

17 August 2015

Response to market speculation

Santos notes the steep decline in its share price on Friday 14 August 2015, and subsequent media speculation that the company is planning to launch an equity raising.

Santos confirms that it has no current intention to undertake an equity raising.

Santos retains ample liquidity, with over \$2 billion in cash and undrawn debt facilities currently available.

Santos continues to take positive steps to strengthen the Company's operating position in the lower oil price environment. First half capital expenditure was more than 50% below 2014 levels and unit production costs for the first half were 11% lower.

The underlying performance of the business remains strong. Production was up 13% in the first half and continued growth is expected over the next few years, coinciding with the ramp up of GLNG.

The GLNG project has made significant progress and remains on track for first LNG around the end of the third quarter. All upstream facilities are fully operational and good progress is being made on commissioning the LNG plant on Curtis Island.

Ends.

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