

NOTICE OF RESOLUTION FOR CONSIDERATION AND PASSING AT THE ANNUAL

GENERAL MEETING OF SANTOS IN MAY 2014

Resolution: As Santos shareholders, we are concerned by the ongoing reputational, regulatory and investment risks associated with our company's Narrabri Gas Project (Gunnedah Basin Project). We move that the Narrabri Gas Project in North West NSW be withdrawn from Santos' portfolio.

Santos has built a strong and positive brand over many years. The Narrabri coal seam gas project presents too many risks to that brand and to investors' confidence in our company's portfolio. Concerns include unacceptable risk to the region's groundwater and the Great Artesian Basin.

The Santos Narrabri Gas Project is facing continued community opposition and according to Australian Mining, protests at the site remain commonplace with locals regularly blockading company access roads. Santos has been forced to face court and plead guilty in NSW regarding the legacy of environmental damage in the Pilliga forest.

Aboriginal Traditional Owners have rejected unconventional coal seam gas drilling in the Narrabri region and the Gomeroi Native Title claimants currently refuse to sign off on the project.

The Narrabri Gas Project threatens Santos' reputation and makes our company look like a rogue operator.

Significant and ongoing community and scientific concern threatens not just our reputation, but also adds regulatory risk in a State that has maintained a flip-flop approach to coal seam gas and has shown significant responsiveness to community objections.

We believe the long term success of our company is best served by returning to a portfolio of investments focused on environmentally, socially and economically acceptable projects and growth strategies. Our company is now in its 60th year and we have a great legacy to respect.

We believe our company's success is linked to its strong standing in the Australian community and that it is important that our company demonstrates that it will not pursue projects in the absence of a strong social licence from relevant local communities.

We feel it would be a powerful statement by our company to walk away from this contentious Narrabri Gas Project and return to a more conservative portfolio.

S I G N E D

N A M E (print).....

A D D R E S S

State..... Postcode