Harbour Energy plc
(the "Company" or "Harbour")
Publication of Annual Report and Accounts and ESG Report for 2021
and Notice of Annual General Meeting
5 April 2022

Further to the release of the Company's Full Year Results on 17 March 2022, Harbour announces that it has today published its Annual Report and Accounts for the financial year ended 31 December 2021 (the "2021 Annual Report") along with its 2021 ESG Report. In addition, the Company has today posted to shareholders the Notice of Annual General Meeting ("AGM"). The AGM will be held at No.11 Cavendish Square, London, W1G 0AN, at 10.00am on Wednesday 11 May 2022.

Given the constraints we have faced in recent times due to the COVID-19 pandemic, your Board is pleased to have the opportunity to meet shareholders in person at the AGM. At the current time, there are no UK Government restrictions related to the COVID-19 pandemic in place. Although this is not anticipated to change, you are encouraged to monitor our website and also announcements via the Regulatory News Service in the event that alternative arrangements for the AGM need to be made. Please note that no presentations on the Company's business will be given at the AGM and no refreshments will be available. Instead, the Board has arranged for a presentation to be made available on the Company's website at www.harbourenergy.com on the morning of 11 May 2022.

In accordance with Listing Rule 9.6.1., copies of the 2021 Annual Report, the Notice of AGM and related form of proxy have been submitted to the UK Listing Authority and will shortly be available for inspection from the National Storage Mechanism at https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism The documents (except for the form of proxy) are also available to view on the Company's website at harbourenergy.com

A condensed set of accounts and information on important events that have occurred during the year ended 31 December 2021 and their impact on the accounts were included in the Company's 2021 Annual Results announcement on 17 March 2022. That information together with the information set out below in Appendix 1, which is extracted from the 2021 Annual Report, fulfil the requirements of DTR 6.3.5. This announcement is not a substitute for reading the full 2021 Annual Report. Page and note references in the text in Appendix 1 are made in reference to the 2021 Annual Report. To view the 2021 Full Year Results announcement, visit the Company website: harbourenergy.com/investors/

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Disclaimer

This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Group believes the expectations reflected herein to be reasonable in light of the information available to it at this time, the actual outcome may be materially different owing to factors beyond the Group's control or otherwise within the Group's control but where, for example, the Group decides on a change of plan or strategy. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.

APPENDIX 1
Company Risk Factors (required under DTR 4.1.8)

Principal risk factor	Risk detail	How is it managed?
Strategic execution	The Company has defined a corporate strategy to create value by continuing to build a global, diversified oil and gas company focused on value creation, cash flow and distributions. This is underpinned by four strategic pillars: ensuring safe, reliable and environmentally responsible operations; maintaining a high quality portfolio of reserves and resources; leveraging our full cycle capability to diversify and grow further; and ensuring financial strength through the commodity price cycle. There is a risk the Company may fail to effectively implement this strategy. The Company may be unable to maintain sufficient leadership and organisation capacity to effectively manage and grow the business. Leadership may fail to effectively communicate or create alignment internally, leading to sub-optimal decision-making. The Company may fail to identify or execute attractive M&A opportunities, or may over-estimate the value of assets acquired. The Company may be slow to respond to changes in the external environment that may merit a change to any of the four pillars of the strategy. If implementation is ineffective, investors, creditors and lending banks may lose confidence in the leadership of the Company. Ultimately, the Company may fail to demonstrably create value for shareholders and other stakeholders.	Corporate strategy clearly defined, approved by the Board and communicated to the market Strategic execution progress reviewed regularly with the Board Senior executive team has a proven track record of delivering strategic growth, including executing and integrating large scale M&A, with regular Board assessment of performance New organisation designed and implemented to deliver the defined strategy Capital deployment, growth and financial metrics agreed with the Board and feature prominently in incentive compensation Corporate model and M&A analyses evaluated across a range of scenarios Detailed due diligence of acquisition opportunities undertaken prior to agreeing transaction terms Regular two-way communication between employees and senior leadership to help build understanding and engagement
Health, safety and environment	The Company may face a major accident resulting in personal injuries, physical property damage and/or environmental impact. There	Strong safety leadership culture established with an emphasis on process safety and, in particular, including a strong tone from the top

	is also a risk of a significant personal safety or physical security incident arising from natural disaster, pandemic, social unrest or other external cause. In addition to the potential to cause personal injury or harm to the environment, the production and financial performance of the business may be significantly degraded. The business may be subject to punitive fines and suffer damage to its reputation. A serious incident could also undermine the Company's ability to execute its strategy.	with leadership support to do the right thing Newly merged organisation designed and resourced to support health, safety, environmental and physical security performance. Safety critical roles defined by management and protected from re-organisational risk in order to maintain a focus on safety Safety and environmental performance metrics agreed with Board and feature prominently in business performance tracking and incentive compensation Company Major Accident Prevention Policy (CMAPP) and HSES Policy in place that direct all Company activities, including contract work, supported by a defined management system and an HSES strategy and plan with relevant training; Safety Cases in place for all assets Active risk assessment process and management of change in place for operated assets Experienced Board HSES Committee established to provide oversight and challenge; direct engagement by Non-Executive Directors with operations managers HSES auditing and reporting in place with a focus on Major Accident Hazards (MAH) and with regular reporting to the Board HSES Committee Performance monitoring in place including prompt and thorough investigation of incidents, sharing of learnings across the organisation and adoption of learning from third party incidents Crisis management and emergency response processes practised regularly

		COVID-19 pandemic response embedded including application of government advice Senior management commitment to HSES values demonstrated through visits to operated facilities (subject to COVID-19 pandemic restrictions), participation in global and regional safety events, an annual Global HSES Day to promote a safety focus and emphasise its importance and an annual CEO Safety Award programme to recognise outstanding performance
Energy transition and Net Zero	The Company recognises the transition towards a lower carbon economy will require many businesses to review and reshape their business model. The pace of the energy transition will impact both supply and demand of oil and gas and this may increase the volatility of future oil and gas prices. The demand for oil and gas may reduce over time depending on the pace of deployment of alternative energy technologies and shifts in consumer preference for lower greenhouse gas emissions products. On the supply side, the oil and gas sector may be subject to new climate-change regulations or supply chain challenges that increase costs and impact how we operate. For example higher emitting assets may need to be decommissioned sooner than currently expected. Reduced investment in the oil and gas sector may reduce supply more quickly than demand, resulting in periods of higher commodity prices. In the longer term, changes in weather patterns and ocean currents and more frequent extreme weather events may disrupt projects and operations. Investor, societal and regulatory expectations regarding the energy transition may evolve. The Company may lose some	Clear ESG strategy in place and owned by CEO and Board with a goal to achieve Net Zero by 2035 Corporate strategy and business model reviewed with Board at least annually to ensure it remains appropriate in light of energy transition scenarios and associated risks Net Zero strategy and execution progress reviewed regularly with the Board and the Board's HSES Committee including related to emissions reduction, acquisition of offsets, and involvement in CCS projects Emissions reduction targets agreed with Board and feature prominently in incentive compensation and incorporated into the main Reserve Based Lending debt facility Environmental considerations embedded in decision-making and plans to ensure delivery against Net Zero goal, including emissions reduction activities Environmental considerations, including cost of carbon, incorporated into investment decision-making processes, including for potential acquisitions Impact of energy transition considered in the key judgements

	sources of funding if it is unable to meet the expectations of investors, creditors and lending banks regarding their energy transition requirements. The Company may be subject to negative NGO or shareholder activism which could affect its reputation and societal ‘licence to operate’. The Company may also face more demanding regulatory requirements. In the event the Company is unable to operate an appropriate business model and meet investor and societal expectations through the energy transition, including successfully progressing towards meeting its Net Zero 2035 goal, the strategy will be undermined, and the long-term viability of the business may be in doubt.	and estimates within the financial statements and subject to ongoing monitoring Processes established for meeting ESG reporting and other regulatory reporting requirements, including independent verification
Operational performance	The Company may fail to achieve its strategic objective to maintain reliable and responsible operations. As oil and gas fields mature and facilities age, maintaining operational performance becomes increasingly challenging. Geology, reservoir and well performance are inherently uncertain and so the quality and volume of produced oil and gas may differ from forecast. As installed facilities and equipment age, significant expenditure and outages may be required to maintain operability and operations integrity. Adverse political, social, security, weather, regulatory or other external conditions could impact operational performance, especially in the UK where the majority of the Company’s operations are located. This may include continued travel restrictions and quarantines due to the COVID-19 pandemic. In addition, downstream infrastructure to transport produced oil and gas to market may be interrupted. Consequently, the Company may fail to meet production expectations, maintain competitive operating costs and meet contractual obligations,	New organisation designed and resourced to manage existing operational activity Production, operating cost. HSES and other operational performance metrics agreed with the Board and feature prominently in business performance tracking and incentive compensation Procedures in place to govern production operations, including production forecasting and reporting, preventative maintenance, and field and well performance monitoring Material reinvestment in the assets maintained, including for maintenance and development drilling, to support operational reliability and throughput Inventory of future near-field drilling opportunities maintained to support production levels Proactive oversight maintained of non-operated joint ventures

	any of which may undermine its financial strength and strategy.	Use of new technology regularly explored to increase recovery and lower costs Potential to contract with third parties for utilisation of our existing infrastructure to enable further cost efficiency Unit operating costs and other metrics benchmarked to identify opportunities for performance improvement Regular business performance reviews and reporting take place to monitor performance Clear Delegation of Authority in place globally to support effective cost management
Organisation and talent	Following the completion of a material acquisition, the Company may fail to embed a cohesive organisation in the form of a consistent culture, aligned values and clear roles and responsibilities. The Company may also fail to maintain sufficient capability and capacity across all levels of the organisation. A failure to embed a cohesive new organisation may result in a lack of engagement, inertia or conflict among employees. This may be heightened by the demands, uncertainty and change imposed on the new organisation by the work required to integrate the legacy businesses. Key employees may leave, important capabilities may be lost, and the Company may be unable to attract suitable new talent, making it difficult to maintain sufficient capability and capacity across all levels. The Company may lack sufficient leadership bench strength to manage the business and execute the strategy. Ultimately, a failure to manage this risk may heighten safety risk, constrain performance and impede strategic execution.	New organisation and compensation programme implemented with aligned terms and conditions, a competitive reward package and designed to ensure sufficient capability and capacity to deliver the defined strategy Regular communication between employees and senior leadership to help build understanding and engagement and supported by staff surveys to encourage feedback Direct access by the Non-Executive Directors to senior management through presentations to the Board and other meetings Local and Global Staff Forums maintained including employee interactions with senior management and the Board Staff counselling and grievance arrangements in place Experienced Head of Diversity, Equity and Inclusion appointed to drive an inclusive environment Experienced Integration Management Office established to oversee integration efforts related to

		organisation, as well as systems, policies and processes Further activities planned for 2022 include: – Rollout of a culture and values programme with clear linkage to strategic objectives – Implementation of a global staff performance management process aligned to culture and values and with clear links to reward – Design and rollout of a new talent development programme – Implementation of common systems and processes across the Company to enable a common 'way of working' and improve efficiency – Consolidation of offices in the UK to enable co-locating of work teams
Capital programme and delivery	The Company undertakes capital projects and drilling operations to explore for new resources, develop new discoveries, and increase production from or extend the life of existing producing assets. Capital projects involve advanced engineering, extensive procurement activities and complex construction work, carried out under various contract packages at various locations. The Company may face delays, supply chain issues, cost overruns or unsatisfactory HSES performance in executing capital projects. The Company may also experience disruptive fiscal, regulatory, political, economic, social, security and weather conditions, including continued travel restrictions and quarantines due to the COVID-19 pandemic. In addition, geology and reservoir engineering and well performance are inherently uncertain and so the quality and volume of oil and gas produced from new developments, and consequently the reserves added and value created from the capital deployed, may differ from that expected. The Company may fail	New organisation designed and resourced to manage the capital programme with experienced decommissioning team in place to execute the Company's decommissioning programme Capital deployment and growth metrics agreed with Board and feature prominently in business performance tracking and incentive compensation Processes in place to support the maturation of resources into developed reserves and ensure efficient deployment of capital Rigorous technical and economic evaluation process in place with defined stage-gate reviews and decisions Independent assurance team established to assure governance of capital investment activities, including decommissioning Investment guidelines agreed with Board that standardise planning assumptions and investment hurdles

	to add oil and gas reserves in a timely, profitable and safe manner leading to a decline in reserves, production and revenue. The Company is obliged to decommission assets at the end of their useful life. The Company may fail to reliably estimate the cost of future decommissioning spend and may face incremental costs in connection with decommissioning obligations.	to ensure consistent evaluation of capital investment opportunities Drilling and capital costs benchmarked to understand relative performance with systematic lookbacks undertaken to assess and improve performance Regular business performance reviews and reporting to monitor delivery Annual lookback of capital programme undertaken to assess performance versus budget and versus estimates of costs and volumes at the time of project approval; learnings identified and shared Independent review of the Company's reserves and resources undertaken
Access to Capital	The Company seeks to ensure financial strength through the commodity price cycle. In the event the Company is unable to maintain sufficient access to capital, the Company may be unable to sufficiently re-invest in its existing assets or fund growth through capital investments and M&A as targeted in the strategy. The Company may be unable to service security or letter of credit obligations, including those related to decommissioning obligations. Ultimately, a failure to ensure sufficient access to capital would directly undermine the implementation of the strategy.	Robust financial framework and prudent capital allocation policy agreed with the Board and rigorously implemented Diversified capital structure in place with low financing cost, including Reserve Based Lending (RBL) facility and an unsecured bond issue during 2021. Annual RBL redetermination programme undertaken to ensure available liquidity is known for the forthcoming period Ongoing engagement with lead-syndicate banks in the RBL facility maintained to ensure relationship remains strong Disciplined hedging programmes in place to help manage exposure to commodity prices (see also 'Commodity price exposure' risk below), interest rates and foreign exchange Corporate model in place to facilitate oversight of the Company's financial position across a range of commodity price scenarios

		Annual capital budgets set taking into account near term commodity prices and cash flow expectations with spending levels stress-tested against adverse scenarios Insurance programmes in place to minimise the risk to the business (see also 'Third party reliance' risk opposite)
Commodity price exposure	Oil and gas prices have fluctuated significantly in recent years, most recently due to the impact of the COVID-19 pandemic on demand, general economic uncertainty and the consequences of recent Russian action in Ukraine. The price of oil and gas is impacted by changes in global and regional supply and demand, and expectations regarding future supply and demand. Supply factors that influence pricing include the pace of new oil and gas developments, operational issues, natural disasters, adverse weather events, political and security instability, conflicts, and actions by major oil-exporting countries. Demand factors that influence pricing include economic conditions, climate change regulations and the pace of transition to a low carbon economy. Consequently, it is not possible to accurately predict future oil and gas prices and prices may continue to remain volatile. In order to safeguard its balance sheet, the Company has set a strategic intent to protect the business from excessive volatility, ensure liquidity through the commodity price cycle as well as to take advantage of market movements (see risk description under 'Access to capital' above). A sustained decline in oil and gas prices could undermine this strategy by reducing cash flow available to fund growth and distributions and impairing access to capital. In addition, excessive volatility in prices	Disciplined commodity price hedging programme in place aligned to risk appetite and designed to underpin the financial framework, limit downside risk, comply with Reserve Based Lending requirements and protect the value of acquired assets Carbon hedging is conducted to actively manage the Group exposure to carbon pricing in the UK market, whilst ensuring regulatory requirements are met Strong control framework in place that covers full hedging life cycle and includes monitoring activities to ensure the hedging programme is applied consistent with risk appetite

	could impede business planning and financial decision-making.	
Integration of acquired businesses	Following the completion of an acquisition, the Company may fail to manage the pace, scope and cost of integrating the acquired business. Integration synergies may not be realised in a timely manner, eroding investor confidence. The demands, uncertainty and change imposed on the new organisation by the integration work required may lead to confusion, disengagement or resignations among employees. The Company may be unable to establish a scalable operating model to support the efficient integration of further M&A that is targeted in the strategy.	Senior executive team has a proven track record of integrating large scale M&A Experienced Integration Management Office established with clear governance model, regular Board updates, and resourced with employees who are familiar with the acquired businesses and have a proven track record of effective integration Detailed integration plan developed with business and expert advisers, leveraging experience gained from prior acquisitions Enterprise Management System being implemented to ensure the Company systems landscape is scalable to a growing business. Multidisciplinary project team in place with project risks challenged via third party assurance model Regular internal communications in place to maintain employee awareness and engagement through to the completion of the integration process
Third party reliance	The Company is reliant on a range of third parties to achieve its strategic objective to ensure safe, reliable and responsible operations, and to maintain a high quality portfolio of reserves and resources. These third parties include suppliers of products and services, joint venture (JV) partners, outsourced operators who operate some of the Company's assets on its behalf, downstream infrastructure owners and trading counterparties. The recent industry downturn and the ongoing effects of the COVID-19 pandemic have led to financial distress and consolidation across the sector and disrupted capacity and capability. In addition, some third	New partners and suppliers carefully assessed through due diligence and approval processes, supported by additional security arrangements as required Existing partners and suppliers regularly engaged to monitor performance and risk exposure through proactive oversight and governance, enforcement of commercial agreements and with a culture of collaborative working to create value Formal budgeting and tendering processes in place to govern material spend with partners and suppliers

	parties may be impacted by sanctions arising as a result of recent Russian action in Ukraine. Consequently the Company may be unable to readily procure cost-effective products and services to operate existing assets or undertake new capital projects. Financial distress among existing suppliers or JV partners may increase the likelihood of exposure to unsafe practices or non-compliance on matters such as Anti-Bribery and Corruption or Human Rights. JV partners may be unwilling or unable to meet funding commitments or invest new capital. Poor performance or damaged reputation of an outsourced operator or JV partner may tarnish the Company's reputation. In the event of insolvency in a JV partner, the Company may be required to cover their long-term asset commitments. In addition, misalignment in objectives within a JV may lead to sub-optimal decision-making and the ability of the Company to influence this may be limited. The Company is also reliant on third party infrastructure to transport produced oil and gas to market, a significant portion of which has been in operation for a number of years. A loss of availability or access to downstream infrastructure could directly impact production and revenue. In addition, new developments are dependent on the Company agreeing acceptable commercial terms with prospective downstream partners.	Production monetisation routes in place for existing assets governed by contractual agreements. Commercial assurance and contract risk forms part of decision gate process for new developments Insurance programmes in place include contingent Business Interruption insurance for loss of revenue following loss or damage to third party facilities identified as production bottlenecks
Information and cyber security	The Company may fail to implement sufficient information security measures to ensure the confidentiality, integrity, availability and regulatory compliance of Company information. In particular, the risk of a cyber-attack continues to increase due to a rising global threat, recent Russian action in Ukraine, the visibility of Harbour as a	Experienced and fully resourced information and cyber security organisation established with clear accountability across all locations Prioritised and budgeted work plan in place to transition legacy IT infrastructure in a controlled manner as part of establishing a new Company IT infrastructure platform

	newly enlarged entity and the number of personnel working remotely. The Company may fail to implement adequate cyber security precautions in order to efficiently prevent, identify or respond to such an attack. A failure to manage this risk could result in heightened safety or environmental risk exposure or interruption to business operations which would undermine delivery of the strategy. In addition, loss of commercially sensitive information, regulatory fines and ransom demands could damage the Company's reputation.	Defensive and preventative controls designed and implemented to an industry standard that include independent testing and assurance mechanics to check resilience and are subject to an annual Internal Audit. Business-led recovery measures in place to maintain business continuity and limit any material impact of a cyber security attack Continuous strengthening of controls related to information and cyber security in line with the evolving threat landscape and regulatory requirements
Legal and regulatory compliance	The Company, its employees and contractors are subject to various laws and regulations governing conduct. These laws and regulations cover a range of activities such as fraud, bribery, corruption and facilitation of tax evasion. A failure to maintain and demonstrate effective legal and regulatory compliance could lead to compliance breaches which could damage the Company's reputation, erode its values-based culture and result in financial consequences. This could in turn lead to increased scrutiny from regulators and undermine the Company's strategy by impeding its ability to motivate employees, conduct business with partners and suppliers, and maintain access to capital.	Zero tolerance stance set for fraud, bribery, corruption and facilitation of tax evasion in any form that could be unlawful or otherwise undermine the legitimate business environment and damage the reputation of the Company Business principles, values and Company policies outlining Company expectations communicated to all employees with relevant training. These include Board approved policies covering Code of Conduct, Sustainability, Modern Slavery and Tax Governance structure established that complies with the UK Listing Rules (including UK Corporate Governance Code), including the appointment of a Senior Independent Director and a Relationship Agreement with EIG, the largest shareholder Enforcement of the Company's Code of Conduct and the adequacy and security of the whistleblowing procedure monitored by the Audit and Risk Committee Compliance monitoring and disciplinary arrangements maintained, including whistleblowing

		During 2022, the Company will move to a single, global compliance programme which will improve efficiency and simplify approach
Host government political and fiscal risks	The Company operates or maintains interests in multiple countries including some where political, economic or social transition is taking place or there are sovereignty disputes. The political and security situation and the regulatory and fiscal framework in any of these countries may change and adverse changes could have an impact on the operations, profitability and future investment opportunities of the business. Consequences may include increases in the regulatory burden, increases in tax or loss of relief, retroactive tax claims, price controls, limits on production or cost recovery, import and export restrictions, other changes in fiscal terms, cancellation of contract rights, and expropriation of property. Such consequences would undermine the Company's financial position and, in some cases, could put at risk our ability to successfully implement the strategy.	Constructive engagement maintained with relevant government and regulatory stakeholders in the countries and regions where the Company does business Contribution to industry representation maintained on key industry issues Portfolio of interests maintained to diversify country risk exposure, including through an aim to establish a material production base outside the UK Active monitoring of the local political, fiscal, social and security situations in place in regions where the Company does business or is proposing to enter

Key Performance Indicators (required under DTR 4.1.9)

Average working interest production (kboepd)

Objective

We aim to maintain production from our high quality UK asset base and, at the same time, grow and diversify our production through acquisition.

2021 Progress

- As a result of the Merger, Harbour became the largest producer of oil and gas in the UK and established a global footprint
- Production impacted by unplanned outages and delay to Tolmount project start up
- Significant planned maintenance campaigns completed safely with production rates increasing to in excess of 200 kboepd in the fourth quarter

Reserves and resources (mmboe)

Objective

We aim to add reserves as well as convert reserves and resources into production via targeted investment in our existing asset base. We seek to replace reserves in the medium term through value accretive M&A.

2021 Progress

- Achieved 157 per cent 2P reserves replacement, underpinned by the Merger
- Downward revision of Tolmount reserves estimates
- Increase in 2C resources underpinned by the addition of the Zama (Mexico) and Tuna (Indonesia) fields

Operating costs (US$/boe)

Objective

We strive for competitive operating costs without compromising on health, safety and the environment, enabling positive margins in times of low commodity prices.

2021 Progress

- $15.2/boe field opex and $1.3/boe FPSO lease costs, reflecting natural decline and lower operating efficiency due to significant planned maintenance campaigns and some unplanned outages
- Operating costs on an absolute basis increased to $1.0 billion, driven by the addition of Premier's portfolio from the end of March and a stronger Pound Sterling/US Dollar exchange rate

Free cash flow

Objective

Harbour aims to deliver predictable and reliable cash flow through the commodity price cycle to maintain financial strength, enable investment to ensure a robust and diverse portfolio, and to underpin the delivery of shareholder returns including through a sustainable dividend.

2021 Progress

- Increased free cash flow, driven by higher commodity prices
- Started to realise synergies resulting from the Merger, especially within the UK
- Highly ranked, broad set of relatively low risk, high return projects to maintain production and cash flow near term

Shareholder returns

Objective

Harbour aims to deliver both growth and yield to its shareholders. Shareholder returns, along with ensuring balance sheet strength and a robust and diverse portfolio, is one of our three capital allocation priorities.

2021 Progress

- Increased earnings per share supported by higher commodity prices
- Annual $200 million dividend policy announced and will be reviewed annually in the context of the Group's capital allocation priorities
- For 2021, a final dividend of $100 million to be paid in May 2022 post AGM and shareholder approval

<u>Leverage ratio</u>

Objective
We aim to keep leverage below 1.5x on average through the commodity price cycle supported by prudent capital allocation and a disciplined hedging programme. We seek to repay debt when prices are high ensuring capital discipline, financial resilience and capacity to take advantage of M&A opportunities that align to our strategic drivers.

2021 Progress
- Significant deleveraging since completion of the Merger with net debt, excluding unamortised fees, reduced from $2.9 billion to $2.3 billion at year-end
- Disciplined hedging programme underpins revenue and debt availability with additional flexibility following lender removal of year 3 minimum hedging requirement
- Completed a $500 million debut bond issuance with a coupon of 5.5 per cent

<u>Total Recordable Injury Rate (TRIR)</u>

Objective
Harbour is committed to managing its operations in a safe and reliable manner to prevent major accidents and provide a high level of protection to employees and contractors.

2021 Progress
- There were 15 recordable injuries resulting in a TRIR of 1.27 across the Group
- Europe Well Services team completed work on 36 wells across eight assets without a single first aid case or other recordable injury
- The Judy and Britannia platforms (UK) surpassed seven years without a lost time injury; while the Gajah Baru platform (Indonesia) surpassed 10 years

<u>Process Safety (Tier 1 and 2)</u>

Objective

Harbour aims to maintain the highest standards of operational integrity to prevent any release of hazardous material from primary containment.

2021 Progress
- No Tier 1 Process Safety Events
- Two Tier 2 Process Safety Events relating to a gas release on the West Lobe platform (Indonesia) and overflow of a diesel tank at Solan (UK) during bunkering operations
- Inaugural Global HSES Day held with particular focus on delivering process safety excellence

GHG Intensity (Scope 1 and 2)

Objective

Harbour is committed to proactively taking steps to address its environmental impact. This includes reducing our own emissions and offsetting an increasing proportion of our residual, hard-to-abate emissions year on year in order to achieve our goal of Net Zero by 2035.

2021 Progress

- Higher GHG intensity reflects addition of Premier's portfolio from March and increased drilling activity
- Purchased independently certified carbon offsets of which 400k were retired against our 2021 emissions reducing our GHG intensity to 17kg CO_2e/boe

Directors' responsibility statements (required under DTR 4.1.12)

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Group financial statements

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent company financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing the Parent Company financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs (and in respect of the parent company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 / applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the Company and Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website harbourenergy.com.

Directors' responsibility statement

We confirm to the best of our knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities,

financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- that the Annual Report & Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks that they face; and
- that they consider the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 16 March 2022 and is signed on its behalf by:

Linda Z. Cook
Chief Executive Officer