

## AO Achimgaz: 15 years of success in Russia

- **The pioneer in developing the hard-to-access Achimov deposits, the joint venture between Wintershall and Gazprom, is celebrating its 15<sup>th</sup> anniversary.**
- **Growth in Russia: 32 billion cubic metres of total natural gas production - new all-time-high of production with 28 million cubic meters of gas each day.**
- **CEO Mario Mehren: Achimgaz experience is the expertise of tomorrow.**

**Novy Urengoy.** The Russian-German joint venture Achimgaz is celebrating its 15th anniversary. The creation of the company in 2003 marked a turning point for the Russian oil and gas industry. The project developed by the Russian gas giant, Gazprom, and Germany's largest internationally active oil and gas producer, Wintershall, became the first company in Russia to start large-scale development of the difficult-to-access natural gas deposits in the Achimov formation of the Urengoy gas and condensate field.

Because of the depth of about 4000 meters in which the deposits lie, extreme natural conditions on site and high reservoir pressures and temperatures, the development of the deposits of the Achimov formation was considered to be technologically impossible and commercially unfeasible for a long time. However, thanks to Wintershall's technological expertise in drilling and project management as well as Gazprom's extensive experience in the permafrost conditions and facility construction, first hydrocarbon

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production was successfully achieved five years after the start of the cooperation.

In the past 15 years of operation Achimgaz has continuously set new records. Today, the cumulated natural gas production has already reached the level of 32 billion cubic meters, while the gas condensate production has totaled 14 million tons. Currently, 94 production wells are in operation. They are connected via flowlines to the Achimgaz processing plant UKPG-31 and further to the infrastructure of Gazprom. “So far, our anniversary year went really great,” reports Ingo Neubert, Deputy General Manager at Achimgaz. “Achimgaz continued to follow the road of success. Thanks to a recent upgrade of our processing capacities by 26%, in August 2018 our team has reached a new all-time-high of our production with 28 million cubic meters of gas and 12 thousand tons of condensate each day.”

Achimgaz plans to increase the number of wells to 110 by 2020, which will allow the company to exceed an annual production of 8 billion cubic meters of natural gas and up to 3,5 million tons of gas condensate. “Constant technological and commercial optimization is one of the aims of Achimgaz. Our condensate production is today by far exceeding the targets which we had in the planning phase”, explains Oleg Osipovich, General Director of Achimgaz.

The launch of Achimgaz has taken the partnership between Gazprom and Wintershall to a new level: having previously worked together in transport, gas sales and marketing, the two companies then moved on to joint exploration and production in Russia.

“We’re not working here as foreigners, but as partners and friends with one single target. Achimgaz has brought together the most proficient managers and specialists from different countries. This unique fusion of technology, experience and parity management has become a model of cooperation between international partners when it comes to

developing natural gas reserves in Russia,” notes Thilo Wieland, who is the Wintershall Executive Board member responsible for exploration and production in Russia. He adds: “For the past 15 years, the team of Achimgaz has been expanding the horizons of what’s possible in our industry and between two companies and two nations. We would like to thank our colleagues truthfully for their work at the polar circle.”

“Achimgaz is not just a local success story in the Wintershall-Gazprom partnership, but an enterprise that grew from drilling pilot wells into a project that has no comparison in the global practice of developing difficult-to-access deposits. The unique technological and management experience gained during the delivery of this project is the expertise of tomorrow, which will pave the way for new opportunities in the Russian-German partnership in the natural gas exploration and production sector,” says Wintershall CEO Mario Mehren.

AO Achimgaz is currently developing Block 1A of the Achimov formation in the Urengoy gas and condensate field, which is located near the city of Novy Urengoy in the Yamalo-Nenets Autonomous Region. The Block covers an area of over 350 square kilometers. Wintershall (a wholly owned subsidiary of BASF) and OOO Gazprom Dobycha Urengoy (a wholly owned subsidiary of Gazprom) are equal shareholders in Achimgaz.

Achimgaz’s success rate, paired with its technologically state-of-the-art approaches, has ensured the company further projects. Earlier this year, Achimgaz was commissioned by the company Achim Development as general contractor for procurement and construction during the first phase of the development of the neighboring Blocks 4A and 5A of the Achimov formation.

**Wintershall Holding GmbH**, based in Kassel, Germany, is a wholly owned subsidiary of BASF in Ludwigshafen. The company has been active in the extraction

of natural resources for 120 years, and in the exploration and production of crude oil and natural gas for over 85 years. Wintershall deliberately focuses on selected core regions where the company has built up a high level of regional and technological expertise. These are Europe, Russia, North Africa, South America, and increasingly the Middle East region. The company wants to expand its business further with exploration and production, selected partnerships, innovation and technological competence. Wintershall employs about 2,000 staff worldwide from 50 nations and is now Germany's largest, internationally active crude oil and natural gas producer.

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