



HD Santos Finds Silver Bullet for Credit Concerns: GS -- Market Talk

WC 172 words

PD 10 November 2015

ET 10:04

SN Dow Jones Institutional News

SC DJDN

LA English

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LP 2303 GMT -- [Goldman Sachs](#) welcomes the end to speculation about [Santos Ltd.](#)'s (STO.AU) financial health with an upgrade to neutral from sell. On Monday, the Australian oil and gas producer unveiled a package of measures to raise 3.5 billion Australian dollars (\$2.46 billion). They comprised the A\$520 million sale of a gas field to Japan's Mitsui, a A\$2.5 billion share issue to existing investors and a A\$500 million placement to Chinese private equity firm [Hony Capital](#). "By our estimates, the amount raised looks sufficient to bring Santos's credit metrics back to consistency with BBB credit metrics on our oil deck (and also looks sufficient on \$50/bbl flat)," analyst Mark Wiseman says. The broker lifts its price target by 24% to A\$4.95/share. STO last traded at A\$5.91. (david.winning@wsj.com; @dwinningWSJ)

(END) Dow Jones Newswires

TD November 09, 2015 18:04 ET (23:04 GMT)

CO sants : Santos Ltd

IN i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | iextra : Natural Gas/Oil Extraction

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AN Document DJDN000020151109ebb9004ad

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