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OMV.VA - OMV AG and Sapura Energy Enter into a Strategic Partnership Call

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PRESENTATION

Operator

Welcome to the OMV Group's Conference Call. (Operator Instructions) You should have received a presentation by e-mail. However, if you do not have a copy of the presentation, the slides and the speech can be downloaded at www.omv.com.

Simultaneously to this conference call, a live audio webcast is available on OMV's website. At this time, I would like to refer you to the disclaimer, which includes our position on forward-looking statements.

These forward-looking statements are based on beliefs, estimates and assumptions currently held by and information currently available on OMV. By their nature, forward-looking statements are subject to risks and uncertainties that will or may occur in the future and are outside of the control of OMV. Therefore, recipients are cautioned not to place undue reliance on these forward-looking statements.

OMV disclaims any obligation and does not intend to update these forward-looking statements to reflect actual results, revised assumptions and expectations and future developments and events. This presentation does not contain any recommendation or invitation to buy or sell securities in OMV.

I would now like to hand over the conference to Mr. Florian Greger, Head of Investor Relations. Please go ahead, Mr. Florian.

Florian Greger - *OMV Aktiengesellschaft - VP & Head of IR*

Thank you, Molly. Good afternoon, ladies and gentlemen, and welcome to our conference call on the just announced transaction that OMV and Sapura Energy will enter into a strategic partnership.



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With me on the call is Rainer Seele, OMV's Chairman and CEO. He will give you more details about the transaction. And then we'll be happy to answer your questions. And with this, I'll hand it over to Reiner.

Rainer Seele - *OMV Aktiengesellschaft - Chairman of Executive Board & CEO*

Yes. Thank you. Good afternoon, ladies and gentlemen, and thank you for joining us on such short notice.

I am delighted to announce that OMV signed the agreement to acquire a 50% share in Sapura Upstream, a major independent Malaysian oil and gas company.

We will be partner with a highly esteemed local company Sapura Energy who will continue to own a 50% stake in Sapura Upstream. The purpose -- the purchase price for our 50% stake amounts to \$540 million.

We also agreed to contingent payments of up to \$85 million. The majority of these contingent payments are conditional upon taking the final FID on a certain commercial volumes from the license in Mexico.

The new company Sapura Upstream has a total debt position of \$350 million. That is for 100% not for the OMV share. The transaction will be effective as of January 1, 2019. Closing is envisaged in first quarter next year and is subject to relevant approvals.

OMV intends to fully consolidate Sapura Upstream and its financial statements. Sapura Upstream will add attractive reserves to our portfolio. The total cumulative production is estimated at around 260 million barrels, mostly gas.

With this transaction, OMV is establishing Australasia as a new core region. The oil and gas demand in this region is expected to increase significantly in the long term. OMV will get access to growing markets and rising LNG demand in Asia-Pacific.

Let me now briefly give you an overview of Sapura Upstream. The company has been the exploration production business segment of Sapura Energy and integrated oil and gas service group based in Malaysia.

OMV does partnering with a local operator, which is an advantage for business development. Sapura Upstream has production and development assets located in shallow waters offshore Malaysia. Patroness, Malaysia's fully integrated oil and gas multinational is a joint venture partner in all domestic assets of Sapura Upstream.

The company currently produces approximately 10,000 barrels per day, mostly liquids. The 5 producing oil fields have been in operation since the early 2000s and are located close to the Peninsular Malaysia.

Gas production started in 2018 and is located in the Sarawak fields. The company has several attractive gas development and exploration assets offshore and onshore Malaysia. The highest upside is coming from the gas development projects in the Sarawak Basin SK408 and SK310. Moreover, the transaction will add to our portfolio exploration licenses in the Gulf of Mexico and Australia once the recent farm-in agreements have been closed. This can potentially bring additional growth in the long term, which is not reflected in our current view.

This transaction is a further step in the execution of our strategy. We are focusing on producing fields and advance development projects, which are close to production startup. We target assets with near-term cash contribution and low CapEx requirements.

Sapura Upstream's production portfolio increases in the near term, driven by the gas developments in SK408 and SK310.

SK408 is a production-sharing contract with Sapura Upstream as the operator with a 40% stake and its partners are Petronas and Shell, each owning a 30% stake.

This project will be developed in 2 phases. Phase 1 of the project comprises of the fields Bakong, Larak and Gorek. The FID for this phase will be taken in the first half of 2018. The development will consist of unmanned wellhead platforms on each of the fields tied back to a nearby facility. First gas from Phase I is anticipated to come on stream in 2020.

Phase 2 includes Jerun field, the largest discovery within this block. Phase II is expected to start production in 2023 and will boost production to 60,000 barrels per day. About 90% will be gas.

OMV's financially solid position and strong skills in operating shallow water projects will support bringing these developments on stream. The maturity of the gas production is transported to the Bintulu LNG Complex, the third largest in the world. This LNG complex is majority owned and operated by Petronas. The LNG is exported to neighboring growing Asian markets. Asia is the highest price global gas region due to strong demand and typically oil index long-term contracts.

The oil produced in Malaysia has crude qualities similar to Tapis, and it is typically sold at a premium compared to the Brent price. There is already existing infrastructure near to our fields and only small additional investments are needed to tighten the new developments. Thus the total gross capital expenditure commitments required in the first 5 years amount to EUR 500 million. This represents the total 100% interest.

Ladies and gentlemen, this acquisition is a great strategic fit for OMV. The transaction will provide OMV access to growing Asian markets. Gas and LNG demand in Asia-Pacific is anticipated to grow substantially by 50% until 2030.

OMV takes the opportunity to capitalize on the growing market and on the increasing supply gap in LNG. We will be part of the Asia-Pacific market, which is the long-lasting backbone for LNG trading and demand. This acquisition supports our target of a reserve replacement ratio above 100%. Sapura Upstream brings the total cumulative production of approximately 260 million barrels, mostly gas. We see potential upside to this figure from the exploration portfolio on the long term.

The transaction will be timely cash flow accretive. In 2020, we expect the transaction to be already free cash flow positive. As production volumes ramp up, production costs for these assets will be in line with our target. As Asia-Pacific is an attractive growing market, Sapura Upstream will represent OMV's platform for further regional growth.

Thank you, ladies and gentlemen, and now I'm more than happy to take your questions.

QUESTIONS AND ANSWERS

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

The first question comes from Mehdi Ennebati, Societe Generale.

Mehdi Ennebati - Societe Generale Cross Asset Research - Equity Analyst

So 2 questions. First, regarding the price, let's say the pricing EV of the transaction. Do you agree that if we consider that you take -- you pay \$540 million to get the 50% stake? Plus, let's say, you take half of the debt, meaning \$175 million plus, the potential \$85 million payment, we are talking about an EV of \$800 million, which is in line with what was, let's say, announced by Sapura Energy a few months ago? Second question regarding the pricing of the natural gas. So you produce the natural gas. You send it to the LNG complex facility, which makes it LNG. I wanted to know if regarding the pricing of that -- of the natural gas that you sell, you have kind of correlation to the LNG price, which might go up in the following year?



Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Okay, Mehdi. The purchase price is \$540 million for the 50% stake, correct. There is an additional purchase price, a conditional payment in case we see an increase of the value. The enterprise value is \$1.25 billion plus \$350 million of debt. The \$350 million is nothing else than an intercompany loan from Sapura Energy to Sapura Upstream. What we are doing is OMV is going to manage the refinancing of the USD 350 million, which is the 100% number. Whether -- this is going to be most probably an intercompany loan. Therefore, as we are going to fully consolidate Sapura Upstream, it has no impact on our cash flow, no visible impact on our debt and on our gearing. Your second question, the LNG pricing is the pricing of the production at the Bintulu plant, and we do have pricing reflecting the market prices in Asia.

Mehdi Ennebati - Societe Generale Cross Asset Research - Equity Analyst

I mean, when you say reflecting the prices in Asia, the LNG prices in Asia you mean?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Yes, absolutely. Yes, yes, it's LNG, Mehdi, of course.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

Next question is from Jason Gammel, Jefferies.

Jason Gammel - Jefferies LLC, Research Division - Equity Analyst

First question from me, SK408 Phase 2, can you talk about whether Phase 2 has actually reached FID? And if not, what steps are necessary to bring it to that point? Second question from me, will there be any OMV employees actually seconded into the Sapura organization? Or will the management of that organization simply continue as it has been?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

All right. I will start with your second question, Jason. As we want to fully consolidate the company, we have to demonstrate that all the conditions to fully consolidate are also met, which means that we of course will second our management into the company. But honestly speaking, I'm very much impressed about the scientific skills the company has. They have really extremely good experts, especially when you look into the track record of the exploration activities. I think it was 9 out of 11 wells they successfully drilled, and that was the reason why we do have that prime assets in the Sarawak region. So yes, we will second our people. We also will take some people maybe from Sapura Upstream into OMV Group so that we have an exchange of expertise. It's very important for us that OMV also takes care about the financial situation of the company, yes, explaining you why OMV is now managing the intercompany loan. As to speak about Sarawak S408 (sic) [SK408], we have no FID so far for Phase 2. The production startup will be in 2023. So we have no timing for FID.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

The next question comes from Giacomo Romeo, Macquarie.

Giacomo Romeo - Macquarie Research - Analyst

I believe Sapura earlier today discussed that the -- you said you will have -- will exclusively operate in the Asian region. Can you please talk a little bit about the sort of this exclusivity agreement and how future interest in assets from OMV will have to go through this entity? And what are the details behind this exclusivity?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Well, we do have -- Giacomo, we do have a joint understanding that the Asian region, and now we are speaking about the Upstream activities of OMV, we will use the expertise of Sapura Upstream and especially also that we are using an, let me call it, an Asian joint venture within Asian Brent to expand into the region. This is one of the major advantages I do see in this strategic cooperation. We are newcomer into Asian market as an Upstreamer. Sapura is well connected, and especially, they do have a very strong relationship with Petronas. They know the basins. And that's the reason why we will use more and more their expertise also to extend the activities in the Asian market. But now, Giacomo, we are really talking about future activities, which are not top ranked on my agenda. The top-ranked topic on my agenda is just spend money and develop these nice assets that we can get more cash flow, yes? Because we are now committing that we will be cash flow positive already in 2020. It will be an investment case in 2019, and we will have nice cash in our files already when we talk about 2020. So I'm not really focusing with the first priority on an extension of the cooperation in the Asian market, I'm really focusing now that we are going to manage the company to the better that we are going to deliver more cash.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

Next on the list is Josh Stone, Barclays.

Joshua Eliot Dweck Stone - Barclays Bank PLC, Research Division - Analyst

I've got 3 questions, please. Firstly, do you say -- comment what the gas production you expect from Phase 1 of the SK408 at peak? And second on the CapEx. You talk about EUR 500 million per year over the 5 years. Is it fair to assume EUR 100 million a year? Or is it more front-end-loaded than that? And then lastly, in the press release, there is some mention of synergies. I was hoping maybe you could just elaborate on where you see those synergies?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

All right. Josh, I do regret that I can't give you the production numbers for Phase 1. All I can say is, in your calculation, go for a gradual ramp up over the next years and we are peaking in 2023 with the 6 step, so 6x higher. When we are talking about the CapEx profile, if you remember what I have said -- first of all, the EUR 500 million is the 100% figure. So my share is EUR 250 million, yes, just to be quite clear. And if you look into the CapEx profile, I only can say, well, there is no linear EUR 100 million every year, but that's not the case for any development project I have seen so far to be honest. And if you remember what I have said in the beginning, we will be cash flow positive in 2020 and not in 2019. Maybe I have a little bit of a bigger cake to swallow in 2019. And what about the third?

Joshua Eliot Dweck Stone - Barclays Bank PLC, Research Division - Analyst

Yes, very clear. And the last one just on the synergies acquired from the Sapura Energy, talking about synergy.

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

I think -- as I said, Sapura impressed me a lot as an operator in the region when we discussed their exploration success, yes? What we can now freshly inhale into the company is our well track record in developing assets. So I think the next phase is, if you would like to increase the production from a level of 10,000 to 60,000 barrels per day, it will be a proper, a very proper project management and executing the necessary investments into the gas fields. I think that's one of the expertise we will bring in it. And the synergies is -- we will manage cash flow better, yes? If you look what we have done the last 2, 3 years, impressively good cash flow management, and that's I think something we will bring into the company. Can you put a tack on that? I would say -- I can't give you a number, but it gives me the comfort that the commitments we are going to take today that we develop the production to a level of 60,000 barrels per day comes in with a higher probability.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

We come now to Matt Loftin, JPMorgan.

Matthew Peter Charles Lofting - JP Morgan Chase & Co, Research Division - VP

Two please, if I could. I mean, first just coming back to CapEx, can you just elaborate on how much of the EUR 500 million relates to the SK408 asset? Is there any allowance for Mexico within that balance? And then just to be clear, how is the deal kind of superior now finance the share of the spend? Or is there any agreement for OMV to carry any of their share? And then second on exploration, and I think you flagged towards the end of your comments sort of upside to the 260 million barrels, what are the key asset steps, timings around the program to realize any of the upside?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Well, Matt, I can't give you a figure for SK408, but I can see that the maturity of the CapEx we spend is for SK408, yes? And especially the production jump we are going to see is coming for SK408 so that it's the main asset we have to spend the investment money. Second is there is no carry for their share -- Sapura Energy share in any agreement we have so far. They have to finance their share. We have to finance our share. And especially the transaction they have now with OMV, I think it's a fresh back wind for them that they can better organize also the financing of the mother company. The upsides -- the key assets, the upside I was talking about was -- is mainly the upside in Mexico. But if you look into the exploration asset in Mexico, if we really would like to pay for it, and that's the contingent payment I have mentioned with up to \$85 million, we have to be convinced that there is a commercial discovery coming with Mexico. If there is no commercial discovery, my upsides will be diminished substantially and my payment will be diminished substantially. So then we might end up with something in between the \$540 million and the \$625 million.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

We now come to Henri Patricot, UBS.

Henri Jerome Dieudonne Marie Patricot - UBS Investment Bank, Research Division - Associate Director and Equity Research Analyst

A couple of questions. The first one is following up on the potential upside and looking at the oil assets, which I think seems like they're relatively mature assets, given the construction targets you mentioned. Is there any possibility for you to increase the recovery rate or just too close to the end life? And on this point, how should we think about some of the abandonment cost for the assets, any risk around that?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Henri, to be honest, I will not focus on oil there. The story and the perspective of this transaction is gas. We will turn the company, which is now a little bit of an oil company into more or less purely gas company. We will not waste our time focusing on any oil assets in their portfolio in Malaysia, because it doesn't make sense. The potential I get from this tiny nitty-gritty oil production is so low that I will focus myself with our enhanced -- our recovery projects to other fields in our portfolio where it really makes more sense to demonstrate a real impact on our numbers. The question of abandonment cost is not a topic on our table, because we are talking about really very young assets, yes? We are just investing into the production, into the fields so that I will not lose any time discussing too much abandonment liabilities or abandonment cost waving us. It is very fresh young company with very, very fresh asset base.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

The next question is from Yuriy Kukhtanych, Deutsche Bank.



Yuriy Kukhtanych - Deutsche Bank AG, Research Division - Research Associate

Two questions from my side, please. First, I understand that production targets are based on both commercial and contingent and technical reserves. And just the question is how well priced are these technical reserves? How many wells would you drill? What understanding do you have about this area that will be producing for the Phase 2 production targets? And if you could just talk a little bit more about available infrastructure and perhaps how much -- how many wells will you need to drill next 2, 3 years? And the second question, very simple, looking at your financial targets for 2020, would you need to do more deals in option to reach these targets?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Well, I will start with your second question. I don't need any deal, neither Sapura nor any additional deal to meet my 2020 targets, because the 2020 target I will meet in a few weeks from now at the end of this year. We have already mentioned that the 500,000 barrels per day production, which we have targeted for 2020 will be met -- will be in reach at the end of this year. It's the exit production rate. So this -- all we are discussing right now, Yuriy, is already working on the second target of 600,000 barrels per day, which is scheduled for be -- to be met in 2025. If we continue to be so busy and if we are successful with Achimov IV/V next year, then the 600,000 barrels per day target maybe also be met very much earlier, like we have shown and demonstrated as with the 2020 target. As we speak about the development concept in the region, I really would like to ask you to have some patience. When we have closed the transaction and when Hans has -- is back from Kuala Lumpur, I will listen more carefully to him. He and his team have spent weeks in data rooms and they have checked the development concepts. They have discussed the more details with the experts in KL. So we don't want to release any details on the development concept so far, also given that we don't have taken FID so far. So when we have done FID, we might come back on your question and give you a little bit more insight. All I can say is that we are convinced that we have a high-quality asset base and that we have a very professional development concept, because we are now ready to commit to a certain production contribution in 2023. And if my team around Hans is not convinced, we wouldn't do that.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

We now come to Chris Kuplent, Bank of America Merrill Lynch.

Christopher Kuplent - BofA Merrill Lynch, Research Division - Head of European Energy Equity Research

I've got 3 questions. Firstly, just coming back on SK408, the 260 million barrels of oil equivalent of cumulative production you quote, can you put that into context? Because on your plateau rate, that doesn't give you a very long reserve life. So perhaps you can explain to us how long that plateau you expect to last and how decline rates will look like in the late 2020s? So that's question number one. Question number two, can you put OpEx per boe. OMV has been very vocal about reducing its group OpEx per boe Upstream into context with what you see SK408 comparing against. And then third question, a bit more generic. We're all aware that Sapura was trying initially to perhaps IPO these assets. How have you found, if you can give us a little bit of a context on how have you found the bidding environment in general as you were looking to expand in a new region for yourself? How many regions did you look at? And what in the end made your choice?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

All right. Chris, first of all, I can't give you any additional information on SK408 as we speak about the plateau. I again have to repeat myself. The day we are going to have FID, after that we are going to give you more detailed information on SK408, yes? Because we really have to prepare the setup, and I want to avoid to be in any conflict with any information I release today when we are going to have FID, because it's a substantial investment project. So I really would like to ask you about your understanding. It's not that I don't want to answer your question in detail. It's just because we have not taken FID so far.



Christopher Kuplent - BofA Merrill Lynch, Research Division - Head of European Energy Equity Research

Okay, understood. But -- I know. Does that mean the 260 million is a very early estimate, it could yet go up?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Yes, of course, of course. And of course, the reserve numbers are going to change, yes? Because the reserve number -- each well you are drilling, Chris, the reserve number is being adjusted, yes? But our evaluation, yes -- our evaluation is based on the 260 million, yes? The OpEx per barrel, the production we are estimating to get mid-long term from Malaysia will perfectly fit into our strategic target that we are below \$8 per barrel. Well, we have right now in OpEx per barrel, which is around \$7 per barrel. What I can tell you is that this number will not go up in the mid-long term because of Malaysia. The third question about the bidding environment. Well, let me start first what we did here in-house over several months. We started something around February this year, and we have screened more than 1,500 assets in the Asian market. We have screened more than 100 companies. And we ended up with Sapura. One of the reason we have chosen Sapura was, first of all, it's a very young asset base with a positive growth perspective in the company. The second, we have realized that Sapura is a partner who fits into the business culture of OMV. We know Sapura as a partner in our exploration assets in New Zealand, and we got to know them in that partnership. And that's the reason why Sapura is not a newcomer or a new partner in this respect. It is a company we do know since quite a while and where we realized that Sapura was initially planning to go for an IPO. And then we were sitting together and we were discussing whether or not a partnership could be a better solution for Sapura as well as for OMV. The third point is that this is a company, which we think has not only good, quality asset base, they are also interlinked into the region. And especially the good relationship with Petronas is a value we have seen when we have chosen Sapura.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

We now come to Tamas Pletser, Erste Bank.

Tamas Pletser - Erste Group Bank AG, Research Division - Oil and Gas Analyst

I just got 2 questions. First of all, you see market of the natural gas you produce, is there any risk with the relationship to Petronas and their LNG? I think you just partially answered to this question. But do you have any long-term agreement on this? And my second question would be about the management of this company. Do I understand correctly that you will delegate the CFO to the joint venture?

Rainer Seele - OMV Aktiengesellschaft - Chairman of Executive Board & CEO

Well, Tamas, first of all, I think there is no risk in relationship with Petronas as we speak about the marketing of LNG. If you look into the numbers of the utilization rate of the LNG Bintulu facility, you will find out that they urgently need gas from the region. Each single molecule you have with the daylight, they will with a big appetite knock on your door to get that molecule, yes? So it's a win-win combination as we speak about Petronas working together with Sapura. And as they are partners in all the fields, yes, and all the assets we -- in Malaysia they're operating, they both have an interest that the production will be monetized. So there is a long-term agreement and a long-term cooperation of course in place. But given the fact that there is a win-win situation in the utilization rate of the LNG liquefaction plant, I think it tells you that the contractual framework is one thing, but that the commercial understanding of this cooperation is convincing us. The second is we are going to -- I haven't mentioned that this is a CFO, yes? We have not finally agreed on the different positions. But Tamas, as I said that we would like to have the biggest impact in the financing and the financial situation of the company, I have some lovely eyes for it.

Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

We now come to Bertrand Hodee, Kepler Cheuvreux.

Bertrand Hodee - *Kepler Cheuvreux, Research Division - Head of Oil and Gas Sector Research*

So 2 question if I may. So I understand, Rainer, that you don't want to split 260 million boe of -- between Phase 1, Phase 2. But can you give us at least split between producing asset and development asset out of the 260 million? So clearly just to get it straightforward, what is reserve associated with the current producing assets? And the second question is around your transfer gas price?

Rainer Seele - *OMV Aktiengesellschaft - Chairman of Executive Board & CEO*

Bertrand, could you repeat the first question? We didn't get it.

Bertrand Hodee - *Kepler Cheuvreux, Research Division - Head of Oil and Gas Sector Research*

Yes. So the first question is out of the 260 million boe of reserve you estimate over the life of the field, can you split it between the current producing assets, which are currently producing 10,000 boe per day and the development asset, which is mainly the SK408? That was the first question. And then the second question is around coming back on the first question that was asked by Mehdi before. On your transfer gas price agreement on the Bintulu plant, can you give us a clue of what kind of discounts should we think compared to LNG landed price?

Rainer Seele - *OMV Aktiengesellschaft - Chairman of Executive Board & CEO*

Bertrand, the second question is a question I wish I couldn't hear, yes? So I cannot make any comments on prices and on discounts and so on. So no. All I -- I can't give you any clue about the transfer gas price. None of our competitors, by the way, is doing. As we speak about the 260 million boe of reserves, I was thinking how I can be of help. When we talk about the producing assets right now with 10,000 barrels per day, it's a fraction of the 260 million boe reserves. So the vast, vast, vast majority of the 260 million is the reserve base for the investments we are doing to boost the production to the level of 60,000 barrels per day.

Florian Greger - *OMV Aktiengesellschaft - VP & Head of IR*

We now come to Oleg Galbur, Raiffeisen.

Oleg Galbur - *Raiffeisen CENTROBANK AG, Research Division - Financial Analyst*

I have 2. The first one, could you talk a little bit about the taxes? What kind of taxes will the JV pay on current and future production? Is it royalty type of taxes, or is it based on production-sharing agreement? And secondly, maybe it's too early, but still in New Zealand, just trying to understand the future potential of synergies you mine, provided that you discover oil and gas there? Are those exploration assets, the 3 you acquired now, closer located to existing assets? Any potential for significant or for some synergies?

Rainer Seele - *OMV Aktiengesellschaft - Chairman of Executive Board & CEO*

Okay. Let me start with the first question on the taxes. Well, it is of course a production-sharing agreement we have in place. And the government take -- I don't give you the specific tax number for our assets, but the government take in Malaysia is something between 60% and 80%. Your second question, Oleg, on synergies, honestly speaking, there are no synergies in New Zealand. The shares of Sapura in our assets is in assets operated by OMV already. We are acquiring these assets, the majority from Shell. So I wouldn't claim any synergies as we speak about the assets in New Zealand. We do see some synergies in Australia, because the blocks Sapura has acquired is adjacent to the existing 2 blocks of OMV in Australia. And these 2 blocks we have had 2 discoveries, but we had no commercial discovery because of the size of the reserve base. And given the fact that there are some adjacent blocks coming with Sapura, we might come up to a critical reserve base that the development project would be possible. So there is a synergy potential I can see. But whether or not it really would kick in, it's really pretty early to give you a real firm answer on that.

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Florian Greger - OMV Aktiengesellschaft - VP & Head of IR

Okay, that brings us to the end of our call. Thanks for your questions and for joining us on such short notice. If you have any further questions, please contact any member of the IR team, and we are happy to help. Wishing you a good weekend and a nice afternoon. Bye.

Operator

That concludes today's teleconference call. A replay of the call will be available for 1 week. The number is printed on the teleconference invitation. Alternatively, please contact OMV's Investor Relations department directly to obtain the replay numbers.

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