

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Santos Limited

ACN/ARSN 007 550 923

1. Details of substantial holder (1)

Name Santos Limited

ACN/ARSN (if applicable) 007 550 923

The holder became a substantial holder on 10 November 2015

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	75,808,979	75,808,979	6.82% based on 1,111,308,180 ordinary shares on issue

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Santos Limited	Restriction on disposal of shares under voluntary escrow arrangements under the subscription agreement dated 9 November 2015 between Santos Limited and United Faith Ventures Limited (see Annexure A) gives Santos Limited a technical "relevant interest" in its own shares under section 608(1)(c) of the Corporations Act (Cth). However, Santos Limited has no right to acquire these shares or to control the voting rights attaching to these shares.	73,529,412 fully paid ordinary shares (6.62% based on 1,111,308,180 ordinary shares on issue)
Santos Limited	A subsidiary of Santos Limited (SESAP Pty Ltd) acts as a trustee of the Santos employee share schemes which gives Santos Limited a technical "relevant interest" in its own shares under section 608(3) of the Corporations Act (Cth).	2,279,567 fully paid ordinary shares (0.20% based on 1,111,308,180 ordinary shares on issue)

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Santos Limited	United Faith Ventures Limited	United Faith Ventures Limited	73,529,412 ordinary shares
Santos Limited	SESAP Pty Ltd	SESAP Pty Ltd	2,279,567 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Santos Limited	10 November 2015	Nil	N/A	73,529,412 ordinary shares
Santos Limited	Various	N/A	N/A	2,279,567 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Santos Limited	Ground Floor, 60 Flinders Street, Adelaide, SA 5000

Signature

print name David Lim

capacity Company Secretary

sign here

date 12/11/2015

DIRECTIONS

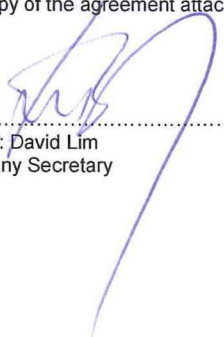
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

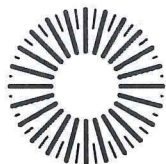
ANNEXURE "A"

This is Annexure "A" of 33 pages referred to in the Form 603 (Notice of Initial Substantial Holder), signed by me and dated 12 November 2015.

The copy of the agreement attached is a true copy of the subscription agreement.



.....
Signed: David Lim
Company Secretary

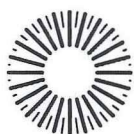


HERBERT
SMITH
FREEHILLS

Subscription agreement

Santos Limited

United Faith Ventures Limited



Contents

Table of contents

1	Definitions and interpretation	2
1.1	Agreement components.....	2
1.2	Definitions	2
1.3	Interpretation.....	7
1.4	Business Day	8
1.5	Inclusive expressions.....	8
2	Conditions precedent to Completion	8
2.1	Conditions precedent.....	8
2.2	Best endeavours to satisfy conditions precedent.....	8
2.3	Notice.....	9
2.4	Waiver.....	9
2.5	End Date	9
3	Placement	9
3.1	Funding instruction.....	9
3.2	Placement Shares.....	9
3.3	Register.....	9
3.4	Completion simultaneous.....	9
3.5	Cleansing notice	10
3.6	Quotation on ASX	10
3.7	Use of proceeds.....	10
4	Rights Issue	10
4.1	Rights Issue Shares.....	10
4.2	Shortfall bookbuilds.....	10
5	Nomination for consideration by the Board	10
6	Securities dealings	11
6.1	No dealing during Escrow Period	11
6.2	No Related Party dealing during Escrow Period.....	11
6.3	Escrow restrictions.....	11
6.4	Exceptions.....	11
6.5	Standstill.....	12
6.6	Existing interest.....	12
6.7	Lapse of standstill	12
6.8	Related Party agreement.....	13
6.9	Release from previous standstill.....	13
7	Warranties	13
7.1	Company Warranties	13
7.2	Investor Warranties.....	13
7.3	Repetition warranties	13
7.4	Reliance	13
8	Confidentiality and announcements	14
8.1	Announcement.....	14
8.2	Confidentiality.....	14
9	Duty	14
9.1	Duties.....	14



Contents

	9.2 Costs and expenses	14
10	GST	14
	10.1 Definitions	14
	10.2 GST	15
	10.3 Tax invoices	15
	10.4 Reimbursements	15
11	Notices	15
	11.1 How and where Notices may be sent	15
	11.2 When Notices are taken to have been given and received	15
12	General	16
	12.1 Constitution	16
	12.2 Rights and ranking	16
	12.3 Governing law and jurisdiction	16
	12.4 Invalidity and enforceability	16
	12.5 Waiver	16
	12.6 Variation	17
	12.7 Assignment of rights	17
	12.8 Further action to be taken at each party's own expense	17
	12.9 Entire agreement	17
	12.10 No merger	17
	12.11 No reliance	17
	12.12 Counterparts	17
	12.13 Relationship of the parties	18
	12.14 Exercise of discretions	18
	12.15 Attorneys	18

Schedules

Schedule 1

Notice details	20
----------------	----

Schedule 2

Company Warranties	21
--------------------	----

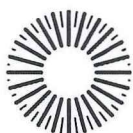
Schedule 3

Investor Warranties and acknowledgments	24
---	----

Schedule 4

Related Parties	27
-----------------	----

Signing page	28
--------------	----



Subscription agreement

Date ► 9 November 2015

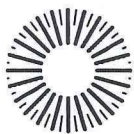
Between the parties

Company	Santos Limited (ACN 007 550 923) of 60 Flinders Street, Adelaide, South Australia 5000.
----------------	---

Investor	United Faith Ventures Limited of Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
-----------------	--

Recitals	1 The Company has agreed to issue the Placement Shares and the Rights Issue Shares to the Investor on the terms of this agreement. 2 The Investor has agreed to subscribe for the Placement Shares and the Rights Issue Shares on the terms of this agreement. 3 The aggregate amount proposed to be raised pursuant to the Placement and the Rights Issue will be not less than A\$2.5 billion.
-----------------	--

The parties agree as follows:



1 Definitions and interpretation

1.1 Agreement components

This agreement includes any schedule.

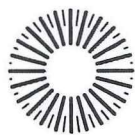
1.2 Definitions

The meanings of the terms used in this agreement are set out below.

Term	Meaning
Affiliate	in relation to any entity: 1. any other entity that is Controlled by that entity; 2. any other entity that Controls that entity; and 3. any other entity that is under common Control with that entity.
Associate	has the meaning given in sections 11 and 12 of the <i>Corporations Act 2001</i> (Cth).
ASX Listing Rules	the ASX Listing Rules published by the ASX.
ASX Settlement	ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX Settlement Operating Rules	the ASX Settlement Operating Rules published by the ASX, as in operation on the date of this agreement.
ASX	ASX Limited (ACN 008 624 691).
Authorisation	includes: 1. any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and 2. in relation to anything that a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.



Board	the board of directors of the Company.
Business Day	a day on which banks are open for business in Melbourne excluding a Saturday, Sunday or public holiday.
Capital Raising	the Placement and the Rights Issue to raise, in aggregate, at least A\$2.5 billion.
Company Group	the Company and its Affiliates.
Company Warranties	the representations and warranties set out in Schedule 2.
Completion	completion of the issue of all of the Placement Shares to the Investor on the terms and conditions of this agreement, to take place on the Placement Completion Date.
Conditions	the conditions precedent in clause 2.1.
Confidentiality Deed	the confidentiality deed between the Company and the Investor dated 4 October 2015.
Constitution	the constitution of the Company as amended or varied from time to time.
Control	an entity Controls a second entity if the first entity: - owns directly or indirectly 50% or more of the voting rights in the second entity; - has the power to appoint the majority of the directors (or other governing body) of the second entity; or - otherwise has the capacity to determine the outcome of decisions about the second entity's financial and operating policies.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Dealing	in respect of any Restricted Share or Restricted Interest means to: - dispose of, or agree or offer to dispose of, that Restricted Share or Restricted Interest or any legal, beneficial or economic interest in that Restricted Share or Restricted Interest; - create, or agree or offer to create, any security interest in that Restricted Share or Restricted Interest or any legal, beneficial or economic interest in that Restricted Share or Restricted Interest;



or

- 3 do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Restricted Share or Restricted Interest or any legal, beneficial or economic interest in that Restricted Share or Restricted Interest; or

- 4 agree to do any of those things.

Deal and Dealt each have a corresponding meaning.

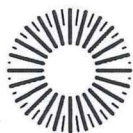
Duty	any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.
-------------	--

Encumbrance	any interest or power: 1 reserved in or over any interest in any asset including, but not limited to, any retention of title; or 2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to, any agreement to grant or create any of the above, but excluding any restriction on dealing in Shares provided for in this agreement.
--------------------	---

End Date	Thursday, 12 November 2015.
-----------------	-----------------------------

Escrow Period	the period starting on the date of this agreement and ending on the first to occur of: 1 the date one year after the date of this agreement; 2 the date that someone other than the Investor or its Affiliates or Associates acquires a Relevant Interest in more than 20% of the Shares; 3 the date a takeover bid for all the Shares is publicly recommended by the Board; 4 the date a public announcement is made that the Company has entered into an agreement with a third party in respect of a transaction which, if completed, would result in the third party acquiring 100% of the Shares or all of the assets of the Company Group; or 5 the date that the Company Group ceases to, or enters into an agreement the performance of which will cause it to cease to, hold a participating interest of at least 10% in PNG LNG.
----------------------	---

Government Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission,
--------------------------	---



authority, tribunal, agency or entity in any part of the world.

GST	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
------------	--

GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
----------------	--

GST Law	has the same meaning as in the GST Act.
----------------	---

Holding Lock	has the meaning in Section 2 of the ASX Settlement Operating Rules.
---------------------	---

Immediately Available Funds	payment by electronic funds transfer of cleared funds into an account nominated by the Company.
------------------------------------	---

Institutional Rights Issue	that component of the Rights Issue which is offered to institutional and sophisticated investors (who satisfy section 708(8) or 708(11) of the Corporations Act) on an accelerated basis, is to be underwritten in accordance with the Underwriting Agreement.
-----------------------------------	--

Investor Warranties	the representations, warranties and acknowledgments set out in Schedule 3.
----------------------------	--

Issuer Sponsored Subregister	the part of the Company's register for Shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.
-------------------------------------	---

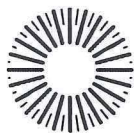
Placement	the issue of the Placement Shares to the Investor for the Placement Amount under the terms of this agreement.
------------------	---

Placement Amount	A\$500 million.
-------------------------	-----------------

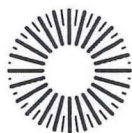
Placement Completion Date	the date on which the Placement Shares are issued to the Investor following receipt by the Company of the Placement Amount.
----------------------------------	---

Placement Price	the amount of A\$6.80 per Placement Share.
------------------------	--

Placement Shares	73,529,412 Shares, issued to the Investor under the terms of this agreement.
-------------------------	--



PNG LNG	the Papua New Guinea Liquefied Natural Gas Project in which, at the date of this agreement, the Company Group has a 13.5% participating interest.
Record Date	the record date for the Rights Issue.
Related Party	Each of the parties identified in Schedule 4.
Relevant Interest	has the meaning given in section 608 of the Corporations Act.
Restricted Interest	in respect of a Related Party: 1 the securities, economic or other interests in the Investor; or 2 the economic or other interests in the Restricted Shares, in which the Related Party has a direct or indirect interest and each intermediate entity through which that interest occurs.
Restricted Shares	all of the Placement Shares, Rights Issue Shares and any Shares acquired by the Investor, its Affiliates or Associates through the institutional shortfall bookbuild or the retail shortfall bookbuild of the Rights Issue.
Rights Issue	the fully underwritten accelerated renounceable rights issue of 1 new Share for each 1.7 Shares at A\$3.85 per new Share announced on the date of this agreement.
Rights Issue Shares	the number of Shares that the Investor is entitled to subscribe for under the Rights Issue based upon the number of Shares held by the Investor on the Record Date.
Shares	fully paid ordinary shares in the capital of the Company.
Tax	any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.
Underwriters	Deutsche Bank AG, Sydney Branch, Citigroup Global Markets Australia Pty Limited and UBS AG, Australia Branch.
Underwriting	the Underwriting Agreement between the Company and the Underwriters dated on the same date as this agreement under which



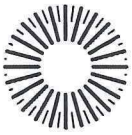
Agreement the Underwriters agree to fully underwrite the Rights Issue.

Warranties the Company Warranties and the Investor Warranties.

1.3 Interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (e) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a promise on the part of 2 or more persons binds them jointly and severally;
- (k) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (l) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (n) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
 - (1) that ceases to exist; or
 - (2) whose powers or functions are transferred to another body,



is a reference to the body that replaces it or that substantially succeeds to its powers or functions;

- (o) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.3(o) implies that performance of part of an obligation constitutes performance of the obligation;
- (p) if an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (s) a reference to time is a reference to Melbourne time.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

1.5 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

2 Conditions precedent to Completion

2.1 Conditions precedent

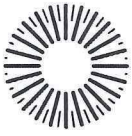
The obligations of the parties under clauses 3 and 4 are conditional on, and do not become binding unless and until the Company has delivered a certificate to the Investor from the Company confirming that

- (a) the Underwriting Agreement has been validly executed by all parties substantially in the form provided to the Investor for information purposes prior to the date of this agreement and remains in effect;
- (b) the conditions precedent to the underwriting of the Institutional Rights Issue as set out in the Underwriting Agreement that are capable of being satisfied at that time have either been satisfied or waived;
- (c) the Company is not aware of any circumstances that would indicate that settlement of the Institutional Rights Issue is not going to occur; and
- (d) the Company will not terminate the Underwriting Agreement in so far as it relates to the Institutional Rights Issue.

It is intended that the certificate be delivered between 1.00pm and 2.00pm on Monday, 9 November 2015.

2.2 Best endeavours to satisfy conditions precedent

The parties must use their best endeavours to ensure that the Conditions are satisfied as expeditiously as possible and in any event before the End Date.



2.3 Notice

Each party must promptly notify the other in writing if it becomes aware that any Condition has been satisfied or has become incapable of being satisfied.

2.4 Waiver

The Conditions are for the benefit of the Investor and the Company and may only be waived by the agreement of the Investor and the Company.

2.5 End Date

A party may, by not less than 1 Business Days' notice to the other party, terminate this agreement other than clause 8.2 if:

- (a) the Conditions are not satisfied or waived by the End Date; or
- (b) the Conditions become incapable of satisfaction or the parties agree that any of the conditions cannot be satisfied.

3 Placement

3.1 Funding instruction

Promptly following the receipt by the Investor of a certificate which complies with the requirements of clause 2.1, and in any event prior to 4.00pm on Monday, 9 November 2015, the Investor must irrevocably instruct its bank to transfer the Placement Amount to the Company in Immediately Available Funds and provide SWIFT confirmation to the Company of the transfer of all of those funds.

3.2 Placement Shares

On the same day as the receipt by the Company of the Placement Amount, the Company must issue the Placement Shares to the Investor.

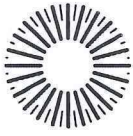
3.3 Register

On the Placement Completion Date, the Company must ensure that the Placement Shares issued to the Investor in accordance with clause 3.2 are registered in the name of the Investor and must provide evidence to the Investor that it has been so registered as the holder of the Placement Shares.

3.4 Completion simultaneous

The actions to take place as contemplated by this clause 3 are interdependent and must take place, as nearly as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:

- (a) there is no obligation on any party to undertake or perform any of the other actions; and
- (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions.



3.5 Cleansing notice

On the Placement Completion Date, the Company must after the issue of the Placement Shares lodge with ASX a notice in accordance with section 708A(5)(e) of the Corporations Act that complies with section 708A(6) of the Corporations Act in respect of the Placement Shares.

3.6 Quotation on ASX

The Company will apply to ASX for official quotation of the Placement Shares as soon as practicable, and in any event within 2 Business Days after the Placement Completion Date.

3.7 Use of proceeds

The Company will ensure that the monies received from the Capital Raising are substantially applied to the reduction of debt.

4 Rights Issue

4.1 Rights Issue Shares

- (a) The Investor must:
 - (1) before the close of the Institutional Rights Issue subscribe for its Rights Issue Shares in accordance with the terms of the Rights Issue; and
 - (2) subscribe, and pay the application monies, for the Rights Issue Shares in Immediately Available Funds to the Company before 10.00am on the settlement date for the Institutional Rights Issue and provide SWIFT confirmation to the Company of the release of all of those funds.
- (b) Provided that the Company has received the application monies referred to in clause 4.1(a)(2), the Company must on the Business Day after the settlement date for the Institutional Rights Issue issue the Rights Issue Shares to the Investor at the same time as it issues all other Shares to be issued as part of the Institutional Rights Issue.

4.2 Shortfall bookbuilds

Nothing in this agreement limits the ability of the Investor to bid into the institutional shortfall bookbuild or the retail shortfall bookbuild of the Rights Issue.

5 Nomination for consideration by the Board

- (a) Following Completion, the Investor may nominate to the Company a person for consideration by the Company's Nomination Committee for appointment as a director.



- (b) The right to nominate a person for consideration by the Nomination Committee does not confer a right of appointment to the Board or oblige the Nomination Committee to recommend the appointment of that person.

6 Securities dealings

6.1 No dealing during Escrow Period

Subject to clause 6.4, the Investor must not Deal in the Restricted Shares during the Escrow Period.

6.2 No Related Party dealing during Escrow Period

Subject to clause 6.4, the Investor must procure that each Related Party does not Deal in its Restricted Interests during the Escrow Period.

6.3 Escrow restrictions

The Investor acknowledges and agrees that:

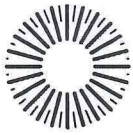
- (a) on the issue of the Placement Shares and the Rights Issue Shares to the Investor, those Shares will be registered and held for the Investor on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Investor hereby agrees to the application of the Holding Lock;
- (c) the Company will, expeditiously and using best endeavours, do all things necessary to ensure that the Holding Lock is released:
 - (1) to the extent necessary to permit disposals of Restricted Shares permitted by this agreement; and
 - (2) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A; and
- (d) the Company's obligations in clause 6.3(c) survive the termination of this Agreement.

6.4 Exceptions

Notwithstanding any condition to the contrary in this agreement, during the Escrow Period, the Investor may transfer all of its Restricted Shares and a Related Party may transfer all of its Restricted Interests:

- (a) to an Affiliate of the Investor; or
- (b) to a strategic third party investor approved by the Company, such approval not to be unreasonably withheld,

provided that such Affiliate or strategic third party investor agrees to be bound by the terms and conditions of this clause 6 as if it was the Investor or Related Party (as applicable) by entering into such further agreements as the Company may require with



the restriction period in any such agreement to be no longer than the remaining term of the Escrow Period.

6.5 Standstill

- (a) The Investor must not, and must procure that each Related Party and each of their Affiliates and Associates (alone or with others) do not, in any manner:
- (1) acquire or purchase, or agree or offer, or announce an intention to offer (including for the avoidance of doubt an offer conditional on waiver of any part of this clause), to acquire or purchase, any Relevant Interest in any Shares or any other securities (or direct or indirect rights, warrants or options to acquire any securities) of the Company; or
 - (2) enter into any agreement or arrangement which confers rights the economic effect of which is equivalent or substantially equivalent to the acquisition or holding of shares in the Company (including cash-settled derivative contracts, contracts for differences or other derivative contracts),
which would result in the Investor, a Related Party or its Affiliates or Associates, directly or indirectly having any interest in more than 9.9% of the total Shares on issue;
 - (3) solicit proxies from shareholders of the Company, or otherwise seek to influence or control the management or policies of the Company; or
 - (4) aid, abet, counsel or induce any other person in doing, or announce that it proposes to do, any of the things mentioned in clauses (1) to (3) (inclusive) above.

6.6 Existing interest

The Investor represents and warrants that, as at the date of this agreement, neither it, nor any of its Affiliates or Associates, has any interest in the Company of a nature set out in clause 6.5 except as previously disclosed to the Company in writing.

6.7 Lapse of standstill

The restrictions in clause 6.5 cease to apply on the earlier of:

- (a) the date that is 3 months after Completion;
- (b) the date that someone other than the Investor or its Affiliates or Associates acquires a Relevant Interest in more than 20% of the Shares;
- (c) the date a takeover bid for all the Shares is publicly recommended by the Board;
- (d) the date a public announcement is made that the Company has entered into an agreement with a third party in respect of a transaction which, if completed, would result in the third party acquiring 100% of the Shares or all of the assets of the Company Group; or
- (e) the date that the Company Group ceases to, or enters into an agreement the performance of which will cause it to cease to, hold a participating interest of at least 10% in PNG LNG.



6.8 Related Party agreement

Within 2 Business Days after the date of this agreement, the Investor must deliver to the Company a signed undertaking from each Related Party which binds the Related Party to comply with the escrow and standstill provisions of this agreement with regard to the Related Party's Restricted Interests.

6.9 Release from previous standstill

The Investor, its Affiliates and Associates are released and discharged from all obligations under clause 8 of the Confidentiality Deed from Completion.

7 Warranties

7.1 Company Warranties

The Company gives the Company Warranties to and for the benefit of the Investor.

7.2 Investor Warranties

The Investor gives the Investor Warranties to and for the benefit of the Company.

7.3 Repetition warranties

The Warranties given by the Company and the Investor:

- (a) are given in respect of each Warranty which is expressed to be given on a particular date, on that date;
- (b) are given in respect of each other Warranty, on the date of this agreement and immediately before the issue of the Placement Shares and the Rights Issue Shares;
- (c) survive the execution and completion of this agreement; and
- (d) are separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

7.4 Reliance

- (a) The Company acknowledges that the Investor enters into this agreement in reliance on each Company Warranty.
- (b) The Investor acknowledges that the Company enters into this agreement in reliance on each Investor Warranty.



8 Confidentiality and announcements

8.1 Announcement

Immediately after the execution of this agreement, the parties will issue public announcements regarding the execution of this agreement in a form previously agreed to in writing between them.

8.2 Confidentiality

Subject to clause 8.1, and except as agreed between the parties, each party (**recipient**) must keep confidential, and must not disclose, any non-public information relating to the other party or its business (which is disclosed to the recipient by the other party, its representatives or advisers) and the content of this agreement other than to the extent that:

- (a) the disclosure is to the recipient's directors, officers and advisers or to any of its Affiliates (or the directors, officers and advisers of any of its Affiliates); or
- (b) the recipient is required to disclose the information by applicable law, binding requirement of a Government Agency or the rules of any stock exchange on which its shares or the shares of its Affiliates are listed or proposed to be listed, provided that the recipient has to the extent possible having regard to the required timing of the disclosure consulted with the other party as to the form and content of the disclosure.

9 Duty

9.1 Duties

The Investor must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement, transaction or document entered into or signed under this agreement.

9.2 Costs and expenses

- (a) Unless otherwise provided for in this agreement, each party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this agreement and any other agreement or document entered into or signed under this agreement.
- (b) Any action to be taken by the Investor or the Company in performing their obligations under this agreement must be taken at their own cost and expense unless otherwise provided in this agreement.

10 GST

10.1 Definitions

Words used in this clause 10 that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.



10.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clauses 10.2(a) and 10.2(b) applies:
 - (1) the supplier must determine the amount of the GST component of the consideration payable; and
 - (2) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

10.3 Tax invoices

The supplier must issue a Tax Invoice to the recipient of a supply to which clause 10.2 applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

10.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

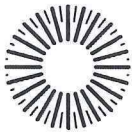
11 Notices

11.1 How and where Notices may be sent

A notice or other communication under this agreement (**Notice**) must be in writing and delivered by hand or sent by pre-paid post or email to a party at the address or the email for that party in Schedule 1 or as otherwise specified by a party by Notice.

11.2 When Notices are taken to have been given and received

- (a) A Notice sent by post is regarded as given and received on the second Business Day following the date of postage.



- (b) A Notice sent by email is taken to be received at the time the email is sent by the sender unless the sender received an automated message that the email has not been delivered or that the recipient is unavailable.
- (c) A Notice delivered or received other than on a Business Day or after 4.00pm (recipient's time) is regarded as received at 9.00am on the following Business Day and a Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

12 General

12.1 Constitution

The Investor agrees to be bound by the Constitution.

12.2 Rights and ranking

All Placement Shares and Rights Issue Shares issued to the Investor will:

- (a) be issued as fully paid;
- (b) be free of Encumbrances; and
- (c) rank equally in all respects with the other Shares on issue in the capital of the Company at the date of their issue.

12.3 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in Victoria, Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

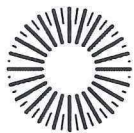
12.4 Invalidity and enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 12.4(a) does not apply where enforcement of the provision of this agreement in accordance with clause 12.4(a) would materially affect the nature or effect of the parties' obligations under this agreement.

12.5 Waiver

No party to this agreement may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 12.5 are set out below.



Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this agreement and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct that might otherwise give rise to an estoppel.

12.6 Variation

A variation of any term of this agreement must be in writing and signed by the parties.

12.7 Assignment of rights

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of clause 12.7(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 12.7(b) does not affect the construction of any other part of this agreement.

12.8 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

12.9 Entire agreement

This agreement states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings, arrangements and agreements, express or implied in respect of its subject matter.

12.10 No merger

The Warranties and undertakings in this agreement will not merge on completion of the issue of any Shares.

12.11 No reliance

No party has relied on any statement by the other party not expressly included in this agreement.

12.12 Counterparts

- (a) This agreement may be executed in any number of counterparts.



- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this agreement by signing any counterpart.

12.13 Relationship of the parties

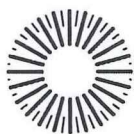
- (a) Nothing in this agreement gives a party authority to bind any other party in any way.
- (b) Nothing in this agreement imposes any fiduciary duties on a party in relation to any other party.

12.14 Exercise of discretions

- (a) Unless expressly required by the terms of this agreement, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this agreement.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.

12.15 Attorneys

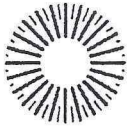
Each of the attorneys executing this agreement states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.



Schedules

Table of contents

Notice details	20
Company Warranties	21
Investor Warranties and acknowledgments	24
Related Parties	27



Schedule 1

Notice details

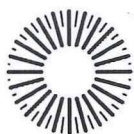
Company

Address	60 Flinders Street, Adelaide, South Australia 5000
Attention	The Company Secretary
Phone	+61 8116 5000
Email	corporate.secretariat@santos.com

Investor

Register Address	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
------------------	---

Attention	Bing YUAN
Phone	
Email	



Schedule 2

Company Warranties

The Company represents and warrants that:

General

- (a) it is a company incorporated in accordance with the laws of the place of its incorporation and has power to enter into and perform its obligations under this agreement;
- (b) this agreement creates a valid and binding obligation on the Company and is enforceable in accordance with its terms;
- (c) the execution, delivery and performance of this agreement by the Company will not result in any breach or default under the constituent documents of the Company (including any agreements with its direct or indirect investors) or other agreement binding on the Company or the Company's assets, and the Company has complied with all applicable provisions of those constituent documents or agreements in relation to the execution, delivery and performance of this agreement;

Solvency

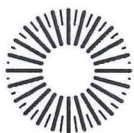
- (d)
 - (1) it has not gone, or proposed to go, into liquidation;
 - (2) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
 - (3) it has not received a deregistration notice under section 601AB of the Corporations Act or applied for deregistration under section 601AA of the Corporations Act;
 - (4) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as the Company is aware, there are no circumstances justifying a petition or other process;
 - (5) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of the Company, and, so far as the Company is aware, there are no circumstances justifying such an appointment; or
 - (6) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.

Shareholder approval

- (e) no approval from the Company's members is required in connection with the issue of the Placement Shares or the Rights Issue Shares under this agreement;

Ownership

- (f) the Investor will acquire at Completion:



- (1) full legal and beneficial ownership of the Placement Shares free and clear of all Encumbrances, subject to registration of the Investor in the register of shareholders;
- (2) the Placement Shares free of competing rights, including pre-emptive rights or rights of first refusal; and
- (3) Placement Shares that are fully paid and have no money owing in respect of them.

Share capital

- (g) at the date of this agreement, it has the following securities on issue:
- (1) 1,038,451,847 Shares; and
 - (2) 3,922,588 options and 9,887,154 share acquisition rights;

Litigation and compliance

- (h) except as disclosed to the Investor in writing prior to the date of this agreement or released to the ASX prior to the date of this agreement, no member of the Company Group is, as at the date of this agreement, a party to any material investigation, prosecution, litigation or any other form of legal proceedings or dispute resolution process which if determined against that Company Group member would reasonably be expected to have a material adverse effect on the assets, business and undertaking of the Company Group (taken as a whole) and so far as the Company is aware as at the date of this agreement no such material proceedings are pending or threatened and nor is the Company aware of any disputes that could give rise to such material proceedings;

Quotation

- (i) it:
- (1) has been admitted to and is listed on the official list of the ASX (**Official List**);
 - (2) has not been removed from the Official List and no removal from the Official List has been threatened by the ASX; and
 - (3) the Shares are quoted on the ASX and no suspension has been threatened by the ASX;

Disclosure and information

- (j) it will be able to issue a notice that will comply with section 708A(6) of the Corporations Act when required to do so under clause 3.5;
- (k) no written information provided to the Investor (or any of its advisers) by the Company is false or misleading in any material respect, including the Company's written responses to due diligence questions provided to the Investor upon which the Investor has relied;

No breach of law

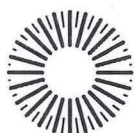
- (l) the execution, delivery and performance of this agreement by it will not constitute a breach of any law, regulation or the ASX Listing Rules;
- (m) except as disclosed to the Investor in writing prior to the date of this agreement or released to the ASX prior to the date of this agreement, to the best of the Company's knowledge no member of the Company Group is in breach of any law, regulation, its constitution or the ASX Listing Rules where such breach would



reasonably be expected to have a material adverse effect on the assets, business and undertaking of the Company Group (taken as a whole); and

Material contracts

- (n) except as disclosed to the Investor in writing prior to the date of this agreement or released to the ASX prior to the date of this agreement, the Company has not breached any material contract entered into by it where such breach would reasonably be expected to have a material adverse effect on the assets, business and undertaking of the Company Group (taken as a whole).



Schedule 3

Investor Warranties and acknowledgments

The Investor represents and warrants that:

General

- (a) it is a company incorporated in accordance with the laws of the place of its incorporation and has power to enter into and perform its obligations under this agreement;
- (b) this agreement creates a valid and binding obligation on the Investor and is enforceable in accordance with its terms;
- (c) the execution, delivery and performance of this agreement by it will not result in any breach or default under its constituent documents (including any agreements with its direct or indirect investors) or other agreement binding on it or its assets, and it has complied with all applicable provisions of those constituent documents or agreements in relation to the execution, delivery and performance of this agreement;

Capacity

- (d) it is acting as principal, and not as agent or trustee, in relation to this agreement and the transactions contemplated by it;
- (e) no person other than the Investor, a Related Party and each of their Affiliates will, immediately following completion of the Rights Issue, have a Relevant Interest in the Placement Shares or the Rights Issue Shares and neither the Investor nor any of its Affiliates or Associates has entered into any agreement, arrangement or understanding (whether subject to conditions or not) under which a person would acquire a Relevant Interest in any Shares;
- (f) it has no associates (as defined in sections 12 of the Corporations Act) in respect of the Company or the Placement Shares or the Rights Issue Shares, except as disclosed to the Company prior to the date of this agreement;
- (g) it is solvent and has the funds to pay the Placement Amount and to pay the subscription price for all of its Rights Issue Shares in accordance with this agreement;
- (h) subject to the issue to it of the Placement Shares, it will hold on the Record Date 88,034,087 Shares;

Securities and other laws

- (i) it is in compliance with all relevant laws and regulations, and has obtained all necessary approvals and Authorisations, to enter into and perform this agreement and subscribe for the Shares the subject of this agreement (including the requirements of the Corporations Act, the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* and applicable anti-corruption laws, including the *Foreign Corrupt Practices Act (US)* and the *Bribery Act (UK)*);
- (j) without limiting (i), no direct or indirect investor in (or provider of equity funding to) it (or in any fund which controls it) is a foreign government investor (as defined in Australia's Foreign Investment Policy);



- (k) it is a person to whom an invitation or offer to subscribe for the Shares the subject of this agreement is permitted by the laws of the jurisdiction in which it is situated or from where it submitted the offer to subscribe for Shares and to whom such Shares can lawfully be issued under all applicable laws, without the need for any registration, filing or lodgement or other formality other than in accordance with sections 708A and 708AA of the Corporations Act (as applicable); and
- (l) it is outside the United States and is subscribing for the Shares in an "offshore transaction" (as defined in Rule 902(h) of Regulation S under the U.S. Securities Act of 1933 ("Regulation S")) and is not purchasing the Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or as a result of any "directed selling efforts" (within the meaning of Rule 902(c) of Regulation S).

Acknowledgments

The Investor acknowledges and agrees that:

Company's conduct of Placement

- (a) no prospectus has been prepared in connection with the Placement or the Rights Issue;

Financial matters

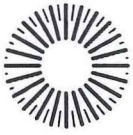
- (b) an investment in the Company and Shares involves a degree of risk and it acknowledges that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of subscribing for Shares and it has the financial ability to bear the economic risk of the investment in the Shares the subject of this agreement;
- (c) this agreement and any other act taken in respect of the Placement or the Rights Issue does not constitute securities recommendations or financial product advice and the Company has not had regard to any investors particular objectives, financial situation and needs;

Information

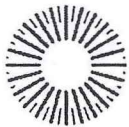
- (d) publicly available information about the Company can be obtained from the Australian Securities and Investments Commission and ASX (including ASX's website at <http://www.asx.com.au>);
- (e) it has made and relied on its own assessment of the Company and the Shares and it has conducted its own investigation with respect to them including the particular tax consequences of subscribing, owning or disposing of such Shares in light of its particular situation as well as any consequences arising under the laws of any other taxing jurisdiction. Other than the Company Warranties, any other acknowledgements given by the Company in this agreement, and the Company's written responses to due diligence questions provided to the Investor, it has not relied on any assessment or investigation that the Company or any of its Affiliates or any persons acting on its or their behalf may have conducted with respect to the Company or the Shares; and

No fiduciary relationship

- (f) it and the Company are contracting on an arm's-length basis and it is solely responsible for making its own independent judgement in relation to any



investment in the Company or Shares and neither this agreement nor the nature of the arrangements under it creates any obligation (fiduciary or otherwise) on the Company.



Schedule 4

Related Parties

Robust Nation Investments Limited

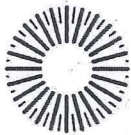
Register address: P.O.Box 957, offshore Incorporations Centre, Road Town, Tortola,
British Virgin Islands.

[REDACTED]

Hony Partners Group, L.P.

Register address: P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman
Islands

[REDACTED]



Signing page

Executed as an agreement

Signed by
Santos Limited
by its attorney

sign here ►

Attorney

print name

CHRISTIAN PAECH

sign here ►

Witness

print name

JODIE NEWTON

Signed by
United Faith Ventures Limited
by

sign here ►

Company Secretary/Director

print name

BING YUAN

sign here ►

Director

print name

JULEY CHAN



Signing page

Executed as an agreement

Signed by
Santos Limited
by its attorney

sign here ►

Attorney

print name

sign here ►

Witness

print name

Signed by
United Faith Ventures Limited
by

sign here ►



Company Secretary/Director

print name BING YUAN

sign here ►



Director

print name JULEY CHAN