

OKEA acquires interests in three offshore fields from Wintershall Dea

LONDON, UK, November 2, 2022 /EINPresswire.com/ -- The purchase of German gas and oil producer Wintershall Dea's holdings across three offshore fields in the Norwegian North Sea by OKEA has now been finalized.

This represents a major acquisition for the Norwegian mid-to-late-life operator, which boosts its production and reserves capacity by 30–40% and adds the high-profile Brage oil field to its portfolio. The sales and purchase agreement was signed by the parties in May 2022.

According to Svein J. Liknes, CEO of OKEA: "OKEA and Wintershall Dea have enjoyed excellent cooperation on this process. With an overriding focus on safety and business continuity and open and transparent dialogue, the parties have managed to lay the groundwork for a successful transition. We are proud of being able to take over the Brage operatorship, which enhances the scale and diversification of our portfolio and strengthens our position within existing core areas," OKEA CEO Svein J. Liknes said.

An onboarding process overseen by the Norwegian authorities has taken place in order to equip the new owner with the necessary competencies to operate the fields, and has since been approved and finalized by the officials responsible. Over 140 new employees will be brought into the OKEA family alongside the operatorship already in place at Brage, which will remain headquartered in Bergen.

After an initial cash consideration of USD 117.5 million, OKEA has acquired operating interests of 35.2% in the Brage Unit, 6.5% in the Ivar Aasen field, and 6.0% in the Nova field from Wintershall Dea. The purchase is based on an effective date of January 1, 2022 and is subject to working capital and other adjustments.

Through the acquisition OKEA acquired 35.2 percent operated interest in the Brage Unit, 6.4615 percent interest in the Ivar Aasen field, and 6 percent interest in the Nova field from Wintershall Dea for an initial cash consideration of \$117.5 million, subject to working capital and other adjustments, based on an effective date of January 1, 2022.

An additional contingent consideration based on an upside-sharing arrangement is to be paid by the buyer, and will be adjusted in accordance with oil prices over the 2022–24 period. 80% of the decommissioning costs for the Brage Unit payable by OKEA are set to be covered by the seller.

The three assets located in the Norwegian-controlled part of the North Sea all offer high-quality producing potential. The projected combined net production is in the region of 7,000 BOEPD by 2023, with 13.2 MMBOE in net 2P reserves. OKEA has highlighted Brage as a site with significant upside potential, and believes it can add real value as an operator.

The deal raises OKEA's interests in the Ivar Aasen field from 2.8% to 9.2% and strengthens the operator's position in the priority Gjøa gas reservoir area, where its interest in the Nova field represents a 12% share. The geographical spread of activities is strengthened further by establishing a large presence in Bergen and a bolstered presence in Stavanger. Inorganic growth at the company is set to take a major step forward, helping OKEA to implement its development strategy in full.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman and Petr Aven.

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