

Policy

Our Commitment

Santos is committed to minimising the risk of insider trading or the perception of insider trading by Directors, executives and employees.

Our Actions

We will:

1. make clear in this policy that insider trading is a breach of the law as well as Santos policy, with serious consequences, including imprisonment, fines and dismissal
2. prohibit Designated Persons from trading in Santos securities, except during trading windows
3. prohibit Designated Persons from engaging in short-term and other speculative trading or entering into margin lending arrangements in relation to Santos securities
4. prohibit hedging arrangements in relation to unvested or restricted Santos securities
5. require Directors, Executives and employees to ensure that their obligations under insider trading laws and this policy are complied with by their Connected Persons.

The detailed requirements of this policy are set out in the Appendix

Governance

The EVP EHS & Governance is responsible for reviewing the effectiveness of this policy.

This policy will be reviewed at appropriate intervals and revised when necessary to keep it current.

Kevin Gallagher
Managing Director & CEO

STATUS: APPROVED

Document Owner:	Naomi James, Executive Vice President, EHS and Governance		
Approved by:	The Board	Version Number	1

1 Prohibition against insider trading

Directors, executives and employees who are in possession of "inside information" must not "deal" in Santos "securities" or encourage, advise or procure anyone to do so, or share the inside information (directly or indirectly) with anyone else.

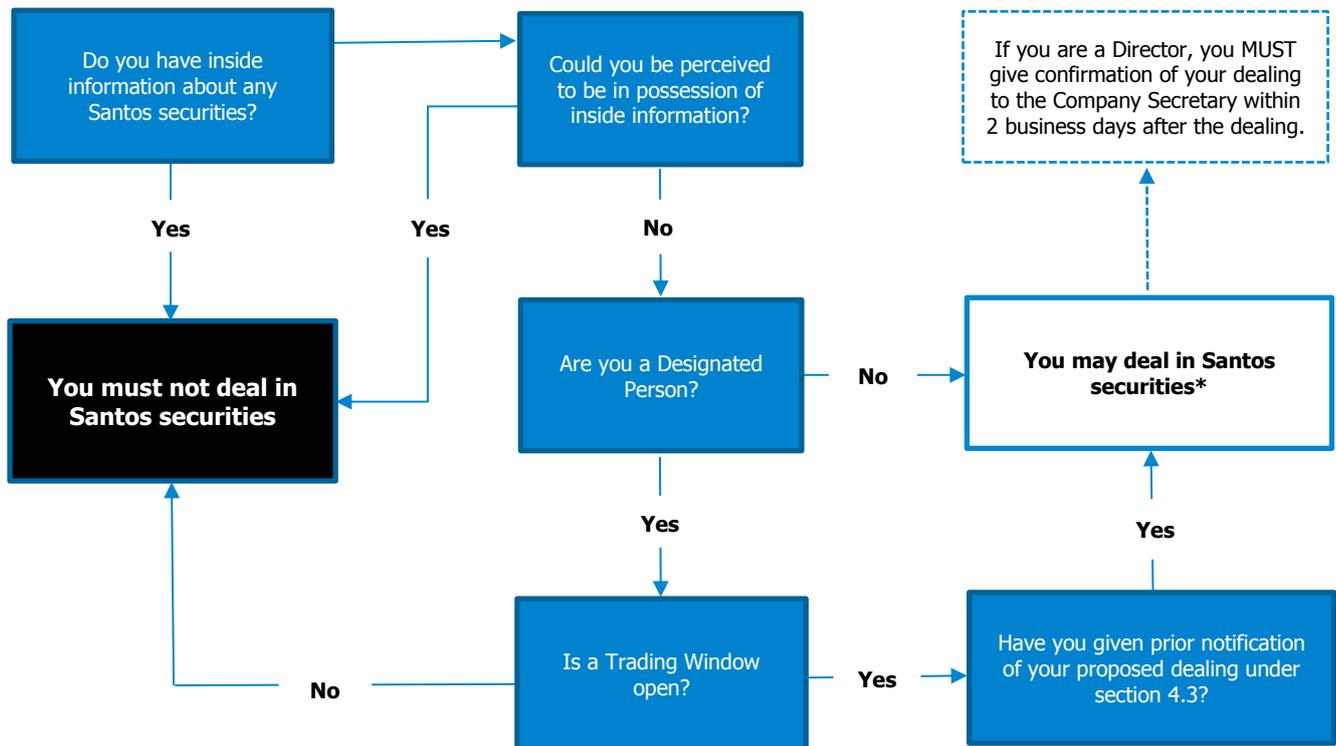
This prohibition against insider trading is an overriding prohibition which applies at all times, regardless of trading windows or any internal clearance that may have been given to deal in securities.

Insider trading is a criminal offence. A breach of the insider trading laws can attract significant fines and/or imprisonment.

Directors, executives and employees must ensure that their obligations under insider trading laws and this policy are complied with by their Connected Persons

Santos will regard any breach of insider trading laws or this policy as serious misconduct which may lead to disciplinary action, including dismissal.

2 Diagrammatic overview of the restrictions under this policy



* This is subject to the overriding restriction against dealing if you become aware of inside information when you wish to undertake the dealing.

3 Definitions

"deal" or "dealing" in securities is a broad concept and covers more than simply buying or selling securities. It extends to subscribing for new securities, exercising options over securities and creating a derivative over securities and includes entering into an agreement to do any of those things.

Note: In the case of an on-market trade, the dealing occurs at execution (but not settlement) of the trade. In the case of an off-market trade, the dealing occurs at settlement of the trade.

"Connected Person" in relation to a Director, executive or employee means a spouse, partner or child or any other person whom the Director, executive or employee may be expected to control or have significant influence over, including other immediate family members, business partners, companies or other entities or trusts.

"Designated Person" means:

- each Non-Executive Director;
- the CEO;
- members of the Executive Committee;
- all direct reports to any of the above including Executive Assistants;
- any company in the Santos group which may seek to deal in Santos securities for the purpose of meeting employee share plan commitments; and
- any other employee whom the CEO or a member of the Executive Committee deems in writing to be a Designated Person (on the grounds they are likely to receive inside information by reason of their role).

"inside information" is information that:

- is generally not available to the people who commonly invest in securities; and
- if it were generally available, would be likely to influence investors who commonly invest in securities in deciding whether or not to purchase, sell or otherwise deal with the relevant securities.

"securities" include ordinary shares, preference shares, options or share acquisition rights, debentures and convertible notes and also financial products relating to a company's securities (for example, warrants and other derivative products), irrespective of whether the financial products are created by the company or by third parties.

Examples of inside information include information in relation to:

- material positive or negative drilling exploration results;
- production or financial performance;
- the sale or acquisition of material assets;
- the award or termination of a material contract;
- material claims or potential liabilities;
- budgets or completion forecasts for material projects;
- dividend payments;
- capital management initiatives (for example, a rights issue); and
- any matter which would be required to be disclosed under the ASX continuous disclosure rules.

4 Restrictions on Designated Persons

4.1 No dealing outside Trading Windows

Designated Persons must not deal in Santos securities at any time that is not a Trading Window.

All periods that are not a Trading Window are 'closed periods' for the purposes of the ASX Listing Rules, during which Designated Persons are prohibited from dealing in Santos securities (subject to the exclusions listed in section 9).

Subject to the decision of the CEO and written notification from the Company Secretary, each of the following periods would generally be expected to be a **Trading Window**:

- the 4 week period commencing at 10.00am (Sydney time) on the day after the release of Santos' half year results announcement to the ASX,
- the 4 week period commencing at 10.00am (Sydney time) on the day after the release of Santos' annual results announcement to the ASX,
- the 4 week period commencing at 10.00am (Sydney time) on the day after Santos' Annual General Meeting, and
- any other period designated by the Board or CEO from time to time.

4.2 Opening of a Trading Window

A Trading Window may be opened by a decision of the Board or CEO, in consultation with the Disclosure Officers designated under the *Market Communication & Continuous Disclosure Policy*.

If a Trading Window is opened, the Company Secretary will give Designated Persons written notification of the Trading Window, typically by posting an announcement on the company's intranet site.

Designated Persons may not assume that a Trading Window is open, even after the relevant results announcement or Annual General Meeting. A Trading Window will only be open if Designated Persons have been notified of the opening of the Trading Window and have not been notified of any closing, suspension or withdrawal of the Trading Window.

A Trading Window may be varied, suspended or withdrawn by the Board or the CEO at any time.

4.3 Notification prior to dealing during a Trading Window

Before dealing in any Santos securities during a Trading Window, a Designated Person must give notice of the proposed dealing to the Company Secretary or in his/her absence, to the General Counsel.

The notice must:

- be given at least 2 business days prior to the proposed dealing taking place;
- be in writing;
- provide details of the proposed dealing (including the nature of the dealing, whether it involves an on-market or off-market transaction and the number and type of Santos securities that are proposed to be the subject of the dealing);
- include a statement confirming that the Designated Person is not in possession of any inside information in relation to Santos securities;
- contain any additional information or confirmations as may be determined by the Company Secretary from time to time;
- in the case of employees, be provided by completing and submitting the online form in the Securities Trading site on The Well; and

- in the case of Directors, be provided by email to the Chairman and Company Secretary.

Prior notification under this section is not required for any dealings that are covered by any of the exclusions listed in section 8, except for dealings *arising from the administration of a deceased estate or which do not result in a change in beneficial ownership*.

Prior notification, its receipt, and any acknowledgement of or response to any such notification is not an endorsement, approval or recommendation of the proposed dealing. Designated Persons remain responsible for their own investment decisions and compliance with insider trading laws and this policy.

4.4 Notification not to deal during Trading Window

The Company Secretary (or in his/her absence, the General Counsel) or the Chairman, in the case of Directors, may at any time notify you that you should not deal with Santos securities (irrespective of whether you have given prior notification in accordance with section 4.3) in which case you should avoid any dealing that has not already occurred and should proceed as if the Trading Window has been closed unless and until you are notified otherwise. For example, this may occur where the Company Secretary or the Chairman, as the case may be, is concerned that there may be a perception of insider trading with any proposed dealing by you in all the circumstances.

4.5 Confirmation of dealings

Within 2 business days of any dealing, Directors must provide written confirmation to the Company Secretary of the price and quantity of securities traded for the purpose of compliance with the notification obligations under Listing Rule 3.19A and Section 205G of the Corporations Act.

4.6 Exceptional circumstances

A written application to deal with Santos securities outside a Trading Window due to severe financial difficulty or other exceptional circumstances may be made to the Chairman in the case of Directors, and to the Company Secretary in the case of employees. The Chairman and/or Company Secretary may seek further information from the applicant and/or advice from others as required.

Any clearance will be provided in writing and lasts for 5 business days or such other period specified in the notice of clearance. If the dealing has not occurred before the lapsing of the clearance, a new clearance must be obtained before undertaking the proposed disposal.

Any clearance can be granted or refused at the company's absolute discretion, without giving any reasons and the company's decision to refuse clearance is final and binding.

Any clearance may be revoked or withdrawn or the clearance period shortened or lengthened and may include conditions at the company's absolute discretion.

Obtaining clearance does not relieve a Director, executive or employee from insider trading laws. It is the responsibility of every Director, executive and employee to ensure that they do not possess inside information at the time of any dealing.

4.7 Short-term and other speculative dealing

Designated Persons must not engage in short-term or speculative dealing in Santos securities. Short-term or speculative dealing trading includes buying and selling securities on market within a 3 month period, forward contracts and short selling.

4.8 Margin lending arrangements

Designated Persons must not enter into margin lending or any other arrangements where any form of security is granted over Santos securities.

Other employees should note that margin lending and other such arrangements could result in a forced sale of securities in breach of insider trading laws or this policy, such as during a period when you are in possession of or could be perceived to be in possession of inside information.

5 Hedging of Santos securities

Directors, executives and employees must not enter into hedging or other financial arrangements which operate to limit the economic risk associated with holding Santos securities prior to the vesting of those securities or while they are subject to a holding lock or restriction on dealing.

6 Securities in other companies

Information obtained during contract negotiations or other dealings with Santos' customers, contractors or business partners could constitute inside information in relation to that customer, contractor or business partner.

Directors, executives and employees must ensure that they do not engage in and are not perceived to have engaged in insider trading in relation to the securities of any customer, contractor or business partner of Santos.

7 Securities in other companies

Information obtained during contract negotiations or other dealings with Santos' customers, contractors or business partners could constitute inside information in relation to that customer, contractor or business partner.

Directors, executives and employees must ensure that they do not engage in or are perceived to have engaged in insider trading in relation to the securities of any customer, contractor or business partner of Santos.

8 Connected Persons

Directors, executives and employees must ensure that their obligations under insider trading laws and this policy are complied with by their Connected Persons.

For example, this means that:

- Directors, executives and employees must ensure that their Connected Persons do not deal in Santos securities while in possession of inside information;
- Designated Persons must ensure that their Connected Persons:
 - only deal in Santos securities during a Trading Window and not any other time;
 - provide prior notification before any dealing; and
 - not engage in any short-term or speculative dealing or margin lending arrangements.

9 Exclusions

The prohibition in section 4.1 against dealings with Santos securities at any time other than a Trading Window does not apply to dealings:

- under a dividend reinvestment plan;
- under an offer or invitation made to all or most shareholders or class of shareholders (for example, a share purchase plan available to retail shareholders or a share buy-back);

- under a rights issue;
- in relation to the acceptance of a takeover offer;
- under or in relation to a Non-Executive Director share plan or a Santos employee share or option plan, including applying for an allocation of securities under an employee share offer;
- arising from the administration of a deceased estate (although prior notification is required under section 4.3); and
- that do not result in a change to the beneficial interest in the securities (although prior notification is required under section 4.3).

For the avoidance of doubt, it is the responsibility of every Director, executive and employee to ensure that they do not possess inside information at the time of any dealing.

10 Additional information and contacts

Further guidance on the requirements of this policy and the law can be found on the Company's intranet site.