

Stratus Properties Inc.
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STRATUS PROPERTIES INC. SENDS LETTER TO SHAREHOLDERS HIGHLIGHTING PROVEN STRATEGY TO DEVELOP AND MONETIZE OR LEASE AND HOLD UNIQUE HIGH-QUALITY PROPERTIES

Successful Execution of Strategy Has Consistently Delivered Strong Returns

*Stratus Urges Shareholders to Vote on the **WHITE** Proxy Card to Protect Strategy from an Offshore
Activist Hedge Fund*

AUSTIN, TX, April 30, 2021 - Stratus Properties Inc. (NASDAQ: STRS) ("Stratus" or the "Company") today issued a letter to shareholders in connection with its upcoming 2021 Annual Meeting of Shareholders (the "Annual Meeting"), which is scheduled to be held on June 4, 2021.

In the letter, William ("Beau") H. Armstrong III, the Company's Chairman, President and Chief Executive Officer, outlines how the Stratus Board of Directors has overseen a successful strategy of developing and monetizing properties when market conditions are optimal, and holding unique properties when maximum returns could be achieved via lease income. The letter provides numerous examples of our proven strategy in action – a strategy that has enabled Stratus to consistently deliver strong results for its shareholders and repeatedly outperform peers and relevant benchmarks. Examples of Stratus' strategy in action include:

- Selling The Saint Mary in January 2021 for \$60 million, or \$250,000 per unit, the highest per unit sales price recorded in the Austin MSA for similar properties;
- Record annual leasing revenue in 2020 achieved by holding properties for lease, such as Kingwood Place HEB, The Santal and Lantana Place;
- Planning for the development of Holden Hills, which consists of 475 unique residences focused on sustainable design and construction and the health and wellness of residents, [announced](#) on April 28, 2021;
- Two refinancings of The Santal to lower interest expenses and generate attractive recurring income; and
- Serving communities through the prized W Austin and Austin City Limits Live, which features an entire city block of mixed-use development in the booming downtown Austin.

“There’s no denying our success,” Mr. Armstrong stated in the letter. “However, offshore activist hedge fund Oasis Management Company Ltd. (Oasis), with its own selfish agenda, is attempting to change our strategy ... by installing new directors.”

Stratus recommends its shareholders vote on the **WHITE** proxy card “**FOR**” both of Stratus’ highly-qualified director nominees, Messrs. Leslie and Rhone, and “**FOR**” the shareholder proposal to appoint an additional shareholder-recommended director, Laurie Dotter, to the Board, consistent with its definitive proxy statement filed with the Securities and Exchange Commission on April 12, 2021, which can be found on Stratus’ website, stratusproperties.com, or the Company’s proxy page, YourStratus.com.

Shareholders as of the record date April 8, 2021 will be entitled to vote at the Annual Meeting. Shareholders with questions should contact the Company’s proxy solicitor, Innisfree M&A Incorporated, at (877) 456-3442 (Toll-Free) or (212) 750-5833.

About Stratus Properties Inc.

Stratus is a diversified real estate company engaged primarily in the acquisition, entitlement, development, management, and sale of commercial, and multi-family and single-family residential real estate properties, real estate leasing, and the operation of hotel and entertainment businesses located in the Austin, Texas area and other select, fast-growing markets in Texas.

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Forward-Looking Statements

This press release contains forward-looking statements in which Stratus discusses factors it believes may affect its future performance. Forward-looking statements are all statements other than statements of historical fact. The words “anticipates,” “may,” “can,” “could,” “plans,” “believes,” “potential,” “possible,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be” and any similar expressions are intended to identify those assertions as forward-looking statements. Stratus cautions readers that forward-looking statements are not guarantees of future performance, and its actual results may differ materially from those anticipated, expected, projected or assumed in the forward-looking statements. Important factors that can cause Stratus’ actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, Stratus’ ability to continue to effectively develop and execute its strategy, the results of Stratus’ Board’s evaluation of a potential conversion to a REIT, the uncertain and ongoing impact of the COVID-19 pandemic, and other factors described in more detail under the heading “Risk Factors” in Stratus’ Annual Report on Form 10-K for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission (SEC).

Investors are cautioned that many of the assumptions upon which Stratus’ forward-looking statements are based are likely to change after the date the forward-looking statements are made. Further, Stratus may make changes to its business plans that could affect its results. Stratus cautions investors that it undertakes no obligation to update any forward-looking statements, which speak only as of the date made, notwithstanding any changes in its assumptions, business plans, actual experience, or other changes.

Important Information

Stratus has filed with the SEC a definitive proxy statement and associated **WHITE** proxy card in connection with the solicitation of proxies for the Company's 2021 Annual Meeting. Details concerning the nominees of the Company's Board of Directors for election at the 2021 Annual Meeting are included in the definitive proxy statement. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SHAREHOLDERS OF THE COMPANY ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH OR FURNISHED TO THE SEC, INCLUDING THE COMPANY'S DEFINITIVE PROXY STATEMENT AND ANY SUPPLEMENTS THERETO, AND ASSOCIATED **WHITE** PROXY CARD, BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors and shareholders are able to obtain a copy of the definitive proxy statement and other relevant documents filed by the Company free of charge from the SEC's website, www.sec.gov. The Company's shareholders are also able to obtain, without charge, a copy of the definitive proxy statement and other relevant filed documents by directing a request by mail to Stratus Properties Inc. at 212 Lavaca Street, Suite 300, Austin, TX 78701, or by calling the Company's proxy solicitor, Innisfree M&A Incorporated, toll-free at (877) 456-3442.

A copy of this release is available on Stratus' website, stratusproperties.com.

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