

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 Harbour Energy Australia Pty Limited and its affiliates as listed in Part A of Annexure A (**Harbour**)
ACN/ARSN (if applicable) 621 594 625

The holder became a substantial holder on 15/05/2018

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	314,734,518 fully paid ordinary shares held by associates	314,734,518 fully paid ordinary shares held by associates	15.11% 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 substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
The ENN Parties listed Part B of Annexure A and the Hony Parties listed in Part C of Annexure A	As described in the ASIC Form 604 lodged by each of the ENN Parties and the Hony Parties on 5 May 2017	314,734,518 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
The ENN Parties listed in Part B of Annexure A	United Faith Ventures Limited	United Faith Ventures Limited	140,189,820 fully paid ordinary shares
The ENN Parties listed in Part B of Annexure A	Citicorp Nominees Pty Ltd	United Faith Ventures Limited	69,544,698 fully paid ordinary shares
The ENN Parties listed in Part B of Annexure A	Citicorp Nominees Pty Ltd	ENN Group International Investment Limited	5,000,000 fully paid ordinary shares
The Hony Parties listed in Part C of Annexure A	Citicorp Nominees Pty Ltd	Great Multitude Limited	100,000,000 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
N/A	N/A	N/A	N/A

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
Harbour	Harbour, the ENN Parties and the Hony Parties are acting in concert in relation to Santos' affairs and accordingly are associates under section 12(2)(c) of the Corporations Act 2001 (Cth). The announcement describing that association is attached at Annexure B.

7. Addresses

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

Name	Address
See Annexure A	See Annexure A

Signature

print name	LINDA Z. COOK	capacity	Director
sign here		date	15/05/2018

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
 - (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

Part A – Harbour

Entity Name	Address	Place of Incorporation
Harbour Energy Australia Pty Ltd (ACN 621 594 625)	Suite 2001, Level 20, Gateway, 1 Macquarie Place, Sydney NSW 2000, Australia	Australia
Harbour Energy Ltd (CT-289285)	Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands	Cayman Islands
Harbour Energy, L.P. (CT-75245)	Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands	Cayman Islands

Part B – ENN Parties

Entity Name	Address
ENN Ecological Holdings Co. Ltd	No. 393 Hepingdong Road, Shijiazhuang City, Hebei Province, PRC
ENN Group International Investment Limited	Pasea Estate, Road Town, Tortola, British Virgin Islands
Inner Mongolia Xinweiyuan Biological Chemical Co Ltd	Wangaizhao Town, Dalad Banner, Inner Mongolia
Xinneng (Bengbu) Energy Co. Ltd	West of Caozhulshan Road, Bengbu City, PRC
ENN Qianan Clean Energy Co. Ltd	Qianan North Steel Logistics Industry Gathering Area, Qianan City, PRC
Hebei Veyong Biochemical Pesticide Co. Ltd	No. 6 Huagongzhong Road, Cycle Industrial Park, Shijiazhuang City, Hebei Province, PRC
Hebei Veyong Animal Pharmaceutical Co. Ltd	No. 68 Ganjiang Road, Economic and Technological Development Zone, Shijiazhuang City, Hebei Province, PRC
Xinneng (Zhangjiagang) Energy Co. Ltd	No. 24 Beijing Road, Yangtze River International Chemical Industry Park, Jiangsu Province, PRC
ENN Xinneng Trade Co. Ltd	No. 601 Luoyang Road, Tianjin Port Area of China (Tianjin) Pilot Free Trade Zone (650, Unit 2, Area 7, Haiteng Logistic Park Zone)
Xinneng Mines Co. Ltd	Ejin Horo Banner, Erdos, Inner Mongolia
ENN Xinneng (Beijing) Technology Co. Ltd	Room 212, 2F, Area 1, Block B, No. 12 Hongdabei Road, Beijing Economic and Technological Development Zone, Beijing, PRC
Xinneng Kuangye (Hong Kong) Energy Investment Limited	3101-3104, 31F, Lippo Center, No. 89 Queens Road, Hong Kong
Inner Mongolia Xinneng Mines Co. Ltd	Ejin Horo Banner, Erdos, Inner Mongolia
Xinneng Energy Co. Ltd	Party school, Dalad Banner, Erdos, Inner Mongolia
Xindi Energy Engineering Technology Co. Ltd	Langfang Development Zone, Langfang City, PRC
ENN Qinshuixinao Gas Co. Ltd	Jiafeng Town, Qinshui County, Shanxi Province, PRC
United Faith Ventures Limited	Suite 2701, One Exchange Square, Central, Hong Kong
Xinneng (Hong Kong) Energy Investment Limited	3101-3104, 31F, Lippo Center, No. 89 Queens Road, Hong Kong

Part C – Hony Parties

Entity Name	Address
Hony Partners Group, L.P.	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Great Multitude Limited	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 Managing Partners Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Exponential Fortune Group Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Mr John Zhao	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

This is Annexure A of 1 page referred to in ASIC Form 603.

print name LINDA Z. COOK

capacity Director

sign here



date 15/05/2018

Annexure B

This is Annexure B of 2 pages referred to in ASIC Form 603.

print name	<u>LINDA Z. COOK</u>	capacity	<u>Director</u>
sign here	<u></u>	date	<u>15/05/2018</u>



Harbour Energy working with ENN and Hony

Houston, Sydney, 15 May 2018 - Harbour Energy Limited ("**Harbour**") today announced that it is working with ENN Group ("**ENN**") and Hony Capital ("**Hony**") in relation to the affairs of Santos Limited ("**Santos**" or the "**Company**"). Harbour is seeking to agree terms with each of ENN and Hony in order to put forward a final proposal for the acquisition of Santos.

ENN and Hony together have a relevant interest of 15.11% of Santos shares, which is the largest single shareholding in Santos. They announced a strategic relationship with Santos on 27 June 2017, which remains in place.

Santos is one of the leading independent oil and gas producers in the Asia-Pacific region, supplying the energy needs of homes, businesses and major industries across Australia and Asia.

R. Blair Thomas, Chairman of Harbour said, "Harbour Energy has a compelling vision to be a leading player in Australia's natural gas sector and in global LNG markets. It is a significant milestone to commit to work together with ENN and Hony in connection with our Santos proposal."

Media contacts

Harbour Energy, EIG Global Energy Partners

Cato & Clegg

Brett Clegg +61487436985

Melissa Patch +61412124195

About Harbour Energy

Harbour is a global oil & gas company founded by EIG Global Energy Partners (**EIG**). Different from typical private equity backed companies, Harbour is funded with permanent capital and has the objective to build a global portfolio of successful, growing, long term oil & gas businesses. Harbour's first transaction – the acquisition of a US\$3.0 billion package of producing assets in the U.K. North Sea – was completed in 2017. EIG specializes in private investments in energy and energy-related infrastructure. Since 1982, EIG has invested over US\$25.3 billion in more than 320 portfolio investments across 36 countries on six continents. Further information on Harbour and EIG can be found at www.harbourenergy.com and www.eigpartners.com.