

Press release
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The agreement will help streamline operational decision-taking

REPSOL AND NNK GROUP THEIR RUSSIAN JOINT VENTURE ASSETS INTO A SINGLE MANAGEMENT COMPANY

- **Repsol Chairman Antonio Brufau and NNK President Eduard Khudaynatov signed the agreement today in Madrid.**
- **The alliance between both companies combines NNK's knowledge and access to exploration and production business opportunities in Russia with Repsol's know-how and technical capabilities.**

Repsol and NNK have agreed to group their Russian joint venture assets into a single management company to help optimise operational decision-taking, reduce costs and achieve maximum synergies from the partnership.

NNK President Eduard Khudaynatov and Repsol Chairman Antonio Brufau met today in Madrid to sign the agreement and discuss new business opportunities.

The alliance between the companies is a platform in Russia for both partners to develop their oil and gas business, combining NNK's knowledge and access to exploration and production business opportunities in Russia with Repsol's know-how and technical capabilities.

The joint venture, AR Oil & Gas B.V. (AROG), owned 51% and 49% by NNK and Repsol respectively has an average production of 22,500 barrels of oil per day and 76 million standard cubic feet of gas per day in 2014. Under the agreement signed today, the Russian company ALREP, a subsidiary of AROG, will manage the joint venture's assets and NNK will manage oil sales through a marketing agreement.

Repsol in Russia

During 2013, Russia contributed 14,600 barrels of oil equivalent a day to Repsol's production. This has risen to 17,640 boepd in 2014 with the startup of new gas wells in the SK field.

NNK Group

The NNK group is a Russian vertically integrated oil company involved in refining and oil and gas production in the major producing regions of the Russian Federation, as well as in the Republic of Kazakhstan. The Group's reserves in 2014 total more than 500 million tons of oil equivalent, and expected production for the year is approximately 3.5 million tons.

NNK Group owns the Khabarovsk refinery which, upon completion of reconstruction in 2014, has become one of the most technologically advanced refineries in Russia, with a processing capacity of 6 million tons. In the retail market, NNK Group has a network of more than 250 stations in the Far East.