OMV Group

OMV is producing and marketing oil and gas, innovative energy and high-end petrochemical solutions – in a responsible way. With Group sales of EUR 20 bn and a workforce of around 20,700 employees in 2017, OMV is one of Austria’s largest listed industrial companies. In Upstream, OMV has a strong base in Romania and Austria and a balanced international portfolio, with the North Sea, the Middle East & Africa and Russia as further core regions. 2017 daily production stood at approximately 348,000 boe/d. In Downstream, OMV operates three refineries with a total annual processing capacity of 17.8 mn tonnes and more than 2,000 filling stations in ten countries as of year-end 2017. OMV operates a gas pipeline network in Austria and gas storage facilities in Austria and Germany. In 2017, gas sales volumes amounted to 113 TWh.

OMV in Russia

OMV’s cooperation with Russia dates back to 1968, when it became the first European company to conclude a gas supply agreement with the former USSR. This pioneering move averted a supply shortage on Europe’s booming gas market and provided a model for several similar agreements with Western European companies. The Soviet Union remained a reliable supplier and new gas supply agreements were signed in 1974, 1975 and 1982. After decades of strong cooperation and secure supplies, in 1994 OMV extended these agreements with Russian Gazprom until 2006, 2012, and even as far forward as 2027. OMV has had a small representative office in Moscow since 1991. In 2017 OMV started building a full “hub” organization in St. Petersburg, which is responsible for OMV all activities in Russia.

With the acquisition of Yuzhno-Russkoye, upcoming closing of swap deal regarding Achimov and other potential assets Russia has now become a core country for OMV and the Group continues to explore further opportunities in Russia.

Achimov IV and V

In December 2016, OMV reached a binding “Basic Agreement” with Gazprom for a potential asset swap transaction. The swap transaction is envisaged to consist of an acquisition of a 24.98% interest in the Achimov IV and V phase development in the Urengoy gas and condensate field by OMV in exchange for a 38.5% participation of Gazprom in OMV (NORGE) AS. OMV will continue to fully consolidate the OMV (NORGE) AS subsidiary and its reserves.

The asset swap would grant OMV access to the Achimov IV/V reservoir in the Urengoy field located in Western Siberia, Russia. Production is expected to start up in 2020.

The effective date of the Achimov transaction is January 1, 2017. The execution and performance of the swap transaction is subject to the agreement on the final transaction documents, regulatory and further corporate approvals.

Yuzhno Russkoye

In 2017, OMV acquired a 24.99% share in the Yuzhno Russkoye natural gas field located in Western Siberia from Uniper SE. The acquisition builds a new core area, Russia, in OMV’s Upstream portfolio adding 100,000 boe/d to OMV’s production.

The Yuzhno Russkoye field is one of the largest gas fields in Russia, situated production in Western Siberia. Current plateau production of the field amounts to 25 bn cubic meters per year (100%). The license will expire by the end of 2043. This modern and technically-advanced gas field is the main source of hydrocarbons for the Nord Stream pipeline. The transaction enables OMV to reach its strategic target of a 100% reserves replacement rate for a period of around five years based on OMV’s 2016 production volume.

The Yuzhno Russkoye transaction is retroactively effective as of January 1, 2017.

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