

Completion of strategic merger with Repsol Resources UK

NEO Energy is today pleased to announce the completion of its strategic merger with Repsol Resources UK. The combined group has been renamed NEO NEXT Energy Limited (“NEO NEXT”) and becomes one of the largest producers on the UK Continental Shelf (UKCS).

John Knight, Executive Chair of NEO NEXT, commented:

“This is a great deal for all stakeholders. Our strategy can be summarised 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.”

Francisco Gea, Executive Managing Director of Exploration & Production at Repsol, 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.”

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About NEO NEXT:

NEO NEXT’s ambition is to be a top-tier operator on the UKCS that generates leading financial returns. We are committed to being a safe, responsible and efficient operator. Our strategy can be summarised as “Resilience, Yield and Growth”. Our scale and diversity give us resilience in the mature and challenging UKCS. The benefits of synergies from the consolidation of NEO Energy and Repsol Resources UK create strong value creation opportunities, cash flow yield and greater options for capital allocation decisions into the next decade. NEO NEXT is strongly positioned to grow both by further M&A and by developing the existing projects in our portfolio.

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