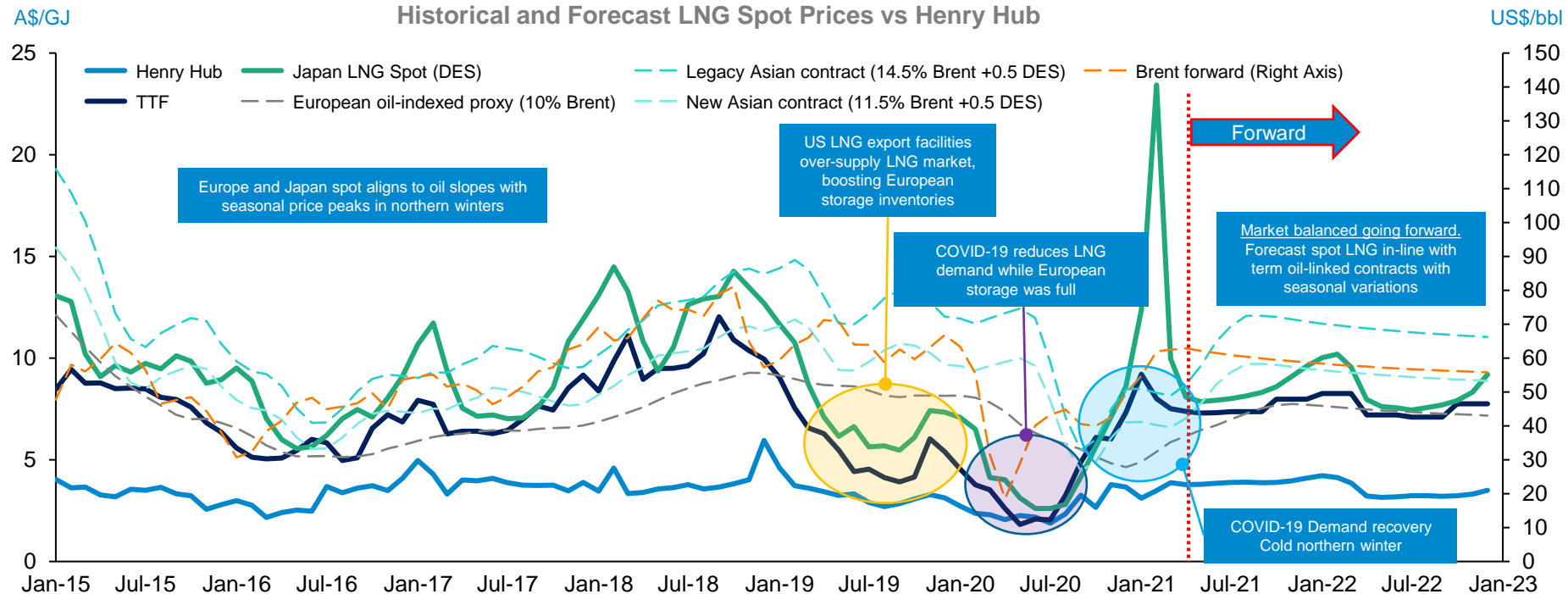


# Japan and Europe LNG prices vs Henry Hub

LNG market over-supply in 2019/20 caused Asian Spot LNG prices to temporarily decouple from averaged oil-linked slopes. Supply-demand rebalancing now has JKM trading in line with term oil-linked LNG contracts, which reflects a premium of A\$4-6/MMBtu on Henry Hub price forecasts.

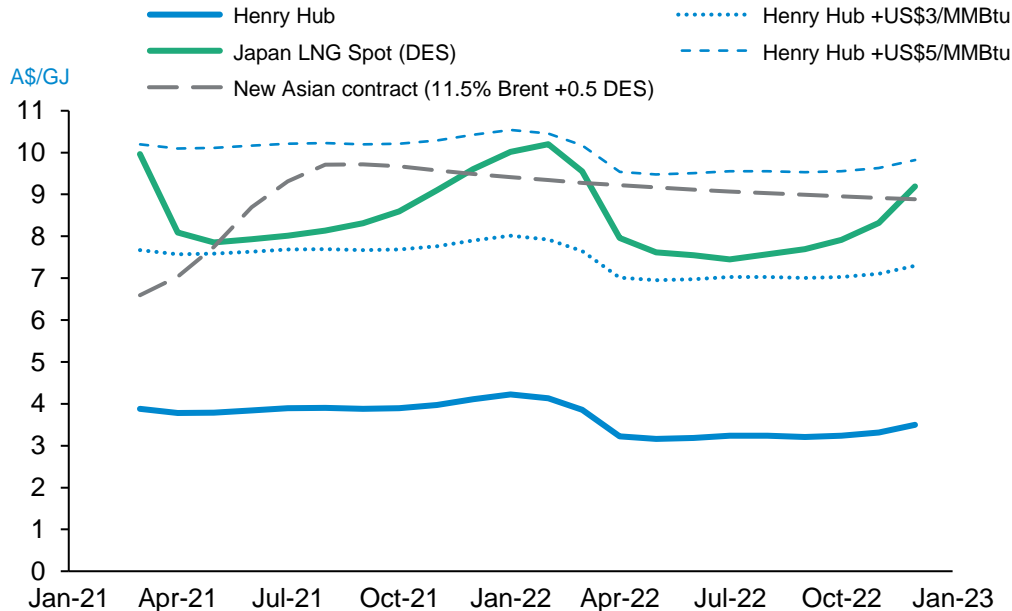


Source: WoodMac LNG Short Term Outlook Q1 2021. Brent forecast range from US\$62.50 Mar-21 to US\$55.80 Dec-22.

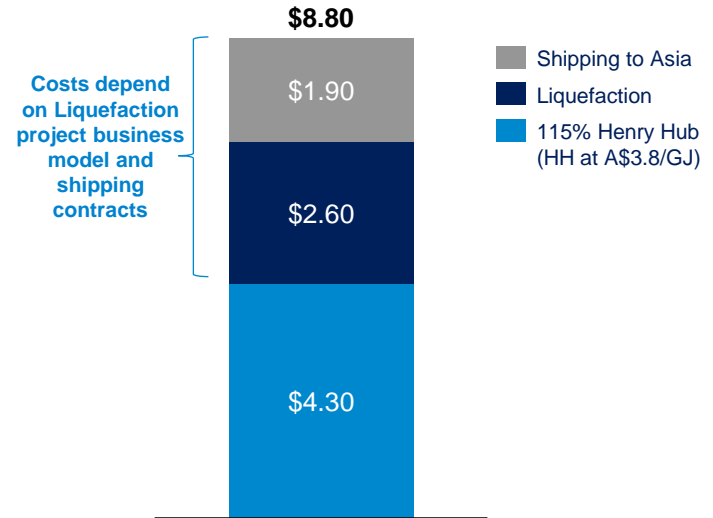
# JKM prices are set by global supply and demand balance

Long term JKM price premiums of A\$4-6/GJ on HH represent full cycle cost of supply for LNG project development, with seasonal supply and demand imbalances leading to volatility in prices.

2021/22 Forecast Japan LNG Spot (DES) prices vs Brent & Henry Hub



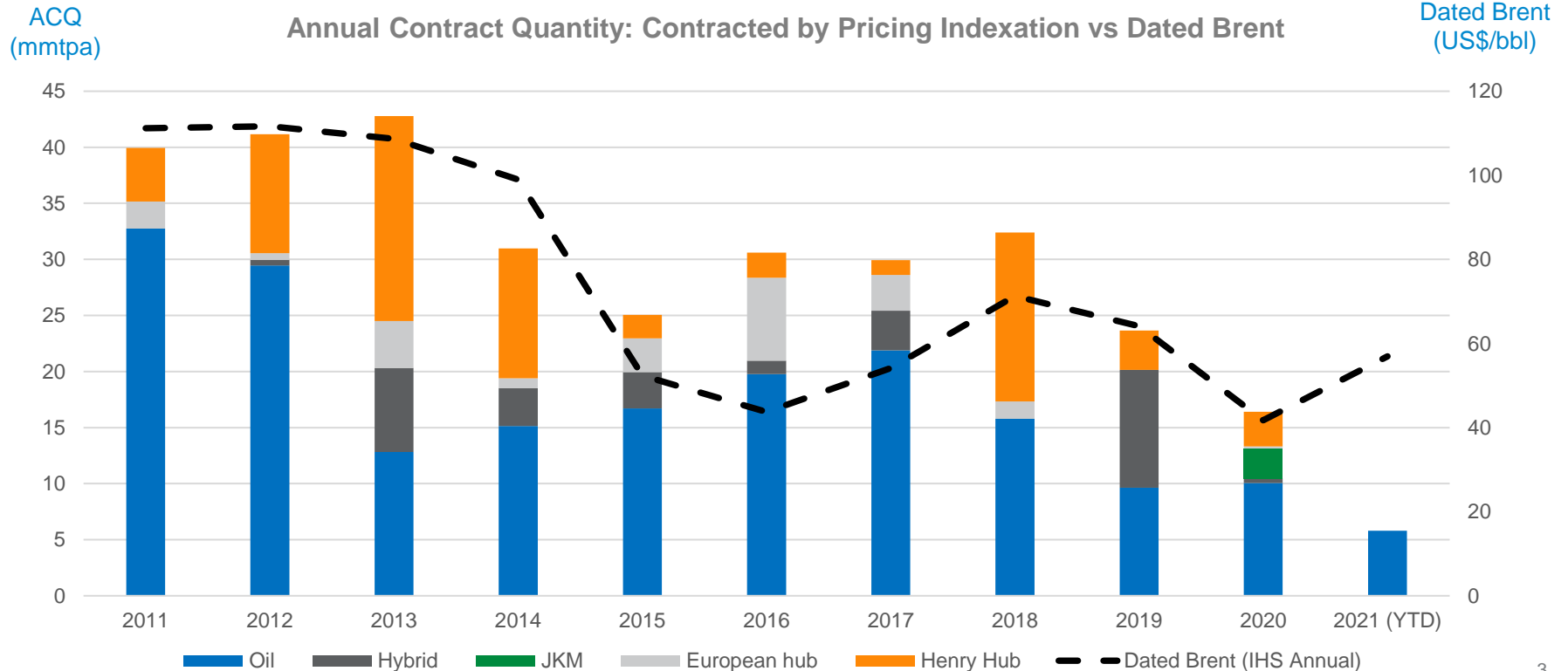
Notional US cost of supply to Japan (A\$/GJ)



Source: Forecast prices from WoodMac LNG Short Term Outlook Q1 2021. Notional cost of supply based on Santos analysis.

# Global LNG contract price indexation is majority oil linked

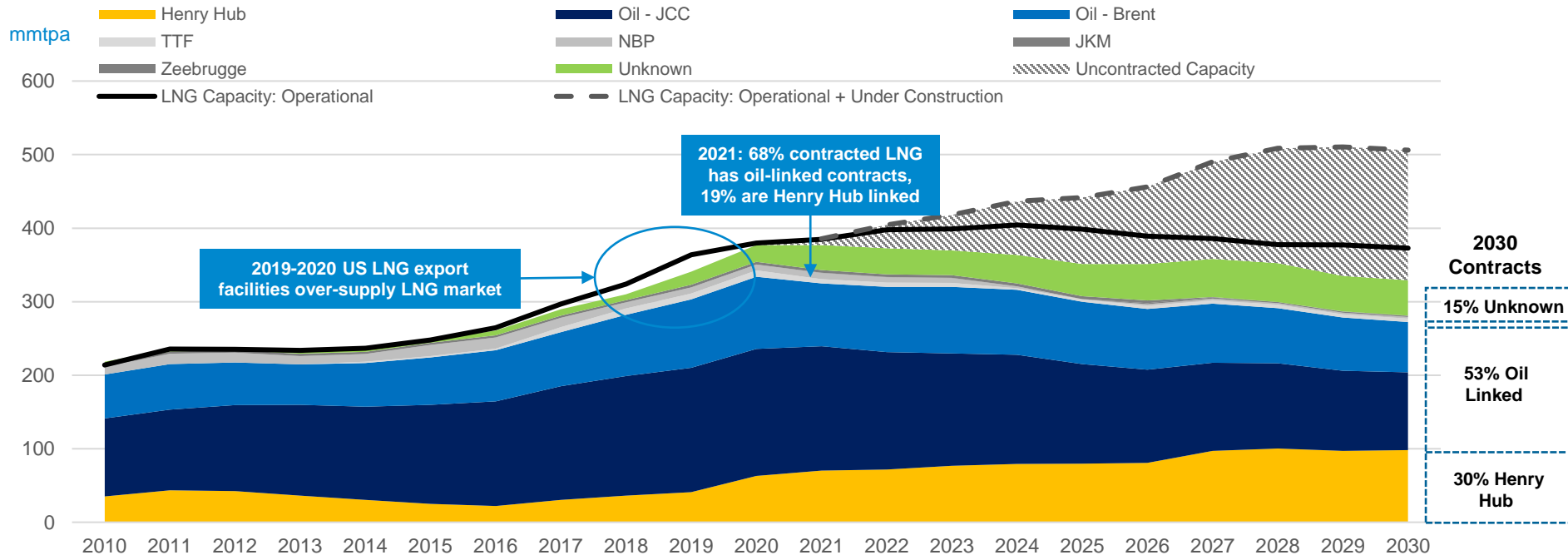
Majority of LNG contracts signed over the past 10 years have been oil linked with Henry Hub used more when oil price is high and new US LNG projects have been contracting.



# Global LNG contract price indexation is majority oil linked

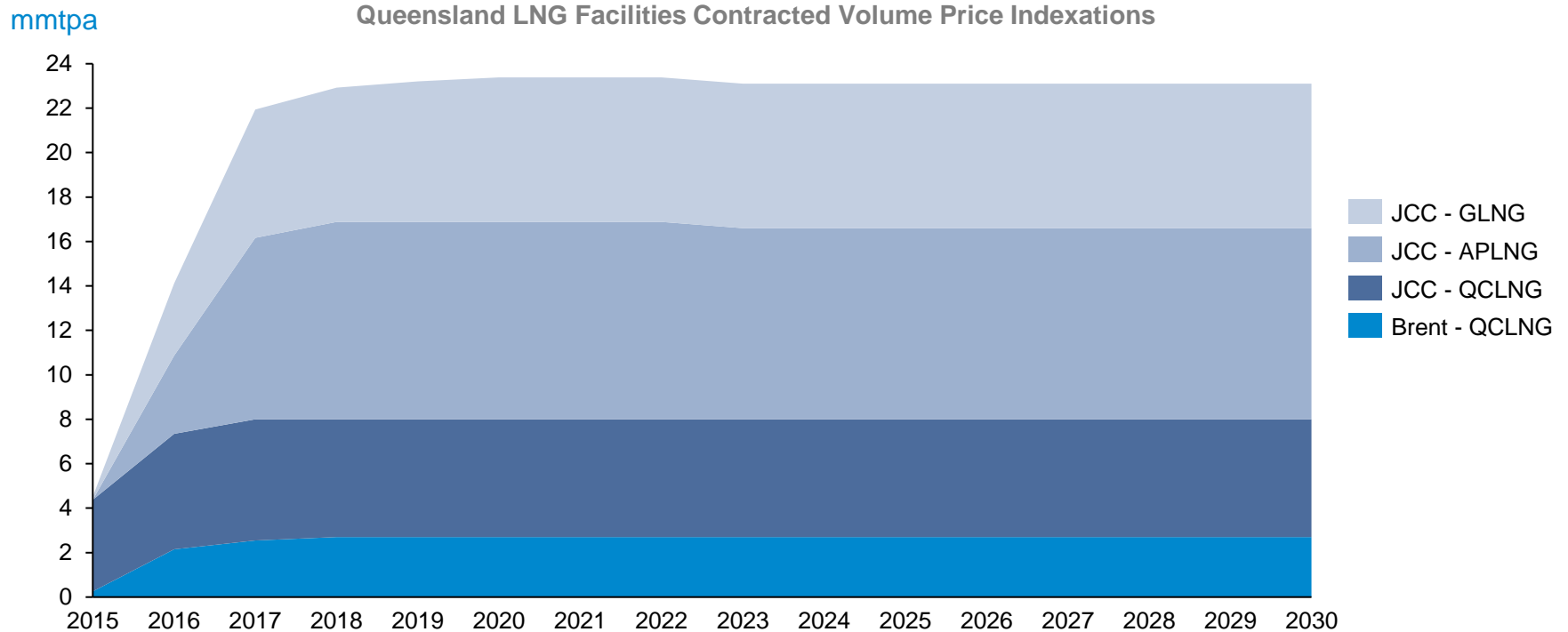
53 to 68% of 2021-2030 contracted LNG volumes are oil linked, while Henry Hub linked volumes represent only 19 to 30%.

Global LNG Contract Price Indexations



# Queensland LNG contract price indexations are oil linked

All Queensland LNG contracts are oil linked through to 2030.



# Asia LNG Spot Demand

By 2022, <15% of Asia LNG demand is through spot cargoes sourced from Pacific and Atlantic regions.

