



wintershall dea

## PRESS RELEASE

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### SUCCESSFUL FIRST YEAR: A EUROPEAN CHAMPION FOR GAS AND OIL

- CEO: Merger came at exactly the right time
- Wintershall Dea is a leader in production costs
- Successful integration creates potential

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**Kassel/Hamburg.** Wintershall Dea is celebrating its first anniversary. Wintershall Holding GmbH, based in Kassel, and DEA Deutsche Erdoel AG, based in Hamburg, merged on 1 May 2019 with the goal of becoming Europe's leading independent natural gas and oil company. The merger brought together two long-standing E&P players that complement each other perfectly and which have now pooled their strengths successfully.

"The merger came at exactly the right time," explains Mario Mehren, Chairman of the Board of Executive Directors of Wintershall Dea. "Last year we restructured our business operations and we now have an ideal size. As a European champion we are large enough to be relevant to the national oil companies, and at the same time we remain independent and agile – which also allows us to respond flexibly in critical situations such as the current crisis."

Possessing both these attributes, reliability and flexibility, at the same time can be crucial for overcoming the major challenges the oil and gas industry is currently facing. "The corona crisis and the expected contraction in the global economy, coupled with oil and gas prices at an historic low, represent a real

**Wintershall Dea GmbH**  
Friedrich-Ebert-Str. 160, 34119 Kassel  
T +49 561 301-0, F +49 561 301-1702  
Überseering 40, 22297 Hamburg  
T +49 40 6375-0, F +49 40 6375-3162  
[www.wintershalldea.com](http://www.wintershalldea.com)

**Press contact**  
Michael Sasse  
T +49 561 301-3301  
F +49 561 301-1321  
[press@wintershalldea.com](mailto:press@wintershalldea.com)



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stress test for our industry," Mehren says. "We will pass this endurance test by further building on our strengths." Wintershall Dea has already completed some of the necessary preparations. Compared to its competitors, it has low production costs, high levels of reserves and a strategically balanced portfolio with particular emphasis on natural gas. Thus, Wintershall Dea is also well equipped for the current crisis.

"We can be proud of what we have created in the last year: a successful company and a fantastic team," explains Mario Mehren marking the company's first anniversary. "It is our staff, the around 2,800 colleagues worldwide, who made this successful merger possible with their enthusiasm and clear commitment. Since then they have brought the new company to life. For this I would like to say – also on behalf of the entire Board – thank you! Together we have almost 250 years' experience and a whole year of shared history, which we will now continue to write successfully despite these difficult times."

On day one of the merger the focus was on continuing our reliable and efficient production, i.e. business continuity, as well as on our new market presence, but in the last twelve months we have made great progress in other areas, such as shared corporate culture, the introduction of a new operational model as well as taking advantage of the potential for synergies identified.

"In the current corona crisis, we are undoubtedly benefitting from having launched new digital collaboration tools a year ago when we merged. They make global cooperation in the company more effective," says Mehren.



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By the end of 2019 synergies worth more than 100 million euros had already been created, which was more than expected. They were largely the result of measures in Mexico, Egypt and Norway as well as procurement savings and the first organisational cost savings. As of 2022, Wintershall Dea will strive to achieve cost savings of at least 200 million euros a year.

The merger of Wintershall and DEA, two German companies steeped in tradition, in May 2019 brought with it a planned structural transformation and related staff reduction. In this context, after very constructive negotiations, Wintershall Dea reached an agreement with the German works councils and the IG BCE (the German trade union for the mining, chemical and energy industries) as well as with the Norwegian and Dutch unions and works councils. The goal is to ensure the workforce reduction is done as socially responsible as possible.

Wintershall Dea and the employee representatives agreed on the extent of the socially responsible workforce reduction. In total, the personnel reduction will affect about 1,000 employees.

Remaining independent and agile – for Wintershall Dea this is the key to being able to respond flexibly in critical situations such as the current crisis. “We are pursuing a clear strategy. We are focussing on reliability and sustainability, strict financial discipline, a balanced upstream portfolio and continued stable revenues from our midstream business,” explains Mehren.



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The company's portfolio has already been further enhanced and streamlined since the merger with a series of divestments. Wintershall Dea is active in four regions: Northern Europe, Russia, Latin America and the MENA region. Additionally, the firm can build on stable cashflows from the midstream segment, with onshore pipelines in Germany and offshore pipelines such as Nord Stream 1. "That is a key advantage in the current volatile environment of oil and gas prices," says Mehren.

*Wintershall Dea will present the **results for the first quarter of 2020** on Wednesday, **20 May 2020**. The quarterly financial statements, the presentation of the results and additional information material will be available on the website from 8 am CEST.*

### **About Wintershall Dea**

Wintershall Dea is Europe's leading independent natural gas and oil company with more than 120 years of experience as an operator and project partner along the entire E&P value chain. The company with German roots and headquarters in Kassel and Hamburg explores for and produces gas and oil in 13 countries worldwide in an efficient and responsible manner. With activities in Europe, Russia, Latin America and the MENA region (Middle East & North Africa), Wintershall Dea has a global upstream portfolio and, with its participation in natural gas transport, is also active in the midstream business.

**Wintershall Dea** was formed from the merger of Wintershall Holding GmbH and DEA Deutsche Erdoel AG, in 2019. Today, the company employs around 2,800 people worldwide from over 60 nations.

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