

8 September 2017

Santos successfully prices US\$800 million 10-year Reg-S bond offering

Santos today announced that it has priced a US\$800 million senior unsecured fixed rate bond transaction in the US Dollar Regulation S market. The bonds will be issued by Santos Finance Limited, a wholly owned subsidiary of Santos Limited, off the Company's Euro Medium Term Note Programme (EMTN Programme), dated 30 August 2017. The bonds will be guaranteed by Santos Limited.

The bonds have been priced at a fixed coupon of 4.125%, for a period of 10-years, maturing on 14 September 2027. The book was six times oversubscribed and received strong support from a mix of global asset managers and insurance companies from Asia, Australia and Europe.

The use of proceeds from the bonds will include general corporate purposes and debt refinancing.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said the offering is consistent with the company's strategy of securing very competitively priced long term capital.

"This is an excellent result for Santos, showing strong support from the capital markets. The bonds will replace the existing Euro hybrid notes with more efficient long-term debt funding, leading to significant annual interest cost savings and a further reduction in the company's forecast free cash flow breakeven oil price," Mr Gallagher said.

"The company's focus remains on debt reduction and we are on track to achieve our target of US\$2 billion in net debt by end of 2019."

Settlement of the bonds is expected to occur on 14 September 2017 and is subject to customary closing conditions.

Joint Lead Managers on the transaction are Citigroup and Deutsche Bank.

Ends.

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