

Gazprom Neft, Mubadala Petroleum and the Russian Direct Investment Fund (RDIF) announce the completion of a transaction to jointly develop oil fields in Western Siberia

St. Peterburg, September 5, 2018: Gazprom Neft, Mubadala Petroleum and the Russian Direct Investment Fund (RDIF, the sovereign wealth fund of the Russian Federation) have announced the completion of a transaction establishing a joint venture to develop oil fields in the Tomsk and Omsk regions of Western Siberia.

Further to an agreement announced on 24 May 2018, Gazprom Neft has now completed its sale of a 49-percent interest in Gazpromneft-Vostok LLC, operator of 13 fields, to Mubadala Petroleum and RDIF. Following the completion of this transaction Gazprom Neft now holds a 51-percent interest in the joint venture, with Mubadala Petroleum and RDIF holding 44 percent and five percent equity, respectively. Gazpromneft-Vostok remains a subsidiary of Gazprom Neft, and will continue to operate the fields.

The Gazpromneft-Vostok joint venture represents Mubadala Petroleum's first investment in the Russian oil and gas sector.

The partners will determine the long-term strategy of the joint-venture, focusing on efficiency in exploration and production activities at the fields as well as at pre-Jurassic hydrocarbon deposits.

Alexander Dyukov, CEO, Gazprom Neft PJSC, commented: "This first investment by one of the largest oil and gas companies in the United Arab Emirates, Mubadala Petroleum, in a Russian asset is certainly a landmark event for the industry. Through our partnership with Mubadala Petroleum and RDIF we will not only be focusing on improving the current business performance of Gazpromneft-Vostok, but will also be looking for new opportunities to develop it further. One promising area for joint work here being developing technologies for the profitable development of pre-Jurassic hydrocarbon resources in the Tomsk Region. We see Mubadala Petroleum and RDIF as strategic partners, and expect to deliver mutually beneficial results from combining our financial and technological resources."

Dr. Bakheet Al Katheeri, CEO, Mubadala Petroleum, said: "The acquisition of a 44-percent interest in the Gazpromneft-Vostok joint venture is another important step in Mubadala Petroleum's drive for sustainable and profitable growth, marking our entry into Russia and adding valuable oil production to our existing portfolio. Partnering with Gazprom Neft, a leading Russian operator, and RDIF will not only provide us with significant co-investment opportunities, but will also further develop our own oil and gas expertise and capabilities, as well as exploration and production technologies."

Kirill Dmitriev, CEO of the Russian Direct Investment Fund (RDIF), said: "We welcome Mubadala Petroleum's first investment in Russia. We expect this transaction to become the basis for further investments by the consortium created by RDIF, Mubadala Petroleum and Gazprom Neft. Participation of Mubadala Petroleum in the consortium will bring funds, experience and expertise of our Middle East partner to the Russian oil and gas sector".

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