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Potential adjustment to Tax Value for off-market buy-back

Santos today announced that it is currently in discussions with the Australian Taxation Office ('ATO') to vary the methodology for calculating the Tax Value for the purpose of its off-market share buy-back ('Buy-Back').

Since the announcement of the Buy-Back, Santos shares have significantly outperformed the S&P/ASX 200 Energy Index, which is currently the adjusting index for the purposes of calculating the Tax Value. With no variation to the current methodology, it is possible that the Buy-Back price would exceed the Tax Value. Santos has previously stated that it intends to set the Buy-Back Price at no more than the Tax Value.

A change in methodology is likely to result in an increase in the Tax Value for participating shareholders which would result in a reduced capital loss or an increased capital gain as applicable depending on individual shareholder circumstances.

Santos will make an announcement as to any change in methodology as soon as practicable after discussions with the ATO are complete.

Important notice

Not for distribution or release in or into the United States or Canada

This announcement does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase any securities in any jurisdiction, nor shall it or the fact of its distribution be relied on in connection with any contract thereof. No indications of interest in the Buy-Back are sought by this announcement. Shareholders who are (or nominees who hold Santos Limited shares on behalf of or for the account of persons who are) in the United States or US persons, (within the meaning of Regulation S under the United States Securities Act of 1933), residents of Canada or who are otherwise excluded foreign persons will not be eligible to participate in the Buy-Back described in this announcement. ADRs and restricted employee shares may not be tendered into the Buy-Back. Buy-Back documents, including the booklet describing the terms of the Buy-Back and tender forms, have not been distributed or sent into the United States or Canada.

Forward looking statements

This announcement contains forward looking statements, including statements regarding the implementation of the Buy-Back and its effects on our business and securities. The results and effects of the Buy-Back may differ materially from those expressed in, or implied by, these forward looking statements. Factors that could cause or contribute to such differences include the number of shares bought back, the Buy-Back price and the general trading and economic conditions affecting our business. We do not undertake any obligation to revise these forward looking statements to reflect any future events or circumstances.

Ends

Santos stock symbols: STO (Australian Securities Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)