2021 Annual Results

Harbour Energy plc

17 March 2022

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2021 Highlights

- Completion of merger with Premier; realisation of synergies progressing as planned
- Production of 175 kboepd
  Strong Q4 production of 214 kboepd following completion of maintenance programmes
- Opex of $15.2/boe and total capex of $935 million, lower than forecast
- Successful drilling at J-Area, Elgin Franklin, AELE, Beryl (UK), and Natuna and Tuna (Indonesia)
- Tolmount (UK): start up underway
- Portfolio aligned with strategy; exits from Brazil exploration and Sea Lion (Falkland Islands)
- Continued focus on safety and the environment
  No serious injuries or significant spills; GHGi reduced to 17 kgCO_2e/boe (net of offsets)
- Free cash flow of $678 million, reducing net debt[1] and leverage to $2.3 billion and 0.9x
  Introduction of an initial $200 million annual dividend

[1] Excludes unamortised fees

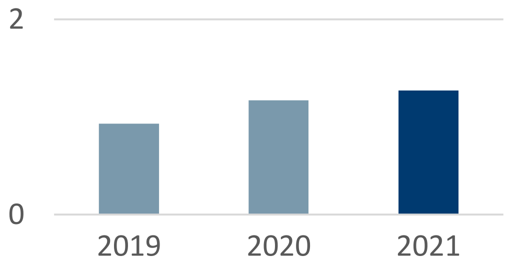
Operational overview

Linda Z Cook

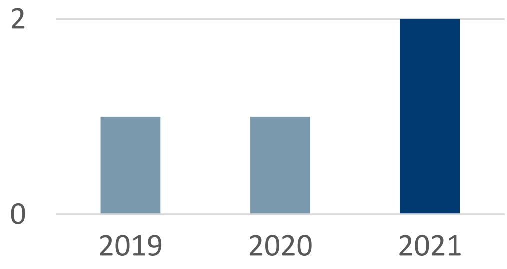
Safety is our top priority

- Standardised safety-related policies and procedures, adopting best practice
- Established clear priorities: Process Safety and Lifesaving Rules
- Comprehensive HSES audit programme
- Assurance and governance, including at Board level, over our activities
- Inaugural Global HSES Day and CEO Safety Award

TRIR[1]
Per million hours worked



Process safety[1]
Tier 2 events



Judy and Britannia (UK) surpassed 7 years and Gajah Baru (Indonesia) 10 years without a LTIR[1]

North Sea Well Services completed work on 36 wells without a recordable injury

Vietnam Well Services completed 82 well interventions without a recordable injury or high potential incident

Achieved record low maintenance backlog on Greater Britannia

[1] TRIR (Total Recordable Injury Rate), process safety and LTIR (Lost Time Injury Rate) are reported on a gross operated basis. TRIR and LTIR are per million hours worked.

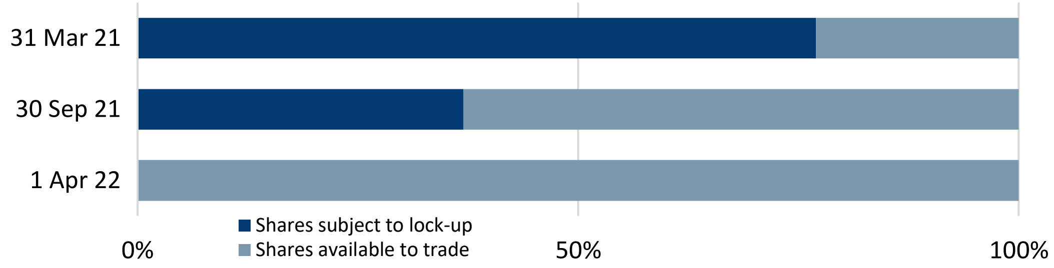
Successful completion of merger with Premier…

… and integration and realisation of synergies progressing as planned

Scale

- Largest UK listed independent O&G Company
- Member of FTSE 250

Shares subject to lock-up



Diversification & Integration

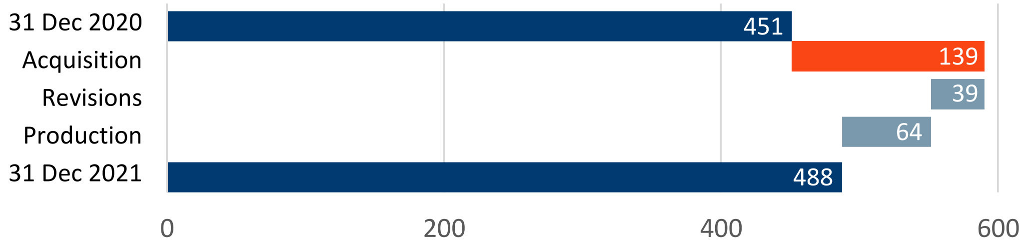
- Complementary UK asset base
- High quality SE Asia production
- Substantial synergies

Integration progressing well; synergies confirmed … starting to be realised

Growth

- 157% 2P reserves replacement
- International growth options

2P reserves[1], mmboe

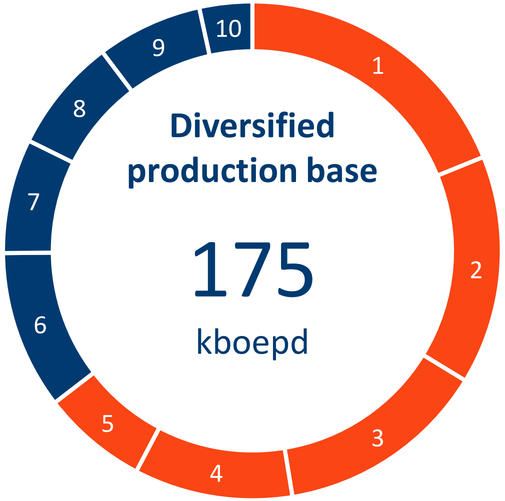


[1] Harbour management estimates

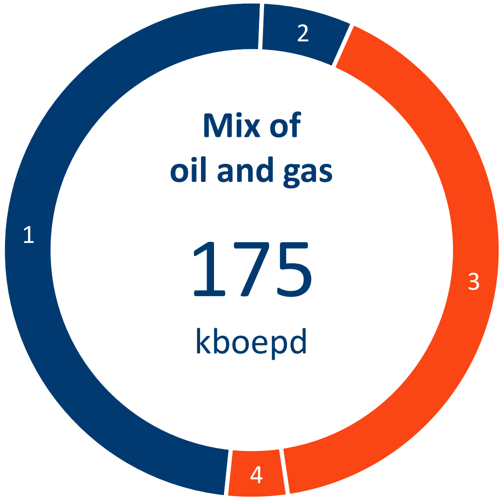
2021 Production of 175 kboepd

Production increased to 214 kboepd in Q4

- Full contribution from Premier portfolio
- Extended maintenance shutdowns complete
- Strong operational performance
- Drilling activity returned to pre-COVID levels
- Improved operating margins

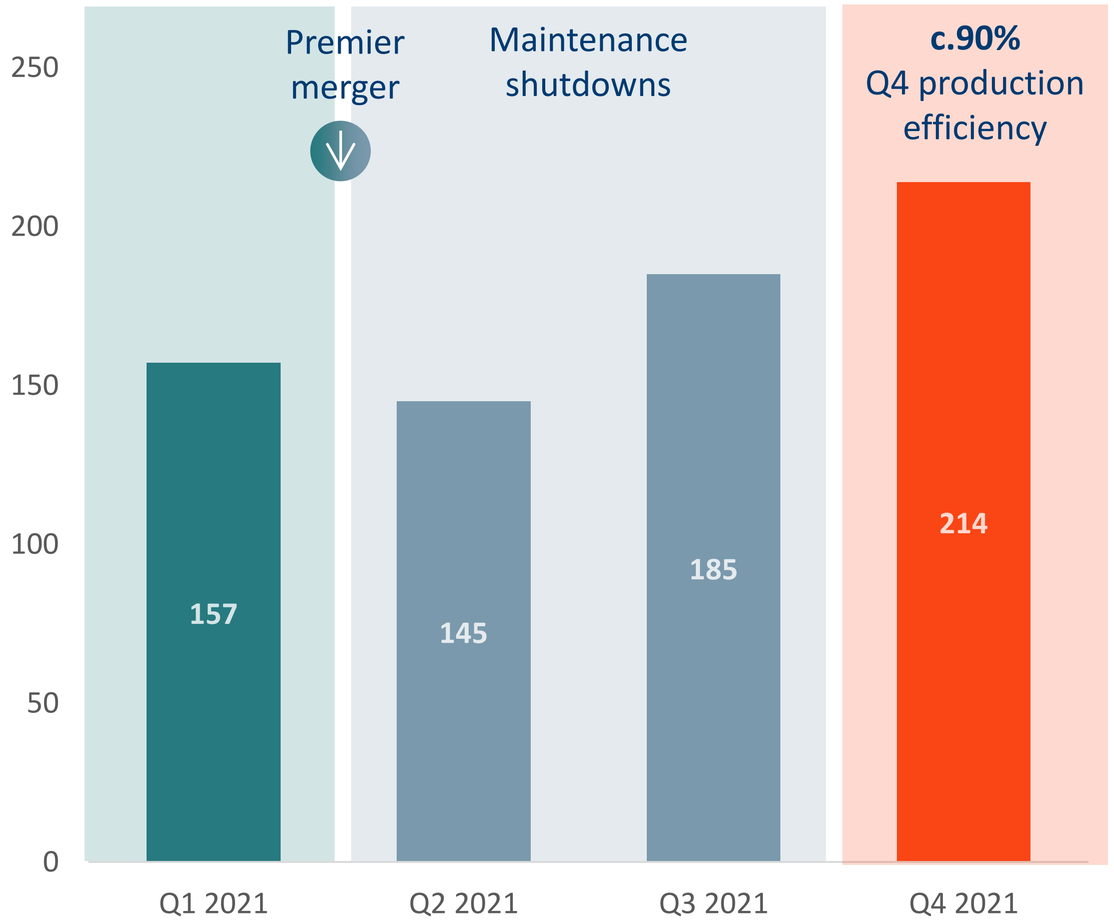


Operated		Non-Operated	
1	GBA	6	Elgin Franklin
2	J-Area	7	WoS
3	AELE	8	Buzzard
4	Catcher	9	Beryl
5	SE Asia	10	NS Other



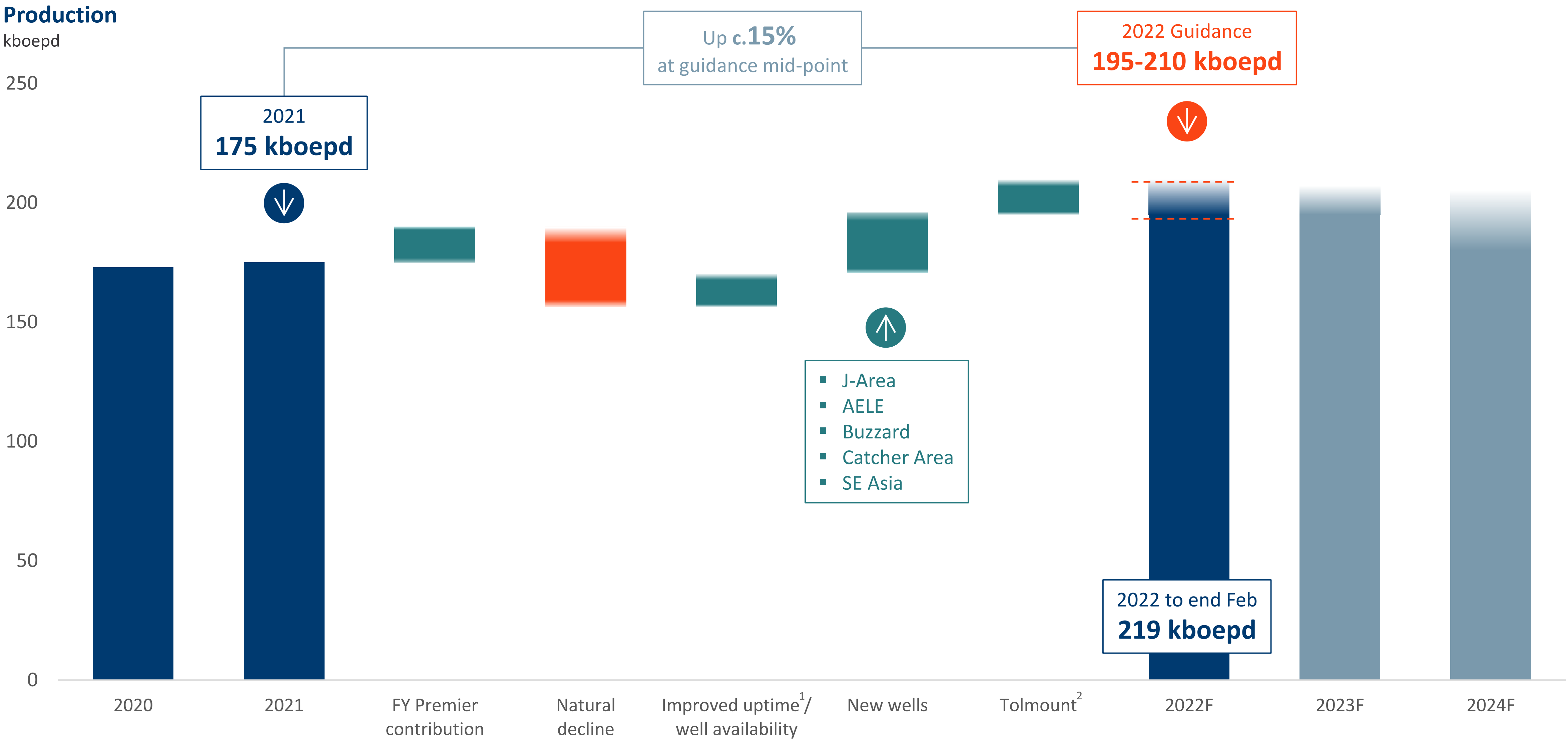
Liquids		Gas	
1	Oil	3	North Sea
2	NGLs	4	International

Production
kboepd



[1] Reflects both planned and unplanned shutdowns

2022 Production up c.15% due to full year from Premier, new wells on-stream and improved uptime



[1] Maintenance programmes planned at J-Area, Catcher, Beryl, Clair and Chim Sao [2] Assumes production start up end Q1 2022

Tolmount: Start-up operations underway

ATEX inspection and repair campaign concluded

Testing and commissioning of platform largely complete

Start-up underway, key steps include:

- ✔ Platform handover to ODE (duty holder) initiated
- Back-gassing of export pipeline imminent
- Well-to-pipeline line-up and testing

First production

- All four wells available at first gas
- Initial rates of c.20 kboepd (net) expected

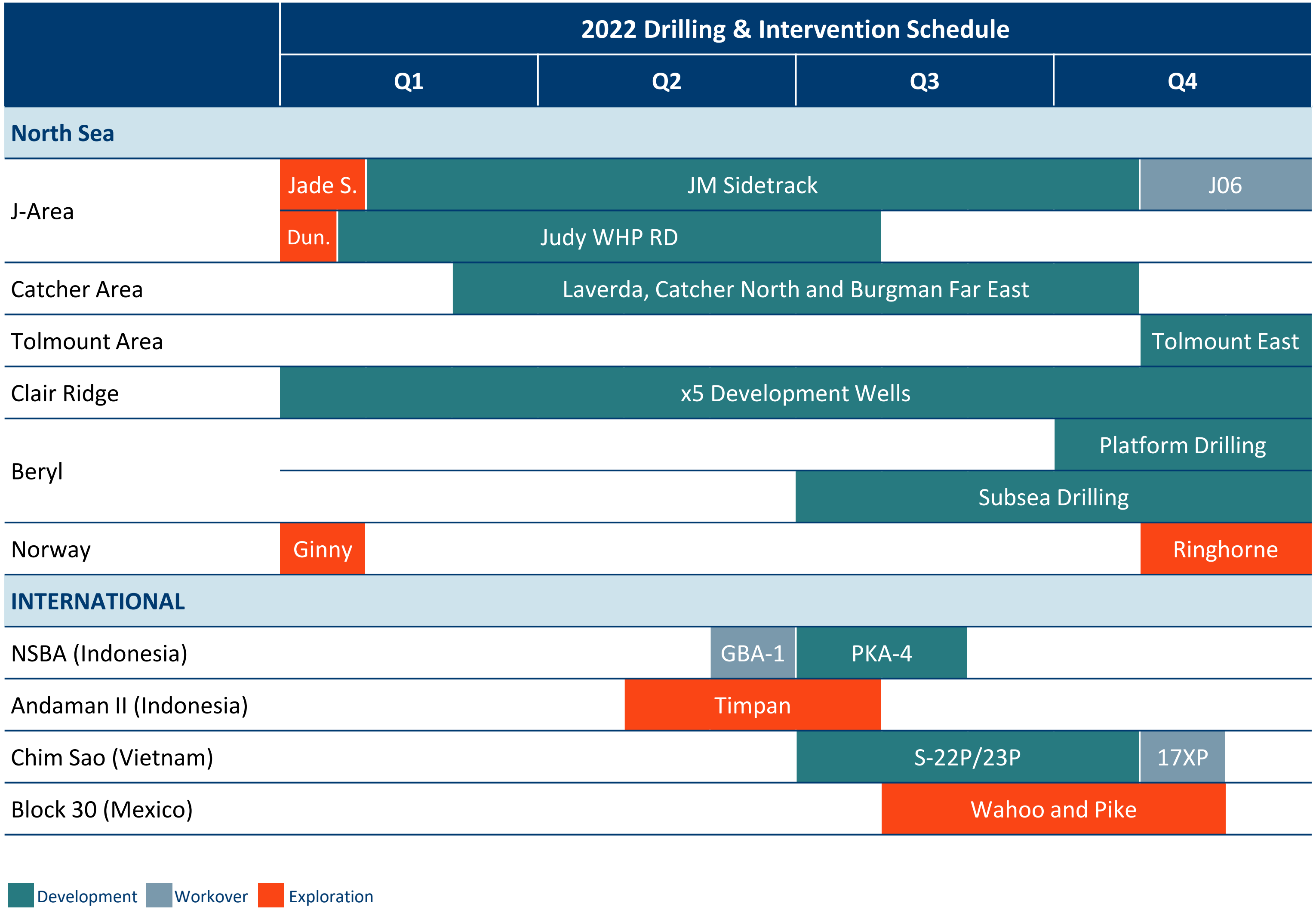
Tolmount: Will increase UK domestic gas production by 6%

Harbour's 50% share:

- Expected to contribute c.15 kboepd to full year production
- Estimated net reserves of 24 mmboe at year end 2021
- Tolmount East sanctioned; first gas expected 2023

2022 Activities: prioritising our best capital projects

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



Almost all 2022 drilling & development projects breakeven at <$35/bbl, 35p/therm

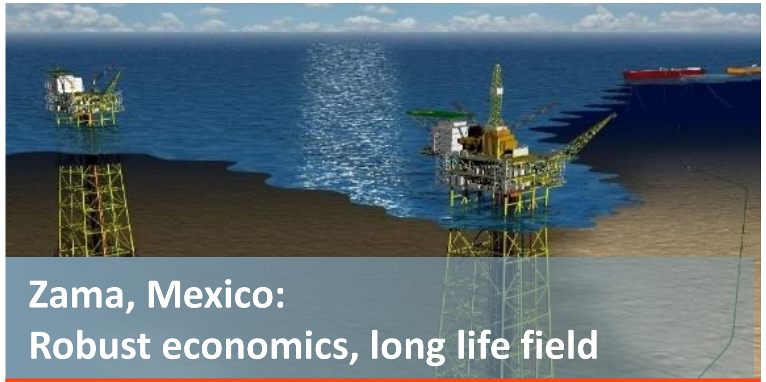
- 23 development and infill wells plus several well interventions
- Production optimisation projects include Brodgar compression, Catcher gas re-injection
- Talbot, Tuna, Zama, Beryl Tertiary and Clair Phase III being progressed towards FID
- 2C portfolio maturation at J-Area, Greater Britannia Area and AELE
- c.$1.3 billion capex programme:
  - $800 million P&D
  - $200 million E&A
  - $300 million decommissioning

International growth opportunities …

… which could add materially to our future production

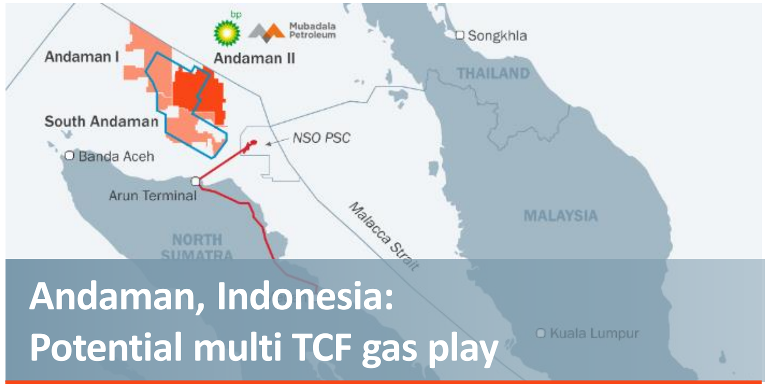
Tuna, Indonesia: Positive appraisal results

- Extensive data acquisition programme, including 3 drill stem tests in 2021
- Technical and commercial work initiated: development concept comprises gas sales to Vietnam and liquids offloaded to market via FPSO
- Plan of development submission targeted by year end with potential FID in 2023



Zama, Mexico: Robust economics, long life field

- 12.39% interest in Zama unit
- 150 kbpd plateau (gross), <$5/boe capex
- Low GHG intensity
- Working with partners to refine Unit Development Plan
- FEED expected to be initiated during 2022, FID possible in 2023



Andaman, Indonesia: Potential multi TCF gas play

- Partners: Mubadala, BP
- Large 4 way dip closed structure; strong AVO response
- Timpan exploration well planned to spud in Q2 2022

International Growth

Leverage existing global footprint

Selective investment in growth projects

Disciplined approach to M&A

GHG emissions – progress towards Net Zero 2035

Key achievements in 2021

Measure
- Standardised base line emissions
- Increased climate reporting via TCFD, CDP, SASB

Reduce
- Emissions of 1.6 $mtCO_2e$, 6% lower than target
- Signed World Bank Zero Routine Flaring Initiative

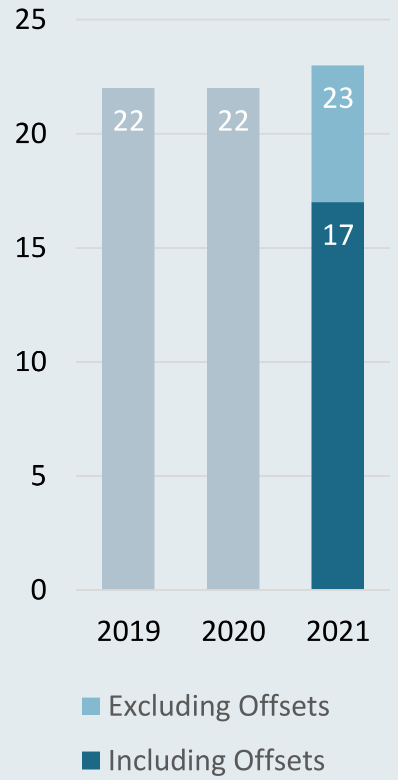
Offset
- Purchased our first carbon offsets
- Offset more than 25% of our 2021 emissions, reducing our net GHGi to 17$kgCO_2e$/boe

Incentivise
- Emissions reduction incentives included in compensation and debt facility
- Include carbon costs in all economic analysis

Invest
- M&A screened for emissions intensity
- Exploring the potential for CCS projects and partial electrification of the UKCS

GHG intensity (Scope 1 and 2)

$kgCO_2e$/boe



Financial results and guidance

Alexander Krane

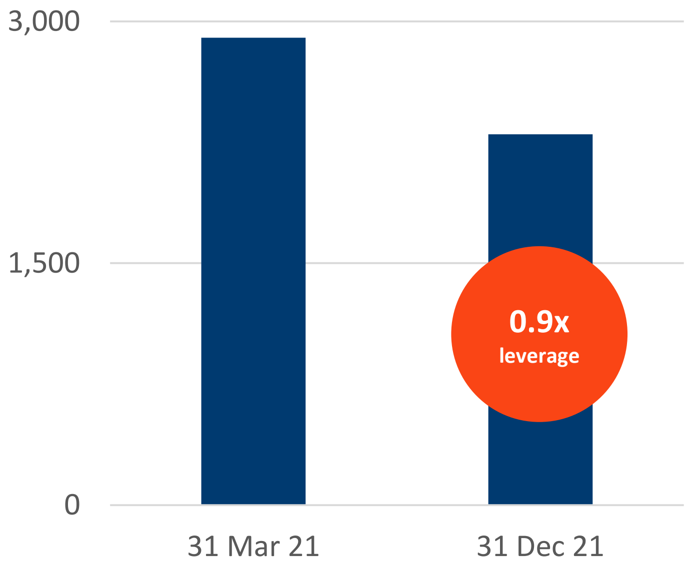
Delivering against our capital allocation priorities

Safeguard balance sheet

- Targeting leverage of less than 1.5x through the commodity price cycle
- Ensure significant liquidity
- Disciplined hedging programme

Net debt[1]

$ million

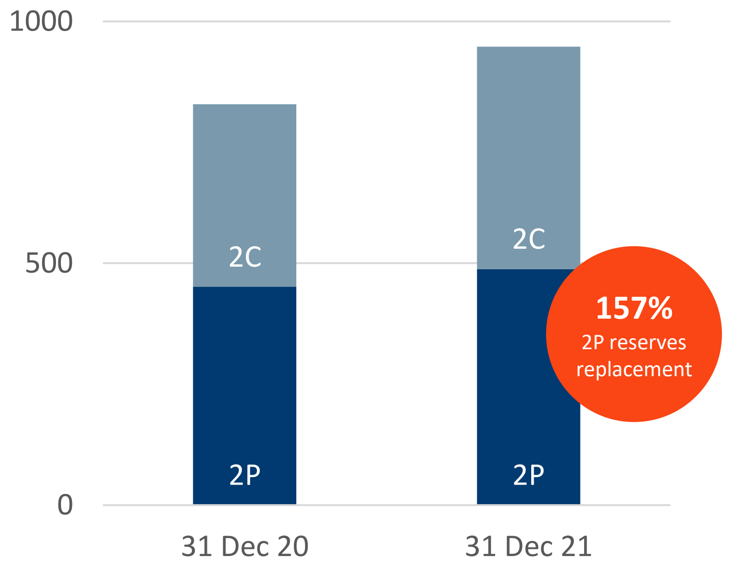


Ensure a robust & diverse portfolio

- Focused investment to underpin cash generation
- Establish material production base outside the UK
- Target reserves life of 8-12 years

2P reserves and 2C resources

mmboe

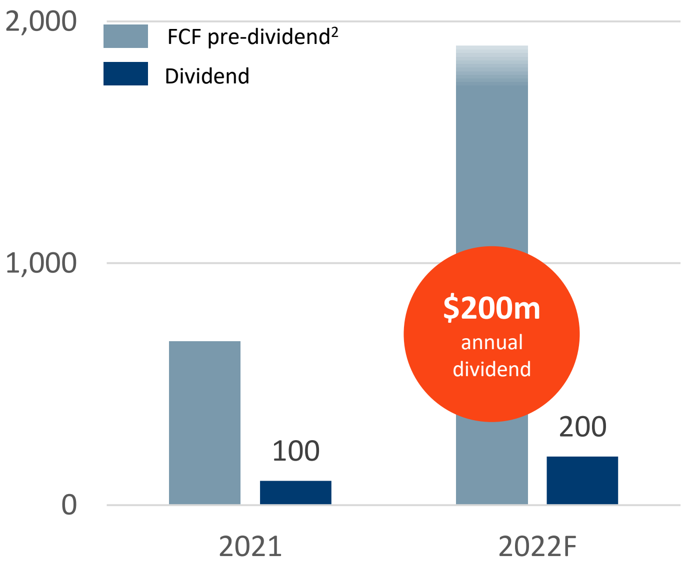


Deliver shareholder returns

- Aim to deliver both growth and income to shareholders
- Annual dividend initiated
- Additional shareholder returns to be considered in line with our capital allocation policy

Dividend, FCF[2]

$ million

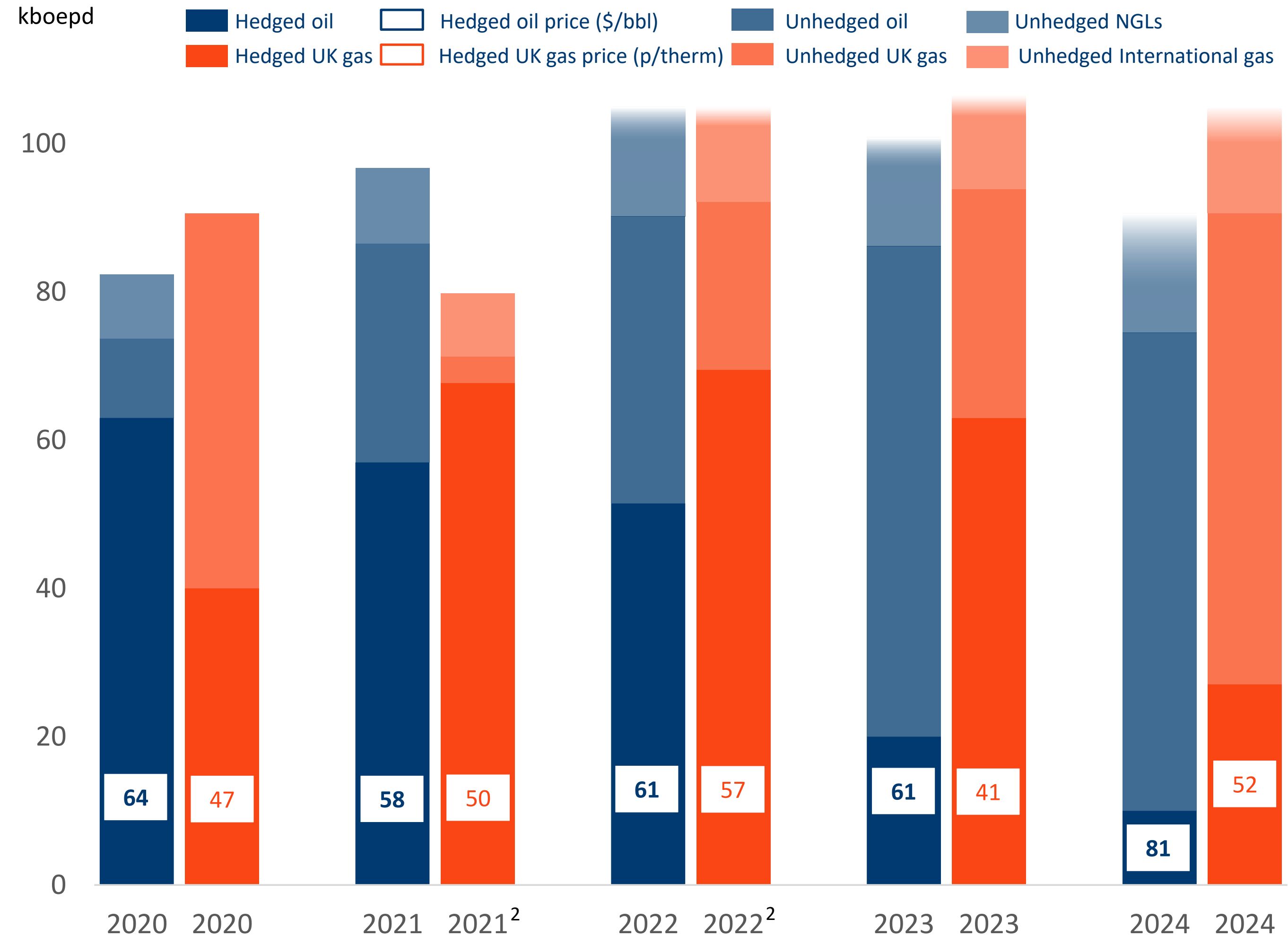


[1] Net debt excludes unamortised fees; [2] FCF after tax, pre dividend; assumes $100/bbl and 200 pence/therm

Increased flexibility around hedging as leverage reduces

Increased exposure to commodity prices in 2022 with higher production and less hedging

Hedging position[1], production



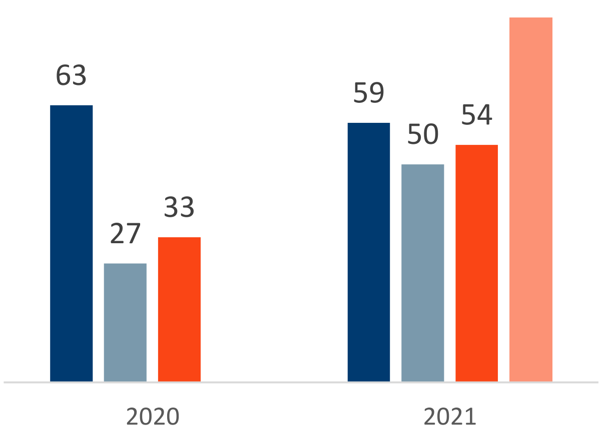
- Hedging programme as per RBL requirements
  - Minimum: rolling 50-40% 2 year
  - Maximum: rolling 70-60-50-40% 4 year
- No margin agreements
- Took advantage of recent strength in prices to increase hedging in 2024
  - 4 kboepd of UK gas sold forward at 102 pence/therm in 2024
  - 10 kboepd of oil sold forward at $81/bbl in 2024

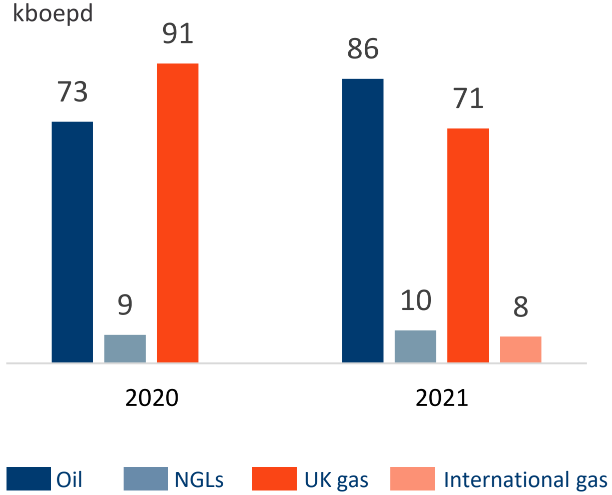
[1]Reflects Harbour's hedged position as at March 2022 [2]Hedged UK gas volumes includes 1 mmboe and 1.1 mmboe of gas in 2021 and 2022 respectively hedged via straight puts

Income statement

Return to profitability and increased operating margins[1]

$ million	FY 2021	FY 2020
Revenue & other income	**3,618**	**2,438**
Cost of operations	(976)	(707)
DD&A	(1,371)	(1,222)
Other cost of sales	(106)	82
Impairment of PP&A and goodwill	(117)	(1,055)
Exploration costs written off and expense	(305)	(174)
G&A	(103)	(49)
Operating profit / (loss)	**640**	**(687)**
Net financing costs	(326)	(291)
Profit / (loss) before tax	**314**	**(978)**
Tax	(213)	200
Profit / (loss) after tax	**101**	**(778)**
EBITDAX	**2,431**	**1,784**





[1] Operating margin is defined as revenue including hedging less operating costs per barrel of oil equivalent produced

Statement of financial position at year end

A robust balance sheet underpinned by a well funded financial profile and prudent capital allocation

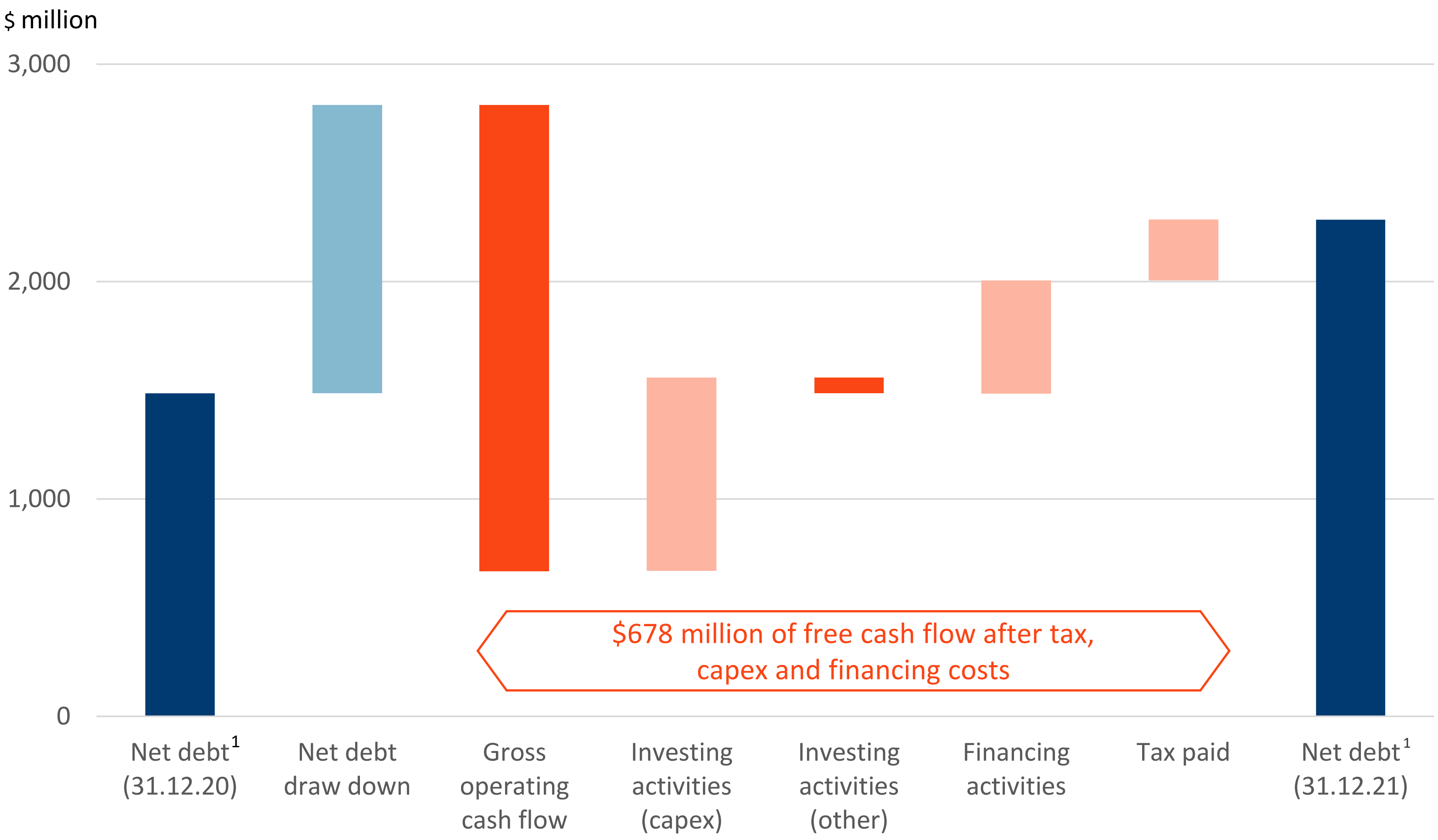
Assets	YE 2021	YE 2020
	$ million	$ million
Goodwill	1,327	990
Other intangible assets	873	454
Property, plant and equipment	7,247	6,522
Right of use assets	552	132
Deferred tax asset	1,938	-
Other assets	1,869	940
Cash	699	445
Total assets	**14,505**	**9,483**

Equity and liabilities	YE 2021	YE 2020
	$ million	$ million
Equity	474	1,068
Borrowings	2,886	2,182
Decommissioning provisions	5,354	4,197
Deferred tax liabilities	187	1,031
Lease liabilities	654	141
Other liabilities / provisions	4,950	864
Total equity and liabilities	**14,505**	**9,483**

- Goodwill of $339m recognised in relation to the Premier merger principally relating to the ability to deliver synergies
- 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 mainly relating to the Catcher and Chim Sao FPSOs
- Includes hedging loss

Net debt and Cash flow statement

Harbour generated $678 million of free cash flow in 2021, up c. 20% versus 2020



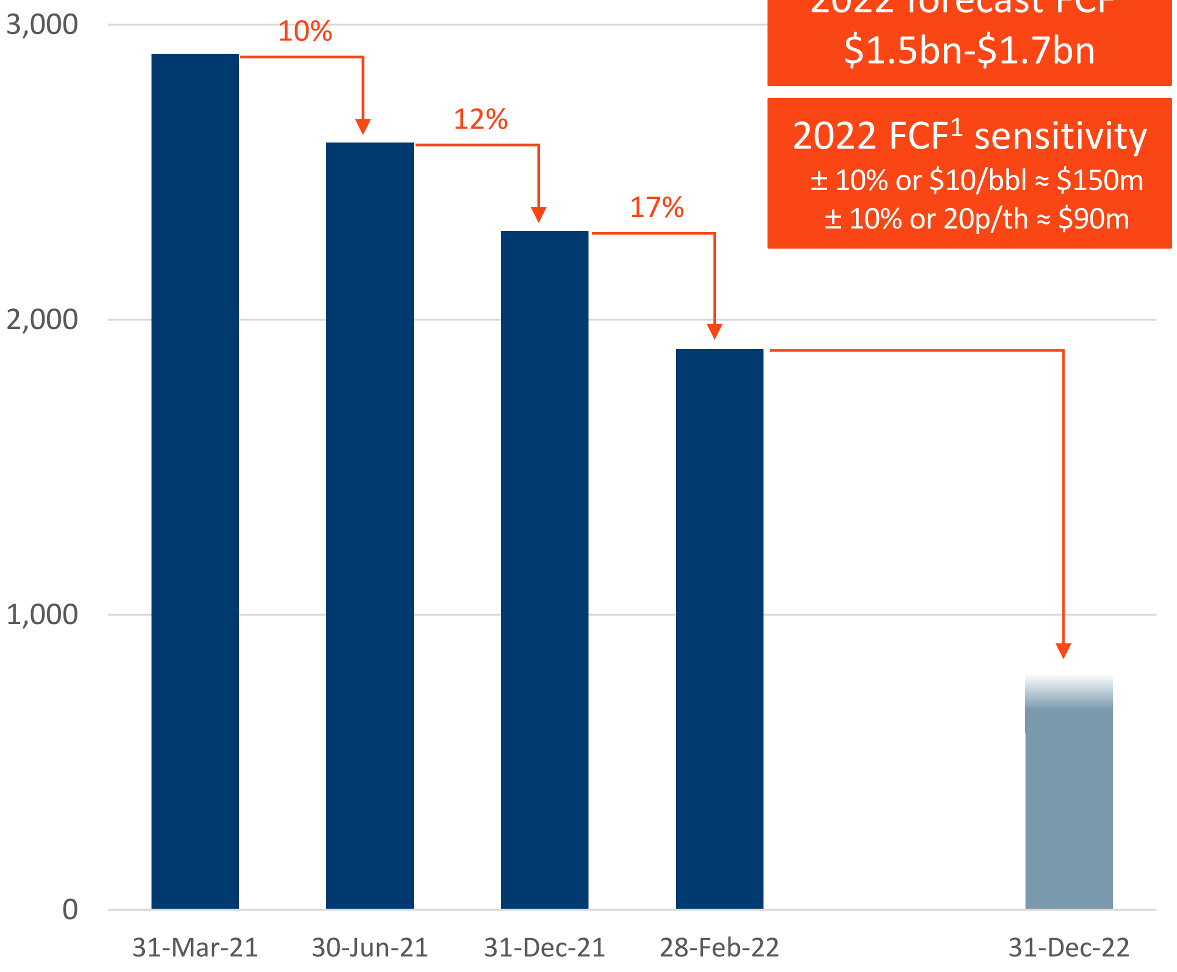
- $1.3 billion net debt draw down, principally to fund merger
- Tax paid includes a Chrysaor 2020 liability as well as being in relation to Harbour's 2021 activities
- Financing activities comprises bank fees, lease costs and interest costs
- Positive free cash flow after capex, interests and leases

[1] Net debt excludes unamortised fees

Increased production and commodity prices to drive materially higher free cash flow in 2022

Net debt

$ million



2022 forecast FCF[1]
$1.5bn-$1.7bn

2022 FCF[1] sensitivity
± 10% or $10/bbl ≈ $150m
± 10% or 20p/th ≈ $90m

[1] FCF is defined as after tax and $200m dividend; assumes $100/bbl, 200p/therm in 2022 and mid point of 195-210 kboepd production guidance

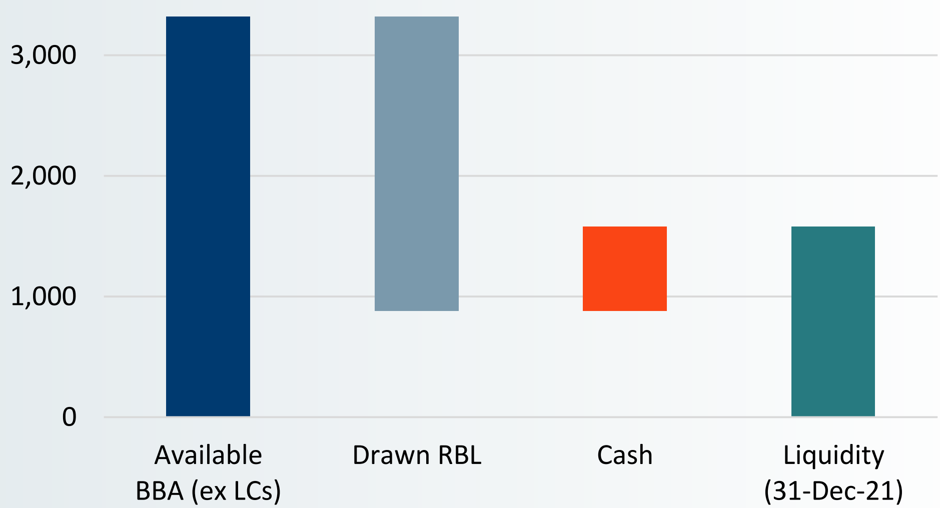
A diversified capital structure

- $4.5 billion RBL, including sub-limit of $1.25 billion for Letters of Credit
- $500 million unsecured bonds
- <5% weighted average cost of debt

Significant liquidity

- Cash and available undrawn facilities of $1.6 billion

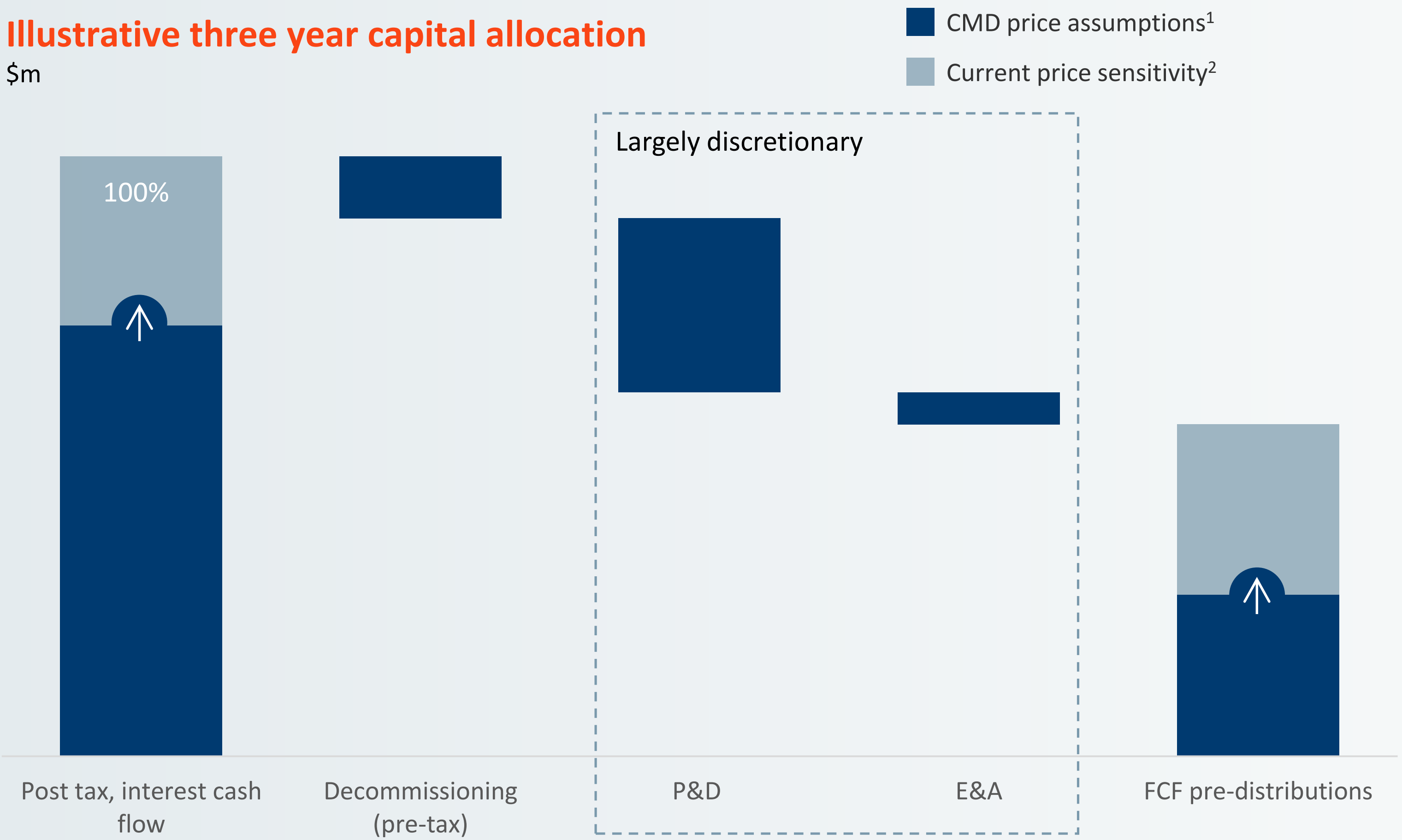
$ million



Three year (2022-2024) capital allocation outlook

Well placed to deliver value creation, growth and shareholder returns

Illustrative three year capital allocation



Over 2022-2024, Harbour's business:

- Delivers production of c.200 kboepd over the period
- Generates free cash flow every year
- Committed to an initial dividend of $200 million per annum
- Potential to be net debt free 2023[2]
- Material optionality over additional shareholder returns and M&A

Additional shareholder returns to be considered with Half Year Results

[1] $70/bbl, 90p/therm in 2022, $65/bbl, 60p/therm in 2023 and $60/bbl, 55p/therm in 2024

[2] $100/bbl, 200p/therm in 2022, $85/bbl, 150p/therm in 2023 and $70/bbl, 100p/therm in 2024

Guidance

	2021 Guidance[1]	2021 Actual[1]	2022 Guidance
Production	**170-180** kboepd	**175** kboepd	**195-210** kboepd
Operating Cost	**15-16** $/boe	**15.2** $/boe	**15-16** $/boe
P&D and E&A Capex	**1.1** $bn	**709** $m	**1,000** $m
Decommissioning expenditure		**226** $m	**300** $m

[1] 2021 numbers are provided on a reported basis with Premier's portfolio contributing from 31 March 2021

Outlook

Linda Z Cook

2022 Outlook

- Production of 195-210 kboepd, a c.15% increase versus 2021
  Production of 219 kboepd to end February
- Tolmount (UK): start-up underway; initial rates of c. 20 kboepd (net) expected
- Opex and total capex guidance unchanged at $15-16/boe and $1.3 billion, respectively
- Drilling at Catcher, J-Area, Beryl (UK); Natuna and Andaman II (Indonesia); and Chim Sao (Vietnam)
- Continued progress to Net Zero by 2035, including activity on our UK CCS projects
- At $100/bbl, 200p/therm, forecast free cash flow (after tax and $200 million dividend) of $1.5-1.7 billion with potential to be net debt free in 2023

Well positioned for value creation

Pure play, upstream, global O&G company

Diverse, cash generative producing portfolio of scale

Positioning for the energy transition

A unique investment opportunity

Conservative financial risk management policy

Commitment to shareholder returns

Track record of creating value through M&A

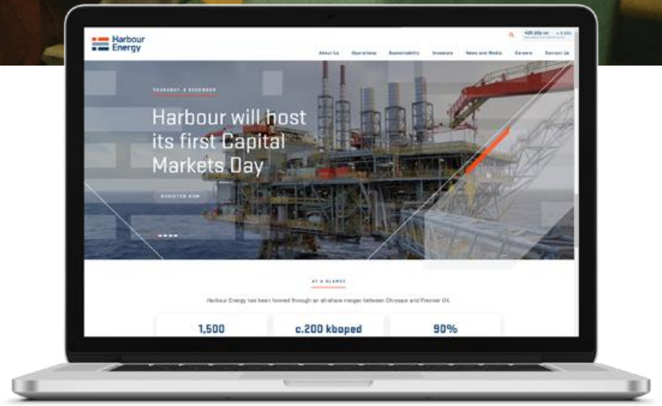
Q&A


Linda Z. Cook
Chief Executive Officer


Alexander Krane
Chief Financial Officer


Stuart Wheaton
EVP International


Bob Fennell
EVP North Sea



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