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1 May 2017

ASX
Market Announcements Office
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Perth WA 6000

FAX 1300 135 638

FOR IMMEDIATE RELEASE TO THE MARKET

Dear Sir/Madam


Santos Limited – Notice of initial substantial holder

We act for Hony Partners Group, L.P. (**Hony Partners**).

On behalf of Hony Partners, in accordance with section 671B of the *Corporations Act 2001* (Cth), we attach a "Form 603 – Notice of initial substantial holder" in respect of Santos Limited.

The attached notice has also been provided to Santos Limited.

Yours faithfully

PP 

Shaun McRobert
Partner

David Jewkes
Senior Associate

Encl 1

Form 603Corporations 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	Great Multitude Limited (Great Multitude), Well Honour Developments Limited (Well Honour), Hony Partners Group, L.P., Hony Managing Partners Limited, Exponential Fortune Group Limited and Mr John Zhao
ACN/ARSN (if applicable)	Not applicable

The holder became a substantial holder on 27 / 04 / 2017**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	261,734,518	261,734,518	12.56% based on 2,082,911,041 fully paid 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
Great Multitude	Legal and beneficial owner of ordinary shares acquired pursuant to a special crossing and on-market	52,000,000 fully paid ordinary shares
Well Honour Developments Limited (Well Honour)	Controls the exercise of a power to dispose of the ordinary shares and controls the exercise of the right to vote attaching to the ordinary shares as the holding company of Great Multitude	52,000,000 fully paid ordinary shares
Hony Partners Group, L.P.	Controls the exercise of a power to dispose of the ordinary shares and controls the exercise of the right to vote attaching to the ordinary shares as the ultimate holding company of Great Multitude	52,000,000 fully paid ordinary shares
Hony Managing Partners Limited	Controls the exercise of a power to dispose of the ordinary shares and controls the exercise of the right to vote attaching to the ordinary shares as the general partner of Hony Partners Group, L.P.	52,000,000 fully paid ordinary shares
Exponential Fortune Group Limited	Controls the exercise of a power to dispose of the ordinary shares and controls the exercise of the right to vote attaching to the ordinary shares as the controller of Hony Managing Partners Limited	52,000,000 fully paid ordinary shares
Mr John Zhao	Deemed to have a relevant interest in the ordinary shares pursuant to section 608(3)(a) of the Corporations Act	52,000,000 fully paid ordinary shares
United Faith Ventures Limited (United Faith)	Legal and beneficial owner of ordinary shares and associate pursuant to the Acting in Concert Agreement dated 27 April 2017, a copy of which is attached as Annexure A (Acting in Concert Agreement)	209,734,518 fully paid ordinary shares

Xinneng (Hong Kong) Energy Investment Limited	Controls the exercise of a power to dispose of the ordinary shares and controls the exercise of the right to vote attaching to 209,734,518 ordinary shares held by United Faith as the holding company of United Faith and associate pursuant to the Acting in Concert Agreement Controls the exercise of a power to dispose of ordinary shares and controls the exercise of the right to vote attaching to 52,000,000 ordinary shares held by Great Multitude pursuant to the Acting in Concert Agreement	261,734,518 fully paid ordinary shares
ENN Ecological Holdings Co., Ltd (ENN)	Controls the exercise of a power to dispose of ordinary shares and controls the exercise of the right to vote attaching to 209,734,518 ordinary shares held by United Faith in Santos Limited as the ultimate holding company of United Faith and associate pursuant to the Acting in Concert Agreement Controls the exercise of a power to dispose of ordinary shares and controls the exercise of the right to vote attaching to 52,000,000 ordinary shares held by Great Multitude pursuant to the Acting in Concert Agreement	261,734,518 fully paid ordinary shares

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
Great Multitude, Well Honour, Hony Partners Group, L.P., Hony Managing Partners Limited, Exponential Fortune Group Limited, Mr John Zhao	Great Multitude	Great Multitude	52,000,000 fully paid ordinary shares
United Faith, Xinneng (Hong Kong) Energy Investment Limited, ENN	United Faith	United Faith	214,734,518 fully paid 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	
Great Multitude, Well Honour, Hony Partners Group, L.P., Hony Managing Partners Limited, Exponential Fortune Group Limited, Mr John Zhao	No shares acquired in the last four months prior to the day that the substantial holder became a substantial holder.			
United Faith, Xinneng (Hong Kong) Energy Investment Limited, ENN	No shares acquired in the last four months prior to the day that the substantial holder became a substantial holder.			

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
Well Honour, Hony Partners Group, L.P., Hony Managing Partners Limited, Exponential Fortune Group Limited, Mr John Zhao	These persons are associated by virtue of section 12(2) of the Corporations Act 2001 (Cth)

United Faith, Xinneng (Hong Kong) Energy Investment Limited, ENN	These persons are associated by virtue of section 12(2)(b) or section 12(2)(c) of the Corporations Act 2001 (Cth) by virtue of the Acting in Concert Agreement
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7. Addresses

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

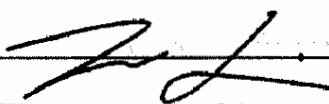
Name	Address
Great Multitude	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands
Well Honour Developments Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands
Hony Partners Group, L.P.	P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands
Hony Managing Partners Limited	P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands
Exponential Fortune Group Limited	P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands
Mr John Zhao	c/- P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands
United Faith	Suite 2701 Ore Exchange Square, Central, Hong Kong
Xinneng (Hong Kong) Energy Investment Limited	3101-04, Tower 1, Lippo Centre, 89 Queensway, Hong Kong
ENN	No. 393 Hepingdong Road, Shijiazhuang City, Hebei Province, People's Republic of China

Signature

print name **LIN TUN**

Capacity Director of Great Multitude

sign here



date 28/04/2017

DIRECTIONS

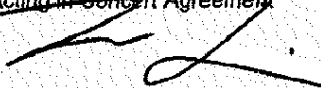
- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially 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, money 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 – Acting in Concert Agreement

This is Annexure A of 12 pages referred to in Form 603 (notice of initial substantial holder)

The copy of the agreement attached is a true copy of the Acting in Concert Agreement, together with an English translation of the Acting in Concert Agreement



Signed by Mr Lin Tun, Director of Great Multitude Limited
Dated: 28 April 2017

一致行动协议

甲方：新能（香港）能源投资有限公司

住所：香港皇后大道 89 号力宝中心 1 号大厦 3101-04

授权代表：王玉锁

乙方：Well Honour Development Limited

住所：Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

负责人：林噉, 陈丽

鉴于：

甲方控制的 United Faith 及乙方控制的 Great Multitude Limited 均系 Santos Limited（以下称“Santos”）之股东。其中甲方控制的 United Faith 持有 Santos 209,734,518 股股份，乙方控制的 Great Multitude Limited 持有 Santos 52,000,000 股股份。基于战略投资之目的，双方同意双方及其控制的和/或关联主体作为一致行动人行使股东权利并承担义务，双方就一致行动事项达成协议如下：

1、双方同意，在处理需要由 Santos 股东大会作出决议的事项或行使其他股东权利时，双方及其控制的和/或关联的主体均应采取一致的意思表示和行动（以下称“一致行动”）。

2、采取一致行动的方式为：

(1) 提案的一致行动：本协议一方和/或其控制的和/或关联的主体拟向 Santos 股东大会、董事会提出议案时，应当事先就该议案内容与其他一方和/或其控制的和/或关联的主体进行充分的沟通和交流，并取得一致意见；

(2) 表决的一致行动：本协议双方和/或其控制的和/或关联的主体在 Santos 股东大会上行使表决权时保持一致；

(3) 其他职权的一致行动：双方和/或其控制的和/或关联的主体行使其它股东职权（但不包括购买和出售、质押等处置股票的权利，除受限于以下第 6 条者除外）时应保持一致行动；

(4) 协议双方和/或其控制的和/或关联的主体若不能就一致行动达成统一意见时，按照本协议第 3 条规定执行。

3、双方同意，本协议有效期内，如果双方就本协议第 2 条所列事项无法达成一致意见，乙方应当对甲方在 3 个工作日内作出授权，使得甲方和/或其控制的或关联的主体可以行使乙方和/或其控制的或关联的主体全部股东权利（但不包括购买和出售、质押等处置股票的权利，该等权利应受限于以下第 6 条的规定）。乙方及其控制的或关联的主体认可该代为行使的权利后果。

4、双方同意，本协议有效期内，在股东大会召开会议表决时，如一方和/或其控制的主体和/或关联的主体不能参加相关会议需要委托其他方参加会议时，应委托本协议中的另一方或该方指定的有相应资格的主体代为投票表决（但须受限于委托一方所规定的任何代理投票限制），且作为受托方的一方必须按照甲方和/或其控制的主体和/

或关联的主体的意志行使表决权。

5、双方承诺，在本协议有效期内，未经本协议另一方同意，一方和/或其控制的主体和/或关联的主体不单独与其他股东签署任何一致行动协议或作出类似安排。

6、乙方承诺，未经甲方同意，乙方和/或其控制的主体和/或关联的主体于本协议签署之日起 12 个月（以下称“限售期”）内不转让/卖出其直接或间接持有的 Santos 股份，但乙方向受其控制的、控制乙方的、或与乙方受共同控制的关联方转让/卖出的除外。

7、本协议有效期内，任何一方和/或其控制的和/或关联的主体买入 Santos 股份的，就该新购入股份行使股东权利时，应按照本协议一致行动。本协议有效期内，任何一方和/或其控制的和/或关联的主体卖出 Santos 股份的，就剩余股份行使股东权利时，应按照本协议一致行动。

8、本协议自签署之日起生效，有效期为 24 个月。在本协议的有效期内，任何一方不得解除或撤销本协议确定的一致行动关系；本协议所述与一致行动关系相关的所有条款均为不可撤销条款，如双方需要修改本协议期限应签署书面补充协议。

9、本协议出现争议各方应通过友好协商解决，若协商未能解决时，任何一方均有权将该争议提交北京仲裁委员会按照该会届时有效的仲裁程序和规则在北京仲裁。仲裁裁决是终局的，对双方均有约束力。

10、本协议一式肆份，双方各持贰份，具有同等法律效力。

(以下无正文)

年 月 日

授权代表 (签字):

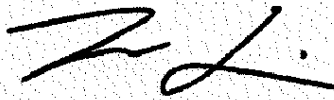
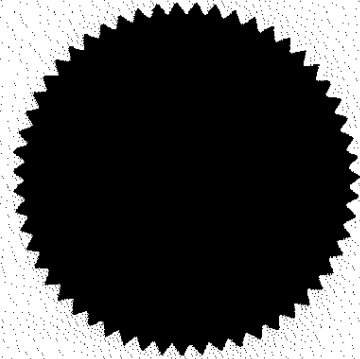
甲方: 新能 (香港) 能源投资有限公司

(本页无正文, 为《一致行动协议》之甲方的签署页)

(本页无正文，为《一致行动协议》之乙方的签署页)

乙方: Well Honour Development Limited

授权代表 (签字):

A handwritten signature in black ink, consisting of stylized cursive letters, likely representing the initials 'W.H.D.L.'.

年 月 日

Note: The English language version of this agreement is a translation of the Chinese language version and is for reference only. The Chinese version of this agreement is the determinative text, and shall prevail if there is a conflict with the wording in this English version.

Acting in Concert Agreement

Party A: Xinneng (Hong Kong) Energy Investment Limited

Domicile: 3101- 04, Tower 1, Lippo Centre, 89 Queensway, Hong Kong.

Authorized Representative: Wang Yusuo

Party B: Well Honour Development Limited

Domicile: Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

Person in Charge: Lin Tun, Chen Li

Whereas:

Party A-controlled United Faith and Party B-controlled Great Multitude Limited are both shareholders of Santos Limited (hereinafter referred to as "**Santos**"). United Faith holds 209,734,518 Santos shares and Great Multitude Limited holds 52,000,000 Santos shares. In consideration of the objective of making a strategic investment, the parties agree that both parties and their controlled entities and/or associated entities shall act in concert to exercise their shareholders' rights and perform their obligations. The parties agree to act in concert in relation to the following matters:

1. The parties agree that both parties and their controlled entities and/or associated entities shall manifest the same intent and act in concert (hereinafter referred to as "**Concerted Action**") in relation to matters that require a decision-making process at shareholder meetings of Santos and the exercise of other shareholders' rights.

2. The approaches to taking Concerted Action are:

(1) Concerted Action in making proposals: any party to this agreement and/or its controlled entities and/or associated entities shall consult and communicate with the other party and/or its controlled entities and/or associated entities and reach consensus prior to submitting any proposals to shareholder meetings or the board of directors of Santos;

(2) Concerted Action in voting: Both parties and/or their controlled entities and/or associated entities shall act in concert when exercising their voting rights at shareholder meetings of Santos;

(3) Concerted Action in exercising and fulfilling other rights and obligations as shareholders: Both parties and/or their controlled entities and/or associated entities shall act in concert when exercising and fulfilling other rights and obligations as shareholders (excluding rights such as to purchase, sell and pledge shares, but except those rights subject to Clause 6 hereunder);

(4) If no consensus can be reached between the parties of this agreement and/or their controlled entities and/or associated entities in respect of Concerted Action, Clause 3 of this agreement shall apply.

3. Both parties agree that during the term of this agreement, if no consensus in respect of the matters as set out in Clause 2 can be reached between the parties, Party B shall enter into a power of attorney with the effect that Party A and/or its controlled entities and/or associated entities may exercise all shareholder rights on behalf of Party B and/or its controlled entities and/or associated entities within 3 business days (excluding rights such as to purchase, sell and pledge shares, which shall remain subject to Clause 6 hereunder). Also, Party B and/or its controlled entities and/or associated entities shall acknowledge the consequences as a result of such exercise of rights by Party A and/or its controlled entities and/or associated entities.

4. Both parties agree that during the term of this agreement, when a shareholder meeting is called, if any party and/or its controlled entities and/or associated entities is not able to attend the relevant meeting and thus requires a proxy to attend such

meeting on its behalf, such party shall entrust the other party of this agreement or its designated qualified entities to exercise the voting rights (subject to any proxy restrictions as designated by the appointing party). Such appointed proxy must exercise the voting rights in accordance with the will of Party A and/or its controlled entities and/or associated entities.

5. Both parties undertake that during the term of this agreement, neither party and/or its controlled entities and/or associated entities shall by itself enter into any acting in concert agreement or make similar arrangements with other shareholders without the consent of the other party to this agreement.

6. Party B undertakes that it and/or its controlled entities and/or associated entities shall not transfer/sell its Santos shares, either directly or indirectly owned, within 12 months after the execution date of this agreement (hereinafter referred to as "**Lock-in Period**"), except if the transferee/vendee is an affiliate that is controlled by Party B, or controls Party B, or is under common control with Party B.

7. During the term of this agreement, either party and/or its controlled entities and/or associated entities shall, if acquiring any new shares in Santos, act in concert when exercising shareholder rights pursuant to this agreement in respect of any such newly acquired Santos shares. During the term of this agreement, if either party and/or its controlled entities and/or associated entities sell any Santos shares, then, in respect of any remaining shares, each party shall continue to act in concert pursuant to this agreement.

8. This agreement shall come into force on the date of execution and shall remain effective for a period of 24 months. During the term of this agreement, neither party shall terminate or revoke the act-in-concert relationship as agreed in this agreement. All clauses related to Concerted Action as set out under this agreement shall be irrevocable. A written supplemental agreement shall be executed, if the parties wish to amend the term of this agreement

9. Disputes arising from this agreement shall be settled through friendly consultation. If a dispute fails to be resolved by consultation, any party shall have the

right to refer the dispute to the Beijing Arbitration Commission for arbitration in Beijing in accordance with the arbitral procedures and rules in force. The arbitral award is final and binding on both parties.

10. This agreement shall be executed in four copies, with two copies for each party and each copy shall have the same legal effect.

The remainder of this page is intentionally left blank.

(No Text on this Page and only for Party A's Signature of this Acting in Concert Agreement.)

Party A: Xinneng (Hong Kong) Energy Investment Limited

Signature of Representative:

Date:

(No Text on this Page and only for Party B's Signature of this Acting in Concert Agreement.)

Party B: Well Honour Development Limited

Signature of Representative:

Date:

