

MOL Group and SOCAR agreed on key terms for an onshore exploration opportunity in Azerbaijan

MOL Plc. hereby notifies the market of the following:

MOL Group and SOCAR have signed key terms for an exploration, development, and production sharing agreement for a new onshore area covering the Shamakhi-Gobustan regions of Azerbaijan.

Following the signing of a Memorandum of Understanding with the State Oil Company of the Republic of Azerbaijan (SOCAR) last September to evaluate further potential cooperation opportunities in the area of hydrocarbon exploration in the Shamakhi-Gobustan region in Azerbaijan, the new agreement marks further progress in MOL's strategic partnership with SOCAR. The agreement was signed by MOL Group Chairman and CEO Zsolt Hernádi and SOCAR President Rovshan Najaf during the Baku Energy Forum.

„I'm proud to sign this new agreement with SOCAR, reinforcing our commitment to deeper cooperation and future exploration in Azerbaijan. As MOL Group celebrates its 5th anniversary in Azerbaijan this year, stepping up with our strategic partnership is an evidence of great cooperation and shared visions.

This agreement reflects the growing economic ties between Azerbaijan and Hungary too, supported by excellent governmental relations. MOL's other project, the offshore ACG is a cornerstone of our international operations, already contributing to Central Europe's energy security and our regional refining flexibility.

I'm positive that the Shamakhi-Gobustan joint exploration project will not just be a great addition to our international production portfolio but it will be an important puzzle to securing Central-Europe's energy supply. We will have the flexibility to decide to sell or to ship the oil produced to MOL Group's core region to contribute to the security of energy supply" – said Zsolt Hernádi, Chairman and CEO of the MOL Group.

This new agreement builds on the momentum of the earlier cooperation and reflects the parties' shared commitment to expand their collaboration in Azerbaijan's upstream sector. The discussions in relation to this exploration opportunity have progressed constructively, reaffirming MOL Group's long-term strategic presence in the Caspian region and SOCAR's role as a reliable partner in the development of Azerbaijan's hydrocarbon resources.

According to the companies' intention, MOL would be the operator and 65% shareholder in the project and SOCAR would hold 35%.

The finalization of a fully termed exploration, development, and production sharing agreement will be subject to further negotiations and regulatory approvals.

MOL Group entered Azerbaijan in 2020 by acquiring a 9.57% stake in the Azeri-Chirag-Gunashli ("ACG"), one of the world's largest oil fields, and an effective 8.9% stake in the Baku-Tbilisi-Ceyhan ("BTC") pipeline that transports the crude to the Mediterranean port of Ceyhan. This represents 14% of MOL's total production and 25% of total reserves as of 2024. Despite being a minority shareholder, MOL actively contributes to the development of ACG with its 8 decades-long reservoir management and production optimization knowledge.

The BTC pipeline plays an important role in MOL's supply of oil to MOL Group's refineries in Central and Eastern Europe. So far, 15 million barrels of MOL's crude oil was transported from the ACG field through the BTC pipeline and cargo ships to MOL Group's refineries, including Slovnaft's Bratislava and INA's Rijeka Refinery.

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