

Press release  
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## Zhoda launches a workover program to increase oil production in Ukraine

**Zhoda Investments' joint venture has launched a workover program to increase production at its oil field in Ukraine. The objective of the first stage in the investment program is to more than double production. This contributes a valuable energy resource to Ukraine since all oil produced at the field is refined and consumed within the country.**

*"We are very excited to have launched an investment program aiming to double production at the oil field in Ukraine. Payback for each workover is shorter than six months. We are also glad to be contributing a valuable energy resource of which Ukraine is in great need, says Robert Karlsson, CEO of Zhoda Investments.*

Together with its partner in the joint venture, Zhoda has launched an investment program to increase production at the oil field in Ukraine. Approximately fifty years ago, the field was one of the largest onshore oil fields in the former Soviet Union and over 100 wells have been drilled on the field. Only a few of these wells are on stream today. Following the full-scale invasion of Ukraine and previously due to the low oil prices during the pandemic, the level of investments in the field were not sufficient to compensate for the natural depletion in the wells. As a result, oil production at the field has dropped during the past years.

The current workover program comprises putting seven already drilled wells on stream. Two wells have already been completed and they have started to produce oil again after having been idle for two years. If all wells in this first stage of the work program are successful, the production is expected to increase to 7,500 barrels per month, which corresponds to the production in October 2021. This would mean more than doubling today's production.

The average investment per well is estimated to SEK 0.5 million and the payback period is shorter than 6 months. The investments are financed through cash flow generated from the sale of oil.

Zhoda has a joint venture with Ukraine's largest oil and gas company, which is owned by the Ukrainian state. The oil field in which Zhoda has a 45 per cent interest is located 150 kilometers east of the capital Kyiv, and approximately 600 kilometers from the front in the East. The field and surrounding infrastructure are intact. Daily work is carried out and wells on the field are producing oil.

The war in the eastern part of Ukraine is affecting society and the business environment throughout Ukraine. Access to electricity is not guaranteed 24 hours a day and there are restrictions as to which part of the day work can be carried out on the field.

Nevertheless, daily life in Kyiv and at the oil field continues, which enables operations to be carried out.

Zhoda holds a 45% interest in the oil field. The production data and investments above are for 100% of the field.

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**About Zhoda Investments**

Zhoda Investments invests in selected unlisted European ventures and drives growth and profitability through active ownership and an entrepreneurial approach. In the coastal region of Dalmatia in Croatia, Zhoda owns and manages Testament Winery and Black Island Winery. Based on indigenous organic grapes and a two-thousand-year-old wine tradition, it is Zhoda's award-winning winemakers' objective to create Croatia's best wine and to become the country's leading exporter of premium wines. The vision is to reach a production of one million bottles per year. The group also holds a 45 per cent interest in an oil field in Ukraine with 2P proven and probable oil reserves of 8 million barrels net to the company. Zhoda Investments is actively pursuing new investments. For more information, visit [www.zhodainvestments.com](http://www.zhodainvestments.com).

*This is an English translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.*