Notice of Annual General Meeting

Santos Limited ABN 80 007 550 923

Santos

Notice is hereby given that the 2022 Annual General Meeting of members of Santos Limited (Santos or the Company) will be held as a hybrid meeting on Tuesday, 3 May 2022 at 10.00 AM (Adelaide time).

Shareholders can attend the Annual General Meeting at the Adelaide Town Hall, 128 King William Street, Adelaide. This year, due to COVID-19, we are also offering shareholders the ability to attend online at https://web.lumiagm.com/330728832. Shareholders and proxyholders who attend online will be able to follow the proceedings, cast a live vote, ask questions (written and oral) and make comments online in real time.

Please be aware that we will be observing social distancing rules and any other government requirements that apply at the time. Due to the ongoing health and safety risks posed by COVID-19, restrictions and precautionary measures may also be imposed on attendance if necessary.

It may not be possible to admit all shareholders who wish to attend, depending on any restrictions that apply at the time. Even if you plan to attend in person or participate online, you are encouraged to submit a directed proxy before the Annual General Meeting so that your vote can still be counted if the physical meeting arrangements change or there is a technical difficulty.

In the lead-up to the meeting, Santos will be closely monitoring the COVID-19 situation in Adelaide. If it becomes necessary or appropriate to make alternative or supplementary arrangements to hold the meetings to those set out in this Notice, shareholders will be given as much notice as possible. Information relating to alternate arrangements will be communicated to shareholders by way of an announcement to the ASX and published at www.santos.com/investors/2022-annual-general-meeting/.

Notice of Annual General Meeting
continued

ORDINARY BUSINESS

1. Financial Report

To receive and consider the Financial Report for the year ended 31 December 2021 and the reports of the Directors and the Auditor, as set out in the 2021 Annual Report.

2. To re-elect or elect Directors

(a) Mr Peter Hearl retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers himself for re-election.

(b) Dr Eileen Doyle, who was appointed a Director on 17 December 2021, retires in accordance with Rule 34(b) of the Company's Constitution and, being eligible, offers herself for election.

(c) Mr Musje Werror, who was appointed a Director on 17 December 2021, retires in accordance with Rule 34(b) of the Company's Constitution and, being eligible, offers himself for election.

(d) Mr Michael Utsler has been nominated by the Directors in accordance with Rule 34(h)(2) and, being eligible, offers himself for election (with effect from the conclusion of the meeting).

3. Remuneration Report

To consider, and if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 31 December 2021 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

4. Advisory vote on climate change

To consider, and if thought fit, pass the following non-binding resolution:

"That the climate transition approach described in Santos' 2022 Climate Change Report be supported."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

SPECIAL BUSINESS

5. Grant of Share Acquisition Rights to Mr Kevin Gallagher

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That approval is given for the Company to grant to the Company's Managing Director and Chief Executive Officer, Mr Kevin Gallagher, Share Acquisition Rights under the Santos Employee Equity Incentive Plan on the terms set out in the Explanatory Notes to this Notice of Meeting."

6. Approval for issue of shares to satisfy Growth Projects Incentive Rights to Mr Kevin Gallagher

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That approval is given for the Company to issues shares to the Company's Managing Director and Chief Executive Officer, Mr Kevin Gallagher, to satisfy any vesting of Share Acquisition Rights granted under the Growth Projects Incentive on the terms set out in the Explanatory Notes to this Notice of Meeting."

7. Director fee pool

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, pursuant to Rule 36(a) of the Company's Constitution, the aggregate amount of remuneration that may be paid in any financial year commencing on or after 1 January 2022 to the Company's non-executive Directors be increased from $2,600,000 to $3,500,000."

8. Resolutions requisitioned by a group of shareholders

The following resolutions are **NOT SUPPORTED** by the Board:

8(a) Special resolution – amendment to the Constitution

To consider, and if thought fit, pass the following resolution as a special resolution:

To amend the constitution to insert the following new Clause 32A: "The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to a material risk as identified by the company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

8(b) Ordinary resolution – capital protection

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

Shareholders note the company's support for the climate goals of the Paris Agreement, along with the publication of the International Energy Agency's Net-Zero Emissions by 2050 Scenario, and the Climate Action 100+ company assessment. Shareholders therefore request the company disclose, in subsequent annual reporting, information that demonstrates how the company's capital allocation to oil and gas assets will align with a scenario in which global energy emissions reach net-zero by 2050, facilitating the efficient managing down of these assets.

This information should include:

- *production guidance for the lifetime of the company's oil and gas assets;*
- *plans and capital expenditure expectations for decommissioning and rehabilitating oil and gas asset sites;*
- *plans and provisions for supporting staff to transition to future employment following oil and gas asset closures; and*
- *details of how remaining value in the company's oil and gas assets will be redeployed or returned to investors.*

8(c) Ordinary resolution – climate-related lobbying

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

Shareholders request that our company cease all private and public advocacy, both direct and indirect, that contradicts the conclusions of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) on 1.5°C alignment, including advocacy relating to the development of new oil and gas fields.

Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company.

8(d) Ordinary resolution – decommissioning

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

Shareholders request that the Board disclose annually from 2023:

1. *a list of all onshore and offshore oil and gas infrastructure which may be decommissioned over the medium-term;*
2. *audited asset-level provisions for the decommissioning of this infrastructure and restoration of sites, along with the major assumptions underpinning these provisions;*
3. *analysis of the useful life of all assets using different oil and gas demand scenarios, including the IEA Net Zero by 2050 scenario.*

Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company.

The resolutions in Items 8(a) and 8(b) were proposed by a group of shareholders holding less than 0.05% of the Company's ordinary shares. The resolutions in Items 8(c) and 8(d) were proposed by a second group of shareholders holding less than 0.1% of the Company's ordinary shares. The Board has considered the requisitions and the supporting statements put forward. The Board unanimously recommends that shareholders vote against Items 8(a), 8(b), 8(c) and 8(d) for the reasons set out on pages 22 to 34. The Chairman of the meeting intends to vote undirected proxies **AGAINST** Items 8(a), 8(b), 8(c) and 8(d).

VOTING ENTITLEMENT

The Board has determined, in accordance with the Company's Constitution and the Corporations Regulations, that a person's entitlement to vote at the Annual General Meeting will be taken to be the entitlement of that person shown in the Register of Members at 6.30 pm (Adelaide time) Sunday, 1 May 2022.

Voting restrictions in relation to Items 3, 5, 6 and 7 apply to the Company's key management personnel and their closely related parties, which also affect proxy voting. Full details are included in the Notes Relating to Voting commencing on page 34. In particular, please note that if the Chairman of the meeting is appointed as your proxy, and you have not directed him how to vote, then by submitting the proxy form you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on resolutions 3, 5, 6 and 7 even though the resolutions are connected with the remuneration of the Company's key management personnel.

The Explanatory Notes and Notes Relating to Voting form part of this Notice of Meeting.

By Order of the Board

Amanda Devonish
Company Secretary

Ground Floor
Santos Centre
60 Flinders Street
Adelaide, South Australia, 5000
1 April 2022

Notice of Annual General Meeting
continued

EXPLANATORY NOTES

1. FINANCIAL AND STATUTORY REPORTS

As required by section 317 of the Corporations Act, the Financial Report and the reports of the Directors and the Auditor for the financial year ended 31 December 2021 will be laid before the meeting.

In relation to this item of business, shareholders will be given a reasonable opportunity to ask questions and make comments about the reports and the business and management of the Company. Shareholders will also be given a reasonable opportunity to ask a representative of the Company's Auditor, Ernst & Young, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

The Financial Report and the reports of the Directors and the Auditor for the year ended 31 December 2021 are contained in the Santos' 2021 Annual Report available on the Company's website at https://www.santos.com/wp-content/uploads/2022/02/2021-Annual-Report.pdf.

2. ELECTION AND RE-ELECTION OF DIRECTORS

Rule 34 of the Company's Constitution specifies that at every Annual General Meeting of the Company, one third of the Directors (disregarding any fractions) who have been longest in office since the date of their last election or appointment (excluding the Managing Director and any Director not yet elected) must retire. In addition, no Director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the Director was last elected or re-elected, and any Director appointed by the Board in addition to the existing Directors or to fill a casual vacancy holds office until the conclusion of the next Annual General Meeting and may stand for election.

Accordingly, Mr Peter Hearl will retire and seek re-election. Mr Hock Goh will retire and, having served more than nine years on the Board, will not seek re-election.

Following a recommendation from the Nomination Committee of the Board, the Board appointed Dr Eileen Doyle and Mr Musje Werror as Directors on 17 December 2021. Both Directors are now standing for election at the first Annual General Meeting since they were appointed, in accordance with Rule 34 of the Company's Constitution. The Board has also resolved to nominate Mr Michael Utsler for election by shareholders as a Director in accordance with Rule 34(h)(2) of the Company's Constitution.

As part of the Board's annual performance review process, the Board has reviewed the performance of each of the Directors standing for re-election and election and considered the contribution made to the Board and its Committees by, and the skills and expertise of, those Directors.

Brief biographical details of each Director standing for re-election and election follow.

MR PETER HEARL

BComm (UNSW with Merit), FAICD, MAIM, MAMA

Mr Hearl is an independent non-executive Director. He joined the Board on 10 May 2016 and is Chair of the Environment, Health, Safety and Sustainability Committee, a member of the People, Remuneration and Culture Committee and the Nomination Committee, having earlier served on the Company's Audit and Risk Committee.

During an 18-year career in the oil industry with Exxon in Australia and the USA, he held a variety of senior marketing, operations, logistics and strategic planning positions. Mr Hearl joined YUM Brands (formerly PepsiCo Restaurants) as KFC Australia's Director of Operations in 1991 and subsequently had several senior international leadership roles as well as being President of Pizza Hut USA, before assuming the global role of YUM Brands' Chief Operating and Development Officer in 2006, based in Dallas, Texas and Louisville, Kentucky, and from where he retired in 2008.

Mr Hearl is currently Chairman of Endeavour Group Ltd (since 2021) (having been Chair-Elect from 2019 to 2021), Trustee of the Stepping Stone Foundation, a Sydney-based NFP (since 2020) and Member of its Investment Committee (since 2018). Mr Hearl was a Director of Telstra Ltd from 2014 to 2021.

RECOMMENDATION

Having reviewed Mr Hearl's performance, the Board considers that Mr Hearl makes a valuable contribution to the Santos Board. The review included consideration of Mr Hearl's expertise, skill and experience as well as his performance and contribution to the work of the Board since his appointment. The Board considers Mr Hearl to be a high-performing Director.

The Board (with Mr Hearl abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Mr Hearl.

DR EILEEN DOYLE

BAMath (Hons), MMath, PhD, FAICD

Dr Doyle is an independent non-executive Director. She joined the Board on 17 December 2021.

Dr Doyle's career spans the building materials, infrastructure, industrials and logistics sectors, including senior operational roles at BHP Limited and CSR Limited and culminating in her appointment as CEO of CSR's Panel Division. She is a Director of Dalrymple Bay Infrastructure Limited, NEXTDC Limited, Airservices Australia, Hunter Angels Trust and SWOOP Analytics. Dr Doyle is also a member of the Council of the University of Newcastle. She has previously served on a number of other Boards, including as Deputy Chairman CSIRO and Chairman of Port Waratah Coal Services, Oil Search Limited and the Knights Rugby League Pty Ltd.

Notice of Annual General Meeting
continued

RECOMMENDATION

Having reviewed Dr Doyle's performance since her appointment, the Board considers that her skills and experience will continue to enhance the Board's ability to perform its role. Appropriate background checks were completed before Dr Doyle was appointed to the Board. The Board considers that Dr Doyle will bring an in-depth understating of Oil Search Limited's operations, having been a member of the Oil Search Limited Board since 2016. She also brings expertise, skills and experience in the fields of infrastructure, industrials and logistics.

The Board (with Dr Doyle abstaining) recommends that shareholders vote **IN FAVOUR** of the election of Dr Doyle.

MR MUSJE WERROR

BSc (Chem), MBA, MProfAcc

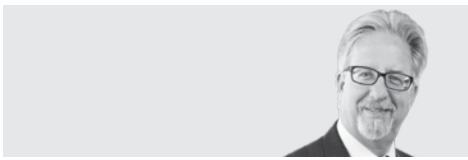
Mr Werror is an independent non-executive Director. He joined the Board on 17 December 2021.

Mr Werror brings over 20 years of leadership experience in the mining and resources sector in Papua New Guinea. In June 2020, he was appointed as Managing Director and Chief Executive Officer of Ok Tedi Mining Limited. He was formerly Deputy CEO and General Manager External Relations. Mr Werror commenced his long career at Ok Tedi as a graduate in 1988 and previously held various roles and responsibilities including leading community relations in Western Province, PNG. Mr Werror is currently Chairman of Ok Tedi Development Foundation and the Western Province Health Authority and is a former Director of Oil Search Limited.

RECOMMENDATION

Having reviewed Mr Werror's performance since his appointment, the Board considers that his skills and experience will continue to enhance the Board's ability to perform its role. Appropriate background checks were completed before Mr Werror was appointed to the Board. The Board considers that Mr Werror will bring a detailed knowledge of the operations and assets in Papua New Guinea to his role as well as expertise, skills and experience in the mining and resources sectors.

The Board (with Mr Werror abstaining) recommends that shareholders vote **IN FAVOUR** of the election of Mr Werror.



MR MICHAEL UTSLER

BSc (Ptrl Eng), GAICD

The Board has nominated Mr Utsler to be elected to the Board as a non-executive Director. Mr Utsler has more than 40 years of international oil and gas industry experience. He has held senior leadership and executive positions with Amoco, BP (including President of the Gulf Coast Restoration Organization – GCRO and SVP BP Alaska Exploration), Woodside Energy and New Fortress Energy. In September 2020, Mr Utsler joined Otto Energy as its Chief Executive Officer and Managing Director. He was further appointed Otto Energy's Executive Chairman in November 2020. Mr Utsler is also currently a non-executive Director of Integrated Asset Solutions and a former Director of Oil Search Limited. He has previously served on a variety of not-for-profit boards including the West Australian Symphony Orchestra.

RECOMMENDATION

The Board considers that Mr Utsler's skills and experience will enhance the Board's ability to perform its role. Appropriate background checks have been conducted before Mr Utsler has been recommended by the Company to be appointed to the Board. The Board considers that Mr Utsler will bring a detailed knowledge of the upstream oil and gas industry, along with skills, expertise and experience related to international oil and gas operations. If Mr Utsler is elected, the Board will consider him to be independent.

The Board recommends that shareholders vote **IN FAVOUR** of the election of Mr Utsler.

3. REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out on pages 34 to 63 of the 2021 Annual Report and is also available from the Company's website (www.santos.com).

The Remuneration Report:

- outlines the key developments that impacted on Santos' remuneration strategy during 2021
- explains the Board's policies in relation to the objectives and structure of remuneration
- highlights the links between the Company's performance and the remuneration received by Directors and other key management personnel (KMP)
- explains the components of remuneration for Directors and other KMP, including relevant performance conditions
- sets out the remuneration details for the Directors and other KMP of the Group.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

The shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with section 250R of the Corporations Act.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 34 to 39.

RECOMMENDATION

The Board recommends that shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

4. ADVISORY VOTE ON CLIMATE CHANGE

Last year we announced our intention to provide shareholders with a non-binding advisory vote on the Company's Climate Change Report (Report) at the 2022 Annual General Meeting. In this year's Climate Change Report, we set out our Climate Transition Action Plan and we hope to gain your support for the climate transition approach described in the Report.

Your Directors recognise their responsibility to set the Company's strategy. We are not asking shareholders to take responsibility for formally approving or objecting to Santos' climate transition strategy. That is a legal responsibility of the Santos Board and Management.

The 2022 Climate Change Report and Climate Transition Action Plan take into account feedback from shareholders and describe steps we are taking towards net-zero Scope 1 and Scope 2 emissions by 2040, in line with the objective of the Paris Agreement to limit global temperature rise to less than 2 degrees Celsius and pursue efforts to limit the temperature rise to 1.5 degrees Celsius. The Report aims to help shareholders and our other stakeholders gain a better understanding of how we are addressing the risks and opportunities of the energy transition.

At the core of our approach is our aim to deliver superior shareholder returns by being a global leader in the transition, providing cleaner energy and clean fuels that are affordable and sustainable as we help the world decarbonise to achieve Net Zero.

We will transform to become a cleaner energy and clean fuels business, build around our existing infrastructure by developing natural gas for backfill, and by growing through the development of clean fuels projects such as hydrogen. We will combine natural gas developments with Carbon Capture and Storage to reduce carbon emissions from our own production, help third parties, including our customers, to reduce their emissions, and enable future clean fuels projects.

To provide transparency for our shareholders, we will continue to publish an annual Climate Change Report, including our progress towards our targets and Climate Transition Action Plan. We invite your continued feedback ahead of the annual publication of the Climate Change Report and intend to provide shareholders with a three-yearly non-binding advisory vote to express your views on whether our approach remains suitable. This interval will allow time for the Company to make progress with its Climate Transition Action Plan, but also ensure the evolution of technology, science, markets, policy and experience over time is taken into account in the Company's approach to the energy transition.

The support of our shareholders is important for us to meet our goal to become a net-zero Scope 1 and Scope 2 emissions business by 2040, in step with society.

The Board recommends that you vote in favour of the non-binding advisory resolution on the 2022 Climate Change Report at the 2022 Annual General Meeting, supporting the climate transition approach described in that Report.

RECOMMENDATION

For the reasons outlined above, the Board recommends that shareholders vote **IN FAVOUR** of the climate transition approach described in Santos' 2022 Climate Change Report.

5. GRANT OF SHARE ACQUISITION RIGHTS TO MR KEVIN GALLAGHER

The Company is seeking the approval of shareholders for the grant of Share Acquisition Rights (SARs) to the Managing Director and Chief Executive Officer, Mr Kevin Gallagher, under the Santos Employee Equity Incentive Plan (SEEIP)[1] on the terms set out below.

TERMS AND CONDITIONS

Performance period	Four years commencing on 1 January 2022 and ending on 31 December 2025.
Date of grant	If approval is obtained, the SARs will be granted to Mr Gallagher as soon as practicable after the Annual General Meeting. In any event, they will not be granted more than 12 months after the date of the Annual General Meeting.
Performance conditions	The Board has determined that the SARs to be granted to Mr Gallagher will be divided into four tranches, each of which will comprise 25% of the SARs. The performance conditions for the vesting of the SARs in each tranche are set out below. There is no re-testing if performance conditions are not met and any SARs that do not vest on testing will lapse.

1 Formerly known as the Santos Employee Share Purchase Plan which was approved by shareholders at the Annual General Meeting held on 5 May 2000

Tranche 1: Relative TSR against ASX 100	25% of the SARs will be subject to the Company's Total Shareholder Return (TSR) performance relative to the TSR performance of the companies comprising the ASX 100 index as at 1 January 2022 (the ASX 100 Comparator Group). At the end of the performance period, the TSR of the Company and the other companies in the ASX 100 Comparator Group will be calculated and the Company's relative TSR ranking determined. Once the Company's relative TSR ranking is determined, the SARs will vest according to the following vesting scale:

TSR percentile ranking	% of tranche vesting
Below 51st percentile	0%
51st percentile	50%
Straight-line pro-rata vesting in between	
76th percentile and above	100%

The Board has absolute discretion over the calculation methodology and may adjust the ASX 100 Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

Tranche 2: Relative TSR against S&P Global Energy Index	25% of the SARs will be subject to the Company's TSR performance relative to the TSR performance of the companies comprising the S&P Global Energy Index as at 1 January 2022 (the S&P Global Energy Index Comparator Group).

At the end of the performance period, the TSR of the Company and the other companies in the S&P Global Energy Index Comparator Group will be calculated and the Company's relative TSR ranking determined.

Once the Company's relative TSR ranking is determined, the SARs will vest according to the following vesting scale:

TSR percentile ranking	% of tranche vesting
Below 51st percentile	0%
51st percentile	50%
Straight-line pro-rata vesting in between	
76th percentile and above	100% vesting

The Board has absolute discretion over the calculation methodology and may adjust the S&P Global Energy Index Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.

Tranche 3: Free Cash Flow Breakeven Point	25% of the SARs will be subject to the Company's performance on its Free Cash Flow Breakeven Point (FCFBP). FCFBP is the US$ oil price at which cash flows from operating activities equals cash flows from investing activities, as published in the Company's financial statements. This condition has been chosen in order to drive the underlying business to be an operationally efficient low-cost producer focused on delivering shareholder value throughout the oil price cycle. As the aim of the condition is to measure the performance of the underlying business, the Board will have discretion to adjust the FCFBP for individually material items including asset acquisitions and disposals that may otherwise distort the measurement. The Company's FCFBP will be calculated each year and will be an average over the four-year performance period, and the SARs will vest in accordance with the following vesting scale:

FCFBP	% of tranche vesting
Above US$35/bbl	0%
Equal to US$35/bbl	50%
Straight-line pro-rata vesting in between	
Equal to or below US$25/bbl	100% vesting

Tranche 4: Relative Return on Average Capital Employed

25% of the SARs will be subject to the Company's performance in relation to Return on Average Capital Employed (ROACE) relative to the Company's weighted average cost of capital (WACC).

ROACE is measured as underlying earnings before interest and tax (EBIT) divided by average capital employed, being shareholders' equity plus net debt, as published in the Company's financial statements. Average capital employed is calculated as the simple average of opening and closing balances.

This condition has been chosen in order to drive the underlying business to be an operationally efficient low-cost producer focused on delivering shareholder value throughout the oil price cycle. As the aim of the condition is to measure the performance of the underlying business, the Board will have discretion to adjust the ROACE for individually material items that may otherwise distort the measurement.

The Company's ROACE will be calculated as an average over the four year performance period from 2022 to 2025 and compared to the Company's WACC over the four-year performance period, in order to determine whether the SARs will vest in accordance with the following vesting scale:

ROACE percentile ranking	% of grant vesting
Santos' ROACE is equal to or below 110% of WACC	0%
From greater than 110% of WACC	50%
Straight-line pro-rata vesting in between	
Equal to or above 140% of WACC	100% vesting

Number of SARs	The number of SARs to be granted to Mr Gallagher has been determined using the 'face value' methodology, that is, by dividing an amount equivalent to 180% of Mr Gallagher's 2022 total fixed remuneration of $2,010,000 by $6.31, being the share price at the start of the performance period (the price on Friday 31 December 2021 was used as 1 January 2022 was not a trading day). This was the same face value methodology that was used to calculate the number of SARs awarded to other executives of the Company as part of the Company's long-term incentive program. Based on the above formula, it is proposed that Mr Gallagher be granted 573,375 SARs. The SARs will be granted at no cost to Mr Gallagher, and no amount is payable on vesting of the SARs if the performance conditions are met. Each SAR entitles Mr Gallagher to one fully paid ordinary share in the Company which, when allocated, will rank equally with shares in the same class. At Santos' election, cash to the same value can be paid as an alternative to providing shares.
Other material terms	In the period between allocation and vesting of SARs, Mr Gallagher has no legal or beneficial interest in Santos shares and no entitlement to receive dividends and has no voting rights. For SARs which vest, Mr Gallagher will receive additional Santos shares equivalent in value to notional dividends accrued and reinvested during the period between allocation and vesting, or the cash equivalent value. These additional shares or cash equivalent value will be provided at or around the time of vesting. No entitlement to additional shares or cash payment will be provided in respect of SARs which do not vest. If this grant is approved, some or all of the SARs granted to Mr Gallagher may vest, lapse or remain on foot on cessation of employment, subject to the Board's discretion. Under the SEEIP, the Board also has discretion to vest or lapse the CEO's SARs if there is a change of control. The SEEIP rules also give the Company the discretion to lapse unvested SARs, and claw back vested shares or cash, in certain circumstances (such as dishonesty, fraud or breach of material obligations). The SEEIP can be amended by the Board, subject to the Listing Rules.

Notice of Annual General Meeting
continued

OTHER INFORMATION REQUIRED BY THE ASX LISTING RULES

Why is approval being sought and what will happen if approval is not given?

Listing Rule 10.14 provides that a listed company must not issue shares to a Director under an employee incentive scheme unless it obtains the approval of its shareholders.

Santos is seeking shareholder approval for the purposes of Listing Rule 10.14 and for transparency and governance reasons. While obtaining shareholder approval would give Santos the flexibility to issue shares to satisfy SARs that vest, Santos currently intends to satisfy any vested SARs (as well as any distribution equivalent amount) with shares that have been purchased on market.

If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Gallagher.

Why are SARs used for Mr Gallagher's long-term incentive?

Santos uses SARs because they create share price alignment between executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the SARs vest.

Mr Gallagher's total remuneration package for FY22

Listing Rule 10.15.4 requires this Notice to include details (including the amount) of Mr Gallagher's current total remuneration:

Total Fixed Remuneration (including superannuation) (TFR)	$2,010,000
Short-term incentive	100% of TFR at target, 167% of TFR at maximum
Long-term incentive	180% of TFR on a face value basis

Shareholders are referred to the Remuneration Report for full details of Mr Gallagher's remuneration.

Other information	Mr Gallagher is the only Director entitled to participate in the SEEIP. There is no loan in relation to the SARs. The ASX Listing Rules require this Notice to state the number and average price of securities received by Mr Gallagher under Santos' long-term incentive plan. 2,628,586 SARs have been issued to Mr Gallagher under the SEEIP (at no cost) in respect of prior year long-term incentives. Details of any SARs issued under the SEEIP will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the SEEIP after this resolution is approved and who are not named in this Notice will not participate until approval is obtained under that rule.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 35 to 36.

RECOMMENDATION

The non-executive Directors consider the grant of SARs to Mr Gallagher to be reasonable and appropriate in all the circumstances. The non-executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 4.

6. APPROVAL FOR ISSUE OF SHARES TO SATISFY GROWTH PROJECTS INCENTIVE RIGHTS AWARDED TO MR KEVIN GALLAGHER (INCENTIVE)

In April 2021 the Board awarded the Managing Director and CEO, Kevin Gallagher, a once-off Incentive to ensure Mr Gallagher sees through the successful delivery of Santos' major projects and energy transition strategy to 31 December 2025. Mr Gallagher is well-recognised as one of Australia's leading chief executives with a proven track record of delivering for shareholders.

Santos has significant major projects including Barossa, Dorado and Moomba carbon capture and storage underway. Santos is leading the energy transition to cleaner fuels and has a clear plan targeting net-zero Scope 1 and 2 equity emissions by 2040. Mr Gallagher is uniquely placed to lead Santos through this transition.

The Incentive recognises the unique value that Mr Gallagher brings to Santos and the significant role he will play in leading and driving the delivery of the major projects through until the end of 2025. The projects are a critical part of the Transform, Build and Grow strategy, and Vision 2025 which Mr Gallagher has designed and led since joining Santos.

The Incentive was provided wholly in the form of 847,458 SARs granted under the Santos Employee Equity Incentive Plan. This was calculated by dividing the maximum award quantum of A$6 million by the volume weighted average price of Santos shares for the five trading days up to and including 9 April 2021 of A$7.08. The SARs are at-risk and vesting will be determined following an assessment of delivery against strict performance conditions related to major projects and emissions reduction and energy transition deliverables and continued employment at 31 December 2025.

Following this assessment, if the SARs vest, shares are automatically allocated to Mr Gallagher. Nothing is payable by Mr Gallagher if SARs vest.

While any vesting awards will not be subject to a further restriction period post-vesting, Mr Gallagher is required to retain a minimum shareholding equivalent to three times his annual Total Fixed Remuneration. Trading in shares is subject to compliance with the Company's Securities Dealing Policy. Mr Gallagher also participates in deferred STI and LTI which are provided in equity and which provide ongoing alignment with shareholders.

The award comprises milestones and initiatives to be achieved over the five years to 31 December 2025. The Board will review performance annually as part of the CEO's performance assessment. Achievement of initiatives over the five-calendar year performance period (2021-2025) allows success to be 'locked in' along the way, however all awards remain subject to forfeiture if the CEO resigns from his employment prior to 31 December 2025 unless agreed by the Board.

Performance conditions

Deliverables	Allocation (% of total award)	Targets
Major projects	60%	Initiatives related to the delivery of: • the Barossa Project • the Dorado Project • developing backfill resources to maximise ongoing utilisation and future expansion of existing facilities
Emissions reduction, net-zero plan and energy transition	40%	Initiatives related to the delivery of: • CCS operational targets • progress towards net-zero Scope 1 and 2 operations emissions • new energy business development which supports energy transition • achieve significant progress on a commercial scale hydrogen or downstream clean fuels project

A more detailed description of measures and performance will be provided each year in the Remuneration Report.

The Board considers that the 40% weighting to emissions, net zero and energy transition significantly increases the exposure of the CEO's remuneration to climate change measures.

Approval is now sought under Listing Rule 10.14 for the issue of shares to satisfy any SARs which vest under the Incentive.

The information set out in the table under the heading 'OTHER INFORMATION REQUIRED BY THE ASX LISTING RULES' for resolution 5 above applies to resolution 6 as well.

In the event that approval for the issue of shares to satisfy vested SARs is not received, the Incentive will be settled with shares acquired on market or will be cash-settled.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on pages 35 to 36.

RECOMMENDATION

The non-executive Directors consider the grant of SARs under the Incentive to Mr Gallagher to be reasonable and appropriate in all the circumstances. The non-executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 5.

7. INCREASE IN NON-EXECUTIVE DIRECTOR FEE POOL

In accordance with Rule 36(a) of the Company's Constitution and ASX Listing Rule 10.17, the Directors are seeking approval from shareholders to increase the maximum aggregate amount available for non-executive Directors' fees (Fee Pool) in any financial year commencing on or after 1 January 2022 from $2,600,000 to $3,500,000 per year, an increase of $900,000 per year. The Fee Pool has not been increased since it was last approved by shareholders at the 2013 Annual General Meeting.

This proposal follows consideration of an external review of Directors' fees conducted by PwC in November 2021 which included benchmarking comparisons of non-executive Directors' fees and the Fee Pools for similar companies. Details of fees paid to non-executive Directors are provided in the Remuneration Report at pages 52 to 63 of the 2021 Annual Report, summarised in the table below.

Non-executive Directors' annual fee structure effective from 1 January 2022[2]

	Chair A$	Member A$
Board	561,325[3]	200,000
Audit and Risk Committee	50,000	25,000
Environment, Health, Safety and Sustainability Committee	50,000	25,000
People, Remuneration and Culture Committee	50,000	25,000
Nomination Committee	-	-

The proposed Fee Pool will accommodate the appointment of additional Board members following the Company's merger with Oil Search Limited.

Fees paid to Directors out of the Fee Pool are reviewed periodically to ensure that they are appropriate. The proposed increase in the Fee Pool will ensure that fees can continue to be set at sufficiently competitive rates to attract and retain non-executive Directors with the necessary qualifications and of appropriate calibre, having regard to fees paid by comparable companies listed on the ASX.

It will provide flexibility to allow for payment of appropriate non-executive Director fees over time including with regard to the increased responsibilities required of non-executive Directors generally, the growth in the size and scope of the Company's strategic business interests and increased geographical diversification of the business.

It is not intended to distribute all of the proposed Fee Pool, if approved, in the current year.

No securities have been issued to non-executive Directors under ASX Listing Rules 10.11 and 10.14 in the last three years.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 36.

RECOMMENDATION

Given the interest in this matter of each non-executive Director, the Board does

2 Fees are shown inclusive of superannuation

3 The Chair of the Board does not receive any additional fees for serving on or chairing any Board committee

not consider it appropriate to make a recommendation on this resolution.

8. RESOLUTIONS REQUISITIONED BY A GROUP OF SHAREHOLDERS

Resolutions 8(a) – (d) following are **NOT SUPPORTED** by the Board.

Your Directors believe that our Company operates in a socially and environmentally responsible manner, with strong values and high governance standards guiding the way we work. We are committed to identifying, understanding and effectively addressing all regulatory, reputational and market standards and risks. We respect and support the right of shareholders to take an active interest in the Company and engage on issues of interest or concern.

To ensure shareholders are able to make an informed decision in relation to these resolutions, we have prepared summaries addressing our position on the matters the subject of each of the resolutions 8(a), 8(b), 8(c) and 8(d).

8(a) Special resolution – amendment to the Constitution

A group of shareholders holding less than 0.05% of the Company's ordinary shares has proposed the resolution in Item 8(a) under section 249N of the Corporations Act and requested, pursuant to section 249P of the Corporations Act, that the statement set out in Appendix 2 to this Notice be provided to shareholders.

The Board's response

The Board respects the rights of shareholders to requisition a resolution which seeks to amend the Company's Constitution. However, the Board does not consider this resolution to change the Constitution to be necessary or in the best interests of the Company and recommends that shareholders vote against it for the reasons set out below.

This resolution proposes to insert a new provision in the Company's Constitution which would enable shareholders, by ordinary resolution, to express an opinion, ask for information or make a request about the way in which the management of the business and affairs of the Company has been, or should be, exercised.

Consistent with the Company's approach to inviting shareholder debate and feedback, it is the Board's intention to allow a reasonable opportunity at the Annual General Meeting to take questions from shareholders on each of resolutions 8(b) to 8(d), regardless of there being no requirement in the Company's Constitution to do so. Santos has demonstrated a long history of taking this transparent approach at Annual General Meetings.

Further, the Company is demonstrating a willingness to engage with shareholders and act on their feedback by putting a non-binding advisory resolution (resolution 4) on the 2022 Climate Change Report to shareholders at this year's Annual General Meeting, regardless of there being no provision for such a resolution in the Company's Constitution.

Shareholders already have a right under the Corporations Act to put effective resolutions to general meetings. In addition, there are a number of avenues available to them to express their opinions about the management of the Company. At any time during the year, shareholders can contact the Company, and many do, to express their opinions or ask questions. The Company's Investor Relations team is very diligent in ensuring such correspondence is properly addressed and responded to. Most notably, shareholders can attend, engage in and ask questions at general meetings of the Company, or submit questions in advance of the meeting when they are unable to attend in person. Webcasts of Annual General Meetings are available on the Santos website, along with copies of other investor briefings.

Santos regularly and constructively engages with its shareholders and wider stakeholder groups on the Company's strategy, operations and activities, and performance. Through this process, the Company receives and takes into account feedback on its strategy, outlook and reporting to shareholders and other stakeholders. For example, Santos' annual Climate Change Report has responded to shareholder and stakeholder interests. We have consistently improved the quality and nature of that report as stakeholders, including shareholders, have sought more information, and it is published in time for shareholders to read it while considering Annual General Meeting materials. These engagements with shareholders and communication efforts all occur because the Company respects and values the views of shareholders.

Creating a constitutional power to "express an opinion" or "make a request" on the exercise of powers vested in the Directors would allow groups of shareholders to use the general meeting process as a public platform to pursue single issues or their individual interests, which may not be in the broader interests of the Company or shareholders as a whole. Interest and advocacy groups have other avenues to engage with the Company that are more appropriate – and the Company welcomes and encourages that engagement.

The amendment contemplated by this resolution will not improve the ability for shareholders as a whole to be heard and to express their opinions about the management of the Company.

Importantly, the Directors are of the view that the proposed resolution could adversely impact on the governance of the Company, even if it were advisory only. The power to manage the business of the Company is conferred upon the Board by the Constitution. It is important that the Directors are able to make decisions using their professional expertise and business judgement about the affairs of the Company in the interests of shareholders as a whole. Shareholders have the ability to hold Directors to account for their decisions and actions by voting on the appointment and removal of Directors.

Having regard to these reasons, the Board considers the proposed amendment to the Company's Constitution is not necessary or in the best interests of shareholders as a whole.

RECOMMENDATION

For the reasons outlined above, the Board recommends that shareholders vote **AGAINST** resolution 8(a).

8(b) Ordinary resolution – capital protection

A group of shareholders holding less than 0.05% of the Company's ordinary shares has proposed the resolution in Item 8(b) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 2 to this Notice be provided to shareholders.

The Board's response

The Board does not endorse the resolution and recommends that shareholders vote against this resolution for the reasons set out below.

According to the supporting statement provided with the resolution, it is based on the premise that further capital investment in oil and gas development and production would be stranded. The Board does not consider this premise is supported by objective or comprehensive evidence.

In particular the premise does not adequately consider consumer demand, which is the primary driver of supply requirements. Nor does it adequately consider that, with no new investment in oil and gas development, the world would become more heavily reliant on supply from Russia and the Middle East by 2050.[4]

The International Energy Agency (IEA) Gas Market Report for the first quarter of 2022 reported that global natural gas consumption rebounded by 4.6% in 2021, more than double the decline seen in 2020.[5] This strong demand growth was driven by economic recovery as pandemic restrictions eased, and by some extreme weather events. When supply did not keep pace with demand, tight markets and steep price increases occurred. Resulting high gas and electricity prices hurt consumers and, as the IEA has said, are likely to have a lasting negative impact beyond the current seasonal environment with emerging economies particularly vulnerable, and already experiencing, power cuts, industrial demand destruction and potential food supply issues in the absence of affordable gas-based fertilisers.[6]

High prices have exacerbated a reversal of global progress towards universal access to electricity and clean cooking brought on by the pandemic. The IEA estimates that in 2021 the number of people without access to electricity increased by about 2 per cent.[7] In Africa, the number of people without access was about 4 per cent higher than before the pandemic, reaching nearly 600 million.[8] For clean cooking, the pandemic increased the number of people without access by 30 million between 2019 and 2021, a rise of 1 per cent.[9] This was the result of a deterioration in sub-Saharan Africa and a slowdown in progress in developing Asia, where many people reverted to dirtier fuels during the pandemic for financial reasons. Governments in both regions intervened to maintain affordability for some of the world's poorest people.

The IEA has noted that the current market situation is a stark reminder of the importance of security of supply measures. Recently, the IEA released a ten-point plan to reduce Europe's reliance on Russian natural gas supplies, including maximising gas supplies from other sources. With Russia subject to sanctions across the Western world and with Europe looking

4 IEA, World Energy Outlook 2021: https://www.iea.org/reports/world-energy-outlook-2021

5 IEA, Gas Market Report, Q1 2022: https://www.iea.org/reports/gas-market-report-q1-2022

6 IEA, Gas Market Report, Q1 2022: https://www.iea.org/reports/gas-market-report-q1-2022

7 IEA, The pandemic continues to slow progress towards universal energy access, 2021: https://www.iea.org/commentaries/the-pandemic-continues-to-slow-progress-towards-universal-energy-access

8 Refer to footnote 4

9 Refer to footnote 4

Notice of Annual General Meeting
continued

to diversify its natural gas supply away from Russia, Santos' projects in Australia and PNG are expected to become more important supply sources, regardless of any decrease in total global demand for gas. For example, more LNG from our region could be required in Asia as Atlantic and Middle East projects divert more gas to Europe.

Further, even in the IEA's Net Zero by 2050 scenario, global investment of US$10 trillion in oil and gas supply would be needed to meet the world's energy needs between now and 2050.[10] At least in part this is to account for production from existing fields declining faster than consumer demand. By 2050, oil consumption would still be about 26 per cent of 2020 levels and gas consumption would decline more slowly to about 45 per cent of 2020 levels.[11] In addition, half the natural gas produced in 2050 would be used to make hydrogen (with CCS attached) and around 40 per cent of hydrogen produced would be made from natural gas.[12]

Another factor to be considered is the extent to which natural gas is difficult to replace with renewables in sectors other than power generation. This includes heavy industry, long-distance transportation and manufacturing feedstocks to make fertilisers and polymers. Polymers are the building blocks for myriad everyday products including packaging, more than 60 per cent of the world's clothing fibres and the gloves, masks, gowns, face shields, hand sanitisers, injection vials and medical devices so vital during the global coronavirus pandemic. More than half the world's natural gas supply is used in sectors other than power generation.[13]

Therefore, the Board has reasonably formed the view that Santos can deliver superior shareholder returns through building around our existing infrastructure, developing natural gas for backfill and combining natural gas developments with CSS, which will also provide a platform for future clean fuels projects such as hydrogen when consumer demand evolves over time.

It is vitally important that new supply investment happens in a sustainable way. Companies like Santos, which are publicly listed, subject to ESG scrutiny by their investors and which report transparently on carbon emissions and their climate transition plans, are best placed to supply critical fuels more sustainably, striving for lower emissions intensity and better environmental outcomes. Divesting assets and driving investment in new supply to less transparent producers will not reduce global emissions or advance the transition to Net Zero.

Resilience of the Company's portfolio through transition

As detailed in its 2022 Climate Change Report, the Company's scenario analysis includes two theoretical 1.5 degree Celsius scenarios – the IEA 2021 Net Zero emissions by 2050 scenario (NZE) and the IHS Markit 2021 Accelerated

10 IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector: https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

11 Refer to footnote 7

12 Refer to footnote 7

13 IEA, Global natural gas demand per sector, 2007-2025: https://www.iea.org/data-and-statistics/charts/global-natural-gas-demand-per-sector-2007-2025

Carbon Capture and Storage case (ACCS). In both scenarios modelled, carbon becomes the commodity of focus, with prices above US$300/t by 2040, underpinning a pivot from base business to pursuing value-accretive clean fuels opportunities. While reduced, the Company's base business remains cash generative, providing critical support to the funding of CCS and clean fuels projects. The Company's assessed resilience is even more robust under other scenarios which have a higher natural gas demand outlook, including under the IEA 2021 World Energy Outlook (2021 WEO) Sustainable Development scenario (SDS) and the 2021 WEO Stated Policies scenario (STEPS).

The IEA's recently updated 2021 WEO SDS assumes that, while natural gas demand globally could fall by up to 12 per cent by 2040 from 2019 levels, it will remain strong in our region and be replaced globally by demand for low-carbon gases such as hydrogen,[14] which Santos is well-placed to pursue, noting that the natural gas customers of today are the hydrogen customers of tomorrow and that hydrogen produced from natural gas, combined with CCS, is about half the cost of hydrogen production from renewable sources today.[15]

Santos remains committed to supplying natural gas in a more sustainable way to meet ongoing customer demand. With around 80 per cent of today's global primary energy coming from hydrocarbon fuels – the same as 45 years ago – Santos is focused on progressively making these fuels cleaner and delivering on our target of net-zero Scope 1 and 2 emissions by 2040.[16]

Capital allocation aligned with Climate Transition Action Plan

In the Company's 2022 Climate Change Report, Santos outlines a credible pathway to achieve net-zero Scope 1 and 2 emissions by 2040, including updated emissions reduction targets by 2030 that build on its prior targets.

These 2030 targets include:[17]

- 30 per cent Scope 1 and 2 equity emissions reduction by 2030 from the combined Santos and Oil Search 2019-20 financial year baseline
- 40 per cent Scope 1 and 2 equity emissions intensity reduction by 2030 from Santos' 2019-20 financial year baseline
- use CCS technology to accelerate the economic feasibility of clean hydrogen and deliver a step-change in emissions reduction by 2030
- supply of clean fuels to reduce customer emissions by at least 1.5 million tonnes of carbon dioxide equivalent per annum by 2030 through displacement of higher emissions fuel sources.

14 IEA, World Energy Outlook 2021: https://www.iea.org/reports/world-energy-outlook-2021

15 Australian Hydrogen Market Study - Sector Analysis Summary, prepared by Advisian Pty Ltd for the Clean Energy Finance Corporation, 2021: https://www.cefc.com.au/media/nhnhwlxu/australian-hydrogen-market-study.pdf

16 IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector, 2021: https://www.iea.org/reports/net-zero-by-2050

17 30 per cent absolute reduction is from the Santos and Oil Search combined 2019-20 equity share Scope 1 and 2 emissions baseline of 5.9 MtCO2e and 40 per cent intensity reduction is equity share of Santos' equity Scope 1 and 2 emissions intensity from a 2019-20 baseline of 55 ktCO2e/mmboe

Notice of Annual General Meeting
continued

The Climate Transition Action Plan includes capital investment in a range of emissions reduction initiatives including operational efficiencies (such as reduction in fuel use, electrification and integration of renewable power sources), CCS, carbon reduction solutions and clean fuels hubs.

Commitment to just transition and decommissioning

Santos is committed to ensuring a just transition for both our employees and the communities that benefit from our operations.

Throughout the energy transition, we are seeking to repurpose infrastructure and facilities wherever possible. Santos' ability to do this places us in a unique position with a purposeful focus on leveraging existing infrastructure, rather than a sole focus of end-of-life decommissioning.

Santos' final investment decision on the Moomba CCS Project is a great example. This project will extend the life of our Moomba facilities for decades and provide new and ongoing jobs with similar skills requirements to oil and gas production and processing. It will also provide a platform for future hydrogen or other clean fuels projects, again with similar or adjacent skills requirements and further job opportunities for our people.

Decommissioning

Santos assesses the timeline and projected capital investment associated with decommissioning of its assets on an ongoing basis and reports projected decommissioning expenses at a portfolio level in the Annual Report. This process is subject to external audit review on an annual basis and is detailed further in our response to resolution 8(d). Our innovative approach to repurposing and life extension of existing infrastructure through CCS and clean fuels projects will defer decommissioning liabilities for some assets.

Ongoing investor engagement

Santos continues to have constructive engagement with Climate Action 100+, other investor groups, and institutional investors on our climate change strategy and initiatives to achieve our mid and long-term targets.

Our Company has a strong, value accretive future as a fuels company producing lower-carbon natural gas, hydrogen and other clean fuels enabled by large-scale CCS such as the Moomba CCS project, nature-based offsets programs and increased use of renewables and energy efficiency in our operations.

Santos rejects the suggestion that the Company has increased legal risk through ongoing investment in natural gas and is vigorously defending the allegations made against the Company by ACCR.

Having regard to these reasons, Santos does not intend to close down its oil and gas operations, as doing so would be against the interests of shareholders, against the interests of consumers around the world and would not be consistent with global climate and human development goals.

RECOMMENDATION

For the reasons outlined above, the Board recommends that shareholders vote **AGAINST** resolution 8(b).

8(c) Ordinary resolution – climate-related lobbying

A group of shareholders holding less than 0.1% of the Company's ordinary shares has proposed the resolution in Item 8(c) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 2 to this Notice be provided to shareholders.

The Board's response

The Board does not endorse the resolution and recommends that shareholders vote against this resolution for the reasons set out below.

The resolution appears on the Board's reading to be based on a number of premises that Santos rejects, including but not limited to the following:

- Santos' advocacy is opposed to Paris-aligned climate policy
- there should be no advocacy for development of new and expanded oil and gas projects
- there should be no advocacy for carbon capture and storage or hydrogen made from gas
- Santos advocated for weakened methods to estimate fugitive methane emissions
- there is no evidence that Australian LNG reduces carbon emissions in customer countries.

Paris-aligned advocacy and transparent disclosures

The Board rejects the assertion that the Company's advocacy and our industry associations are not aligned with the Paris Agreement. The assertion is based on premises with which the Board does not agree as outlined above and below.

Santos' Climate Change Policy recognises the scientific consensus of climate change and supports the objective of the Paris Agreement to limit global temperature rise to less than 2 degrees Celsius and pursue efforts to limit the temperature rise to 1.5 degrees Celsius. Santos' advocacy is in line with our Policy. The Policy is publicly available from the Company's website www.santos.com/sustainability/climate-change.

In 2020 and 2021 Santos conducted, and published statements in relation to, reviews of the Company's membership of industry associations and their alignment with the Company's climate and energy policy positions. Both are also publicly available at www.santos.com/sustainability/climate-change.

The reviews demonstrated that all industry associations of which Santos is a member, are aligned with, or neutral to, Santos' policy positions, including support of the goals of the Paris Agreement. In addition, the review outlined key advocacy activities undertaken by the Company with respect to climate change in 2021, in alignment with our climate policy positions.

Santos continually reviews the alignment of industry associations with the Company's positions on energy and climate change and will continue to use its membership to drive the evolution of each association's representative positions and policies, including support for the goals of the Paris Agreement.

New and expanded oil and gas projects

Even in the IEA Net Zero by 2050 scenario, global investment of US$10 trillion in oil and gas supply would be needed to meet the world's energy needs between now and 2050.[18] At least in part this is to account for production from existing fields declining faster than consumer demand. In this scenario by 2050, oil consumption would still be about 26 per cent of 2020 levels and gas consumption would decline more slowly to about 45 per cent of 2020 levels.[19] Without new investment especially beyond Russia and the Middle East, the world would become more heavily reliant on those regions by 2050.[20]

The IEA has also reported that natural gas supply is not keeping pace with global demand. Resulting high gas and electricity prices hurt consumers and, as the IEA has said, are likely to have a lasting negative impact beyond the current seasonal environment with emerging economies particularly vulnerable and already experiencing power cuts, industrial demand destruction and potential food supply issues in the absence of affordable gas-based fertilisers.[21]

High prices have also exacerbated a reversal of global progress towards universal access to electricity and clean cooking brought on by the pandemic.[22]

The IEA has noted that the current market situation is a stark reminder of the importance of security of supply measures. Recently, the IEA released a ten-point plan to reduce Europe's reliance on Russian natural gas supplies, including maximising gas supplies from other sources. With Russia subject to sanctions across the western world and with Europe looking to diversify its natural gas supply away from Russia, Santos' projects in Australia and PNG are expected to become more important supply sources regardless of any decrease in total global demand for gas.[23] For example, more LNG from our region could be required in Asia as Atlantic and Middle East projects divert gas to Europe.

Therefore, the Board considers it is reasonable to advocate for new oil and gas projects especially since companies like Santos, which are publicly listed, subject to ESG scrutiny by their investors and which report transparently on carbon emissions and their climate transition plans, are best placed to supply these critical fuels more sustainably, striving for lower emissions intensity and better environmental outcomes. Divesting assets and driving investment in new supply to less transparent producers and jurisdictions will not reduce global emissions or advance the transition to Net Zero.

18 IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector, 2021: https://www.iea.org/reports/net-zero-by-2050

19 IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector: https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

20 IEA, World Energy Outlook 2021: https://www.iea.org/reports/world-energy-outlook-2021

21 IEA, Gas Market Report, Q1 2022: https://www.iea.org/reports/gas-market-report-q1-2022

22 IEA, The pandemic continues to slow progress towards universal energy access, 2021: https://www.iea.org/commentaries/the-pandemic-continues-to-slow-progress-towards-universal-energy-access

23 IEA, A 10-Point Plan to Reduce the European Union's Reliance on Russian Natural Gas, 2022: https://www.iea.org/reports/a-10-point-plan-to-reduce-the-european-unions-reliance-on-russian-natural-gas

CCS and hydrogen

Fatih Birol, Executive Director of the IEA, has said that "reaching net-zero goals without CCS will be almost impossible."[24] Further, the IEA Net Zero by 2050 scenario envisages Carbon Capture, Utilisation and Storage growing to 7.6 billion tonnes of CO2 per year by 2050 from around 40 million tonnes per year today. CCS technology is proven, with 27 commercial CCS facilities operating around the world as at September 2021.[25] Santos has recently taken a final investment decision on the Moomba CCS project in South Australia which is expected to safely and permanently store around 1.7 million tonnes of CO2 per year.

In the IEA's Net Zero by 2050 scenario, half the natural gas produced in 2050 would be used to make hydrogen (with CCS attached) and around 40 per cent of hydrogen produced would be made from natural gas.[26] Hydrogen produced from natural gas, with CCS, is currently about half the supply cost of hydrogen produced from renewable sources.[27] Therefore, Santos expects that hydrogen produced from natural gas will play an important role in making the market until renewable hydrogen becomes more affordable.

Based on these considerations, the Board has formed the view that it is reasonable to advocate for both CCS and hydrogen production from natural gas, combined with CCS.

Fugitive emissions measurement

The Board rejects the assertion that the Company advocated to weaken methods to estimate fugitive methane emissions.

Santos had reasonably formed the view that the approach to fugitive emissions estimation initially being proposed by the Department of Industry, Science, Energy and Resources lacked accuracy because it:

- predominantly used USA shale data that was not representative of Australian conditions, particularly for CSG operations
- was not representative of facilities of the size and nature and relative age of Australian facilities
- created double-counting issues in relation to emissions sources because it used a downwind approach to measure trace concentrations of methane that potentially picked up other emissions sources
- set default emissions factors on a logic that did not take into account the varying sizes of facilities (for example, the fugitive emissions factor for an LNG plant did not take into account different LNG production capacities)
- was not in line with reputable Australian studies, including by the CSIRO.

24 IEA, Energy Technology Perspectives, Special Report on Carbon Capture Utilisation and Storage – CCUS in clean energy transitions, 2020: https://iea.blob.core.windows.net/assets/181b48b4-323f-454d-96fb-0bb1889d96a9/CCUS_in_clean_energy_transitions.pdf

25 Global CCS Institute, The Global Status of CCS 2021 Report: https://www.globalccsinstitute.com/wp-content/uploads/2021/11/Global-Status-of-CCS-2021-Global-CCS-Institute-1121.pdf

26 IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector, 2021: https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

27 Australian Hydrogen Market Study - Sector Analysis Summary, prepared by Advisian Pty Ltd for the Clean Energy Finance Corporation, 2021: https://www.cefc.com.au/media/nhnhwlxu/australian-hydrogen-market-study.pdf

Santos' advocacy was based on improving accuracy of the measurement method and included advocating for, and supporting, the Department to gain further empirical Australian data from the CSIRO.

Australian LNG reducing customer country emissions

Coal to gas switching in direct applications and power generation is well known to have been occurring in Asia, particularly China, over recent years and has been well reported by the IEA and other reputable sources. From 2010 to 2018 coal-to-gas switching saved around 500 million tonnes of CO2 – an effect equivalent to putting an extra 200 million electric vehicles running on zero-carbon electricity on the road over the same period.[28] In 2021, this reversed because of tight gas supply and high prices, with coal-fired power generation increasing 9 per cent to an all-time high.[29] It is important that coal to gas switching continues over time to help achieve climate goals.

In Santos' key international markets, coal represents 30-64 per cent of power generation, providing significant scope for coal to gas switching over time.[30]

With natural gas producing about half the emissions of coal-fired electricity generation,[31] the Board considers that it is reasonable to assume that Australian LNG would be helping customer countries in Asia to reduce their emissions by providing the fuel to support coal-to-gas switching.

Reliance on the conclusions of IPCC and IEA 1.5 degree scenarios

There are many published climate-related scenarios. The IEA's 1.5 degree Celsius Net Zero by 2050 scenario is one of four IEA scenarios outlined in the 2021 World Energy Outlook. The IPCC has ninety 1.5 degree scenarios in its Special Report referenced in resolution 8(c), only eighteen of which share the Net Zero by 2050 scenario's objective to achieve net-zero emissions from the energy sector by 2050.

The many IPCC Special Report scenarios assess the likely physical climate outcomes from a range of different social, environmental and economic conditions, and are not designed to enable scenario analysis of a company's portfolio.

The IEA scenarios can be used to conduct scenario analysis over time when applied to a company's portfolio and strategic planning assumptions, and these are the scenarios referenced by the Company in scenario analysis in the 2022 Climate Change Report and prior Climate Change Reports.

Under the IEA Net Zero by 2050 scenario, more than half of the greenhouse gas emissions reductions depend on global consumer choices, such as buying electric vehicles, installing solar PV, foregoing long-haul travel, speed limits of 100 kmph and ridesharing all urban car trips.

28 IEA, World Energy Outlook Special Report, The Role of Gas in Today's Energy Transitions, 2019: https://www.iea.org/reports/the-role-of-gas-in-todays-energy-transitions

29 IEA, Press Release - Coal power's sharp rebound is taking it to a new record in 2021, threatening net zero goals, 2021: https://www.iea.org/news/coal-power-s-sharp-rebound-is-taking-it-to-a-new-record-in-2021-threatening-net-zero-goals

30 IEA, Electricity Information 2021: https://www.iea.org/data-and-statistics/data-product/electricity-information

31 Refer to footnote 23

Additionally, in the NZE almost half the emissions reductions in 2050 come from technologies that are currently at the demonstration or prototype phase and total energy demand needs to be eight per cent below the current level, with two billion more people and a global economy two times the size of today.[32]

The oil and gas price assumptions in the NZE scenario also vary dramatically from those the market is experiencing in reality – as an example, in 2021 the average realised price for Brent oil was US$72 per barrel (and was US$103 in February 2022), whereas the 2021 price under the NZE was US$38.[33]

Under all the IEA 2021 World Energy Outlook scenarios, demand for oil and gas continues for decades to come.

RECOMMENDATION

For the reasons outlined above, the Board recommends that shareholders vote **AGAINST** resolution 8(c).

8(d) Ordinary resolution – decommissioning

A group of shareholders holding less than 0.1% of the Company's ordinary shares has proposed the resolution in Item 8(d) under section 249N of the Corporations Act and requested pursuant to section 249P of the Corporations Act that the statement set out in Appendix 2 to this Notice be provided to shareholders.

The Board's response:

The issues raised in resolution 8(d) are already adequately addressed and disclosed by the Company. The Company meets all legal requirements in relation to reporting on decommissioning activities and provisioning and provides fulsome independently audited disclosures in relation to decommissioning in its public annual Financial Reporting.[34] Further, the resolution includes requirements to disclose commercially sensitive information including asset-by-asset decommissioning provisions and decommissioning plans. Disclosure of such information may also constitute a breach of contractual obligations.

Santos takes ongoing action on decommissioning

While decommissioning comes at the end of a project's life, it is recognised as a critical phase of the asset life cycle. Before Santos makes a final investment decision (FID) at the commencement of any project, the Company considers the costs of decommissioning, and this cost is included in the FID assessment process. By doing this we ensure that decommissioning plans and costs are an integral part of Santos' Project Delivery Process and are appropriately considered in overall project design.

32 IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector: https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

33 Historical Brent data sourced from IHS Markit Crude Oil long term Outlook Q4 2021, with current price as of 28 February 2022; NZE price for 2021 extrapolated from NZE scenario in the IEA World Energy Outlook 2021, on a nominal basis from price points provided, escalated at 2 per cent per annum

34 Refer to Santos' 2021 Annual Report page 44 (Auditors Report), pages 86, 94 and95 (Section 3: Capital Expenditure, Operating Assets and Restoration Obligations)

Santos has standards and procedures that provide governance and specify clear requirements for decommissioning. These include the Company's Decommissioning Operating Standard and Decommissioning Management Procedure. These documents support Santos' requirements to comply with all legislation and regulations, including to:

- include full lifecycle considerations for decommissioning
- design projects with decommissioning in mind
- plan for late life asset management and decommissioning activities to achieve title surrender.

Santos conducts decommissioning on an ongoing basis. The Company plans to spend approximately US$200 million on decommissioning in 2022. This includes decommissioning legacy assets in South Australia, Western Australia and Queensland. Santos' ongoing decommissioning program means the Company is constantly building experience in safe and efficient decommissioning practices and maintaining current knowledge of actual decommissioning costs.

Santos also recognises that while our Company and our industry have been working on decommissioning assets for many years, there is an increased stakeholder and investor focus on decommissioning to ensure it can be conducted safely and to ensure all operators provide adequate financial provision for decommissioning. Santos shares these objectives and in 2021 created a new role of Vice President Decommissioning. This new senior leadership role is a tangible example of how Santos is investing in the dedicated management of this part of its business.

Meeting stakeholder expectations and financial reporting standards

The proposed resolution requests information on Santos' "asset level" decommissioning provisions.

As part of Santos' annual financial reporting process, the Company reports portfolio-level decommissioning provisions.[35] The portfolio decommissioning provisions are the sum of the "asset level" provisions requested by the proposed resolution.

The portfolio decommissioning provisions are published in Santos' annual Financial Report, a publicly available document.[36] This annual disclosure complies with all Australian financial reporting standards on decommissioning. Importantly, the decommissioning provision in the Report is reviewed and audited by the Company's independent external financial auditor.[37]

Australian regulators also perform regular inspections of our assets and review our decommissioning plans and cost estimates. During the inspection process, regulators assess Santos' compliance with legislative and regulatory requirements and Santos' own standards. Santos strives to ensure that our decommissioning cost estimates remain current, of a high quality and able to meet the test of external scrutiny.

35 Refer to footnote 28

36 Refer to footnote 28

37 Refer to footnote 28

Detailed asset-level decommissioning provisioning is commercially sensitive information and disclosing this data would not be in shareholders' best interests. Further, disclosure of asset-level decommissioning provisions may constitute a breach of contractual obligations with the Company's joint venture partners.

RECOMMENDATION

For the reasons outlined above, the Board recommends that shareholders vote **AGAINST** resolution 8(d).

NOTES RELATING TO VOTING

1. ATTENDING THE ANNUAL GENERAL MEETING AT THE PHYSICAL VENUE

Registration will open at 9am Adelaide time. Please monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

2. ATTENDING THE ANNUAL GENERAL MEETING VIA THE ONLINE PLATFORM

Shareholders and proxyholders who attend online will be able to follow the proceedings, cast a live vote, ask questions and make comments in real-time using the online platform. To use the online platform you will require a computer, tablet or mobile device with an internet connection.

It is recommended that shareholders login to the online platform at least 5 minutes prior to the scheduled start time for the Annual General Meeting using the instructions below:

- enter https://web.lumiagm.com/330728832 into your browser on your computer or mobile device; or
- enter https://web.lumiagm.com into your browser on your computer or mobile device and enter the Meeting ID: 330728832.

More information about online participation is available in the Annual General Meeting Online Guide at https://www.santos.com/investors/2022-annual-general-meeting/.

3. TECHNICAL DIFFICULTIES WHEN ATTENDING ONLINE

Technical difficulties may arise during the course of the meeting. The Chairman of the Meeting has discretion as to whether and how the meeting should proceed if a technical difficulty arises. In exercising his discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where he considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. Accordingly, shareholders are encouraged to submit a directed proxy in advance of the meeting even if they plan to attend online.

Notice of Annual General Meeting
continued

4. ASKING QUESTIONS ONLINE AT THE AGM

All shareholders will have a reasonable opportunity to ask questions during the AGM, including an opportunity to ask questions of the Company's External Auditor, Ernst & Young. Shareholders who are participating online will be able to ask a question or make a comment in real-time by following the prompts in the online platform. More information on how to do this can be found on the Virtual Meeting Online Guide, available on Santos' website.

5. VOTING EXCLUSIONS

Resolution 3

The Company will disregard any votes cast on resolution 3:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 31 December 2021 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 3:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy, even though resolution 3 is connected with the remuneration of the Company's KMP.

Resolutions 5 and 6

The Company will disregard any votes cast on resolution 5:

- in favour of the resolution by or on behalf of Mr Gallagher or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast on resolution 5:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman of the meeting decides, even though the resolution is connected with the remuneration of a member of the Company's KMP; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7

The Company will disregard any votes cast on resolution 7:

- in favour of the resolution by or on behalf of a Director of the Company or any of their associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast on resolution 7:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman of the meeting decides, even though the resolution is connected with the remuneration of a member of the Company's KMP; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. VOTING ENTITLEMENT ON A POLL

All resolutions will be decided on a poll. On a poll, every member has one vote for every fully paid ordinary share held.

7. PROXIES

Any shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in their place. The following information is relevant if you wish to appoint a proxy to vote on your behalf on resolutions at the Annual General Meeting.

The Chairman of the Annual General Meeting acting as proxy

You may appoint the Chairman of the Annual General Meeting as your proxy. In addition, the Chairman of the meeting is deemed to be appointed where a completed proxy form is submitted, which does not contain the name of the proxy or where the person appointed on the form is absent.

If a member directs the Chairman of the meeting how to vote on an item of business, the Chairman of the meeting must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chairman of the meeting, the Chairman of the meeting intends to vote all available proxies in favour of the resolutions in Items 2, 3, 4, 5, 6 and 7 and against the resolutions in Item 8.

In relation to each of the remuneration-related resolutions (being resolutions 3, 5, 6 and 7), if the Chairman of the meeting is appointed as your proxy, and you have not directed your proxy how to vote on the relevant resolution, please note that by submitting the proxy form you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on these resolutions as the Chairman of the meeting decides, even though they are connected with the remuneration of the Company's key management personnel.

Directing your proxy how to vote

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form.

If you mark the "abstain" box for a particular item, you are directing your proxy not to vote on your behalf and your shares will not be counted in computing the required majority on a poll.

If you do not mark a voting instructions box in respect of a resolution, your proxy can vote as he or she decides, subject to any voting exclusions that apply to the proxy.

Does the proxy you appoint need to be a member?

A proxy may be an individual or a body corporate, and need not be a member of the Company.

Appointing two proxies

A member entitled to attend and vote is entitled to appoint not more than two proxies. If you wish to appoint two proxies, you must specify the nominated percentage or number of your votes given to each proxy on the proxy form. If the proxy form does not specify the proportion or number of your votes, each proxy may exercise half of the votes.

Appointment of a body corporate representative as a proxy

Where a member appoints a body corporate as proxy, that body corporate will need to ensure that:

- it appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act (the "Certificate of Appointment of Corporate Representative" that can be obtained from the Share Registry can be used for this purpose); and
- the instrument appointing the corporate representative is received by the Company at its registered office by the time referred to below.

Completing the proxy form

A proxy form must be signed by the member or his/her attorney or, in the case of a corporation, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the proxy form is signed by an attorney or by the authorised officer of a corporation, the power of attorney or other authority (or a notarially certified copy) must accompany the form unless it has previously been provided to the Company. If the proxy form is sent electronically or by fax, any accompanying power of attorney or other authority must be certified.

Lodgement of proxy forms

Proxy forms must be received by the Company by 10.00am (Adelaide time) on Sunday 1 May 2022. You may lodge your proxy form:

- online by visiting www.investorvote.com.au;
- by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- by post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001; or
- in person to Computershare Investor Services, 452 Johnston Street, Abbotsford VIC 3067.

8. APPOINTING AN ATTORNEY TO VOTE ON YOUR BEHALF

Where a member appoints an attorney to act on his/her behalf at the meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by the Company at Computershare Investor Services Pty Limited by hand or post as set out in section 7 above, by the time referred to in section 7 above.

9. APPOINTING A CORPORATE REPRESENTATIVE

Where a member is a corporation and appoints a representative under section 250D of the Corporations Act, appropriate evidence of the appointment must be produced. A "Certificate of Appointment of Corporate Representative" can be obtained from the Share Registry. It should be completed prior to the Annual General Meeting and presented at the registration desk on the day of the meeting.

Body corporate members may participate during the meeting via corporate representative by using the Lumi website and logging into the voting platform at https://web.lumiagm.com/330728832. If you have any questions please contact the Share Registry on 1300 096 259 (within Australia) or +61 3 9415 4397 (outside Australia). Only one login per body corporate with voting rights will be permitted and any other people from the body corporate wishing to watch the proceedings should register as guests. By entering the meeting you will be taken to have certified to Santos Limited pursuant to section 250D of the Corporations Act that you have been validly appointed as the body corporate's representative to exercise all or any of the powers the body corporate may exercise at the Annual General Meeting.

10. SUBMITTING QUESTIONS IN ADVANCE OF THE MEETING

Shareholders are welcome to provide questions in advance of the Annual General Meeting. If you wish to submit questions to the Company or the external auditor in advance of the AGM, you may do so by visiting https://www.santos.com/investors/2022-annual-general-meeting/. Questions must be received no later than 5.00pm (Adelaide Time) on Tuesday, 26 April 2022. During the Annual General Meeting, the Chairman of the meeting will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

11. LIVE WEBCAST

As in prior years, the Annual General Meeting will be webcast live. To view the webcast, enter https://web.lumiagm.com/330728832 into your browser on your computer or mobile device and join the meeting as a guest.

Appendix

APPENDIX 1

Glossary of terms and references

2021 WEO	The IEA's 2021 World Energy Outlook report, available at https://www.iea.org/reports/world-energy-outlook-2021
2022 Climate Change Report	The Company's TCFD-aligned report addressing climate-related strategy, governance, risks and targets and metrics. The report can be found at https://www.santos.com/sustainability/climate-change/
1.5 degree scenarios	Scenarios that seek to limit temperature rise to 1.5 degrees Celsius above pre-industrial levels
ACCS	IHS Markit Accelerated CCS scenario
CCS	Carbon Capture and Storage, a process in which CO2 from industrial and energy-related sources is separated (captured), conditioned, compressed, transported, and injected into a geological formation that provides a safe and permanent storage deep underground
Cleaner energy	Cleaner energy refers to energy sources that are used for power generation, transport, industrial processes or heating which have lower emissions of greenhouse gases or air pollutants (NOx, SOx and particulates) than other fuel sources. Natural gas is an example of a cleaner energy source, as it has lower greenhouse gas emissions than coal when used in power generation
Clean fuels	Clean fuels refer to fuels which have the potential to materially reduce Scope 1, 2 and/or 3 greenhouse gas emissions. Hydrogen is an example of a clean fuel with no end-use combustion emissions and the potential for low Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from renewable sources
Clean hydrogen	Hydrogen with low Scope 1 and 2 emissions when produced from natural gas combined with CCS or when produced from renewable sources
Climate Change Policy	Santos' Board-approved Climate Change Policy, available at https://www.Santos.com/sustainability/climate-change
Climate Transition Action Plan	Santos' planned climate transition approach as set out in the 2022 Climate Change Report available at https://www.santos.com/sustainability/climate-change

CO_2	Carbon dioxide
Corporations Act	The Corporations Act 2001 (Cth)
IEA	International Energy Agency
IHS Markets 2021 Accelerated Carbon Capture and Storage case (ACCS)	One of IHS Markit's two net-zero 1.5 degree scenario, focused on the role of CCS in the energy and climate transitions, outlined at https://www.ihsmarkit.com/products/energy-climate-scenarios.html
IPCC	The Intergovernmental Panel on Climate Change, an organisation with the purpose of providing governments at all levels with scientific information for use to develop climate policies
Moomba CCS Project	The Santos-operated Carbon Capture and Storage project in the Cooper Basin, South Australia
Net Zero	Also referred to as carbon neutral, achieved when anthropogenic emissions of greenhouse gases are balanced by anthropogenic removal of greenhouse gases through means such as operational activities or efficiencies, technology (e.g. CCS) or offset through carbon credit units
Net-zero emissions	Santos' equity share of net-zero Scope 1 and 2 greenhouse gas emissions
NZE	The IEA World Energy Outlook Net Zero by 2025, a 1.5 degree scenario
Notice	This Notice of the Company's Annual General Meeting
Paris Agreement	The Paris Agreement is an international treaty on climate change adopted at COP21 in 2015, with the goal of limiting global warming to well below 2 degrees Celsius and in pursuit of 1.5 degrees Celsius, compared to pre-industrial levels
Report	Santos' 2022 Climate Change Report https://www.santos.com/sustainability/climate-change/
SDS	The Sustainable Development Scenario from the IEA 2021 World Energy Outlook
STEPS	The Stated Policies Scenario from the IEA 2021 World Energy Outlook

APPENDIX 2

The shareholders who requisitioned the resolutions in Item 8 have requested that, pursuant to section 249P of the Corporations Act, the following statements accompany the resolutions.

Santos is legally required to circulate the statement to shareholders. However, the Board and Company do not endorse and are not responsible for the contents of the statement or for any inaccurate or misleading statements contained in it.

Statement pursuant to Section 249P of the Corporations Act in relation to Item 8(a)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders do not enjoy the same rights as their UK, US, New Zealand or Canadian counterparts in this respect.

A board of directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In some situations the appropriate course of action for shareholders dissatisfied with the conduct or performance of the board is to seek to remove directors individually. However in many situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The constitution of Santos is not conducive to the right of shareholders to place advisory resolutions on the agenda of a shareholder meeting.

This is contrary to the long-term interests of Santos, its board and shareholders.

Passage of this resolution – to amend the Santos constitution – will simply put Santos in a similar position in regard to shareholder resolutions as listed companies in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

Statement pursuant to Section 249P of the Corporations Act in relation to Item 8(b)

This resolution seeks to provide confidence to shareholders that Santos' oil and gas assets are handled in a way that protects shareholder value, while ensuring employee transition and asset decommissioning obligations are adequately planned and resourced.

Failure to adopt the requests of this resolution would see Santos continuing to exacerbate climate-related financial risks by undermining its own climate claims and defying the clear demands made by investors.

Undermining commitments

Investor calls for Santos to align its business with global climate goals include:

- 43% of shareholders voting for scope 1, 2, and 3 emission targets, and exploration and capital expenditure plans aligned with the Paris Agreement in 2020,

- 13% of shareholders voting for the company to manage down oil and gas production in line with the Paris Agreement in 2021, and
- The Climate Action 100+ investor initiative's demand to "align future capital expenditures with the Paris Agreement's objective of limiting global warming to 1.5° Celsius".[38]

Santos has failed to meet these demands and has instead moved in the opposite direction, drastically increasing exposure to climate-related transition risks by pursuing new projects that are incompatible with the Paris climate goals and a net-zero by 2050 global energy scenario.

In doing so, Santos has exposed itself and shareholders to legal risk. A current Australian Federal Court case alleges Santos engaged in misleading and deceptive conduct by claiming to have a "clear and credible pathway to achieve net zero emissions by 2040", but failing to "disclose that it has firm plans to increase its greenhouse gas emissions by developing new or existing oil and gas projects".[39]

Betting against climate action

Demonstrating the divergence between Santos' plans and the energy transition required to meet the Paris climate goals, the International Energy Agency's (IEA) seminal Net-Zero Emissions by 2050 Scenario (NZE) – modelled to provide a 50% chance of limiting global warming to 1.5°C – concludes, "The rapid drop in oil and natural gas demand in the NZE means… no new oil and natural gas fields are required beyond those that have already been approved for development."[40]

The NZE also projects sharp declines in demand for Santos' products. Santos' 2021 sales revenue split was 47% LNG, 27% domestic gas, and 26% liquids.[41] The NZE projects:

- Australia's LNG trade to fall 25% below 2020 levels by 2030, and to halve by 2040,[42] and
- Global oil demand to fall by more than 4% per year on average between 2020 and 2050.[43]

CSIRO's 1.5°C-aligned Strong Electrification energy pathway for Australia models significant falls in gas demand starting from 2020, dropping almost 40% by 2030 and 78% by 2050.[44]

In direct contrast to these foreseeable and necessary demand falls in domestic and international markets, Santos plans to significantly increase production through new projects, and has taken on even greater exposure to oil and gas through the Oil Search merger.[45]

Even before the Oil Search merger, Santos was planning to spend billions of shareholder capital to

38 https://www.climateaction100.org/company/santos-limited/

39 https://www.edo.org.au/2021/08/26/world-first-federal-court-case-over-santos-clean-energy-net-zero-claims/

40 https://www.iea.org/reports/net-zero-by-2050 51

41 https://www.santos.com/wp-content/uploads/2022/01/220120_2021_Fourth_Quarter_Report.pdf 2

42 https://www.iea.org/reports/net-zero-by-2050 175

43 Ibid 101

44 https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/isp/2021/csiro-multi-sector-modelling.pdf?la=en 8, 45

45 https://www.santos.com/wp-content/uploads/2021/09/211010_Santos-and-Oil-Search-combine-to-create-a-regional-champion.pdf

Appendix
continued

increase production by a third from 2021-2025.[46] The new projects planned to drive this increase include:[47]

- Barossa LNG (Santos share of capex ~$1.8 billion[48])
- Narrabri coal-seam gas (~$520 million)
- Dorado oil (~$1.6 billion).

Independent analyses find all three projects incompatible with the global climate goals Santos claims to support. Investment in these projects therefore equates to Santos betting shareholder capital against the achievement of those goals.

Carbon Tracker has found Dorado, for which a final investment decision is planned in 2022, is incompatible with even the IEA's (net-zero by 2070) Sustainable Development Scenario (SDS),[49] let alone the far more constrained demand profile imposed by the NZE.

The extremely high CO_2 content of the Barossa gas field has led energy experts to state the project "is like a CO_2 emissions factory with an LNG by-product".[50] IEEFA concludes, "Santos' proposed Barossa to Darwin LNG development would be both a major financial risk and a serious climate risk for all if it were to go ahead".[51]

Former Australian chief scientist Penny Sackett has confirmed the Narrabri gas project is incompatible with the Paris Agreement and net-zero by 2050.[52] Santos is also actively pursuing unconventional gas exploration in the undeveloped Beetaloo basin, which has similarly been found to be incompatible with global climate goals.[53]

Oil Search's plans and climate risk liabilities, which Santos has now taken on, involve increasing production by >80% from 2020 to 2030.[54] Carbon Tracker's analysis shows 81% of Oil Search's business-as-usual capex falls outside the SDS.[55] This means our company is consuming another that is spending the vast majority of its capital on activities consistent with the failure of the Paris Agreement. Raising particular concerns about Oil Search's Alaskan oil projects, Carbon Tracker states, "Oil Search is preparing to commit capex to some of its less resilient assets, which will now become Santos' problem."[56]

46 https://www.santos.com/wp-content/uploads/2020/02/santos-upgrades-2025-production-target-to-120-mmboe.pdf; https://www.santos.com/wp-content/uploads/2022/01/220120_2021_Fourth_Quarter_Report.pdf 3

47 https://www.santos.com/wp-content/uploads/2021/05/210505_2021-Macquarie-Australia-Conference.pdf note Santos' Barossa stake has since reduced to 50%

48 All dollar values are in USD unless otherwise stated

49 https://carbontracker.org/reports/australian-oil-and-gas-mergers-exposing-the-weakness-of-company-transition-planning/ 7

50 https://ieefa.org/wp-content/uploads/2021/03/Should-Santos-Proposed-Barossa-Gas-Backfill-for-the-Darwin-LNG-Facility-Proceed-to-Development_March-2021.pdf 2

51 Ibid 1

52 https://www.smh.com.au/environment/climate-change/narrabri-gas-project-should-be-blocked-says-ex-chief-scientist-20200809-p55k20.html

53 https://d3n8a8pro7vhmx.cloudfront.net/lockthegate/pages/6323/attachments/original/1571177037/LTG_NT_ShaleGas_2019_A4_SML.pdf

54 https://www.oilsearch.com/__data/assets/pdf_file/0011/54101/Consolidated-presentation_FInal.pdf 15

55 https://carbontracker.org/reports/australian-oil-and-gas-mergers-exposing-the-weakness-of-company-transition-planning/ 7

56 Ibid

The immense stranded asset risk facing Santos under a net-zero by 2050 transition is becoming increasingly likely to materialise, with key markets rapidly moving to align policy with these global climate goals. Japan[57] and Korea[58], key markets for Santos, have both announced plans to reduce gas in their energy mixes by 2030, while IEEFA has found over 60% of proposed LNG import and gas power infrastructure in emerging Asia is unlikely to be built.[59]

Shareholder support for this resolution is therefore required to ensure returns from Paris-aligned production are maximised, while preventing capital being wasted on projects that are incompatible with climate goals Santos claims to support.

Statement pursuant to Section 249P of the Corporations Act in relation to Item 8(c)

ACCR acknowledges our company's support for the objectives of the Paris Agreement and its commitment to reach net-zero operational emissions by 2040.[60]

The International Energy Agency's (IEA) 'Net zero by 2050'[61] scenario concluded that no new coal, gas or oil developments can proceed beyond 2021, in order to limit global warming to 1.5°C. The IPCC's Special Report on Global Warming of 1.5°C concluded that in the absence of, or with only a limited use of carbon capture and storage (CCS), the share of primary energy provided by gas must decline by 20-25% by 2030, and by 53-74% by 2050 (relative to 2010).[62]

Yet our company and its industry associations continue to advocate for the development of new and expanded oil and gas projects.

For the purposes of this resolution, 'direct advocacy' refers to activities conducted by company employees or board members. 'Indirect advocacy' refers to activities conducted by agents of the board or company, including but not limited to industry associations, registered lobbyists[63], consultants and advertising/marketing agencies.

Direct advocacy

In September 2021, InfluenceMap found that our company was the most active company in Australia on climate and energy policy between 2018-21, scoring it D- (scale A-F) for its opposition to Paris-aligned climate policy[64].

Throughout 2021, our company lobbied to: ensure carbon capture and storage could justify fossil fuel expansion; entrench hydrogen made from fossil gas in Australia's energy system; weaken the methods used to estimate fugitive methane emissions[65].

57 https://www.enecho.meti.go.jp/en/category/others/basic_plan/pdf/6th_outline.pdf 12

58 https://www.spglobal.com/platts/en/market-insights/latest-news/energy-transition/101921-south-korea-finalizes-2050-carbon-neutrality-roadmaps

59 https://ieefa.org/wp-content/uploads/2021/12/Examining-Cracks-in-Emerging-Asias-LNG-to-Power-Value-Chain_December-2021.pdf 3

60 https://www.santos.com/wp-content/uploads/2021/02/2021-Climate-Change-Report.pdf

61 https://www.iea.org/reports/net-zero-by-2050

62 https://www.ipcc.ch/sr15/

63 For example, see the Australian Government's Register of Lobbyists

64 https://australia.influencemap.org/

65 https://www.santos.com/wp-content/uploads/2021/12/Statement-on-2021-Review-of-Industry-Associations.pdf

Our company's advocacy in 2021 included CEO Kevin Gallagher's attendance at COP26 in Glasgow, alongside Australia's Minister for Industry, Energy and Emissions Reduction, Angus Taylor[66]. At COP26, the Australian government was widely criticised for its close relationship with fossil fuel companies,[67] and for claiming without evidence that Australia's LNG exports are "reducing emissions in our customer countries".[68] Our company's influence over the Australian government was further demonstrated by our company's branding and presentation of a carbon capture and storage diorama at the Australian pavilion in Glasgow.[69]

In August 2021, it was reported that CEO Kevin Gallagher was the most prolific CEO in Australian media coverage on sustainability, with 145 mentions over 12 months.[70] Often that media coverage promoted fossil gas as a solution to climate change,[71] or justified further oil and gas expansion through the use of carbon capture and storage.[72]

Indirect advocacy

In December 2021, our company published its second industry association review.[73] Industry associations were determined to be "aligned" if they[74]:

- Recognise the scientific consensus of climate change;
- Support the goals of the Paris Agreement;
- Support net zero emissions by 2050 (or sooner).

The review failed to assess industry associations' advocacy for new oil and gas developments, subsidies for new oil and gas infrastructure, or advocacy on emissions reduction policies.

Our company remains a member of at least five industry associations with climate lobbying practices that are misaligned with the Paris Agreement (ranked D+ or below):[75]

Industry association	InfluenceMap rating
Australian Industry Greenhouse Network (AIGN)	D
Australian Petroleum Production and Exploration Association (APPEA)	E+
Australian Pipelines and Gas Association (APGA)	D+
Chamber of Mines and Energy Western Australia (CMEWA)	E
South Australian Chamber of Mines and Energy (SACOME)	D+

66 https://twitter.com/SantosLtd/status/1455308675690549253?s=20&t=j3PV1XifaRpyXsqstglKLg
67 https://www.theguardian.com/environment/2021/oct/30/uks-top-climate-adviser-launches-scathing-attack-on-australia-on-eve-of-cop26
68 https://www.minister.industry.gov.au/ministers/taylor/speeches/address-policy-exchange-london-durable-pathway-net-zero
69 https://www.theguardian.com/australia-news/2021/nov/03/australia-puts-fossil-fuel-company-front-and-centre-at-cop26
70 https://mumbrella.com.au/australias-top-10-most-prolific-ceos-on-sustainability-697382
71 https://www.afr.com/companies/energy/natural-gas-has-a-future-in-making-hydrogen-santos-ceo-20211011-p58yz2
72 https://www.afr.com/policy/energy-and-climate/australia-can-become-a-carbon-storage-superpower-20210615-p58165
73 https://www.santos.com/wp-content/uploads/2021/12/Statement-on-2021-Review-of-Industry-Associations.pdf
74 ibid
75 https://australia.influencemap.org/Industry-Associations

Each of these industry associations supports and advocates for the continued development of new or expanded oil and gas projects.

Australia's lack of climate policy

In February 2021, Bloomberg ranked Australia's climate policies as the weakest of the largest developed economies.[76] In June 2021, Australia received the lowest score awarded to any of the 193 UN member states for climate action[77]. In November 2021, Australia was ranked last out of more than 60 countries on climate policy by German thinktank Climate Change Performance Index.[78]

Since September 2020,[79] the Australian government has implemented a suite of policies designed to accelerate the development of multiple new gas basins, known as the "gas-fired recovery". It includes substantial subsidies for exploration and new infrastructure and pipelines, which will incentivise our company to pursue new fossil gas developments, particularly in the Beetaloo Basin.[80]

Throughout 2020-21, APPEA actively lobbied for the "gas-fired recovery", through a series of reports[81] and media engagements that advocated for the development of multiple new gas basins. APPEA has supported public subsidies for pipelines and infrastructure to connect new gas basins.[82]

Our company's CEO Kevin Gallagher served a two-year term as the Chair of APPEA until late 2021. Throughout that term, Gallagher oversaw a six-fold increase in expenditure on social licence advertising,[83] and a significant escalation of APPEA's engagement on climate and energy policy.[84]

Other misaligned advocacy

Like APPEA, APGA[85] has consistently promoted the long-term use of fossil gas in Australia's energy mix. In a jointly published report in late 2020, APGA and APPEA argued for fossil hydrogen to be introduced into domestic gas networks, and opposed the electrification of domestic cooking and heating.[86] The Australian government subsequently announced significant subsidies for fossil hydrogen development.[87]

Despite several years of shareholder concern around the advocacy of our company and its industry associations on climate and energy

76 https://www.bloomberg.com/professional/blog/webinar/bnef-g20-zero-carbon-policy-scoreboard-whos-doing-it-best/

77 https://www.sdgindex.org/reports/sustainable-development-report-2021/

78 https://www.abc.net.au/news/2021-11-10/australia-scores-zero-on-climate-policy-in-latest-report/100608026

79 https://www.pm.gov.au/media/gas-fired-recovery

80 https://www.minister.industry.gov.au/ministers/pitt/media-releases/roads-investment-open-major-gas-project-northern-territory

81 https://www.appea.com.au/media/media-publications/reports-and-speeches/

82 25https://www.smh.com.au/environment/climate-change/corporate-welfare-commonwealth-to-support-private-sector-in-gas-push-20211126-p59cir.html

83 APPEA Ltd, Annual Reports 2018-20

84 https://australia.influencemap.org/Industry-Associations

85 https://australia.influencemap.org/Industry-Associations

86 https://www.appea.com.au/all_news/gas-delivering-a-clean-energy-future/

87 https://www.pm.gov.au/media/jobs-boost-new-emissions-reduction-projects

policy, there is little evidence to suggest that our company has attempted to affect change. Our company and its industry associations continue to advocate for the development of new and expanded oil and gas projects that are inconsistent with a 1.5°C pathway.

ACCR urges shareholders to vote for this proposal.

Statement pursuant to Section 249P of the Corporations Act in relation to Item 8(d)

As Australia's oil and gas industry matures, decommissioning obligations and associated liabilities are increasing. In 2020, Wood Mackenzie estimated the cost of Australia's onshore and offshore decommissioning at more than US$49 billion (A$60 billion) over the next 30 years.[88] For the offshore oil and gas industry alone, decommissioning over the next 50 years has been estimated at USD$40.5 billion ($56 billion), with 51% of activities likely to occur before 2030.[89]

The national offshore regulator, NOPSEMA, warns that the task ahead is significant - expensive, complex, and high-risk.[90] As decommissioning is in its infancy in Australia, high-level cost estimates have not been reconciled to actual costs yet.[91] Internationally, remediation costs have often exceeded provisioning.[92] A 2021 study of oil and gas offshore platform decommissioning projects in the North Sea found the average actual cost was 76% more than estimated.[93] NOPSEMA is concerned that industry is not valuing assets on the basis of full removal, and at times failing to maintain equipment to a standard which would enable full removal.[94]

Operators are facing an increasing legislative burden. Triggered by Woodside's mismanagement of the Northern Endeavour FPSO, the federal government has introduced: strengthened trailing liability provisions; increased oversight of company control; stricter financial assurance requirements; strengthened remedial directions powers; and new transparency measures.[95] A non-deductible levy, estimated by APPEA to generate up to $3.4 billion (~USD 2.4 billion),[96] must now be paid by all offshore producers.

Simultaneously, regulatory pressure is increasing. Regulator NOPSEMA has warned that 'some titleholders (are) not develop(ing) appropriate decommissioning plans in a timely manner, potentially increasing risk exposure to people and the environment',[97] and has introduced a suite

88 https://appea.com.au/wp-content/uploads/2020/06/Australia-Oil-and-Gas-Industry-Outlook-Report.pdf; https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd2122a/22bd032#_ftn10

89 https://www.nera.org.au/Publications-and-insights/Attachment?Action=Download&Attachment_id=358

90 https://www.nopsema.gov.au/sites/default/files/documents/2021-05/A763035%20-%20Decommissioning%20Compliance%20Strategy.pdf

91 https://www.nera.org.au/Publications-and-insights/Attachment?Action=Download&Attachment_id=358

92 https://doi.org/10.1071/AJ16228

93 https://www.sciencedirect.com/science/article/pii/S0195925520308143

94 https://www.nopsema.gov.au/sites/default/files/documents/2021-04/NOPSEMA-Advisory-Board-Minutes-of-Meeting-9-September-2020.pdf

95 https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6714

96 https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Fcommsen%2F25290%2F0003;query=Id%3A%22committees%2Fcommsen%2F25290%2F0000%22

97 https://www.nopsema.gov.au/sites/default/files/documents/2021-12/A816565.pdf

of new policies.[98] NOPSEMA has asserted that ageing assets and life extension risk must be managed proactively, and at a senior level.[99] New regulatory timelines stipulate that from 2025, all structures, equipment and property must be removed fully within five years.[100] NOPSEMA is now issuing more directions, prohibition notices and improvement notices, and has stressed its willingness to prosecute maintenance failures.[101]

Company decommissioning provisions are calculated using information about assets (age, condition, complexity), and assumptions about removal requirements and future costs. These assumptions may be moderated by legislation (climate, environment, safety, taxation), regulatory settings, and commodity prices, among other factors. Consequently, decommissioning is increasingly viewed as relevant to climate risk reporting.[102]

Company provisions for decommissioning

In its 2020 Annual Report,[103] our company disclosed restoration provisions of US$3,021 million, an increase of US$739 million from 2019. This increase was attributed to "the acquisition of ConocoPhillips' northern Australia assets, change in discount rates, unfavourable exchange differences and revised restoration cost estimates."[104] Our company states that the estimate of provisions requires "management to make judgements regarding the removal date, future environmental legislation, and the extent of restoration activities required."[105]

Since the 2020 Annual Report our company has merged with Oil Search and inherited the decommissioning and site restoration obligations within its portfolio. The 2020 Oil Search Annual Report disclosed a consolidated site restoration provision of US$841 million.[106]

Values	Santos (ex Oil Search)	Oil Search	Combined entity
Market Cap (USD bn @ 9 Feb 2022, assuming 0.6725 share offering to OSH holders)[107]	11.1	6.9	18.0
Restoration Provision (USD bn)	3.0	0.8	3.8

98 https://www.nopsema.gov.au/offshore-industry/decommissioning
99 https://www.nopsema.gov.au/sites/default/files/documents/2021-07/A783718.pdf
100 https://www.nopsema.gov.au/sites/default/files/documents/2021-05/A763035%20-%20Decommissioning%20Compliance%20Strategy.pdf
101 https://www.nopsema.gov.au/sites/default/files/documents/2021-05/A763035%20-%20Decommissioning%20Compliance%20Strategy.pdf
102 https://www.aasb.gov.au/admin/file/content102/c3/AASB_AUASB_Joint_Bulletin_Finished.pdf
103 https://www.santos.com/wp-content/uploads/2021/02/2020-Annual-Report.pdf
104 https://www.santos.com/wp-content/uploads/2021/02/2020-Annual-Report.pdf
105 https://www.santos.com/wp-content/uploads/2021/02/2020-Annual-Report.pdf
106 https://www.oilsearch.com/__data/assets/pdf_file/0008/54278/2020-AR-Final.pdf
107 https://www2.asx.com.au/markets/company/sto

Appendix
continued

There is no disclosure by our company of the specific assumptions driving its estimated provisions. Considering the 2021 North Sea study found decommissioning provisions were underestimated by an average of 76% (range 21-189%)[108], greater transparency on the major assumptions informing these liabilities is a modest request from shareholders.

Current and future decommissioning works

The regulators overseeing the decommissioning regime of our company's assets and infrastructure vary according to jurisdiction. They include NOPSEMA for offshore Australian waters, the Department of Mines, Industry Regulation and Safety (DMIRS) for assets onshore and offshore Western Australia (WA) and the Autoridade Nacional do Petróleo e Minerais (ANPM) for the Timor Sea.

Limited and inconsistent data complicates efforts to understand the scope and timing of our company's decommissioning obligations. Based upon publicly available information, an indicative list of sites where our company has current or imminent decommissioning obligations includes:

- Barrow Island and Thevenard Island, WA[109]
- Legacy oil assets Mutineer-Exeter FPSO, Fletcher, Finucane, Airlie and Legendre, WA[110]
- Harriet Joint Venture, WA - including three platforms[111]
- Varanus Island Hub platforms, WA - Sinbad and Campbell platforms[112]
- Bayu-Undan offshore pipeline and platform in the Timor Sea. It is noted that our company is testing the "viability of repurposing"[113] the site for Carbon Capture and Storage (CCS). It will be important for shareholders to obtain timely updates on the feasibility of the CCS project, due to the direct implications for decommissioning liabilities.
- It is also assumed that ongoing works are occurring to plug and remediate onshore wells in the Cooper (SA), Surat (QLD) and Bowen (QLD) basins.

108 https://www.sciencedirect.com/science/article/pii/S0195925520308143

109 https://www.asx.com.au/asxpdf/20211111/pdf/452vp4sjgvng6x.pdf

110 https://www.asx.com.au/asxpdf/20211111/pdf/452vp4sjgvng6x.pdf

111 https://ace.dmp.wa.gov.au/ACE/Public/PetroleumProposals/ViewPlanSummary?registrationId=100108

112 https://www.energynewsbulletin.net/production/news/1396534/santos-to-decommission-legacy-platforms-offshore-wa

113 https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02421124-2A1323237?access_token=83ff96335c2d45a094df02a206a39ff4

Some works at these sites have already commenced. It is understood our company is under investigation by DMIRS for an incident that had "high potential for multiple fatalities"[114] when "inadequate engineering work"[115] was undertaken to remove part of the Sinbad fixed platform off Varanus Island (WA).

A recent industry report questioned the preparedness of operators "of all sizes" for Australia's upcoming decommissioning exercise.[116] The issue of operator ill-preparedness was also addressed in the Walker Review, which noted that proper management of ageing assets hinges upon the operator/owners' detailed knowledge of the whole asset, and "effective, rigorous and consistent" risk management.[117]

Decommissioning is an evolving, material issue that intersects with a broad range of risk areas, including financial, regulatory, safety, environmental and climate change. These escalating risks call for improvements to company disclosures.

ACCR urges shareholders to vote for this proposal.

114 https://www.watoday.com.au/national/western-australia/santos-swinging-platform-off-wa-coast-had-high-potential-for-multiple-fatalities-20211102-p595d2.html

115 https://www.watoday.com.au/national/western-australia/santos-swinging-platform-off-wa-coast-had-high-potential-for-multiple-fatalities-20211102-p595d2.html

116 https://appea.com.au/wp-content/uploads/2020/06/Australia-Oil-and-Gas-Industry-Outlook-Report.pdf

117 https://www.industry.gov.au/sites/default/files/2020-09/disclosure-log-20-036.pdf

Santos

Santos
ABN 80 007 550 923

Need assistance?

Phone:
1300 096 259 (within Australia)
+61 3 9415 4397 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (ACST) on Sunday, 1 May 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

Chairman of the Meeting acting as proxy: If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you leave the box in Step 1 blank or your named proxy does not attend the Meeting or does not vote on a poll in accordance with your directions, the Chairman of the Meeting will be your proxy. The Chairman of the Meeting will vote any available undirected proxies in favour of Items 2 to 7 and against Items 8(a) to 8(d).

A proxy need not be a securityholder of the Company

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to the meeting. A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form: XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Online platform
If you wish to participate in the Meeting virtually, you will be required to login using your SRN or HIN and postcode. Instructions are available in the Annual General Meeting Online Guide. We recommend that you complete the set-up in the guide before the commencement of the Meeting. The guide and other important information about the Meeting is available on the Santos website at www.santos.com

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

I ND

Proxy Form

Please mark X to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Santos Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Santos Limited to be held online at https://web.lumiagm.com/330728832 and in person at the Adelaide Town Hall, 128 King William Street, Adelaide, SA 5000 on Tuesday, 3 May 2022 at 10:00am (ACST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 5, 6 and 7 (except where I/we have indicated a different voting intention in step 2) even though Items 3, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on any of the Items, including Items 3, 5, 6 and 7 by marking the appropriate box in step 2.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

BOARD PROPOSED RESOLUTIONS

The Board recommends shareholders vote FOR resolutions 2 to 6. Note: Given the interest in this matter of each non-executive Director, the Board does not consider it appropriate to make a recommendation on Item 7.

Board Recommendation	Item	Resolution	For	Against	Abstain
FOR	2(a)	Re-elect Mr Peter Hearl as a Director			
FOR	2(b)	Elect Dr Eileen Doyle as a Director			
FOR	2(c)	Elect Mr Musje Werror as a Director			
FOR	2(d)	Elect Mr Michael Utsler as a Director			
FOR	3	Remuneration Report			
FOR	4	Advisory Vote on Climate Change			
FOR	5	Grant of Share Acquisition Rights to Mr Kevin Gallagher			
FOR	6	Approval for issue of shares to satisfy Growth Projects Incentive Rights to Mr Kevin Gallagher			
N/A	7	Director Fee Pool			

NON-BOARD ENDORSED RESOLUTIONS

The Board recommends shareholders vote AGAINST resolutions 8(a) to 8(d)

Board Recommendation	Item	Resolution	For	Against	Abstain
AGAINST	8(a)	Amendment to the Constitution			
AGAINST	8(b)	Capital protection			
AGAINST	8(c)	Climate-related lobbying			
AGAINST	8(d)	Decommissioning			

The Chairman of the Meeting intends to vote undirected proxies in **FAVOUR** of Items 2 to 7 and **AGAINST** Items 8(a), (b), (c) and (d) of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number **Email Address**