



wintershall dea



RUSSIA

WINTERSHALL DEA

LONGSTANDING COMMITMENT AND EFFICIENT PARTNERSHIP

Securing supplies by engaging
directly at the source

Russia is among the world's most richly endowed countries when it comes to natural resources. About one fifth of all known natural gas reserves are situated in Russia, making it the country with the largest gas reserves worldwide. Russia is the biggest supplier of natural gas to the European Union and it also contains one of the largest oil reserves worldwide within its borders. For Wintershall Dea, Europe's leading independent natural gas and crude oil producer, Russia is a key core region in its portfolio and the region with the largest planned increase in production.

Wintershall Dea is currently involved in several joint projects concerned with the exploration and production of hydrocarbons in Western Siberia and southern Russia. Together with our Russian partners, we are focusing on stable and long-term collaboration. Thanks to our ongoing exchange of experience and know-how, a model of partnership has emerged that has been supplying Europe with energy for more than 30 years.



Successful collaboration in exploration & production



The Achimgaz joint venture produces around ten billion cubic metres* gas per year.

Achimgaz, a joint venture between the Gazprom subsidiary Gazprom Dobycha Urengoy (50 per cent) and Wintershall Dea (50 per cent) was founded in 2003. It produces natural gas and condensate from the complex Achimov formations in Area 1A of the Urengoyskoye oil, gas and gas condensate field near Novy Urengoy, situated in Western Siberia, about 3,500 kilometres northeast of Moscow.

Operating a large-scale facility for separating natural gas and condensate with five processing lines, Achimgaz finalised the drilling campaign in 2019 with a total of 108 production wells, thus allowing an annual production of about ten billion cubic metres* of natural gas to be achieved. In June 2020, a production milestone of 50 billion cubic metres of natural gas since the start of production in 2008 was reached. In order to further boost its production capacity, the joint venture is implementing a modernisation programme.

Achim Development is the next milestone in the partnership between Gazprom and Wintershall Dea. An asset swap with Gazprom was completed in September 2015, giving Wintershall Dea a 25.01 per cent share in the joint venture that is tasking with developing the Achimov deposits at Area 4A/5A of the Urengoyskoye field. In April 2018, Achimgaz was commissioned as general contractor for the first development phase, allowing it to build on and benefit from the experience gathered in Area 1A. The first development phase started in 2018, with 40 production wells. The second phase execution started in 2020 and consists of over 100 production wells and new processing facilities. In January 2021, Achim Development successfully brought Area 4A onstream and produced first gas and condensate from the licence block.



Siberia's cold weather is a major challenge for people and technology.

The Yuzhno-Russkoye natural gas field is another major natural gas production project shared by Gazprom, Wintershall Dea and OMV in Siberia. The field was discovered in 1969 and is one of the largest in Russia as well as one of the largest fields in Wintershall Dea's portfolio in terms of production. The project was commissioned in 2007, making Wintershall Dea the first German company to participate in production of natural gas in Western Siberia. Wintershall Dea has a 35 per cent share in the commercial success of the field through the joint venture **Severneftegazprom**.

The joint venture reached a plateau production of 25 billion cubic metres* of natural gas per year** in 2009, with some 140 production wells already in operation. In May 2020, it hit the milestone of 300 billion cubic metres of natural gas that had been produced since the commissioning of the project in 2007.

Severneftegazprom has also taken on a pioneering role in developing the Turonian deposits, for which little practical experience has been gained to date. The technological competence and expertise of the partners is crucial for the successful implementation of the project. Compared to the deeper Cenomanian layer, production

* Russian standard cubic metres (rscm), ** Source: Severneftegazprom Annual Report 2018



Wolgodeminoil is the longest-standing joint venture between a Russian and a Western European partner.

from the Turonian formations is considered more complex. The joint venture began operating the first test wells in the Turonian strata at the end of 2011. Over 120 new wells will be drilled between 2020 and 2033 as part of the production start-up from the Turonian formations in order to maintain the production plateau at the Yuzhno-Russkoye field. The first Turonian well clusters of the full field development came on stream in 2020 and the acceleration of the development is ongoing.

The fourth joint project in Russia is the German-Russian joint venture Wolgodeminoil. The company produces crude oil and natural gas and is operated by Wintershall Dea together with RITEK, a subsidiary of the Russian crude oil producer LUKOIL (50:50). In 2017, Wolgodeminoil celebrated its 25th anniversary, making it the longest-running joint venture between a Russian company and a western European partner in the E&P sector.

Infrastructure projects

The **Nord Stream** construction started in April 2010. The Baltic Sea pipeline became fully operational at the beginning of October 2012. Extending over a length of 1,224 kilometres, it links the gas reserves in Siberia directly with Germany via two parallel pipeline strings. Both strings together have a transport capacity of 55 billion cubic metres* of natural gas per year. Wintershall Dea has a 15.5 per cent share in the project. Nord Stream is connected to the existing European natural gas pipeline network via the connecting pipelines OPAL (Ostsee-Pipeline-Anbindungs-Leitung – Baltic Sea Pipeline Link) and NEL (Nordeuropäische Erdgasleitung – North European Gas Pipeline). The 472-kilometre-long OPAL pipeline runs from where Nord Stream comes on land at Lubmin near Greifswald to the Czech Republic, while the 441-kilometre-long NEL pipeline runs from Mecklenburg-Western Pomerania to Lower Saxony. OPAL has an annual transport capacity of 36 billion cubic metres* and NEL around 20 billion cubic metres* of natural gas.



The OPAL connection pipeline has an annual transport capacity of 36 billion cubic metres* of natural gas.

Together with European partners, Wintershall Dea is a financial investor in the **Nord Stream 2** pipeline project, for which Gazprom is the sole shareholder of the project company Nord Stream 2 AG. The offshore Nord Stream 2 pipeline and the fully regulated European Gas Pipeline Link (EUGAL) will create new supply routes and make the European transport network more robust and more flexible. The Nord Stream 2 gas pipeline, with a total capacity of 55 billion cubic metres*, is a further safe, efficient and environmentally friendly route for Russian gas supplies and provides a direct link to the European consumers. The first pipeline string of EUGAL, for which the transmission system operator GASCADE is in charge, was commissioned in January 2020. The second pipeline string will reach full transport capacity by Q2 2021. The around 480-kilometre-long natural gas pipeline will transport natural gas from Nord Stream 2 flexibly and reliably within Germany and to Southeastern Europe.

* Russian standard cubic metres (rscm)

A role model for cooperation

The **"Scientific and Technical Cooperation" (STC)** has been setting standards in Russian-German relations for almost 30 years: The joint initiative set up by Wintershall Dea and Gazprom promotes the exchange of experience and know-how between the two companies. Employees from Wintershall Dea, Gazprom and BASF are developing innovative solutions and new strategies in fields such as energy savings, the development of gas and gas condensate reservoirs, improving efficiency in planning, the implementation of infrastructure projects as well as environmental protection and safety. In addition, Wintershall Dea runs a successful **professional development program** for Gazprom managers.

Today, the three-decade-long cooperation between the two companies is contributing to the success of the long-lasting German-Russian cooperation. Both partners alike value the partnership and will continue this efficient and fruitful collaboration into the future.

Wintershall Dea in Russia: at a glance

- **Country entry:** 1992
- **Onshore:** Novy Urengoy in Western Siberia, Southern Russia near Volgograd
- **Production (2020):** 295 mboe per day
- **Thereof gas and oil production:** 235 mboe / 60 mboe
- **Gas/oil ratio:** 80% gas / 20% oil

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