

US firm Harbour Energy ups bid for Australia's Santos

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US private investment firm Harbour Energy on Monday boosted its bid for Australian energy giant Santos as oil prices soar, in a deal valuing the

company at US\$10.9 billion.

Santos, a major oil and natural gas firm with interests notably in Papua New Guinea, said it had received a new proposal of US\$5.21 per [share](#). This is equivalent to Aus\$6.95, and 4.6 percent higher than the Aus\$6.50 offered in early April.

The revised proposal is conditional on Santos undertaking extra hedging of oil-linked production in 2018 of about 30 percent, and make changes to hedging the following year.

Harbour indicated the price would be further increased to a US dollar equivalent to Aus\$7 a share if Santos agreed to hedge 30 percent of oil-linked production in 2020.

"The independent directors of Santos will consider the revised Harbour proposal and will update shareholders accordingly," Santos said.

The move sent the company's shares 1.52 percent higher to Aus\$6.34 in early afternoon trade.

Harbour, an [energy](#) investment vehicle formed by private equity firm EIG to acquire high-quality upstream and midstream assets globally, has previously said it would fund the deal with US\$7.75 billion of underwritten debt.

The move comes after Santos last year knocked back 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.

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