

# Asset swap between OMV and Gazprom

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Urengoy, Russia. Source: Gazprom

OMV Aktiengesellschaft

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# Asset swap between OMV and Gazprom: Binding basic agreement signed



Urengoy, Russia. Source: Gazprom

- ▶ OMV to receive a 24.98% stake in Achimov IV/V blocks, Urengoy natural gas and condensate field
- ▶ Gazprom to receive a 38.5% participation in OMV's wholly owned subsidiary OMV (NORGE) AS
- ▶ The economic effective date will be January 1, 2017
- ▶ Signing of final transaction documents expected by mid-2017; Closing envisaged by year-end 2018 at the latest
- ▶ Important strategic step to balance OMV's portfolio, improve competitiveness and provide strong growth platform

# Urengoy: Russia's largest gas field

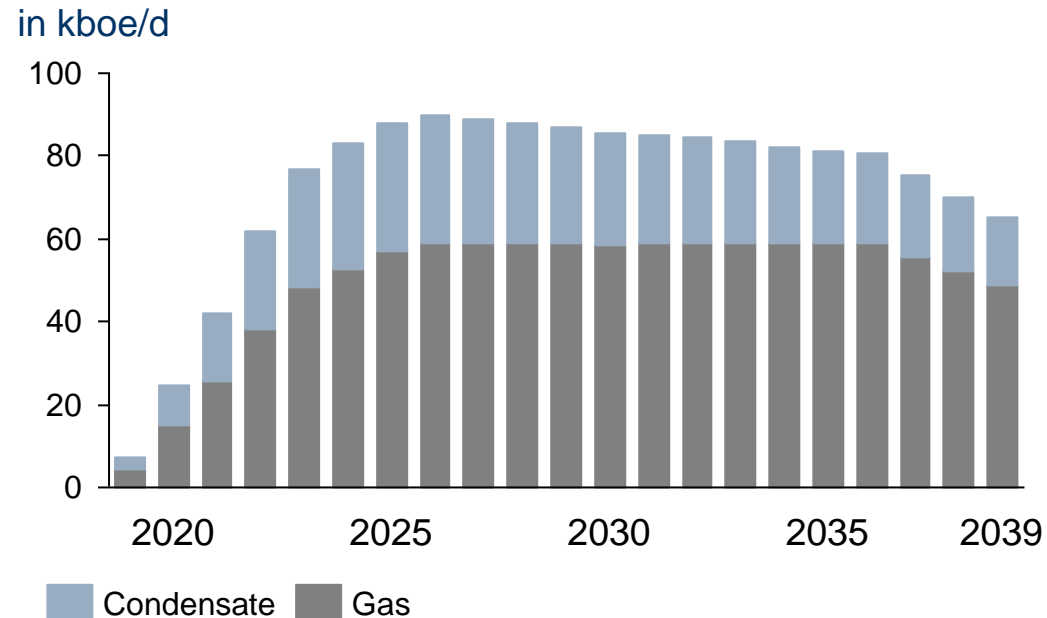


\* Location of the field is indicative

- ▶ Russia's largest gas field, located in Western Siberia
- ▶ Field discovered in 1966 and has been producing gas for over 35 years
- ▶ Achimov IV/V reservoir in the Urengoy field is a deep and condensate rich reservoir
- ▶ Currently Achimov blocks I and II are producing
- ▶ Achimov IV/V joint venture partners: Gazprom, Wintershall and OMV (basic agreement signed for a 24.98% stake)

# Achimov IV/V significantly increases production and reserves for OMV

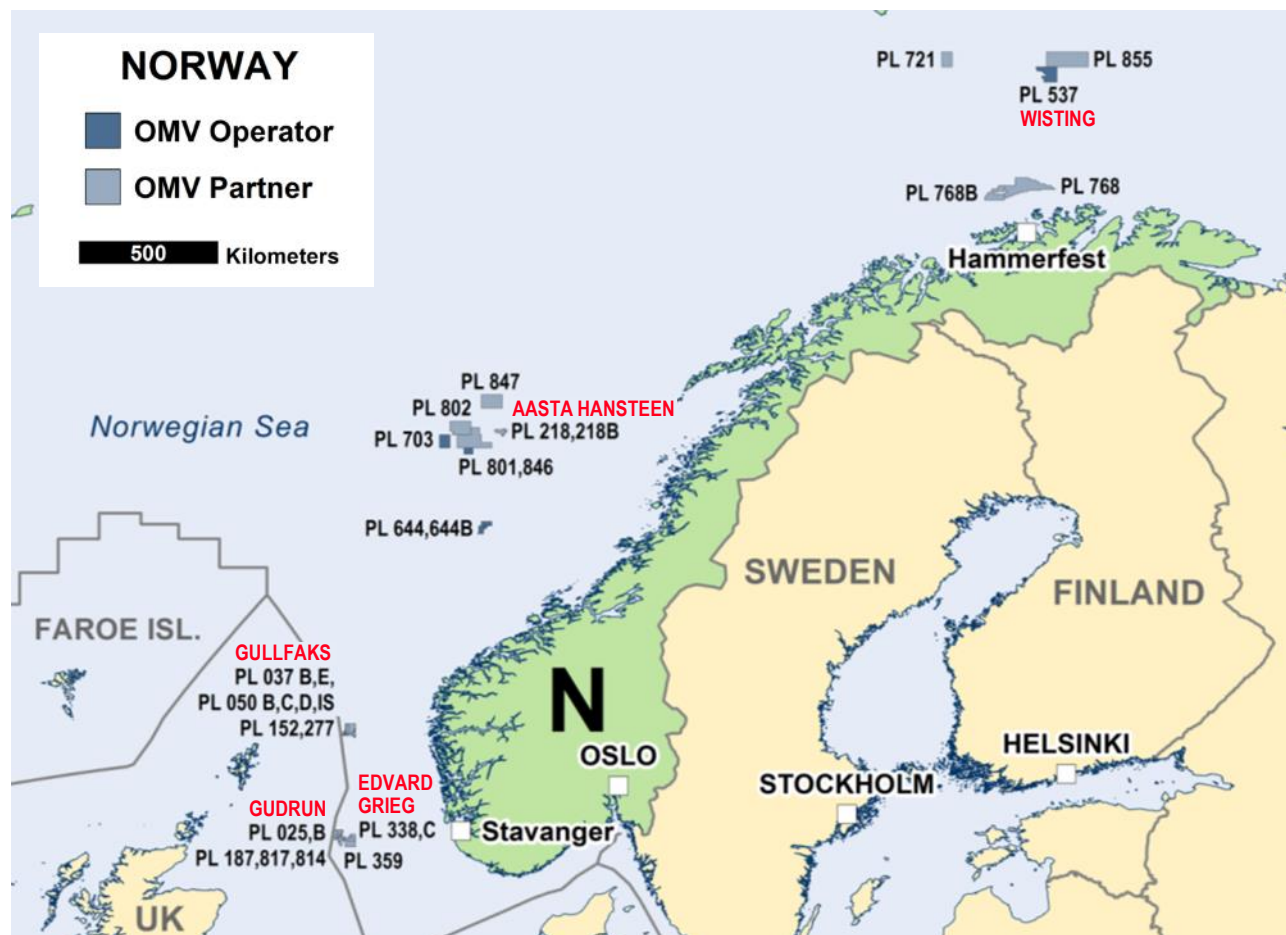
## OMV's share of Achimov's IV/V production development



## Long-term, stable production base for OMV

- ▶ Achimov IV/V sanctioned in March 2016
- ▶ Total cumulative production: 2.2 bn boe  
OMV's share: 560 mn boe  
~70% gas and ~30% condensate
- ▶ 14-20 wells to be drilled annually between 2018-2024
- ▶ Production start-up expected in 2019
- ▶ Production plateau to be reached in 2025 at >80 kboe/d
- ▶ Plateau production level will last for 12 years, with only slight decline thereafter
- ▶ CAPEX of EUR 0.9 bn from 2017-2039  
~40% spent in the first two years

# Norway is a core region for OMV



## Gazprom to receive a 38.5% stake in OMV (NORGE) AS

OMV Norwegian subsidiary:

- ▶ 32 licenses, 5 operated by OMV
- ▶ 2P reserves of 200 mn boe  
50% split between liquids and gas
- ▶ 9m/2016 production: 67 kboe/d

Main interests:

- ▶ Producing fields: Gullfaks, Gudrun, Edvard Grieg
- ▶ Development: Aasta Hansteen production expected in 2018
- ▶ Upside potential from Wisting

# Strategic rationale



**Transaction enables OMV to exceed its strategic target of a 100% Reserve Replacement Rate for a period of five years**



**Substantial increase in OMV's production from Achimov IV/V**

- ▶ 25 kboe/d production contribution in 2020
- ▶ >80 kboe/d plateau production contribution in 2025-2036



**Significant improvement of OMV's Upstream cost base**

- ▶ Achimov IV/V unit production cost expected below USD 2/boe
- ▶ Exploration and Appraisal expenditure reduced from EUR 700 mn to EUR 300 mn



**Strengthening of partnership with Gazprom by identifying and jointly developing further projects and opportunities**

# Impact on OMV's financials



Urengoy, Russia. Source: Gazprom

## OMV (NORGE) AS

- ▶ OMV will continue to fully consolidate its OMV (NORGE) AS subsidiary and the reserves
- ▶ OMV Norwegian subsidiary will distribute dividends to Gazprom

## Achimov IV/V

- ▶ OMV will be entitled to dividends from the Achimov IV/V joint venture; dividends expected to be distributed from 2020 onwards
- ▶ OMV's share of net income will be reflected in the income statement in clean CCS operating result, as net income from equity-accounted investments





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