

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

3 December 2015

Santos successfully completes Retail Shortfall Bookbuild

Santos Limited ("Santos") announces the successful completion of the retail shortfall bookbuild ("Retail Shortfall Bookbuild") for the retail component of its fully underwritten 1 for 1.7 pro rata renounceable entitlement offer with retail entitlements trading ("Retail Entitlement Offer") of new Santos ordinary shares ("New Shares").

The Retail Shortfall Bookbuild represents the final stage of Santos' \$2.5 billion equity raising, announced on Monday, 9 November 2015.

Summary of the Retail Shortfall Bookbuild

- Approximately 152 million retail entitlements (approximately \$585 million) were sold in the Retail Shortfall Bookbuild.
- The Retail Shortfall Bookbuild had a clearing price of \$4.10 (being the offer price of \$3.85 per New Share, plus \$0.25 per retail entitlement) representing a 6.5% premium to the offer price.

Approximately 57% of New Shares available under the Retail Entitlement Offer were taken up by eligible retail shareholders. New Shares in respect of retail entitlements not taken up and entitlements of shareholders that were ineligible to participate in the Retail Entitlement Offer were sold through the Retail Shortfall Bookbuild.

The total amount to be paid by successful participants in the Retail Shortfall Bookbuild is \$4.10 per New Share (representing the offer price of \$3.85 per New Share plus \$0.25 per Retail Entitlement). Accordingly, eligible retail shareholders who elected not to take up their retail entitlements and ineligible retail shareholders will receive \$0.25 in cash for each retail entitlement sold in the Retail Shortfall Bookbuild, less any applicable withholding tax.

Santos Executive Chairman Peter Coates said the successful completion of the Retail Shortfall Bookbuild also marked the completion of the Entitlement Offer.

"We appreciate the support we have received from our retail and institutional shareholders throughout this process," said Mr Coates.

"We are confident the Entitlement Offer, along with our other capital initiatives, will drive better returns for shareholders by substantially strengthening our financial position," Mr Coates said.

Media enquiries

Chandran Vigneswaran
+61 8 8116 5856 / +61 (0) 467 775 055
Chandran.vigneswaran@santos.com

Investor enquiries

Andrew Nairn
+61 8 8116 5314 / +61 (0) 437 166 497
andrew.nairn@santos.com

Santos Limited ABN 80 007 550 923

GPO Box 2455, Adelaide SA 5001
T: +61 8 8116 5000 / F: +61 8 8116 5131
www.santos.com

The settlement date for New Shares to be issued under the Retail Entitlement Offer and the Retail Shortfall Bookbuild is expected to be Wednesday, 9 December 2015. New Shares are expected to be issued on Thursday, 10 December 2015 and commence trading on ASX on Friday, 11 December 2015.

Eligible retail shareholders who elected not to take up their retail entitlements and ineligible retail shareholders will receive \$0.25 in cash for each retail entitlement sold, less any applicable withholding tax on or around Monday, 14 December 2015.

IMPORTANT INFORMATION:

This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements under the Retail Entitlement Offer ("Entitlements") nor the New Shares to be issued under the offer ("New Shares") have been, nor will be, registered under the U.S. Securities Act of 1933 ("U.S. Securities Act") or under the securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares may not be granted to, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Entitlements and New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

ENDS.