

Completion of strategic merger with NEO Energy

- The merger between Repsol Resources UK and NEO Energy was completed today. The combined group has been renamed NEO NEXT and becomes one of the largest producers on the UK Continental Shelf (UKCS).
- The joint venture is owned by Repsol E&P Group (45%) and NEO UK (55%), with a projected 2025 production of approximately 130,000 barrels of oil equivalent per day (boe/d).

The strategic merger between Repsol Resources UK and NEO Energy was completed today. The combined group has been renamed NEO NEXT Energy Limited ("NEO NEXT") and becomes one of the largest producers on the UK Continental Shelf (UKCS).

Francisco Gea, Executive Managing Director of Exploration and Production at Repsol, commented: "This combination creates a jointly governed business which will call upon the key strengths of both shareholders. Repsol contributes operational capabilities on production, development, and decommissioning activities which will be combined with NEO Energy expertise on financial and commercial matters. We believe this combined business has many more opportunities for profitable growth in the basin and beyond."

John Knight, Executive Chair of NEO NEXT, commented: "This is a great deal for all stakeholders. Our strategy can be summarised as "Resilience, Yield and Growth": the combined company has much more scale and diversity and opportunities for cost consolidation and portfolio high-grading giving resilience despite the tough conditions in the UK. The benefits of synergies from consolidation will create much stronger value creation, profit and cash flow yield for shareholders and more options for capital allocation decisions well into the next decade. But this company will also be very well positioned to choose both organic and inorganic growth. We will certainly look to be making more value accretive acquisitions. We have known Repsol E&P for many years and have the highest regard for them as a capable and reliable partner."

The joint venture is owned by Repsol E&P Group (45%) and NEO UK (55%). This equity split reflects the contributions and strategic alignment of both parties in the creation of a market-leading entity in the UKCS, with a projected 2025 production of approximately 130,000 barrels of oil equivalent per day (boe/d).