

Major Projects completed as forecast – but what about the War?

Company/ASX Code	Santos/STO
AGM time and date	10am (Adelaide Time) on Thursday, 16 April 2026
Location	Meeting Room C, Adelaide Convention Centre, North Terrace, Adelaide
Registry	Computershare
Type of meeting	Physical, but webcast live online. Shareholders will not be able to vote, ask questions, or make comments via webcast.
Monitor	Michael Davey and James Hahn
Pre-AGM Meeting	Yes, with Chairman, Keith Spence and Independent Director, Michael Utsler, Chair, People, Remuneration and Culture, by video link and in person, James Murphy, Vice President, Government, Climate and Social Performance, Cam Judd, Head of Investor Relations, Lucia Walsh, Manager Investment Relations, and Karen Kerle, Manager Remuneration.

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	
2	To re-elect Directors	For
3	Remuneration Report	For
4	Grant of Share Acquisition Rights to Mr Keith Gallagher	For

2. Summary of Issues and Voting Intentions for AGM

- Both production and sales volumes were slightly higher than the previous year, but sales revenue was lower due to a deterioration in realised prices for LNG and crude oil. This resulted in a 33% reduction in net profit and a reduction in dividends and Santos' share price. With the potential of significant hydrocarbon supply interruptions due to the war in Iran, oil prices and share prices have already increased.

- The Barossa and Darwin LNG facility is now delivering product, although about six months later than scheduled and the Alaskan Pikka phase 1 project is expected to reach full production mid-2026.
- The XRG takeover proposal could have been a major distraction for the Company and involved extensive negotiations before the consortium withdrew their offer. However, the Company recorded a record safety performance and steady operations.
- We recommend support for all the resolutions listed at the Annual General Meeting.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

Although there was a reduction in net profit, due entirely to lower commodity prices, the Company's base business operated as planned and their major new projects advanced satisfactorily. The Moomba carbon capture and storage facility stored over one million tonnes of carbon dioxide equivalent and safety performance reached an all-time high. The Chairman emphasised that this demonstrated the strong operational excellence despite the potential unsettling matter of the XRG proposal.

Dividends totalled US 23.7 cents per share which was 43% of free cash flow from operations. The annual free cash flow was down 6% at US\$ 1.8 bn.

The Annual Report is comprehensive, but still voluminous at 282 pages, but thankfully slightly less than last year's. Executives indicated that such a reduction would continue. The coverage of ESG issues runs to nearly one-third of the Report and a dedicated meeting was held to review those issues. Santos increased their standing in international ESG ratings and, for instance was in the top eight percent of companies in the S&P Corporate Sustainability Assessment. There has been a significant reduction in emission levels, mainly due to the Moomba CCS programme. The Annual Report provides much detail on emission issues, including the potential of Direct Air Capture, which, however, is still quite expensive. The Company's Climate Transition Action Plan is active, aimed at decarbonising operations.

Regarding social issues, Santos is continuing to follow a wide programme but there are, of course, still hurdles. The long-standing issues associated with the Narrabri project have, however, progressed with a positive legal success and increased land access for the pipeline installation.

A detailed report on oil and gas reserves is provided in the Annual Report which is prepared by a group of qualified Petroleum Reserves and Resources Evaluators and verified by independent experts. Both proved and probable reserves and contingent resources declined slightly from last year mainly due to the divestment of some interests in offshore Northern Australia. There was however an increase before production in the Cooper Basin and Papua New Guinea which meant that the proved reserves replacement ratio was a satisfactory 95%. This represents a 17-year reserves life at the 2025 production rate.

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (US \$m)	818	1,224	1,416	2,112	658
UPAT (US \$m)	898	1,201	1,423	2,461	946
Share price (A \$)	6.17	6.68	7.60	7.14	6.31
Dividend (cents) US/A	23.7/36.6	23.3/35.3	26.2/39.2	22.7/30.3	14.0/19.0
Simple TSR (%)	-2.2	-7.5	11.9	18.0	7.0
EPS (cents) US/A	25.2/37.6	37.8/59.5	43.0/64.0	63.0/99.0	30.8/40.0
CEO total remuneration, actual (A \$m)	9.1	5.9	6.4	7.1	7.2

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 includes \$4.7m paid as a one-off Growth Incentive over 5 years. In total it is 83x the annualised Australian Average Weekly Total Earnings, based on ABS figures to November 2025.

Governance and culture

The Santos Board is made up of people with excellent qualifications and experience in the industry. This is now the time for a renewal, with Ms Yasmin Allen retiring earlier this year and Chairman, Mr Keith Spence, stepping down next year. It is planned to appoint two new non-executive directors in the near future. At the same time consideration is being given to a future CEO so that there is an appropriate Chairman-CEO continuity.

Key Events

The completed development of the Barossa project and the budgeted progress of Pika were important achievements. Early in 2026 Santos announced an agreement with the South Australian government for the supply of 200PJ of gas over 10 years which will support the Whyalla Steelworks aim of low emission production. The Company also announced a decision to proceed with debottlenecking the Moomba Central gas field which will reduce production costs. Of major significance was the withdrawal of the XRG Consortium's offer to acquire all Santos' issued shares. This has been discussed earlier.

Key board or senior management changes

The retirement of Ms Yasmin Allen has been discussed previously. The Company's Chief Financial Officer, Ms Sherry Duhe, resigned after only one year in the position. Some press comments suggested that she was a future CEO of the Company. After a couple of months as Acting CFO, Mr Lachlan Harris was appointed Chief Financial Officer in December last. He has been with Santos for 15 years, joining from KPMG, and in that time has held important roles in the treasury and finance area.

4. Rationale for Voting Intentions

Resolution 2: To re-elect Directors

Ms Janine McArdle and Ms Vicki McFadden retire by rotation and offer themselves for re-election. Both have appropriate qualifications and experience and are not overloaded with other commitments. Their re-election is supported.

Resolution 3: Remuneration Report

The report is comprehensive and understandable. The discussion with Mr Utsler, Chair of People, Remuneration and Cultural Committee was open and useful. The CEO's remuneration includes a one-off Growth Incentive reward which was approved by shareholders in April 2022 based on the successful delivery of major projects over the five years to December 2025. Adoption of the Report is supported.

Resolution 4: Grant of Share Acquisition Rights to Mr Kevin Gallagher

This is an extension of the Employee Equity Incentive Plan for four years for Mr Gallagher as an Executive Director. It has four equal tranches unchanged from previous years. The SEEIP for all KMP SAR determinations, thus the resolution is supported.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY25	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	2.07	47%	2.07	22%
STI - Cash	-	-	1.79	19%
STI - Equity	0.90	21%	1.79	19%
LTI	1.40	32%	3.60	40%
Total	4.37	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 frameworks set a maximum opportunity amount, but not all.