

# Press information



Shaping the future.

## **Exploration & Production: Expansion of international activities**

- **Upstream activities with Gazprom expanded**
- **Norway and UK: development of oil discoveries**
- **Production in Libya at around 60,000 barrels**

15 March 2012  
Michael Sasse  
PI-12-10  
Tel. +49 561 301-3301  
Fax +49 561 301-1321  
press@wintershall.com  
www.wintershall.com

**Kassel.** As Germany's largest internationally active crude oil and natural gas producer with more than 2,000 staff from over 40 nations, Wintershall works in core regions where it has a high level of regional and technological expertise – these are Europe, North Africa, South America as well as Russia and the Caspian Sea region. These are complemented with the company's increasing activities in the Middle East.

Production at Wintershall has grown considerably since 2000. Following the substantial rises in production in recent years, in 2011 production of crude oil and natural gas was kept at a high level of 113<sup>1</sup> million barrels of oil equivalent (BOE) – this is an increase of about 41 percent on the figure for 2000 of 80 million barrels of oil equivalent.

---

<sup>1</sup> This includes the shares of third parties which are attributable to Gazprom's interest in the German Wintershall company which holds the Libyan concessions 96 and 97. Production volumes from the west Siberian Achimgaz project are included from 18 November 2011 since the project entered commercial production.

Wintershall Holding GmbH  
Press and Public Relations  
P.O. Box 10 40 20  
34112 Kassel, Germany

In 2011 crude oil and condensate production fell by 43 percent compared to 2010 to 25 million barrels of oil equivalent (2010: 44), natural gas production declined by one percent to 88 million barrels of oil equivalent (2010: 89). The sharp fall in oil and condensate production is mainly due to the suspension of production in Libya over several months.

The company's confirmed oil and gas reserves increased on the figure at the end of 2010 by three percent to 1,156 million BOE. This rise is mainly due to the volumes from the Achimgaz project being included for the first time, where the full field development began following the successful conclusion of the pilot phase. The total reserve-to-production ratio, which is based on Wintershall's share of production in 2011 and refers to the reserves at year end, is 11 years (2010: 10 years). 131 % of the quantities produced in 2011 were replenished.

### **10 wells identify new deposits**

In the search for new crude oil and natural gas deposits, in 2011 Wintershall invested a total of 832 million euros (2010: 571) in the exploration and production segment in exploration, investment and acquisition.

Overall 21 exploration and appraisal projects (2010: 23) were conducted in 2011 in the search for new crude oil and natural gas deposits. New resources were discovered with ten of these wells (2010:12). Wintershall plans to continue the search for new reservoirs in its core regions in 2012 and to push ahead with the development of known deposits, especially in the North Sea and Norway, in the coming years.

In addition to our investments in finding, developing, and producing hydrocarbons, expanding our technological know-how secures the company's sustained success. Wintershall conducts its own research and development projects in selected technological fields. These activities focus on reducing the risks involved in exploration methods, attaining a higher yield from deposits that are already producing, and developing technologies for deposits in which the development and production conditions are difficult. By harnessing the synergies offered by the research expertise of the BASF Group, Wintershall can increasingly position itself as a partner with specialist technological expertise in the race for access to crude oil and natural gas resources.

We operate in ecologically sensitive areas. Therefore, before our activities start, we carefully examine potential effects on the environment, such as on water and biodiversity. Together with experts, our contractors and relevant stakeholders, we establish measures to minimize the impact on humans and the environment. In so doing, we are committed to complying with international conventions, local regulations and our own standards.

## **Germany**

Wintershall continued its commitment to German crude oil and natural gas production in 2011 too. Germany's largest internationally active crude oil and natural gas producer invested in six new horizontal wells and seven vertical wells in Emlichheim in Lower Saxony. The wells will be supplemented with 13 additional extended reach wells at existing production stations in the next few years. Wintershall currently produces around 160,000 tons of crude oil a year in Emlichheim. On the basis of current calculations, Emlichheim will continue to make its contribution to Germany's oil supply for at least another 25 years.

Between November 2011 and January 2012, Wintershall sank the new wells “Aitingen Süd 2”, “Schwabmünchen 7” and “Aitingen Nord-Ost 1” in Aitingen and Schwabmünchen. All three wells discovered oil. The oil from these wells will flow via steel pipeline to the operations in Aitingen from May 2012, where it will be treated and then transported to the refinery in Lingen.

As well as activities in Emlichheim and Aitingen/Schwabmünchen, in 2011 Wintershall sank a new well at its operations in Landau in the Pfalz region. The “Landau 2” well, which has already been producing oil since 1955, was deviated to the west 800 meters down to open up the remaining oil reserves at a reservoir depth of 1,580 meters. The Landau site has produced around 4.4 million tons of oil since 1955. Wintershall aims to produce an additional 15,000 tons of oil in the Pfalz region by 2030. The oil produced in Germany only covers about three percent of national demand, but all use of domestic resources strengthens supply security.

Wintershall is exploring a new natural gas deposit near Barnstorf (Diepholz district) with the well Düste Z10 launched in January 2012. Experts expect to find a tight gas deposit with up to 40 billion cubic meters of natural gas in carbon layers more than 4,000 meters underground. If the potential recoverable reserves of about 10 billion cubic meters of natural gas are confirmed and suitable for production, natural gas could be produced at the operations in Lower Saxony for several decades to come.

The offshore field Mittelplate, in which Wintershall and RWE Dea AG each hold a 50 percent share, is still the cornerstone of oil production in Germany. In addition, in 2011 we sank the first wells in Bockstedt in Lower Saxony as part of our biopolymer project to increase the yield from reservoirs.

In addition to our production sites in North Germany, Rhineland-Palatinate and Bavaria, we focus on expanding our exploration and production of crude oil and natural gas in the North Sea. The Wintershall platform A6-A in the far north-west of the German North Sea – the so-called “Entenschnabel” (‘Duck’s Bill’) – is the only offshore gas production platform in Germany. Wintershall aims to develop additional natural gas reserves with a new well.

Wintershall is also involved in the exploration process for unconventional gas reserves in Germany. The company received permission from the relevant mining authorities to conduct geological investigations in two license areas. The Wintershall concessions “Rhineland” and “Ruhr” cover an area of 3,900 km<sup>2</sup> and stretch from the German-Dutch border in the West to the Sauerland region in the East. Our activities are limited to preliminary geological surveys to assess the resource potential of possible unconventional deposits. Deep drilling and fracking activities are not planned.

## **Europe**

Crude oil and natural gas from the North Sea will continue to play an important role in Europe’s energy supply. Hence, Wintershall has acquired promising licenses in the British, Danish and Norwegian North Sea. In particular, we are expanding our activities on the Norwegian continental shelf and continue to focus on growth. Wintershall has been active in the North Sea since 1965. Alongside Russia, Norway is the most important supplier for Europe because of its major oil and gas deposits and the existing connections to the West European markets.

With over 40 licenses and more than 20 operatorships, Wintershall is one of the largest license holders in **Norway**. The company enjoyed important successes in 2011 in developing the deposits discovered

there. The Norwegian parliament, for example, approved the field development and operating plan for the field Knarr in the northern North Sea. This deposit, which Wintershall has a 20% share in, has commercially recoverable reserves of more than 70 million barrels of oil equivalent. The start of production is planned for 2014. The field Luno is also scheduled to begin development soon. Wintershall has also raised its share in the promising Maria discovery from 25 to 50 percent. The “Maria” discovery, with its estimated 60 to 120 million barrels of oil, is given very good prospects for success. In the 21st licensing round Wintershall was awarded two exploration licenses, one as operator for the first time in the Barents Sea. Wintershall holds five licenses overall in the Barents Sea. Wintershall’s activities were also expanded with the allocation of seven new production licenses from the Norwegian energy ministry as part of the 2011 APA licensing round.

Wintershall invested around half of its global exploration budget in the Norwegian continental shelf alone in 2011. The company plans to invest up to two billion euros in exploration and field development in Norway and the UK by 2015 and is aiming for a production level of 50,000 BOE per day. The fields Knarr, Luno and Cladhan should contribute to meeting this target. Production from the Maria field is planned for 2016.

Wintershall’s activities in **the UK** were also increased. Three exploration and appraisal wells were sunk in the Catcher field off the coast of Scotland in 2011 (Wintershall share 20%). In October 2011 the company started its first own-operated natural gas production platform in the British North Sea with the Wingate platform. It is being controlled centrally by one of the most modern radio monitoring systems in the world, just like 19 other platforms. The Wingate platform is situated in the British offshore concession 44/24b. Wintershall owns the majority shareholding with 49.5

percent. The platform is producing 1.5 million cubic meters of natural gas per day initially. The company aims to double the production rate to three million cubic meters of natural gas per day with a second well. This would be enough to supply around 400,000 households with gas. With its investments of more than 50 million euros, Wintershall is sending a clear signal about its commitment to the future of exploration in the southern North Sea. Overall Wintershall holds shares in more than 20 licenses in the British North Sea and is the operator in about half of them.

In **Denmark** Wintershall is planning the “Hibonite” exploration well in 2012 in the western section of the Danish North Sea after the Ravn-3 exploration well confirmed the presence of hydrocarbons at a final depth at 4,469 meters below sea level in 2009.

In the **Netherlands** Wintershall started production from the field K18-Golf at the beginning of 2012. The company initially plans to produce 0.75 million cubic meters of natural gas daily via a production facility on the sea bed. A production well in summer 2012 is set to double the production rate to just under 1.4 million cubic meters of natural gas. Wintershall is one of the largest producers of natural gas in the Netherlands and operates a total of 25 offshore platforms there. In order to manage its operations efficiently, Wintershall controls the platforms centrally from Den Helder with a modern radio surveillance and control system. This reduces the number of transportation and provisions flights to the platforms by a third. In addition, the Centre for Remote Controlled Operations (RCO) is a key requirement for the commercial production of smaller reserves in the southern section of the North Sea. Rijswijk, near The Hague, is home to the company-wide Competence Center for Offshore Technology. Here Wintershall is also working on developing its shallow-water expertise.

## Russia

The joint field development projects with Gazprom in West Siberia were continued successfully in 2011. Production from the deposits Yuzhno Russkoye and Achimgaz makes a key contribution to Europe's supply of natural gas. One of the transport routes for this gas will be through the Nord Stream Baltic Sea pipeline, which connects the Siberian gas reserves directly with Germany. The first line of Nord Stream was commissioned in November 2011. Completion of the second line is planned for 2012.

The gas field Yuzhno Russkoye in west Siberia has been producing at plateau – 25 billion cubic meters of natural gas per year – since the middle of 2009. Wintershall has a 35 percent share in the commercial success of the field via Severneftegazprom. This reservoir in western Siberia has recoverable reserves of more than 600 billion cubic meters of natural gas.

The second joint project, the development of sub-section IA of the deeplying Achimov horizon in the Urengoy field, is also operating successfully: the six pilot wells in the technically difficult deposit of the Achimgaz joint venture, in which Wintershall has a 50 percent share, are currently producing around 3 million cubic meters of gas and about 1,400 tons of condensate every day. Following the successful completion of the pilot phase in November 2011, the project moved on to the entire field development: in a first sub-project 20 new production wells are planned initially.

The two partners now wish to build on their positive experiences: in the middle of March 2011 Wintershall and Gazprom signed a Memorandum of Understanding to develop two additional blocks of the Achimov formation in the Urengoy field in western Siberia together. Based on initial analyses it is presumed that gas

production from the new blocks can reach the same plateau level as block IA of eight billion cubic meters of natural gas a year at least. This would mean that pro rata Wintershall would produce as much from the three Achimov blocks as from the Yuzhno Russkoye gas field, which would represent a significant increase in gas production. A framework agreement clarified the details in October 2011: Wintershall will acquire a 25% share in the development of the Achimov formation in blocks 4 and 5 of the Urengoy field – and also has the option of boosting its share to 50% at a later date. In return Gazprom will receive shares of equal value in Wintershall exploration and production projects in the North Sea. Wintershall is also active in the Caspian Sea region and in the Volgograd area, where it has been producing oil for more than a decade in a joint venture with the Russian company Lukoil.

## **South America**

Wintershall has been active in **Argentina** since 1978, especially in the production of natural gas. Wintershall Energía S.A., a wholly owned subsidiary of Kassel-based Wintershall, has working interests in 15 oil and gas fields and is one of the largest natural producers in the country with an annual production of 27 million barrels of oil equivalent.

Wintershall focuses its attention on searching for new deposits, whereby it is concentrating its efforts on crude oil. Consequently, exploration activities in Argentina have been stepped up. The company explores both in regions that have not yet been developed geologically, such as the Cañadón Asfalto Basin, and in regions where hydrocarbons are already being produced, such as the Neuquén Basin. Here the company explores for new resources primarily in deeper-lying rock strata in the foothills of the Andes. The tight-gas development of the field Aguada Pichana Central West in

the Neuquén Basin continued. In addition, Wintershall launched three technology projects in the Neuquén Basin to examine the shale gas potential in the blocks Aguada Pichana, Bandurria and San Roque.

Off the coast of Tierra del Fuego Wintershall produces natural gas from the Carina and Aries natural gas fields, so far the largest natural gas production project offshore Argentina, together with the French company TOTAL and PanAmerican Energy (PAE). The consortium aims to produce a total of 56 billion cubic meters of natural gas, 3.4 million tons of condensate and 2.4 million tons of LPG (Liquefied Petroleum Gas) from the two natural gas fields by 2027. The subsidiary Wintershall Energía has a 37.5 percent working interest in this project.

Since March 2010 Wintershall has also held a 25 percent share in the 6,000-square-kilometer Otway block and a 25 percent share in the Tranquilo block in the Magellan basin in Chile. Tranquilo and Otway cover an area of 12,000 square kilometers in total and are situated near our existing production operations at Tierra del Fuego. Here we developed our exploration activities with seismic surveys. The first well has already been sunk. Six exploration wells are planned overall.

## **North Africa**

Wintershall has been engaged in exploration and production in **Libya** since 1958. Since then more than 2 billion US dollars have been invested in Libya and more than 150 wells drilled overall. Wintershall currently operates eight onshore oil fields in the concessions 96 and 97. Gazprom has a 49 percent working interest in these projects. Production was suspended in both concessions by way of precaution in February 2011 in response to the tense political

situation. The facilities have been operating again since the middle of October. At the end of 2011 the average daily production rate onshore was already 60,000 barrels per day. It is not currently possible to say with certainty when the maximum daily production can be reached again. Production was suspended in the field Al Jurf off the coast of Libya, in which Wintershall holds a minority shareholding, from March to September 2011.

## **Middle East**

In addition to its activities in North Africa, Wintershall continues to expand its operations in the Arabian Peninsula: in 2010 the first exploration well was sunk in the so-called Khuff formation in the western section of the exploration block 4N in **Qatar**. This block is located close to the so-called North Field, the largest natural gas field in the world, and covers an area of 544 square kilometers in water depths of around 70 meters. In Qatar we also hold a working interest in block 3, which covers an area of around 1,666 square kilometers. The first 3-D seismic surveys have been carried out and exploration wells are now planned for the coming years. With around 26 trillion cubic meters of natural gas, Qatar has the third-largest natural gas reserves in the world after Russia and Iran.

In May 2010 a Memorandum of Understanding was signed with the **Abu Dhabi** National Oil Company (ADNOC) in Abu Dhabi which paved the way for the long-term exploration and development of a deposit in the western region of the emirate by Wintershall. Wintershall's strategy here, just as in other core regions, focuses on a combination of innovative production techniques and the latest exploration technologies. In addition, Wintershall opened its own offices in Abu Dhabi – the first of a German E&P company in the emirate. Abu Dhabi is considered one of the most important centers of the oil and gas industry in the Gulf Region.

## Outlook

For the year 2012 we anticipate that our production volumes will increase as a result of the situation in Libya stabilizing. We therefore expect to see a significant improvement in sales and earnings in the exploration and production segment.

### ***Forward-looking statements and forecasts***

*This report contains forward-looking statements based on current expectations, assumptions and forecasts by the board of executive directors, as well as on the information currently available to that board. Forward-looking statements are not deemed to be guarantees of the future developments and results set out therein. Future developments and results are in fact dependent on a large number of factors; they contain different risks and imponderables and are based on assumptions that may not be accurate. We do not assume any obligation to update the forward-looking statements made in this document.*

**Wintershall Holding GmbH**, based in Kassel, Germany, is a wholly-owned subsidiary of BASF in Ludwigshafen. The company has been active in the exploration and production of crude oil and natural gas for over 80 years. Wintershall focuses on selected core regions, where the company has built up a high level of regional and technological expertise. These are Europe, North Africa, South America, as well as Russia and the Caspian Sea region. In addition, these operations are complemented by the company's growing exploration activities in the Arabian Gulf. Today, the company employs more than 2,000 staff worldwide from 35 nations and is now Germany's largest crude oil and natural gas producer. With the natural gas trading and transport subsidiaries it operates together with Russia's Gazprom, the BASF subsidiary is also an important gas supplier on the German and European market.

### **Wintershall. Shaping the Future.**

More information on the Internet at [www.wintershall.com](http://www.wintershall.com) or follow us on [Twitter](#), [Facebook](#) and [YouTube](#).