ASX/Media Release

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2 December 2015

Santos successfully completes Retail Entitlement Offer

Santos Limited ("Santos") announces the successful completion of 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").

Completion of the Retail Entitlement Offer represents the second stage of Santos' $2.5 billion equity raising, announced on Monday, 9 November 2015. The institutional component of the Entitlement Offer (including the Institutional Shortfall Bookbuild) closed on Wednesday, 11 November 2015, as announced by Santos on ASX on Thursday, 12 November 2015.

Summary of the Retail Entitlement Offer

- $775 million in applications under the Retail Entitlement Offer were received.
- 57% of available retail entitlements were taken-up under the Retail Entitlement Offer.
- Approximately 152 million retail entitlements will be offered under the Retail Shortfall Bookbuild to be completed prior to market open on Thursday, 3 December 2015.

Santos received valid acceptances in respect of 201 million New Shares (approximately $775 million), representing 57% of New Shares available under the Retail Entitlement Offer.

Santos Executive Chairman Peter Coates said he was pleased with the support the company had received from its retail shareholders despite the difficult oil price environment that existed during the offer period.

"The results of the Retail and Institutional Entitlement Offers demonstrate recognition from shareholders of the long-term value in Santos and their support for the initiatives the company has taken to substantially strengthen its balance sheet," said Mr Coates.

Retail Shortfall Bookbuild

Approximately 152 million retail entitlements (approximately $585 million), representing entitlements not taken up by eligible retail shareholders and the entitlements of ineligible retail shareholders, will be offered for sale for the benefit of those shareholders in a retail shortfall bookbuild ("Retail Shortfall Bookbuild"). The Retail Shortfall Bookbuild will be completed prior to market open on Thursday, 3 December 2015.

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.

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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.