



HitecVision and Repsol to merge their joint venture with TotalEnergies' UK Upstream Business, becoming the leading oil and gas operator in the UK North Sea

NEO NEXT Energy, HitecVision and Repsol's joint venture, today announces a strategic deal with TotalEnergies' to merge their UK offshore oil & gas production businesses (the "Transaction"). The Transaction will cement NEO NEXT's position as the leading operator and producer in the UK Continental Shelf (UKCS) with an expected 2026 production of over 250,000 barrels of oil equivalent per day. Upon completion, the combined company will be known as NEO NEXT+.

The addition of TotalEnergies UK's operated high quality producing assets will strengthen NEO NEXT's balance sheet, reinforce its operational capabilities and support its development activities, ensuring a long-term sustainable and resilient future for its oil and gas business in the UK.

Under the terms of the Transaction, TotalEnergies UK will acquire a 47.5% shareholding interest in NEO NEXT. As a result, the combined business will be jointly owned by HitecVision (28.875%), TotalEnergies (47.5%), and Repsol (23.625%). TotalEnergies UK will also retain up to USD 2.3 billion of the decommissioning liabilities related to its legacy assets, enhancing the cash flows of the combined business.

Completion of the Transaction remains subject to approvals from the relevant authorities and regulatory consents and is expected during the first half of 2026.

John Knight, Executive Chair of NEO NEXT, and Senior Partner at HitecVision, commented:

"We are delighted to welcome TotalEnergies and their UK oil & gas business to become part of NEO NEXT. As a leading global offshore operator, TotalEnergies adds significant operational capabilities across project management, especially in high pressure / high temperature gas production operations and a global experience of offshore operations.

The NEO NEXT strategy of "Resilience, Yield and Growth" will remain in place, and NEO NEXT+ will continue to seek other cash accretive transactions. Since the announcement of the merger with Repsol UK in March 2025, NEO NEXT has announced three further transactions in line with this strategy:

- the acquisition of Gran Tierra North Sea Limited;
- the acquisition of BP's Culzean interest;
- and now the merger with TotalEnergies UK.

NEO NEXT+ intends to continue to play a leading role in ownership consolidation activity in the UK Continental Shelf (UKCS) for many years to come. The enlarged NEO NEXT+ business also has an enhanced portfolio of potential near-term development opportunities."

Patrick Pouyanné, CEO of TotalEnergies, commented:

"This transaction demonstrates the long-lasting commitment of TotalEnergies towards the UK oil and gas sector and its energy security. As the new largest shareholder of NEO NEXT+, we are excited to bring along our recognised track record as a leading operator in the UK North Sea, where we have been present for more than 60 years. TotalEnergies' consistent focus on running low-cost and low emissions operations will be instrumental in delivering material economies of scale within the new portfolio of NEO NEXT+, that will enhance the cash flow generation of the company as soon as it is closed."

Josu Jon Imaz, CEO of Repsol, commented:

"This merger with TotalEnergies UK marks another strong step forward in delivering NEO NEXT's strategy. With complementary shareholder strengths and a broader, balanced portfolio under greater operational control, we will be well-positioned to compete and adapt in the UK North Sea. With this deal, we continue to optimise our global asset portfolio with a focus on high-margin projects to sustain business scale in the medium and long term and enhance shareholder value."

More details about NEO NEXT+ will be disclosed at financial close of the transaction which is expected in the first half of 2026.

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, Repsol Resources UK and TotalEnergies 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.