



11 May 2009

Richard Walton  
ASX Warrants  
Level 6, 20 Bridge Street  
Sydney NSW 2000

Dear Richie,

For dissemination to the market:

### **Adjustment to STO Call and Put Trading Warrants**

Citigroup Pty Limited ("CGMA") is the Issuer of eight series of trading warrants over ordinary shares in Santos Limited ("STO") with ASX codes STOWOA, STOWOB, STOWOR and STOWOS advises that these warrants will be adjusted as a consequence of the Entitlement Offer announced on 11 May 2009.

### **The STO Entitlement Offer**

On 11 May 2009 STO announced details of its proposed entitlement offer. The details of the offer announced entitle eligible STO shareholders to acquire 2 new shares for every 5 shares held on the record date (Thursday 14 May 2009) at a price of \$12.50 per share.

### **Trading Warrant Adjustments**

CGMA will adjust both the Required Number (ratio) and the Exercise Price of each of the trading warrants as a result of the offer. The method chosen is based on that used by the ASX in their note to participants dated 11 May 2009 concerning the adjustments to occur in ETOs over STO.

- 1. The Required Number of Warrants that comprise the Underlying Parcel will be determined as follows:*

$$NR = OR + n*r/S$$

$$= 0.25 + 0.10*2.2475/14.7475$$

$$= 0.265 \text{ (or 3.77 warrants required for each underlying parcel)}$$

$$\text{New Strike} = \text{Old Strike} * (OR/NR)$$

$$= \text{Old Strike} * (0.25 / 0.265)$$

$$= \text{Old Strike} * 0.9434$$

Where,

- NR = New Ratio  
OR = Old Ratio (currently 0.25)  
n = the number of rights attributed to each OR  
=  $2/5 * 0.25$   
= 0.10  
r = the value of the rights as determined under the book build  
= 2.2475  
S = the VWAP ex-entitlement of existing shares  
= 14.7475

The individual warrant adjustments are as follows:

Warrant Code	Old Strike	New Strike	Number of Warrants Required for each Underlying Parcel
STOWOA	\$14.00	\$13.208	3.77
STOWOB	\$12.00	\$11.321	3.77
STOWOS	\$15.00	\$14.151	3.77
STOWOR	\$13.00	\$12.264	3.77

### Suspension of Trading

Trading in the STOWOA, STOWOB, STOWOR and STOWOS will commence on an adjusted basis at the start of normal trading on Thursday 14 May 2009.

### What action do you need to take?

You do not need to do anything. Should you have any queries regarding this process, please contact your Stockbroker, Financial Adviser or CitiWarrants on 1300 30 70 70.

Yours Sincerely,

Regards,



Frances Cranston  
Director  
Citigroup Global Markets Australia