Santos

Media Release

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GLNG acquires Meridian CSG project in Queensland and Santos completes Mahalo sale

Santos has entered into a binding agreement to acquire a 30 per cent interest in the Meridian CSG project for ~US$85-$90 million as part of a sale to the GLNG joint venture partners and has completed the sale of its interest in the Mahalo joint venture, valued at ~US$23-44 million.

GLNG acquires Meridian CSG project in Queensland

The GLNG joint venture partners – Santos, TotalEnergies, PETRONAS and KOGAS – have entered into binding agreements to acquire 100 per cent of the Greater Meridian CSG project (Meridian) in Queensland, which was underpinned by a long-term supply contract with GLNG. Each GLNG partner will acquire a pro-rata share in line with its GLNG joint venture interest, with Santos acquiring a 30 per cent interest and becoming operator of the project upon completion of the transaction.

Highlights

- Converts a long-standing contracted supply relationship into GLNG equity production, consistent with Santos' strategy to backfill and sustain GLNG with owned production
- Increases proforma Santos 2P reserves by 17 mmboe as at 31 December 2025, and proforma annual production by ~1 mmboe
- Santos net acquisition cost is ~US$85–90 million after the estimated adjustments for cash flows from the 1 January 2026 effective date to the completion date
- Conditional on regulatory approvals including competition approvals and FIRB clearances
- Completion targeted for late 2026

The acquisition is consistent with Santos' strategy of disciplined growth around existing infrastructure, with synergies expected as operations are integrated with Santos' other CSG operations in Queensland. Meridian will become a fifth production hub for GLNG.

Meridian is a producing asset, the development of which was underpinned by the existing long-term supply contract with GLNG that commenced in 2015. Meridian also supports a domestic gas contract with local manufacturer Queensland Nitrates at Moura.

The asset has further production growth potential. GLNG ownership of the asset is a natural step towards unlocking undeveloped resources.

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"The Meridian acquisition meets our disciplined capital allocation criteria, exceeds our internal hurdle rates, and is value accretive for Santos," Santos Managing Director and Chief Executive Officer Kevin Gallagher said.

Transaction overview

Santos and each of the GLNG joint venture partners have entered into binding Sale and Purchase Agreements with Westside Corporation and Mitsui E&P Australia for the Meridian CSG project in Queensland.

The gross purchase price is A$430 million (~US$310 million) with an effective date of 1 January 2026. Taking into account positive cash flows from the effective date to completion, as well as transaction costs, Santos' net acquisition cost is forecast to be ~US$85–90 million.

Santos CSG Pty Ltd will enter a new joint operating agreement with its GLNG joint venture partners, TotalEnergies, PETRONAS and KOGAS, effective from completion. Westside will provide transitional support for up to six months post completion.

Completion of the transaction is conditional on regulatory approvals, including competition approvals, FIRB approvals and Queensland departmental consents as well as other customary consents from counterparties. Completion is being targeted for late 2026.

Asset overview

Meridian is a producing CSG project near Moura in Queensland, comprising 280 producing wells with gas export capacity via the GLNG Gas Transmission Pipeline and Jemena's Queensland Gas Pipeline. Current production is 47 TJ/d, with approximately 90 per cent supplying GLNG under a long-term gas sales agreement and the remainder supplying domestic gas customer Queensland Nitrates at Moura.

The Greater Meridian CSG project has been evaluated as comprising 322 PJ gross 2P reserves and 346 PJ gross 2C resources as at 31 December 2025. Upon completion Santos expects to book 17 mmboe net 2P reserves and 18 mmboe net 2C contingent resources, minus volumes produced from 1 January 2026 to the completion date. The 2P reserves are predominantly contained within the PL94 license area and comprise developed and undeveloped well locations. The 2C resources include volumes associated with the development opportunity north of the existing producing area (Mungis CSG project).

The acquisition is underpinned by the producing base asset. The potential Mungis CSG project development will be assessed as a future standalone investment decision.

Completion of sale of Santos' interest in the Mahalo joint venture

Santos also announced it has now completed the divestment of its 42.86 per cent operated interest in the Mahalo joint venture in Queensland's Bowen Basin to Comet Ridge Mahalo Pty Ltd (Comet Ridge).

Santos has received total initial proceeds of ~A$32 million (US$23 million), comprised of A$2 million deposit, A$22.42 million in cash consideration at completion, plus approximately 83.78 million ordinary fully-paid Comet Ridge shares, currently valued at ~A$7.5 million. Disposal of the shares is subject only to a good faith consultation obligation and use of reasonable endeavours to facilitate any disposal in a manner that maintains an orderly market. In addition, A$30 million in contingent cash payments are payable upon gross production milestones of the Mahalo project, subject to its development, taking total consideration to up to ~A$62 million (US$44 million).

Santos Managing Director and Chief Executive Officer Kevin Gallagher said transactions like this demonstrate Santos' capital discipline, optimising the portfolio to monetise pre-development assets that are not near-term priorities in our capital allocation framework.

Ends.

Disclaimer and important notice

This release contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

Cautionary statement regarding reserves and contingent resources estimates

The estimates of petroleum reserves have been prepared in accordance with the Petroleum Resources Management System (PRMS) 2018, sponsored by the Society of Petroleum Engineers (SPE). All estimates of petroleum reserves reported by Santos are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator (QPRRE).

Unless otherwise stated, references in this presentation to reserves and contingent resources are as at 31 December 2025. The estimates of reserves included in this presentation are an aggregate of both developed and undeveloped reserves. Information on petroleum reserves quoted in this presentation is rounded to the nearest whole number. Some totals may not add due to rounding.

The estimates of petroleum reserves in the presentation are based on and fairly represent information and supporting documentation prepared by, or under the supervision of Mr Steve Lawton who is a full-time employee of Santos and a member of the SPE. Mr Lawton meets the requirements of QPRRE as defined in Chapter 19 and rule 5.41 of the ASX Listing Rules and consents to the inclusion of this information in the form and context in which they appear in this presentation.

Unless otherwise stated, all references to petroleum reserve quantities in this presentation are Santos' net share. Reference points for Santos' petroleum reserves and production are defined points within Santos' operations where normal exploration and production business ceases, and quantities of produced product are measured under defined conditions prior to custody transfer. Fuel, flare and vent consumed to the reference points are excluded. Petroleum reserves are aggregated by arithmetic summation by category and as a result, proved reserves may be a very conservative estimate due to the portfolio effects of arithmetic summation. Petroleum reserves are typically prepared by deterministic methods with support from probabilistic methods.

Conversion factors: 1PJ of sales gas equals 171,937 boe; 1 tonne of LPG equals 8.458 boe; 1 barrel of condensate equals 1 boe; 1 barrel of crude oil equals 1 boe.

In accordance with ASX Listing Rules, Santos expects to announce its evaluation of reserves and contingent resources attributable to the Meridian CSG assets after completion of the acquisition.