


Investor Presentation

Harbour Energy plc




June 2023

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Harbour at a glance

A global independent O&G company

185-200 kboepd
(2023 guidance)

c.$16/boe[1]
Operating cost (2023F)

865 mmboe[2]
2P reserves + 2C resources (YE 2022)

c.$1.1 bn[1]
Total capex (inc.decom) (2023F)

$1.0 bn[1,3]
Free cash flow (2023F)

0.2x[4]
Leverage ratio (YE 2022)

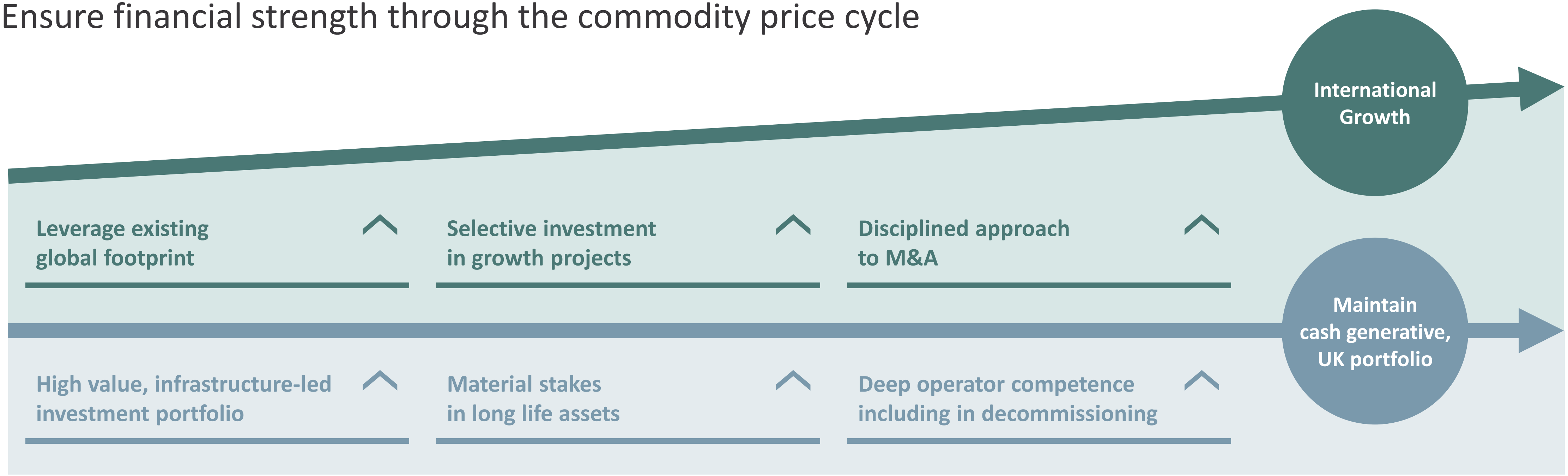
Net Zero 2035
Commitment

[1] Assumes a US dollar to GBP sterling exchange rate of $1.2/£. [2] Harbour management estimates. [3] FCF is free cash flow after tax and pre-distributions and assumes average oil and gas prices of $85/bbl and 150p/therm for the FY 2023.[4] Net debt / LTM EBITDAX.

Strategy recap

Continue building a global diversified independent oil and gas company

- 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



Harbour's strategy has underpinned material growth over the past five years.
Our strategy remains robust given our current portfolio and external market dynamics

Q1 2023 highlights – a strong first quarter

Delivering on our strategy of building a global diversified O&G company

A robust base business

- Q1 production of 202 kboepd
- Operating cost of c.$15/boe
- High return, infrastructure led UK opportunities progressed
- UK organisation review on track to complete in H2 2023

Good momentum on growth / diversification projects

- International projects progressed with submission of Zama UDP, discovery at Kan-1 and high impact three well Andaman campaign to start in H2 2023
- Viking and Acorn recognised as best placed to meet the UK Government's objectives for the Track 2 CCS regulatory approval process

Strong financial position and disciplined capital allocation

- Q1 free cash flow[1] of $0.7bn, potential to be net debt free in 2024[2]
- Final 2022 dividend of $100m, represents DPS[3] growth of 9 per cent; new $200m buyback initiated in March 2023
- Ongoing evaluation of M&A opportunities, in line with Harbour's stated strategy

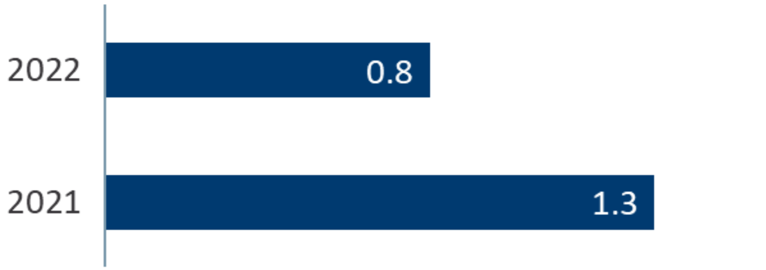
[1] Free cash flow is after tax, pre-distributions. [2] Assumes for 2023 that Brent averages $85/bbl, NBP averages 150 pence/therm and a US dollar to GBP sterling exchange rate of $1.2/£. For 2024, the 9th May 2023 forward curve for Brent and NBP is assumed and a $1.25/£ US dollar to GBP sterling exchange rate. [3] DPS is dividend per share.

A focus on safe and responsible operations

Safety is our top priority

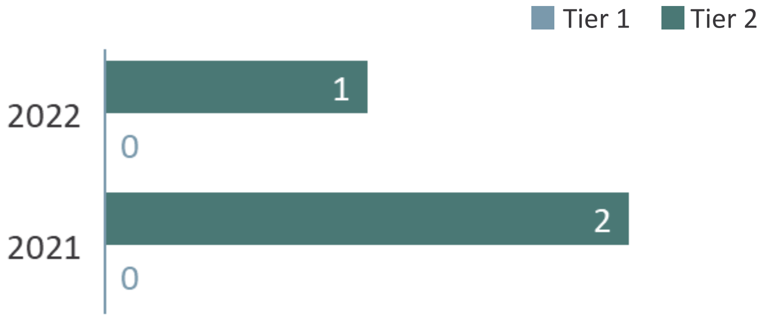
Improved occupational safety record

TRIR (per million hours worked)[1]



Improved process safety performance

Events (Tier 1 and Tier 2)[1]



[1] Safety KPIs are reported on a gross operated basis

Q1 2023 Safety highlights

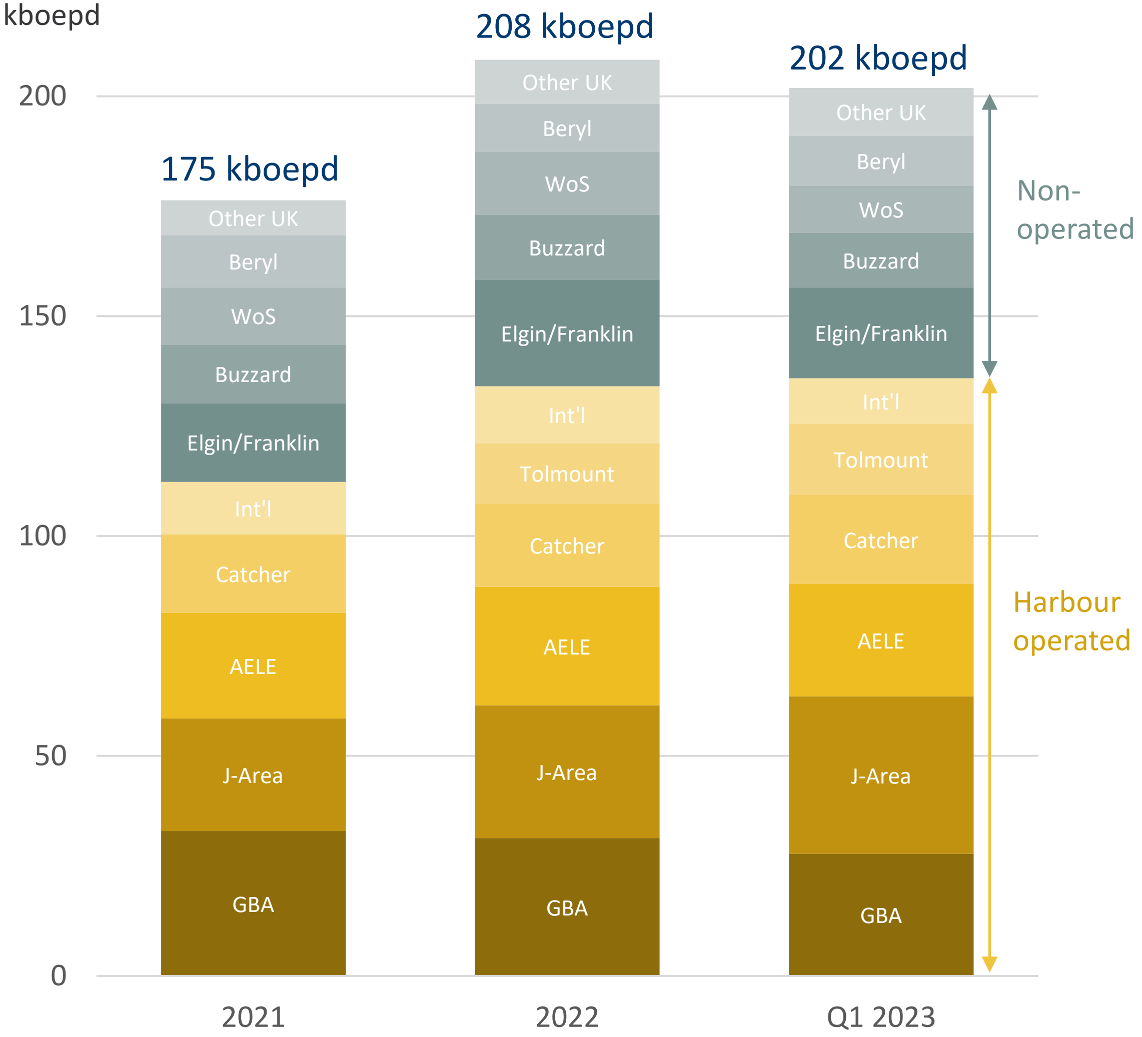
- No significant injuries or process safety events
- Continued focus on process safety and reducing high potential incidents

Diverse production base with a good balance of oil and gas

Q1 production of 202 kboepd, on target to meet full year guidance of 185-200 kboepd

Production

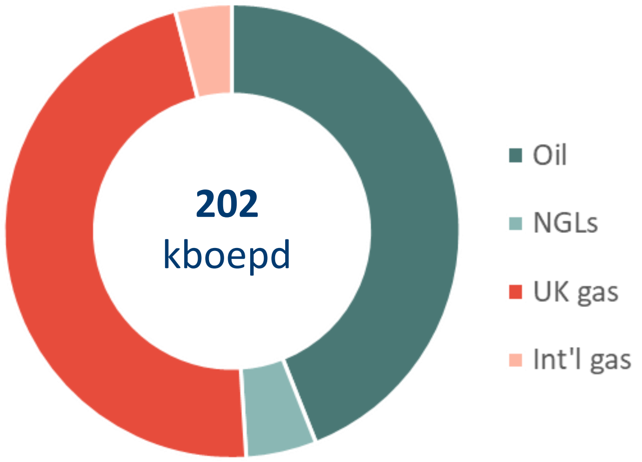
kboepd



- Significant asset diversification
- Robust margins
- Material interests in major UK hubs with upside
- High degree of operating control
- Non-operated interests in flagship assets with established operators

Balance of oil and gas

Q1 2023 production, kboepd



[1] Source: 2022 Wood Mackenzie and NSTA

Five

of 10 largest UK fields by production in our portfolio[1]

c.15%

of UK's domestic O&G supplied by Harbour[1]

2nd

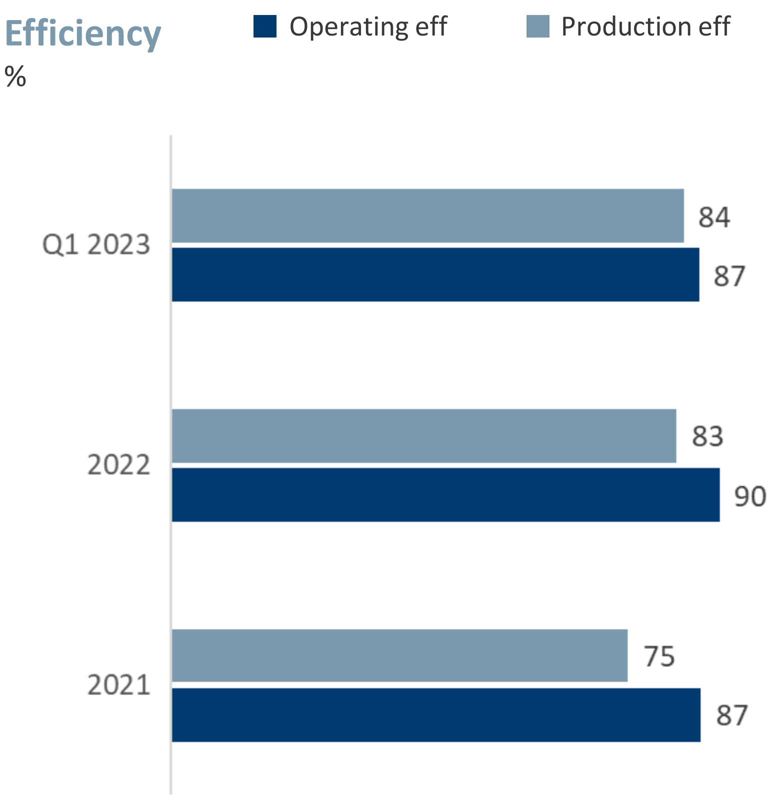
Consecutive year of being the UK's largest producer[1]

An efficient operator with robust margins…

…with opportunities to remain competitive in a challenging operating environment

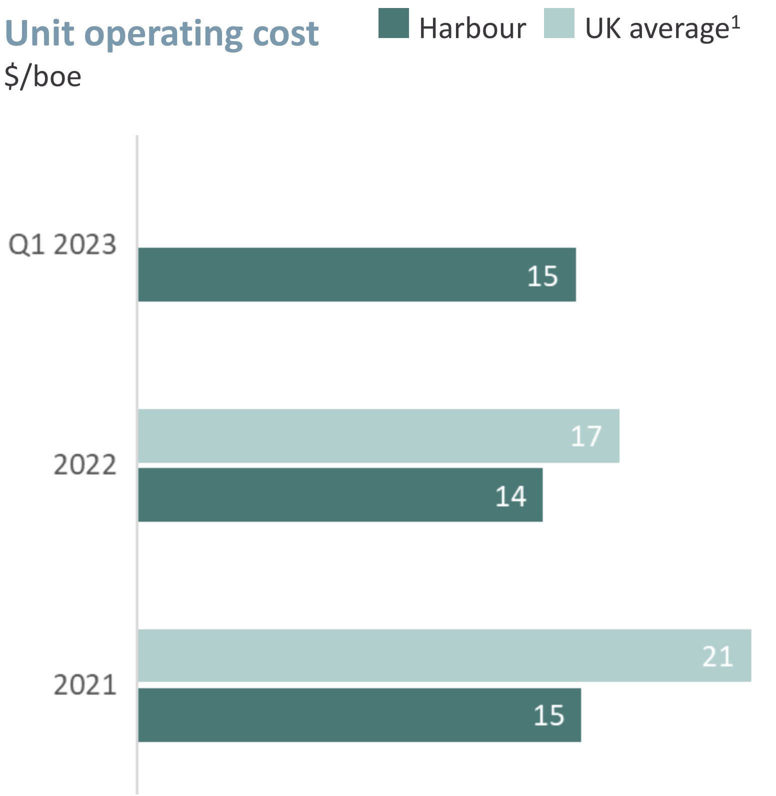
Q1 2023 production above the top end of full year 2023 guidance with minimal planned shutdowns

Efficiency
%



Higher unit cost in Q1 2023 driven by reduced volumes and stronger sterling offset by continued integration efforts

Unit operating cost
$/boe



Managing our cost base

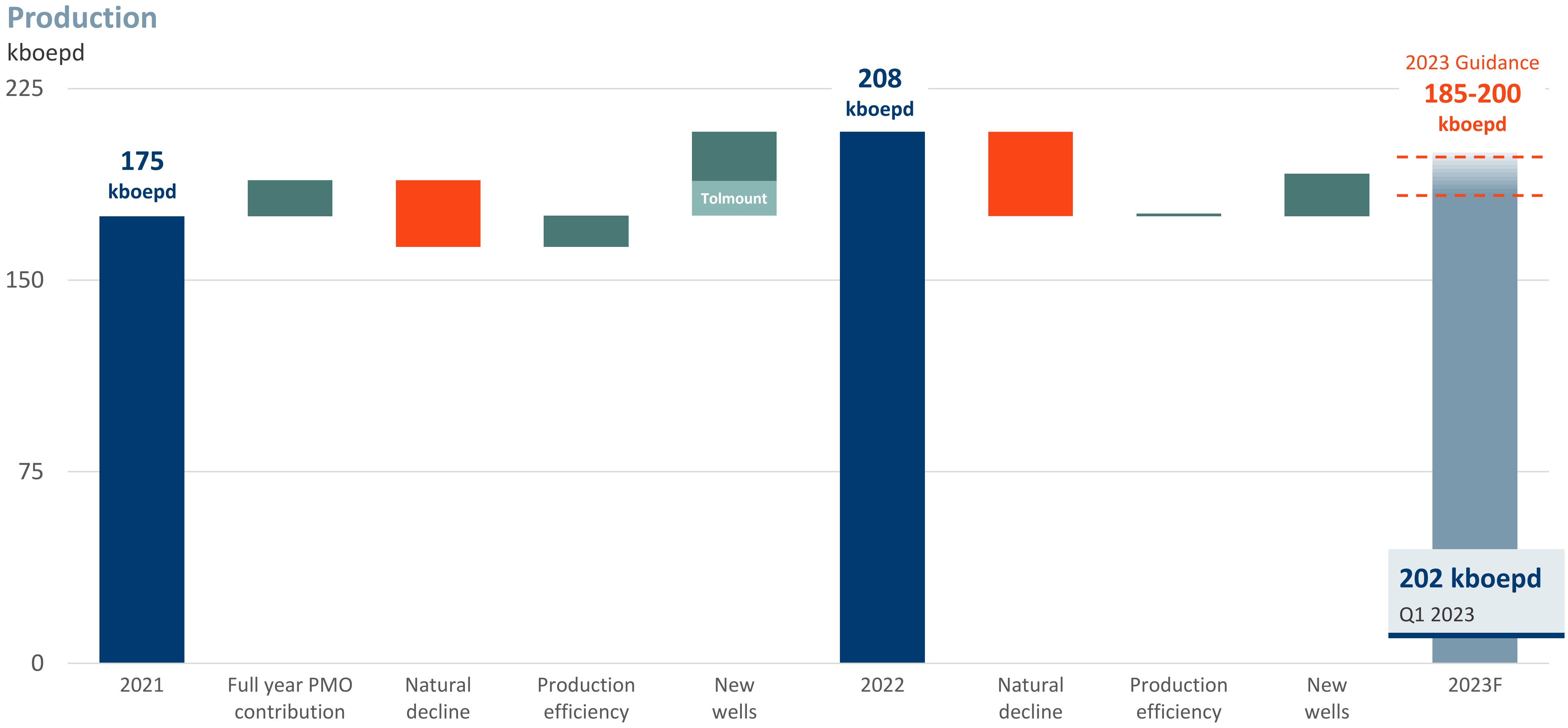
- Consolidation of supply chain contracts helping to offset impact of inflation
- New EMS system 'live' in Q4 2022; presents opportunity to drive efficiencies
- UK organisation review expected to lead to c.$50m annual savings from 2024[2]
- Optimising our decommissioning activities
- Drilling capex focused on high return, infrastructure led opportunities

[1] Source: Wood Mackenzie for 2022, NSTA for 2021

[2] This follows an estimated $15m one off charge to be taken in Harbour's 2023 interim financial statements

2023 production is forecast at 185-200 kboepd …

… with new wells coming onstream partially offsetting natural decline

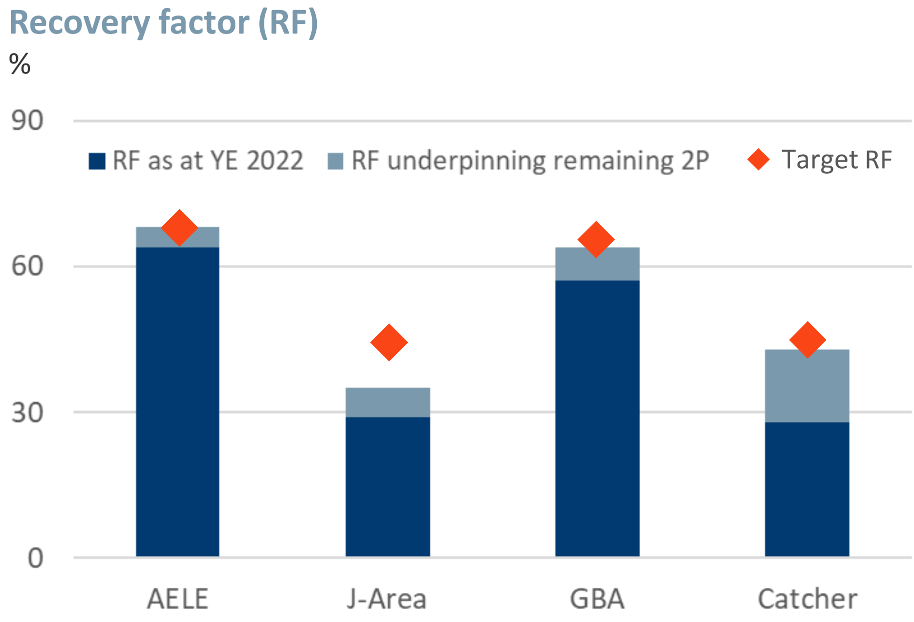


Maximising value of our UK portfolio through targeted investment…

…and realising the upside of our existing assets

Improving recovery factor

- Infill drilling and well interventions
- Application of production technology
- E.g. Buzzard infill campaign, Callanish F6



200-300 mmboe

Estimated potential upside through a 10% improvement in recovery factor across Harbour's operated assets

Converting 2C resource into 2P reserves

- Near-field satellite tie-backs
- Prioritising advantaged barrels
- Collaboration with other operators, e.g. Leverett
- Clustering J-Area small discoveries

204 mmboe

of UK 2C resources

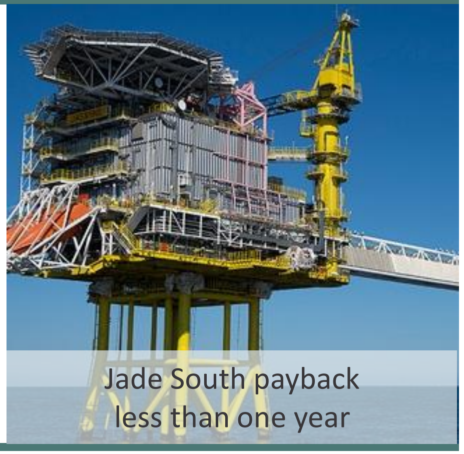
Unitised interest in Leverett field with NEO

Infrastructure led exploration

- Robust opportunities close to infrastructure
- Low risk, high return, quick payback
- E.g Jocelyn South (J-Area), Gilderoy (GBA)

15 material prospects / leads

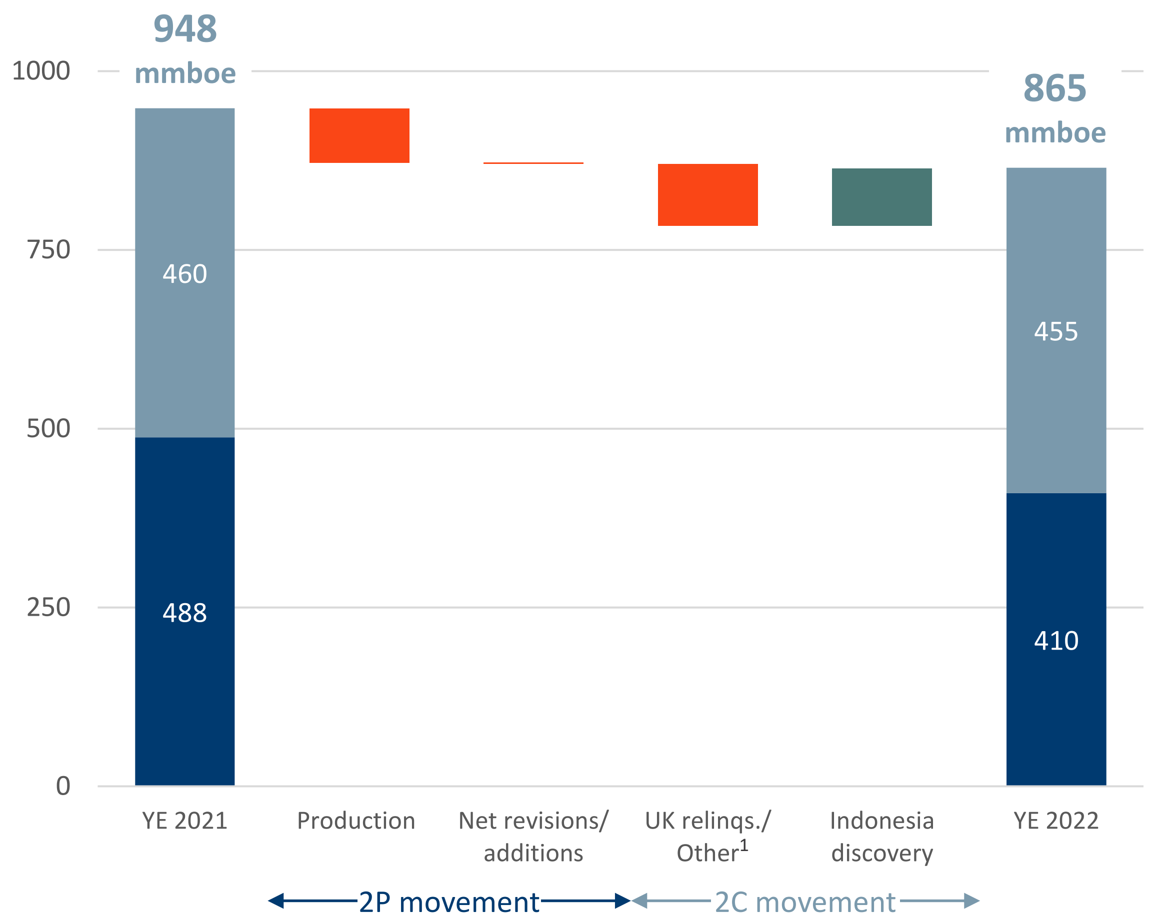
To be evaluated across our operated hubs



Jade South payback less than one year

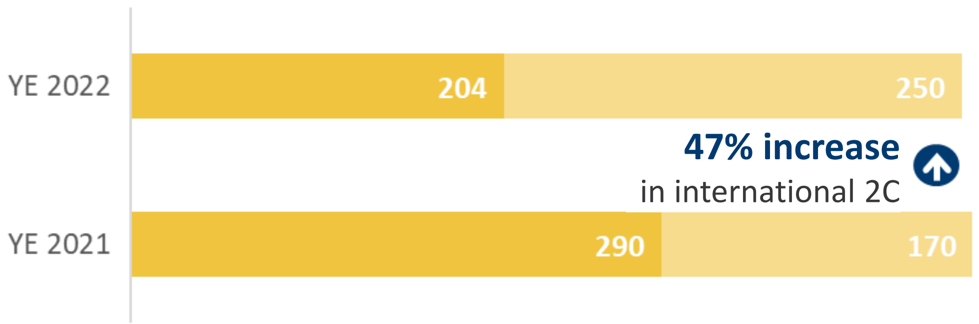
2022 Year-end reserves and resources

Reflects Indonesia exploration success offset by production and UK licence relinquishments



Growing international portfolio

2C contingent resources, net, mmboe[3]



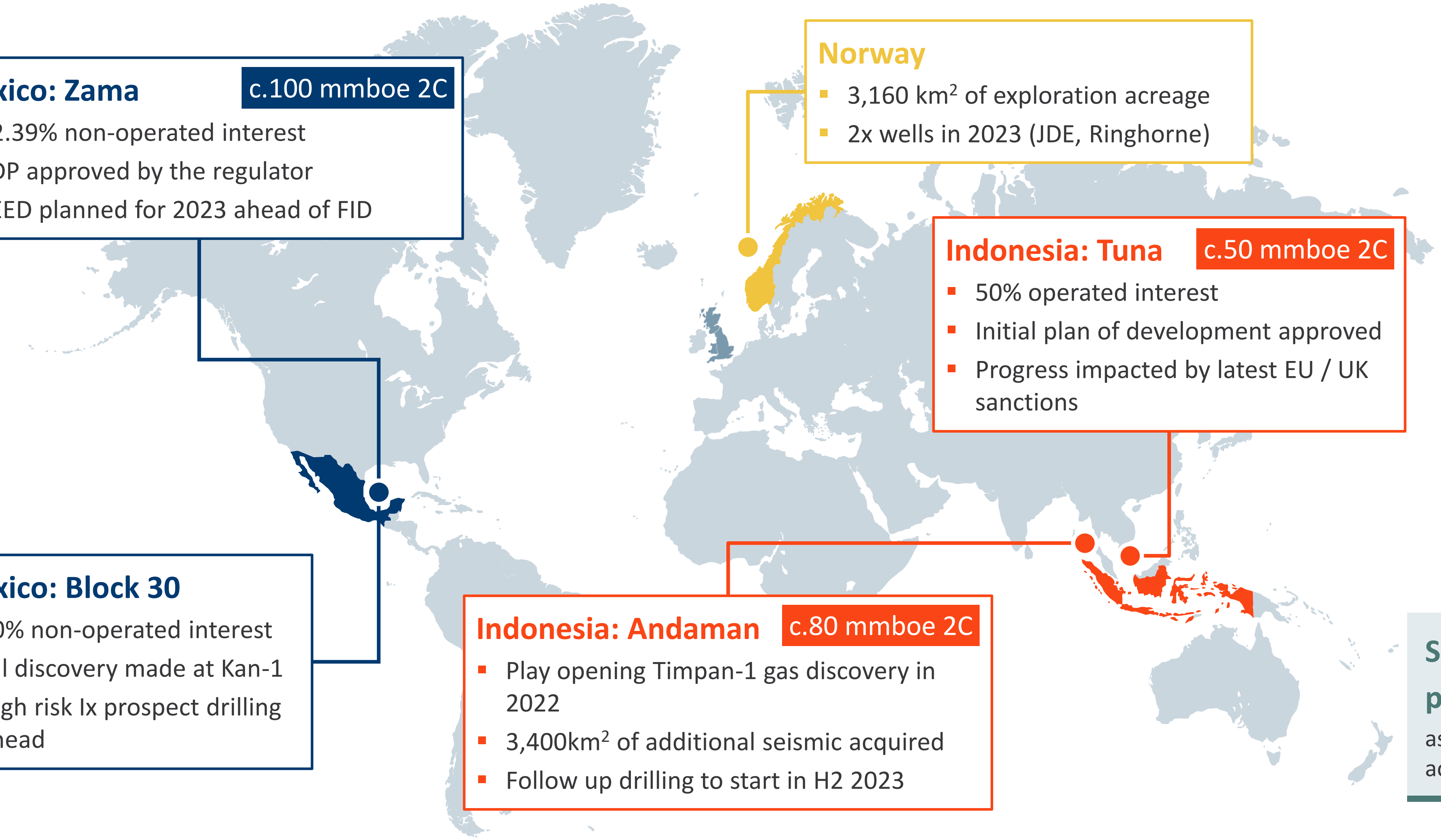
CO_2 storage capacity (UK Viking fields)

Contingent CO_2 storage resources, net, million tonnes

[1] Also includes 2C revisions and 2C moved into 2P [2] International includes Norway
[3] Because of rounding, some totals may not agree exactly with the sum of their component parts

Growing portfolio of international development opportunities…

…provide potential for material reserves replacement



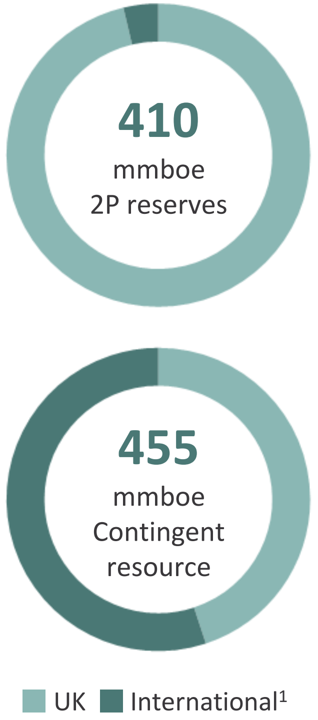
Mexico: Zama
c.100 mmboe 2C
- 12.39% non-operated interest
- FDP approved by the regulator
- FEED planned for 2023 ahead of FID

Norway
- 3,160 km² of exploration acreage
- 2x wells in 2023 (JDE, Ringhorne)

Indonesia: Tuna
c.50 mmboe 2C
- 50% operated interest
- Initial plan of development approved
- Progress impacted by latest EU / UK sanctions

Mexico: Block 30
- 30% non-operated interest
- Oil discovery made at Kan-1
- High risk Ix prospect drilling ahead

Indonesia: Andaman
c.80 mmboe 2C
- Play opening Timpan-1 gas discovery in 2022
- 3,400km² of additional seismic acquired
- Follow up drilling to start in H2 2023



Significant prospective resource
associated with international acreage

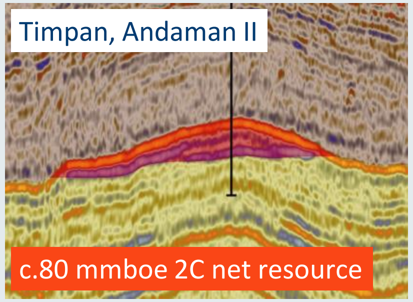
[1] International includes Norway

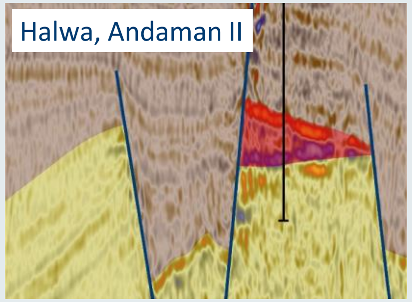
Andaman Sea: potential opening of a major gas province in region of growing demand

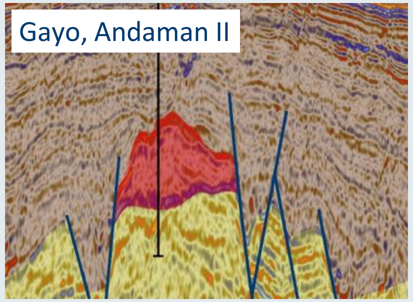
2022 Harbour operated Timpan-1 exploration well (HBR 40%) de-risks multiple prospects across Andaman Sea acreage

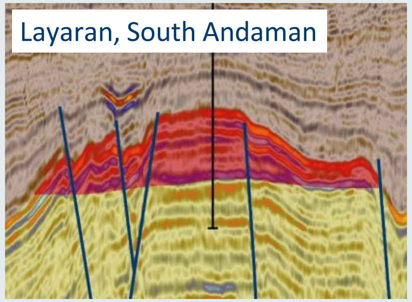
- 3 well programme – Layaran, Halwa and Gayo
- Drilling 2023/24; Harbour cost c.$90 million[1]
- Multi-TCF play potential
- Additional Andaman II seismic acquired

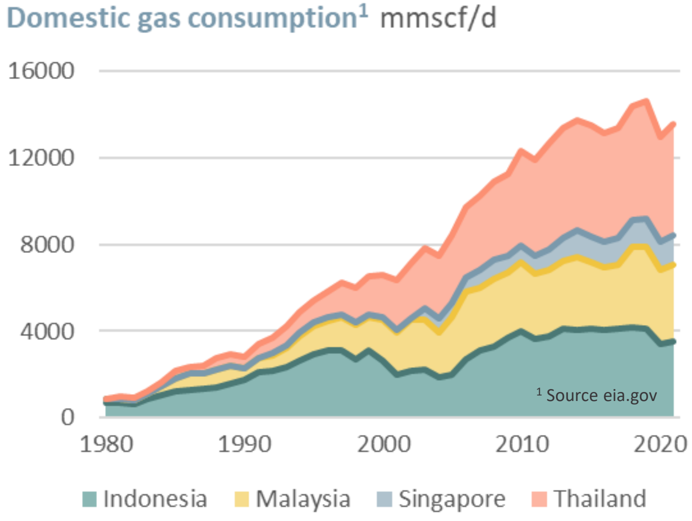
Timpan result has proven seismic response of gas bearing reservoir. 2023/24 rig campaign will drill 3 analogue, DHI driven prospects.

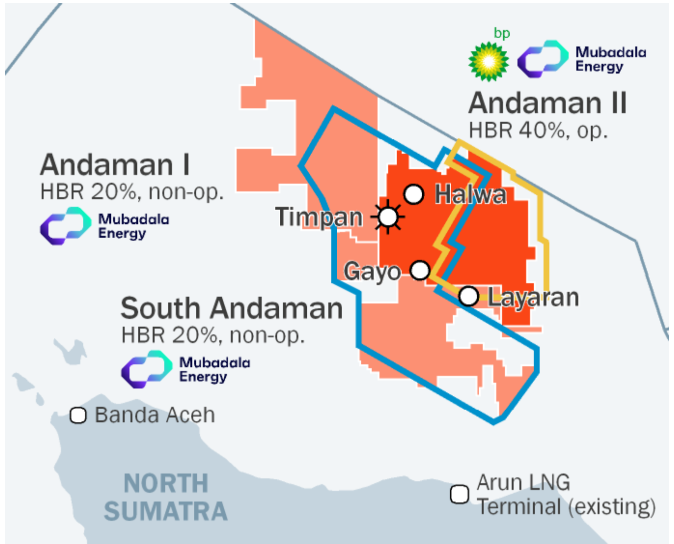










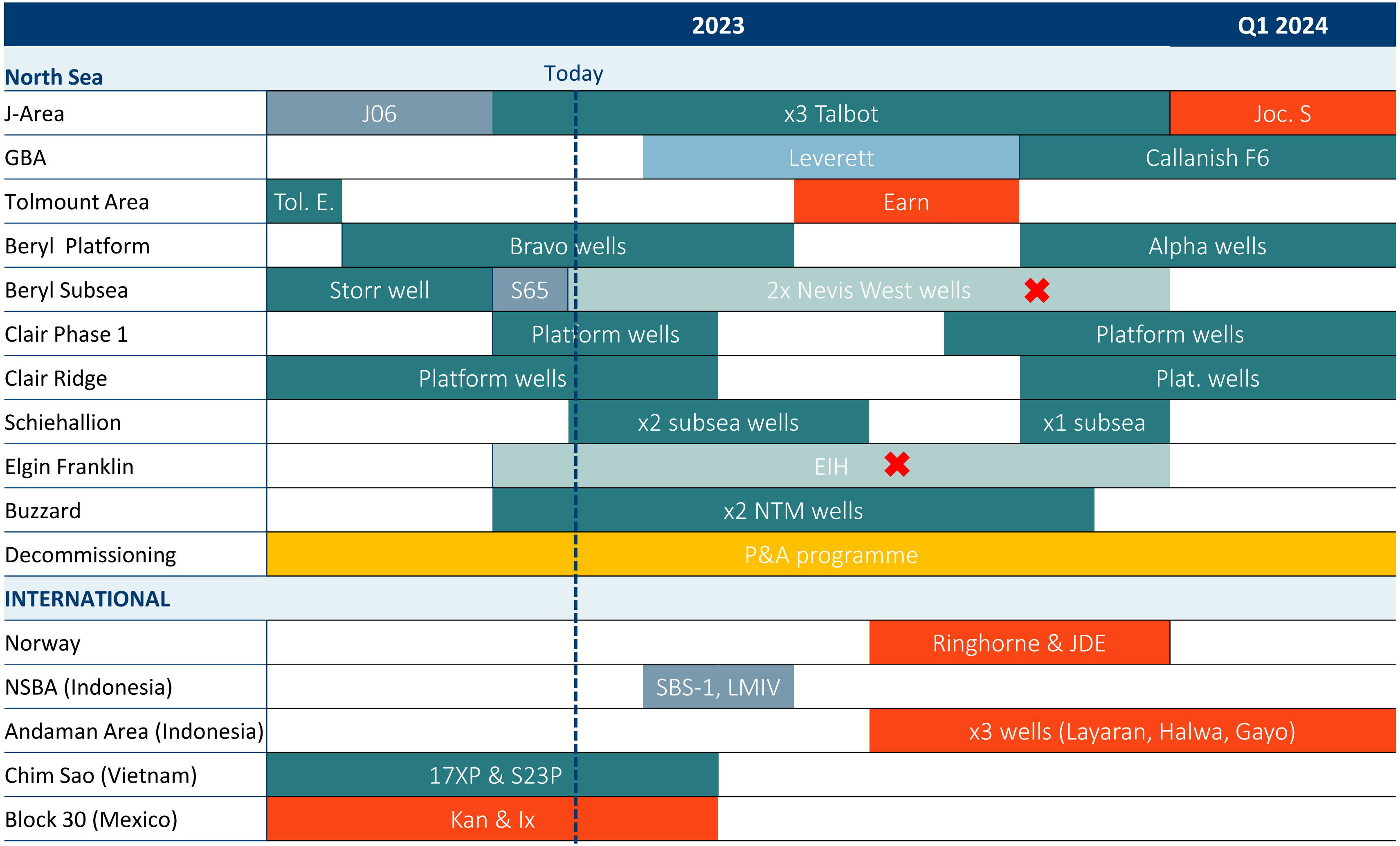


Well positioned to access major natural gas markets

[1] Success case, including full data acquisition and testing

2023 drilling programme is H2 weighted

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



Development | Workover | E&A | P&A | ✖ Cancelled wells as a result of EPL

Targeting attractive metrics

<$35/bbl

Break-even oil price

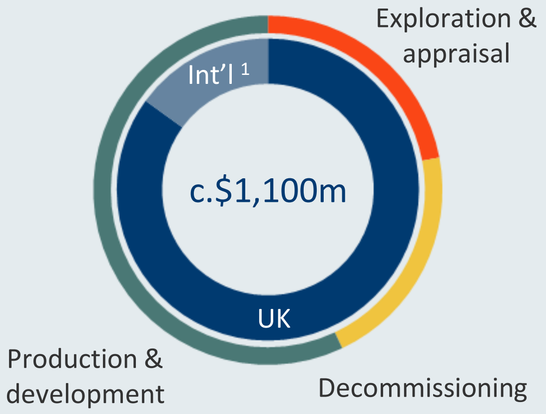
>20%

IRR at $65/bbl oil price

1-2 years

payback at $65/bbl oil price

2023F total capital expenditure



[1] International includes Norway

Strategic ambition to grow and diversify internationally via M&A

M&A must be competitive with organic investments, safeguarding the balance sheet and shareholder returns

Supportive environment and proven capability

Rich opportunity set

- Majors / NOCs repositioning portfolios
- Private companies looking for liquidity
- Smaller companies looking for scale

Commodity prices

- Lower and less volatile versus 2022

Well-positioned to execute

- Proven track record
- Responsible operator
- Strong balance sheet
- Geographic flexibility

>$150 bn of possible divestments in near to mid term[1]

+

Disciplined and value focussed criteria

Key criteria

- International diversification, material production outside the UK
- Cash generative and conventional assets (preference for offshore)
- Embedded investment opportunities
- High degree of operational control
- Accretive to reserves life and margins
- Aligned with our Net Zero goals

Will only transact if we can create value for our shareholders

=

Delivering shareholder value through accretive M&A

Primary outcomes

- Resilient over the longer term
- Competitive & sustainable shareholder returns
- High quality credit standing

Global, resilient O&G company of the future

[1] Source: broker estimates

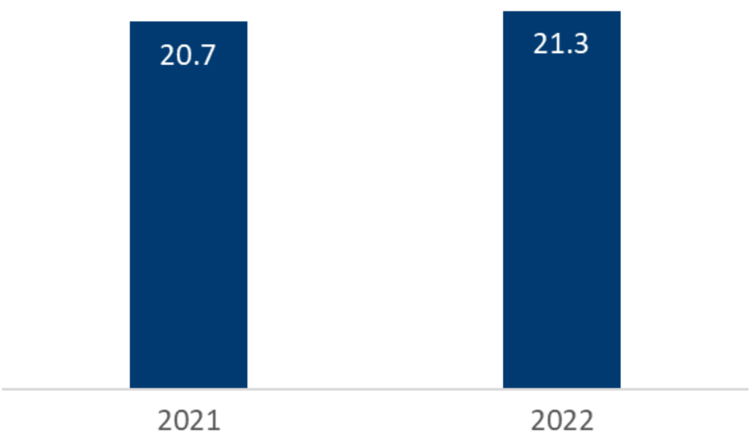
Addressing our environmental impact and playing a key role in the energy transition

Pathway to achieving Net Zero by 2035 further clarified

- Progressing wide range of activities to reduce emissions
- Net Zero goal embedded within our investment decisions, interim target set
- Emission reduction incentives incorporated into our compensation and main debt facility
- Investing in technology, including CCS, to support UK's emissions targets

GHG intensity[1]

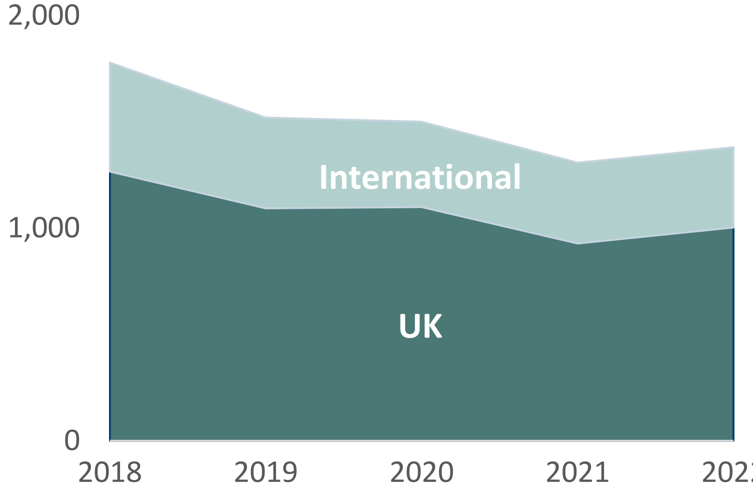
$kgCO_2e/boe$



Efficiency/reduction efforts offset by full year of the more emissions-intensive Premier assets

Absolute emissions[1]

$kt\ CO_2e$ (Scope 1, Scope 2)



On track to meet UK government's targets (incl. 10% reduction by 2025 versus 2018)

[1] GHG is provided on a reported gross operated basis Absolute emissions is measured on a pro forma, gross operated basis

2022 highlights

50% interim reduction target

By 2030

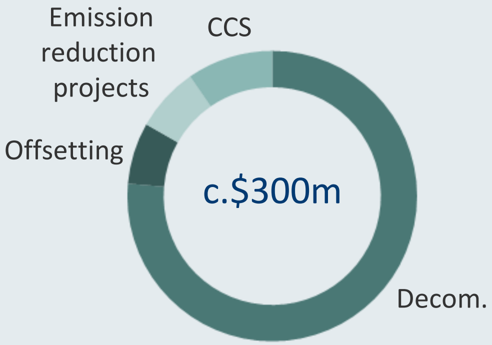
54 kt CO_2e/boe

reduction in 2022 emissions due to emissions reduction projects

$100/t

Internal carbon pricing sensitivity

2022 Energy Transition spend

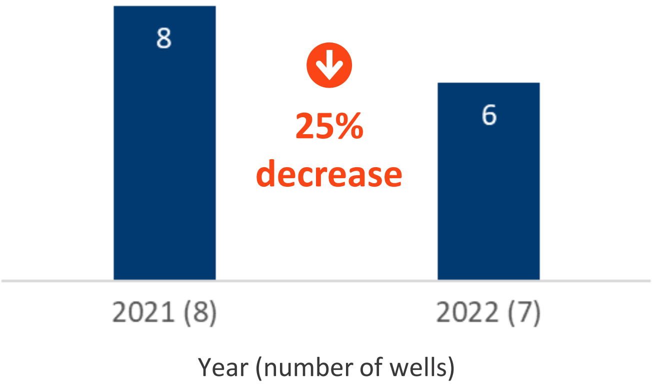


Responsibly decommissioning O&G infrastructure which cannot be repurposed for CCS

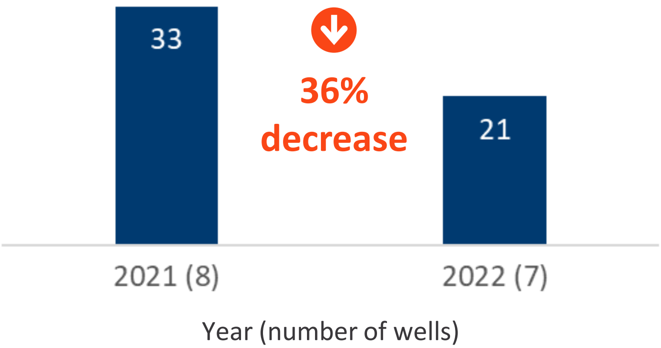
Our decommissioning team delivered a strong safety, environmental and cost performance in 2022

- Seven wells decommissioned and seven platforms removed in 2022
- On-going SNS[1] decommissioning programme targeting seven wells to be plugged and abandoned and two platforms to be removed in 2023
- Seabed remediation campaign underway

Average cost to decommission a SNS[1] well
$ million



Average time to decommission a SNS[1] well
days



Heavy lift campaign to remove Vulcan RD in 2022

LOGGS satellite platform removals to be completed in 2023

Since 2014, Harbour's decommissioning team have

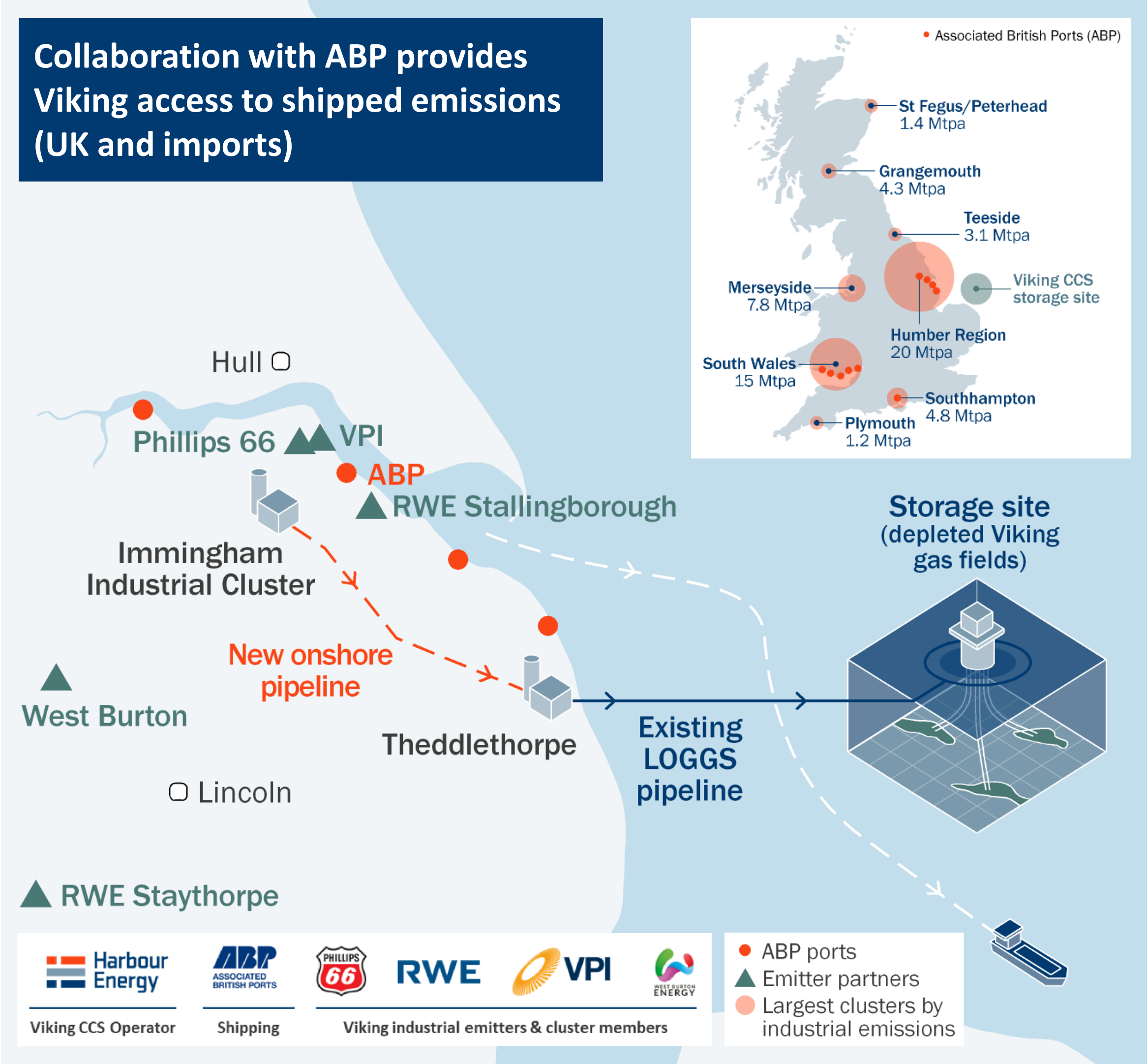
Plugged and abandoned	Removed and recycled	Flushed, cleaned and made safe
149 wells	**31 platforms**	**>1,500 km of pipeline**

[1] SNS stands for southern North Sea

Strategically located in the Humber, the UK's most CO_2 intensive region

VikingCCS

Uniquely positioned to deploy skills and infrastructure to accelerate CCS



Highlights

- Viking 300mt contingent CO_2 storage independently audited
- Onshore pipeline Development Consent Order consultation completed
- Agreements with emitters for up to 10 mtpa CO_2 by 2030 and 15 mtpa by 2035
- Exclusive relationship with Associated British Ports at Port of Immingham
- Agreement for bp entry with a non-operated 40% interest

Outlook

- Viking and non-operated Acorn projects recognised as best placed to meet the Government's objectives for Track 2 regulatory approval process
- Progress to FEED following Track 2 award
- Targeting FID in 2024; first CO_2 storage as early as 2027

>30%	30 mtpa	300 mt
of UK's 2030 CCS target set to be met by Viking	Transport capacity of offshore LOGGS pipeline	Viking CO_2 storage capacity verified by ERCE

Delivering against our capital allocation priorities

A conservative financial framework

Safeguard balance sheet

- Target leverage of <1.5x on average through the commodity price cycle
- Robust financial risk management
- Net debt reduced by c.$2.7bn since completion of Premier deal in April 2021

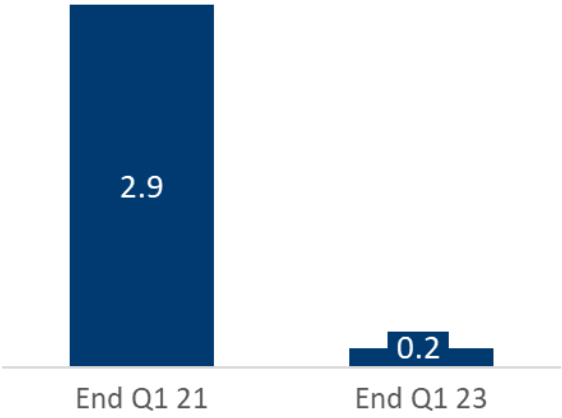
Ensure a robust & diverse portfolio

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

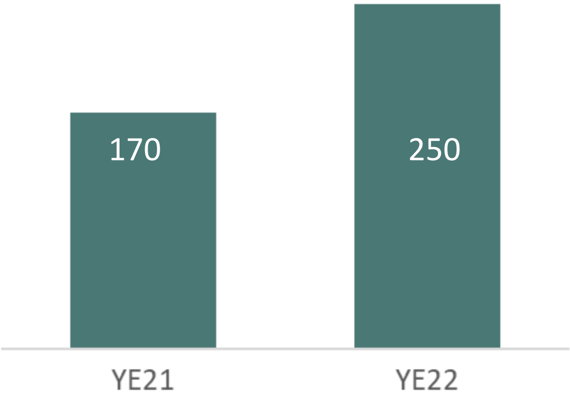
Deliver shareholder returns

- Track record of returning excess capital to shareholders
- $200m annual dividend policy
- More than 10 per cent of issued share capital repurchased since 2022 AGM

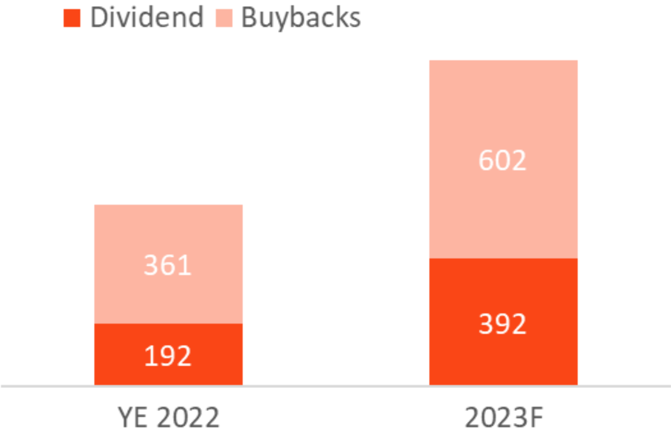
Net debt[1]
$bn



International 2C resources[2]
mmboe



Cumulative shareholder distributions
$m

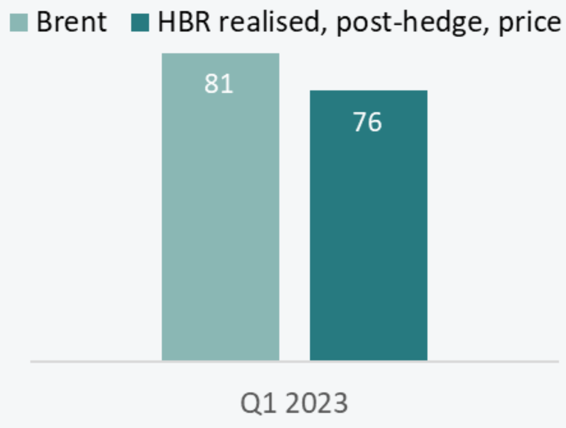


[1] Net debt excludes unamortised fees [2] Management estimates

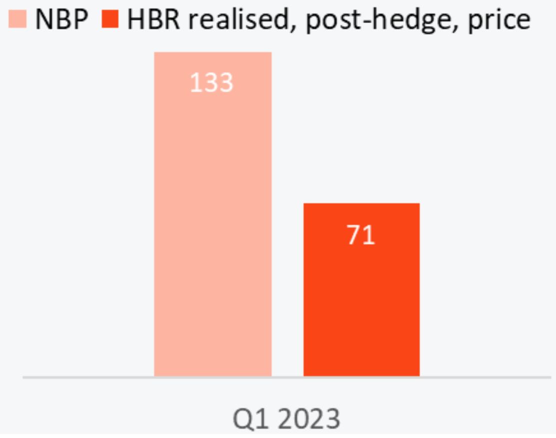
Increased opportunistic hedging strategy while continuing to protect the downside

Incremental additions of attractively priced gas hedges for 2024 and 2025

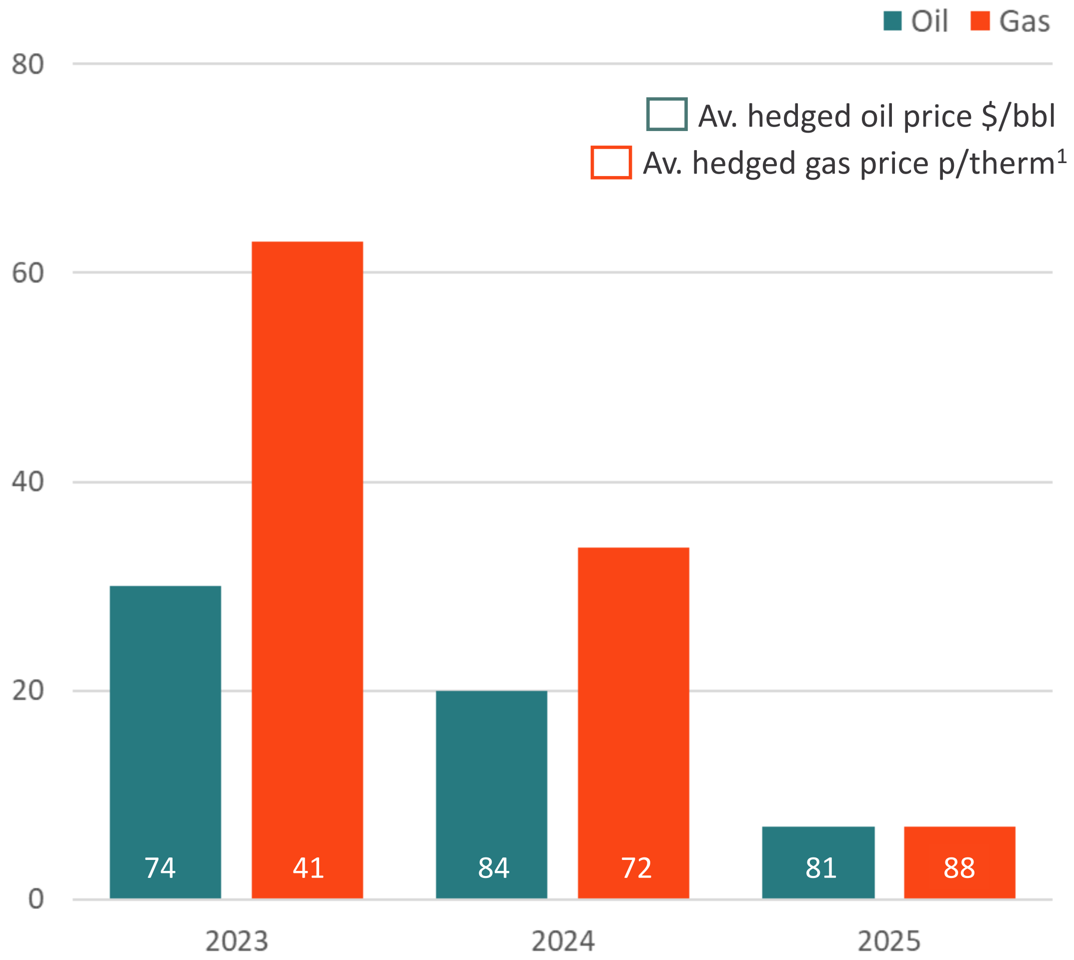
Oil price, $/bbl



UK gas price, pence/therm



Hedged volumes, kboepd

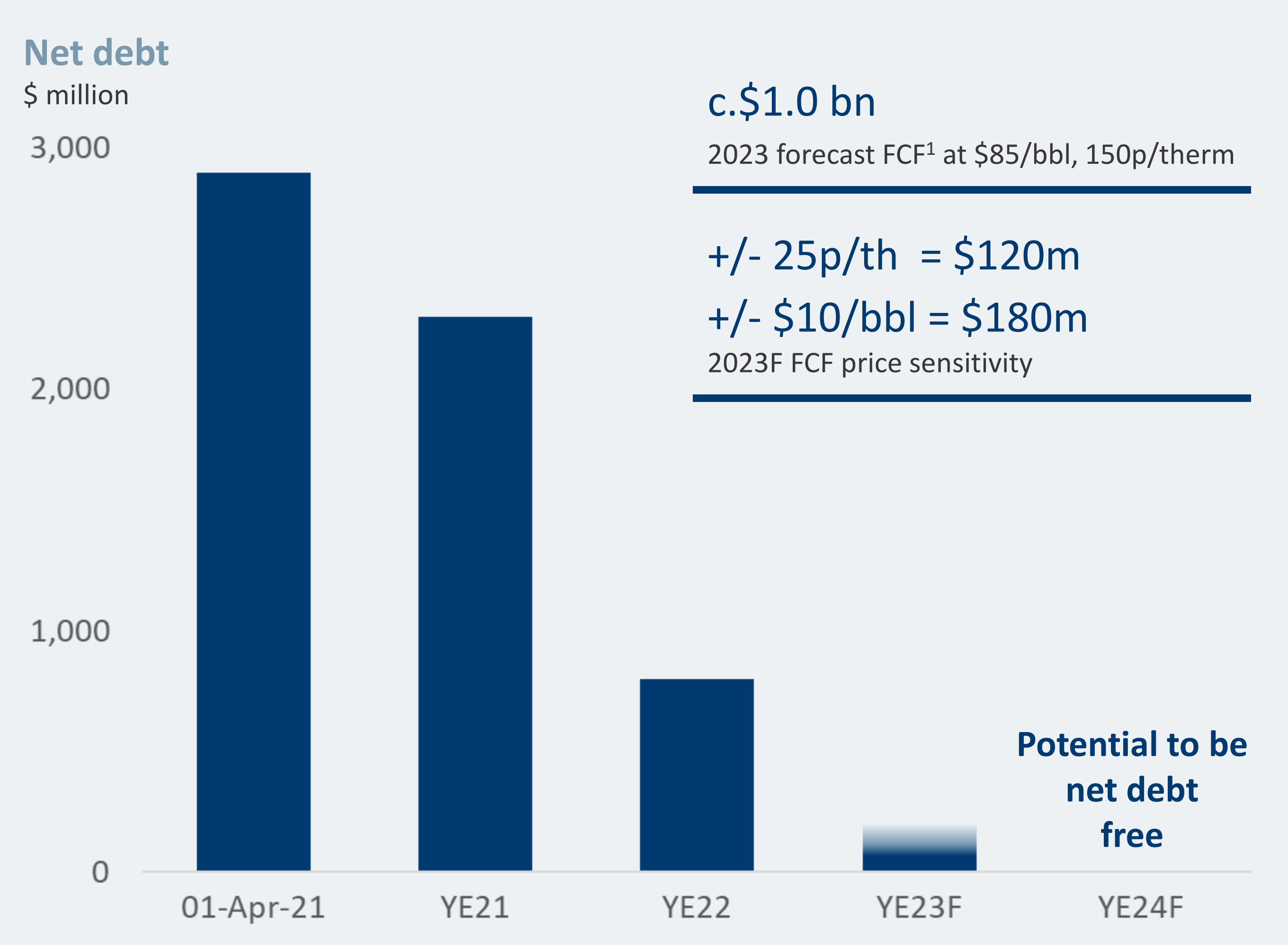


Greater flexibility
with minimum hedging requirements reduced

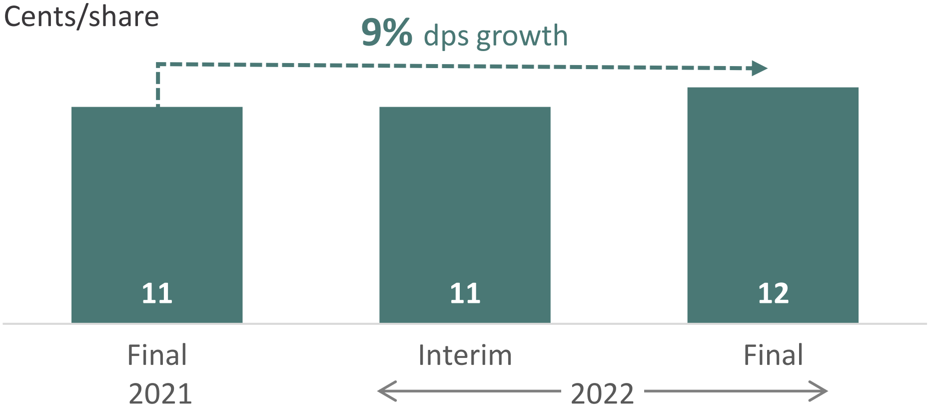
[1] Hedged volumes include 1.6 mmboe of gas collars in 2023 at average strikes of 55-69p/therm, 2.4 mmboe in 2024 at 119-269p/therm and 1.1 mmboe in 2025 at 108-270p/therm. The 30th April NBP forward curve (115p/146p/129p/therm in 2023/24/25) is used for estimating the strike price for the gas collars.

Robust balance sheet and significant cash generation

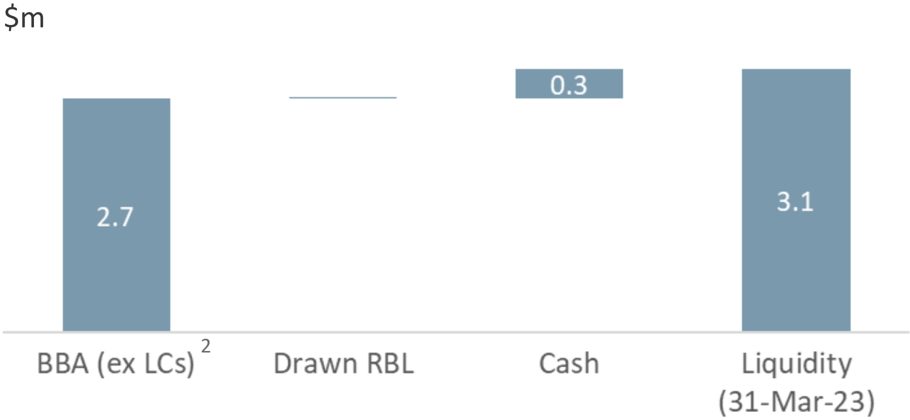
Building a track record of rapid net debt reduction post M&A and delivering material shareholder distributions



Strong dividend per share (DPS) growth



Significant liquidity but debt capacity to be impacted by EPL at upcoming re-determination of borrowing base



[1] The estimated $1 billion of FCF assumes a US dollar to GBP sterling exchange rate of $1.2/£ and is after tax payments of c. $450 million, reflecting that the majority of our 2023 EPL liability is expected to be paid in 2024 due to one of the Harbour entities not currently falling within the UK tax instalment payment regime. [2] BBA stands for borrowing base amount and LCs stands for letters of credit.

2023 guidance reiterated

2022 actual	2023 guidance	2023 Q1 actual
Production 208 kboepd	**Production** 185-200 kboepd	**Production** 202 kboepd
Operating cost $14/boe	**Operating cost** c.$16/boe	**Operating cost** $15/boe
Total capex $0.9 billion	**Total capex** c.$1.1 billion	**Total capex** $0.2 billion

Well positioned for value creation, growth and shareholder returns

Pure-play upstream, global oil and gas producer

- High quality, diverse cash generative portfolio
- Attractive international growth opportunities
- Track record of disciplined, value-accretive M&A
- Well positioned to play a significant role in the energy transition
- Robust financial position

Optionality over future capital allocation

Potential to be net debt free in 2024

Additional shareholder returns

Meaningful M&A

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