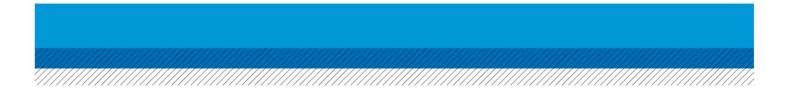
ASX/Media Release





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CEO and Board agree succession plan

Chairman to lead strategic review

The Santos Board has agreed with Managing Director and Chief Executive Officer, David Knox that after seven years in the role Mr Knox will step down once a successor has been appointed.

In light of the continuing pressure on the Santos share price in recent months and approaches from other parties concerning various assets and strategic opportunities, the Board has decided to conduct a full strategic review to examine all options to restore and maximise shareholder value.

Santos Chairman, Peter Coates, will assume the role of Executive Chairman and take executive responsibility for conducting the strategic review with the assistance of Deutsche Bank and Lazard as advisers to the Board.

Mr Coates paid tribute to Mr Knox for his leadership of the transformation of Santos from a domestic market focused business to be positioned as a key energy partner to the Asian region.

"After seven years as CEO and with the commencement of production at the Company's GLNG project now imminent, the Board and David have agreed that it is an appropriate time to institute a succession of leadership.

"Until he steps down as CEO, David will remain in his role responsible to the Board for all of the company's operations and projects.

"At the same time, the Board is determined to address the impact of the fall in global oil prices on the Company's share price relative to other oil and gas companies," Mr Coates said.

"We are undertaking a thorough strategic review of all options to restore and maximise shareholder value in the face of the continuing pressures on oil prices, globally.

"Given that we have announced a succession process for David, I will lead the process and can assure shareholders that we will be acting with the greatest possible speed to determine the best course of action, but we will not be taking any short cuts.

"Santos has built and secured some high quality assets and resource positions. We need to protect that value while also achieving far better market recognition of it than shareholders are seeing today.

"We will be talking with the parties who have approached us to date with interest in various assets and other strategic initiatives and with this announcement there may well be new expressions of interest received.

"No options will be ruled out from consideration, but neither is any particular option a preferred course at this time," Mr Coates said.

The Santos Board will not be making any further comment on the strategic review process until it is completed.

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