

25 March 2015

Santos Dividend Reinvestment Plan (DRP)

This notice is given by Santos Limited (ABN 80 007 550 923) (ASX code: STO) (**Santos**).

Santos announces today that it has issued:

- 1 5,405,704 fully paid ordinary shares at a price of A\$7.4192 per share to participants in the DRP for the 2014 final dividend; and
- 2 14,270,511 fully paid ordinary shares at a price of A\$7.53 per share to the underwriter of the DRP for the 2014 final dividend (**Underwritten Shares**).

Santos states that:

- (a) The Underwritten Shares were issued without disclosure to investors under Part 6D.2 of the Corporation Act 2001 (Cth) (**Act**);
- (b) This notice is being given in accordance with section 708A(5)(e) of the Act;
- (c) As at the date of this notice, Santos has complied with:
 - (1) the provisions of Chapter 2M of the Act as they apply to Santos; and
 - (2) section 674 of the Act; and
- (d) As at the date of this notice, there is no information that is 'excluded information' within the meaning of subsections 708A(7) and 708A(8) of the Act, other than the information set out below.

A significant oil discovery has recently been made at the Bestari-1 exploration well in the Deepwater Block R Production Sharing Contract and is currently being evaluated with a view to planning an appraisal campaign. Block R is located offshore Malaysia in water depths ranging from 100 metres to 1,400 metres. The Bestari-1 well encountered 67 metres of net oil pay in multiple sand packages within the primary Miocene age formation at true vertical subsea depths ranging from 1,860m to 2,702m.

The oil bearing sands are of high quality with good porosity and permeability. Oil samples, recovered from wireline pressure and sampling tools, confirm 27-30 degree API Oil with no indication of H₂S and negligible CO₂.

Santos completed the acquisition of a 20% interest in the Block R PSC from JX Nippon (27.5% and operator) and INPEX (27.5%) in January 2015. PETRONAS Carigali owns the remaining 25% interest.

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