

News Release



BASF and Gazprom sign asset swap agreement

- **BASF subsidiary Wintershall to increase oil and gas production and exit gas trading and storage business**
- **Completion of the transaction expected mid-2014**

Ludwigshafen, Germany and Moscow, Russia – December 23, 2013 – Today in Moscow, BASF and Gazprom signed the final agreement to swap assets of equivalent value. Through the swap, the BASF subsidiary Wintershall will further expand its production of oil and gas and exit the gas trading and storage business. The completion of the transaction is expected to take place mid-2014 and will be economically effective retroactively to April 1, 2013. Sales and earnings of BASF's Natural Gas Trading business will continue to be reported in the Oil & Gas segment until completion. The transaction was approved by the European Commission at the beginning of December 2013.

Through the agreement, two additional blocks of the Achimov formation of the Urengoi natural gas and condensate field in western Siberia will be jointly developed. Wintershall, a 100% subsidiary of BASF, receives 25% plus one share of the blocks IV and V in the Achimov formation. According to the development plan confirmed by the Russian mining authority, blocks IV and V have total hydrocarbon resources of 274 billion cubic meters of natural gas and 74 million metric tons of condensate. This is equivalent to a total of 2.4 billion barrel of oil equivalent. A total annual plateau production of at least 8 billion cubic meters of natural gas is

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expected from the two blocks. Start of production is planned for 2016.

In return, Wintershall will completely transfer the currently jointly operated natural gas trading and storage business to its long-term partner Gazprom. This includes the 50% shares in the gas trading companies WINGAS, WIEH (Wintershall Erdgashandelshaus Berlin) and WIEE (Wintershall Erdgashandelshaus Zug) including shares in the natural gas storage facilities in Rehden and Jemgum, Germany, as well as Haidach, Austria, and the gas storage operator astora. Gazprom will also receive a 50% share in the activities of Wintershall Noordzee B.V., which is active in the exploration and production of oil and gas in the southern North Sea (Netherlands, UK and Denmark). Together these activities contributed about €10 billion to sales and roughly €500 million to EBITDA of BASF Group in 2012. The partnership in the area of gas transportation activities will continue unchanged.

“The asset swap will allow us to focus on profitable growth at the source in our targeted oil and gas-rich regions,” said Dr. Kurt Bock. “Through the joint development of additional blocks in the attractive Achimov formation, we will further expand our production of natural gas and condensate with our partner Gazprom.”

The expansion of activities at the source has already been successful. Since 2000, Wintershall’s production of crude oil and natural gas has increased from 80 million barrels of oil equivalent (boe) to 126 million boe¹ in 2012. By 2015, the company plans to increase production to at least 160 million boe. Especially the production of oil and gas in Russia and the northern North Sea is to be expanded.

¹ Restated figure for 2012, adjusted to changes in IFRS 10 and 11. The restated figure includes only 50% of the Libyan onshore oil production.

OA0 **Gazprom** is the world's leading natural gas company specializing in the exploration, production, transport, storage, processing and marketing of natural gas and other hydrocarbons as well as energy generation. Gazprom's gas reserves are estimated at 35.1 billion cubic meters, i.e. 72% of Russia's and 18% of the world's gas reserves. Gazprom is responsible for 74% of Russian and 14% of global natural gas production. Gazprom has a 26% share of gas supplies on the European market and sells gas to over 30 countries. Further information is available on the Internet at www.gazprom.com

Wintershall Holding GmbH, based in Kassel, Germany, is a wholly-owned subsidiary of BASF in Ludwigshafen. The company has been active in the exploration and production of crude oil and natural gas for over 80 years. Wintershall focuses on selected core regions, where the company has built up a high level of regional and technological expertise. These are Europe, North Africa, South America, as well as Russia and the Caspian Sea region. In addition, these operations are complemented by the company's growing exploration activities in the Arabian Gulf. Today, the company employs more than 2,500 staff worldwide from 40 nations and is now Germany's largest crude oil and natural gas producer.

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of €72.1 billion in 2012 and more than 110,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com