

20.03.2019

Sierra acquisition completed DEA enhances its presence in the Mexican market

- DEA's acquisition of Sierra Oil & Gas has been completed.
- DEA becomes one of the largest exploration acreage holders in Mexico.
- The transaction includes a significant stake in the world-class Zama discovery.

The acquisition of 100% of the shares of Sierra Oil & Gas by DEA Deutsche Erdoel AG was completed on the 19th of March. With the deal, DEA enhances its presence in Mexico and its long-term commitment to the country's oil and gas industry. Mexico's National Hydrocarbons Commission (CNH) and the Federal Economic Competition Commission (COFECE) have approved the transaction.

The acquisition has enhanced DEA's presence in the Mexican E&P market significantly. The deal comprises of six exploration and appraisal blocks in Mexico, including a material stake in the world class Zama discovery.



Maria Moraeus Hanssen, DEA's CEO says: "We are very pleased to complete the transaction. DEA sees Mexico as a growth market for its gas and oil business. Following the combination of the new Sierra portfolio and the existing DEA assets, we will have a very active year ahead in terms of operations. The acquisition of Sierra is a fantastic opportunity for us to become a very serious player with a significant portfolio in the country. We are building a leading private upstream company in Mexico."

With the closing of the acquisition, Sierra Oil & Gas has become a subsidiary of DEA Deutsche Erdoel AG. DEA will now start to consolidate its two companies in Mexico, Deutsche Erdoel México and Sierra Oil & Gas, to create a new business unit.

Juan Manuel Delgado, Managing Director Deutsche Erdoel México, said: "We are looking forward to joining forces and growing DEA's business in Mexico. Together we will develop a business unit, that is very well equipped to deliver results in all parts of our enlarged operations, and that will serve as the foundation for further growth."



Via Sierra, DEA holds now a 40% non-operated working interest in Block 7, containing a significant part of Zama, one of the largest shallow water discoveries of the past 20 years globally. As a whole, Zama is estimated to hold 400 million to 800 million barrels of recoverable oil equivalent and expected to start production by 2022/23. DEA also adds non-operated interests in five highly prospective exploration blocks to its portfolio. Sierra's exploration blocks cover approximately 9,400 square kilometres in the core part of Mexico's Sureste basin. In addition, DEA currently operates the onshore Ogarrio oil field, in partnership with Pemex, and holds interests in four exploration blocks in the Tampico Misantla and Sureste Basins, three of which as operator.

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Background information

DEA Deutsche Erdoel AG is an international independent exploration and production company headquartered in Germany. DEA has 120 years of experience working along the entire upstream value chain as operator and project partner. With a workforce of 1,150 employees, DEA currently holds a diversified portfolio of assets in Europe, North Africa and Latin America.

Forward-looking statements

This communication may include projections and other "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, no reliance should be placed on any of these forward-looking statements.