.4 per cent of PNG LNG gas supply in the first half 2024.

PNG	HY24	HY23
Production (mmboe)	19.6	19.8
Sales volume (mmboe)	19.1	19.1
Product sales (US\$m)	1,307	1,455
Production cost (US\$/boe)	6.58	6.51
EBITDAX (US\$m)	1,021	1,217
Capex – Upstream (US\$m)	183	200

PNG EBITDAX of \$1,021 million decreased 16 per cent compared to the corresponding period in 2023, mainly due to lower realised prices.

Western Australia, Northern Australia and Timor-Leste Business Unit

Northern Australia and Timor-Leste

Santos' business in Northern Australia and Timor-Leste is focused on the Bayu-Undan field supplying the Darwin LNG (DLNG) project (Santos 43.4 per cent interest).

The Bayu-Undan field continued to produce, with LNG production ceasing in the fourth quarter of 2023, gas is now being delivered into the Australian domestic market. The Barossa Gas project to backfill Darwin LNG is 77 per cent complete. Key activities in 2024 include completion of the Gas Export Pipeline pipelay and the Floating Production, Storage and Offloading (FPSO) module installation; commencement of the Darwin Pipeline Duplication; and continuation of drilling activities. The Barossa project remains on target to commence production in the third quarter of 2025.

A decision to enter FEED for the proposed Bayu-Undan CCS project was announced in March 2022. The project could potentially safely and permanently store up to 10 million tonnes of CO₂ per annum. The FEED work includes engineering and design for additional CO₂ processing capacity at Darwin LNG, plus repurposing of the Bayu-Undan facilities for carbon sequestration operation after gas production ceases. The project continues to make good progress with particular focus on the regulatory frameworks in both Timor-Leste and Australia.

The Barossa project is one of the several potential CO₂ sources for Bayu-Undan CCS, with four MOUs signed with customers for the storage of third-party CO₂.

Northern Australia and Timor-Leste	HY24	HY23
Production (mmboe)	0.5	1.5
Sales volume (mmboe)	0.4	1.6
Product sales (US\$m)	26	83
Production cost (US\$/boe)	59.46	34.70
EBITDAX (US\$m)	3	56
Capex – Upstream (US\$m)	290	221
Capex – SES (US\$m)	1	1

Northern Australia and Timor-Leste EBITDAX of \$3 million was 95 per cent lower than the corresponding period in 2023, primarily due to lower production from natural field decline in the Bayu-Undan field.

Western Australia

Santos is one of the largest producers of domestic natural gas in Western Australia and is also a significant producer of oil and condensate. Santos' assets include 100 per cent ownership and operatorship of the Varanus Island and Devil Creek domestic gas hubs, a 28.6 per cent interest in the Macedon gas hub, and a leading position in the highly prospective Bedout Basin.

Western Australia domestic gas production of 50.4 PJ, is a 5.2 per cent increase from the previous corresponding period's 47.9 PJ. Total production volumes were slightly lower in 2024 (10.1 mmboe) compared to the first half of 2023 (10.2 mmboe), due to natural field decline at Reindeer, facility maintenance and repairs at the Devil Creek gas plant and the Pyrenees field, and curtailment of production at Ningaloo Vision FPSO caused by multiple cyclone avoidance disconnects.

Dorado (Santos 80 per cent interest) is progressing, and the project is expected to be FID ready in 2025.

The Western Australian Reindeer CCS project FEED continues to progress. Reindeer CCS is planned to be established as a commercial service available for third parties, supporting the decarbonisation of energy-intensive industrial sectors in the Pilbara region.

Western Australia	HY24	HY23
Production (mmboe)	10.1	10.2
Sales volume (mmboe)	10.9	10.2
Product sales (US\$m)	435	402
Production cost (US\$/boe)	9.69	9.85
EBITDAX (US\$m)	267	252
Capex – Upstream (US\$m)	213	117
Capex – SES (US\$m)	20	23

Western Australia EBITDAX of \$267 million was 6 per cent higher than the corresponding period in 2023, predominantly driven by higher sales volumes.

Directors' Report

continued

Alaska Business Unit

Santos' assets in Alaska are composed of exploration and development licences, including the Pikka Unit (Santos 51 per cent equity interest), Horseshoe Unit (Santos 51 per cent equity interest) and Quokka Unit (Santos 46.6 per cent equity interest). They are all located on the North Slope of Alaska, a world-class oil province with more than 50 years of oil and gas development and extensive existing infrastructure.

Santos, as operator of the Pikka Unit, took FID on Pikka phase one in August 2022. Santos is committed to delivering a net-zero project (Scope 1 and 2 emissions, equity share) from first production and has agreements in place with Alaska Native corporations to deliver nature-based emissions reduction projects.

The Pikka phase one project remains on schedule to deliver first oil in 2026 and at 30 June 2024 was 56.2 per cent complete. The first winter program was a success, with all facility piles installed, all vertical supports in place, and 40 miles of pipeline laid. The drilling program is progressing, with results comparing favourably with pre-drill expectations.

Net Profit Attributable To Equity Holders

The 2024 first half net profit attributable to equity holders was \$636 million, compared with \$790 million at half-year 2023. The \$154 million decrease in net profit is driven predominantly through lower production and sales volumes, combined with lower realised pricing.

Underlying profit attributable to equity holders of \$654 million includes adjustments after tax of \$18 million (\$25 million before tax). Refer to the reconciliation of net profit to underlying profit below.

Reconciliation of Net Profit to Underlying Profit

	2024 US\$million			2023 US\$million		
	Gross	Tax	Net	Gross	Tax	Net
Net profit after tax attributable to equity holders of Santos Limited			636			790
Add/(deduct) the following:						
Impairment losses	25	(7)	18	22	(13)	9
Costs associated with acquisitions and disposals ¹	-	-	-	2	-	2
	25	(7)	18	24	(13)	11
Underlying profit ²			654			801

¹ Disclosed in the half-year financial statements in Note 2.3 under "Costs associated with acquisitions and disposals" and "Exploration and evaluation expensed".

² Underlying profit is a non-IFRS measure that is presented to provide an understanding of the underlying performance of Santos' operations. The measure excludes the impacts of asset acquisitions, disposals and impairments, as well as items that are subject to significant variability from one period to the next, including the effects of commodity hedging. The non-IFRS financial information is unaudited, however, the numbers have been extracted from the financial statements which have been subject to review by the Company's auditor.

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF SANTOS LIMITED

Equity attributable to equity holders of Santos Limited at 30 June 2024 was \$15,444 million.

CASH FLOW

The net cash provided by operating activities of \$1,440 million was 12 per cent lower than the first half of 2023. The decrease is principally attributable to lower receipts from customers due to lower realised LNG pricing and lower sales volumes, combined with higher restoration expenditure; this was partially offset by lower payments to suppliers.

Net cash used in investing activities of \$1,396 million is in line with the first half of 2023.

Net cash used in financing activities of \$285 million, was 61 per cent lower than the first half of 2023. This was predominantly lower due to increase in proceeds from transfer of equity in subsidiaries and nil on-market share buy-backs paid in the first half of 2024. Partially offset by lower net drawdowns in borrowings and higher dividends paid.

OUTLOOK

Sales volume guidance is maintained in the range of 87 to 93 mmbob and production guidance is maintained in the range of 84 to 90 mmbob for 2024.

POST BALANCE DATE EVENTS

On 20 August 2024, the Directors of Santos Limited declared an interim dividend of US13.0 cents per ordinary share in respect of the 2024 half-year period. Consequently, the financial effect of these dividends has not been brought to account in the half-year financial statements for the six months ended 30 June 2024.

DIRECTORS

The names of Directors of the Company in office during or since the end of the half-year are:

Surname	Other Names
Allen	Yasmin Anita
Cowan	Guy Michael
Doyle ¹	Eileen Joy
Gallagher	Kevin Thomas (Managing Director and Chief Executive Officer)
Guthrie	Vanessa Ann
Lydon ²	John Gerard
Hearl ³	Peter Roland
McArdle	Janine Marie
McFadden ⁴	Vickki Anne
Spence	Keith William (Chair)
Utsler	Michael Jesse
Werror	Musje Moses

¹ Ms Eileen Doyle ceased to be a Director of Santos Limited effective 11 April 2024.

² Mr John Lydon was appointed to be a Director of Santos Limited effective 11 April 2024.

³ Mr Peter Hearl ceased to be a Director of Santos Limited effective 11 April 2024.

⁴ Ms Vickki McFadden was appointed to be a Director of Santos Limited effective 11 April 2024.

Each of the above-named Directors held office during or since the end of the half-year. There were no other persons who acted as Directors at any time during the half-year and up to the date of this report.

ROUNDING

Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 applies to the Company. Accordingly, amounts have been rounded off in accordance with that Instrument, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* (Cth) is set out on page 10 and forms part of this report.

This report is made out on 20 August 2024 in accordance with a resolution of the Directors.



Director
20 August 2024

Auditor's independence declaration to the directors of Santos Limited



Ernst & Young
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As lead auditor for the review of the half-year financial report of Santos Limited for the half-year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Santos Limited and the entities it controlled during the financial period.

Ernst & Young
Ernst & Young

A handwritten signature in black ink, appearing to read 'D S Lewsen'.

D S Lewsen
Partner

20 August 2024

Consolidated Income Statement

for the six months ended 30 June 2024

	Note	30 June 2024 US\$million	30 June 2023 US\$million
Revenue from contracts with customers – Product sales	2.2	2,711	2,967
Cost of sales	2.3	(1,699)	(1,837)
Gross profit		1,012	1,130
Revenue from contracts with customers – Other	2.2	69	90
Other income	2.5	56	64
Impairment of non-current assets		(25)	(22)
Other expenses	2.3	(164)	(169)
Finance income	4.1	68	43
Finance costs	4.1	(138)	(173)
Share of net profit of associates and joint ventures		1	13
Profit before tax		879	976
Income tax expense		(283)	(247)
Royalty-related tax benefit		63	61
Total tax expense		(220)	(186)
Net profit for the period		659	790
Attributable to:			
Owners of Santos Limited		636	790
Non-controlling interest	2.7	23	-
		659	790
Earnings per share attributable to the equity holders of Santos Limited (¢)			
Basic profit per share		19.6	24.1
Diluted profit per share		19.5	24.0
Dividends per share (¢)			
Paid during the period	2.4	17.5	15.1
Declared in respect of the period	2.4	13.0	8.7

The Consolidated Income Statement is to be read in conjunction with the Notes to the half-year Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2024

	30 June 2024 US\$million	30 June 2023 US\$million
Net profit for the period	659	790
Other comprehensive loss, net of tax:		
<i>Other comprehensive loss to be reclassified to the income statement in subsequent periods:</i>		
Exchange loss on translation of foreign operations	(6)	(2)
	(6)	(2)
Movement in cash flow hedge reserve	(100)	(9)
Tax effect	30	3
	(70)	(6)
Net other comprehensive loss to be reclassified to the income statement in subsequent periods	(76)	(8)
Other comprehensive loss, net of tax	(76)	(8)
Total comprehensive income	583	782
Attributable to:		
Owners of Santos Limited	560	782
Non-controlling interest	23	-
	583	782

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the half-year Consolidated Financial Statements.

Consolidated Statement of Financial Position

as at 30 June 2024

	Note	30 June 2024 US\$million	31 December 2023 US\$million
Current assets			
Cash and cash equivalents		1,659	1,875
Trade and other receivables		806	829
Prepayments		54	94
Contract assets		86	86
Inventories		418	442
Other financial assets		80	404
Assets held for sale	2.6	-	617
Total current assets		3,103	4,347
Non-current assets			
Contract assets		135	179
Investments in associates and joint ventures		415	406
Other financial assets		157	127
Prepayments		480	436
Exploration and evaluation assets	3.1	2,506	2,462
Oil and gas assets	3.2	20,004	19,101
Other land, buildings, plant and equipment		468	409
Deferred tax assets		963	1,038
Intangible assets		1,319	1,251
Total non-current assets		26,447	25,409
Total assets		29,550	29,756
Current liabilities			
Trade and other payables		973	1,080
Contract liabilities		59	59
Lease liabilities		275	189
Interest-bearing loans and borrowings		706	646
Current tax liabilities		35	7
Provisions		732	438
Other financial liabilities		4	257
Liabilities directly associated with assets held for sale	2.6	-	272
Total current liabilities		2,784	2,948
Non-current liabilities			
Contract liabilities		144	150
Lease liabilities		644	596
Interest-bearing loans and borrowings		4,850	4,728
Deferred tax liabilities		1,839	1,893
Provisions		3,608	4,128
Other financial liabilities		38	38
Total non-current liabilities		11,123	11,533
Total liabilities		13,907	14,481
Net assets		15,643	15,275
Equity			
Issued capital	4.2	14,342	14,339
Reserves		64	489
Accumulated profit		1,038	398
Equity classified as held for sale	2.6	-	49
Equity attributable to owners of Santos Limited		15,444	15,275
Non-controlling interest	2.7	199	-
Total equity		15,643	15,275

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the half-year Consolidated Financial Statements.

Consolidated Statement of Cash Flows

for the six months ended 30 June 2024

	Note	30 June 2024 US\$million	30 June 2023 US\$million
Cash flows from operating activities			
Receipts from customers		2,913	3,064
Interest received		68	43
Pipeline tariffs and other receipts		82	130
Payments to suppliers and employees		(1,036)	(1,097)
Restoration expenditure		(187)	(35)
Exploration and evaluation seismic and studies		(31)	(44)
Royalty and excise paid		(87)	(82)
Payments for commodity hedging		-	(6)
Borrowing costs paid		(54)	(85)
Income taxes paid		(158)	(166)
Royalty-related taxes paid		(65)	(105)
Insurance proceeds		-	13
Overriding royalty		(5)	(2)
Net cash provided by operating activities		1,440	1,628
Cash flows from investing activities			
Payments for:			
Exploration and evaluation assets		(93)	(63)
Oil and gas assets		(1,073)	(1,000)
Other land, buildings, plant and equipment		(7)	(10)
Acquisitions of a controlled entity, net of cash acquired		-	(209)
Costs associated with acquisition of subsidiaries		(27)	(3)
Loans to associate		(29)	(29)
Net proceeds associated with disposals of non-current assets		-	10
Borrowing costs paid		(167)	(97)
Net cash used in investing activities		(1,396)	(1,401)
Cash flows from financing activities			
Dividends paid		(568)	(498)
Drawdown of borrowings		840	975
Repayments of borrowings		(770)	(763)
Proceeds from transfer of equity in subsidiaries	2.7	352	-
Repayment of principal portion of lease liabilities		(129)	(122)
Purchase of shares on-market (Treasury shares)	4.2	(10)	(14)
Purchase of shares on-market (Share buy-back)	4.2	-	(316)
Net cash used in financing activities		(285)	(738)
Net decrease in cash and cash equivalents		(241)	(511)
Cash and cash equivalents at the beginning of the period			
Effects of exchange rate changes on the balances of cash held in foreign currencies		(11)	(5)
Amounts transferred from/(to) assets held for sale	2.6	36	(74)
Cash and cash equivalents at the end of the period		1,659	1,840

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the half-year Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024

Equity attributable to owners of Santos Limited						
US\$ million	Issued capital	Foreign currency translation reserve	Hedging reserve	Accumulated profits reserve	Accumulated (losses)/ profits	Non-controlling interest
						Total equity
Balance at 1 January 2023	14,652	(947) ¹	(15)	1,271	(118)	14,843
<i>Items of comprehensive income</i>						
Net profit for the period	-	-	-	-	790	790
Other comprehensive loss for the period	-	(2)	(6)	-	-	(8)
Total comprehensive (loss)/income for the period	-	(2)	(6)	-	790	782
<i>Transactions with owners in their capacity as owners</i>						
Dividends paid	-	-	-	(498)	-	(498)
On-market share purchase (Treasury shares)	(14)	-	-	-	-	(14)
On-market share purchase (Share buy-back)	(316)	-	-	-	-	(316)
Share-based payment transactions	16	-	-	-	(8)	8
Balance at 30 June 2023	14,338	(949) ¹	(21)	773	664	14,805
Balance at 1 July 2023	14,338	(949) ¹	(21)	773	664	14,805
<i>Items of comprehensive income</i>						
Net profit for the period	-	-	-	-	626	626
Other comprehensive income for the period	-	15	99	-	-	114
Total comprehensive income for the period	-	15	99	-	626	740
<i>Transactions with owners in their capacity as owners</i>						
Dividends paid	-	-	-	(279)	-	(279)
On-market share purchase (Treasury shares)	(8)	-	-	-	-	(8)
Share-based payment transactions	9	-	-	-	8	17
Balance at 31 December 2023	14,339	(934) ¹	78	1,394	398	15,275
Balance at 1 January 2024	14,339	(934) ¹	78	1,394	398	15,275
<i>Items of comprehensive income</i>						
Net profit for the period	-	-	-	-	636	636
Other comprehensive loss for the period	-	(6)	(70)	-	-	(76)
Total comprehensive (loss)/income for the period	-	(6)	(70)	-	636	560
<i>Transactions with owners in their capacity as owners</i>						
Dividends paid	-	-	-	(568)	-	(568)
On-market share purchase (Treasury shares)	(10)	-	-	-	-	(10)
Share-based payment transactions	13	-	-	-	4	17
Equity issued in subsidiaries	-	(30)	-	200	-	185
Balance at 30 June 2024	14,342	(970)	8	1,026	1,038	15,444
						15,643

¹ Includes \$49 million held for sale.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the half-year Consolidated Financial Statements.

Notes to the Half-Year Consolidated Financial Statements for the six months ended 30 June 2024

Section 1: Basis of Preparation

This section provides information about the basis of preparation of the half-year financial report, and certain accounting policies that are not disclosed elsewhere.

1.1 CORPORATE INFORMATION

Santos Limited (the Company) is a company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX) and on Papua New Guinea's National Stock Exchange (PNGX). The condensed consolidated financial report of the Company for the six months ended 30 June 2024 (the half-year financial report) comprises the Company and its controlled entities (the Group). Santos Limited is the ultimate parent entity of the Group.

The half-year financial report was authorised for issue in accordance with a resolution of the Directors on 20 August 2024.

1.2 BASIS OF PREPARATION

This general purpose half-year financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* as issued by the Australian Accounting Standards Board (AASB), IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and the Australian *Corporations Act 2001* (Cth).

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2023 and considered together with any public announcements made by the Company during the six months ended 30 June 2024, in accordance with the continuous disclosure obligations of the ASX listing rules.

The Group's half-year financial report is presented in United States dollars (US\$), as that presentation currency most reliably reflects the global business performance of the Group as a whole and is more comparable with its peers.

The functional currency of the Parent and the majority of the subsidiaries is United States dollars.

Changes to significant accounting policies are described in Section 1.4.

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 31 December 2023, except for those that have arisen because of new standards, amendments to standards and interpretations effective from 1 January 2024.

The half-year financial report has been prepared using the going concern basis of preparation and the Group continues to pay its debts as they fall due.

1.4 ACCOUNTING POLICIES

Significant accounting policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those applied in the preparation of the Group's annual financial report for the year ended 31 December 2023, except for new standards, amendments to standards and interpretations effective from 1 January 2024.

The Group applied the following amendment to accounting standards applicable for the first time for the financial year beginning 1 January 2024:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (AASB 101)*

This amendment has not had a significant impact on the Group's half-year condensed consolidated financial report.

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

This section focuses on the operating results and financial performance of the Group. It includes disclosures of segmental financial information and dividends.

2.1 SEGMENT INFORMATION

There are two functional divisions and a regional operating model. The two functional divisions are Upstream Gas and Liquids and Santos Energy Solutions.

The three regional Business Units are Eastern Australia and PNG, Western and Northern Australia and Timor-Leste, and Alaska. Each business unit executes both Upstream Gas and Liquids and Santos Energy Solutions activities.

The Upstream Gas and Liquids business includes an Asian market-focused LNG business and an Australian domestic gas business on the West and East coasts of Australia. Santos Energy Solutions is focused on the processing of Santos' and third-party gas and liquids, development of decarbonisation and carbon management services and in future low carbon fuels.

Operating segments within the functional divisions are Upstream Gas and Liquids (Cooper Basin, Queensland & NSW, Papua New Guinea, Western Australia, Northern Australia and Timor-Leste) and Santos Energy Solutions. Alaska business unit is currently captured in the 'Corporate, exploration, eliminations & other' segment information in the financial report while the asset is in the development phase. This is the basis on which internal reports are provided to the Chief Executive Officer (Chief Operating Decision Maker) for assessing performance and determining the allocation of resources within the Group.

Segment performance is measured based on earnings before interest, tax, depreciation and depletion, exploration and evaluation expensed, impairment loss, and change in future restoration assumptions (EBITDAX). Corporate and exploration expenditure and inter-segment eliminations are included in the segment disclosure for reconciliation purposes.

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

2.1 SEGMENT INFORMATION (CONTINUED)

	Santos Energy Solutions										
	Upstream Gas & Liquids										
	Eastern AU, PNG			WA, Northern AU, TL							
				Northern Australia & Timor-Leste		Western Australia		Upstream Gas & Liquids Total		Corporate, exploration, eliminations & other	
	Cooper Basin 2024	Queensland & NSW 2024	PNG 2024	2024	2024	2024	2024	2024	2024	2024	Total 2024
US\$million											
Revenue											
Product sales to external customers	221	644	1,307	26	434	2,632	-	79	-	2,711	
Inter-segment sales¹	87	13	-	-	1	101	-	(101)	-	-	
Other	-	9	6	-	1	16	189	(136)	69	69	
Total segment revenue	308	666	1,313	26	436	2,749	189	(158)	2,780		
Costs											
Production costs	(57)	(52)	(129)	(31)	(54)	(323)	(64)	11	(376)		
Other operating costs	(92)	(65)	(95)	-	(131)	(383)	(19)	104	(298)		
Third-party product purchases	(1)	(106)	(10)	-	(19)	(136)	-	(20)	(156)		
Inter-segment purchases¹	(1)	(49)	-	-	-	(50)	-	50	-		
Other	5	8	(58)	8	(29)	(66)	(4)	(34)	(104)		
EBITDAX	162	402	1,021	3	203	1,791	102	(47)	1,846		
Depreciation and depletion	(123)	(126)	(339)	(5)	(208)	(801)	(27)	(17)	(845)		
Exploration and evaluation expensed	(6)	(7)	(1)	(2)	(5)	(21)	(3)	(9)	(33)		
Net impairment loss	-	-	-	-	-	-	-	(25)	(25)		
Change in future restoration assumptions	-	-	-	(1)	7	6	-	-	6		
EBIT	33	269	681	(5)	(3)	975	72	(98)	949		
Net finance costs								(70)	(70)		
Profit before tax											
Income tax expense								(283)	879		
Royalty-related tax benefit/(expense)	-	-	-	71	(8)	63	-	-	(283)	63	
Net profit for the period											
											659

¹ Inter-segment pricing is determined on an arm's length basis. Inter-segment sales and purchases are eliminated on consolidation.

2.1 SEGMENT INFORMATION (CONTINUED)

Inter-segment pricing is determined on an arm's length basis. Inter-segment sales and purchases are eliminated on consolidation.

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

2.2 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's operations and main revenue streams are those described in the last annual financial report.

	30 June 2024 US\$million	30 June 2023 US\$million
Product sales		
Gas, ethane and liquefied natural gas	2,222	2,442
Crude oil	278	292
Condensate and naphtha	187	207
Liquefied petroleum gas	24	26
Total product sales¹	2,711	2,967
Revenue – other		
Pipeline tolls and tariffs	46	48
Unwind of acquired contract liabilities	1	3
Other	22	39
Total revenue – other	69	90
Total revenue from contracts with customers	2,780	3,057

¹ Total product sales include third-party product sales of \$324 million (2023: \$390 million).

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

2.3 EXPENSES

	30 June 2024 US\$million	30 June 2023 US\$million
Cost of sales		
Production costs	376	384
Other operating costs:		
LNG plant costs	52	59
Pipeline tariffs, processing tolls and other	102	113
Royalty and excise	91	84
Shipping costs	47	32
Carbon costs	6	-
Total other operating costs	298	288
Total cash cost of production	674	672
Depreciation and depletion:		
Depreciation of plant, equipment and buildings	543	551
Depletion of subsurface assets	302	400
Total depreciation and depletion	845	951
Third-party product purchases	156	237
Decrease/(Increase) in product stock	24	(23)
Total cost of sales	1,699	1,837
Other expenses		
Selling	10	14
General and administration	54	56
Costs associated with acquisitions and disposals	-	2
Foreign exchange gains	(2)	(8)
Fair value losses on commodity derivatives	-	10
Exploration and evaluation expensed	33	49
Unwind of acquired contract assets	43	40
Other	26	6
Total other expenses	164	169

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

2.4 DIVIDENDS

Dividends are recognised as a liability at the time the Directors resolve to pay or declare the dividend.

Dividends recognised during the period	Franked/ unfranked	Dividend per share US¢	Total US\$million
2024			
Final ordinary dividend – paid on 27 March 2024	Unfranked	17.5	568
2023			
Final ordinary dividend – paid on 29 March 2023	Unfranked	15.1	498
Dividends declared in respect of the period	Franked/ unfranked	Dividend per share US¢	Total US\$million
2024			
Interim ordinary dividend	Unfranked	13.0	422

2.5 OTHER INCOME

	30 June 2024 US\$million	30 June 2023 US\$million
Other income		
Gain on sale of non-current assets	-	1
Change in future restoration assumptions for non-producing assets	6	16
Other income associated with lease arrangements	33	30
Insurance recoveries	-	13
Overriding royalties	3	4
Carbon recoveries	3	-
Other	11	-
Total other income	56	64

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

2.6 ASSETS HELD FOR SALE

Non-current assets are classified as held for sale and measured at the lower of their carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction. They are not depreciated or amortised. For an asset to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

In 2022, Santos received a binding conditional offer from Kumul Petroleum Holdings Limited (Kumul) to acquire a 5 per cent interest in PNG LNG assets, including a proportionate share of the project finance debt. The associated assets and liabilities of the disposal group were classified as held for sale as at 30 June 2022. In September 2023, the transaction was restructured to include a binding sale agreement for a 2.6 per cent share of the PNG LNG project and the issuance of a call option to Kumul for the remaining 2.4 per cent. This option has now expired. The sale of the 2.6 per cent share was classified as held for sale as at 31 December 2023.

On 31 January 2024, the Group announced the execution of an amendment to the binding sale agreement where Kumul has taken an effective economic interest in the wholly owned Santos subsidiary (Lavana Limited) that holds the 2.6 per cent interest in PNG LNG. The transaction involves an upfront payment from Kumul of \$352 million to Santos for this effective economic interest (equivalent to a 59.4 per cent interest in Lavana Limited or a -1.6 per cent interest in PNG LNG) and provides additional time for Kumul to pay the remaining purchase price of \$241 million. The agreement, which is classified as an equity instrument, results in the following:

- Until final completion, Santos retains control of Lavana Limited and 100 per cent of the voting rights. Santos is unable to dispose of the economic interest in Lavana Limited held by Kumul.
- Kumul have the right to appoint one person to the Board of Lavana Limited, and in order to assist with the purchase of the remaining interest, the right to future project distributions associated with their effective economic interest in Lavana Limited, which must be applied to acquiring the remaining interest. Kumul also has the contractual right to make additional payments to acquire the remaining interest.
- The equity interest, including both the initial economic interest transferred to Kumul and any subsequent economic interests transferred under the arrangement, are reflected as a non-controlling interest (NCI) equity contribution (refer Note 2.7) until Santos lose control of Lavana Limited at completion of the transaction.

Santos will continue to consolidate Lavana Limited until final completion, at which time the entity will be sold from the Group and deconsolidated. Given the amendment to the transaction on 31 January 2024, the period of time over which the final completion of the transaction is expected and accordingly the timing of the recognition of the sale of Lavana Limited, the transaction no longer meets the held for sale criteria in AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. This resulted in a reclassification of assets and liabilities from held for sale and the recognition of depreciation, depletion and amortisation of oil and gas assets, in the half-year ended 30 June 2024, of \$47 million.

The following amounts were included within the financial statements in relation to assets and liabilities classified as held for sale:

	30 June 2024 US\$million	31 December 2023 US\$million
Assets and liabilities classified as held for sale		
Cash and cash equivalents	-	36
Trade and other receivables	-	13
Prepayments	-	1
Inventories	-	5
Oil and gas assets	-	496
Goodwill	-	66
Assets classified as held for sale	-	617
Trade and other payables	-	11
Interest-bearing loans and borrowings	-	110
Provisions	-	16
Lease liabilities	-	24
Deferred tax liabilities	-	111
Liabilities classified as held for sale	-	272
Net assets	-	345
Amounts included in equity:		
Foreign currency translation reserve	-	49
Reserves of the disposal group	-	49

Notes to the Half-Year Consolidated Financial Statements

Section 2: Financial Performance

2.7 NON-CONTROLLING INTERESTS

Non-controlling interests (NCI) represent the equity in subsidiaries that is not attributable, directly or indirectly, to Santos' shareholders.

As referred to in Note 2.6 above, on 31 January 2024, Kumul paid \$352 million to Santos for an effective economic interest in the wholly owned subsidiary Lavana Limited, which holds a 2.6 per cent interest in the PNG LNG project. This agreement is classified as an equity instrument and recognised as an NCI. This equates to an effective economic interest in the PNG LNG project of ~1.6 per cent. Subsequent to 31 January 2024, Kumul's share of PNG LNG project distributions, issued by way of an NCI dividend (\$9.1 million), has been applied to increase Kumul's effective economic interest by a further 0.02 per cent, representing a 60.0 per cent interest in Lavana Limited.

Summarised financial information relating to the Group's subsidiary with NCI that is material to the Group before any intra-group eliminations is shown below:

	30 June 2024 US\$million
Current assets	59
Non-current assets	448
Current liabilities	(64)
Non-current liabilities	(179)
Net assets	264
Net assets attributable to NCI	159
Goodwill attributable to subsidiary	40
Accumulated balance of NCI	199
Revenue	75
Net profit	47
Profit attributable to NCI	23
Dividends paid to NCI	9
Net operating cash flow	49
Net investing cash flow	(16)
Net financing cash flow	(31)

Notes to the Half-Year Consolidated Financial Statements

Section 3: Capital Expenditure and Operating Assets

This section includes information about the assets used by the Group to generate profits and revenue, specifically information relating to exploration and evaluation assets, oil and gas assets, and commitments for capital expenditure not yet recognised as a liability.

The life cycle of our assets is summarised as follows:



3.1 EXPLORATION AND EVALUATION ASSETS

		Six months ended		
		30 June 2024 US\$million	31 December 2023 US\$million	30 June 2023 US\$million
	Note			
Balance at the beginning of the period		2,462	2,316	2,271
Acquisitions		-	-	2
Additions		115	166	69
Unsuccessful wells expensed		-	-	(5)
Disposals		(2)	(2)	(3)
Impairment losses		(25)	(18)	-
Transfer from/(to) oil and gas assets in development	3.2	-	1	(4)
Transfer to oil and gas assets in production	3.2	(42)	(32)	(14)
Transfer from assets held for sale	2.6	-	33	-
Exchange differences		(2)	(2)	-
Balance at the end of the period		2,506	2,462	2,316
Comprising:				
Acquisition costs		1,711	1,711	1,673
Successful exploration wells		419	418	420
Pending determination of success		376	333	223
		2,506	2,462	2,316

Notes to the Half-Year Consolidated Financial Statements

Section 3: Capital Expenditure and Operating Assets

3.2 OIL AND GAS ASSETS

		Six months ended		
		30 June 2024	31 December 2023	30 June 2023
	Note	US\$million	US\$million	US\$million
Assets in development				
Balance at the beginning of the period		4,123	3,182	2,923
Additions ¹		910	942	465
Transfer (to)/from exploration and evaluation assets	3.1	-	(1)	4
Transfer from assets held for sale ²	2.6	34	-	-
Transfer to producing assets		(10)	-	(210)
Exchange differences		(1)	-	-
Balance at the end of the period		5,056	4,123	3,182
Producing assets				
Balance at the beginning of the period		14,978	14,731	14,887
Additions ¹		309	631	598
Transfer from exploration and evaluation assets	3.1	42	32	14
Transfer from assets in development		10	-	210
Transfer from/(to) assets held for sale ²	2.6	462	527	(2)
Disposals		-	(11)	(3)
Impairment losses		-	(35)	(22)
Depreciation and depletion		(853)	(913)	(943)
Exchange differences		-	16	(8)
Balance at the end of the period		14,948	14,978	14,731
Total oil and gas assets³		20,004	19,101	17,913
Comprising:				
Other capitalised expenditure		20,004	19,101	17,913
		20,004	19,101	17,913

1 Includes impact on capitalised restoration costs following changes in future restoration provision assumptions.

2 Total oil and gas assets transferred from assets held for sale was \$496 million. Refer Note 2.6 for further details.

3 Includes impact of AASB 16 recognition of right-of-use assets.

3.3 COMMITMENTS FOR EXPENDITURE

The Group has the following commitments for expenditure for which no liabilities have been recorded in the financial statements as the goods or services have not been received, including commitments for non-cancellable lease arrangements where the lease term has not commenced.

US\$million	30 June 2024			31 December 2023		
	Capital	Minimum exploration	Leases	Capital	Minimum exploration	Leases
Not later than one year	450	83	104	1,012	128	200
Later than one year but not later than five years	190	411	373	512	644	439
Later than five years	39	13	1,261	-	11	1,336
	679	507	1,738	1,524	783	1,975

Notes to the Half-Year Consolidated Financial Statements

Section 4: Funding and Risk Management

Our business has exposure to capital, credit, liquidity and market risks. This section provides information relating to our management of, as well as our policies for, measuring and managing these risks.

4.1 NET FINANCE COSTS

	30 June 2024 US\$million	30 June 2023 US\$million
Finance income		
Interest income	68	43
Total finance income	68	43
Finance costs		
Interest expense	188	164
Interest on lease liabilities	24	21
Deduct borrowing costs capitalised	(167)	(97)
	45	88
Unwind of the effect of discounting on contract liabilities – deferred revenue	8	8
Unwind of the effect of discounting on provisions	85	77
Total finance costs	138	173
Net finance costs	70	130

Notes to the Half-Year Consolidated Financial Statements

Section 4: Funding and Risk Management

4.2 ISSUED CAPITAL

	Six months ended					
	30 June 2024 Number of shares	31 December 2023 Number of shares	30 June 2023 Number of shares	30 June 2024 US\$million	31 December 2023 US\$million	30 June 2023 US\$million
Movement in ordinary shares						
Balance at the beginning of the period	3,247,772,961	3,247,772,961	3,313,298,877	14,339	14,338	14,652
On-market shares purchased (Treasury shares)	-	-	-	(10)	(8)	(14)
On-market shares purchased (Share buy-back)	-	-	-	-	-	(316)
Utilisation of Treasury shares on vesting of employee share schemes	-	-	-	13	9	16
Treasury shares cancelled pursuant to on-market buy-backs ¹	-	-	(65,525,916)	-	-	-
Balance at the end of the period	3,247,772,961	3,247,772,961	3,247,772,961	14,342	14,339	14,338
Movement in Treasury shares						
Balance at the beginning of the period				8,582,553	9,197,764	9,217,171
On-market shares purchased				2,000,000	1,500,000	68,525,909
Treasury shares cancelled pursuant to on-market buy-backs ¹				-	-	(65,525,916)
Treasury shares utilised:						
Santos Employee Share1000 Plan				-	(147,975)	-
Santos Employee ShareMatch Plan				-	(569,966)	-
Utilised on vesting of Share Acquisition Rights				(1,907,624)	(1,397,270)	(371,579)
Executive Short-Term Incentive (deferred shares)				(437,915)	-	(502,979)
Executive Long-Term Incentive (ordinary shares)				-	-	(2,108,265)
Santos Employee ShareMatch Plan (relinquished shares)				35,415	-	3,362
Dividend equalisation shares				-	-	(39,939)
Balance at the end of the period				8,272,429	8,582,553	9,197,764

¹ Cancellation of share buy-backs per Santos' capital management framework.

Notes to the Half-Year Consolidated Financial Statements

Section 4: Funding and Risk Management

4.3 FINANCIAL RISK MANAGEMENT

Exposure to foreign currency risk, interest rate risk, commodity price risk, credit risk and liquidity risk arises in the normal course of the Group's business. The Group's overall financial risk management strategy is to ensure that the Group is able to fund its corporate objectives and meet its obligations to stakeholders. Derivative financial instruments may be used to hedge exposure to fluctuations in foreign exchange rates, interest rates and commodity prices.

The Group uses various methods to measure the types of financial risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, interest rate and commodity price risks, and ageing and credit rating concentration analysis for credit risk.

Financial risk management is carried out by a central treasury department (Treasury) which operates under Board-approved policies. The policies govern the framework and principles for overall risk management and cover specific financial risks, such as foreign exchange risk, interest rate risk, commodity price risk and credit risk, approved derivative and non-derivative financial instruments, and liquidity management.

(a) Foreign currency risk

Foreign exchange risk arises from commercial transactions and valuations of assets and liabilities that are denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign currency risk principally through the sale of products, borrowings and capital and operating expenditure incurred in currencies (mostly Australian dollar) other than the functional currency. In order to hedge foreign currency risk, the Group may enter into forward foreign exchange, foreign currency swap and foreign currency option contracts.

The Group has certain investments in domestic and foreign operations whose net assets are exposed to foreign currency translation risk.

All external borrowings of the Group are denominated in US\$.

The Group has lease liabilities and other monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of an operation. These items are restated to US\$ equivalents at each period end, and the associated gain or loss is taken to the income statement. The exception is foreign exchange gains or losses on foreign currency provisions for restoration at operating sites that are capitalised in oil and gas assets. During the reporting period ended 30 June 2024, the Group secured an additional A\$250 million in foreign currency forward contracts to hedge 2025 foreign exchange exposure. At 30 June 2024, a total of A\$1.1 billion in contracts remain in place to hedge 2024 and 2025 foreign exchange exposure (31 December 2023: A\$1.3 billion). At 30 June 2024, the mark-to-market fair value gain was \$22 million (31 December 2023: \$44 million gain) and was recorded as a derivative asset. These contracts have been designated in cash flow hedge relationships.

(b) Market risk

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group's risk exposure is managed by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging is evaluated regularly to align with the Group's policy, interest rate outlook and risk appetite, ensuring the most cost-effective hedging strategies are applied. No interest rate swaps are currently in place at 30 June 2024 (31 December 2023: nil) or at any time during the half-year.

Commodity price risk

The Group is exposed to commodity price fluctuations through the sale of petroleum products and other oil price linked contracts. The Group may enter into Brent crude oil price swap and option contracts to manage its commodity price risk. Hedging is evaluated regularly to align with the Group's policy, pricing outlook and risk appetite, ensuring the most cost-effective hedging strategies are applied. At 30 June 2024, the Group had 11 million barrels of open Brent crude oil zero-cost collar option contracts remaining (31 December 2023: 18 million barrels). At 30 June 2024, the mark-to-market fair value gain was \$3 million (31 December 2023: \$89 million gain) and has been recognised as a derivative asset. These contracts have been designated in cash flow hedge relationships.

Other derivatives

The Group hedges electricity prices through the use of forward electricity swaps. These contracts have maturity dates covering 2024 through to 2026. A fair value gain of \$6 million (31 December 2023: nil) has been recognised as a derivative asset on these contracts. These contracts have been designated in cash flow hedge relationships.

Notes to the Half-Year Consolidated Financial Statements

Section 4: Funding and Risk Management

4.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair values

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability, that is accessible by the Group.

The financial assets and liabilities of the Group are all initially recognised in the statement of financial position at their fair values. Receivables, payables, interest-bearing liabilities and other financial assets and liabilities, which are not subsequently measured at fair value, are carried at amortised cost.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Derivatives

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms of maturity of each contract, using market interest rates for a similar instrument at the reporting date.

The fair value of forward foreign exchange contracts is determined by discounting future cash flows using market interest rates and translating the amounts into US dollars using the spot rate at the reporting date.

The fair value of Brent crude oil options is determined using an option pricing model, which takes into consideration the price of the option, the strike price, the time until expiration, implied volatility and a risk-free rate.

The fair value of electricity derivative contracts is determined by estimating the difference between the relevant market prices and the contract strike price, for the notional volumes of the derivative contracts.

Financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Where these cash flows are in a foreign currency, the present value is converted to US dollars at the foreign exchange spot rate prevailing at the reporting date.

Valuation technique used for determining fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All of the Group's financial instruments were valued using the Level 2 valuation technique.

Notes to the Half-Year Consolidated Financial Statements

Section 5: Other

This section provides information that is not directly related to the specific line items in the financial statements, including information about contingent liabilities and events after the end of the reporting period.

5.1 CONTINGENT LIABILITIES

There has been no material change to the contingent liabilities disclosed in the most recent annual financial report.

5.2 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 20 August 2024, the Directors of Santos Limited declared an interim dividend of US13.0 cents per ordinary share in respect of the 2024 half-year period. Consequently, the financial effect of these dividends has not been brought to account in the half-year financial statements for the six months ended 30 June 2024. Refer to Note 2.4 for details.

Directors' Declaration for the six months ended 30 June 2024

In accordance with a resolution of the Directors of the Company, we state that:

In the opinion of the Directors of the Company:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth), including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
 - (b) complying with the applicable Accounting Standards (including AASB 134 *Interim Financial Reporting*) and the *Corporations Regulations 2001* (Cth); and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated this 20 August 2024

On behalf of the Board:



Director

Independent auditor's review report to the members of Santos Limited



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CONCLUSION

We have reviewed the accompanying half-year financial report of Santos Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

BASIS FOR CONCLUSION

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

DIRECTORS' RESPONSIBILITIES FOR THE HALF-YEAR FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

D S Lewsen
Partner

Adelaide
20 August 2024

D Hall
Partner

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Appendix 4D continued

for the six months ended 30 June 2024

For 'Results for Announcement to the Market' refer to page 2 of this half-year report

NTA BACKING

	30 June 2024	30 June 2023
Net tangible asset backing per ordinary security	N/A	N/A

CHANGE IN OWNERSHIP OF CONTROLLED ENTITIES

Nil

DETAILS OF JOINT VENTURE AND ASSOCIATE ENTITIES

	Percent ownership interest held at the end of the period	
	30 June 2024	30 June 2023
	%	%
Joint venture and associate entities		
Darwin LNG Pty Ltd	43.4	43.4
GLNG Operations Pty Ltd	30.0	30.0
NiuPower Limited	50.0	50.0
NiuEnergy Limited	50.0	50.0
Pacific Compass LLC	51.0	-
Pikka Transportation Company LLC	51.0	-

Glossary

Access agreement

An agreement with a landholder or other land or marine user outlining petroleum activity or tenure for all of petroleum activity, terms and conditions and agreement to compensation

barrel (bbl)

The standard unit of measurement for all oil and condensate production: one barrel equals 159 litres or 35 imperial gallons

boe

Barrels of oil equivalent

British thermal unit (Btu)

The quantity of heat required to raise the temperature of one pound of liquid water by 1 degree Fahrenheit at the temperature that water has its greatest density

Capacity

When being used in the context of CO₂ storage as per the SRMS, means those storable quantities of CO₂ anticipated to be commercially stored by application of development projects from a given date forward under defined conditions. Capacity must satisfy four criteria: it must be discovered, storable, commercial, and remaining (as of a given date) on the basis of the development project(s) applied

Carbon capture and storage (CCS)

A process in which greenhouse gases, including carbon dioxide, methane and nitrous oxide, from industrial and energy-related sources are separated (captured), conditioned, compressed, transported and injected into a geological formation, that provides safe and permanent storage deep underground

Carbon management services

Carbon management services means services that focus on managing and reducing CO₂ emissions of an organisation or individual project or facility through various strategies, which may include CO₂ emissions reduction, abatement, avoidance, removal, and offsetting. Carbon management services may also include monitoring and reporting on CO₂ emissions, carbon trading as well as developing and implementing carbon reduction plans

CO₂

Carbon dioxide

Company

Santos Limited

Condensate

A mixture of hydrocarbons (mainly pentanes and heavier) that exist in the gaseous phase at original temperature and pressure of the reservoir, but when produced, are in the liquid phase at surface pressure and temperature conditions.

Condensate differs from natural gas liquids in two respects: natural gas liquid is extracted and recovered in gas plants rather than lease separators or other lease facilities, and (2) natural gas liquid includes very light hydrocarbons (ethane, propane, or butanes) as well as the pentanes-plus that are the main constituents of condensate

Crude oil

Crude oil is the portion of petroleum that exists in the liquid phase in natural underground reservoirs and remains liquid at atmospheric conditions of pressure and temperature (excludes retrograde condensate). Crude oil may include small amounts of non-hydrocarbons produced with the liquids but does not include liquids obtained from the processing of natural gas

Decarbonise

The process of avoiding, reducing or offsetting anthropogenic greenhouse gas emissions through operational activities or efficiencies, technology deployment, use of generated or acquired carbon credit units, and/or other means

Earnings per share (EPS)

Total net profit or loss divided by the weighted average number of ordinary shares on issue

EBITDAX

Earnings before interest, tax, depreciation and depletion, exploration and evaluation expensed, impairment and change in future restoration assumptions

Emissions

Greenhouse gas emissions, unless otherwise specified

Emissions reduction units

An emissions reduction unit represents one tonne of carbon dioxide equivalent (tCO₂e) emissions reduction or removal

Exploration

Drilling, seismic or technical studies undertaken to identify and evaluate regions or prospects with the potential to contain hydrocarbons

FEED

Front-end engineering design

FID

Final investment decision

Free cash flow

Operating cash flows less investing cash flows (net of acquisitions and disposals and major growth capex) less lease liability payments

Gas

Natural gas

Hydrocarbon

Compounds containing only the elements hydrogen and carbon, which may exist as solids, liquids or gases

Joules

The metric measurement unit for energy

Liquid hydrocarbons (liquids)

A sales product in liquid form, for example condensate and LPG.

LNG

Liquefied natural gas. Natural gas that has been liquefied by refrigeration to store or transport it. Generally, LNG comprises mainly methane

Low carbon fuels

Fuels that Santos may seek to develop with materially lower net greenhouse gas emissions in their production, processing and use (including through reduction and / or equivalent emissions reduction units) compared to traditional fossil fuels. This term may encompass a range of fuels such as hydrogen, ammonia or e-methane

LPG

Liquefied petroleum gas. A mixture of light hydrocarbons derived from oil bearing strata that is gaseous at normal temperatures but that has been liquefied by refrigeration or pressure to store or transport it. Generally, LPG comprises mainly propane and butane

M

Million

mmboe

Million barrels of oil equivalent

mmbbl

Million barrels

mmBtu

Million British thermal units

mtpa

Million tonnes per annum

Net Zero

In relation to greenhouse gas emissions, is achieved when anthropogenic emissions of greenhouse gases are balanced by anthropogenic removal of greenhouse gases through means such as operational activities or efficiencies, technology (eg CCS), offset through the use of emission reduction units, or other means

Net-zero Scope 1 and 2 emissions/net-zero emissions

Santos' equity share of Net Zero Scope 1 and Scope 2 greenhouse gas emissions

Oil

A mixture of liquid hydrocarbons of different molecular weights

PJ

Petajoules, 1 joule x 10¹⁵

Production cost

The costs associated with producing gas and liquid hydrocarbons, including extracting, processing, storing, repairs and maintenance and overhead costs allocated to the above activities

Reserves

Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of a given date) based on the development project(s) applied

Sales gas

Natural gas that has been processed by gas plant facilities and meets the required specifications under gas sales agreements

Santos

Santos Limited and its subsidiaries

Scope 1 emissions

Direct greenhouse gas emissions that occur from sources that are owned or controlled by the reporting company

Scope 2 emissions

Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company

SRMS

CO₂ Storage Resources Management System. The CO₂ storage classification system sponsored by Society of Petroleum Engineers

Target

When referenced in the context of Santos, an outcome sought that Santos has identified a potential pathway, or pathways, toward delivery, subject to conditions and assumptions

Underlying profit

Underlying profit excludes the impacts of asset acquisitions, disposals and impairments, hedging, as well as items that are subject to significant variability from one period to the next, including the effects of fair value adjustments

US\$

US currency

Conversion factors

Sales gas	1 PJ = 171.937 boe x 10 ³
Crude oil	1 barrel = 1 boe
Condensate	1 barrel = 0.935 boe
LPG	1 tonne = 8.458 boe
LNG	1 PJ = 18,040 tonnes
LNG	1 tonne = 52.54 mmBtu

For a comprehensive online conversion calculator tool, please visit our homepage at www.santos.com

DISCLAIMER

This report contains forward-looking statements that are subject to risk factors associated with the oil and gas industry and the carbon capture and storage and carbon emissions reduction technologies industries. 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 on any products we produce, store, trade or capture, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserves and resource estimates, loss of market, industry competition, environmental risks, carbon emissions reduction and associated technology risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals, conduct of joint venture participants and contractual counterparties and cost estimates. The forward-looking information in this report is based on management's current expectations and reflects judgements, assumptions, estimates and other information available as at the date of this document and/or the date of Santos' planning processes. There are inherent limitations with scenario analysis. Scenarios do not constitute definitive outcomes. Assumptions may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by factors other than assumptions made. Except as required by applicable regulations or by law, Santos does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events. Forward-looking statements speak only as of the date of this report or the date planning process assumptions were adopted, as relevant. Our strategies and targets will adapt given the dynamic conditions in which we operate; it should not be assumed that any particular strategies, targets or implementation measures are inflexible or frozen in time. No representation or warranty, expressed or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward-looking information contained in this report. Forward-looking statements do not represent guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Santos' control, and which may cause actual results to differ materially from those expressed in the statements contained in this report.

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