



## NEO Energy announces strategic merger with Repsol's UK business

**NEO Energy ("NEO") today announces a strategic merger with Repsol Resources UK ("Repsol UK"), creating a leading independent producer in the North Sea (the "Transaction").**

Under the terms of the Transaction, the combined business will be jointly owned by NEO (55%) and Repsol UK (45%) and have a large and diverse asset portfolio which is expected to generate material cashflows and provide a platform for organic and inorganic growth. Repsol will retain USD1.8 billion of the decommissioning liabilities related to its legacy assets, enhancing the cash flows of the combined business.

The combined group will be renamed NEO NEXT Energy Limited ("NEO NEXT") and is expected to become one of the largest producers in the region.

Completion of the Transaction remains subject to approvals from the relevant authorities and regulatory consents and is expected during the third quarter of 2025.

**Francisco Gea, CEO of Repsol E&P commented:**

"This combination will create a jointly governed business which will call upon the key strengths of both shareholders. Repsol contributes operational capabilities on production, development, and decommissioning activities which will be combined with NEO Energy expertise on financial and commercial matters. We believe this combined business has many more opportunities for profitable growth in the basin and beyond."

**John Knight, Chair of NEO Energy, commented:**

"This is a great deal for all stakeholders. Our strategy can be summarized as "Resilience, Yield and Growth": the combined company has much more scale and diversity and opportunities for cost consolidation and portfolio high-grading giving resilience despite the tough conditions in the UK. The benefits of synergies from consolidation will create much stronger value creation, profit and cash flow yield for shareholders and more options for capital allocation decisions well into the next decade. But this company will also be very well positioned to choose both organic and inorganic growth. We will certainly look to be making more value accretive acquisitions. We have known Repsol E&P for many years and have the highest regard for them as a capable and reliable partner."

**Enquiries:**

Camarco

Billy Clegg / Sam Morris

+44(0)203 757 4980

**About NEO:**

NEO Energy is a leading independent operator in the UKCS, with a high-quality asset base and a strong commitment to revitalising the region's oil and gas sector. NEO focuses on delivering operational efficiency, safe operations, and creating long-term value through its diversified portfolio, including stakes in significant producing fields such as Penguins, Culzean, Gannet, Shearwater, Britannia Area, and Elgin Franklin. NEO is a private upstream company wholly owned by NEO Energy Holdings Limited (an investment vehicle managed by HitecVision, a leading investor in the European energy industry).

**About Repsol UK:**

Repsol UK has been a trusted operator in the UK North Sea for decades. Repsol UK holds interests in 48 oil and gas fields and is focused on sustainable energy production, operational excellence, and delivering value to its stakeholders. It is integrated into Repsol E&P Group, an international E&P company present in 13 countries and producing over 570 kboepd in the year ended December 31 2024.