



ASX / Media Release

27 June 2025

Santos enters into Process Deed with XRG

Santos Limited (ASX:STO) (**Santos**) announces that it has entered into a process and exclusivity deed (**Process Deed**) with XRG P.J.S.C. (**XRG**), a subsidiary of Abu Dhabi National Oil Company and lead investor of a consortium including Abu Dhabi Development Holding Company and Carlyle (the **XRG Consortium**) in relation to the XRG Consortium's non-binding indicative proposal to acquire 100% of the issued shares of Santos for US\$5.76¹ (A\$8.89)² per share in cash (**Potential Transaction**).

The Process Deed governs the basis upon which the XRG Consortium will have the opportunity to undertake due diligence and provides for the parties to negotiate in good faith, in parallel with the due diligence, a binding scheme implementation deed (**SID**) to implement the Potential Transaction.

The XRG Consortium has been granted exclusive due diligence access for a period of six weeks (**Exclusivity Period**) from today (**Data Room Opening**). The exclusivity provisions include customary "no shop", "no talk", "no due diligence" and "notification" obligations that apply during the Exclusivity Period. A fiduciary exception applies enabling the Santos Board to deal with potentially superior proposals from competing acquirers from the date that is four weeks from today.

The key terms of the exclusivity provisions are summarised in Appendix A.

The XRG Consortium has also agreed to a confidentiality agreement with Santos.

Santos Shareholders do not need to take any action in relation to this announcement. Santos notes that there is no certainty that the XRG Consortium will enter into a binding SID or that a Potential Transaction will proceed. Santos will continue to keep its shareholders informed in accordance with its continuous disclosure obligations.

Ends.

This ASX announcement was approved and authorised for release by the Managing Director and Chief Executive Officer of Santos.

¹ The cash offer price will be adjusted for any dividends paid by Santos.

² Based on an exchange rate of 0.6480 AUDUSD as at 13 June 2025.

Media enquiries

Samantha Hutchinson
+61 (0) 425 317 171
Samantha.Hutchinson@santos.com

Investor enquiries

Cameron Judd
+61 8 8116 5174 | +61 (0) 459 116 000
Cameron.Judd@santos.com

Santos Limited

ABN 80 007 550 923
GPO Box 2455, Adelaide SA 5001
T +61 8 8116 5000 | F +61 8 8116 5131
santos.com

Appendix A – Summary of key terms of exclusivity provisions

No shop restriction

During the Exclusivity Period, Santos must not, and must ensure that its affiliates and representatives do not, directly or indirectly solicit, invite, encourage, facilitate or initiate any enquiries, expressions of interest, offers, proposals, negotiations or discussions in relation to, or which would reasonably be expected to encourage or lead to, the making of an actual, proposed or potential Competing Proposal, or communicate to any person any intention to do any of those things.

No talk restriction

Subject to the fiduciary exception described below, during the Exclusivity Period, Santos must not, and must ensure that its affiliates and representatives do not, directly or indirectly, negotiate or enter into, or participate in any negotiations or discussions with any third party regarding an actual, potential or proposed Competing Proposal, even if that third party's Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by Santos or any of its affiliates or representatives or the third party has publicly announced the Competing Proposal, or communicate to any person any intention to do any of those things.

No due diligence restriction

Subject to the fiduciary exception described below, during the Exclusivity Period, Santos must not, and must ensure that each of its affiliates and representatives do not, directly or indirectly, enable any third party to undertake due diligence investigations (including by making available non-public information or providing access to officers, premises or employees of the Santos group) on any member of the Santos group, or any of the operations or assets of the Santos group's business or any part of it, with a view to obtaining, or which would reasonably be expected to lead to receipt of, a Competing Proposal from the third party, or for the purpose of such third party formulating, developing or finalising a Competing Proposal.

Non-public information

Subject to the fiduciary exception described below, if during the Exclusivity Period any non-public information is provided or made available to any person in connection with an actual, proposed or potential Competing Proposal which has not previously been provided or made available to the XRG Consortium, Santos must promptly, and within two business days, provide that material to the XRG Consortium, provided that Santos or any of its affiliates are not required to make available material that Santos reasonably considers is likely to disclose information relating to that other person which is commercially or competitively sensitive information of that person, would be reasonably likely to breach an existing confidentiality obligation or applicable law or would be reasonably likely to compromise legal privilege.

Fiduciary exception

On and from the date that is four weeks after if you had any other date of the Data Room Opening, the no talk and no due diligence associated restrictions do not apply to the extent that it restricts Santos, its subsidiaries or any of their representatives from taking or omitting to take any action in connection with an actual, proposed or potential Competing Proposal (which was not solicited, invited, encouraged, facilitated or initiated of the exclusivity provisions) provided that:

- the Santos board has first determined, in good faith, and in what the Board considers to be in the interests of Santos and its shareholders that:
 - after consultation with its external financial and external legal advisers, such actual, proposed or potential Competing Proposal is, or could reasonably be expected to lead to, a Superior Proposal if it is completed substantially in its terms; and
 - after having receiving written legal advice from its external legal advisers, failing to respond to such actual, proposed or potential Competing Proposal would, or would be reasonably likely to, be contrary to the fiduciary or statutory duties of any member of the Board;

- Santos notifies XRG in writing, as soon as reasonably practicable, if it proposes to take any action in reliance on this exception; and
- if any such non-public information is to be provided to a third party in reliance on the fiduciary exception, the third party must first enter into a confidentiality agreement with Santos or any of its affiliates on customary terms (which contains a standstill undertaking from such third party which must be on terms no more favourable than any standstill undertaking given by any XRG Consortium member or any of their affiliates).

Notification obligations

During the Exclusivity Period, Santos must promptly, and in any case within 36 hours, notify XRG in writing if:

- Santos, or any of its affiliates or representatives, is approached by any third party requesting or proposing that it take any action of a kind referred to in the no talk or no due diligence restrictions summarised above; or
- Santos, or any of its affiliates or representatives, propose to take any action of a kind referred to in the no talk or no due diligence restrictions summarised above,

in which case Santos must give XRG all material details of the proposed action to the extent known.

During the Exclusivity Period, within 36 hours after Santos or any of its affiliates or representatives receives any Competing Proposal, Santos must give XRG notice in writing of:

- the existence of the Competing Proposal; and
- the name and identity of the third party who has made the applicable Competing Proposal (and any other third party involved) and all material terms of the applicable Competing Proposal (including details of the proposed price or implied value, conditions, timing and break fee (if any)), together with a copy of any material information concerning the operations of Santos group provided to any person associated with the Competing Proposal not previously provided to XRG

Restrictions on entering certain arrangements

If during the Exclusivity Period any Competing Proposal is made, announced, or received, Santos must:

- not enter into, and must ensure that no member of Santos group enters into, any legally binding agreement, arrangement or understanding pursuant to which any one or more of a third party, Santos or any affiliate of Santos agrees to undertake or to give effect to an actual, proposed or potential Competing Proposal; and
- ensure that no member of the Santos Board publicly recommends a Competing Proposal (or recommends against the XRG Consortium's proposal) or a proposed or potential Competing Proposal, or makes any public statement to the effect that they may do so at a future point,

unless:

- Santos provides XRG with information on the Competing Proposal in accordance with the relevant notification obligation summarised above; and
- a period of five business days after receipt by XRG of information on the Competing Proposal has expired.

Key defined terms

Competing Proposal means any expression of interest, proposal, offer (including a non-binding indicative offer or proposal), transaction, agreement or arrangement (whether by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, joint venture or otherwise) which, if completed substantially in accordance with its terms, would mean a person whether alone or together with its affiliates would:

- a. directly or indirectly, acquire a Relevant Interest (as defined in the *Corporations Act 2001* (Cth)) in, have any legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in, or control of, in each case 20% or more of Santos or any of its related bodies corporate that (individually or collectively with all related bodies corporate dealt with in one or more related transactions) hold a significant or material part of the assets of or business conducted by the Santos group;
- b. acquire control of Santos, within the meaning of section 50AA of the *Corporations Act 2001* (Cth) (but disregarding sub-section 50AA(4));
- c. directly or indirectly acquire or become the holder of, obtain a right to acquire, or otherwise obtain a legal, beneficial or economic interest in, or control of, all or a substantial part or a material part of the assets of or business conducted by Santos or the Santos group;
- d. otherwise directly or indirectly acquire, be stapled with, merge or amalgamate with, or acquire a controlling shareholding or majority economic interest in, Santos or any of its related bodies corporate that hold a significant or material part of the assets of or business conducted by Santos group; or
- e. require Santos to abandon, or otherwise fail to proceed with, the transaction (including if the transaction becomes incapable of being implemented),

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.

Exclusivity Period means the period commencing on the date of the Process Deed and ending at 5:00pm (Sydney time) on the date that falls six weeks after the date of the Data Room Opening, as extended by a further two weeks with the consent of Santos (not to be unreasonably withheld) if, before the end of the period, XRG confirms to Santos in writing that it has completed its due diligence and that it is willing to proceed with the transaction.

Superior Proposal means a bona fide, written Competing Proposal that is received by Santos and that the Board determines, acting in good faith and in order to satisfy what the Board considers to be its fiduciary or statutory duties after having obtained written advice from Santos' external legal advisers and financial advisers:

- a. is reasonably capable of being completed substantially in accordance with its terms, taking into account all aspects of the Competing Proposal, including any timing considerations, its conditions, the identity, reputation and financial condition of the person making such proposal, the nature of any consideration offered and all other relevant legal, regulatory and financial matters; and
- b. would, if completed substantially in accordance with its terms, result in a transaction that is reasonably likely to be more favourable to shareholders as a whole than the latest proposal provided by the XRG Consortium or any of the XRG Consortium members' affiliates prior to receipt of the Competing Proposal, taking into account all aspects of the Competing Proposal and the latest proposal provided by the XRG Consortium or any of the XRG Consortium members' affiliates to Santos prior to receipt of the Competing Proposal, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.