

# North Sea Reporter

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## Neo eyes next moves after completing merger with Repsol Resources UK

Neo Next Energy has stepped on to the stage as a major new operator on the UK Continental Shelf with expected production this year of around 130,000 b/d of oil equivalent after Neo Energy completed its merger with Repsol Resources UK. Neo, in a statement today (Wednesday), confirmed completion of the deal to create one of the largest oil and gas producers on the UKCS.

The company did not provide updated details on production expectations, but when plans for the deal were first announced in late March this year, Repsol Resources UK said projected 2025 output for the combined business was expected to be around the 130,000-boed mark (*NSR 825/1*).

Hitec Vision, the private equity owner of Neo Energy, in a social media post, said the new company becomes the second biggest producer on the UKCS. Hitec will hold 55% of Neo Next, with Repsol owning the remaining 45% share of the business.

“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,” commented Neo Next executive chair John Knight.

The enlarged group is expected to target cost savings of more than \$1 billion, Repsol said when the deal was reported in March.

Knight argued that, in addition to “the benefits of synergies from consolidation”, the new company “will also be very well positioned to choose both organic and inorganic growth”, adding “we will certainly look to be making more value accretive acquisitions”.

Repsol agreed that the enlarged group will target expansion. “We believe this combined business has many more opportunities for profitable growth in the basin and beyond,” said executive managing director of E&P Francisco Gea.

When the deal was reported in March, Repsol said the combined company will operate a “highly diversified portfolio, including 11 production hubs and substantial undeveloped reserves”. (*Continued on page 2*)