

## Ellice-Flint Set To Stay With Santos Until 2009, At Least

Santos Managing Director and Chief Executive Officer, John Ellice-Flint, has extended his contract to stay with the company until August 2009.

Santos Limited's Chairman, Stephen Gerlach, said the Board was delighted that Ellice-Flint had agreed to extend his commitment to the Company.

"John and his management team have delivered record results over the last year and significantly increased the returns to shareholders over his five years as Managing Director and Chief Executive Officer", Gerlach said. "The Board looks forward to working with John to further build upon the company's growth strategy over the coming years."

Ellice-Flint joined Santos in December 2000 under an evergreen contract. His original remuneration arrangements had effectively expired in December 2005 and the new package was intended to cover the period from January 2006 until at least August 2009.

Gerlach said a significant proportion of the total potential remuneration was "at risk" and subject to the performance of the company

and achievement of appropriate increase in shareholder wealth.

The details of the package for 2006 were:

- Base salary of \$1.5 million, to be reviewed annually thereafter.
- A short term incentive the same as under Ellice-Flint's original arrangement that enables a maximum of 150% of Base Salary to be earned for exceeding quantitative and qualitative performance targets agreed with the Board at the beginning of each financial year. In addition, 50% of the actual short term incentive awarded in each year would be invested in Santos shares which are to be held for a further two years.
- Participation in Santos's senior executive Long Term Incentive arrangements, similar to the grants made to Ellice-Flint upon his appointment in 2000. Ellice-Flint will, subject to receiving shareholder approval at the 2006 AGM, receive an offer of options under the Santos Executive Share Option Plan, which will be subject to the same performance hurdles that apply to other executives. ■