

Harbour Energy plc

Investor presentation

March 2024



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A pure play upstream global oil & gas producer



Safe and responsible operations

Playing a significant role in the energy transition

High quality, cash generative portfolio

Targeting high return, short cycle drilling opportunities

Portfolio of strategic investment opportunities

Organic diversification well underway

Robust financial position, strict capital discipline

Supports competitive shareholder returns and M&A optionality

Building a global, diversified oil and gas company via disciplined M&A

Transformational acquisition of Wintershall Dea asset portfolio announced December 2023, in line with strategy

- Ensure safe, reliable and environmentally responsible operations
- Maintain a high-quality portfolio of reserves and resources
- Leverage our full cycle capability to diversify and grow further
- Ensure financial strength through the commodity price cycle



¹ Acquisition of substantially all of Wintershall Dea’s upstream assets announced 21 December 2023, expected to complete Q4 2024 ² H1 2023 pro forma production, as per management estimates

Harbour at a glance

A global independent O&G company focused on value creation, cash flow and distributions

Our purpose is to play a significant role in meeting the world’s energy needs through the safe, efficient and responsible production of hydrocarbons, while creating value for our stakeholders.



c.\$1 billion
(sh. distributions since 2021)

186 kboepd

Production
(2023)

c.\$16/boe

Operating cost
(2023)

c.\$1.0 bn

Total capex (inc.decom)
(2023)

\$1.0 bn¹

Free cash flow
(2023)

\$0.2 bn

Net debt
(2023)

Net Zero 2035

Commitment²

¹ FCF is free cash flow after tax and pre-distributions. ²Harbour’s Net Zero goal is Scope 1 and 2 emissions on a gross operated basis

2023 highlights

Advancing our strategy

2023 highlights

Advancing our strategy

Maximising value of our production base

- Top quartile safety performance
- Reserve additions at UK operated hubs

International growth and diversification

- >25% growth in international 2C resource
- Increased momentum on CCS projects

Strong financial position; capital discipline

- Significant FCF generation of \$1bn
- \$249m¹ in buybacks, \$200m dividend

Transformational acquisition announced

- Wintershall Dea asset portfolio for \$11.2bn

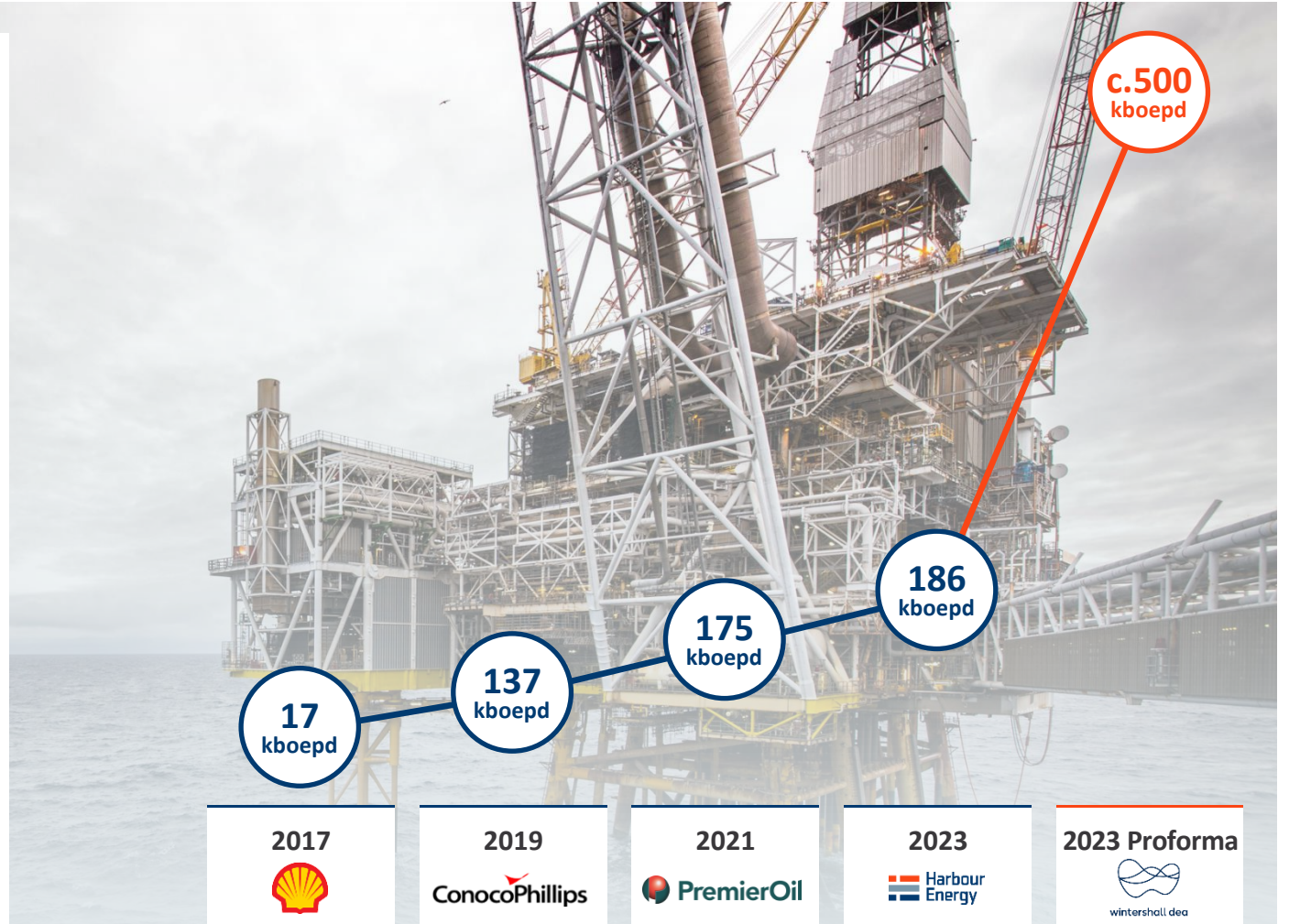


Chart shows Harbour's annual reported production ¹Total spend on share buybacks includes transaction fees and foreign exchange differences applied to the sterling denominated shares repurchased.

Operational review

Maximising the value of our production base

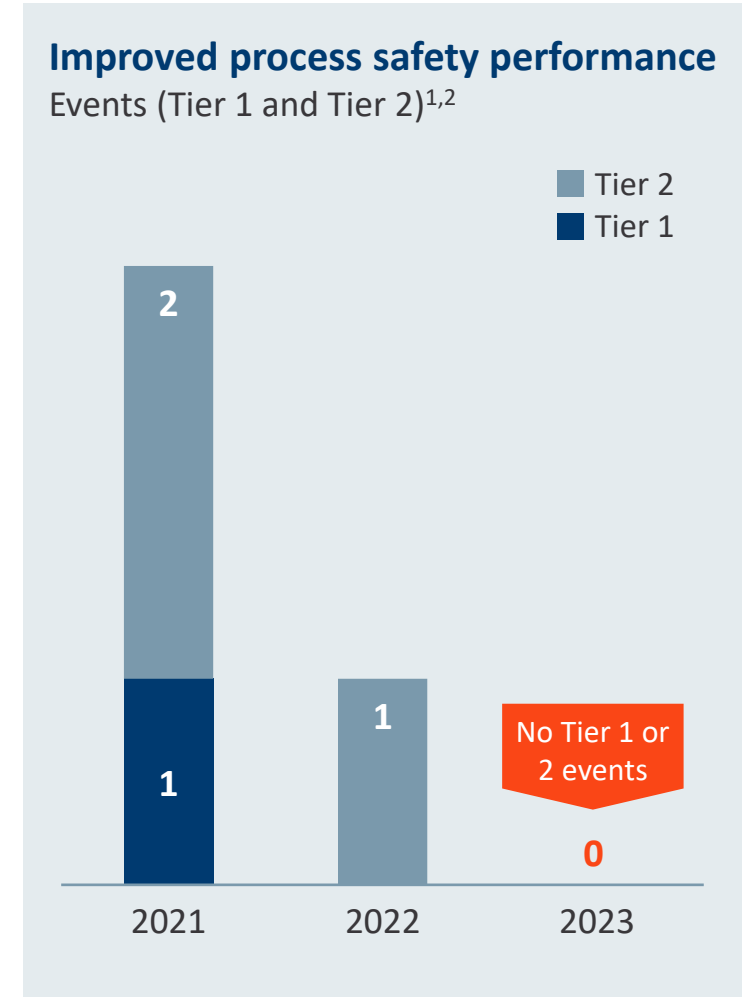
A focus on safe and responsible operations

Further improvement in our safety record with no lost time injuries or serious process safety events during 2023



Safety is our top priority

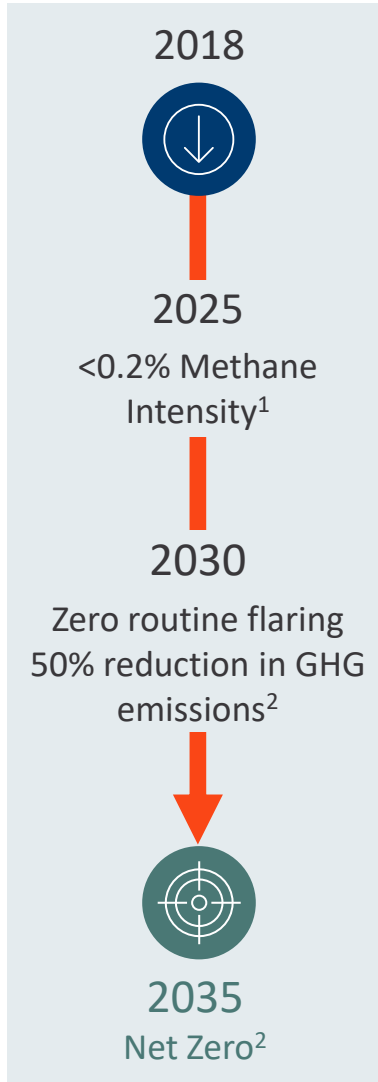
- Building a strong safety record and culture
- No significant injuries or serious process safety events
- Significant reduction in high potential incidents



¹ Safety KPIs are reported on a gross operated basis, including appointed operator assets Catcher and Tolmount ² Loss of Primary Containment (LOPC) incidents are categorised as Tier 1 or Tier 2 events as defined by IOGP (The International Association of Oil & Gas Producers)

Addressing our environmental impact

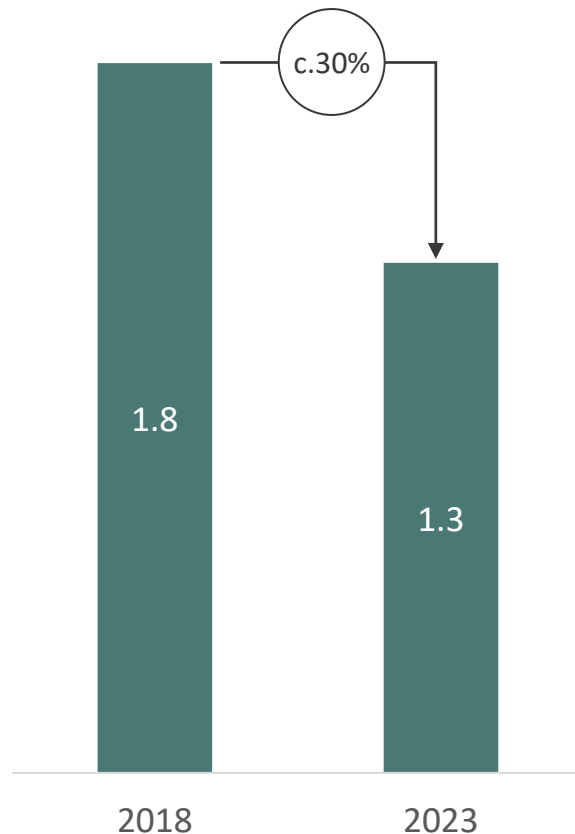
Producing oil and gas responsibly



2023 highlights

GHG emissions

mt CO₂e (gross, operated, Scope 1 and 2)



Harbour has a steady UK programme of decommissioning wells and infrastructure



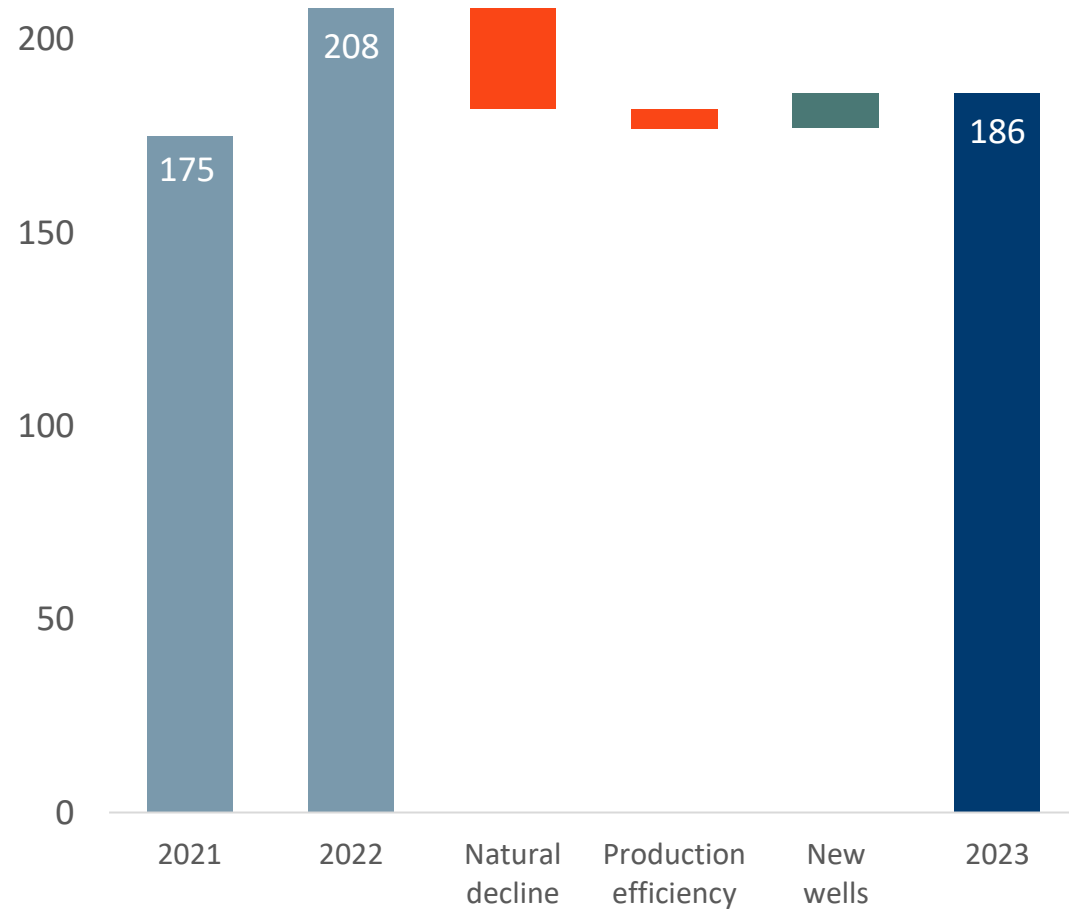
- Executed four emission reduction projects with the impact of lowering Harbour's 2023 gross operated emissions by 54 kt
- Plugged & abandoned seven wells; removed several subsea structures — 97% recycling rate of removed infrastructure achieved
- Viking CCS targeting 10 mtpa of CO₂ by 2030 and 15 mtpa by 2035

¹ OGCI methane intensity target ² Gross operated scope 1 & 2 GHG emissions vs a 2018 baseline

Production of 186 kboepd underpinning significant free cash flow generation

Strong performance from our operated UK hubs offset by deferred partner wells and extended planned shutdowns

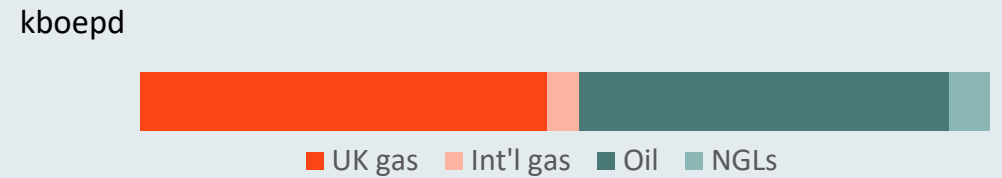
Production kboepd



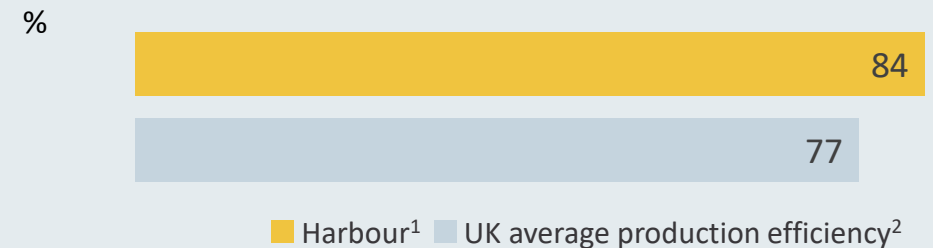
2023 Production



Balance of oil and gas kboepd



Operated asset production efficiency vs UK average %

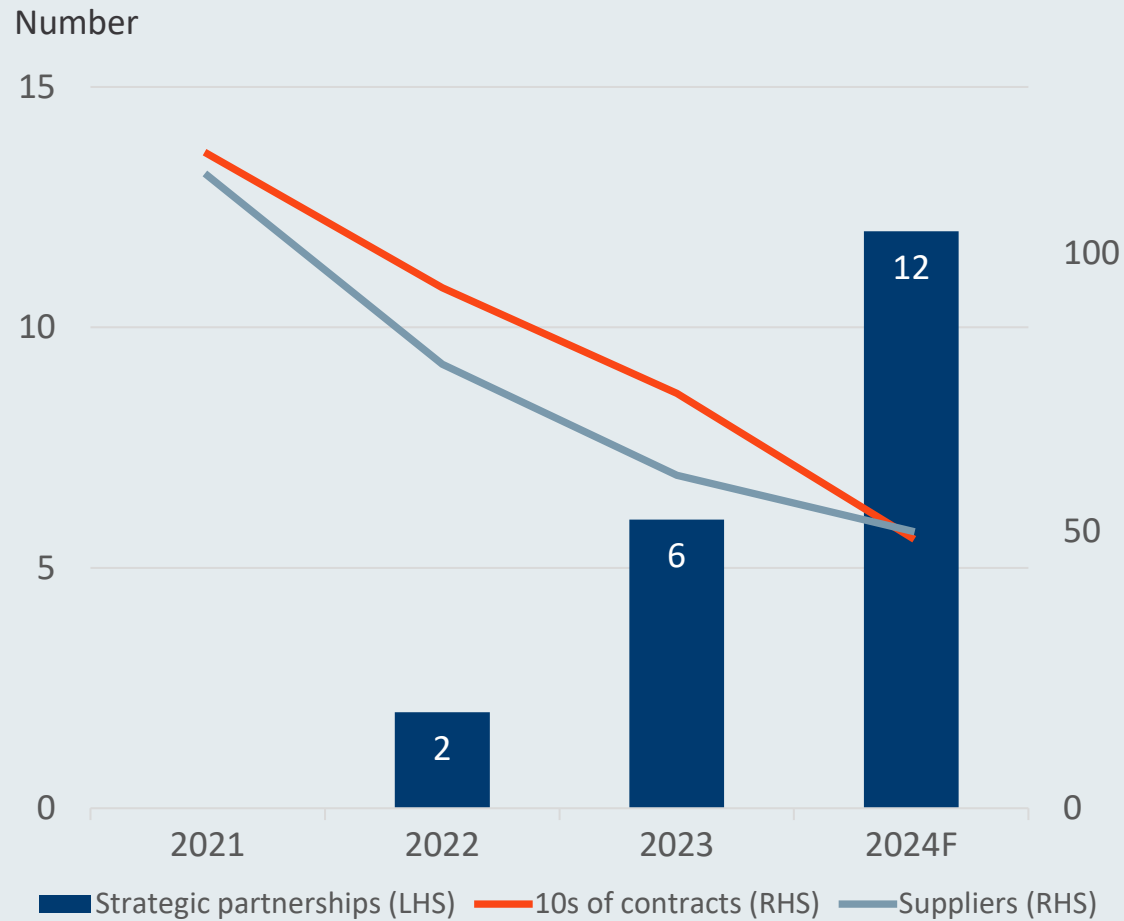


¹Excludes appointed operator assets East Irish Sea, Tolmount and Catcher. ²Source: NSTA data and reflects average UK production efficiency in 2022.

A proactive operator with competitive operations well placed for further growth

Leveraging our scale in the UK and removing complexity to control our cost base

Fewer contracts and suppliers, more strategic partnerships

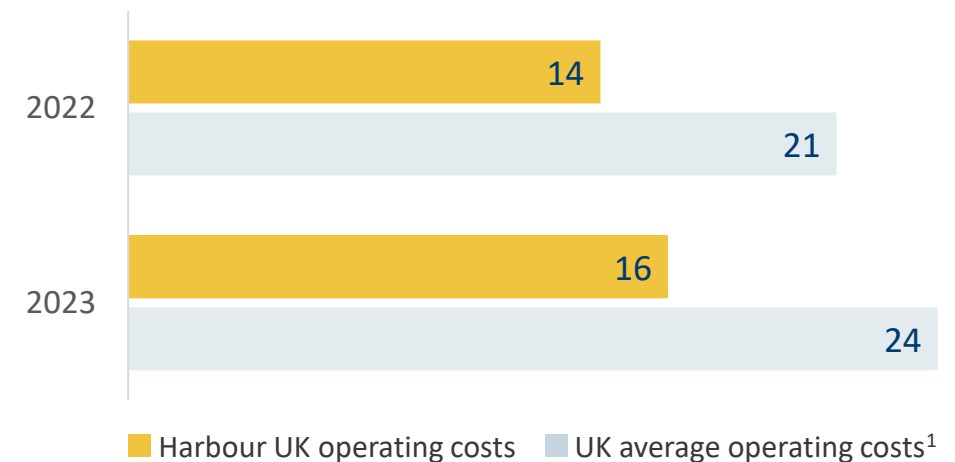


Creating an efficient & scalable business

- ✓ Additional long-term supplier contracts
- ✓ Rationalised number of contracts
- ✓ Completed review of UK organisation
- ✓ Progressed systems integration and simplification

Competitive UK operations

UK operating costs, \$/boe



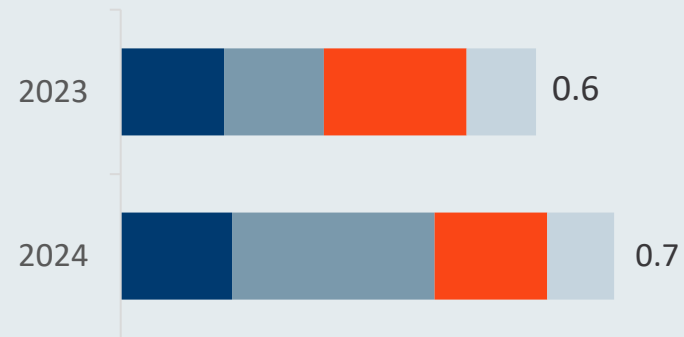
¹ Source: Harbour estimates for Harbour operating costs; NSTA estimates for UK average operating costs

Investing in high-return, short cycle UK opportunities to support production and cash flow

UK investment has to compete for capital with other investment opportunities, shareholder returns and debt reduction

UK capital investment (excl. decom)

\$bn



- Well inventions, maintenance
- Infill drilling
- Satellite developments
- E&A

Targeting NPV10 breakeven of <\$40/bbl and <40p/therm

Targeting IRRs well in excess of 50% at today's market prices

Production broadly stable from our three largest operating hubs (2021-2025F)



AELE: Extending producing life

- LAD well outperforming
- NW Seymour online H2 2024
- Potential to extend field life to 2030+



GBA: Outperforming expectations

- Callanish F6 first production H2 2024
- Successful Leverett appraisal
- E&A upside (Brodgar, Gilderoy)



J-Area: Active infill programme

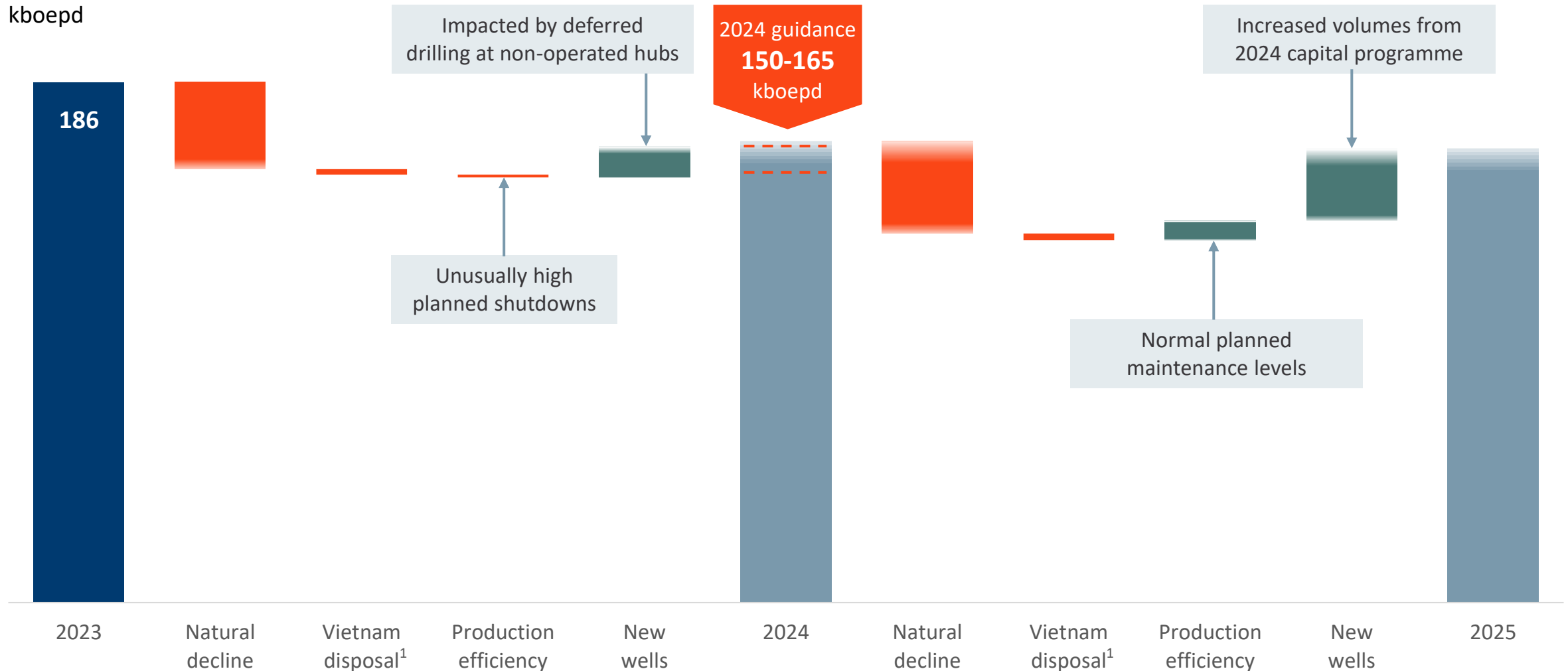
- Talbot first oil end-2024
- Recovery efficiency improvement projects matured
- Upside via near-field exploration

2024 production reflects high level of planned shutdowns and timing of new wells on-stream

2025 production expected to be similar to 2024 with increased volumes from new wells and fewer planned outages

Production

kboepd



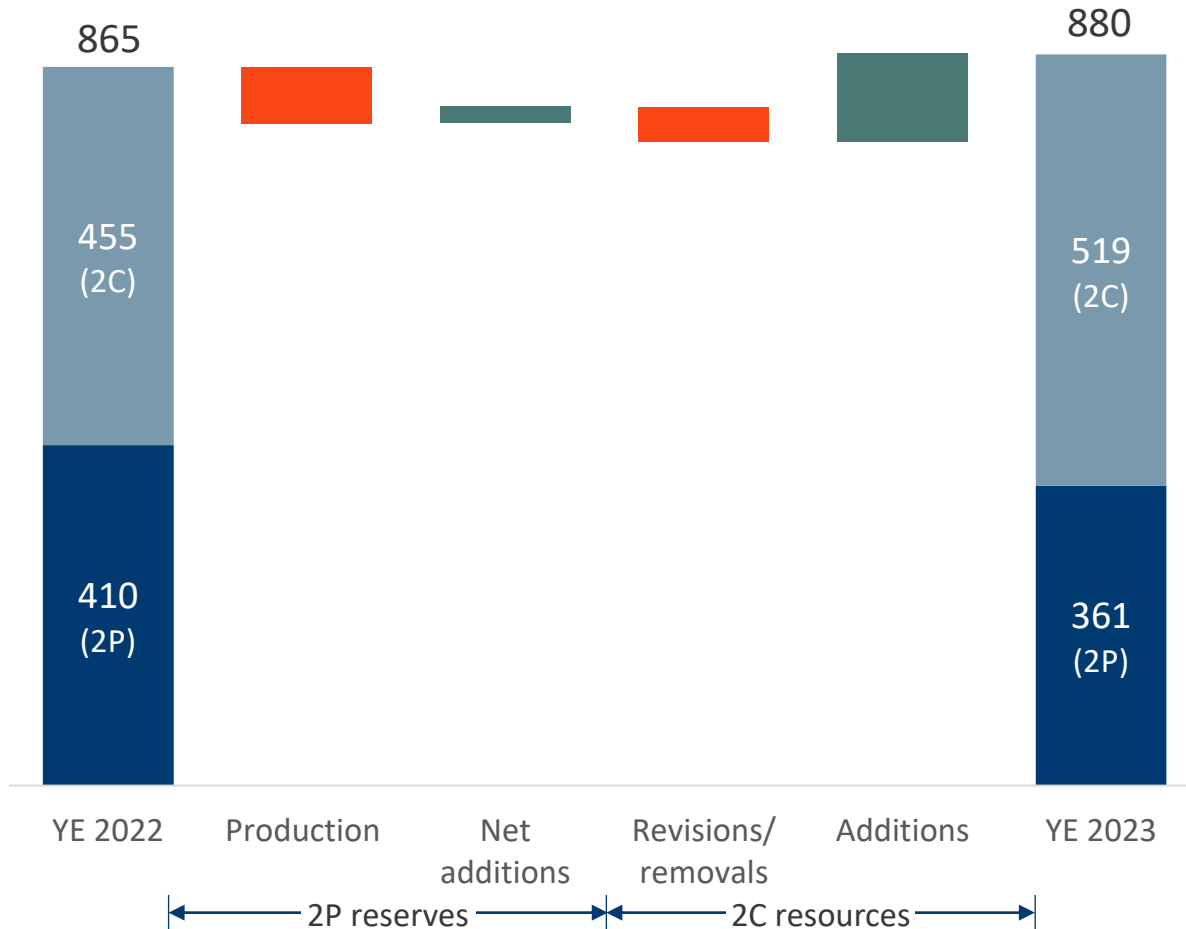
¹ Sale of Vietnam business is assumed to complete H1 2024

Increased total reserves and resources to 880 mmboe

2P reserve additions at UK operated hubs and growth in international 2C resources offset by production

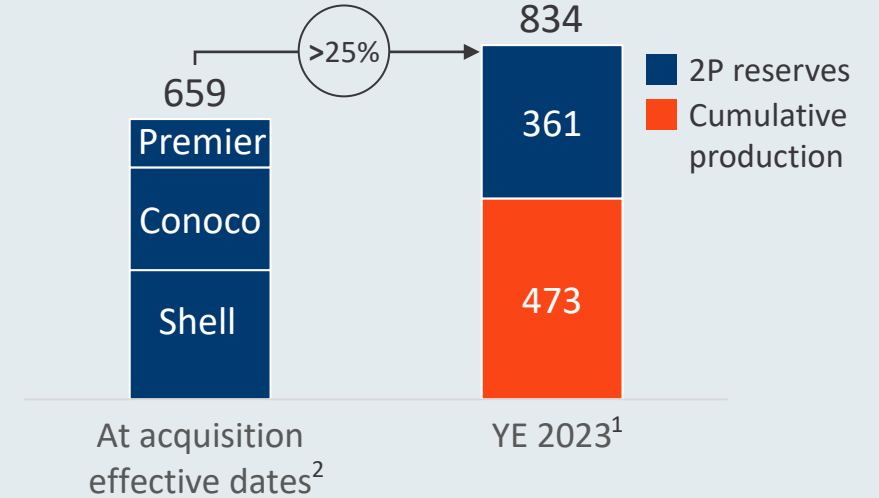
Total 2P reserves and 2C resources

mmboe¹



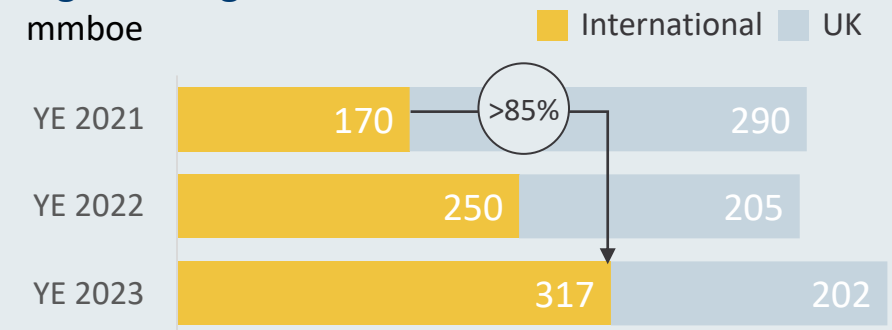
Track record of 2P reserve additions from acquisitions

mmboe



Significant growth in international 2C resources

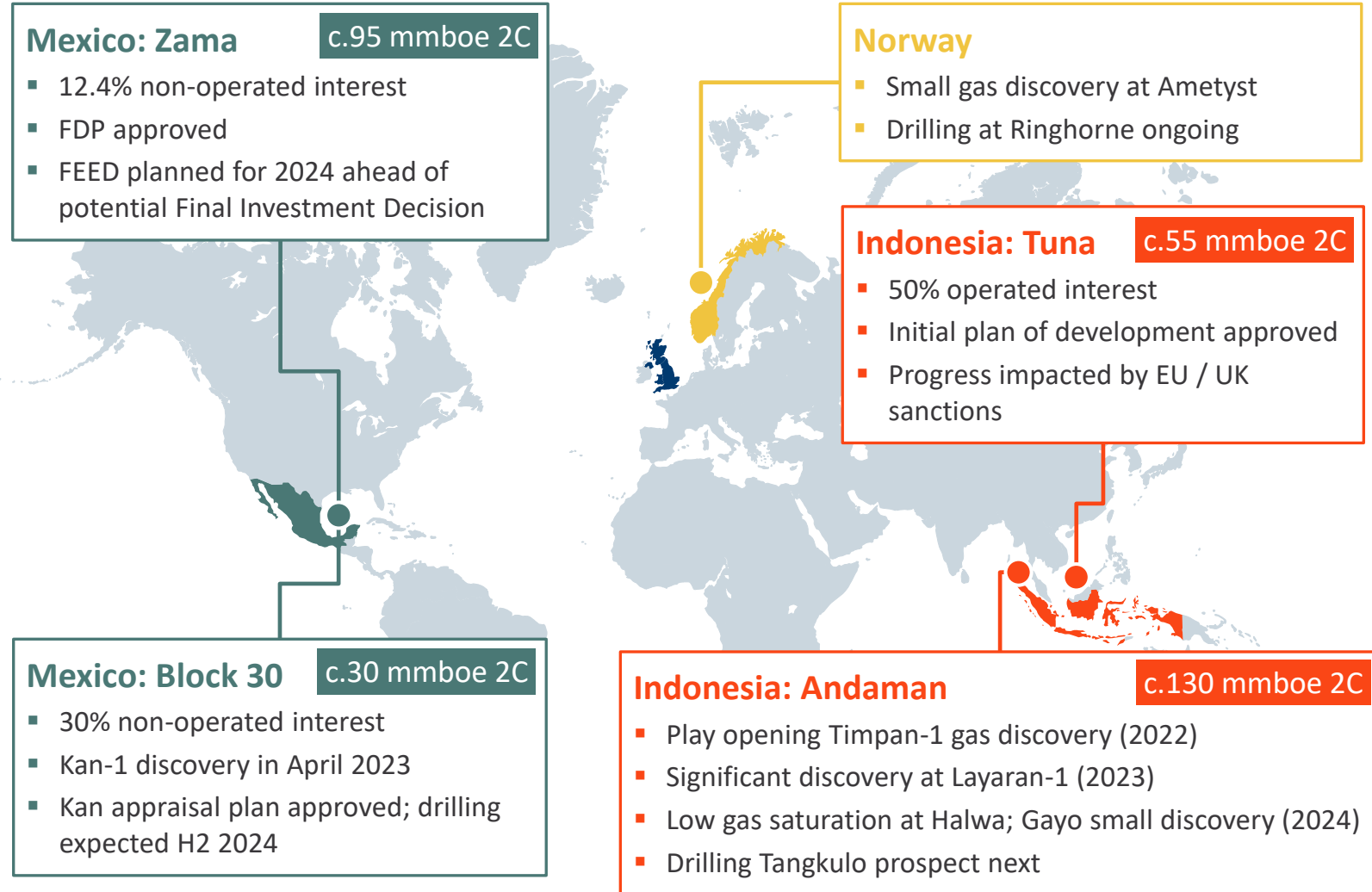
mmboe



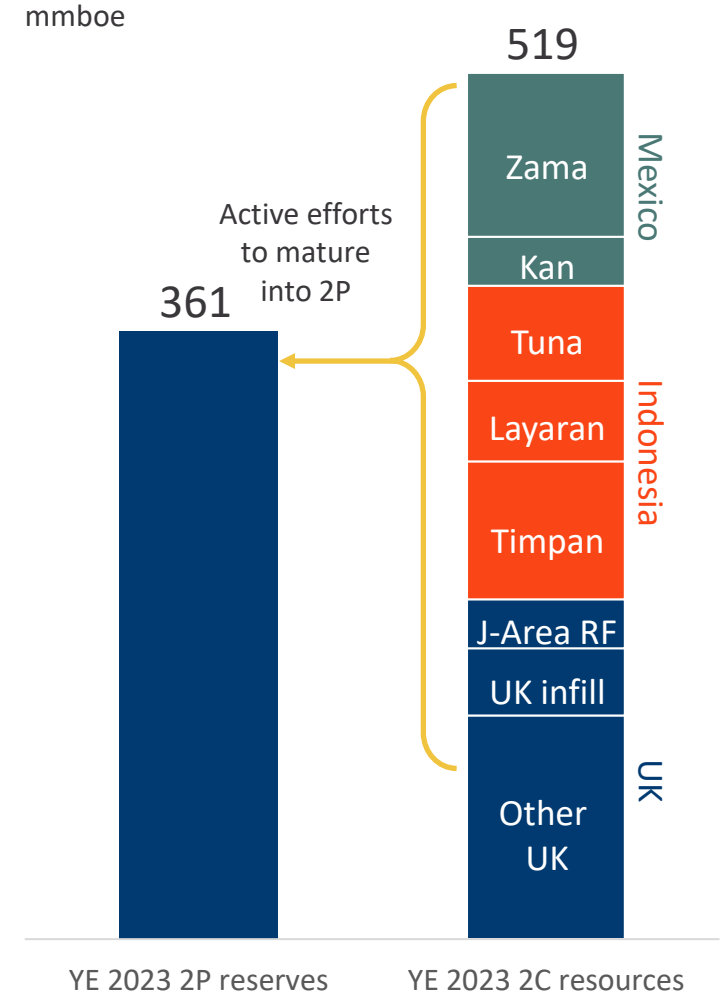
¹ Harbour's independently verified internal estimates. ² Per CPR for Shell, ConocoPhillips and Premier acquisitions

Growing set of attractive, international growth projects...

...with the potential to materially add to our reserves and production and diversify our portfolio overtime









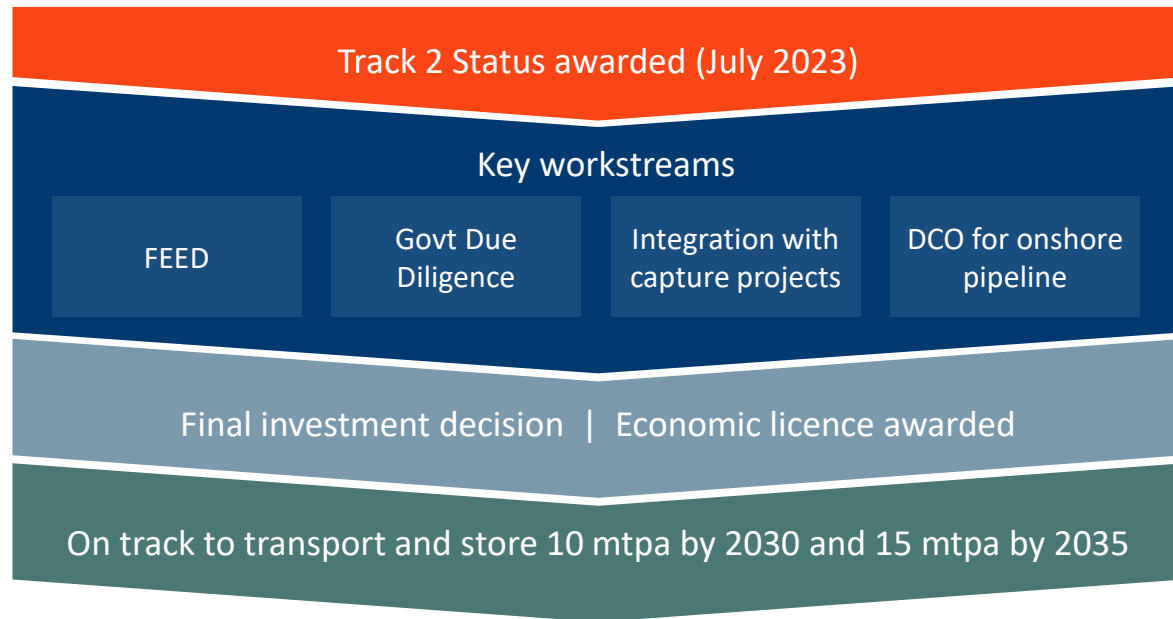
Indicative reserve additions



Progressing Viking CCS, a scalable transportation & storage network, to a final investment decision

Critical for the UK's transition to a lower carbon economy & offers Harbour a potential long term, stable income stream

-  **Leading UK CO₂ storage provider**
-  **Working with mature CO₂ capture projects**
-  **Repurposes infrastructure to transport 30mtpa**
-  **First mover in CO₂ shipping, working with ABP**
-  **bp Joint Venture partner (40%)**
-  **300MT certified capacity (gross)**



Located to serve both UK and European markets





2023 financial review and 2024/2025 outlook

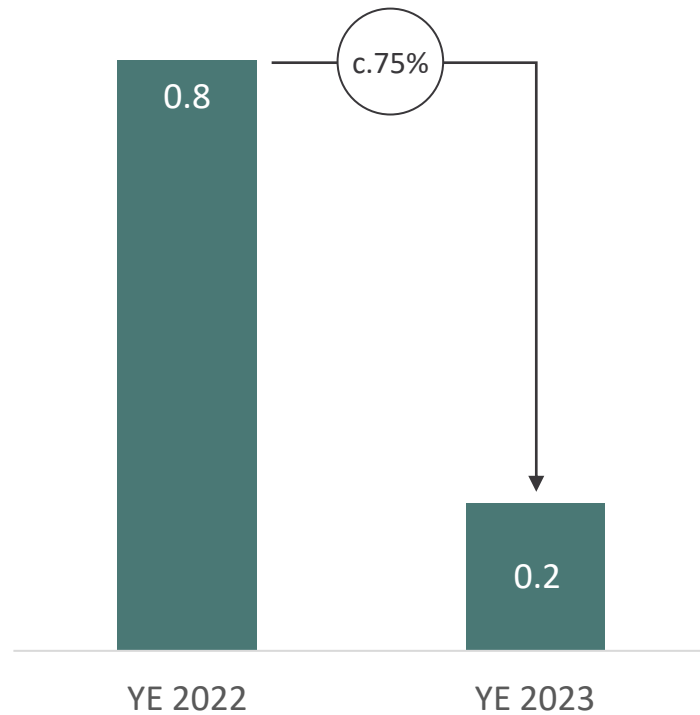
Strong financial position and disciplined capital allocation

Sustained operational & financial delivery and disciplined capital allocation

Since becoming a public company in 2021, we have generated \$3.8 billion of free cash flow

Safeguarding the balance sheet

Net debt, \$bn

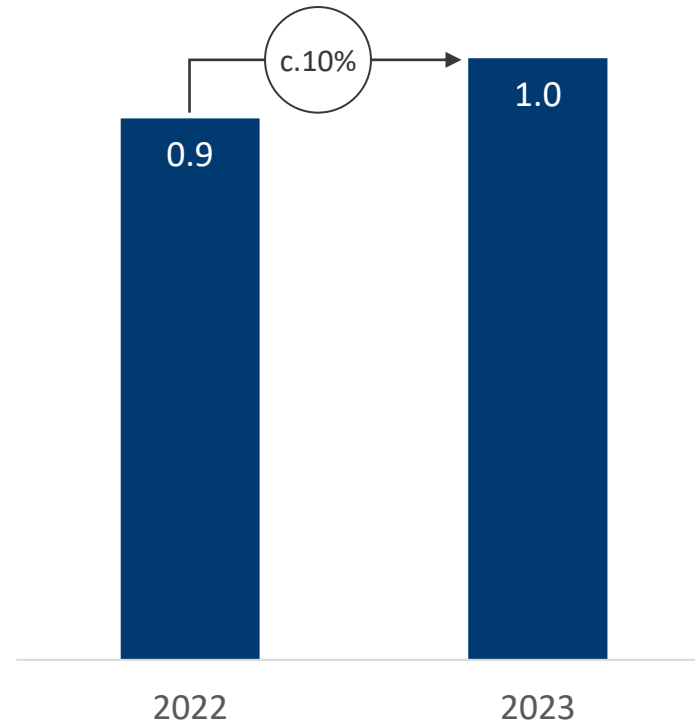


c.\$2.7 billion

of net debt reduction, supported by prudent risk management & capital discipline

Ensuring a robust and resilient portfolio

Capex, \$bn

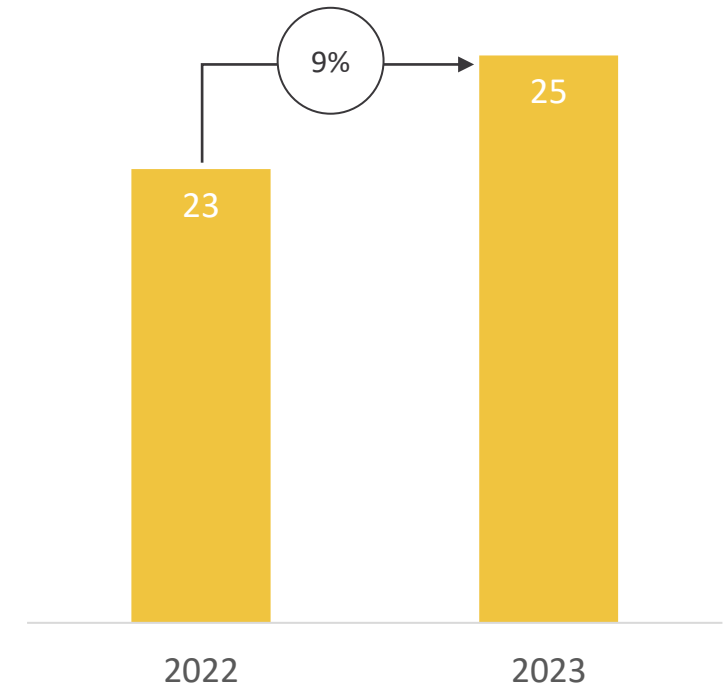


\$2.8 billion

Total capital expenditure since 2021

Competitive shareholder returns

Dividend, cents/share



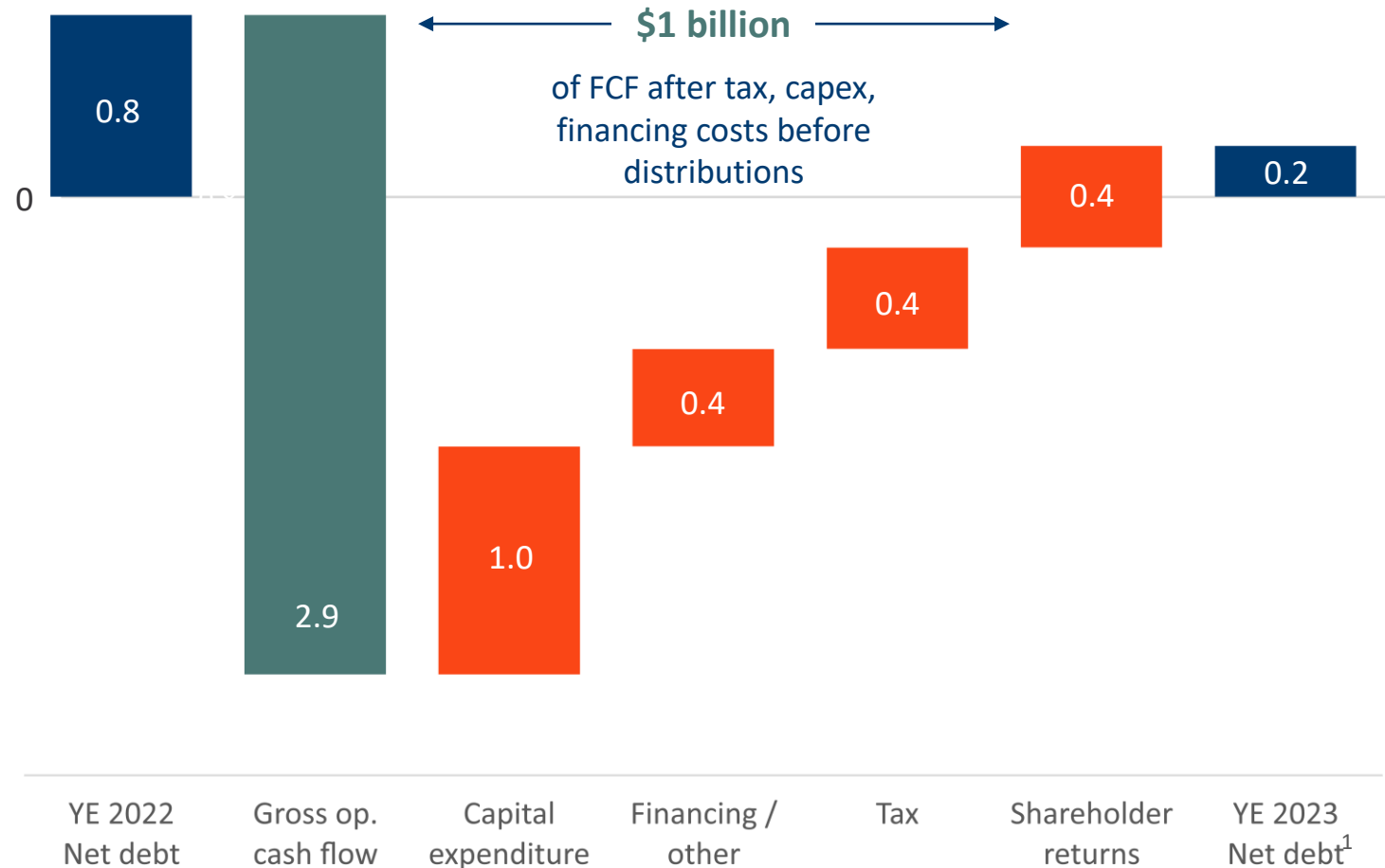
c.\$1 billion

Returned to shareholders since 2021 through dividends and buybacks

Significant cash generation underpinned by robust operational performance...

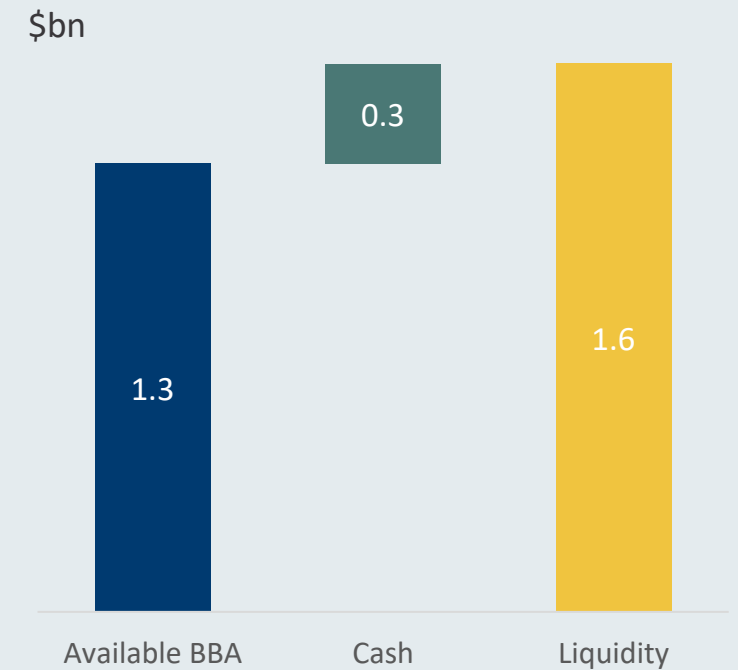
...allowed for continued investment, material shareholder distributions and net debt reduction

Net debt / cash flow
\$bn



Significant liquidity at 31 Dec 2023

- Successful amendment and extension of the RBL on favourable terms in Nov 2023
- Maturity extended out to 2029
- RBL was undrawn as at year-end 2023



¹Net debt balances stated before unamortised fees

Significantly higher free cash flow expected in 2025...

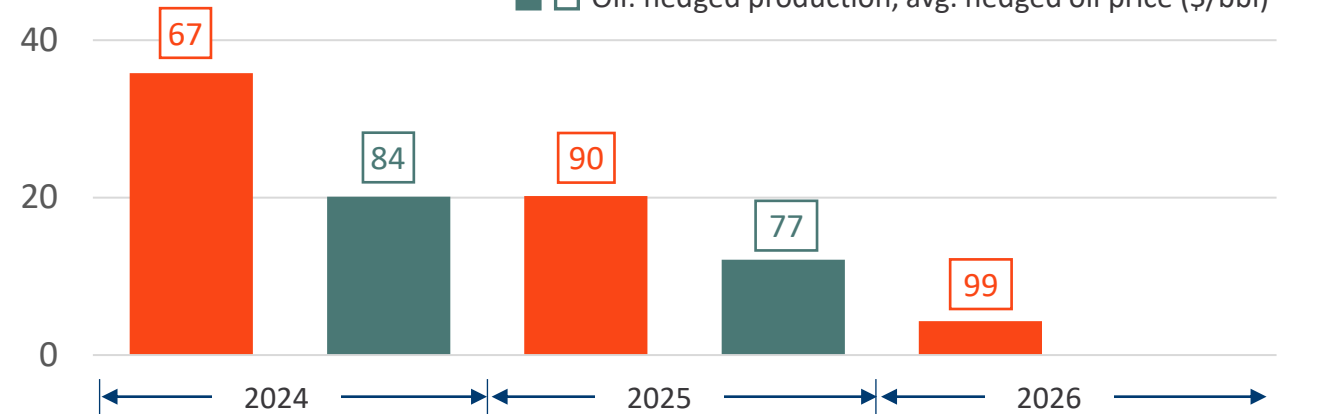
...driven by materially lower capital expenditure and improved gas hedging profile

	2024	2025 vs 2024
Guidance		
Production <i>kboepd</i>	150-165	➔
Unit opex <i>\$/boe</i>	c.18	➔
Total capex <i>\$bn</i>	1.2	⬇️
Sensitivity		
Brent oil <i>\$/bbl</i>	85	85
UK gas NBP <i>p/therm</i>	70	70
Free Cash Flow¹ <i>\$bn</i>	Small +ve	⬆️
Tax payments <i>\$bn</i>	1.0	➔

Hedging profile²

Volumes hedged

kboepd



Total capital expenditure

\$ billion



¹ \$200 million free cash flow forecast provided in January 2024 reflected \$85/bbl and 100p/therm ² As at 31 December 2023 ³ Hedge price for gas hedge collars reflects the forward curve as at 6 March 2024



Acquisition of Wintershall Dea asset portfolio

| A transformational step in our journey

Overview of acquisition

Acquisition of substantially all Wintershall Dea’s upstream assets for \$11.2 bn (effective date 30 June 2023)

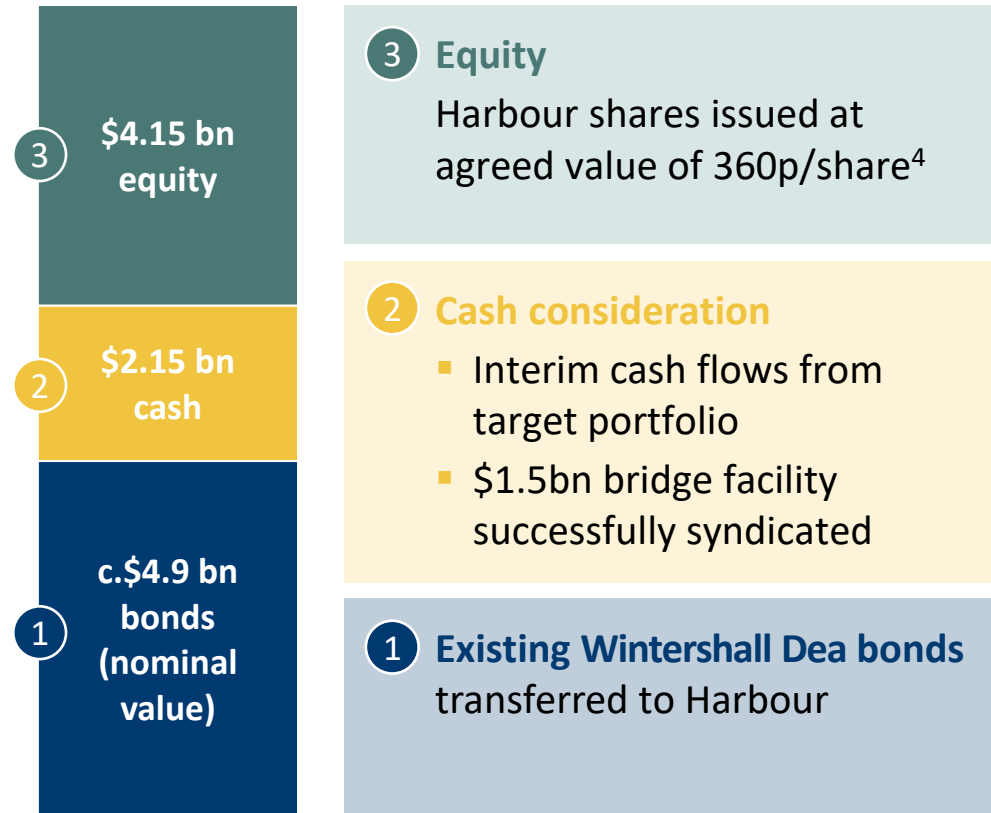
Wintershall Dea’s upstream assets in Norway, Germany, Denmark, Argentina, Mexico, Egypt, Libya and Algeria¹

Adds 1.1 bnboe of 2P reserves at c.\$10/boe, and more than 300 kboepd at c.\$35,000/boepd²

On completion, BASF to own 46.5% of Harbour’s ordinary shares; LetterOne to hold non-voting shares³

Completion expected in Q4 2024

Acquisition Funding structure



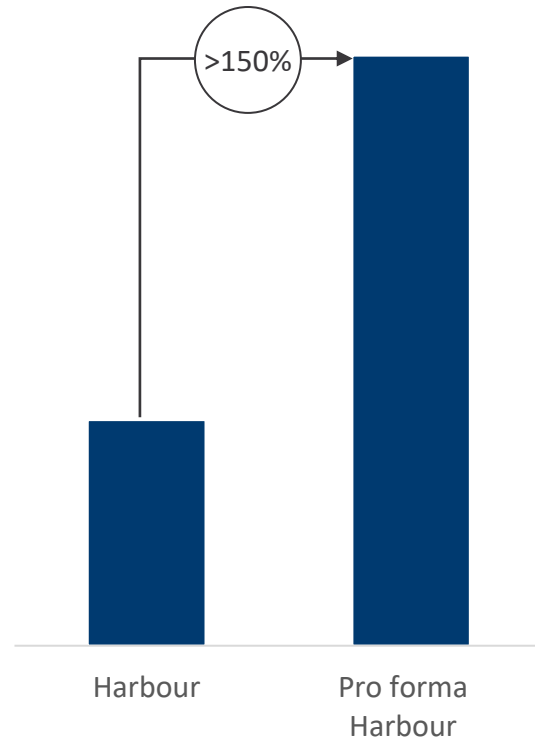
Expected to deliver Investment Grade credit profile

¹ Excluding the Ravn field in Denmark and Libya onshore. ² Based on YE 2022 2P reserves and H1 2023 production ³ If the non-voting shares were, following satisfaction of conditions, to be converted into ordinary shares, Harbour’s existing shareholders would own 45.5%, and BASF and LetterOne would own 39.6% and 14.9% respectively of Harbour. ⁴ Harbour will issue in total 921.2 million shares.

The Acquisition is expected to be accretive across all key metrics...

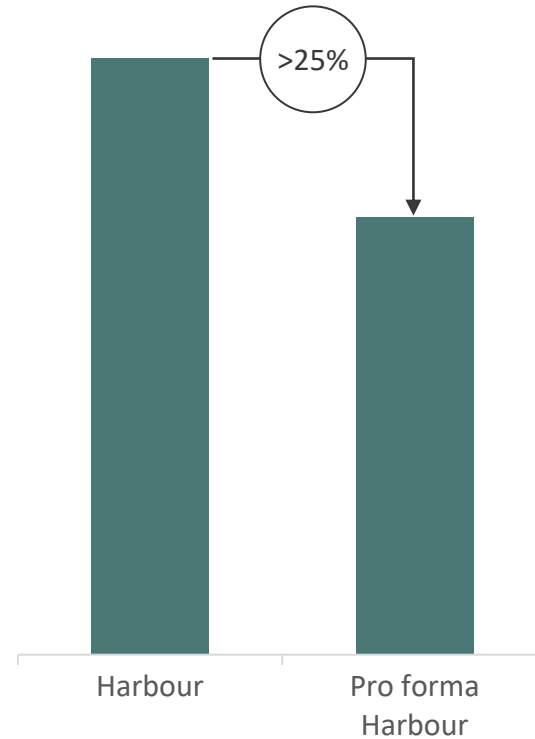
...underpinning expected investment grade credit ratings and sustainable, enhanced shareholder returns

Production¹
kboepd



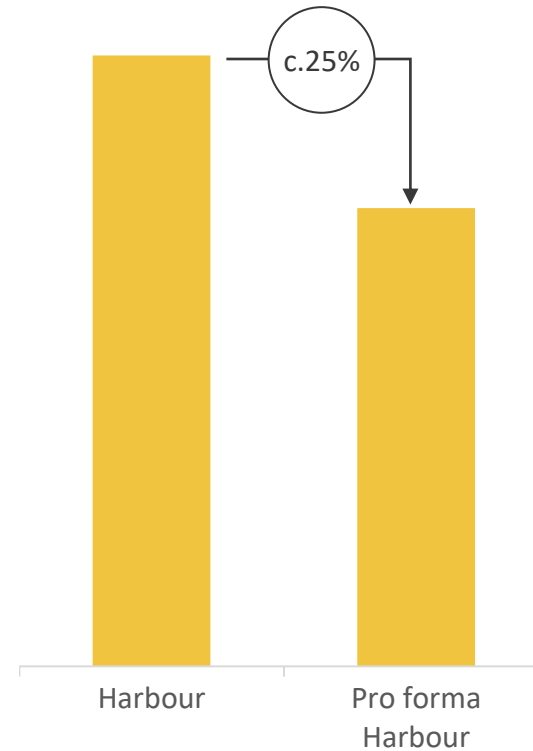
Scale and diversification

Unit operating costs²
\$/boe



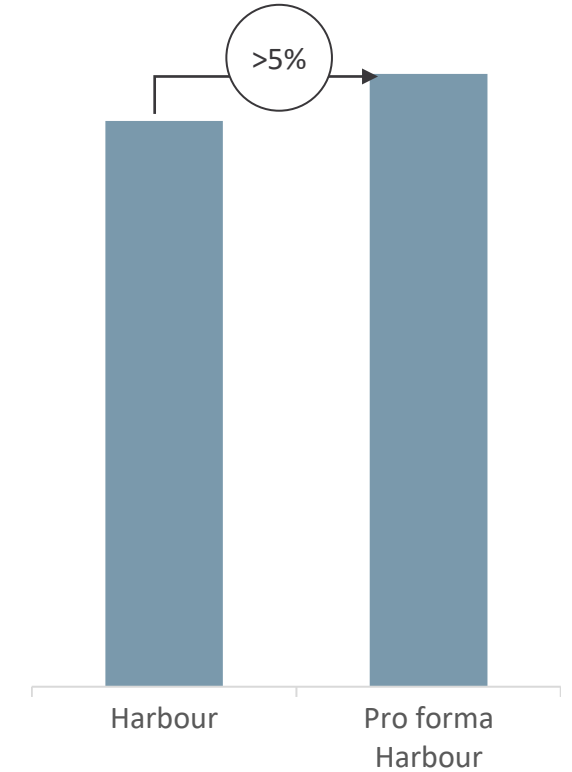
High quality, resilient asset base

GHG emissions intensity³
kgCO₂e/boe



Supporting the Energy Transition

Annual dividend⁴
Cents / ordinary share



Financial strength, sustainable returns

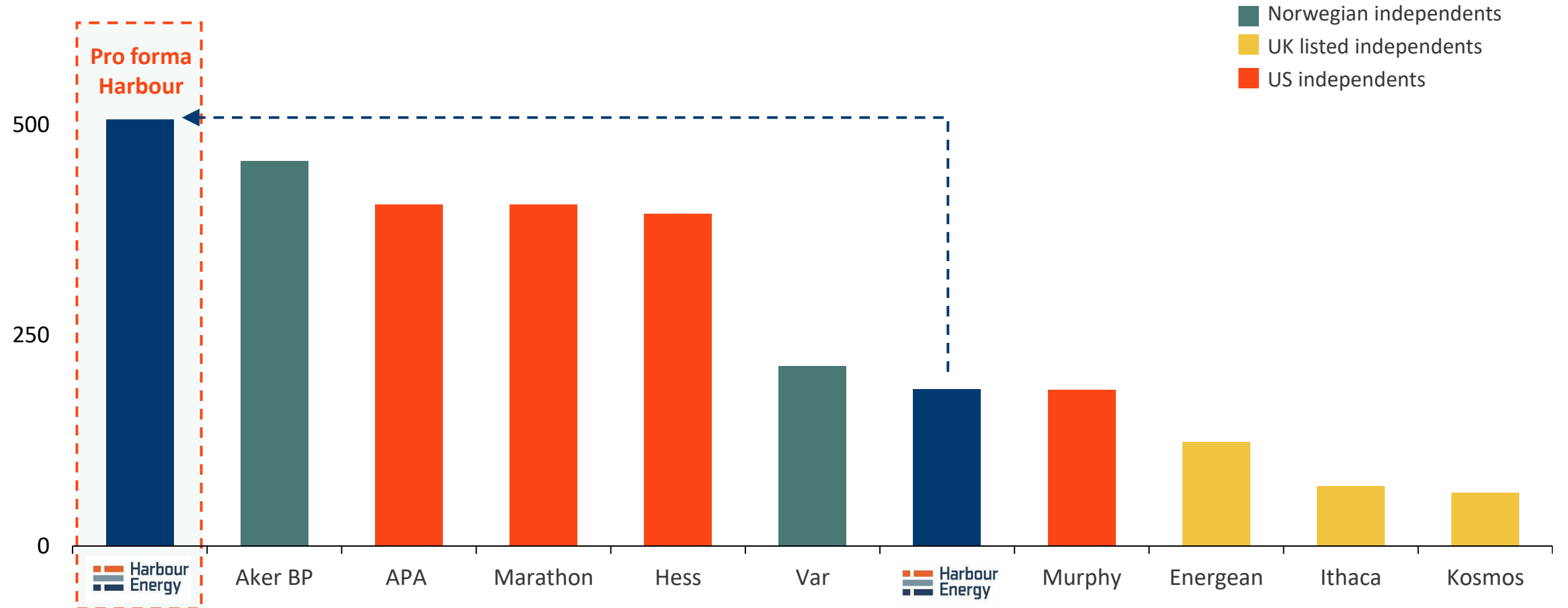
¹ Based on H1 2023 production. ² H1 2023, Wintershall Dea opex also includes lease costs. Harbour's opex does not include lease costs. ³ GHGi is Scope 1 and 2 emissions on a net equity share basis and is based on full year 2022. ⁴ Based on a total dividend for 2023 of 25 cents/share and 1440.1 million Harbour ordinary shares (i.e. excluding the non-voting shares issued to LetterOne) post-completion

Harbour to be well-placed amongst long-established global independent O&G companies

Acquisition transforms Harbour into a large-scale, global independent with a new peer group

2023 Production















kboepd¹



¹ Source is companies' disclosures (quarterly / full year results)

Acquisition on track for completion during Q4 2024

Substantially all regulatory, anti-trust and FDI approvals for completion submitted and progressing as expected

	Filings submitted		Approvals received		Target completion
	0%	100%	0%	100%	
Acquisition announcement					December 2023
Oversubscribed syndication of \$3bn RCF & \$1.5bn bridge					March 2024 
Voluntary bondholder consent with significant support					March 2024 
Shareholder approval (incl. irrevocables ² /documentation)					Q2 2024
Regulatory and governmental approvals / consents					
<ul style="list-style-type: none"> ▪ Upstream ▪ Antitrust ▪ Foreign Direct Investment ▪ EU Foreign Subsidies Regulation 					Q4 2024
Completion of Acquisition					Q4 2024

¹ Formal legal implementation of amendments to follow. ² Shares under irrevocable undertakings currently represent c.35% of outstanding shares as at 6 March 2024



Summary

| Well positioned for value creation

Building a global, diversified oil and gas company via disciplined M&A

Well-positioned for value creation, growth and shareholder returns

2024 priorities

Maximize the value of our production base responsibly

Progress international growth and diversification opportunities

Maintain strong financial position and capital discipline

Complete transformational acquisition of Wintershall Dea asset portfolio





Appendix

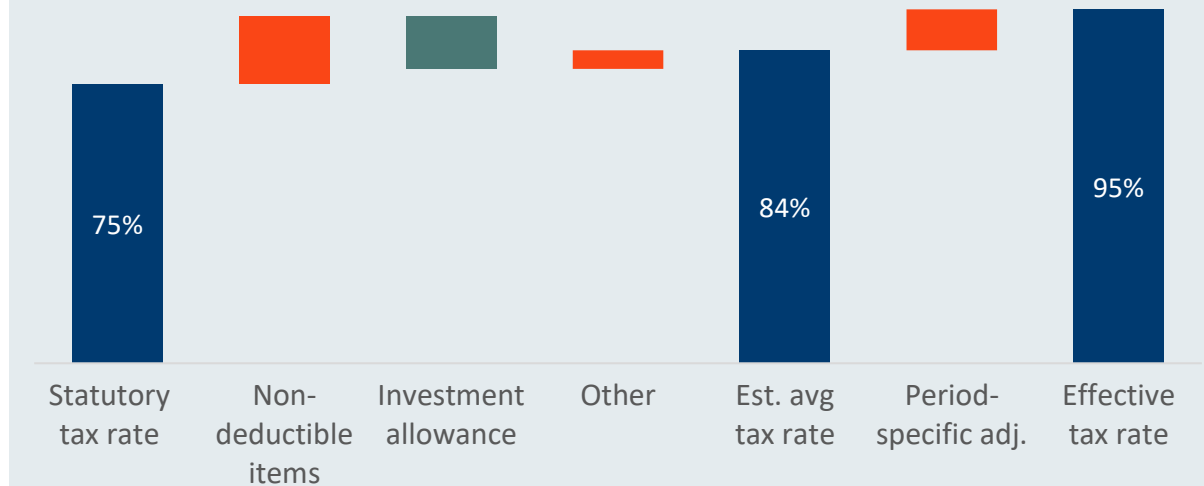


Income statement

Strong operating margins with profitability impacted by high effective tax rate

\$ million		2023	2022
Revenue & other income	● ●	3,751	5,431
Cost of operations		(1,115)	(1,058)
DD&A		(1,430)	(1,546)
Other cost of sales	●	188	(241)
(Impairment) / Reversals	●	(239)	170
Expln w/off and pre-licence expense		(93)	(106)
G&A and other	●	(149)	(109)
Operating profit		913	2,541
Net financing costs		(259)	(281)
FX financing (loss) / gain		(57)	202
Profit before tax		597	2,462
Tax	●	(565)	(2,454)
Profit after tax		32	8
Earnings per share (cents)		4	1
EBITDAX	●	2,675	4,011

- Revenue and EBITDAX lower mainly due to lower realised post-hedging UK natural gas prices (2023: 54p/therm; 2022: 86p/therm) and lower production volumes
- Large net underlift movement in 2023 vs net overlift in 2022
- Mainly North Sea impairment due to lower short term gas prices, changes in decommissioning provisions and Vietnam divestment
- G&A includes M&A related fees of \$33 million
- High effective tax rate due to EPL and period specific adjustments



Balance sheet

Balance sheet significantly de-levered and equity increased

Assets	YE 2023	YE 2022	Equity and liabilities	YE 2023	YE 2022
	\$ million	\$ million		\$ million	\$ million
Goodwill	1,302	1,327	● Equity	1,540	1,021
Other intangible assets	1,172	880	● Borrowings	509	1,238
● Property, plant and equipment	4,717	5,690	Decommissioning provisions	4,048	4,141
Right-of-use assets	587	735	● Deferred tax liabilities	1,260	397
● Deferred tax asset	7	1,407	Lease liabilities	673	825
● Financial assets	282	184	● Financial liabilities	284	3,450
Other assets	1,550	1,843	Other liabilities	1,583	1,494
Cash	280	500			
Total assets	9,897	12,566	Total equity and liabilities	9,897	12,566

- Reduction in borrowings reflects repayments on the RBL (now undrawn), and comprises an unsecured bond
- Reduction in PP&E reflects normal depreciation, impairments and reclassification of Vietnam assets to asset held for sale
- Significant reduction in net financial liabilities reflects matured hedges and lower UK gas forward curve, resulting in a swing from a net deferred tax asset to a net deferred tax liability
- Increase in equity driven by reduction in unrealised derivative liabilities, offset by share buybacks and dividends

Production and hedging position

Group production

Net, kboepd

	2023	2022
GBA	27	31
J-Area	34	30
AELE hub	22	27
Catcher	16	19
Tolmount	13	14
East Irish Sea	4	8
Elgin Franklin	19	24
Buzzard	11	15
Beryl	14	11
West of Shetland ¹	14	14
Other North Sea ²	1	2
North Sea	175	195
International	11	13
Total Group	186	208

Hedging schedule

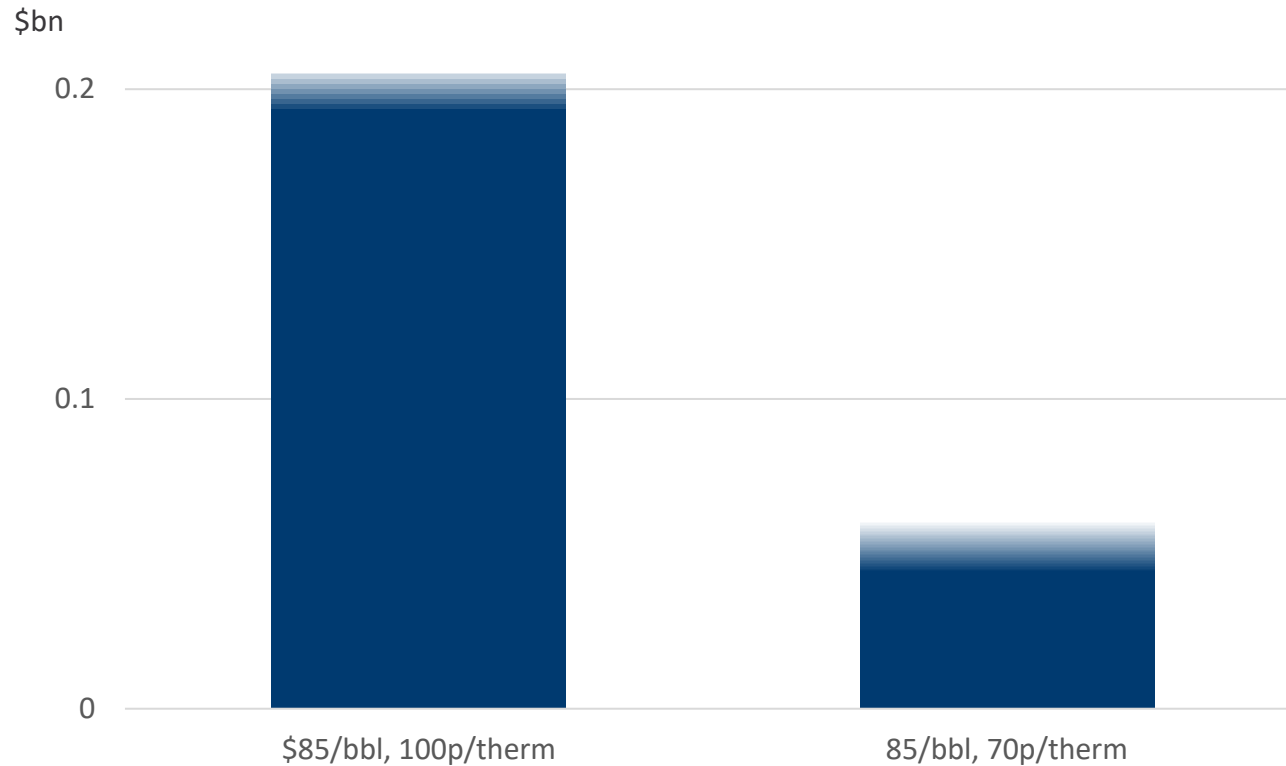
As at 31 December 2023

	2024		2025		2026	
	Volume	Average price	Volume	Average price	Volume	Average price
	mmboe	p/therm	mmboe	p/therm	mmboe	p/therm
UK gas	13.1	67	7.4	90	1.6	99
	mmbbl	\$/bbl	mmbbl	\$/bbl	mmbbls	\$/bbl
Oil	7.3	84	4.4	77	0	N/A

¹ West of Shetland comprises Clair, Schiehallion and Solan ² Other UK includes Galleon and Ravenspurn North ³ International includes Chim Sao, Vietnam and Natuna Sea Block A, Indonesia

Free cash flow sensitivity and tax movements

2024 free cashflow sensitivity



2024 free cash flow expected to be marginally positive

- +/- 20p/th = \$100m
- +/- \$10/bbl = \$110m

¹ 2024 cash tax sensitivity at \$85/bbl and 70 pence/therm

2023/2024 Tax

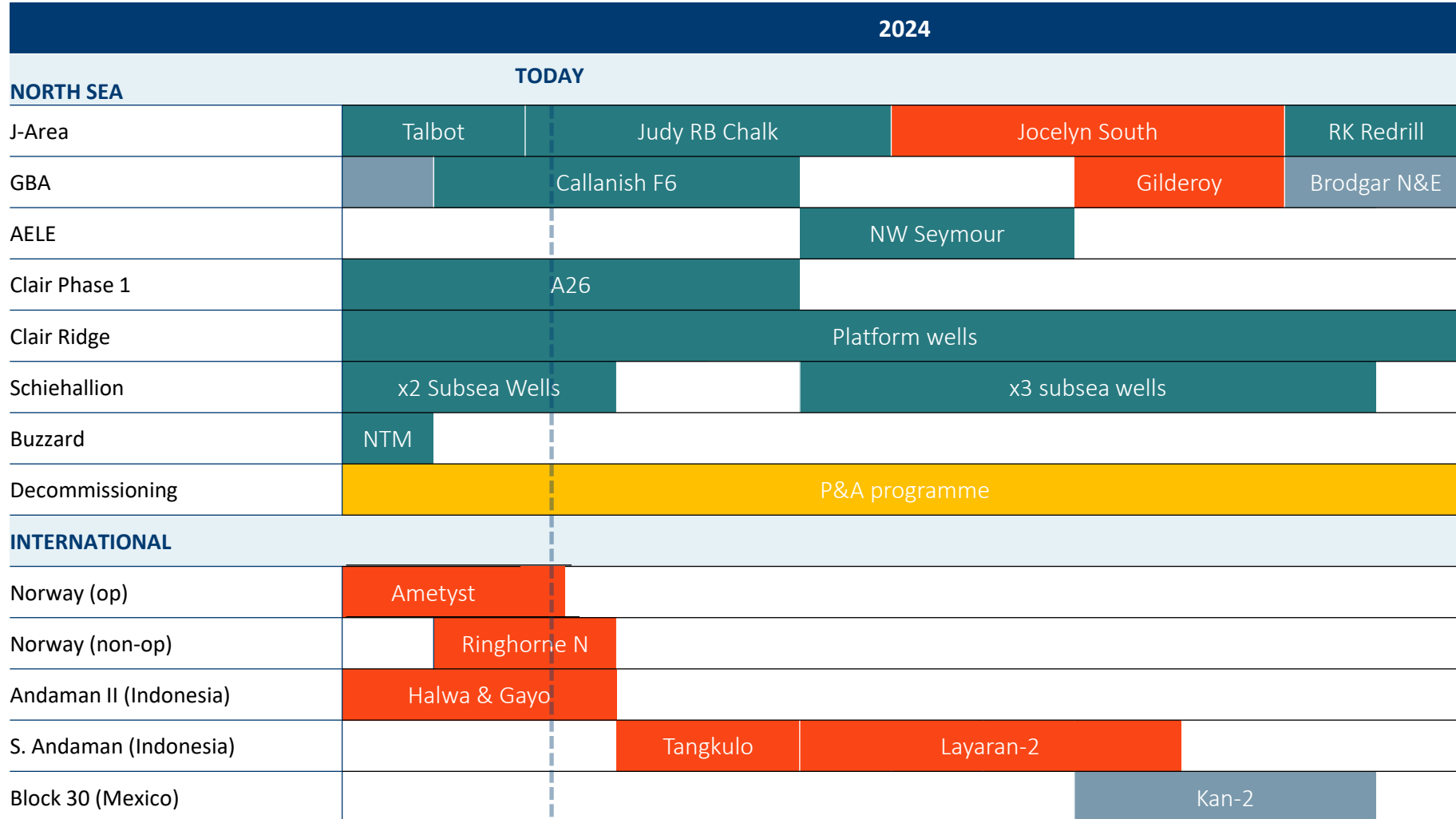


\$350m

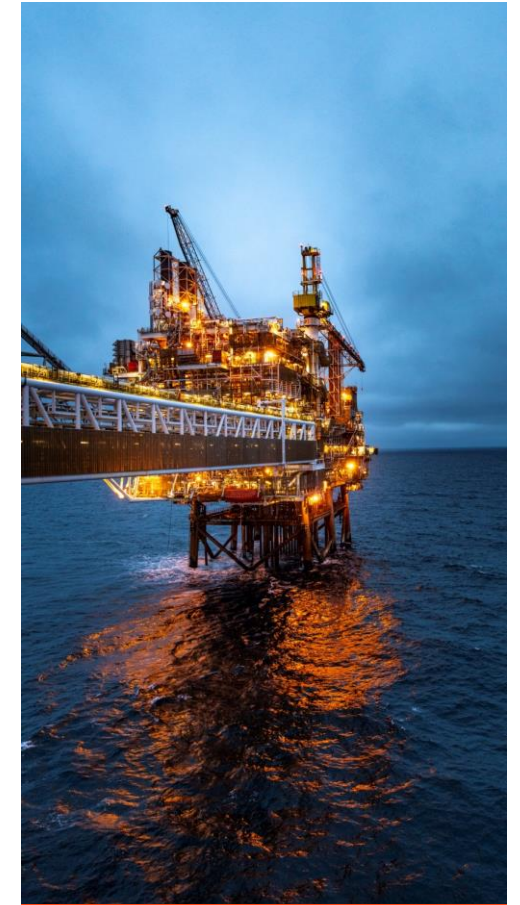
of 2024's tax payments is the deferred 2023 EPL liability which will be paid in October 2024

2024 drilling programme: maximising the value of our portfolio

Converting UK 2P reserves into production and targeting significant resource additions internationally



■ Development ■ Appraisal ■ Exploration ■ P&A



Talbot to be tied into J-Area at around year-end 2024

