



2022 Half Year Results

Harbour Energy plc

25 August 2022

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Agenda

1. H1 2022 Highlights

2. Operational review

3. Financial review and guidance

4. Summary and outlook

H1 2022 Performance: Delivering against our strategy

Building a global and diversified oil and gas company focused on safe and responsible operations, value creation and shareholder returns



Strong operational performance

- Improved safety performance
- Production 40% higher
- Unit operating cost 5% lower
- High production efficiency
- Tolmount (UK) plateau achieved
- Material gas discovery at Timpan (Andaman Sea, Indonesia)
- Reduced GHG intensity



Robust financial results

- EBITDAX of \$2.0bn
- Profit after tax of \$984m (inc. \$360m pre-tax FX gain)
- Total capex of \$391m (>80% UK)
- Free cash flow¹ of \$1.4bn
- Net debt² reduced 50% to \$1.1bn; liquidity of \$2.2bn
- Increased FY 2022 shareholder distributions to \$500m



Significant optionality over capital allocation

- Forecast to be net debt free in 2023³
- Track record of creating value through large scale M&A
- Flexibility for additional shareholder returns

¹ Free cash flow is after capex and tax and before shareholder distributions. ² Net debt excludes unamortised fees. ³ Assumes average oil and gas prices of \$100/bbl and 200p/therm for the full year 2022 and 2023.



Operational review

Linda Z Cook

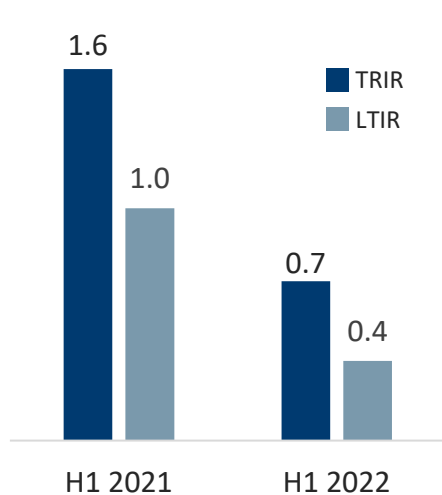
A focus on safe and responsible operations

Safety is our top priority

- No significant injuries or spills during the period
- Improved safety performance
- Summer shutdowns largely complete – safely, on schedule
- Special focus on process safety and high potential incidents

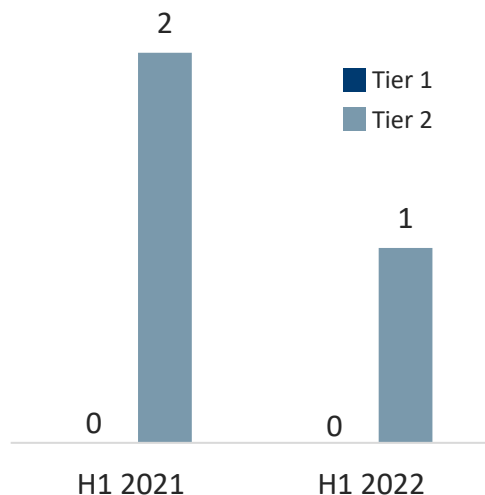
Occupational safety

TRIR, LTIR (per million hours worked)



Process safety

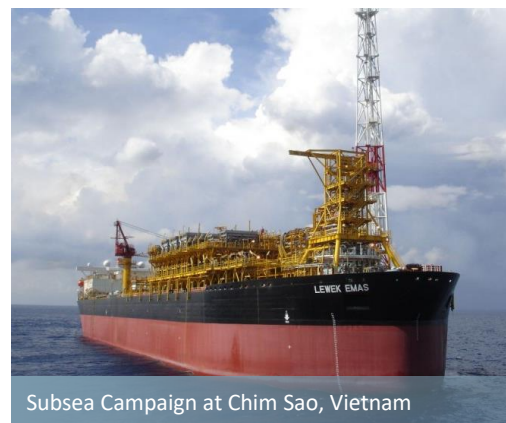
Events (Tier 1 and Tier 2)



¹ Safety and Environment KPIs are provided on a reported gross, operated basis



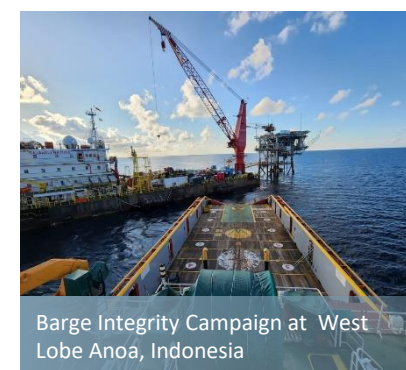
5.7 million
hours worked during H1 2022



Subsea Campaign at Chim Sao, Vietnam



Judy (UK) scaffold & walkway changeout



Barge Integrity Campaign at West Lobe Anoa, Indonesia



Well work on Greater Britannia Area



Valaris 121 at Judy, UK

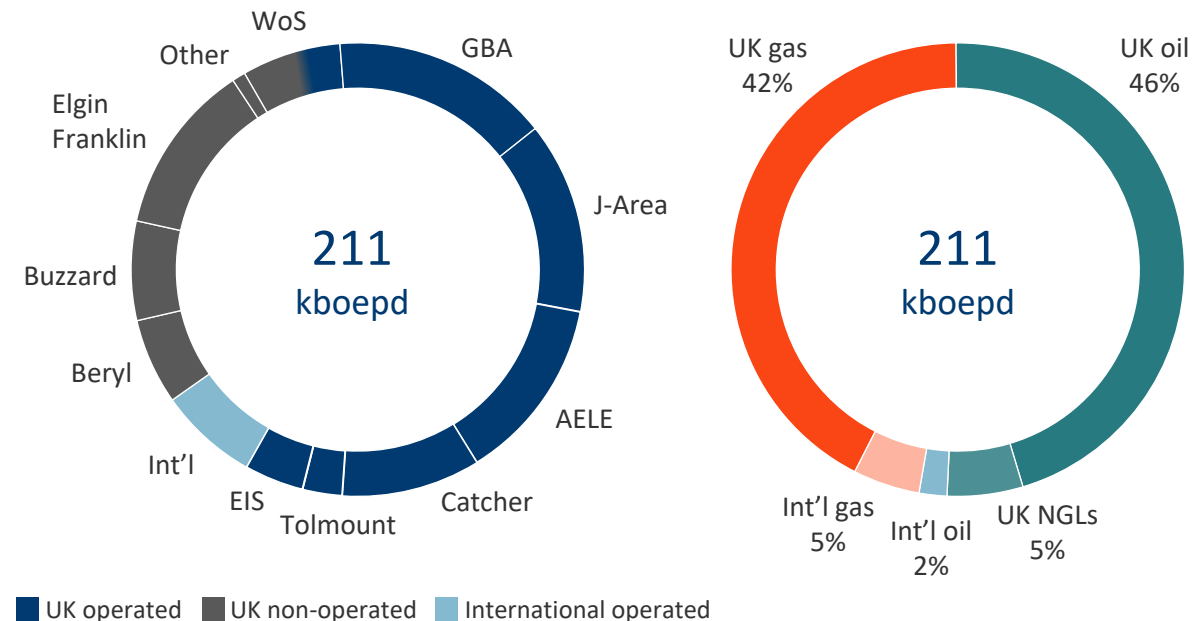
A diversified production base of scale

Harbour delivers c. 15% of the UK's O&G production and is the largest producer and investor in the UK today

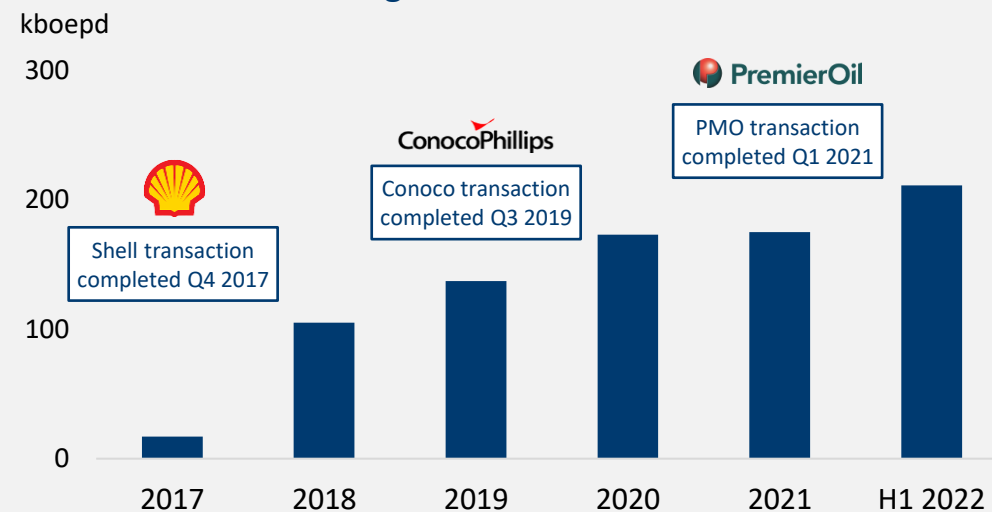
- H1 2022 production of 211 kboepd, over 90% from the UK
- 53% liquids versus 47% gas, with increasing UK gas exposure
- Significant asset diversification with robust margins
- High return, low risk infrastructure-led investment opportunities to maintain near-term production levels

A diversified UK portfolio with a balance of oil vs gas

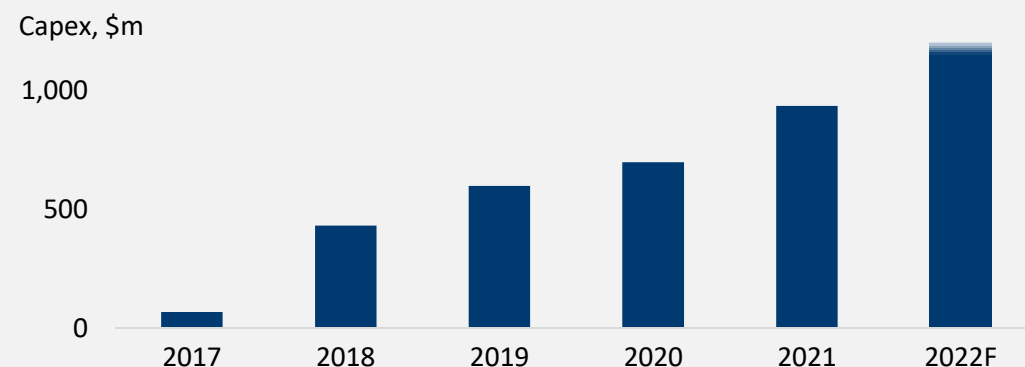
H1 2022



Growth delivered through M&A...



... followed by value-adding investment in the acquired assets

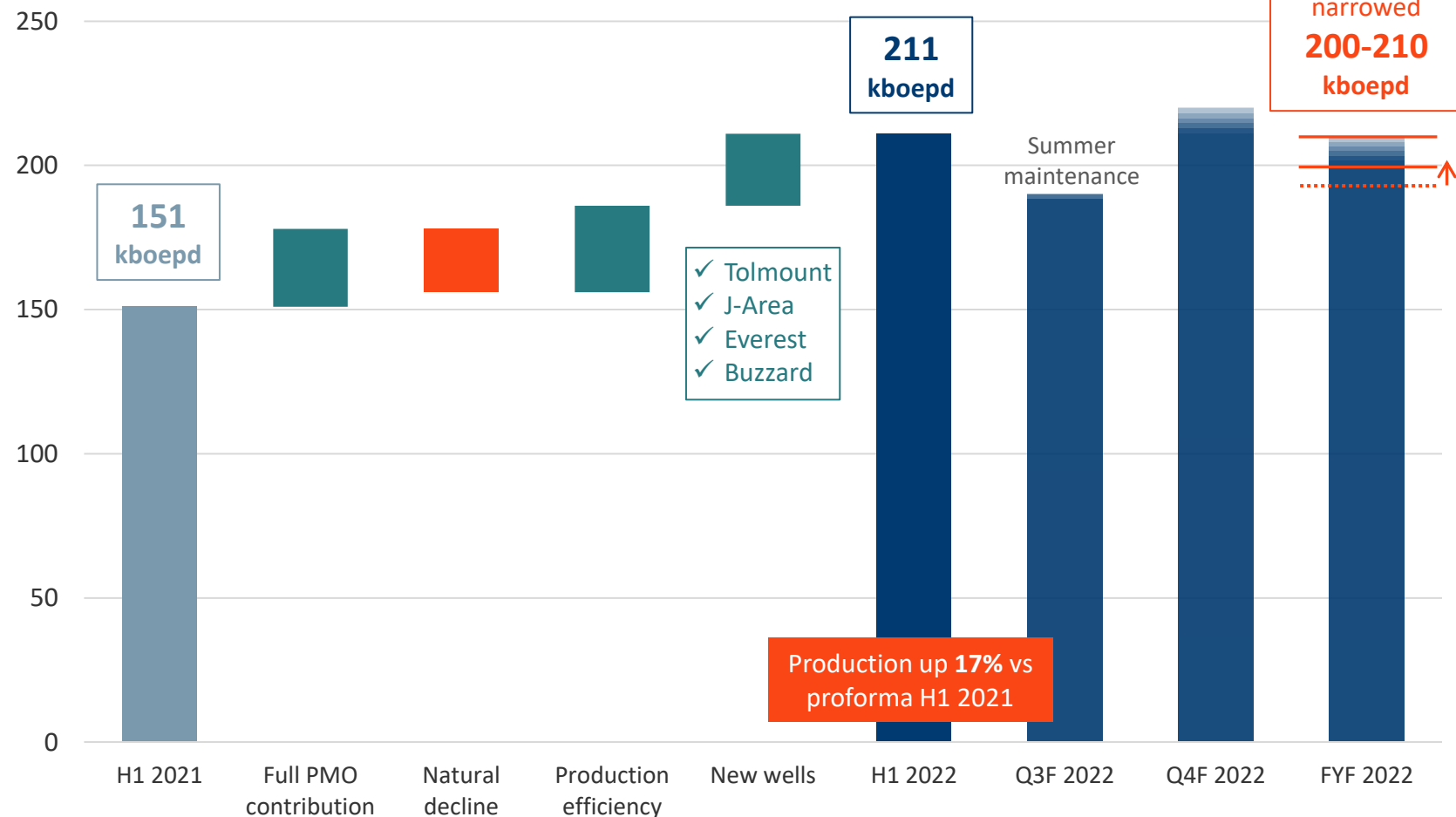


Strong H1 operational performance

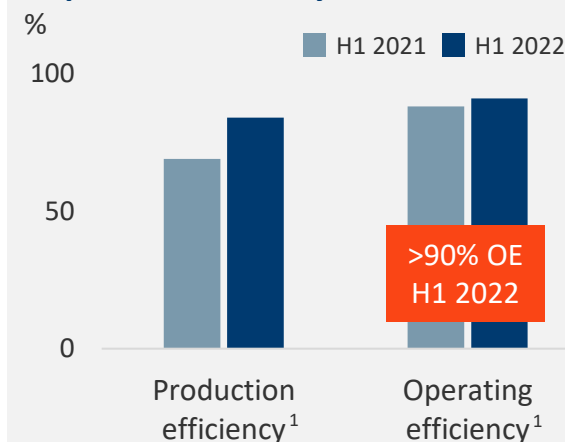
Production up 40%, driven by full Premier contribution, improved production efficiency¹ and new wells on-stream

Production

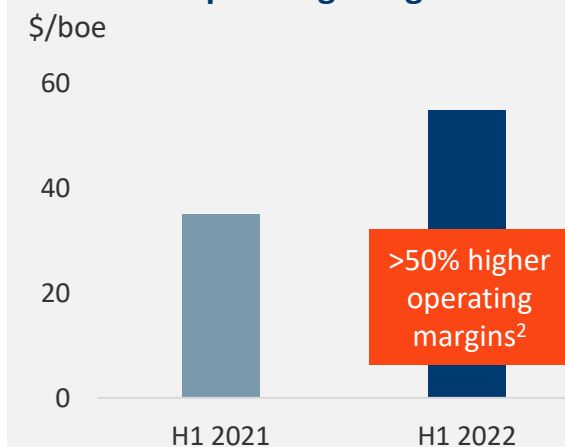
kboepd



Improved efficiency





Increased operating margins²



¹ Production efficiency takes into account planned and unplanned production losses; Operating efficiency only takes into account unplanned losses. ² Revenue including hedging less opex per barrel of oil equivalent produced

Increased drilling rig activity planned for H2 2022

Short cycle, high value opportunities to maintain production while generating material free cash flow

	2022		2023
	H1	H2	Q1
NORTH SEA			
J-Area	Jade S.	Jade JM J06 3x Talbot development wells	
J-Area		Judy WHP RD / Jill ERD	
GBA			Leverett app
Catcher Area		Laverda, Catcher North and Burgman Far East	
Tolmount Area			Tol. East
Beryl Platform			
Beryl Subsea		Subsea drilling programme	
Clair Phase 1			
Clair Ridge	Ongoing development programme		
Buzzard			NTM
Elgin Franklin			EIH
Decommissioning	Well P&A programme		Well P&A programme
INTERNATIONAL			
NSBA (Indonesia)		PKA-4	
Andaman II (Indonesia)		Timpan-1	
Chim Sao (Vietnam)			
Block 30 (Mexico)		Kan & Ix	

■ Development
 ■ Workover
 ■ Near field E&A
 ■ Greenfield
 ■ P&A
  Rig arrival delays

Disciplined capital investment programme

- H1 2022 expenditure low due to rig arrival delays
- Average 4-5 rigs in H1 vs 7-8 in H2
- >80% of total capex in the UK
- Target low commodity price breakevens, high returns and low GHG emissions
- Over 20 development / infill wells plus several well interventions in 2022
- 3 legacy Premier greenfield exploration wells to be drilled in 2022

2022F total capex expenditure



Continued investment in organic portfolio opportunities – UK and International

**Maintain
highly cash
generative,
UK Portfolio**



J-Area: Talbot FID

- Talbot: high return development; first oil around end 2024
- Infill drilling and near field investment opportunities



GBA: Leverett appraisal sanctioned

- Leverett appraisal planned for H1 2023
- Acceleration of Callanish infill drilling to 2023



Tolmount: Increases UK gas supply

- Tolmount averaged 22 kboepd in June
- Tolmount East development drilling to commence in Q4 2022

**International
growth**



**c.45
mmboe**

Tuna, Indonesia: FID targeted end 2023

- Development concept optimisation underway
- FEED planned for 2023



**c.100
mmboe**

Mexico: Zama progress, Exploration

- Zama unit partners working to finalise FDP; possible FID by end 2023
- Two non-operated exploration wells to be drilled on Block 30 in H2 2022



TBD

Timpan, Indonesia: Material discovery

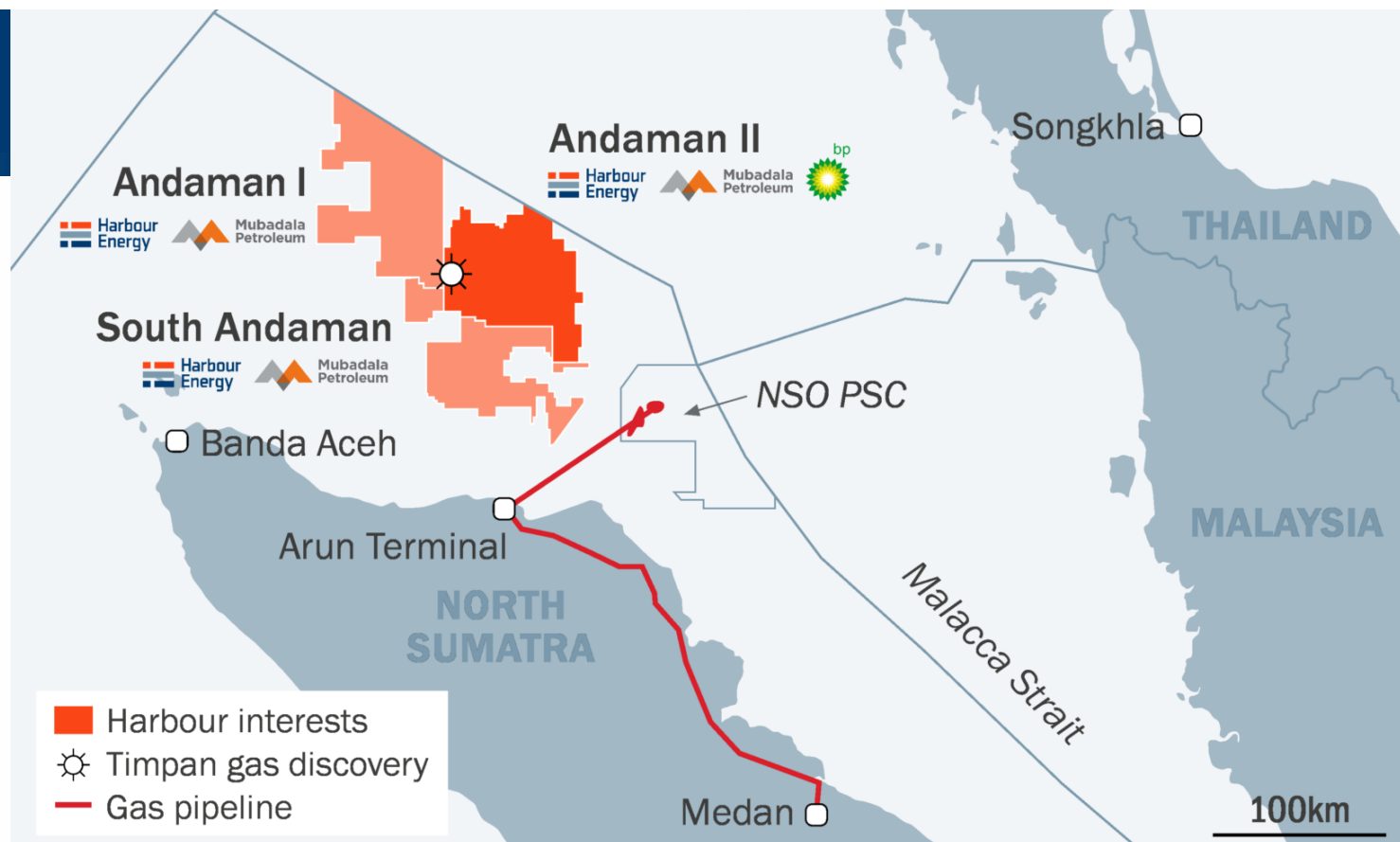
- Timpan-1 de-risks multiple prospects across Andaman acreage; potential exploration/appraisal drilling in late 2023
- Additional seismic acquisition late 2022

Estimated unrisks net discovered resource

Material gas discovery in Andaman Sea, Indonesia

Timpan-1 gas discovery

- Play opening Timpan-1 well
- Significantly de-risks multiple prospects across Harbour's Andaman Sea acreage
- Encountered 390 foot gas column in a high net-to-gross reservoir with associated permeability of 1-10mD
- Comprehensive data acquisition including core and flow test
- Reservoir quality under review
- Close proximity to major natural gas markets
- Additional 3D seismic to be acquired in Q4 over the eastern area of Andaman II
- Potential exploration and/or appraisal drilling in late 2023



	Andaman II	South Andaman	Andaman I
Harbour interest	40%, operated	20%, non-operated	20%, non-operated
Partners	Mubadala (30%), BP (30%)	Mubadala (80%, op)	Mubadala (80% op)

Ambition to grow and diversify internationally

M&A – like other investment – must compete for capital with safeguarding the balance sheet and shareholder returns

Criteria:

- Material, cash generative producing assets
- Accretive to reserves life, operating margins and GHG intensity
- Support enhanced, sustainable shareholder returns

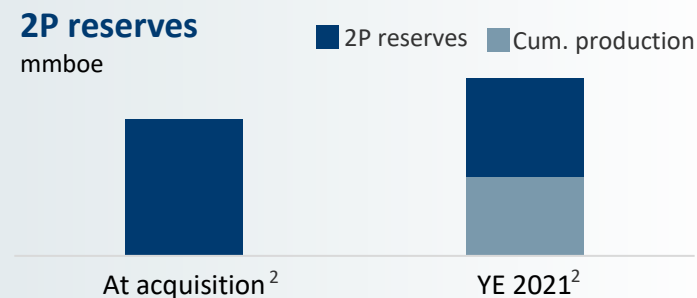
\$140bn¹
of divestments currently
targeted by O&G companies



Proven track record; disciplined approach with focus on strategic fit and value creation

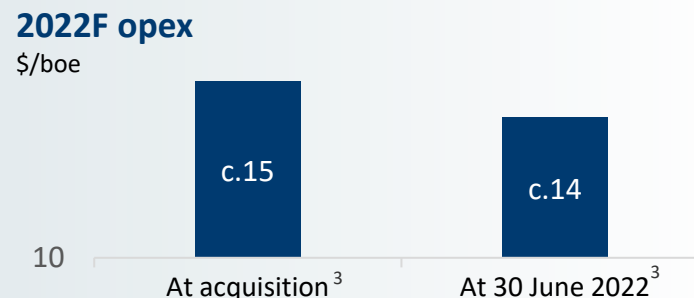
Improved recovery, added reserves & extended field life via investment

Added >150 mmboe of 2P reserves to acquired Shell and Conoco assets



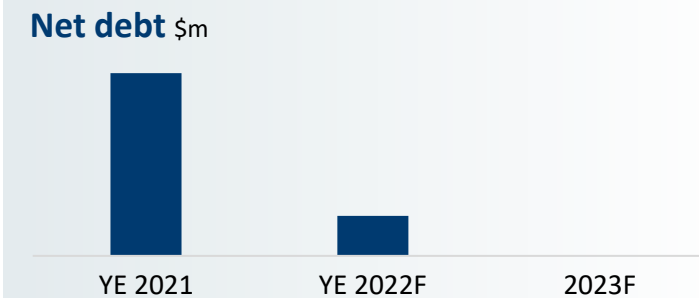
Material cost reduction, actively managed unit opex & decom costs

Forecast decom costs for Conoco & Shell assets c. \$500m lower than at acquisition⁴



Prudent risk management: hedge to lock in returns and rapid deleveraging

Three multi-billion dollar transactions 2017-2021 ... forecast net debt free in 2023



¹ Source: Woodmac. ² At acquisition 2P reserves as per Shell / Conoco deal CPRs; YE 2021 as per YE 2021 CPR. ³ At acquisition 2022F opex is as per Shell Conoco deal CPRs; at 30 June 2022 is as per management's latest estimates. Opex excludes corporate charges. ⁴ Forecast total decommissioning costs (real, undiscounted, pre-tax) at acquisition compared to actuals / latest management estimates.

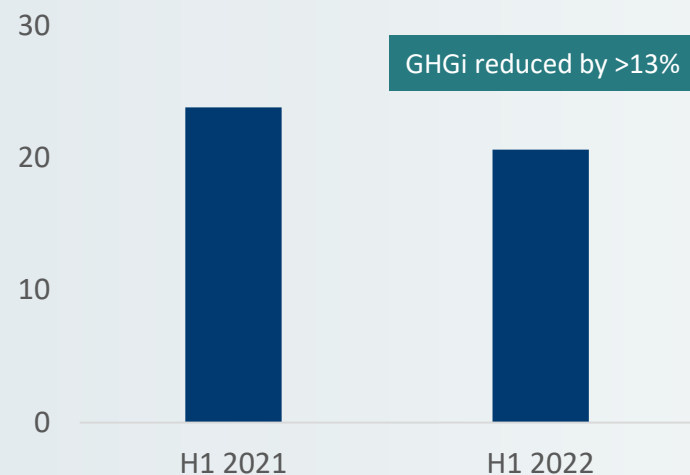
Addressing our environmental impact

Taking action to achieve our Net Zero goal by 2035

- Scope 1 and 2 emissions intensity materially improved in H1 2022
- Progressing a wide range of activities to reduce emissions further
- On track to meet UK government's sector emission reduction targets (first goal is 10% reduction by 2025 versus 2018)
- Investing in technology, including CCS, to support the UK's emissions targets

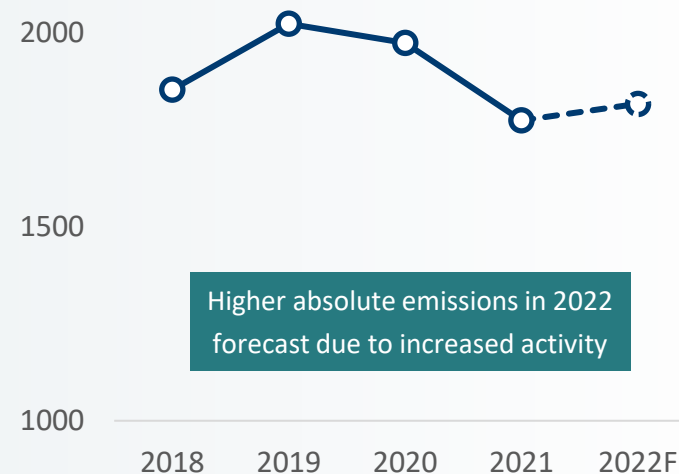
Improved GHG intensity¹

kgCO₂e / boe (Scope 1, Scope 2)



Absolute emissions²

kt CO₂e (Scope 1, Scope 2)



¹ GHGi is provided on a reported gross, operated basis ² Absolute emissions measured on a pro forma, gross, operated basis



Asset decarbonisation



Supply chain



Facilities and information services



UK offshore electrification



Carbon capture technology

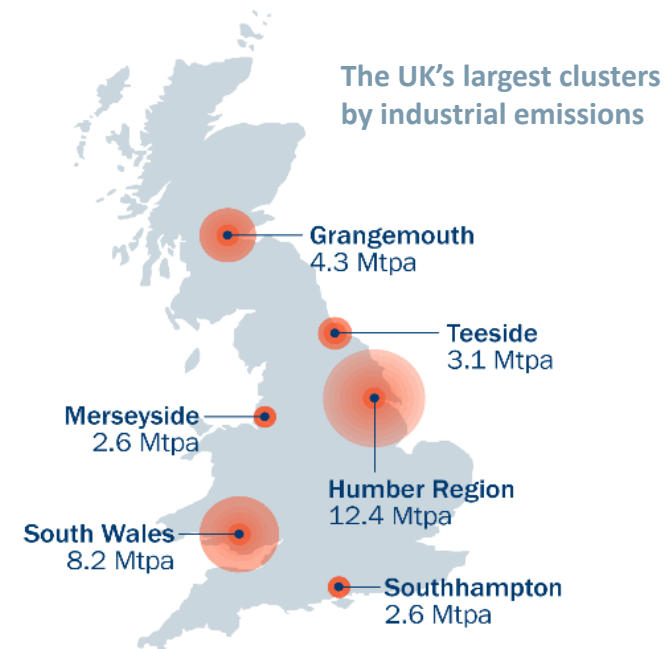


Nature-based carbon offsetting

Harbour is participating in two early stage CCS projects in the UK

Harbour is well positioned to deploy its skills and infrastructure to accelerate CCS

- The UK government aims to capture 20-30 million tonnes of CO₂e per year by 2030 via four CCS projects
- Clarity regarding the government's Track 2 project selection process expected by year end; both Harbour projects will provide submissions
- First UK offshore CCS licensing round launched in June 2022; Harbour intending to participate



V Net Zero: CO₂ transportation and storage from the Humber region

- Aim to transport and store c. 10 Mtpa by 2030
- Proactively secured offshore storage licence (Viking fields) ahead of first CCS licencing round
- Awarded design engineering contracts and commenced statutory land-owner consultations (onshore pipeline route)

Acorn: Capturing CO₂ from Scottish heavy industry for transportation and storage

- Aim to transport and store c. 9 Mtpa from heavy industries including petrochemicals at Grangemouth
- Proactively secured offshore storage licence in the Acorn and East Mey sites ahead of first CCS licencing round
- Shell appointed technical developer for the capture, transportation and storage modules



Financial review and guidance

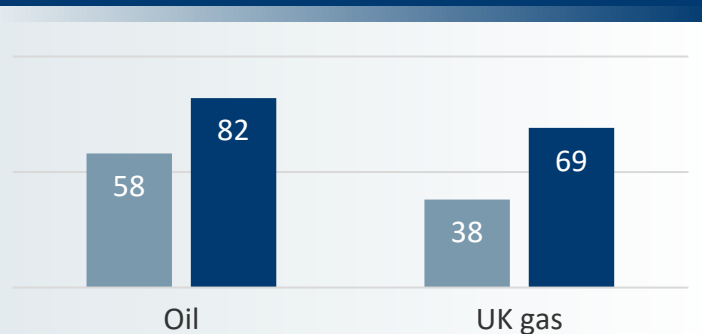
Alexander Krane

H1 2022 Financial highlights

Robust financial results underpinned by strong operational performance and improved realised prices

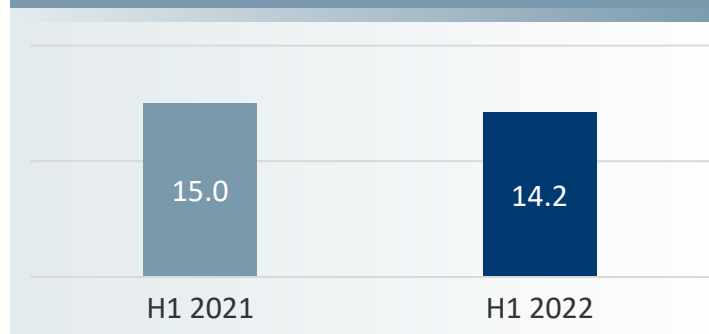
Higher realised pricing

\$/bbl, p/therm



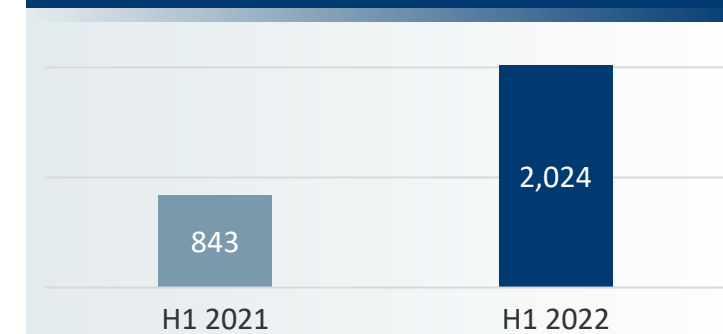
Reduced unit operating costs

\$/boe



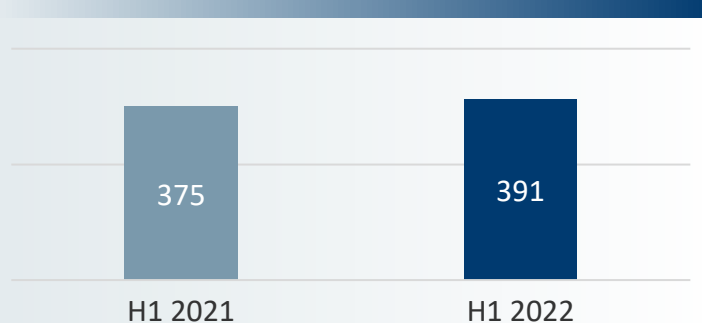
Increased EBITDAX

\$m



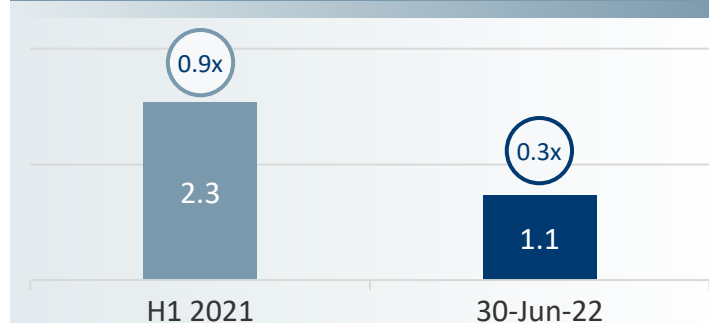
Disciplined investment

Total capex, \$m



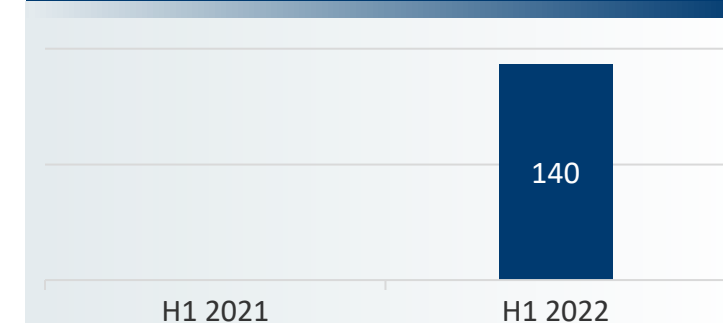
Net debt¹ materially reduced

\$bn



Increased shareholder returns

Dividend / buyback \$m (cash)



¹ Net debt excludes unamortised fees Leverage

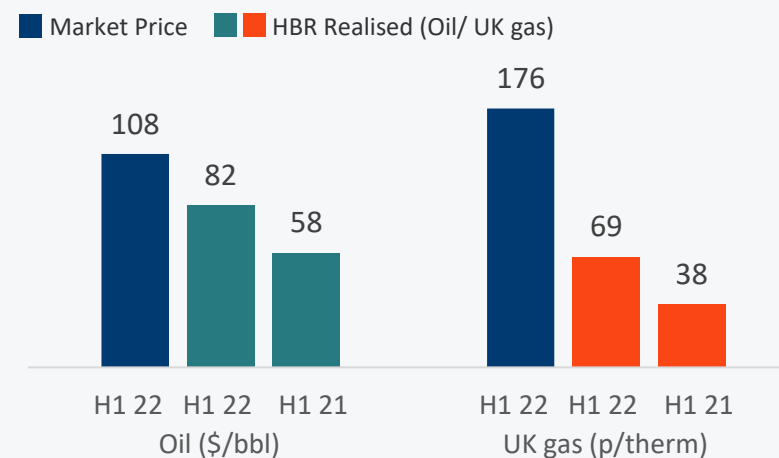
Income statement: Increased profit underpinned by robust operational performance

Hedging enables us to be financially strong and invest through the cycle but limits exposure to recent high prices

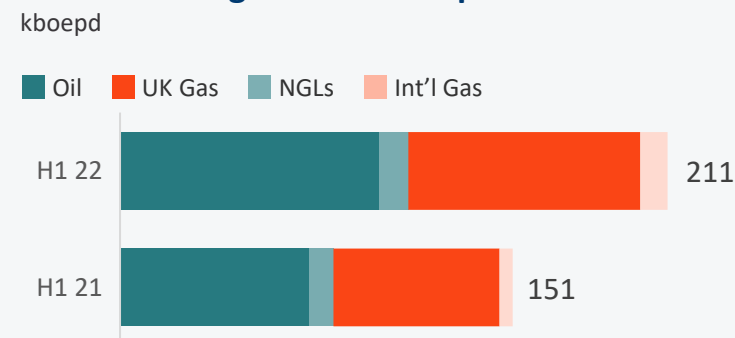
\$ million	H1 2022	H1 2021
Revenue & other income	2,670	1,496
Cost of operations	(542)	(409)
DD&A	(762)	(545)
Other cost of sales	(61)	(185)
Exceptional items inc. exploration write off	(15)	(71)
G&A	(43)	(59)
Operating profit	1,247	227
Net financing expense	(117)	(103)
FX financing gain/(loss)	360	(4)
Profit before tax	1,490	120
Tax	(506)	(33)
Profit after tax¹	984	87
Earnings per share¹ (\$/share)	1.1	0.1
EBITDAX	2,024	843

¹ Excluding the post-tax impact of the \$360 million FX financing gain, Profit after tax and Earnings per share were \$750m and 80 cents respectively

Higher realised pricing but below market



Production higher across all product streams



Balance sheet

Strong balance sheet; unrealised hedging losses to reverse and crystallise against future revenue over time

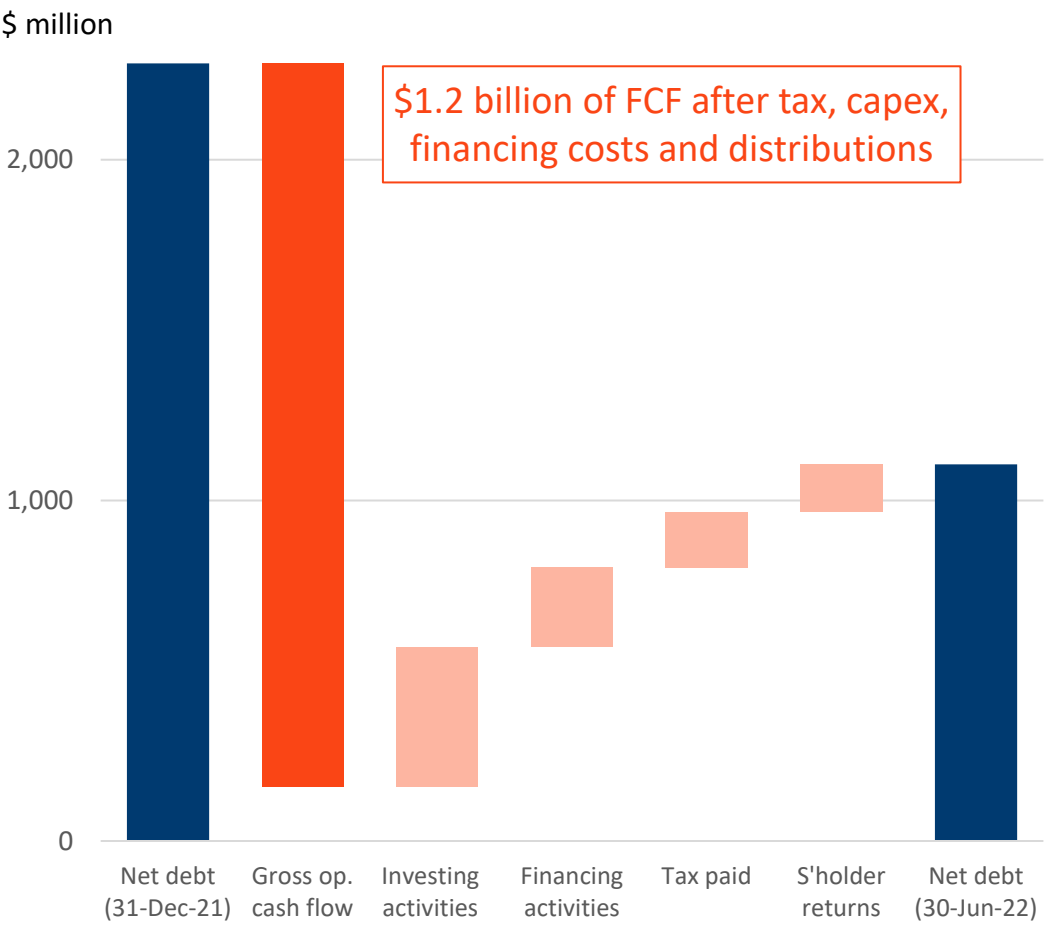
Assets	H1 2022	YE 2021	Equity and liabilities	H1 2022	YE 2021
	\$ million	\$ million		\$ million	\$ million
Goodwill	1,327	1,327	● Equity	(807)	474
Other intangible assets	910	874	Borrowings	1,873	2,886
Property, plant and equipment	6,663	7,247	Decommissioning provisions	5,092	5,354
● Right-of-use assets	783	552	Deferred tax liabilities	184	187
● Deferred tax asset	3,069	1,938	● Lease liabilities	875	654
Other assets	1,720	1,868	● Derivative liabilities	6,885	3,900
Cash	845	699	Other liabilities	1,215	1,050
Total assets	15,317	14,505	Total equity and liabilities	15,317	14,505


- Equity deficit of \$807 million is driven by derivative liabilities relating to unrealised pre-tax hedging losses of c.\$7 billion. These losses will reverse and crystallise against future revenue from the hedged production
- Deferred tax asset is recognised to the extent that taxable profits are expected to arise against which the tax losses can be used
- Lease liabilities, right-of-use assets relating to the Catcher and Chim Sao FPSOs plus Tolmount topside assets

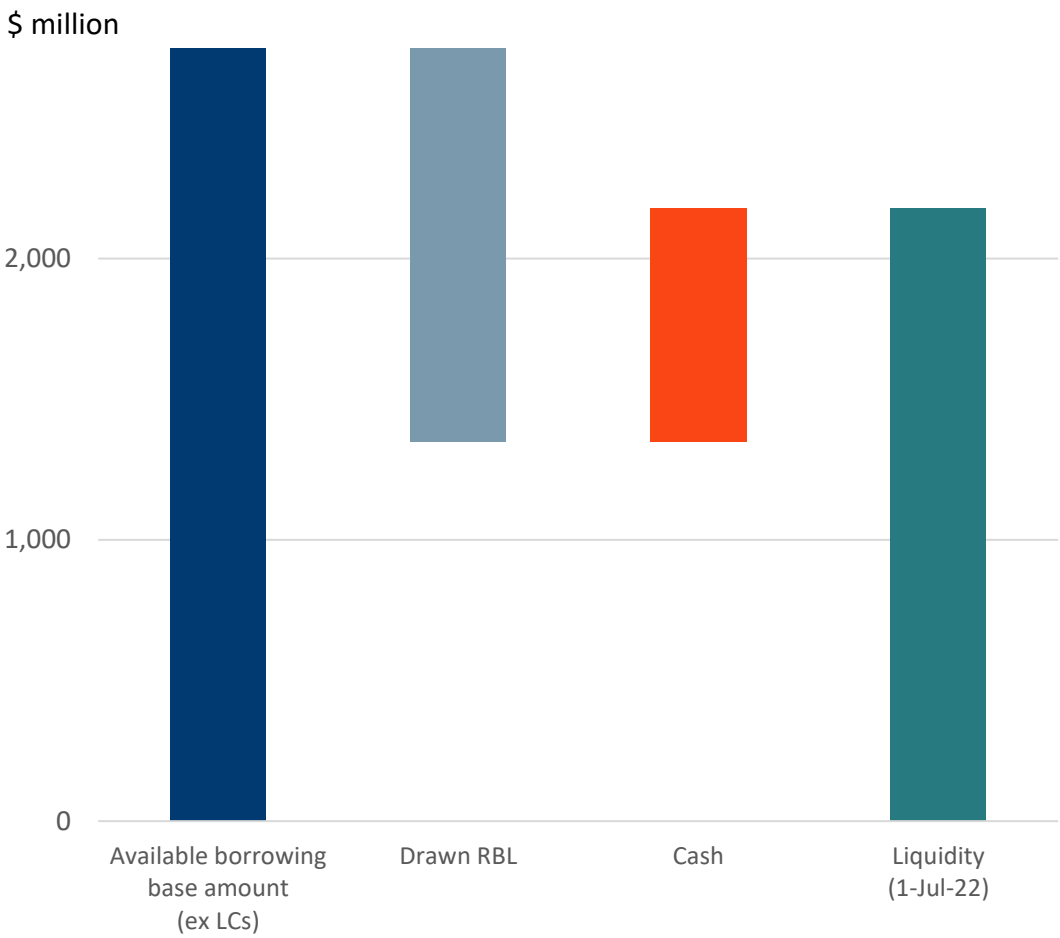
Strengthened financial position during the first half

**Higher production,
realised prices**

**Strong
cash flows**



**Significant liquidity
of >\$2 billion**

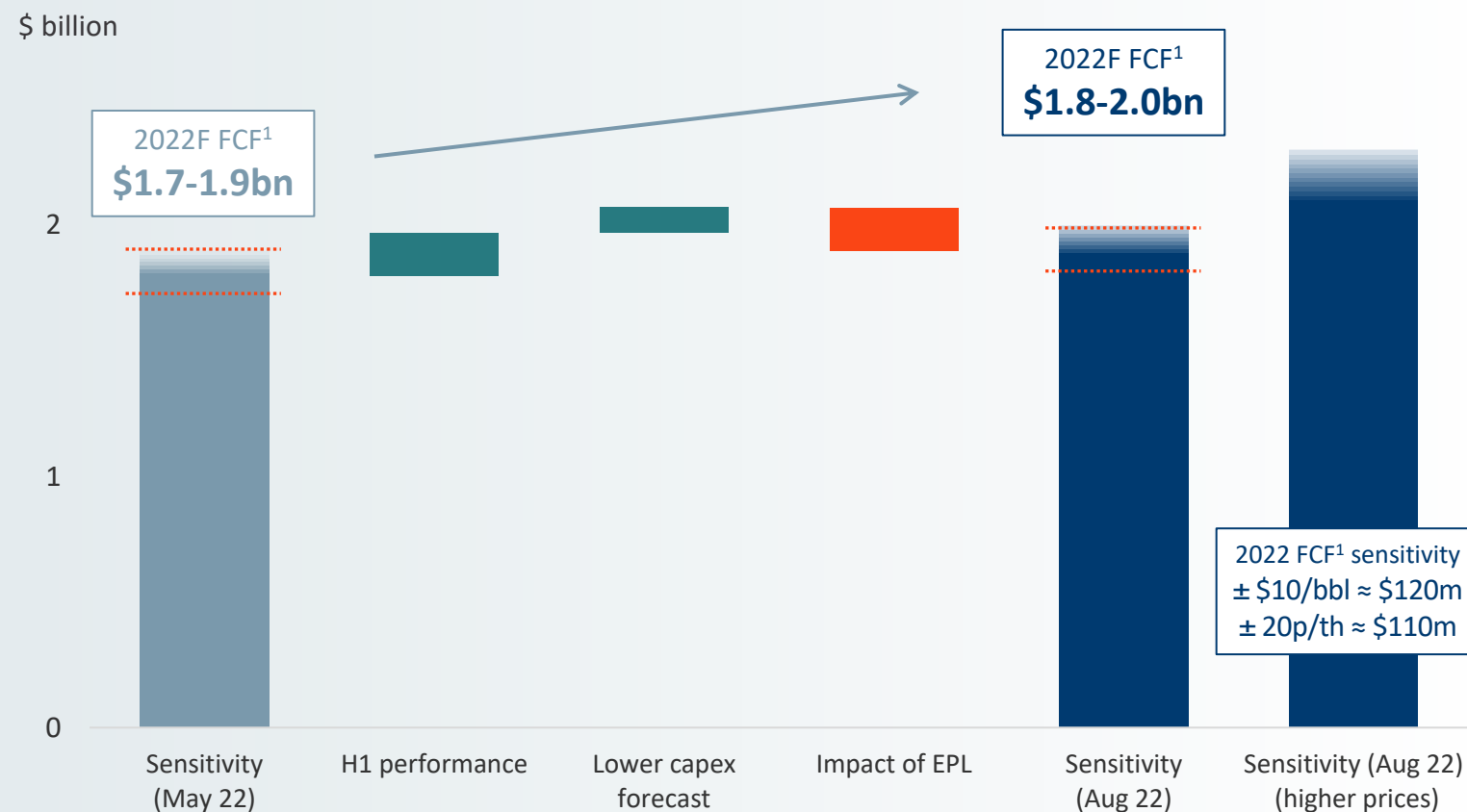


H1 performance supports improved free cash flow generation outlook

Narrowing production guidance and lowering capex guidance offsets impact of UK Energy Profits Levy (EPL)



Material optionality over future capital allocation



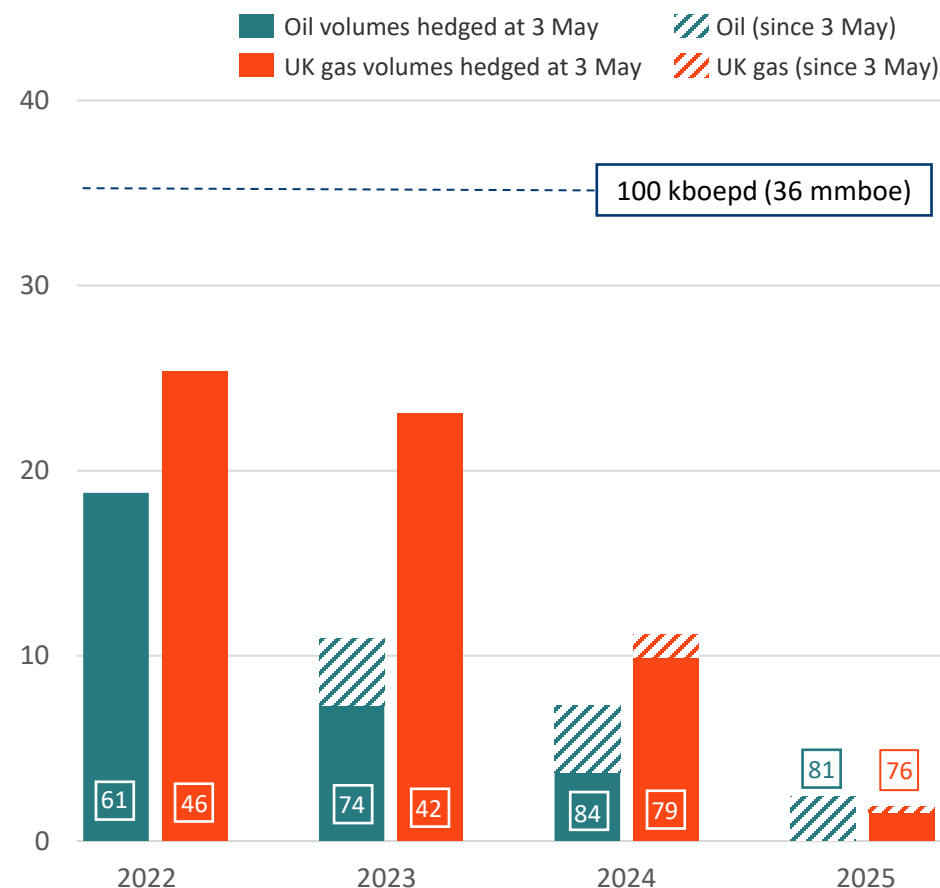
- Forecast to be net debt free in 2023
- Enhanced shareholder returns
- Meaningful M&A

¹ FCF is free cash flow after capex, tax and before shareholder distributions (dividends and buybacks) and assumes FY 2022 oil and gas prices average \$100/bbl and 200p/therm respectively

With low leverage, shifting hedging strategy to increase exposure to market pricing...

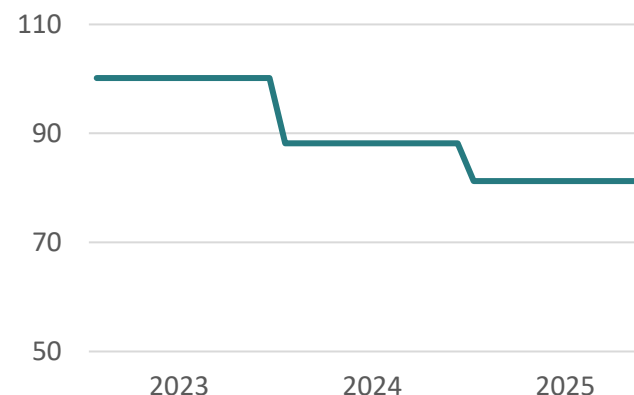
...while continuing to protect the downside

Hedged volumes reduce materially over next 3 years

mmboe¹

¹ As at 24 August 2022 □ Av. hedged oil price (\$/bbl) □ Hedged UK gas price (p/therm)

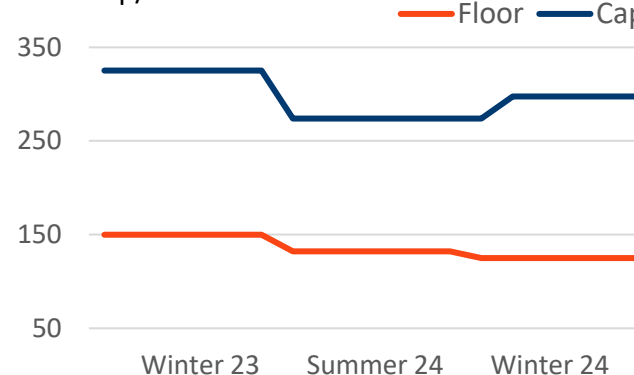
Recent oil hedging prices

\$/bbl



Recent UK gas hedge prices

p/therm



- Greater flexibility with minimum RBL hedging requirements reduced
- Added incrementally to hedging position in 2023+
- Attractive Zero Cost Collar (ZCC) skew for gas hedging
- Swaps more attractive for oil hedging
- No margin agreements

2025

\$81/bbl

Last executed oil trade¹

Winter 2024 ZCC

200p floor vs 540p cap

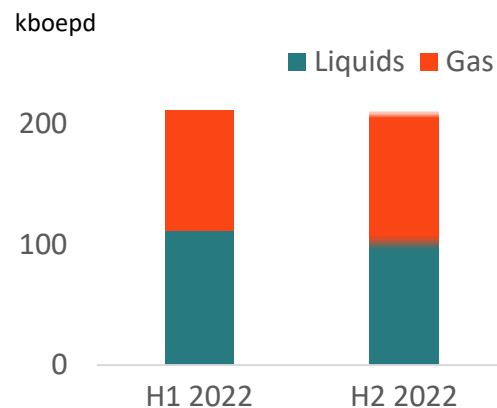
Last executed gas trade¹

Guidance

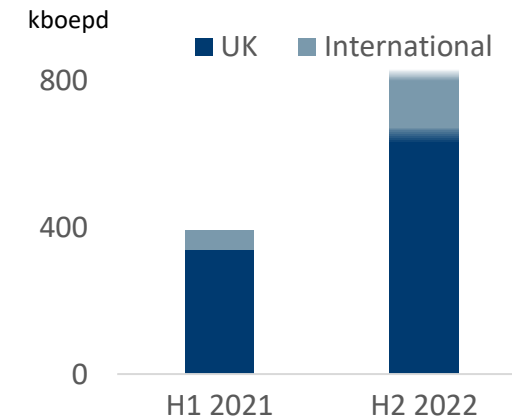
Free cash flow is first half weighted due to timing of capex, tax payments and shareholder returns

	2022 Guidance (as at May 22)	H1 2022 (Actual)	2022 Guidance (as at Aug 22)
Production kboepd	195-210	211	200-210
Operating cost \$/boe	15-16	14.2	Lower end of 15-16
Total capex \$m	1,300	391	1,200

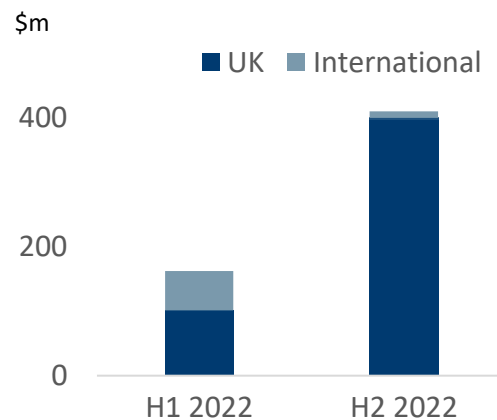
Production



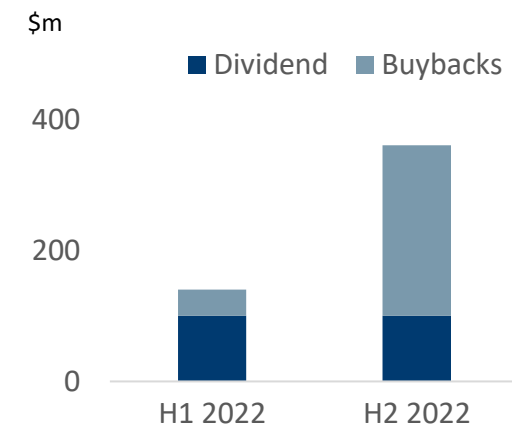
Total capex



Tax payments



Shareholder returns





Summary

Linda Z Cook

Why Harbour Energy?

Well positioned for value creation, growth and shareholder returns

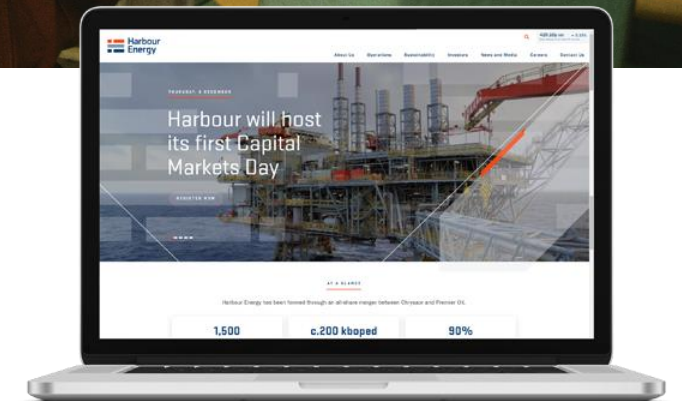
- Pure-play, upstream global O&G producer
- A focus on safe and responsible operations
- High quality, diversified cash generative asset base of scale
- Track record of organic reserve additions and extending field life
- Proven delivery of large-scale, value accretive M&A
- Strong Board with meaningful ownership
- Robust financial position with significant optionality over future capital allocation





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H1 2022 Production; latest hedging position (as at 18 August 2022)

Group Production

	Equity (%)	H1 2022 (net, kboepd)	H1 2021 (net, kboepd)
Greater Britannia Area	26.3-93.8	33	28
J-Area	67-67.5	28	27
AELE hub	32-100	28	23
Elgin Franklin	19.3	26	13
Catcher	50	21	12
Buzzard	21.7	15	12
West of Shetlands ¹	7.5-100	15	12
Beryl	34-49	13	13
Tolmount	50	6	-
Other North Sea ²	8.4-100	11	4
North Sea	7.5-100	196	144
International	28.7-53.1	15	7
Total Group	7.5-100	211	151

Hedging Schedule³

	2022		2023		2024		2025	
	Volume (mmboe)	Price (p/th, \$bbl)	Volume (mmboe)	Price (p/th, \$bbl)	Volume (mmboe)	Price (p/th, \$bbl)	Volume (mmboe)	Price (p/th, \$bbl)
UK Gas								
Swaps	19.1	42	21.5	40	9.9	52	1.6	45
Collars	5.2	50-61	1.6	55-69	1.3	131-283	0.3	125-298
Options	1.1	34	-	-	-	-	-	-
Oil								
Swaps	18.8	61.2	11.0	74.1	7.3	84.4	2.4	81.2

¹ West of Shetlands comprises Clair, Schiehallion and Solan. ² Other North Sea includes East Irish Sea, Galleon and Ravenspurn North. ³ As per 18 August 2022.