

Transform Build Grow

Santos

Shareholder Review
2016



LNG tanker 'Papua', PNG LNG.

An Australian energy pioneer

Santos is an Australian natural gas company. Established in 1954, the company is proud to deliver the economic and environmental benefits of natural gas to homes and businesses throughout Australia and Asia.

Five core long-life natural gas assets sit at the heart of a disciplined, focused strategy to drive sustainable shareholder value: the Cooper Basin, GLNG, Papua New Guinea, Northern Australia and Western Australia Gas. Each of these core assets provide stable production, long-term revenue streams and significant upside opportunities.

With one of the largest exploration and production acreages in Australia, a significant and growing footprint in Papua New Guinea and a strategic infrastructure position, Santos is well positioned to benefit from the growing global demand for energy.

The Santos turnaround is now well underway. A three phase strategy to Transform, Build and Grow the business will drive returns as we continue to focus on the exploration, development, production and sale of natural gas.

Santos is focused on delivering sustainable shareholder value by becoming a low-cost, reliable and high performance business with the financial flexibility to build and grow the business through the oil price cycle.



Santos discovers first commercial hydrocarbon resource at Gidgealpa-2, in the Cooper Basin, 1963.

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Message from the Chairman and from the Managing Director and Chief Executive Officer

“

We enter 2017 with a clear strategy, a new leadership team and a solid platform off which we can build and grow. We are confident that we have the strategy, assets, people and growth options to drive future success, and deliver shareholder value.

Dear Shareholder,

2016 was a year of transformational change for Santos. With the oil price trading at less than US\$30 per barrel at the start of the year, decisive action was taken to stabilise the business and increase operating cash flow. The aim was to be free cash flow breakeven at US\$35-40 per barrel on a portfolio basis. The key strategic imperative was to create shareholder value by becoming a low-cost, reliable, high performance business and position Santos to deliver positive cash returns through the cycle.

A new leadership team with strong technical expertise was established. Stronger levels of governance and central controls were also implemented around key decision making and planning processes. A new operating model was embraced to focus on our primary business of exploration, development, production and sales of natural gas both onshore and offshore.

As a result of the changes implemented by the Board and management, Santos is beginning to turnaround. The free cash flow breakeven oil price was reduced from US\$47 per barrel at the start of the year to US\$36.50 per barrel by year-end. Santos generated US\$370 million positive free cash flow over the last eight months of 2016 resulting in a net US\$206 million of free cash flow for the full-year, before asset sales. Whilst these results are pleasing and faster than anticipated, we recognise that there is still more to do and we will continue to focus on sustainably driving costs out of the business in the coming year.

OPERATIONAL PERFORMANCE

Operations continued to perform well, with annual sales volumes up 31% to a record 84.1 million barrels of oil equivalent (mmbobe) reflecting a ramp up in LNG from GLNG train 1 and first LNG from train 2 in May 2016. Record annual production of 61.6 mmbobe was also reported, up 7% on 2015.

A statutory net loss after tax, of US\$1,047 million was recorded which included after tax impairments of US\$1,050 million on GLNG, announced earlier in the year. The impairment was due to the scaling back of activity in the field in response to lower oil prices, which impacted the ramp-up of production. Combined with an increase in the price of third party gas, this resulted in the need to update long-term operating assumptions for the asset.

Excluding impairments and other significant items, underlying net profit after tax was US\$63 million, 29% higher than the prior year.

Excellent progress has been made over the past twelve months in sustainably taking costs out of the business and has contributed to a 51% reduction in capital expenditure to US\$625 million and an 18% reduction in upstream unit production costs to US\$8.45 per barrel of oil equivalent.

In 2015 the Board announced a new dividend framework to reflect Santos' exposure to oil-linked LNG pricing and the cyclical characteristics of global oil markets. This framework states that dividends are expected to be a minimum of 40 percent of underlying net profit, subject to business conditions.

Consistent with the company's immediate focus to strengthen the balance sheet and reduce net debt, the Board resolved not to pay a final dividend. Whilst we understand that some shareholders will be disappointed, it is our firm view that a disciplined focus on debt reduction is the most responsible course of action in the circumstances. With the strong progress being made in reducing costs and improving free cash flow, the Board is confident in the company's ability to return to paying dividends and will next review this position at the 2017 half-year results.

SAFETY

The company recorded its lowest three-year rolling average lost time injury frequency rate on record. It is a credit to all Santos employees that they have stayed focused during the restructuring of the organisation and indeed have embraced a low-cost, high performance mindset to re-establish Santos as a strong and sustainable business with a proud history.

STRONGER BALANCE SHEET

Strengthening the balance sheet was a significant focus for the organisation in 2016. Net debt was reduced by US\$1.3 billion to US\$3.5 billion via a combination of assets sales, free cash flow and the successful completion of the A\$1,040 million institutional placement in December. The decision to raise capital was not taken lightly. It was deemed necessary to enable the company to operate in a lower oil price environment and to provide the financial flexibility to build and grow the business in 2017 and beyond.

We will continue to adopt a disciplined approach to capital management and will target a further US\$1.5 billion reduction in net debt by the end of 2019 through free cash flow, asset sales and monetisation of infrastructure assets.

US\$447 million in proceeds from asset sales were received in 2016, including the sale of the Kipper asset offshore Victoria, Stag asset offshore Western Australia and pastoral holdings in the Cooper Basin.

The sale of the company's Gippsland and Otway Basin assets offshore Victoria were announced in October and completed in early January 2017, with proceeds of A\$61 million received. A A\$118 million abandonment liability was removed from the balance sheet upon completion.

In December 2016, we also entered into an agreement to sell our remaining 50% interest in the Mereenie oil and gas asset in the Northern Territory for A\$52 million. Completion is expected in the first quarter of 2017.

NEW GROWTH STRATEGY

In December 2016 Santos announced a new three phase growth strategy to drive shareholder value – **Transform, Build, Grow**.

Under the **Transform** phase we have simplified the business to focus on five core long-life natural gas assets:

- + Cooper Basin,
- + GLNG,
- + Papua New Guinea,
- + Northern Australia, and
- + Western Australia Gas.

This focus is not only driving improved performance and further productivity gains but also providing a clear line-of-sight to higher-margin growth opportunities and the delivery of Australia's lowest-cost onshore operations.

Our remaining assets are being run separately as a stand-alone business. Bruce Clement, ex-CEO of AWE, has been appointed Vice President Asia, NSW and WA Oil Assets to manage these assets with a mid-tier oil and gas company mindset to maximise value.

Under the **Build** phase we are building the portfolio of development and exploration opportunities across the five core long-life natural gas assets to maximise production, drive down costs and increase gas supply.

Future **Growth** will come from focussing on opportunities to increase production from our core assets and an exploration strategy to identify new high-value gas targets.

In 2017 we will continue to refine our operating model and look to further improve the asset mix and value drivers as well as build our capabilities and focus on a disciplined cost structure to drive more value out of our assets.

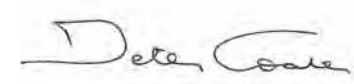
BOARD RENEWAL

In the first-half of the year we continued the process of Board renewal by acknowledging the services of Ken Dean and Jane Hemstrich who both retired from the Board and welcomed Peter Hearl and Guy Cowan as Directors. Peter has over 30 years' international business experience, including 18 years in the oil and gas industry with Exxon Mobil. He is a director of Telstra Corporation and Treasury Wine Estates. Guy also has over 30 years' experience, including 25 years in the oil and gas industry with Shell and is Chairman of Queensland Sugar Limited.

These new appointments underscore the Board renewal process with more than half the Directors appointed within the last 3 years.

Thank you for your continued support for Santos. We enter 2017 with a clear strategy, a new leadership team and a solid platform off which we can build and grow. We are confident that we have the strategy, assets, people and growth options to drive future success and deliver shareholder value.

Sincerely,



PETER COATES AO

Chairman



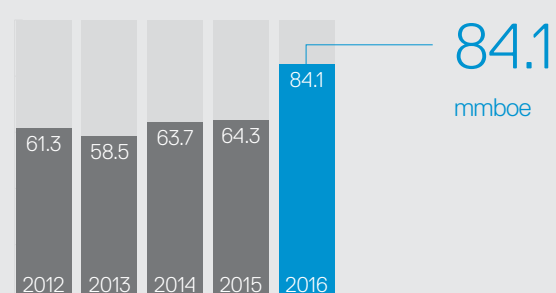
KEVIN GALLAGHER

Managing Director and Chief Executive Officer



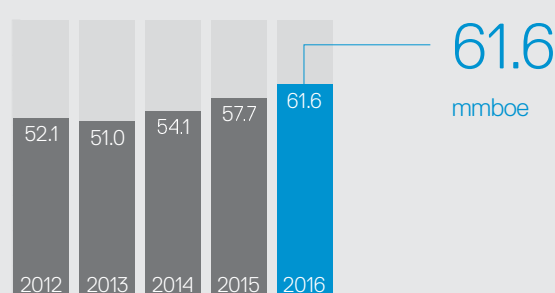
Financial overview

SALES VOLUME mmboe



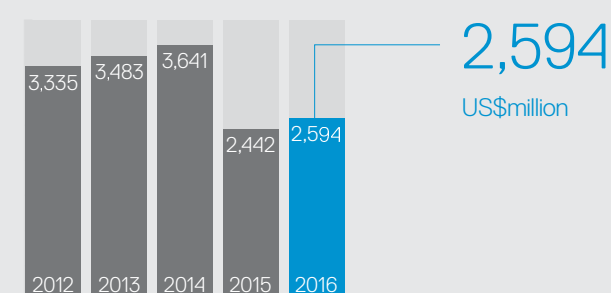
Record annual sales volume of 84.1 mmboe due to ramp-up of GLNG and strong performance from PNG LNG.

PRODUCTION mmboe



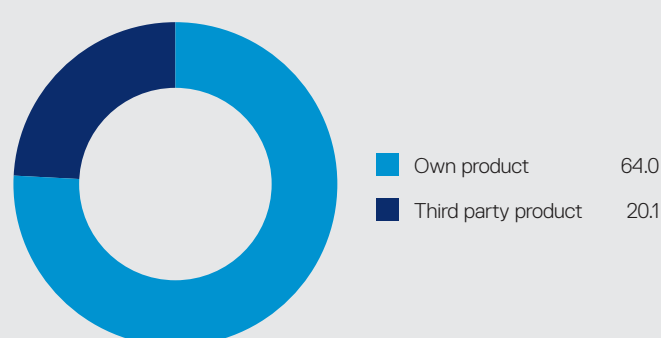
Record annual production of 61.6 mmboe due to ramp-up of GLNG and strong performance from core 5 assets.

SALES REVENUE US\$million

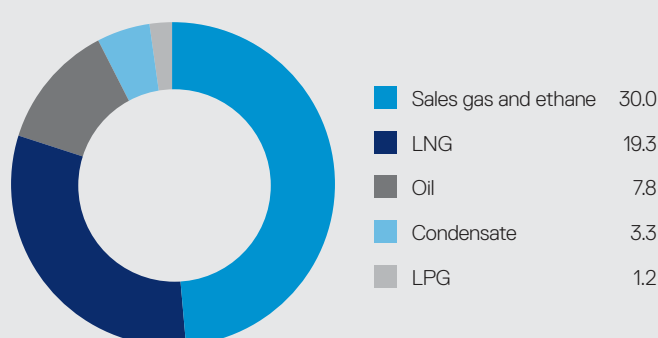


Sales revenue up 6% due to higher gas and LNG volumes, offset by lower realised oil and LNG prices.

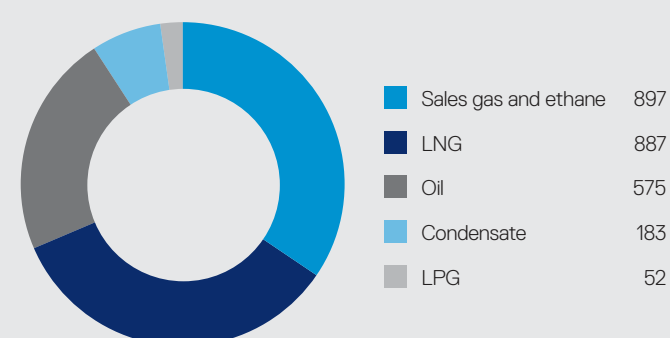
RECORD SALES VOLUME mmboe



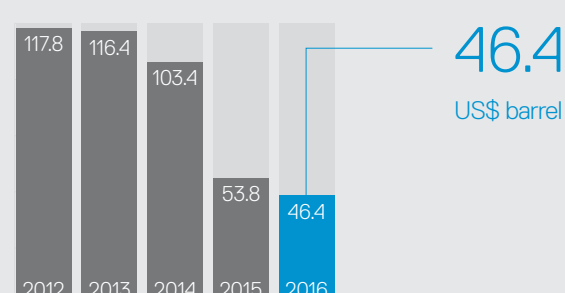
RECORD ANNUAL PRODUCTION mmboe



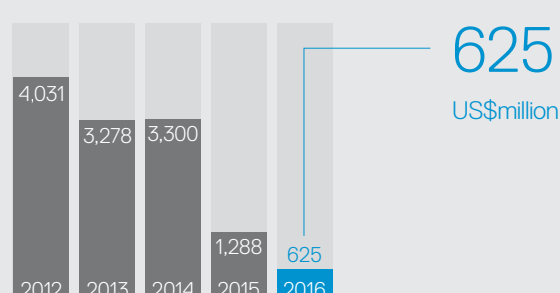
SALES REVENUE BY PRODUCT US\$million



AVERAGE REALISED OIL PRICE US\$ per barrel

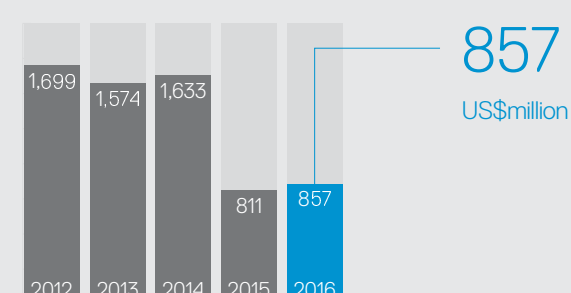


CAPITAL EXPENDITURE US\$million



Capital expenditure down 51% following the completion of the constructoin phase on the GLNG project and continued focus on driving costs out of the business.

OPERATING CASH FLOW US\$million



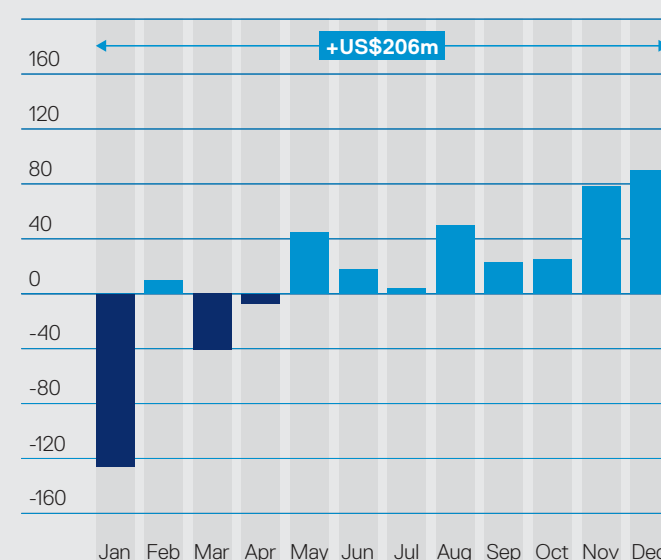
Operating cash flow up 6%. Free cash flow breakeven reduced to US\$36.50 per barrel.

2016 Results

		2012	2013	2014	2015	2016
Sales volume	mmboe	61.3	58.5	63.7	64.3	84.1
Production	mmboe	52.1	51	54.1	57.7	61.6
Average realised oil price	US\$/bbl	117.8	116.4	103.4	53.8	46.4
Net profit after tax	US\$ million	537	499	-630	-1,953	-1,047
Underlying net profit after tax	US\$ million	627	489	523	49	63
Sales revenue	US\$ million	3,335	3,483	3,641	2,442	2,594
Operating cash flow	US\$ million	1,699	1,574	1,633	811	857
EBITDAX ¹	US\$ million	1,928	2,092	2,076	1,454	1,199
Total assets	US\$ million	17,627	18,407	18,281	15,949	15,262
Earnings per share	US cents	56.2	51.6	-64.4	-169.5	-58.2
Dividends	A cents/share	30	30	35	20	0
Number of employees		3,289	3,502	3,636	2,946	2,366

¹ EBITDAX (earnings before interest, tax, depreciation, depletion, exploration, evaluation and impairment), EBIT (earnings before interest and tax) and underlying profit are non-IFRS measures that are presented to provide an understanding of the performance of Santos' operations. Underlying profit excludes the impacts of asset acquisitions, disposals and impairments, as well as items that are subject to significant variability from one period to the next including the effects of fair value adjustments and fluctuations in exchange rates. The non-IFRS financial information is unaudited, however, the numbers have been extracted from the audited financial statements.

2016 FREE CASH FLOW (BEFORE ASSET SALES) BY MONTH US\$million



Santos Free Cash Flow positive for each of the last 8 months of the year.

A disciplined, focused strategy to drive shareholder value now sees five core, long-life natural gas assets at the heart of our operations, each with significant upside potential. Our remaining non-core assets will be packaged and run separately to maximise value.

Asset performance

Five core long-life natural gas assets



Cooper Basin

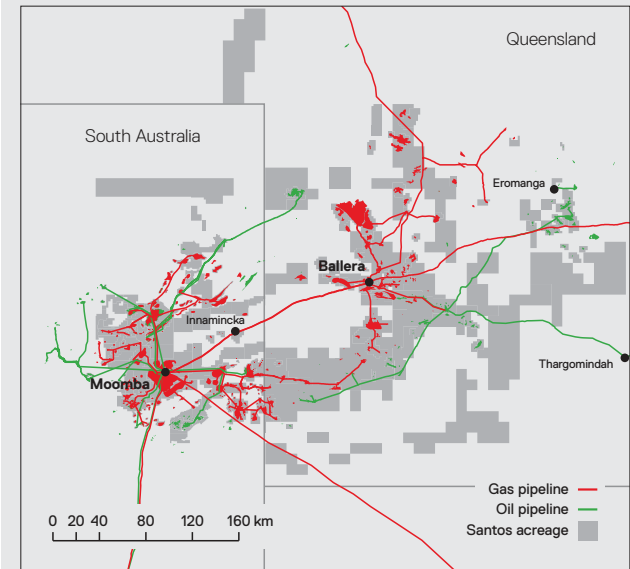
Build production, invest in new technology to lower development and exploration costs, and increase utilisation of our infrastructure including the Moomba plant.

2016 in review

Delivering a low-cost, cash flow positive business.

Asset KPIs	2016	2015
Production (mmboe)	15.1	15.5
Sales volume (mmboe)	23.5	20.8
Revenue (US\$m)	768	851
Production cost (US\$/boe)	10.7	12.7
EBITDAX (US\$m)	265	293
Capex (US\$m)	173	440

- + Cooper Basin cash flow positive in 2016 (+US\$100m)
- + Unit production cost down 15% to US\$10.7/boe
- + Capex down 61% to US\$173 million; 39 wells (up 26%) drilled with two rigs
- + Gas well cost down 12% to US\$4.2 million per well (drill, stimulate, complete)
- + Forecast to drill 47 wells in 2017 with two rigs at US\$3.2 million per well (drill, stimulate, complete)



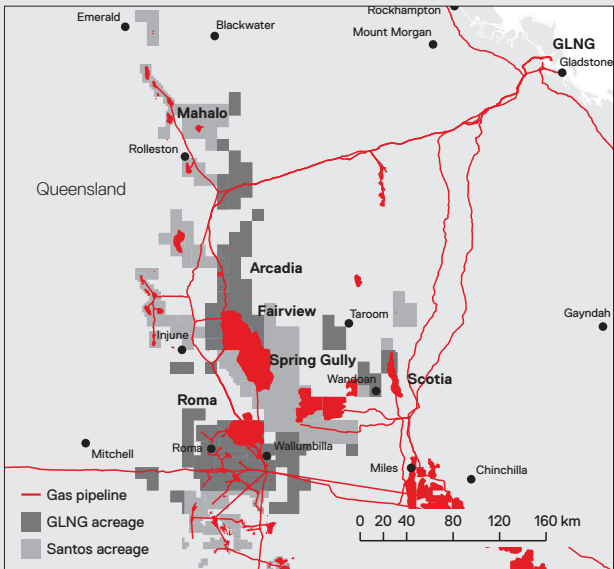
GLNG

Build gas supply by drilling more wells to increase production as LNG markets improve, seek opportunities to extract value from our infrastructure (pipeline and plant) and drive efficiencies to operate at lowest cost.

Transforming GLNG to deliver steady-state operations and a cash flow positive business. Aiming to ramp-up GLNG LNG sales from current levels to ~6mtpa over three years.

Asset KPIs ¹	2016	2015
Production (mmboe)	9.5	4.2
Sales volume (mmboe)	19.8	5.5
Revenue (US\$m)	540	123
Production cost (US\$/boe)	6.4	8.6
EBITDAX (US\$m)	183	31
Capex (US\$m)	228	406

- + Train 2 start-up delivered to schedule in May 2016
- + Construction project completed and custody of entire LNG plant received in October 2016
- + Unit production cost down 26% to US\$6.4/boe
- + Capex down 43% to US\$228 million including US\$78 million on the LNG plant (complete)
- + Drilling rig count increasing from 1 to 3 by Q217; forecasting 130-150 wells in 2017
- + Raslie remediation progressing with positive results



¹ GLNG Asset results include GLNG Joint Venture plus Santos' share of Combabula, Ramyard, Spring Gully and Denison.



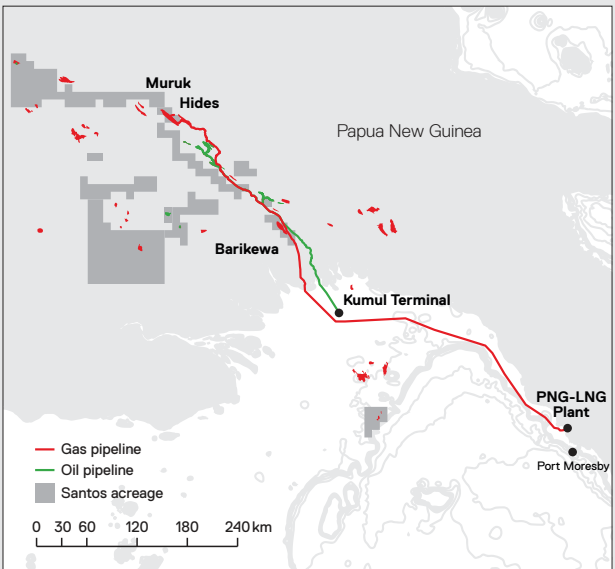
Papua New Guinea

Strengthen our position by working with partners to align interests, and support and participate in backfill and expansion opportunities at PNG LNG.

Independent resource certification supports extended LNG production at current plateau rates. Muruk discovery (Santos 20%) appraisal underway.

Asset KPIs	2016	2015
Production (mmboe)	11.9	11.4
Sales volume (mmboe)	11.8	10.9
Revenue (US\$m)	444	566
Production cost (US\$/boe)	4.6	5.3
EBITDAX (US\$m)	350	443
Capex (US\$m)	8	144

- + Excellent PNG LNG operating performance: ~8.3mtpa annualised production rate in Q4 2016 compared to nameplate capacity of 6.9mtpa
- + EBITDAX lower due to lower oil prices
- + Expansion of PNG LNG likely and details evolving
- + Discussions continue on mechanism of incorporating P'nyang into PNG LNG
- + Drilling and evaluation operations continuing on the Muruk discovery



Non-core assets



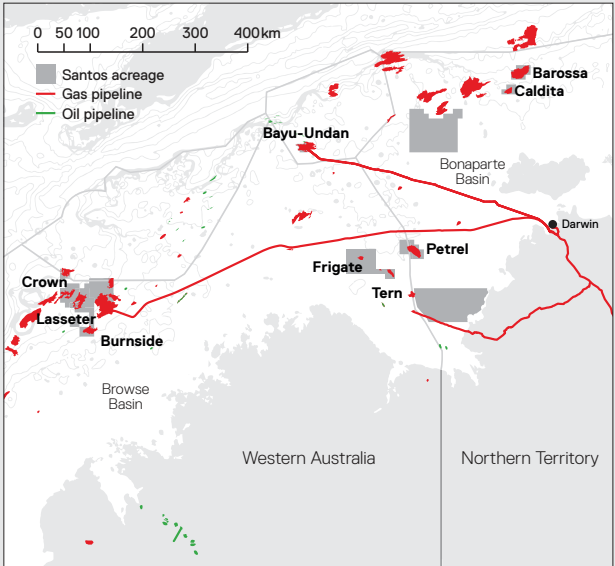
Northern Australia

Support plans to progress Darwin LNG backfill opportunities, expand acreage footprint, and explore and appraise the McArthur Basin.

Extensive discovered resource to backfill and expand existing LNG infrastructure. Barossa appraisal drilling commenced with the first of two wells spudded.

Asset KPIs	2016	2015
Production (mmboe)	4.2	4.3
Sales volume (mmboe)	4.2	4.3
Revenue (US\$m)	145	215
Production cost (US\$/boe)	17.6	18.9
EBITDAX (US\$m)	86	143
Capex (US\$m)	14	30

- + Excellent DLNG operating performance
- + EBITDAX lower due to lower oil prices
- + Barossa-Caldita being progressed as lead candidate for DLNG backfill; first of two Barossa appraisal wells spudded
- + Santos' extensive discovered resource position includes Crown-Lasseter (30%) and Petrel-Tern (35–40%)



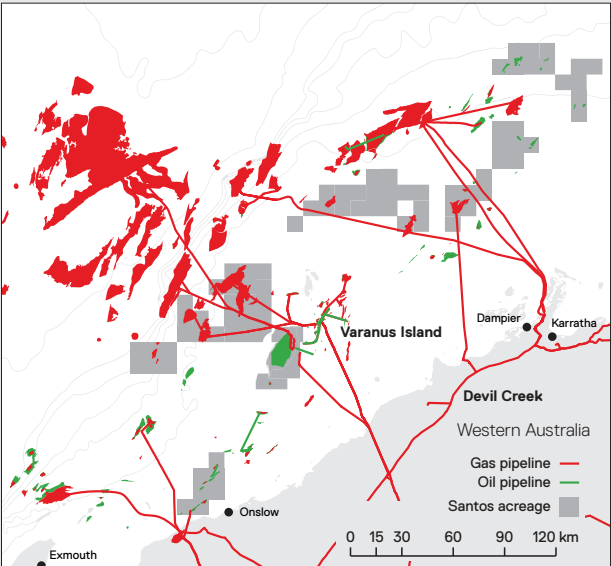
Western Australia Gas

Position Santos to grow production and market share in the WA domestic gas market.

Low-cost operations with capacity and reserves to meet short and long-term demand.

Asset KPIs	2016	2015
Production (mmboe)	8.9	9.4
Sales volume (mmboe)	8.8	9.4
Revenue (US\$m)	184	227
Production cost (US\$/boe)	5.1	5.0
EBITDAX (US\$m)	210	162
Capex (US\$m)	13	34

- + Production and sales slightly lower due to lower customer nominations
- + 2016 EBITDAX includes a one-off settlement under a revised gas sales agreement
- + Resource build for long-term backfill supported by successful near field discoveries at Davis and Spartan
- + Future projects include Varanus Island inlet compression and tieback of Spar-2 to increase gas deliverability



Packaged and run separately for value as a standalone business. Portfolio to be continually optimised to maximise value.

Non-core assets includes Indonesia, Vietnam, Malaysia, Bangladesh, Narrabri and WA Oil assets

Asset KPIs	2016	2015
Production (mmboe)	11.7	12.7
Sales volume (mmboe)	11.7	12.9
Revenue (US\$m)	411	473
Production cost (US\$/boe)	14.1	17.1
EBITDAX (US\$m)	217	217
Capex (US\$m)	50	44

- + Stag (WA Oil) sold in November 2016. Victoria and Mereenie sold with completion dates in 2017
- + Unit production cost down 18% to US\$14.1/boe
 - Vietnam down 27%
 - WA Oil down 20%



Santos enters 2017 with a clear strategy, a new leadership team and a strong platform off which we can build and grow.

New three phase strategy

On joining Santos in February 2016, Kevin Gallagher, Managing Director and CEO, launched an in-depth asset review to identify both the issues and the opportunities across the company’s portfolio, determined to develop a clear and focused strategy to restore and drive shareholder value.

In a letter to shareholders from the 2015 Shareholder Review, he stated:

“My first priority and absolute focus is to look closely at our operations. I am scrutinising our portfolio of assets and the structure and processes that we have in place to manage them. I am working hard to develop the right management team, the right strategy and the right culture to make Santos self-sustaining in a low oil

price environment and well positioned to take advantage of rising commodity prices in the future.”

Twelve months on, the asset review is now complete. A new operating model has been established, a management team with strong technical capabilities appointed and strong inroads made to instil a low-cost, high performance mindset. The company is now free cash flow breakeven at a US\$36.50 per barrel oil price, and on 8 December 2016, a new strategy to establish Santos as a low-cost, reliable and high performance business was announced. This new strategy integrates three concurrent phases to Transform, Build and Grow the business.



Transform

- + New leadership team and simplified operating model to deliver a low-cost, reliable and high performance business
- + Focus on five core long-life natural gas assets



Build

- + Identify and develop growth opportunities, including exploration, across the five core long-life natural gas assets
- + Maximise production, drive down costs and increase gas supply



Grow

- + Execute and bring on-line growth opportunities across the core portfolio
- + Focused exploration strategy to identify new high-value gas targets
- + Find and unlock sixth core long-life natural gas asset

Investing in Australian natural gas

Gas facts

By investing in Santos you are investing in natural gas, which will play an important role in Australia’s economic, environmental and energy security future.

Population growth and rapid urbanisation means the global demand for natural gas is forecast to grow by 50 per cent by 2040, overtaking coal for the first time in the global energy mix. Australian LNG will help meet this demand while creating jobs and economic benefits for Australians.

Switching from coal to natural gas for power generation also significantly reduces carbon emissions. This makes natural gas the perfect partner to transition to renewable energy, providing a reliable source of energy that helps integrate intermittent renewable energy sources into the grid.

In uncertain economic times, a successful and well-regulated gas industry is critical to Australia’s future. Australia has the opportunity to create a world-class gas industry, and as an Australian gas company, Santos will be at the forefront of it.



Gas is good for the environment

- Fact:** Natural gas is between 50 and 70% cleaner than coal when used for electricity generation.
- Fact:** The USA has done more than any country to reduce carbon emissions. Switching from coal to natural gas and renewables for power generation has cut carbon emissions by 21% since 2005.
- Fact:** Australia’s LNG exports are forecast to reach 85 million tonnes per annum by 2020. If this LNG were used to replace coal-fired power generation, it would equate to a saving of more than 50% of Australia’s annual greenhouse emissions, every year.



Gas is good for the economy

- Fact:** Australia’s oil, gas and energy resources industry creates over 100,000 Australian jobs. The Australian oil and gas industry has been operating for more than 50 years and has contributed more than \$250 billion to the Australian government.
- Fact:** Natural gas powers 40% of Australia’s manufacturing industry.
- Fact:** If every truck, digger, bus, ship and train in Australia went gas-powered, these energy users would save \$1.3 billion in fuel costs and cut 1.7 million tonnes of CO₂ emissions every year.



Gas is good for energy security

- Fact:** Australia has enough gas reserves to power our nation for more than 500 years.
- Fact:** Natural gas is a perfect partner for renewable energy sources. It’s a reliable source of energy when the sun doesn’t shine or the wind doesn’t blow.
- Fact:** More than half of Australian homes rely on natural gas for heating, cooking or hot water.
- Fact:** Power stations that run on natural gas are not only cleaner and more efficient than coal-fired power stations, they are also better at responding to changes on the national grid. This means less blackouts and more capacity for wind and solar energy.

Board of Directors



PETER COATES AO

Independent non-executive Director. Member of the Board since March 2008, Chairman from December 2009 to May 2013, reappointed Chairman April 2015 and appointed Executive Chairman from August 2015 to January 2016. Chairman of Santos Finance Ltd and Chair of the Nomination Committee.

Non-executive Director of Glencore plc, Event Hospitality & Entertainment Limited (formerly Amalgamated Holdings Ltd). Former non-executive Chairman of Xstrata Australia Pty Limited, non-executive Director of Minara Resources Limited, Chairman of Sphere Minerals, Chief Executive of Xstrata Coal.

Past Chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.



KEVIN GALLAGHER
Managing Director & CEO

Joined Santos in 2016.

Former CEO and Managing Director at Clough Limited.

Kevin commenced his career as a drilling engineer with Mobil North Sea, before joining Woodside in 1998. During his 13-year tenure with Woodside, Kevin led the Australian Oil Business Unit, east coast domestic gas plants and was appointed CEO of the North West Shelf Venture, Australia's largest resource project.

YASMIN ALLEN

Independent non-executive Director since 22 October 2014.

With more than 20 years' experience in finance and investment, Yasmin is a Director of Cochlear Limited and non-executive Director of ASX Limited.

Former non-executive Director of Insurance Australia Group Limited and national Director and acting Chair of the Australian Institute of Company Directors.



GUY COWAN

Independent non-executive Director since 10 May 2016.

Chairman of Queensland Sugar Limited.

Former Director of UGL Limited, Coffey International and Ludowici Limited and Shell appointed alternative director of Woodside between 1992 and 1995.

ROY FRANKLIN OBE

Independent non-executive Director since 28 September 2006.

Chairman of Cuadrilla Resources Holdings Limited, deputy Chairman of Statoil and Director of Amec Foster Wheeler plc.

Former non-executive Director and Chairman of Keller Group plc, Chief Executive Officer of Paladin Resources plc and Group Managing Director of Clyde Petroleum plc.



HOCK GOH

Independent non-executive Director since 22 October 2012.

Chairman of MEC Resources Ltd, non-executive Director of Stora Enso Oyj (Finland), non-executive Director of AB SKF (Sweden) and Vesuvius PLC (UK).

Former non-executive Director of BPH Energy Ltd, Operating Partner of Baird Capital Partners Asia, and non-executive Director of Xaloy Holding Inc.

PETER HEARL

Independent non-executive Director since 10 May 2016.

Non-executive Director of Telstra Ltd and Treasury Wine Estates.

Former non-executive Director of Goodman Fielder Ltd.



GREGORY MARTIN

Independent non-executive Director since 29 October 2009.

Director of Spark Infrastructure, Deputy Chairman of the Board of Electricity Networks Corporation, trading as Western Power, Chairman of Iluka Resources Limited, Chairman and Joint Managing Partner of Prostar Capital and independent non-executive Chairman of Sydney Desalination Plant Pty Ltd.

Former MD and CEO of AGL, Chief Executive Infrastructure at Challenger Financial Services Group and MD of Murchison Metals Limited.

SCOTT SHEFFIELD

Independent non-executive Director since 24 February 2014.

Executive Chairman of Pioneer Natural Resources Company.

Serves on various industry and education-related boards, including the National Petroleum Council and the Maguire Energy Institute of the SMU Cox School of Business.

2013 inductee into the Permian Basin Petroleum Museum Hall of Fame.

Full Director and Santos Executive Committee biographies are available on the Santos website:

 www.santos.com

COMMITTEES OF THE BOARD
Audit and Risk Committee

Mr G Cowan (Chair)
Mr H Goh
Mr P Hearl
Mr G Martin

Nomination Committee

Mr P Coates (Chair)
Mr R Franklin
Mr G Martin

People and Remuneration Committee

Mr G Martin (Chair)
Ms Y Allen
Mr R Franklin

Environment, Health, Safety and Sustainability Committee

Mr R Franklin (Chair)
Ms Y Allen
Mr K Gallagher
Mr H Goh

Santos Executive Committee



KEVIN GALLAGHER
Managing Director & CEO

Joined Santos in 2016.

Former CEO and Managing Director at Clough Limited.

Kevin commenced his career as a drilling engineer with Mobil North Sea, before joining Woodside in 1998. During his 13-year tenure with Woodside, Kevin led the Australian Oil Business Unit, east coast domestic gas plants and was appointed CEO of the North West Shelf Venture, Australia's largest resource project.

ANTHONY NEILSON
Chief Financial Officer

Joined Santos in 2016 and is accountable for the finance, tax, treasury and investor relations functions.

Former CEO of Roc Oil Company Ltd, acquired by Fosun International Ltd in 2014, and previously CFO of the ASX-listed Roc Oil Company Ltd. Anthony has held commercial, finance and business services roles at Caltex Australia, Credit Suisse First Boston (London) and Arthur Andersen (Sydney).



JOHN ANDERSON
Executive Vice President Commercial & Business Development

Joined Santos in 1996 and is accountable for commercial and business development activities.

Former Vice President Asia Pacific, Western Australia and the Northern Territory, John has held a number of senior roles in Santos including Vice President Commercial, Vice President Strategic Projects and Group Executive Business Development.

Prior to joining Santos, John worked for 10 years as a solicitor with a large corporate law firm in Brisbane and Melbourne.

VINCE SANTOSTEFANO
Chief Operations Officer

Joined Santos in 2016 and is accountable for the profit and loss of all our operated producing assets.

Former Chief Operating Officer at Woodside responsible for the company's producing Business Units, the Production Function including 6 LNG trains with associated offshore infrastructure and four FPSOs, the Marine Division and the Brownfields Projects Group. Vince has also engaged in board work as a non-executive director and various management-consulting assignments



BRETT WOODS
Vice President Development

Joined Santos in 2013 and is accountable for delivering projects, sustaining capital work programs and non-operated assets.

Former Vice President, Eastern Australia, Brett joined Santos as the Manager Exploration for the company's WA and NT Business Unit. Brett is a geologist and geophysicist, and has over 20 years of oil and gas industry experience including executive management, technical and business development roles.

ANGUS JAFFRAY
Executive Vice President Strategy & Corporate Services

Joined Santos in 2016 and is accountable for strategy and corporate services functions.

Angus has over 20 years of leadership and consulting experience.

Former Director of Azure Consulting, a Partner at The Boston Consulting Group where he led the Australian Operations practice and a Supply Chain Manager with the global packaging group Crown Cork and Seal.



NAOMI JAMES
Executive Vice President EHS & Governance

Joined Santos in 2016 and is accountable for legal, risk and audit, company secretary, environment and safety functions.

Naomi previously held a range of functional and line leadership roles with Arrium including Chief Executive of the Group's non-integrated steel businesses, Chief Legal Officer and Chief Executive, Strategy.

Naomi previously worked in private practice at law firms in Australia and the UK.

BILL OVENDEN
Vice President Exploration

Joined Santos in 2002 and is accountable for developing and executing a targeted exploration strategy.

Bill is a geologist with over 30 years of experience in the oil and gas industry. He has worked on exploration projects in Australia, Central and South-East Asia, North Africa, the Middle East and South America, with companies including Sun Oil, Kufpec, ExxonMobil and Ampolex.

Glossary

Condensate
A natural gas liquid that occurs in association with natural gas and is mainly composed of pentane and heavier hydrocarbon fractions.

Free cash flow
Cash flow from operating activities less cash flow from investing activities.

Free cash flow breakeven
The average annual oil price at which cash flow from operating activities equals cash flows from investing activities.

LNG (Liquefied Natural Gas)
Natural gas that has been liquefied by refrigeration to store or transport it. Generally, LNG comprises mainly methane.

LPG (Liquefied Petroleum Gas)
A mixture of light hydrocarbons derived from oil-bearing strata which is gaseous at normal temperatures but which has been liquefied by refrigeration or pressure to store or transport it. Generally, LPG comprises mainly propane and butane.

Lost-time injury frequency rate (LTIFR)
A statistical measure of health and safety performance, calculated by the number of hours worked. A lost-time injury is a work-related injury or illness that results in a person's disability, or time lost from work of one day shift or more.

Sales gas
Natural gas (methane) that has been processed by gas plant facilities and meets the required specifications under gas sales agreements.

Train (LNG)
The infrastructure that purifies and cools natural gas to a liquid state ready for transport.

Units of measure

- bbl** – barrel
- boe** – barrel of oil equivalent
- mmb** – million barrels of oil equivalent
- mtpa** – million tonnes per annum

Investor information

Santos Limited
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**AUSTRALIAN SECURITIES
EXCHANGE LISTING**

STO

SANTOS WEBSITE

To view Annual Reports, shareholder and company information, news announcements and presentations, quarterly activities reports and historical information, please visit our website at www.santos.com

2016 ANNUAL REPORT

You can review our *Annual Report* online at www.santos.com or request a printed copy from the Share Registrar either by email at web.queries@computershare.com or by telephone on 1300 017 716 (within Australia) or +61 3 9938 4343.

SHAREHOLDING ENQUIRIES

Enquiries about shareholdings should be directed to the Share Registrar:

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
GPO Box 2975
Melbourne VIC 3001

Online enquiries:
www.investorcentre.com/contact
Website: www.investorcentre.com/sto
Telephone: 1300 017 716 (within Australia)
+ 61 3 9938 4343 (international)

INVESTOR ENQUIRIES

Investor Relations, Santos Limited
GPO Box 2455
Adelaide SA 5001

Telephone: +61 8 8116 5000
Email: investor.relations@santos.com
Website: www.santos.com

UPDATE YOUR DETAILS ONLINE

To update your address, payment instructions, dividend reinvestment plan options, Tax File Number, e-communications preferences, email address and more, please visit the Investor Centre at www.investorcentre.com/sto

Shareholder calendar

2016 Fourth Quarter Activities Report	20 Jan 2017
2016 Full year results announcement	17 Feb 2017
2017 First Quarter Activities Report	20 Apr 2017
Annual General Meeting	4 May 2017
2017 Second Quarter Activities Report	20 July 2017
2017 Half year results announcement	24 Aug 2017
2017 Third Quarter Activities Report	19 Oct 2017
2017 Fourth Quarter Activities Report	18 Jan 2018

All dates are indicative and subject to change.

