

22 October 2015

Santos rejects indicative acquisition proposal

Santos Limited advises that on 20 October 2015 it received an indicative, highly conditional and non-binding proposal from Scepter Partners (Scepter), on behalf of the managed funds of its core stakeholders, to acquire all of Santos for a cash consideration of A\$6.88 per share (Proposal).

The Santos Board has met to consider the Proposal and decided to reject it. The Proposal is considered to be opportunistic in nature and does not reflect the fair underlying asset value of the company.

The Proposal was also subject to numerous conditions, some of which would be adverse to Santos' continued evaluation of other alternatives in its current strategic review process.

Santos has been advised by Scepter that it is a direct investment business whose stakeholders include a standing syndicate of ruling families, ultra-high-net-worth industrialists and sovereign wealth funds.

Santos announced on 21 August 2015 that it would conduct a thorough strategic review of all options to restore and maximise shareholder value. The strategic review is ongoing, and will continue to consider all proposals which deliver appropriate value and certainty for shareholders.

Santos will continue to inform shareholders of any material developments.

Ends.

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