# Santos Analysis update July 24th, 2026

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This is not a recommendation or proposal to do anything. The data written in this article is not guaranteed. It is my private personal opinion. I`m not independent as I own a position of Santos Ltd. shares.

Santos is an upstream gas & oil company with revenues of about 4.9 bn$ annually and assets in Australia, Papua New Guinea, Timor and Alaska. It produces about 100 Mbl/d oil equivalent 75% of it is LNG.

Santos is candidate for take-over. There were talks about a merger with Woodside in 2024. XRG made a takeover bid but was withdrawn in sept 25 after a prolonged due diligence period.

**Opportunities and Risks**

The business of Santos is dominated by the Asian LNG market.

*By Johnathan Wall on March 19, 2026 10:33 AM An Iranian attack has obliterated 17% of Qatar's liquefied natural gas export capacity, dealing a severe blow to global energy markets. QatarEnergy CEO Saad Sherida Al-Kaabi revealed that repairs could take three to five years, wiping out approximately 3.5% of the world's LNG supply in a single strike.*
That mean it is very likely that LNG will be on short supply for at least the next 1 – 2 years.

A longterm risk (>> 10 years) could be that Russia will agree with China (*Power of Siberia II*), Japan via Sachalin and South Korea via the Japanese sea on pipeline projects connecting the Russian Western Siberian gas fields with these potent potential customers.

- Santos has 2 oil/gas growth projects ramping-up production

- 2 CCS projects. The first of it is already generating revenues.

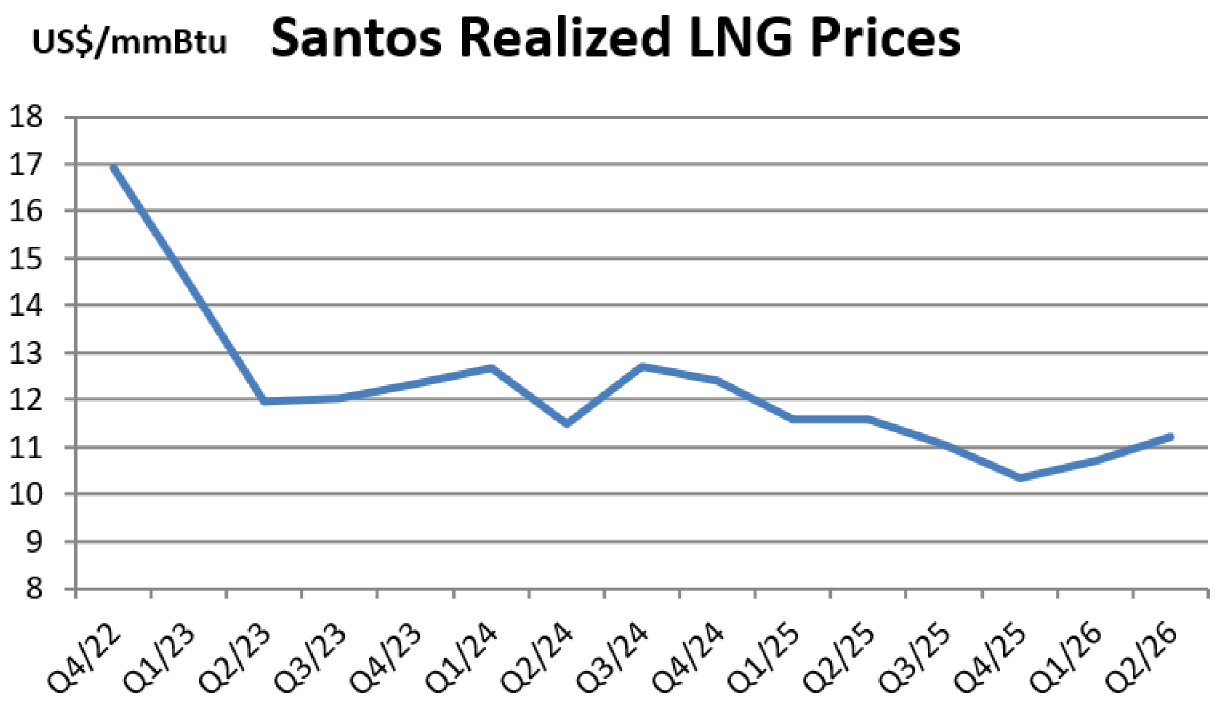
The business remains strong and resilient, maintaining free cash flow from operations breakeven oil price less than US$30 per barrel in 2025.

The gas reservation scheme (*Australian Regulation*) starting in 2027 will require exporters to reserve between 15 and 25 per cent of gas production market, with the required proportion to be settled after the forthcoming consultation. This reservation scheme will reduce revenues and at the end profits.

**Some Numbers**

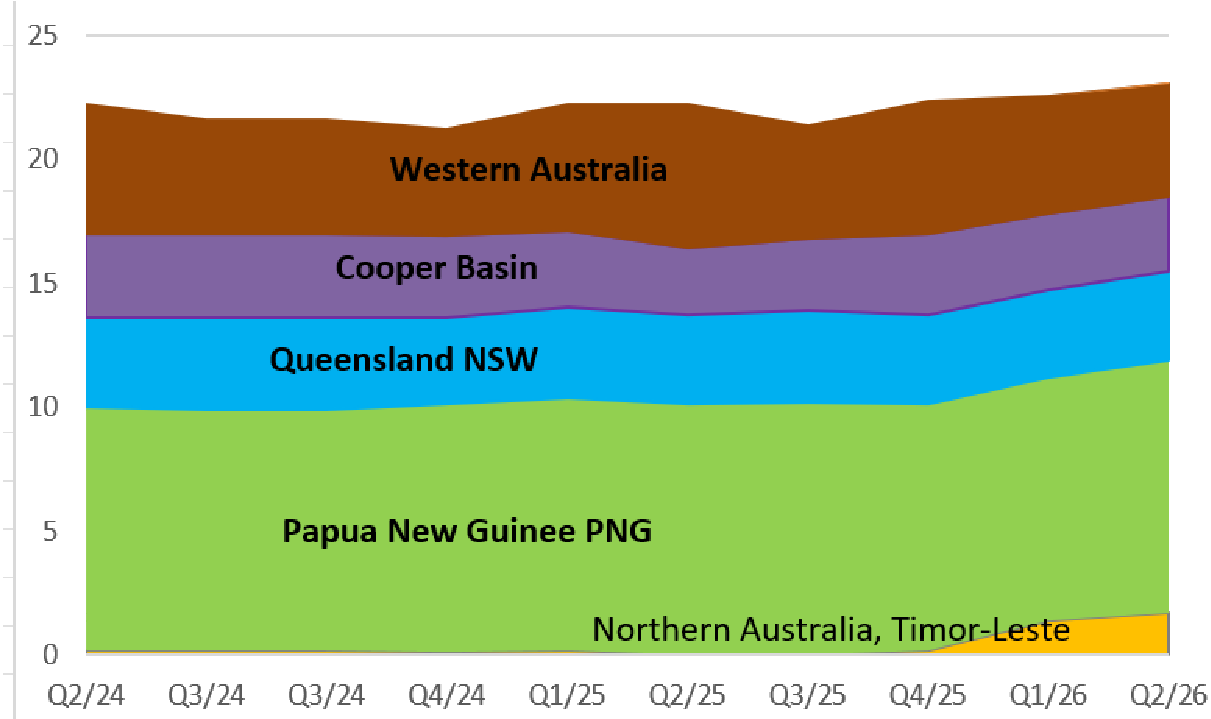
| Production by Asset | Unit | Q2/24 | Q3/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25 | Q3/25 | Q4/25 | Q1/26 | Q2/26 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Western Australia | mmboe | 5,2 | 4,6 | 4,6 | 4,3 | 5,1 | 5,8 | 4,5 | 5,3 | 4,7 | 4,5 |
| Cooper Basin | mmboe | 3,4 | 3,4 | 3,4 | 3,3 | 3,1 | 2,7 | 2,9 | 3,3 | 3,1 | 3 |
| Queensl & NSW | mmboe | 3,6 | 3,7 | 3,7 | 3,5 | 3,6 | 3,6 | 3,7 | 3,6 | 3,5 | 3,6 |
| PNG | mmboe | 9,8 | 9,7 | 9,7 | 10 | 10,2 | 10,1 | 10,2 | 9,9 | 9,8 | 10,2 |
| Norther Au & Timor-Leste | mmboe | 0,2 | 0,2 | 0,2 | 0,1 | 0,2 | 0 | 0 | 0,2 | 1,4 | 1,7 |
| Alaska | mmboe | | | | | | | | | | 0,1 |

| | A$ | 2022 | 2023 | 2024 | 2025 | h1/26 | *2026* |
|---|---|---|---|---|---|---|---|
| Production oil equivalent | m bl/yr | 103 | 92 | 87 | 88 | 45,6 | *102* |
| | k bl/d | 282 | 252 | 238 | 241 | 249 | *279* |
| Production costs | $/bl | 7,82 | 7,61 | 7,85 | 6,78 | | *7,2* |
| Av. Realized price | $/bl | 110,10 | 87,60 | 84,80 | 73,10 | 91,68 | |
| Revenues | bn$ | 7,79 | 6,03 | 5,38 | 4939 | 2620 | |
| Free Cash Flow | M$ | 3641 | 2128 | 1891 | 1777 | 378 | |
| Capex | bn$ | 2,1 | 2,63 | 2,9 | 2,4 | 0,92 | *2,05* |
| Net Debt | bn$ | 3,45 | 4,3 | 4,9 | 5,8 | | |
| Net Profit | M$ | 2112 | 1416 | 1224 | 818 | | |
| Outstanding shares inc. Dil. | M | 3276 | 3364 | 3253 | 3253 | | |
| EPS | c | 63 | 43 | 37,1 | 27,7 | | |
| Dividend | c | 22,7 | 26,2 | 23,3 | 23,7 | | |

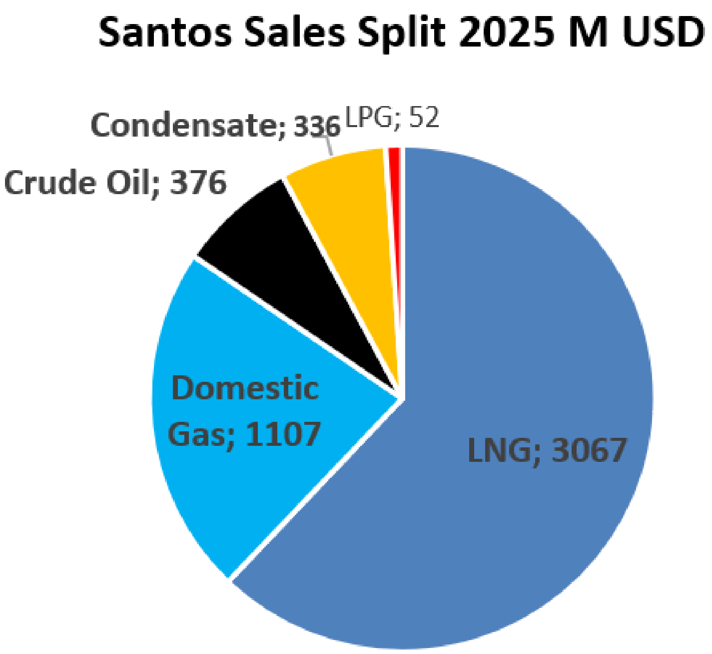


The USA vs. Iran war is not yet visible in the Q2/26 numbers even when LNG spotmarket prices increased since march.

| **Production by Asset** | Unit | Q2/24 | Q3/24 | Q3/24 | Q4/24 | Q1/25 | Q2/25 | Q3/25 | Q4/25 | Q1/26 | Q2/26 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Western Australia | mmboe | 5,2 | 4,6 | 4,6 | 4,3 | 5,1 | 5,8 | 4,5 | 5,3 | 4,7 | 4,5 |
| Cooper Basin | mmboe | 3,4 | 3,4 | 3,4 | 3,3 | 3,1 | 2,7 | 2,9 | 3,3 | 3,1 | 3 |
| Queensl & NSW | mmboe | 3,6 | 3,7 | 3,7 | 3,5 | 3,6 | 3,6 | 3,7 | 3,6 | 3,5 | 3,6 |
| PNG | mmboe | 9,8 | 9,7 | 9,7 | 10 | 10,2 | 10,1 | 10,2 | 9,9 | 9,8 | 10,2 |
| Norther Au & Timor-Leste | mmboe | 0,2 | 0,2 | 0,2 | 0,1 | 0,2 | 0 | 0 | 0,2 | 1,4 | 1,7 |
| Alaska | mmboe | | | | | | | | | | 0,1 |




The Barosso ramp-up is already visible at the bottom. The Pikka ramp-up in Alaska is not yet visible.




**Observations**

**Assets**

Cooper Basin

Queensland & New South Wales

PNG Papua New Guinea

Northern Australia & Timor-Leste

Western Australia

Alaska

The Moomba CCS facility stored 1.23 M tons of $CO_2$ in 2025. It generated revenues of 166m A$. In H1 2026 in addition 0,47 M tons of $CO_2$ were stored in Moomba.

| Santos 2025 | Mmboe | Cost* | Capex |
|---|---|---|---|
| Cooper basin Aus | 12 | 8,55 | 350 |
| Qld NSW Aus | 14,4 | 7,04 | 253 |
| Papua PNG | 40,3 | 6,12 | 224 |
| Northern Aus Timor** | 0,4 | 64,5 | 493 |
| Western Aus | 20,7 | 6,17 | 394 |
| Alaska | | | |
| CO2 Injection & Others | | | 92 |
| Total | 87,8 | 6,78 | 2400 |
| *Production Cost A$, **Barosso ramp up | | | |

## Reserves dec. 31st, 2025:

- Proved reserves mmboe 913
- Proved plus probable reserves mmboe 1,484
- 2C contingent resources mmboe 3,212

Reserves life 17 years of 2025 production, Annual proved reserves replacement ratio 95%.

## New Projects:

- The Barossa Gas Project is completed. Barossa LNG shipped its first LNG cargo in the fourth quarter of 2025. It is included in the Northern Australia, Timor numbers.
- The Pikka Project in the North of Alaska is mechanical completed. Santos reports operations at the Pikka Phase 1 oil project on Alaska's North Slope are now online with the first production wells delivering gross production of approximately 20,000 bbl/day. "Santos will commence pressure support through seawater injection over the next few weeks before bringing additional production wells online, with plateau production of approximately 80,000 bbl/day targeted during Q32026 *(Energy Today June 25th 2026).*
- When the Barossa and Pikka projects come online, production is expected to increase by more than 30 per cent by 2027.
- Bayu-Undan CCS project FEED is 85.5 per cent complete.
- Beetaloo The Beetaloo Sub-Basin, part of the greater McArthur Basin, is estimated to contain more than 200 TCF of gas in-place2. A drilling appraisal program is planned for 2026.
- The Narrabri project includes the construction and operation of a gas field. The gas is to be extracted from coal seams between 300–1200m below ground, produced from up to 850 new wells on a maximum of 425 well pads. The gas is foreseen for local supply.

**Shareholders** dec. 31st 2025

| | |
|---|---|
| State Street Corporation and subsidiaries | 271,121,141 |
| BlackRock Group (BlackRock Inc and subsidiaries) | 270,821,628 |
| Vanguard Group (The Vanguard Group, Inc. and its controlled entities) | 165,560,037 |

**Holdings**

**Some News**

Santos has signed a MOU with APA Group to develop a CO2 infrastructure in Moomba in eastern Australia. The Moomba CCS project is Santos' most advanced CCS hub in Australia. Santos believes it has the potential to store up to 1.5 to 1.7 million t of CO2 per year. First injection is expected to commence in 2024. These opportunities are subject to necessary internal and external approvals and a longer-form project agreement being negotiated and finalised by the parties. The Moomba CCS project is the most advanced of Santos's three planned CCS hubs in Australia, with the potential for Phase 1 to store up to 1.7 million tonnes of CO2 per year.

**Aug 4th, 2025** Santos has signed a non-binding memorandum of understanding with ENGIE for the supply of natural gas from the Narrabri gas project to the domestic market. Gallagher also said Santos bought this asset in 2011 and has been working for over a decade to develop it, investing more than $1.5 billion to date.

"Delays to bringing Narrabri gas to market have occurred as a result of a number of factors including government moratoriums, independent scientific reviews, delayed and lengthy approvals, legal appeals and native title processes. "Narrabri will be subject to some of the strictest environment and groundwater protections in the world, and we will comply with them. That means absurd costs due to green politics.

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**Some References**


1. Dec. 4, 2023 https://www.energytodaymag.com.au/santos-and-apa-collaborate-on-moomba/

2. Dec. 11, 2023 https://www.energytodaymag.com.au/rivals-woodside-and-santos-join-forces/

3. Aug. 4th, 2025 https://www.energytodaymag.com.au/santos-decides-fate-of-narrabri-gas/