

Better Times Ahead

Company/ASX Code	Santos/STO
AGM time and date	10:00am (Adelaide Time), Thursday, 10 April 2025
Location	Theatre Room, Adelaide Entertainment Centre, 98 Port Road, Hindmarsh, SA 5007
Registry	Computershare Investment Services
Type of meeting	Physical, but webcast live, but shareholders will be unable to ask questions or vote online.
Monitor	Michael Davey and James Hahn
Pre-AGM Meeting	Yes, with Chairman, Keith Spence; Director, Vanessa Guthrie, Chair Safety and Sustainability Committee; Director, Michael Utsler, Chair People, Remuneration and Culture Committee, all by video link, and in person, James Murphy, Head of Climate, Sustainability and Culture Committee; Cam Judd, Head of Investor Relations; Lucia Walsh, Manager Investment relations; Amelia Senneck, Company Secretary.

Monitor Shareholding: The individuals (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2a	Re-election of Mr Michael Utsler	For
2b	Re-election of Mr Musje Werror	For
3	Adoption of the Remuneration Report	For
4	Advisory Vote on Climate Transition Approach	For
5	Grant of Share Acquisition Rights to Mr Kevin Gallagher	For

2. Summary of Issues and Voting Intentions for AGM/EGM

2024 was not a great year for shareholders with sales, dividend, and share price declining. However, there were some very positive developments with the Barossa LNG expected to be in production in the third quarter of 2025, good results coming from the Pikka project in Alaska, with production expected in mid-2026, and the successful commencement of carbon capture and storage at Moomba.

The matters listed for consideration at the AGM will be supported.

3. Matters Considered

Accounts and reports

Both production and sales volumes were down 5% on the previous year, which led to a reduction in EBIT of 6%. The Annual Report emphasises the significant development potential and the continued, indeed increasing, global demand for gas. It is forecast that world demand will increase by 13%, and Asian by 34%, over the next 10 years. Santos are particularly focused on opportunities in Japan and Korea.

In the Annual Report, and during our meeting, much emphasis was placed on the increasing role of carbon capture and storage and the development of synthetic fuels. The Moomba CCS facility has plenty of storage capacity and could become a profitable commercial enterprise. Santos is receiving interest from other parties for its use. Much emphasis was laid on managing climate-related risks and opportunities. Their Climate Transition Action Plan is a comprehensive decarbonisation plan.

With the continuing capital requirements, it is not expected that dividends will be franked for 3-4 years. By 2026, Santos expects to be returning 60% of free cashflow to shareholders.

Financial performance

(As at FYE)	2024	2023	2022	2021	2020
NPAT (US\$m)	1,224	1,416	2,112	658	-357
UPAT (US\$m)	1,201	1,423	2,461	946	287
Share price (A\$)	6.68	7.60	7.14	6.31	6.27
Dividend (cents) US/A	23.3/35.3	26.2/39.2	22.7/30.3	14.0/19.0	7.71/9.20
Simple TSR (%)	-7.5%	11.9%	18.0%	7.0%	-22.0%
EPS (cents) US/A	37.8/59.5	43.0/64.0	63.0/99.0	30.8/40.0	-17.1/-22.2
CEO total remuneration, actual (A\$m)	5.9	6.4	7.1	7.2	8.1

Simple TSR is calculated by dividing change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year. CEO's remuneration is **61x** the annualised Australian Average Weekly Total Earnings, based on ABS to November 2024.

Governance and culture

Santos has an excellent mix of directors, with a wide range of experience in the industry and a reasonable workload. The group of executives attending our meeting with the Chairman covered some detailed issues admirably.

Key events

The positive developments of the Barossa and Pikka projects and the commencement of CCS at Moomba, are of major importance and have been covered earlier in this report.

Key board or senior management changes

Mr John Lydon and Ms Viccki McFadden were elected to the Board at the 2024 AGM. Ms Sherry Duhe was appointed Chief Financial Officer in October 2024. She has close to 30 years' experience in the oil and gas industry.

4. Rationale for Voting Intentions

Resolution 2a Re-election of Mr Michael Utsler (for)

Mr Utsler has worked in the energy industry for over 40 years and was a former director of Oil Search Limited, now part of Santos. His other activities are not excessive. He is Chairman of the Remuneration Committee and took part in our pre-AGM meeting. He impressed with his clear explanation of the remuneration process.

Resolution 2b Re-election of Mr Musjew Werror (for)

Mr Werror has considerable leadership experience in the Papua New Guinea resources industry, an important asset for Santos. He was also a director of Oil Search.

Resolution 3 Remuneration Report (for)

The report is comprehensive and understandable. An additional aspect of regional accountability is included, which was explained to us by Mr Utsler as incorporating individual business responsibility and its contribution to the whole. The issue of Mr Kevin Gallagher's special LTI arrangement, which has raised issues in the past, is a 5-year program which ends in 2025, was briefly discussed.

Resolution 4 Advisory Vote on Climate Transition Approach (for)

The Annual Report contains a detailed description of the Climate Transition Action Plan, which covers how Santos will achieve real emissions reduction over time. This is an advisory only resolution.

Overall the CTAP is a well presented and digestible plan for a climate reviewer. Santos appear to have taken on investor feedback (page 32 & 33 summarises this). The report is clean, neat, well laid out and informative.

Santos' climate transition plan has the logical approach of getting their own house in order (i.e. decarbonise) followed by developing low carbon energy for customers (and the great expense in R&D that comes with this compliance requirement).

Page 11 of the STO CTAP is a very good snapshot of progressive climate targets and the developing commercial carbon storage. We encourage STO to uphold this slide as an annual update in the same format for monitoring and trending towards 2025, 2030 & 2040 targets.

Santos' Moomba CCS involves capturing and successfully injecting CO2 using depleted reservoirs. We acknowledge STO's commitment to and, progress with, "inhouse" carbon capture and storage at Moomba. CCS can be technically challenging and the associated regulatory approvals in Australia can be tough.

Resolution 5 Grant of share Acquisition rights to Mr Kevin Gallagher (for)

This is simply an extension of the Employee Equity Incentive Plan for the next four years for Mr Gallagher as an Executive Director. It has four equal tranches, unchanged from previous years. The number of SARs to be granted to Mr Gallagher has been determined using the 'face value' methodology, which divides Mr Gallagher's total fixed remuneration by the Volume Weighted Average Price of Santos shares over the last five trading days of 2024.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY24	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	2.07	32%	2.07	22%
STI - Cash	0.93	16%	1.79	19%
STI - Equity	1.00	16%	1.79	19%
LTI	1.85	36%	3.60	40%
Total	5.87	100.0%	9.25	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.