



ASX/Media Release

18 September 2025

XRG Consortium Withdraws Indicative Proposal

Santos Limited (ASX: STO) (**Santos**) refers to the non-binding, indicative proposal (**Indicative Proposal**) announced on 16 June 2025 from a consortium led by XRG P.J.S.C., a subsidiary of Abu Dhabi National Oil Company and including Abu Dhabi Development Holding Company and Carlyle (**the XRG Consortium**), to acquire 100% of the issued shares of Santos via a cash scheme of arrangement (**Potential Transaction**).

On 25 August 2025 Santos agreed to a second extension of the Process and Exclusivity Deed (**Process Deed**) to enable the finalisation of the Scheme Implementation Agreement (**SIA**) and for the XRG Consortium to obtain all necessary approvals to enter into a binding transaction. The XRG Consortium confirmed that it had not found anything in due diligence that would lead it to withdraw its Indicative Proposal.

On 15 September 2025 the Santos Board advised the XRG Consortium that Santos expected to enter into an SIA at the agreed offer price of US\$5.626 if a binding proposal was received from the XRG Consortium on acceptable terms on or prior to 19 September 2025. In response the XRG Consortium notified the Santos Board yesterday evening of its decision to withdraw its Indicative Proposal and not proceed with the Potential Transaction.

In that notification, the XRG Consortium confirmed that it maintains a positive view of the Santos business and has respect for the management team.

The Santos Board had expressed its concern to the XRG Consortium about delays in agreeing the SIA. The XRG Consortium would not agree to acceptable terms which protected the value of the Potential Transaction for Santos shareholders, having regard to the likely extended timeframe to completion and the regulatory risk associated with the transaction.

Further, the XRG Consortium would not agree to an appropriate allocation of risk between the XRG Consortium and Santos shareholders under the SIA. This included the obligation of the XRG Consortium to secure regulatory approvals and the provision of a reasonable commitment to the development and supply of domestic gas.

Santos continues to successfully execute its clear strategy to deliver superior shareholder value, with our base business generating strong, stable cash flows underpinned by our disciplined low-cost operating model. Our two major development projects, Barossa and Pikka phase 1, are well advanced and materially de-risked through our proven self-execute capability, positioning Santos for around a 30 per cent increase in production by 2027. As these projects come online, Santos' capacity to generate free cash flow will materially strengthen, supporting greater returns to shareholders under our capital allocation framework.

"Over the past decade, our disciplined low-cost operating model has driven production costs down, strengthened the portfolio, and delivered strong free cash flow and returns for shareholders.

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“With production set to rise as Barossa and Pikka phase 1 come online, and unit production cost expected to trend lower over time, our strategy is clear: generate cash, reward shareholders, reinvest to backfill and sustain our infrastructure, and build and grow our production, while continuing to operate safely and reliably.

“Santos has a clear strategy, strong leadership and high-quality growth opportunities across our global portfolio. The Board is confident these strengths will deliver long-term value for shareholders,” Santos Chair, Mr Keith Spence said.

Ends.

This ASX announcement was approved and authorised for release by The Board of Santos.