

Santos shares soar after Harbour Energy takeover bid

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Shares in Australian energy giant Santos soared Tuesday after US private investment company Harbour Energy Tuesday made a Aus\$13.5 billion

(US\$10.3 billion) all-cash offer for the firm.

Santos, a major oil and natural gas firm with interests notably in Papua New Guinea, said it had received a proposal of US\$4.98 per share.

This was equivalent to Aus\$6.50, representing a 28 percent premium to its closing price before the Easter break.

Its shares surged 16.17 percent on the news to close at Aus\$5.89, easing from a high of Aus\$6.20.

"The Santos board considers that, based on the indicative offer price of A\$6.50 per share, it is in the interests of shareholders to engage further with Harbour," the [company](#) said in a statement.

Harbour, which will now carry out due diligence, is planning to fund the deal with US\$7.75 billion of underwritten debt.

The move comes five months after Santos rejected an unsolicited Aus\$4.55 per [share](#) bid by the US investor, saying it undervalued the company.

While Santos has stakes in oil and gas production in several countries, including Indonesia and Vietnam, its main assets include 13.5 percent of Exxon Mobil's massive liquefied natural gas venture in Papua New Guinea.

It also has operations throughout Australia.

Harbour, an [energy](#) investment vehicle formed by EIG to acquire high-quality upstream and midstream assets globally, said it plans to expand Santos by investing further in existing facilities and adding other assets.

"We are pleased with the decision of the Santos board to engage further and look forward to progressing this transaction towards completion," said chief executive Linda Cook.

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