

Harbour Energy plc

Half-year results 2025



Harbour Energy plc
("Harbour" or the "Company")
2025 Half-year results
7 August 2025

**Strong operational delivery drives free cash flow upgrade;
\$100 million share buyback announced**

Harbour today announces its unaudited half-year results for the six months ended 30 June 2025.

Linda Z Cook, Chief Executive Officer, commented:

"Harbour delivered strong first-half results driven by excellent operational execution and reflecting the benefits of the Wintershall Dea acquisition which significantly enhanced the scale, resilience and longevity of our business, supporting significant free cash flow generation.

Through the integration of the Wintershall Dea portfolio and in the midst of market volatility, we took decisive action to strengthen our margins, high-grade our capital programme and accelerate cost initiatives. These steps, along with the strong results from the first half, have enabled us to upgrade our free cash flow outlook for the year. In addition, we improved our financial position by addressing near-term bond maturities and reducing net debt. As a result, we remain confident in our ability to deliver on our capital allocation priorities. These include further debt reduction and additional shareholder returns via share buybacks, as demonstrated by the new \$100 million buyback programme announced today."

Strong operational delivery; growth opportunities matured

- Increased and diversified production of 488 kboepd (H1 2024: 159 kboepd)
- Unit operating costs c.30% lower at \$12.4/boe (H1 2024: \$18.5/boe)
- Safety incident rate (TRIR) of 1.1 per million hours worked (H1 2024: 0.7)
- Net equity GHG intensity more than halved to 12 kgCO₂/boe (H1 2024: 27 kgCO₂/boe)
- New wells on-stream including at Maria Phase 2 (Norway), the Vaca Muerta (Argentina) and in the UK; approved developments on track including start-up of Dvalin North (Norway) in late 2026
- Investment decision taken on Southern Energy SA, a 6 mtpa phased LNG project in Argentina, creating the potential to unlock significant value for our Vaca Muerta gas
- Kan (Mexico) gross 2C resources estimate upgraded by 50% to c.150 mmboe (Harbour share 70%)
- Completed divestment of the Vietnam business on 9 July, post-period end, marking an exit from the country

Significant free cash flow generation; strong financial position

- Realised post-hedge oil and European gas prices of \$71/bbl and \$13/mscf (H1 2024: \$85/bbl and \$8/mscf), respectively
- Increased revenue and other income of \$5.3bn (H1 2024: \$1.9bn) and EBITDAX of \$3.9bn (H1 2024: \$1.2bn)
- Increased free cash flow of \$1.36bn (H1 2024: \$0.38bn); net debt¹ excluding unamortised fees reduced to \$3.8bn (YE 2024: \$4.7bn) and leverage reduced to 0.5x (YE 2024: 1.1x)
- Reported loss after tax of \$0.2bn (H1 2024: profit \$0.1bn) impacted by \$0.3bn deferred tax charge associated with changes to the UK fiscal regime and \$0.2bn of net foreign exchange losses
- Increased adjusted profit after tax of \$0.4bn (H1 2024: \$0.1bn) equating to higher adjusted earnings per voting ordinary share of 22 cents (H1 2024: 11 cents)
- Successful issuance of \$0.9bn of senior notes and €0.9bn of subordinated notes, effectively pre-funding all maturities to 2028
- Investment grade credit ratings with stable outlook confirmed

Improved 2025 outlook; increased shareholder distributions

- Production guidance further narrowed upwards to 460-475 kboepd (from 455-475 kboepd), with the divestment of Vietnam more than offset by strong production performance to date
- Unit operating cost guidance lowered to c.\$13.5/boe (previously c.\$14/boe)², reflecting the improved production outlook, cost savings and divestment of Vietnam partially offset by the weaker US dollar
- Total capital expenditure guidance unchanged at \$2.4-\$2.5bn
- Free cash flow outlook increased to c.\$1.0bn (from \$0.9bn)³, driven by continued strong operational delivery
- Interim dividend of \$227.5m, 13.19 cents per voting ordinary share (H1 2024: 13.00 cents), in line with \$455m annual dividend policy
- New \$100m share buyback programme announced, bringing expected total payout of free cash flow to c.55% for the year⁴

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Notes to editors

Unless stated otherwise all figures are in US dollars. Comparative figures for the income statement relate to the period ended 30 June 2024 and the balance sheet as at 31 December 2024. Alternative performance measures, including EBITDAX and free cash flow, are reconciled within the Glossary – Non IFRS measures at the end of the Financial Statements.

We have introduced alternative performance measures in our financial reporting covering adjusted EBITDAX, adjusted profit after taxation, adjusted effective tax rate and adjusted earnings per share. These are indicators that management consider better reflect our true underlying operational and financial performance in the period and facilitate a more meaningful period on period comparison. Full details of our alternative performance measures, including a reconciliation to the closest reported IFRS measure where applicable, can be found in the Glossary – Non IFRS measures at the end of the financial statements.

About Harbour Energy

Since its creation in 2014, Harbour has grown to become one of the world's largest and most geographically diverse independent oil and gas companies.

Today, Harbour is producing over 450,000 barrels of oil equivalent per day with significant production in Norway, the UK, Germany, Argentina and North Africa. Harbour benefits from competitive operating costs and resilient margins, and a broad set of growth options including near-infrastructure opportunities in Norway, unconventional scalable opportunities in Argentina and conventional offshore projects in Mexico and Indonesia.

With low GHG emissions intensity and a leading CO₂ storage position in Europe, Harbour remains committed to producing oil and gas safely and responsibly to help meet the world's energy needs.

Harbour is headquartered in London with approximately 3,400 employees and direct contract staff across its operations and offices.

Summary of 2025 half-year performance

Step change in production

Production in the first half averaged 488 thousand barrels of oil equivalent per day (kboepd) (H1 2024: 159 kboepd), split approximately 40 per cent liquids, 40 per cent European natural gas and 20 per cent other natural gas. The more than 200 per cent increase versus the first half of 2024 reflects the addition of the Wintershall Dea portfolio, including 173 kboepd from Norway and 75 kboepd from Argentina.

Production was supported by new projects and wells on-stream, and improved reliability across the portfolio with operating efficiency of 93 per cent. In addition, we saw strong subsurface delivery from our operated hubs in the UK and from the recently completed Fenix project in Argentina which also benefitted from strong local gas demand.

Full year 2025 production guidance is further narrowed upwards to 460-475 kboepd (455-475 kboepd previously). This reflects the first half results, July production of 493 kboepd, good progress to date on the summer maintenance shutdowns and the outlook for the remainder of the year, all more than offsetting the impact of the Vietnam divestment (c.2 kboepd annualised) which completed post period end.

Strong cost and capital discipline

We materially reduced our unit operating costs to \$12.4/boe (H1 2024: \$18.5/boe), reflecting the addition of the lower cost Wintershall Dea portfolio, strong volumes and supply chain synergies captured from leveraging our increased scale. Full year 2025 unit operating cost guidance is lowered to c.\$13.5/boe. This reflects our improved production outlook, continued cost control and the sale of our high-cost Vietnam business partially offset by our weaker US dollar (USD) outlook of \$1.35/£.

In May, Harbour took the decision to reduce its Aberdeen-based organisation by c.25 per cent to lower its UK cost structure and align with reduced levels of investment in the country given the challenging domestic fiscal environment. The reorganisation is on track to complete by the end of the third quarter.

Total capital expenditure for the period was \$1.1 billion (H1 2024: \$0.6 billion), driven by the addition of the Wintershall Dea portfolio partially offset by reduced UK investment. Previously narrowed full year guidance of \$2.4-\$2.5 billion is reiterated.

A focus on safe and responsible operations

We remain focused on embedding a strong safety culture across our expanded operations. While progress is being made, our total recordable injury rate (TRIR) during the first half was higher at 1.1 per million hours (H1 2024: 0.7), in part reflecting the higher TRIR from the Wintershall Dea portfolio. As part of the integration of the Wintershall Dea assets, we completed a comprehensive Major Accident Hazard risk assessment across the expanded portfolio; the results are being used to prioritise our safety improvement activities.

In the first half we delivered a step change in our GHG intensity which materially reduced to 12 kilograms of CO₂ per barrel of oil equivalent (kgCO₂e/boe) (H1 2024: 27 kgCO₂e/boe) on a net equity share basis reflecting the lower emissions intensity of the Wintershall Dea portfolio. We remain on track to halve our gross operated emissions by 2030 compared to our 2018 baseline.

Maximising value from our producing assets

Harbour's 2025 capital investment is largely focused on infrastructure-led opportunities, converting reserves into production and cash flow. These opportunities are typically low risk, high return, short cycle investments concentrated around our existing production hubs, predominantly in Norway, the UK and Argentina.

In Norway, we delivered first oil in May from our operated Maria Phase 2 project, a four well tie-back to the Maria infrastructure. The first well was safely delivered on schedule and within budget with the remaining wells expected online by year end. At Harbour's operated Dvalin North project, installation of the subsea infrastructure is significantly progressed with development drilling on track for 2026. Subsea installation campaigns are also underway at Alve North and Idun North, both being developed as multi-well tie-backs to Skarv, and at the Irpa three well tie-back to Aasta Hansteen. These projects – as well as infill drilling campaigns, including at Njord – will help support Harbour's near-term production in the country.

In the UK, Harbour's investment in the first half was targeted at our two largest operated hubs, J-Area and the Greater Britannia Area (GBA). At J-Area, Jocelyn South was brought on-stream in March through Harbour's Judy platform, just three months after discovery while, post period end, production started up from the RK development well. Following completion of its planned maintenance shutdown, contributions from these wells – together with continued strong subsurface performance from Talbot – resulted in J-Area achieving production rates not seen since 2013. The first half also saw continued outperformance from GBA's satellite fields Callanish and Brodgar, with Brodgar production supported by further plant optimisation and the H5 development well which was successfully brought online in May.

In Argentina, at our offshore CMA-1 concession in the Tierra del Fuego province, the Fenix project was completed with the third well on-stream in January while a workover at the Aries platform was successfully executed ahead of schedule. Onshore in the Vaca Muerta unconventional shale play, nine new gas wells were drilled and six new wells were completed and connected during the first half, helping to maintain production from the Aguada Pichana Este concession which is currently facilities constrained.

Elsewhere, development activities across our three production hubs in Germany – Mittelplate, Gas Nord and Emlichheim – continued to support stable production, while in Egypt the first of two Raven West infill wells at West Nile Delta was brought on-stream in February. In Indonesia, a two well development campaign at Natuna Sea Block A commenced with production start-up from the first well anticipated in the second half of the year.

A large and diverse 2C resource base with the potential for material reserves replacement

Our 1.9 billion barrels of oil equivalent (bnboe) of 2C resources are split broadly equally between high value, near infrastructure offshore opportunities, including in Norway and Argentina; the Vaca Muerta shale play onshore Argentina; and conventional offshore growth projects in Mexico and Indonesia. Our focus is on maturing the most competitive projects within this resource base into 2P reserves to support long term production.

In Norway, we continued to progress our pipeline of early phase projects. The Gjøa subsea satellite projects, Gjøa Nord and Ofelia, are being matured to a 2026 final investment decision while development concept studies are underway at Adriana/Sabina and Storjo (appraised in 2024) and Cuvette (discovered in 2024). The first half also saw exploration success with a small discovery at the Skarv-E prospect close to our Skarv infrastructure.

In Argentina, Harbour and its partners took final investment decision (FID) in May on Southern Energy SA (Harbour 15 percent interest), a phased two-vessel LNG project with total capacity of six million tonnes per year (mtpa). This marks a significant milestone, providing access to global markets for our extensive Argentinian gas resource with the potential to accelerate the development of our Vaca Muerta acreage. Production start-up from the first vessel (Golar Hilli Episeyo) is expected around year end 2027, with the second vessel (Golar MK II) anticipated to commence operations end 2028. Southern Energy has also received approval under Argentina's RIGI legislation which offers a range of investment, tax and foreign exchange incentives for large projects, and was granted Argentina's first LNG export permit in April.

Also, in Argentina at the San Roque concession, following a successful four-well pilot project in the oil window of the Vaca Muerta shale, discussions to secure the unconventional licence are progressing between partners and the government. In addition, post period end, our conventional CMA-1 licences offshore Tierra del Fuego were successfully extended to 2041, strengthening our ability to add additional 2P reserves from our existing assets through further development activity.

In Mexico, we are focused on the development of our most competitive projects, Kan and Zama, which together could yield reserves equivalent to over two years' worth of Harbour's total production. Following completion of a successful appraisal programme, we increased the gross resource estimate of the Harbour-operated Kan field (Harbour 70 per cent) by 50 per cent to c.150 million barrels of oil equivalent (mmboe). Development options for Kan are now being evaluated ahead of entering FEED (front-end engineering design). At Zama (Harbour 32 per cent), discussions are progressing with partners around a phased development concept. At c.750 mmboe gross resources, Zama is Mexico's largest undeveloped discovery.

In Indonesia, we continue to evaluate development options for the multi-trillion cubic feet (TCF) Andaman gas discoveries, including the potential for a phased development starting with the Tangkulo field.

High-grading the CCS portfolio

We continue to selectively mature our most advantaged CCS projects while moving to exit less competitive licences.

At our operated Viking project (Harbour 60 per cent) in the UK, FEED was completed in March and the development consent order for the onshore pipeline was approved in April. In light of continued UK government delays impacting the overall project schedule, we welcomed the Chancellor's announced intention to provide development funding up to a final investment decision.

In Denmark, the high return Greensand Future project (Harbour 40 per cent) is on track to commence commercial operations from 2026 with an injection rate of 400 thousand tonnes per annum (ktpa). Onshore Denmark, Harbour has a 40 per cent operated interest in Greenstore which is in the appraisal phase with seismic acquisition planned for later this year.

In May, in line with the Havstjerne licence commitment, we delivered a CO₂ storage appraisal well in the Norwegian North Sea safely and below budget.

Integration progressing as planned; active portfolio management

We have a proven track record of acquisitions, integration and actively managing our portfolio. The integration of the acquired Wintershall Dea portfolio is progressing as planned and we are on track to exit the Transitional Service Agreement by the end of the third quarter.

We continue to actively manage our portfolio to ensure our capital and resources are deployed in line with our strategy. To this end, we completed the sale of our Vietnam business to EnQuest post period end (on 9 July), marking a country exit for Harbour.

Significant cash flow generation and strong financial position

In the first half of the year, we generated \$1.36 billion of free cash flow, reflecting strong production and the second half weighting of our tax payments and summer maintenance programmes. This significant cash flow was directed towards payment of our final 2024 dividend of \$227.5 million in May and reducing our net debt by \$0.9 billion to \$3.8 billion at 30 June, in line with our capital allocation priorities. The impact of the weaker USD increasing the USD value of our pre-swap Euro-denominated senior bonds by \$0.7 billion was partially offset by the net addition of \$0.4 billion of subordinated notes issued during the period.

We actively manage our debt currency mix and interest rate exposure through interest rate derivatives. At 30 June, c.60 per cent of our senior debt was USD denominated on a post-swap basis compared to c.20 per cent on a pre-swap basis, resulting in a mark to market gain of \$0.2 billion on our cross-currency swap portfolio.

During the first half, we issued \$0.9 billion of senior notes and €0.9 billion of perpetual subordinated notes, concurrently repurchasing \$0.3 billion and €0.5 billion of the 2026 senior and perpetual subordinated notes callable in 2026. As a result, we have effectively pre-funded all our maturities through to 2028, including the €1.0 billion of senior notes maturing in September 2025, which, along with now being fully undrawn on our revolving credit facility, results in expected total debt repayment of c.\$0.6 billion during 2025 on a constant currency basis. The first half also saw our investment grade credit ratings of Baa2 and BBB- with stable outlook reconfirmed by Moody's and Fitch, respectively.

During the first half we realised post-hedge oil and European gas prices of \$71 per barrel (bbl) (H1 2024: \$85/bbl) and \$13 per thousand standard cubic feet (mscf) (H1 2024: \$8/mscf), respectively. This compares to average Brent oil prices of \$72/bbl and European gas prices of \$13/mscf during the first half of 2025. Looking ahead, we benefit from a strong hedge position with a mark to market gain of \$0.4 billion at 30 June. For the 18 months through to the end of 2026, we have hedged approximately 40 per cent of our economic exposure to Brent and 50 per cent of our economic exposure to European gas prices at prices above the current forward curve.

Improved outlook including for shareholder distributions

As a result of our continued strong operational delivery and improved production and cost outlook, we have increased our 2025 free cash flow outlook by \$0.1 billion to \$1.0 billion, assuming \$68/bbl and \$12.7/mscf for the full year.

In line with our \$455 million annual dividend commitment (\$380 million paid on the voting ordinary shares), the Board is today declaring an interim dividend for 2025 of \$227.5 million, equating to 13.19 cents per voting ordinary share. The interim dividend will be paid on 24 September 2025 to all shareholders on the register as at 15 August 2025.

In addition, given the significant progress towards delivering our \$0.5 to \$1.0 billion debt reduction target and confidence in our ability to continue to sustain material cash flow through the commodity price cycle, we are today announcing the commencement of a \$100 million share buyback programme. Assuming the buyback completes by year end, this brings our outlook for total distributions to shareholders in 2025 to \$555 million, up from \$200 million in 2024. Based on our free cash flow outlook of c.\$1.0 billion, this represents an estimated payout ratio of c.55 per cent.

¹ Net debt excludes \$0.2bn of mark-to-market cross-currency swaps benefit as at 30 June 2025.

² Includes tariffs. 2025 guidance of \$13.5/boe assumes \$1.35/£, \$1.15/€ and a NOK10.25/\$ for H2 2025. Previous guidance of c.\$14/boe assumed \$1.30/£, \$1.1/€ and NOK10.5/\$ for Q2-Q4 2025.

³ This is based on average 2025 Brent and European gas prices of \$68/bbl and \$12.7/mscf equating to c.\$65/bbl and c.\$12/mscf for H2 2025.

⁴ Based on Harbour's free cash flow outlook of \$1.0bn and assuming the buyback completes by year end 2025.

Financial Review

Summary of financial results

Analysis of these key metrics are discussed in detail across the following pages of the Financial Review.

Six months ended 30 June	Units	2025 Unaudited	2024 Unaudited
Production and post-hedging realised prices			
Production	kboepd	488	159
Crude oil	\$/bbl	71	85
European gas	\$/mscf	13	8
Other gas	\$/mscf	3.5	13
Income statement			
Revenue and other income	\$ million	5,271	1,916
EBITDAX ¹	\$ million	3,876	1,216
Adjusted EBITDAX ^{1,2}	\$ million	3,888	1,250
Reported (loss)/profit after taxation	\$ million	(174)	57
Adjusted profit after taxation ^{1,2}	\$ million	410	86
Effective tax rate	Per cent	111	85
Adjusted effective tax rate ^{1,2}	Per cent	80	82
Basic (loss)/earnings per voting ordinary share	cents/share	(12)	7
Adjusted basic earnings per voting ordinary share ^{1,2}	cents/share	22	11
Other key financial figures			
Total capital expenditure ¹	\$ million	1,123	587
Operating cash flow	\$ million	2,446	953
Free cash flow ¹	\$ million	1,360	383
Shareholder returns paid ¹	\$ million	228	100
		30 June 2025 Unaudited	31 Dec 2024 Audited
Net debt ¹	\$ million	3,598	4,424
Leverage ratio ¹	times	0.5	1.1

¹ Alternative performance measure - see Glossary for the definition. Reconciliations between adjusted performance measures and reported measures are provided within the Glossary.

² We have introduced additional alternative performance measures in our H1 2025 reporting covering "adjusted EBITDAX", "adjusted profit after taxation", "adjusted effective tax rate" and "adjusted earnings per share". These are indicators that management consider better reflect true operational and financial performance in the period and facilitate a more meaningful period on period comparison. Full details of our alternative performance measures, including a reconciliation to the closest reported IFRS measure where applicable, can be found in the Glossary – Non IFRS measures at the end of the financial statements.

Income Statement

	2025 \$ million Unaudited	2024 \$ million Unaudited
Six months ended 30 June		
Revenue and other income	5,271	1,916
Cost of operations	(2,721)	(1,178)
EBITDAX ¹	3,876	1,216
Adjusted EBITDAX ¹	3,888	1,250
Operating profit	2,021	542
Profit before taxation	1,635	392
Taxation	(1,809)	(335)
(Loss)/profit after taxation ¹	(174)	57
Adjusted profit after taxation ¹	410	86
	Cents/share	Cents/share
Basic (loss)/earnings per voting ordinary share	(12)	7
Adjusted basic earnings per voting ordinary share ¹	22	11

¹ Alternative performance measure - see Glossary for the definition. Reconciliations between adjusted performance measures and reported measures are provided within the Glossary.

Revenue and other income

Total revenue and other income increased to \$5,271 million (H1 2024: \$1,916 million).

	2025 \$ million Unaudited	2024 \$ million Unaudited
Six months ended 30 June		
Revenue and other income	5,271	1,916
Crude oil	1,796	1,114
Gas	3,084	692
Condensate	267	81
Tariff income and other revenue	34	19
Other income	90	10

Revenue earned from production activities increased to \$5,181 million (H1 2024: \$1,906 million) after realised hedging losses of \$28 million (H1 2024: loss of \$55 million). This increase was mainly driven by higher production volumes and higher European gas prices partially offset by lower crude prices.

Crude oil sales increased to \$1,796 million (H1 2024: \$1,114 million) after realised hedging gains of \$35 million (H1 2024: gains of \$1 million). This was driven by higher production volumes partially offset by lower realised post-hedging oil prices of \$71/bbl (H1 2024: \$85/bbl).

Gas revenue was \$3,084 million (H1 2024: \$692 million), split between European gas revenue of \$2,737 million (H1 2024: \$638 million), after realised hedging losses of \$63 million (H1 2024: \$56 million), and other gas revenue of \$347 million (H1 2024: \$54 million). The realised post-hedging price for European and other gas was \$13/mscf (H1 2024: \$8/mscf) and \$3.5/mscf (H1 2024: \$13/mscf), respectively.

Condensate revenue was \$267 million (H1 2024: \$81 million) and tariff income was \$34 million (H1 2024: \$19 million). Other income amounted to \$90 million (H1 2024: \$10 million) which includes partner recovery on lease obligations and government subsidies in Argentina.

Cost of operations

Cost of operations increased to \$2,721 million (H1 2024: \$1,178 million) driven primarily by the increased production levels in the enlarged group and hence higher operating costs and depreciation of oil and gas assets.

Six months ended 30 June	2025 \$ million Unaudited	2024 \$ million Unaudited
Cost of operations		
Operating costs	1,142	561
Depreciation, depletion and amortisation	1,519	565
Other	60	52
Cost of operations	2,721	1,178
Total operating costs for operating cost per barrel¹	1,091	534

¹ A reconciliation from operating costs is provided within the Glossary.

Total operating costs were higher period on period at \$1,091 million (H1 2024: \$534 million). Operating costs were lower on a unit of production basis at \$12.4/boe (H1 2024: \$18.5/boe) due to increased production, relatively lower operating costs within the recently acquired business units and disciplined cost control, particularly in the UK.

Depreciation, depletion and amortisation (DD&A) unit expense, which reflects the capitalised costs of producing assets divided by produced volumes, was \$17/boe (H1 2024: \$20/boe).

EBITDAX and Adjusted EBITDAX

EBITDAX was \$3,876 million (H1 2024: \$1,216 million), with the increase driven by higher production and higher European gas prices. Adjusted EBITDAX, adjusting for M&A and restructuring costs, was \$3,888 million (H1 2024: \$1,250 million).

Impairments and Exploration Write Offs

The Group has recognised a pre-tax impairment charge on property, plant and equipment of \$186 million (H1 2024: \$33 million). This primarily arose on assets in our UK business unit, which continues to face a challenging fiscal and regulatory environment, as a result of lower short-term commodity prices.

During the period, the Group expensed \$97 million (H1 2024: \$39 million) for exploration and appraisal and CCS activities, nearly half of this related to the Havstjerne licence commitment CCS appraisal well in Norway.

Net financing costs

Finance income amounted to \$432 million (H1 2024: \$15 million). The increase compared to H1 2024 is mainly due to realised gains on foreign exchange forward contracts of \$213 million (H1 2024: \$1 million), unrealised gains on derivatives and financial instruments of \$95 million (H1 2024: nil), and interest income on higher cash balances resulting from increased operating cash flow and bond issuances of \$71 million (H1 2024: \$13 million).

Finance expenses amounted to \$818 million (H1 2024: \$165 million). This primarily included foreign exchange losses of \$504 million (H1 2024: \$5 million), comprising \$230 million (H1 2024: \$nil) from the revaluation of UK and Norwegian cash tax liabilities and \$193 million (H1 2024: \$13 million gain) from the revaluation of USD-denominated intercompany balances in entities with non-USD functional currency. It also included interest and expenses incurred of \$116 million (H1 2024: \$43 million) related to debt facilities, bonds and leases and unwinding of the discount on decommissioning provisions of \$145 million (H1 2024: \$92 million) which increased due to the larger asset portfolio.

Earnings and taxation

Tax expense increased in H1 2025 to \$1,809 million (H1 2024: \$335 million). The reported effective tax rate is 111 per cent per cent (H1 2024: 85 per cent) which is higher than the headline rate of 78 per cent due to the impact of the extension of the UK Energy Profits Levy (EPL) from 2028 to 2030 and non-deductible unrealised foreign exchange losses. The Adjusted effective tax rate was 80% (H1 2024: 82%). The tax expense is split between a current tax expense of \$2,003 million (H1 2024: \$226 million) and a deferred tax credit of \$194 million (H1 2024: charge of \$109 million).

Reported loss after tax amounted to \$174 million (H1 2024: \$57 million profit). This resulted in reported loss per voting ordinary share of 12 cents (H1 2024: earnings 7 cents per share). Adjusted profit after taxation amounted to \$410 million (H1 2024: \$86 million) of which \$33 million was attributed to the subordinated notes holders and \$377m was attributable to shareholders. This resulted in adjusted basic earnings per voting ordinary share of 22 cents (H1 2024: 11 cents per share).

Shareholder distributions

A final dividend with respect to 2024 of 13.19 cents per ordinary share was proposed on 6 March 2025 and approved by shareholders at the AGM on 8 May 2025. The dividend was paid on 21 May 2025 to all shareholders on the register as at 11 April 2025, totalling \$228 million.

In line with the company's annual dividend policy, the Board is pleased to announce an interim dividend of 13.19 cents per voting ordinary share, totalling \$228 million, to be paid on 24 September 2025 to all shareholders on the register on 15 August 2025 (the "Record Date"). A dividend reinvestment plan ("DRIP") is available to shareholders who would prefer to invest their dividend in the shares of the company. To participate in the DRIP, shareholders must submit their election notice to Equiniti, the company's Registrar, by 3 September 2025 (the "Election Date").

The Board has also approved and is pleased to announce a share buyback programme of the Company's voting ordinary shares for up to a maximum aggregate consideration of \$100 million. Pursuant to the authority granted by shareholders at the AGM held on 8 May 2025, the maximum number of ordinary shares which may be purchased by the Company is 215,873,417. The purpose of the programme is to reduce the Company's share capital and all ordinary shares purchased as part of this programme will be cancelled. The programme will commence on 8 August 2025, and will end no later than 31 March 2026.

Statement of Financial Position

	30 June 2025 \$ million Unaudited	31 Dec 2024 \$ million Audited
Assets		
Goodwill	5,141	5,147
Non-current assets, excluding goodwill and deferred taxes	20,938	21,089
Deferred tax assets	147	130
Current assets excluding financial assets	5,359	3,489
Financial assets	782	189
Assets held for sale	224	277
Total assets	32,591	30,321
Liabilities and Equity		
Borrowings net of transaction fees	6,309	5,229
Provisions	7,860	7,521
Deferred tax liabilities	6,885	6,221
Lease creditor	701	792
Financial liabilities	116	877
Other liabilities	4,084	3,197
Liabilities directly associated with assets held for sale	199	233
Total liabilities	26,154	24,070
Equity	6,437	6,251
Total liabilities and equity	32,591	30,321
Net debt	3,598	4,424

Assets

The increase in total assets of \$2,270 million from \$30,321 million to \$32,591 million is mainly due to the increase in cash balances from \$805 million to \$2,711 million resulting from positive free cash flow in the period, the two bond issuances, net of repayments, and other financial assets increasing from \$189 million to \$782 million, predominantly due to an increase in the value of commodity and foreign exchange derivatives.

Liabilities

The increase in total liabilities of \$2,084 million from \$24,070 million to \$26,154 million is driven by increases in a number of factors including:

- deferred tax of \$664 million, mainly due to the tax effect of the increase in fair value of derivatives and the revaluation of the deferred tax to reflect the extension of the energy profits levy, offset by other items;
- borrowings of \$1,080 million due to the \$0.9 billion bond issuance in the period, net of \$0.6 billion debt repayments adjusted for \$0.7 billion of FX and amortised fees;
- current tax liability of \$722 million due to the addition of material Norway tax payables into our portfolio and the phasing of payment of these to the second half of the year;
- decommissioning provisions of \$339 million mostly due to currency translation movement and unwinding of the provisions, offset by payments in the period;
- trade and other payables of \$165 million; offset by
- a reduction in other financial liabilities of \$761 million due to lower derivative liabilities.

The net deferred tax position on the balance sheet is a liability of \$6,738 million (Dec 2024: \$6,091 million) after reclassification for assets held for sale. This is primarily made up of deferred tax liabilities in respect of the accelerated capital allowances (\$9,612 million) offset by deferred tax assets related to future decommissioning liabilities (\$2,889 million).

Equity and reserves

Total equity increased to \$6,437 million mainly due to the new issuance of subordinated notes in the period of \$970 million less the repayment of \$558 million of existing notes. This net increase was offset by the dividend payment to shareholders of \$228 million and the reported loss for the period of \$174 million. Comprehensive income amounted to \$190 million, comprising predominantly \$1,103 million of gains on cash flow hedges, partly offset by the associated tax expense (\$725 million) and \$191 million of foreign exchange adjustments.

Net debt

As at 30 June 2025, net debt was \$3,598 million (Dec 2024: \$4,424 million). This consisted of borrowings amounting to \$6,559 million (Dec 2024: \$5,512 million) less unamortised fees of \$250 million (Dec 2024: \$283 million) and cash balances of \$2,711 million (Dec 2024: \$805 million). The reduction in net debt was driven by the free cash flow generated in the period and net cash from the issuance and repayment of subordinated notes partially offset by the impact of foreign exchange differences due to the weaker US dollar.

We have pre-funded our near-term debt maturities out to 2028. Our investment grade rating was reaffirmed by Moody's (Baa2) and Fitch (BBB-) during the period. Available liquidity, being undrawn revolving credit facility (RCF) of \$3.0 billion net of letters of credit drawn of \$0.6 billion, plus cash balances of \$2.7 billion, was \$5.1 billion at the end of the period, compared with \$1.9 billion at year end 2024.

As at 30 June 2025, the leverage ratio was 0.5x (Dec 2024: 1.1x) which has reduced due to material net debt reduction during the period.

	30 June 2025 \$ million	31 Dec 2024 \$ million
Leverage ratio		
Net debt ¹	3,598	4,424
Last Twelve Months EBITDAX ¹	6,678	4,006
Leverage ratio¹	0.5	1.1

¹ Alternative performance measure - see Glossary for the definition. Reconciliations between adjusted performance measures and reported measures are provided within the Glossary.

Derivative financial instruments

We carry out hedging activity to manage commodity price risk, and to ensure there is sufficient funding for future investments. As part of that, we have entered into a series of fixed-price sales agreements and a financial hedging programme for both oil and gas, consisting of swap and option instruments. Hedges realised to date are in respect of both crude oil and European natural gas.

The current hedging programme is shown below:

Hedge position	H2 2025	2026	2027	2028
Oil				
Total oil volume hedged (thousand bbls)	17,665	14,432	3,559	-
- of which swaps	15,598	14,158	1,186	-
- of which zero cost collars	2,067	274	2,373	-
Weighted average fixed price (\$/bbl)	76.47	72.57	68.11	-
Weighted average collar floor and cap (\$/bbl)	63.64 - 85.72	60.00 - 80.00	60.00 - 83.08	-
European natural gas				
Gas volume hedged (thousand boe)	35,799	25,101	8,184	863
- of which swaps/fixed price forward sales	28,016	19,152	4,531	392
- of which zero cost collars	7,783	5,949	3,653	471
Weighted average fixed price (\$/mscf)	14.30	11.82	11.18	10.97
Weighted average collar floor and cap (\$/mscf)	12.25 - 24.65	9.60 - 18.15	8.38 - 15.96	7.90 - 17.01

At 30 June 2025, our financial hedging programme on commodity derivative instruments showed a pre-tax positive mark-to-market fair value of \$439 million (H1 2024: negative \$102 million). Most of the commodity derivatives were designated as cash flow hedges, therefore, changes in fair value were reported in other comprehensive income. The ineffectiveness credit to the income statement for the period was \$40 million (H1 2024: \$nil)

For foreign exchange derivative instruments, the pre-tax positive mark-to-market fair value was \$214 million (H1 2024: positive \$1 million). Of this total \$171 million related to cross-currency interest rate swaps designated as cash flow hedges relating to the Euro bonds where €2.4 billion was hedged at a forward rate of between 1.1015 and 1.1209.

Statement of cash flows¹

	2025 \$ million Unaudited	2024 \$ million Unaudited
Six months ended 30 June		
Cash flow from operating activities after tax	2,446	953
Cash flow from investing activities – capital investment	(960)	(349)
Cash flow from investing activities – other ²	76	20
Operating cash flow after investing activities	1,562	624
Cash flow from financing activities ³	(202)	(241)
Free cash flow⁴	1,360	383
Cash and cash equivalents at 1 January	805	286
Free cash flow	1,360	383
Proceeds of issuance of bonds less repayments	632	-
Proceeds of issuance of subordinated notes less repayments	412	-
Net repayment of revolving credit facility	(250)	-
Dividends	(228)	(100)
Distributions paid to subordinated notes investors	(38)	-
Other cashflow items	18	(30)
Cash and cash equivalents at 30 June	2,711	539

¹ Table excludes financing activities related to debt principal movements.

² Excludes acquisition of subsidiaries, net receipt of \$16 million.

³ Interest and lease payments only, excludes shareholder distributions and debt principal movements.

⁴ Alternative performance measure - see Glossary for the definition. Reconciliations between adjusted performance measures and reported measures are provided within the Glossary.

Net cash from operating activities after tax amounted to \$2,446 million (H1 2024: \$953 million) after accounting for positive working capital movements of \$197 million (H1 2024: \$89 million positive), net of movement in realised but unsettled hedges of \$3 million (H1 2024: \$51 million). The Group made net tax payments of \$1,350 million in the period (H1 2024: \$157 million) primarily in relation to Norway (\$1,064 million) and the UK (\$247 million).

Capital investment on a cash basis was \$960 million (H1 2024: \$349 million) which included property, plant and equipment spend of \$724 million (H1 2024: \$199 million), and exploration and evaluation spend of \$185 million (H1 2024: \$113 million).

Cash outflow from financing activities, excluding shareholder distribution and debt principal movements, totalled \$202 million (H1 2024: \$241 million) split between interest payments of \$47 million (H1 2024: \$87 million), and lease principal and interest payments of \$155 million (H1 2024: \$154 million).

Financing activities in the period included the issuance of a \$900 million bond and \$970 million (€900 million) subordinated notes together with repayments on existing bonds of \$262 million and subordinated notes of \$558 million. Further, the RCF drawdown of \$250 million as at 31 December 2024 was repaid such that at period end the facility was undrawn.

Shareholder distributions consist of dividends paid of \$228 million (H1 2024: \$100 million) and \$38 million was paid to subordinated notes holders.

Cash and cash equivalent balances were \$2,711 million (31 Dec 2024: \$805 million) at the end of the period.

Capital investment is shown in the table below and is defined as additions to property, plant and equipment, fixtures and fittings and intangible exploration and evaluation assets, excluding changes to decommissioning assets.

	2025 \$ million Unaudited	2024 \$ million Unaudited
Six months ended 30 June		
Additions to oil and gas assets	(774)	(301)
Additions to fixtures and fittings, office equipment & IT software	(26)	(27)
Additions to exploration and evaluation assets	(120)	(121)
Additions to other intangible assets	(23)	(13)
Total capital investment¹	(943)	(462)
Movements in working capital	(64)	81
Capitalised interest	18	4
Capitalised lease payments	29	28
Cash capital investment per the cash flow statement	(960)	(349)

¹ Alternative performance measure - see Glossary for the definition. Reconciliations between adjusted performance measures and reported measures are provided within the Glossary.

During the period, the Group incurred total capital expenditure of \$1,123 million (H1 2024: \$587 million), split by capital investment \$943 million (H1 2024: \$462 million) and decommissioning spend \$180 million (H1 2024: \$125 million).

The capital investment was concentrated around our existing production hubs, predominantly in Norway, the UK and Argentina. For further detail see section above 'Maximising value from our producing assets'.

Post balance sheet events

On 9 July Harbour completed the disposal of the Vietnam business to EnQuest plc for a headline value of \$85 million with an effective date of 1 January 2024.

On 11 July 2025, the German Federal Council passed legislation mandating annual 1 per cent reductions in the Federal Corporate Income Tax rate starting from 2028 through to 2032. Including Trade Tax, Germany's headline tax rate is expected to reduce from approximately 32 per cent to an estimated 27 per cent. As the legislation was not substantively enacted at the balance sheet date, its effects have not been reflected in the results for the period. If enacted, it would have reduced the Group's deferred tax liability by an estimated \$66 million.

In prior periods, the Group disclosed a contingent liability, estimated at up to \$137 million as at 30 June 2025, in certain UK subsidiaries in respect of an uncertain tax position related to the fair value movements and realised gains and losses on derivative instruments entered into to hedge commodity price risk. In the first half of 2025, HMRC completed a thorough review of this matter and, subsequent to 30 June, confirmed that the Group's filed tax position requires no adjustments. Consequently, the uncertainty has been resolved and no financial impact results from this resolution, as no liability was recognised in prior periods.

The Board approved a share buyback programme of the Company's voting ordinary shares for up to a maximum aggregate consideration of \$100 million. The purpose of the programme is to reduce the Company's share capital and all ordinary shares purchased as part of this programme will be cancelled. The programme will commence on 8 August 2025, and will end no later than 31 March 2026.

Going concern

The results have been presented on a going concern basis. Detail of the Group's assessment of going concern for the period can be found within note 2 to the financial statements.

Business risks

Harbour faces various risks that could result in events or circumstances that might negatively impact the company's business model, its future performance, liquidity, and reputation. Not all these risks are wholly within the company's control and the company may also be affected by risks which have not yet materialised or are not reasonably foreseeable.

The effective management of risk is critical if we are to continue to successfully execute the strategy and to protect our personnel, assets, the communities with whom we interact, and our reputation.

For known risks facing the business, the company seeks to reduce the likelihood and mitigate the impact of the risk to within the level of appetite or tolerance set by the Board. According to the nature of the risk, the company can choose to take or tolerate risk, treat risk with mitigating actions, transfer risk to third parties, or terminate risk by ceasing particular activities or operations. In particular, the company has a zero tolerance stance to fraud, bribery, corruption, and the facilitation of tax evasion. We also aim to manage health, safety, and environmental and security risks to a level as low as reasonably practicable.

Principal risks at half-year 2025 and key changes since the 2024 Annual Report

The directors have reviewed the principal risks facing the company and concluded for the remaining six months of the financial year there are no significant changes to the headline principal risks from those disclosed in the 2024 Annual Report and Accounts. In conducting their review, the directors noted an increase in global geopolitical uncertainty over the period and so have amended the fourth principal risk headline below to recognise political and fiscal risks whether they emanate from host countries or from others.

To reach this conclusion, the directors considered the changes in the external environment during the recent period that could threaten the company's business model, future performance, liquidity, and reputation. The directors also considered management's view of the current risks facing the company.

A full description of Harbour's principal risks can be found on pages 64 to 69 of the 2024 Annual Report and Accounts.

The principal risks are now summarised as:

- Execution of the strategy: failure to effectively implement the strategy
- Health, safety and environment: risk of a major health, safety, environmental or physical security incident
- Organisation and talent: failure to create and maintain a cohesive organisation with sufficient capability and capacity
- Political and fiscal risks: exposure to adverse or uncertain political, regulatory or fiscal developments
- Operational performance: failure to deliver expected operational performance
- Capital programme and delivery: failure to deliver the capital programme as planned
- Third party reliance: failure to adequately manage joint venture partners, third-party infrastructure owners, supply chain contractors and other partners
- Financial discipline: failure to work within our financial framework to implement the company's strategy
- Commodity prices: exposure to the impact of commodity price fluctuations on the business
- Cyber and information security: failure to maintain safe, secure and reliable information systems
- Legal and regulatory compliance: failure to maintain and demonstrate effective legal and regulatory compliance
- Climate Change and Energy transition: failure to adapt the strategy in the context of external expectations
- Integration of acquired businesses: failure to integrate acquired businesses as planned

Insurance

We have significant and appropriate insurance in place to minimise risk to our operational and investment programmes. This includes business interruption insurance.

Responsibility statement

The directors confirm that, to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting',
- the half-yearly results statement includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year), and
- the half-yearly results statement includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board,

Alexander Krane

Director

6 August 2025

Disclaimer

This statement 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 Harbour believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond Harbour's control or within Harbour's control where, for example, Harbour decides on a change of plan or strategy. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.

Financial Statements

Condensed consolidated income statement

For the six months ended 30 June 2025

	Note	2025 Unaudited \$ million	2024 Unaudited \$ million
Revenue	4	5,181	1,906
Other operating income	4	90	10
Revenue and other operating income		5,271	1,916
Cost of operations	5	(2,721)	(1,178)
Impairment of property, plant, and equipment	5	(186)	(33)
Impairment of right-of-use assets	5	–	(20)
Exploration and evaluation expenses and new ventures	5	(63)	(22)
Exploration costs written off	10	(34)	(17)
General and administrative costs	5	(246)	(104)
Operating profit		2,021	542
Finance income	6	432	15
Finance expenses	6	(818)	(165)
Profit before taxation		1,635	392
Income tax expense	7	(1,809)	(335)
(Loss)/profit for the period after taxation		(174)	57
(Loss)/profit for the period attributable to:			
Equity owners of the company		(207)	57
Subordinated notes investors		33	–
		(174)	57

(Loss)/earnings per share	Note	\$ cents	\$ cents
Basic			
Ordinary shares voting	8	(12)	7
Ordinary shares non-voting	8	(14)	–
Diluted			
Ordinary shares voting	8	(12)	7
Ordinary shares non-voting	8	(14)	–

Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2025

	2025 Unaudited \$ million	2024 Unaudited \$ million
(Loss)/profit for the period after taxation	(174)	57
Other comprehensive income/(loss)		
Items that will not be subsequently reclassified to income statement:		
Actuarial gains	6	–
Tax expense on actuarial gains	(3)	–
Net other comprehensive income that will not be subsequently reclassified to income statement	3	–
Items that may be subsequently reclassified to income statement:		
Fair value gains/(losses) on cash flow hedges	1,103	(85)
Tax (expense)/credit on cash flow hedges	(725)	64
Exchange differences on translation	(191)	(20)
Net other comprehensive income/(loss) that may be subsequently reclassified to income statement	187	(41)
Other comprehensive income/(loss) for the period, net of tax	190	(41)
Total comprehensive income for the period, net of tax	16	16
Total comprehensive (loss)/income attributable to:		
Equity owners of the company	(17)	16
Subordinated notes investors	33	–
Total comprehensive income for the period, net of tax	16	16

Condensed consolidated balance sheet

As at 30 June 2025	Note	30 June 2025 Unaudited \$ million	31 Dec 2024 Audited \$ million
Assets			
Non-current assets			
Goodwill	9	5,141	5,147
Other intangible assets	10	5,869	5,714
Property, plant and equipment	11	14,314	14,543
Right-of-use assets	12	550	656
Equity accounted investments		4	—
Deferred tax assets	7	147	130
Other receivables		201	176
Other financial assets	17	252	44
Total non-current assets		26,478	26,410
Current assets			
Inventories		388	368
Trade and other receivables		2,260	2,316
Other financial assets	17	530	145
Cash and cash equivalents		2,711	805
		5,889	3,634
Assets held for sale	14	224	277
Total current assets		6,113	3,911
Total assets		32,591	30,321
Equity and liabilities			
Equity			
Share capital		171	171
Merger reserve		3,728	3,728
Other reserves	18	169	(18)
Retained earnings		399	807
Equity attributable to equity holders of the company		4,467	4,688
Equity attributable to subordinated notes investors		1,970	1,563
Total equity		6,437	6,251
Non-current liabilities			
Borrowings	16	5,138	4,215
Provisions	15	7,338	7,024
Deferred tax	7	6,885	6,221
Trade and other payables		85	30
Lease creditor	12	494	551
Other financial liabilities	17	88	415
Total non-current liabilities		20,028	18,456
Current liabilities			
Trade and other payables		1,865	1,755
Borrowings	16	1,171	1,014
Lease creditor	12	207	241
Provisions	15	522	497
Current tax liabilities		2,134	1,412
Other financial liabilities	17	28	462
		5,927	5,381
Liabilities directly associated with the assets held for sale	14	199	233
Total current liabilities		6,126	5,614
Total liabilities		26,154	24,070
Total equity and liabilities		32,591	30,321

The notes 1 to 22 form an integral part of these condensed consolidated half-year financial statements

Consolidated statement of changes in equity

For the six months ended 30 June 2025

	Share capital \$ million	Merger reserve \$ million	Other reserves (note 18) \$ million	Retained earnings \$ million	Equity attributable to owners of the company \$ million	Equity attributable to subordinated notes investors \$ million	Total equity \$ million
At 1 January 2024 (Audited)	171	271	18	1,093	1,553	–	1,553
Profit for the period	–	–	–	57	57	–	57
Other comprehensive loss	–	–	(41)	–	(41)	–	(41)
Total comprehensive income	–	–	(41)	57	16	–	16
Share-based payments	–	–	–	25	25	–	25
Purchase of ESOP Trust Shares	–	–	–	(20)	(20)	–	(20)
Dividend paid	–	–	–	(100)	(100)	–	(100)
At 30 June 2024 (Unaudited)	171	271	(23)	1,055	1,474	–	1,474
At 1 January 2025 (Audited)	171	3,728	(18)	807	4,688	1,563	6,251
(Loss)/profit for the period	–	–	–	(207)	(207)	33	(174)
Other comprehensive income	–	–	187	3	190	–	190
Total comprehensive income	–	–	187	(204)	(17)	33	16
Share-based payments	–	–	–	24	24	–	24
Dividend paid	–	–	–	(228)	(228)	–	(228)
Distributions to subordinated notes investors	–	–	–	–	–	(38)	(38)
Issuance of subordinated notes	–	–	–	–	–	970	970
Repayment of subordinated notes	–	–	–	–	–	(558)	(558)
At 30 June 2025 (Unaudited)	171	3,728	169	399	4,467	1,970	6,437

Condensed consolidated statement of cash flows

For the six months ended 30 June 2025

	Note	2025 Unaudited \$ million	2024 Unaudited \$ million
Net cash flows from operating activities	19	2,446	953
Investing activities			
Expenditure on exploration and evaluation assets		(185)	(113)
Expenditure on property, plant and equipment		(724)	(199)
Expenditure on other intangible assets		(23)	(24)
Expenditure of non-oil and gas intangible assets		(28)	(13)
Finance income received		71	15
Acquisition of subsidiaries, net receipt		16	–
Other receipts		5	5
Net cash flows used in investing activities		(868)	(329)
Financing activities			
Proceeds from bond issuance net of transaction costs		894	–
Proceeds from subordinated notes net of transaction costs		970	–
Proceeds from new borrowings – reserve based lending facility		–	178
Proceeds from new borrowings – revolving credit facility		220	–
Payments towards principal portion of lease liabilities		(133)	(128)
Interest paid on lease liabilities		(22)	(26)
Repayment of bonds		(262)	–
Repayment of subordinated notes		(558)	–
Repayment of reserve based lending facility		–	(178)
Repayment of revolving credit facility		(470)	–
Repayment of financing arrangement		–	(10)
Purchase of ESOP Trust shares		–	(20)
Interest paid and bank charges		(47)	(87)
Dividends paid		(228)	(100)
Distributions paid to subordinated notes investors		(38)	–
Net cash flows from financing activities		326	(371)
Net increase in cash and cash equivalents		1,904	253
Net foreign exchange difference		(2)	–
Reclassification of change in Vietnam cash as asset held for sale		4	–
Cash and cash equivalents at 1 January		805	286
Cash and cash equivalents at 30 June		2,711	539

Notes to the half-year condensed consolidated financial statements

1. General information

Harbour Energy plc is a limited liability company incorporated in Scotland and listed on the London Stock Exchange. The address of the registered office is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN, United Kingdom.

The condensed consolidated financial statements of Harbour Energy plc (Harbour) for the six months ended 30 June 2025 comprise the parent company, Harbour Energy plc (the company), and all its subsidiaries (the Group), and were approved and authorised for issuance by the board of directors on 6 August 2025.

The Group's principal activities are the acquisition, exploration, development and production of oil and gas reserves in Norway, the UK, Germany, Mexico, Argentina, North Africa and Southeast Asia.

The condensed and consolidated financial information contained in this report is unaudited. The income statement, statement of comprehensive income, statement of changes in equity and the cash flow statement for the six months to 30 June 2025, and the balance sheet as at 30 June 2025 and related notes, have been reviewed by the auditors.

2. Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

The half-year condensed consolidated financial statements (the Financial Statements) for the six months ended 30 June 2025 have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. These half-year condensed financial statements are to be read in conjunction with Harbour's Annual Report and Accounts for the year ended 31 December 2024, which contains additional accounting policy disclosures and information as required in a set of annual financial statements.

The financial statements do not include all the information required for a full annual report and do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2024 has been extracted from the consolidated financial statements of Harbour Energy plc for the year ended 31 December 2024 which were approved by the directors on 5 March 2025 and were delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

The financial statements have been prepared on the historical-cost basis, except for certain financial assets and liabilities, including derivative financial instruments, which have been measured at fair value.

The presentation currency of the Group financial information is US dollars and all values in the Group financial information are presented in millions (\$ million) and all values are to the nearest \$1 million, except where otherwise stated.

2.2 Going concern

The Directors considered the going concern assessment period to be up to 31 December 2026. The Group monitors and manages its capital position and its liquidity risk regularly to ensure that it has access to sufficient funds to meet forecast cash requirements. Cash forecasts for management are regularly produced and sensitivities considered based on, but not limited to, the Group's latest board approved life of field production and expenditure forecasts, management's best estimate of future commodity prices based on recent forward curves, adjusted for the Group's borrowing facilities.

The Group's ongoing capital requirements are financed by its \$3.0 billion RCF, bonds of \$6.3 billion, subordinated notes of \$2.0 billion and surety bonds of \$0.7 billion which provide cover for decommissioning securities. The RCF is subject to financial covenants that require the ratio of consolidated total net debt, including Letters of Credit, to last twelve months (LTM) EBITDAX to be less than 3.5x and LTM EBITDA divided by interest expense to exceed 3.5x. Under the Group's base case, the RCF is forecast to have an undrawn balance of \$2.2 billion at the end of 2026 which provides a robust liquidity position.

The base case indicates that the Group is able to operate as a going concern with sufficient headroom and remain in compliance with its loan covenants throughout the assessment period.

The Group's going concern assessment is based on management's best estimate of forward commodity price curves and other economic assumptions, production and expenditure in line with approved asset base case, plus the ongoing capital requirements of the Group that will be financed by free cash flow, the existing RCF and bond financing arrangements.

In line with the principal risks that have been identified which have the greatest impact on the financial capability of the Group to operate as going concern, a single downside sensitivity scenario has been prepared reflecting a reduction in:

- oil and gas prices of 20 per cent, and
- the Group's unhedged production of 10 per cent throughout the entire assessment period.

Management considers this represents a severe but plausible downside scenario appropriate for assessing going concern.

In this downside scenario when applied to the base case forecast, the Group is forecast to have sufficient liquidity headroom throughout the assessment period and to remain in compliance with its financial covenants.

Reverse stress tests have been prepared reflecting reductions in each of commodity price and production parameters, prior to any mitigation strategies, to determine at what levels each would need to reach such that either the lending covenants are breached or liquidity headroom runs out. The results of these reverse stress tests demonstrated the likelihood that a sustained significant fall in commodity prices or a significant fall in production over the assessment period that would be required to cause a risk of funds shortfall or a covenant breach is remote.

Taking the above analysis into account, the Board was satisfied that, for the assessment period, the Group can maintain adequate liquidity and comply with its lending covenants up to 31 December 2026 and therefore has adopted the going concern basis for preparing the half-year condensed consolidated financial statements.

2.3 Accounting policies, new standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those adopted and disclosed in Harbour's 2024 Annual Report and Accounts, except for the adoption of new standards effective as of 1 January 2025 in the UK. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 and is effective for the period beginning 1 January 2025 but does not have material impact on the interim condensed consolidated financial statements of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' specify how companies should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

2.4 Use of judgements and estimates

In preparing these Financial Statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies, and the key sources of estimation uncertainty, were the same as those described on pages 136-137 of Harbour's 2024 Annual Report and Accounts.

3. Segment information

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the Group's business segments, has been identified as the Chief Executive Officer.

The Group's activities consisted of one class of business being the acquisition, exploration, development and production of oil and gas reserves and related activities, are split geographically and managed in nine business units: namely Norway, UK, Germany, Mexico, Argentina, North Africa, Southeast Asia, CCS and Corporate. The CCS segment includes Denmark.

						North	Southeast			Total	Adjustments	
	Norway	UK	Germany	Mexico	Argentina	Africa	Asia	CCS	Corporate	segments	and	Consolidated
Six months ended	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	eliminations	\$ million
30 June 2025 (Unaudited)												
Revenue and other operating income												
External customers												
– Crude oil sales	442	58	221	75	30	23	46	–	901	1,796	–	1,796
– Gas sales	103	–	7	5	215	79	48	–	2,627	3,084	–	3,084
– Condensate sales	148	38	1	–	10	24	–	–	46	267	–	267
– Other revenue	10	23	1	–	–	–	–	–	–	34	–	34
Other operating income	–	17	1	2	26	43	–	–	1	90	–	90
Inter-segment	1,496	1,893	136	–	–	–	–	–	199	3,724	(3,724)	–
Total revenue and other operating income	2,199	2,029	367	82	281	169	94	–	3,774	8,995	(3,724)	5,271
Cost of operations	(761)	(1,227)	(286)	(54)	(198)	(97)	(48)	(9)	(3,765)	(6,445)	3,724	(2,721)
impairment of property, plant and equipment	–	(140)	(5)	–	–	–	(35)	(6)	–	(186)	–	(186)
Impairment of right-of-use asset	–	–	–	–	–	–	–	–	–	–	–	–
Exploration and evaluation expenses and new ventures	(4)	(5)	–	(1)	–	–	–	(53)	–	(63)	–	(63)
Exploration costs written-off	(34)	–	–	–	–	–	–	–	–	(34)	–	(34)
General and administrative expenses	(22)	(2)	(37)	(13)	(13)	(12)	(2)	–	(145)	(246)	–	(246)
Segment operating profit/(loss)	1,378	655	39	14	70	60	9	(68)	(136)	2,021	–	2,021
Finance income												432
Finance expenses												(818)
Income tax expense												(1,809)
Loss for the year												(174)
Total capital additions	409	243	48	43	82	46	24	8	40	943	–	943
Total depreciation, depletion and amortisation	475	729	128	18	101	62	13	–	18	1,544	–	1,544
As at 30 June 2025 (Unaudited)												
Total assets	9,541	6,845	3,295	2,457	4,510	921	870	16	4,136	32,591	–	32,591
Total liabilities	(6,774)	(7,668)	(2,151)	(468)	(1,239)	(155)	(405)	(122)	(7,172)	(26,154)	–	(26,154)

Harbour Energy plc

Half-year results for the six months to 30 June 2025

											Adjustments and Total segments eliminations	Consolidated
Six months ended	Norway	UK	Germany	Mexico	Argentina	North Africa	Southeast Asia	CCS	Corporate			
30 June 2024 (Unaudited)	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue and other operating income												
External customers												
– Crude oil sales	–	1,043	–	–	–	–	71	–	–	1,114	–	1,114
– Gas sales	–	635	–	–	–	–	54	–	3	692	–	692
– Condensate sales	–	81	–	–	–	–	–	–	–	81	–	81
– Other revenue	–	19	–	–	–	–	–	–	–	19	–	19
Other operating income	–	10	–	–	–	–	–	–	–	10	–	10
Inter-segment	–	–	–	–	–	–	–	–	48	48	(48)	–
Total revenue and other operating income	–	1,788	–	–	–	–	125	–	51	1,964	(48)	1,916
Cost of operations	1	(1,101)	–	–	–	–	(84)	–	(42)	(1,226)	48	(1,178)
Impairment of property, plant and equipment	–	(33)	–	–	–	–	–	–	–	(33)	–	(33)
Impairment of right-of-use asset	–	(20)	–	–	–	–	–	–	–	(20)	–	(20)
Exploration and evaluation expenses and new ventures	(3)	(6)	–	–	–	–	–	(13)	–	(22)	–	(22)
Exploration costs written-off	(3)	–	–	(1)	–	–	(13)	–	–	(17)	–	(17)
General and administrative expenses	–	(3)	–	–	–	–	(1)	–	(100)	(104)	–	(104)
Segment operating (loss)/ profit	(5)	625	–	(1)	–	–	27	(13)	(91)	542	–	542
Finance income												15
Finance expenses												(165)
Income tax expense												(335)
Profit for the year												57
Total capital additions	36	334	–	8	–	–	57	–	27	462	–	462
Total depreciation, depletion and amortisation	–	530	–	–	–	–	39	–	13	582	–	582
As at 31 December 2024 (Audited)												
Total assets	9,434	7,306	3,042	2,420	4,488	917	919	18	1,777	30,321	–	30,321
Total liabilities	(6,622)	(6,936)	(1,965)	(482)	(1,292)	(165)	(454)	(108)	(6,046)	(24,070)	–	(24,070)

4. Revenue from contracts with customers and other operating income

	2025 Unaudited \$ million	2024 Unaudited \$ million
Six months ended 30 June		
Type of goods		
Crude oil sales	1,796	1,114
Gas sales	3,084	692
Condensate sales	267	81
Total revenue from contracts with customers¹	5,147	1,887
Tariff income	25	16
Other revenue	9	3
Revenue from production activities	5,181	1,906
Other operating income	90	10
Total revenue and other operating income	5,271	1,916

¹ Revenues from contracts with customers of \$5,175 million (H1 2024: \$1,942 million) include crude oil sales of \$1,761 million (H1 2024: \$1,113 million) and gas sales of \$3,147 million (H1 2024: \$748 million). This was prior to realised hedging gains in the period of \$35 million (H1 2024: \$1 million) on crude oil and realised hedging losses of \$63 million (H1 2024: \$56 million) on gas sales.

5. Operating profit

Six months ended 30 June	Note	2025 Unaudited \$ million	2024 Unaudited \$ million
Cost of operations			
Production, insurance and transportation costs		1,142	561
Commodity purchases		49	5
Royalties		74	3
Impairment of receivables		28	–
Depreciation of oil and gas assets	11	1,438	466
Depreciation of right-of-use oil and gas assets	12	120	137
Capitalisation of IFRS 16 lease depreciation on oil and gas assets	12	(39)	(38)
Movement in over/underlift balances and hydrocarbon inventories		(91)	44
Total cost of operations		2,721	1,178
Impairment expense of property, plant and equipment ²	11,14	155	49
Net impairment loss/(gain) due to decrease in decommissioning provisions on oil and gas tangible assets	11,15	31	(16)
Impairment expense of right-of-use assets	12	–	20
Exploration costs written-off ¹	10	34	17
Exploration and evaluation expenditure and new ventures ¹		63	22
General and administrative expenses			
Depreciation of right-of-use non-oil and gas assets	12	8	6
Depreciation of non-oil and gas assets	11	7	2
Amortisation of non-oil and gas intangible assets	10	10	9
Acquisition-related transaction costs		3	–
Other administrative costs		218	87
Total general and administrative expenses		246	104

¹ During the period, the Group expensed \$97 million (H1 2024: \$39 million) of exploration and appraisal activities. This covers exploration write-off expenses of \$34 million including \$22 million related to the Skarv CO₂ Emission Reduction Project (note 10), \$7m related to the Njargasas well and also includes costs associated with licence relinquishments in Norway (note 10) (H1 2024: \$17 million). Exploration and evaluation expenditure includes \$43 million related to the CCS Havstjerne well.

² Impairment consists of a pre-tax impairment charge of tangible oil and gas assets (note 11) of \$121 million across four CGUs in the UK driven primarily by a reduction in the short-term commodity price outlook compared to the 2024 year-end view, and a pre-tax impairment of \$34 million (\$24 million post-tax) relating to the Vietnam sale (note 14).

6. Finance income and finance expenses

Six months ended 30 June	Note	2025 Unaudited \$ million	2024 Unaudited \$ million
Finance income			
Bank interest		49	8
Other interest and finance gains		22	5
Lease finance income		1	1
Realised gains on foreign exchange forward contracts		213	1
Unrealised gains on derivatives ¹		83	–
Gain on financial instruments for contingent consideration		12	–
Derivative ineffectiveness		40	–
Dividend income from investments		12	–
Total finance income		432	15
Finance expenses			
Interest payable on reserves-based lending		–	1
Interest payable on revolving credit facility		3	–
Interest payable on bonds		82	14
Other interest and finance expenses		9	2
Lease interest	12	22	26
Losses on derivatives ¹		–	6
Foreign exchange losses ²		504	5
Bank and financing fees ³		71	23
Unwinding of discount on decommissioning and other provisions	15	145	92
		836	169
Finance costs capitalised during the period ⁴		(18)	(4)
Total finance expense		818	165

¹ Gains on derivatives in H1 2025 relate to changes in the fair value of an embedded derivative within one of the Group's gas contracts of \$18 million (H1 2024: \$2 million loss), and mark to market gains on unrealised foreign exchange derivatives of \$65 million (H1 2024: \$4 million loss).

² Foreign exchange losses arise mainly due to revaluation of UK and Norwegian current tax liabilities (\$230 million, H1 2024: \$2 million gain) and intercompany balances in non-US dollar functional currency subsidiaries (\$193 million, H1 2024: \$13 million gain).

³ Bank and financing fees include an amount of \$42 million (H1 2024: \$10 million) relating to the amortisation of arrangement fees and related costs capitalised against the Group's long-term borrowings (note 16).

⁴ The amount of finance costs capitalised was determined by applying the weighted average rate of finance costs applicable to the borrowings of the Group of 4.3 per cent to the expenditures on the qualifying assets (H1 2024: 5.7 per cent). Capitalised finance costs are included within property, plant and equipment additions (note 11).

7. Income tax

The major components of income tax expense for the six months ended 30 June 2025 and 2024 are:

Six months ended 30 June	2025 Unaudited \$ million	2024 Unaudited \$ million
Current income tax expense:		
Charge for the period ¹	1,996	228
Adjustment in respect of prior years	7	(2)
Total current income tax expense	2,003	226
Deferred tax expense:		
Origination and reversal of temporary differences ²	(204)	112
Adjustment in respect of prior years	10	(3)
Total deferred tax (credit)/expense	(194)	109
Total tax expense reported in the income statement	1,809	335
The tax (expense)/credit in the statement of comprehensive income is as follows:		
Tax (expense)/credit on cash flow hedges	(725)	64
Tax expense on cash actuarial gains	(3)	–
Total tax (expense)/credit reported in the statement of comprehensive income	(728)	64

¹ The amount disclosed in 2024 now includes overseas current tax of \$1 million previously separately disclosed

² The amount disclosed in 2024 now includes overseas deferred tax of \$4 million previously separately disclosed

The effective tax rate for the six months ended 30 June 2025 was 111 per cent, compared to 85 per cent for the same period in 2024. The increase is primarily due to a \$311 million deferred tax charge arising from the extension of the Energy Profits Levy (EPL) in the UK by two years, from 31 March 2028 to 31 March 2030, as well as non-deductible foreign exchange losses.

The tax expense has been computed by considering the estimated annual average expected tax rate for the year, for each jurisdiction based on enacted or substantively enacted rates at the end of the half-year period.

Change in tax rates

The future effective tax rate is influenced by the profit mix across the jurisdictions in which the Group operates. The UK and Norway are expected to remain the principal sources of profit, and as such, their statutory tax rates for oil and gas production of 78 per cent are anticipated to continue to be the primary drivers of the Group's future tax expense.

The extension of the EPL by the UK government from 31 March 2028 to 31 March 2030 was substantively enacted on 3 March 2025 and the associated \$311 million increase in deferred tax liabilities has been recognised in this period's financial statements.

On 11 July 2025, the German Federal Council passed legislation mandating annual 1 per cent reductions in the Federal Corporate Income Tax rate starting from 2028 through to 2032. Including Trade Tax, Germany's headline tax rate is expected to reduce from approximately 32 per cent to an estimated 27 per cent. As the legislation was not substantively enacted at the balance sheet date, its effects have not been reflected in the results for the period. If enacted, it would have reduced the Group's deferred tax liability by an estimated \$66 million.

Deferred tax

The principal components of deferred tax are set out in the following tables:

	30 June 2025 Unaudited \$ million	31 Dec 2024 Audited \$ million
Deferred tax assets	147	130
Deferred tax liabilities	(6,893)	(6,240)
	(6,746)	(6,110)
Reclassification of deferred tax liabilities directly associated with assets held for sale	8	19
Total deferred tax	(6,738)	(6,091)

The presentation above reflects the offsetting of deferred tax assets and deferred tax liabilities within the same tax jurisdiction (where this is permitted). The overall deferred tax balance in a jurisdiction determines if the deferred tax related to that jurisdiction is disclosed within deferred tax assets or deferred tax liabilities.

The origination of and reversal of temporary differences are, as shown in the next table, primarily related to movements in the carrying amounts and tax base values of expenditure, and the timing of when these items are charged or credited against accounting and taxable profit.

	Accelerated capital allowances \$ million	Decom- missioning \$ million	Losses \$ million	Fair value of derivatives \$ million	Other \$ million	Overseas \$ million	Total \$ million
As at 1 January 2024 (Audited)	(2,901)	1,574	181	6	21	(171)	(1,290)
Deferred tax (expense)/credit	(44)	257	(114)	(38)	42	–	103
Comprehensive expense	–	–	–	380	4	–	384
Other reserves ¹	–	–	–	–	(1)	–	(1)
Additions from business combinations	(6,509)	971	201	(14)	(2)	–	(5,353)
Reclassifications ²	(221)	7	28	–	15	171	–
Foreign exchange	75	(18)	(8)	2	(4)	–	47
As at 31 December 2024 (Audited)	(9,600)	2,791	288	336	75	–	(6,110)
Deferred tax credit/(expense)	172	15	(46)	29	24	–	194
Comprehensive expense	–	–	–	(725)	(3)	–	(728)
Income statement reserves	–	–	–	–	–	–	–
Foreign exchange	(192)	83	7	(5)	5	–	(102)
As at 30 June 2025 (Unaudited)	(9,620)	2,889	249	(365)	101	–	(6,746)

¹ Movement in other reserves relates to the element of deferred tax on UK share-based payments taken to profit and loss reserves.

² In 2024, items previously classified as overseas balances in 2023 were reclassified into specific deferred tax categories.

The Group's deferred tax assets are recognised to the extent that taxable profits are expected to arise against which the tax assets can be utilised. The Group assessed the recoverability of tax losses and allowances using corporate assumptions which are consistent with the Group's impairment assessment. Based on those assumptions, the Group expects to fully utilise its recognised tax losses and allowances. The recovery of the Group's UK decommissioning deferred tax asset is additionally supported by the ability to carry back decommissioning tax losses and set these against ring fence taxable profits of prior periods.

In the UK, ring fence tax losses cannot be offset against profits subject to EPL nor are deductions allowed for decommissioning related expenditure. Consequently, any deferred tax assets representing future decommissioning deductions or ring fence tax losses are unaffected by the EPL. The primary impact of the EPL is on the deferred tax liability associated with accelerated capital allowances. The closing deferred tax liability for the period is \$6,746 million (Dec 2024: \$6,110 million), of which \$1,216 million (Dec 2024: \$877 million) relates to deferred tax liabilities arising from the impact of the EPL.

Unrecognised tax losses and allowances

Deferred tax assets are recognised for tax loss carry forwards, tax allowances and other deductible temporary differences to the extent that it is probable the associated tax benefits will be realised through offsetting future taxable profits or by carrying losses back to prior periods' profits. At the end of the accounting period, the Group had not recognised deferred tax assets for tax losses, allowances and other deductible temporary differences amounting to approximately \$3,246 million (Dec 2024: \$2,743 million). These other deductible temporary differences include unclaimed tax depreciation and allowances \$321 million (Dec 2024: \$223 million), unrealised losses on non-commodity derivatives \$nil million (Dec 2024: \$109 million), and decommissioning related provisions \$246 million (Dec 2024: \$73 million).

	30 June 2025 Unaudited \$ million	31 December 2024 Audited \$ million
Tax losses by expiry date		
Expiring within 5 years	480	477
Expiring within 6-10 years	400	240
No expiration	1,799	1,621
	2,679	2,338
Other deductible temporary differences and allowances	567	405
Total unrecognised tax losses and allowances	3,246	2,743

As at 30 June 2025, no deferred tax liabilities were recognised for temporary differences associated with investments in subsidiaries, branches and associates of approximately \$343 million (Dec 2024: \$293 million) because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Global minimum corporation tax rate – Pillar Two requirements

The legislation implementing the Organisation for Economic Co-operation and Development's ('OECD') proposals for a global minimum corporation tax rate ('Pillar 2') was substantively enacted into UK law on 20 June 2023. The rules have effect from 1 January 2024.

The Group has applied the mandatory exception in IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes for periods from 1 January 2024 using the most recent tax filings, country-by-country reports and financial statements of Group entities. The assessment indicates that effective tax rates in most jurisdictions where the Group operates exceed the 15 per cent threshold, and transitional safe harbour relief is expected to apply. Accordingly, the Group does not expect a material exposure to Pillar Two income taxes in any jurisdictions, though this position remains under ongoing review.

Uncertain tax positions

The Group considers an uncertain tax position to exist when it believes that the amount of profit subject to tax in the future may exceed the amount initially reflected in the Group's tax returns. The Group applies IFRIC 23 Uncertainty over Income Tax Treatments in relation to uncertain tax positions. When management judges that an outflow of funds is probable and a reliable estimate of the dispute can be made, a provision is recognised for the best estimate of the most likely liability.

In estimating any such liability, the Group adopts a risk-based approach, considering the specific circumstances of each dispute. This is based on management's interpretation of tax law and, where appropriate, is supported by independent specialist advice. These estimates are inherently judgemental and can change significantly over time as disputes progress and new facts emerge.

Provisions are reviewed continuously. However, the resolution of tax issues may take a long time to conclude, and there is a possibility that the amounts ultimately paid could differ from the amounts initially provided.

In prior periods, the Group disclosed a contingent liability in respect of an uncertain tax position arising within certain UK subsidiaries. The matter related to the timing of taxation of fair value movements and realised gains and losses on derivative instruments entered into to hedge commodity price risk. Based on independent external tax advice, management concluded that an outflow of economic benefits was not probable. Accordingly, no liability was recognised in the Group's consolidated financial statements in previous reporting periods.

The contingent liability, estimated at up to \$137 million as at 30 June 2025, was previously disclosed due to the possibility that HM Revenue & Customs (HMRC) might apply a different tax treatment to these hedging transactions. The potential exposure arose primarily from differences in applicable tax rates over the relevant periods.

In the first half of 2025, HMRC completed a thorough review of this matter and, subsequent to 30 June, confirmed that the Group's filed tax position requires no adjustments. Consequently, the uncertainty has been resolved and no financial impact results from this resolution, as no liability was recognised in prior periods.

8. (Loss)/earnings per share

Basic EPS is calculated by dividing the (loss)/profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated by dividing the (loss)/profit after tax attributable to ordinary shareholders by the weighted average number of ordinary share in issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

Six months ended 30 June	2025 Unaudited	2024 Unaudited
(Loss)/earnings for the period (\$ millions)		
(Loss)/earnings for the purpose of basic earnings per share	(207)	57
Effect of dilutive potential ordinary shares	–	–
(Loss)/earnings for the purpose of diluted earnings per share	(207)	57
Number of shares (millions)		
Weighted average number of ordinary shares (voting) for the purposes of basic earnings per share	1,440	770
Weighted average number of ordinary shares (non-voting) for the purposes of basic earnings per share	284	–
Weighted average number of ordinary shares (voting) for the purposes of diluted earnings per share	1,440	4
Weighted average number of ordinary shares (non-voting) for the purposes of diluted earnings per share	284	–
(Loss)/earnings per share (\$ cents)		
Basic:		
Ordinary shares voting	(12)	7
Ordinary shares non-voting ¹	(14)	–
Diluted:		
Ordinary shares voting	(12)	7
Ordinary shares non-voting ¹	(14)	–

¹ Earnings per share for non-voting shares reflects the 13 per cent incremental premium on this class of shares

9. Goodwill

Goodwill represents the difference between the aggregate of the fair value of purchase consideration transferred at the acquisition date and the fair value of the identifiable assets.

	30 June 2025 Unaudited \$ million	31 Dec 2024 Audited \$ million
At 1 January	5,147	1,302
(Reductions)/additions from business combinations	(6)	3,845
	5,141	5,147

As discussed in note 13 on business combinations, following an adjustment to cash consideration, the goodwill arising from the Wintershall Dea acquisition has reduced by \$6 million.

In accordance with IAS 36 Impairment of Assets, goodwill is reviewed for impairment at the year-end, or more frequently, if there are indications that goodwill might be impaired. The goodwill recognised in business combinations is allocated to operating segments for the purpose of impairment testing. The carrying value of goodwill is tested at the operating segment level against the aggregated headroom arising from the impairment testing of corresponding segment assets. The carrying value of the assets is the sum of tangible assets, intangible assets and goodwill as of the assessment date. In the asset impairment test performed, and where applicable, the carrying value is adjusted by deferred tax. When the deferred tax liabilities from the acquisitions naturally unwind and decrease, as a result of depreciation through production, more goodwill is exposed to impairment. This may lead to future impairment charges even though other assumptions remain stable.

For the purpose of its goodwill impairment assessments, the Group uses the fair value less costs of disposal method (FVLCD) to calculate the recoverable amount of the operating segments consistent with a level 3 fair value measurement (see note 17). In determining the recoverable value, appropriate discounted-cash-flow valuation models are used, incorporating market-based assumptions. Management's commodity assumptions are discussed in note 11.

At 30 June 2025, due to the change in short-term commodity prices since year end and the ongoing challenging fiscal and regulatory climate in the UK, the Group tested the UK business unit goodwill for impairment in accordance with the Group's accounting policy however no impairment was recognised (H1 2024: nil).

10. Intangible assets

	Oil and gas assets \$ million	Non-oil and gas assets ² \$ million	Carbon allowances \$ million	Total \$ million
Cost				
At 1 January 2025 (Audited)	5,545	181	65	5,791
Additions during the period	120	20	23	163
Utilised during the period	–	–	(34)	(34)
Transfer to property, plant and equipment	(9)	–	–	(9)
Exploration written-off ¹	(34)	–	–	(34)
Currency translation adjustment	62	19	7	88
At 30 June 2025 (Unaudited)	5,684	220	61	5,965
Amortisation				
At 1 January 2025 (Audited)	–	77	–	77
Charge for the period	–	10	–	10
Currency translation adjustment	–	9	–	9
At 30 June 2025 (Unaudited)	–	96	–	96
Net book value				
At 31 December 2024 (Audited)	5,545	104	65	5,714
At 30 June 2025 (Unaudited)	5,684	124	61	5,869

¹ The exploration write-off of \$34 million includes \$22 million related to the cancellation of the Skarv CO₂ Emission Reduction Project, \$7m related to the Njargasas well and also includes costs associated with licence relinquishments in Norway.

² Non-oil and gas assets relate to Group IT software and carbon capture and storage activities, mainly related to the Viking CCS project in the UK.

11. Property, plant and equipment

	Oil and gas assets \$ million	Fixtures and fittings & office equipment \$ million	Land and buildings \$ million	Total \$ million
Cost				
At 1 January 2025 (Audited)	23,385	57	38	23,480
Additions	774	6	–	780
Increase in decommissioning asset ¹	67	–	–	67
Transfer from intangible assets	9	–	–	9
Disposals	(3)	(1)	–	(4)
Currency translation adjustment	792	6	5	803
At 30 June 2025 (Unaudited)	25,024	68	43	25,135
Depreciation				
At 1 January 2025 (Audited)	8,927	9	1	8,937
Charge for the period	1,438	5	2	1,445
Net impairment charge ²	152	–	–	152
Disposals	(3)	–	–	(3)
Currency translation adjustment	289	1	–	290
At 30 June 2025 (Unaudited)	10,803	15	3	10,821
Net book value				
At 31 December 2024 as restated (Audited)	14,458	48	37	14,543
At 30 June 2025 (Unaudited)	14,221	53	40	14,314

¹ An increase to decommissioning assets of \$67 million (H1 2024: \$49 million) was made during the period as a result of both new obligations and an update to the decommissioning estimates (note 15).

² The current period net impairment charge of \$152 million includes a pre-tax impairment charge of \$121 million across four CGUs in the UK driven primarily by a reduction in the commodity price outlook compared to the 2024 year-end view, and \$31 million was also recorded in respect of revised decommissioning cost profiles for a number of the Group's non-producing assets with no remaining net book value.

Impairment assessments

Assumptions involved in impairment measurement include estimates of commercial reserves and production volumes, future oil and gas prices, discount rates and the level and timing of expenditures, all of which are inherently uncertain.

For the purpose of its impairment assessments, the Group uses the fair value less costs of disposal method (FVLCD) to calculate the recoverable amount of the cash-generating units (CGU) consistent with a level 3 fair value measurement (see note 17). In determining the recoverable value, appropriate discounted-cash-flow valuation models are used, incorporating market-based assumptions.

Management's commodity price curve assumptions used for the purposes of management's impairment assessments are benchmarked against a range of external forward price data on a regular basis. Individual field price differentials are then applied. The first two and a half years are guided by the market forward price curves, transitioning to a long-term price from 2028, thereafter inflated at 2.5 per cent per annum. The long-term commodity prices used were \$75 per barrel for crude, \$11/mscf for UK NBP gas and the European gas price at 2 per cent higher than UK NBP.

12. Leases

Balance sheet

	Land and buildings \$ million	Drilling rigs \$ million	FPSO \$ million	Offshore facilities \$ million	Equipment \$ million	Total \$ million
Right-of-use assets						
Cost						
At 1 January 2025 (Audited)	194	411	557	360	59	1,581
Additions	3	–	–	–	–	3
Cost revisions/remeasurements	1	(2)	–	–	–	(1)
Disposals	(1)	(127)	–	–	–	(128)
Currency translation adjustment	14	35	–	–	4	53
At 30 June 2025 (Unaudited)	211	317	557	360	63	1,508
Accumulated depreciation						
At 1 January 2025 (Audited)	62	255	352	226	30	925
Charge for the period	8	46	34	27	13	128
Disposals	(1)	(127)	–	–	–	(128)
Currency translation adjustment	8	23	2	–	–	33
At 30 June 2025 (Unaudited)	77	197	388	253	43	958
Net book value						
At 31 December 2024 (Audited)	132	156	205	134	29	656
At 30 June 2025 (Unaudited)	134	120	169	107	20	550

The significant portion of the Group's lease liabilities represent lease arrangements for FPSO vessels and offshore facilities in the UK business unit.

The lease liabilities and associated right-of-use-assets have been calculated by reference to in-substance fixed lease payments in the underlying agreements incurred throughout the non-cancellable period of the lease along with periods covered by options to extend the lease where the Group is reasonably certain that such options will be exercised. When assessing whether extension options were likely to be exercised, assumptions are consistent with those applied when testing for impairment.

	Note	30 June 2025 Unaudited \$ million	31 Dec 2024 Audited \$ million
Lease liabilities			
At 1 January (Audited)		792	768
Additions		3	193
Additions from business combinations and joint arrangements		–	118
Remeasurement		(1)	67
Finance costs charged to income statement	6	22	53
Finance costs charged to decommissioning provision		1	1
Reclassification of liabilities as held for sale		9	(78)
Lease payments		(155)	(319)
Currency translation adjustment		30	(11)
		701	792
Classified as:			
Current		207	241
Non-current		494	551
Total lease liabilities		701	792

Income statement

		2025 Unaudited \$ million	2024 Unaudited \$ million
Six months ended 30 June	Note		
Depreciation charge of right-of-use assets			
Land and buildings – non-oil and gas assets		8	6
Drilling rigs		46	46
FPSO		34	46
Offshore facilities		27	42
Equipment		13	3
Depreciation charge	5	128	143
Capitalisation of IFRS 16 lease depreciation¹			
Drilling rigs		(33)	(37)
Equipment		(6)	(1)
Total depreciation charge		89	105
Lease interest	6	22	26

¹ Of the \$39 million (H1 2024: \$38 million) capitalised IFRS 16 lease depreciation, \$29 million (H1 2024: \$28 million) has been capitalised within property, plant and equipment and \$10 million (H1 2024: \$10 million) within provisions (note 15).

The total cash outflow for leases in the first six-months of 2025 was \$155 million (H1 2024: \$154 million).

13. Business combinations

No business combinations occurred during the six months ended 30 June 2025.

Business combinations during the year ended 31 December 2024

On 3 September 2024, the Group closed the transaction to acquire substantially all of Wintershall Dea's upstream assets from BASF and LetterOne, including those in Norway, Germany, Denmark, Argentina, Mexico, Egypt, Libya and Algeria as well as Wintershall Dea's CCS licences in Europe. The Group acquired the portfolio as it significantly increased production capacity and provided geographic diversification, adding high quality assets with material positions in Norway, Germany, Argentina, North Africa and Mexico. It also strengthened the Group's financial position, delivering investment grade credit ratings post-transaction. The Group acquired control through the payment of cash and issuance of shares to BASF and LetterOne.

The provisional fair value of identifiable net assets acquired was \$2,994 million, and the fair value of the subordinated notes accounted for within equity was \$1,548 million. With the fair value of consideration of \$5,291 million, this resulted in recognition of goodwill of \$3,845 million. During the current period, \$16 million of cash consideration was repaid to the Group following post-closing adjustments under the terms of the Business Combination Agreement and is reflected in the condensed consolidated statement of cash flows. Of this, \$10 million had previously been notified and was reflected in the goodwill recognised as at 31 December 2024. During the period, a further \$6 million was notified and repaid, resulting in a corresponding reduction in goodwill, see note 9.

There have been no changes to the fair values of identifiable net assets acquired. For more information on fair values the identifiable net assets, refer to note 14 of the 2024 Annual Report and Accounts.

14. Assets held for sale

In December 2024, the Group entered into an exclusivity agreement to sell its business in Vietnam, which holds 53.125 per cent interest in the Chim Sáo and Dua producing fields, to EnQuest for a consideration of \$85 million. The transaction has an effective date of 1 January 2024. The assets and liabilities of Vietnam have been classified as held for sale in the balance sheet as at 30 June 2025, as the transaction was completed on 9 July 2025.

The Group's Vietnam operations are included in the Southeast Asia segment, previously International, however are not considered a major geographical area or line of business and therefore the disposal has not been classified as discontinued operations.

The major classes of assets and liabilities of the Group as held for sale as at 30 June 2025 are as follows:

	30 June 2025 Unaudited \$ million
Assets	
Property, plant and equipment	39
Right-of-use assets	34
Other receivables and working capital	151
Assets held for sale	224
Liabilities	
Provisions	92
Lease creditor	69
Trade and other payables	30
Deferred tax	8
Liabilities directly associated with assets held for sale	199
Net assets directly associated with disposal group	25
Impairment loss recorded, net of tax	24

The assets in the disposal group are held at the lower of their carrying amount and fair value less costs to sell. As at 30 June 2025, a post-tax impairment of \$24 million was recognised as the fair value less cost to sell, being the expected consideration adjusted for items agreed under the SPA, was below the carrying amount of the disposal group. Following the impairment charge the net assets directly associated with the disposal group held on the consolidated balance sheet was \$25 million.

15. Provisions

	Decommissioning provision \$ million	Pension provision \$ million	Employee obligation provision \$ million	Onerous contract provision \$ million	Other provisions \$ million	Total \$ million
At 1 January 2025 (Audited)	7,114	46	68	35	258	7,521
Additions	30	–	–	–	–	30
Changes in estimates – increase to oil and gas tangible decommissioning assets	6	–	–	–	–	6
Changes in estimate on oil and gas tangible assets – debit to income statement	31	–	–	–	–	31
Changes in estimates – debit to income statement	–	3	14	–	7	24
Actuarial gains and losses	–	(7)	–	–	–	(7)
Amounts used	(180)	(6)	(26)	(1)	(30)	(243)
Reclassification of liabilities directly associated with assets held for sale	(2)	–	–	–	–	(2)
Interest on decommissioning lease	(1)	–	–	–	–	(1)
Depreciation, depletion and amortisation on decommissioning right-of-use leased asset	(10)	–	–	–	–	(10)
Unwinding of discount	142	2	–	1	–	145
Currency translation adjustment	323	5	4	–	34	366
At 30 June 2025 (Unaudited)	7,453	43	60	35	269	7,860
Classified within:						
Current liabilities	393	–	22	3	104	522
Non-current liabilities	7,060	43	38	32	165	7,338
Total provisions	7,453	43	60	35	269	7,860

The Group provides for the estimated future decommissioning costs on its oil and gas assets at the balance sheet date. The payment dates of expected decommissioning costs are uncertain and are based on economic assumptions of the fields concerned. These estimated future decommissioning costs are inflated at the Group's long term view of inflation of 2.5 per cent per annum (H1 2024: 2.5 per cent per annum) and discounted at a risk-free rate of between 4.1 per cent and 4.5 per cent (H1 2024: 4.3 per cent and 5.2 per cent) reflecting a 6-month (H1 2024: 6-month) rolling average of market rates over the varying lives of the assets to calculate the present value of the decommissioning liabilities. The unwinding of the discount is presented within finance costs.

Employee obligation provisions of \$60 million relate to obligations to pay long-service bonuses, anniversary bonuses, and variable remuneration, including the associated social security contributions and provisions due to early retirement as well as phased-in early retirement models. This includes a termination benefit provision in Indonesia of \$25 million (2024: \$26 million), where the Group operates a service, severance and compensation pay scheme under a collective labour agreement with the local workforce.

The onerous contract provision of \$35 million (2024: \$nil) relates to work programmes in Libya due to force majeure conditions in-country.

Other provisions at 30 June 2025 mainly includes a \$140 million provision related to a commercial settlement from 2019 on gas migration in Rehden, Germany and a \$52 million provision related to restructuring programmes within Norway, Germany and Mexico.

16. Borrowings and facilities

The Group's borrowings are carried at amortised cost:

	30 June 2025 Unaudited \$ million	31 Dec 2024 Audited \$ million
Bonds	6,309	5,011
Revolving credit facility	–	218
Total borrowings	6,309	5,229
Classified within:		
Non-current liabilities	5,138	4,215
Current liabilities	1,171	1,014
Total borrowings	6,309	5,229

Bonds

	%	Maturity	Currency	Nominal value €/\$ million	Fair value 30 June 25 \$ million	Carrying value 30 June 25 \$ million
Bond ISIN: XS2054209833	0.8	2025	EUR	1,000	1,174	1,171
Bond ISIN: US411618AB75/ USG4289TAA19	5.5	2026	USD	238	237	236
Bond ISIN: XS2054210252	1.3	2028	EUR	1,000	1,115	1,098
Bond ISIN: XS2908093805	3.8	2029	EUR	700	835	820
Bond ISIN: XS2055079904	1.8	2031	EUR	1,000	1,038	1,036
Bond ISIN: XS2908095172	4.4	2032	EUR	900	1,062	1,054
Bond ISIN: US411618AD32 / USG4289TAB91	6.3	2035	USD	900	891	894

In October 2021, Harbour Energy plc issued \$500 million of 5.50 per cent senior bonds due 2026. \$262 million of these bonds were repaid in March 2025.

Under the terms of the business combination entered into between the company, BASF and LetterOne in September 2024, three existing Wintershall Dea bonds were ported to Harbour Energy on completion of the acquisition.

As at 30 June 2025, the fair value of these bonds, which is determined using quoted market prices in an active market, amounts to \$3,327 million. The repayment obligation remains at €3,000 million (\$3,536 million).

On 26 September 2024 Harbour announced that Wintershall Dea Finance B.V. as issuer, a subsidiary of Harbour, priced an offering on 25 September 2024 of €700 million in aggregate principal amount of 3.830 per cent senior bonds due 2029 and €900 million in aggregate principal amount of 4.357 per cent senior bonds due 2032. Harbour primarily used the proceeds from this offering to repay and cancel the \$1.5 billion bridge facility utilised for the Wintershall Dea acquisition which completed on 3 September 2024.

On 24 March 2025, Harbour Energy plc priced an offering of \$900 million of 6.327 per cent senior bonds due 2035. Harbour used the proceeds to finance the purchase of \$262 million of the \$500 million 5.50 per cent senior bonds due 2026 and for general corporate purposes, including toward repayment of upcoming debt maturities.

At the balance sheet date, the outstanding revolving credit facility balance, excluding incremental arrangement fees, related costs and letters of credit, was \$nil (Dec 2024: \$250 million). As at 30 June 2025, \$2,392 million remained available for drawdown under the RCF (Dec 2024: \$1,854 million under the RCF facility).

The Group has facilities to issue up to \$1,750 million of letters of credit (Dec 2024: \$1,750 million), of which \$608 million (Dec 2024: \$871 million) was in issue as at 30 June 2025, mainly in respect of future decommissioning liabilities.

The carrying values on the balance sheet are stated net of the unamortised portion of issue costs and bank fees of \$250 million (Dec 2024: \$284 million) of which fees associated with the RCF were \$nil (Dec 2024: \$32 million), and \$250 million is netted against the bond (Dec 2024: \$252 million).

Interest of \$93 million on the bonds and RCF facilities (Dec 2024: \$34 million) had accrued by the balance sheet date and has been classified within accruals.

17. Other financial assets and liabilities

The Group held the following financial instruments at fair value at 30 June 2025.

All financial instruments that are initially recognised and subsequently remeasured at fair value have been classified in accordance with the hierarchy described in IFRS 13 Fair Value Measurement. The hierarchy groups fair-value measurements into the following levels, based on the degree to which the fair value is observable.

- **Level 1:** fair value measurements are derived from unadjusted quoted prices for identical assets or liabilities.
- **Level 2:** fair value measurements include inputs, other than quoted prices included within level 1, which are observable directly or indirectly.
- **Level 3:** fair value measurements are derived from valuation techniques that include significant inputs not based on observable data.

	30 June 2025 Unaudited		31 Dec 2024 Audited	
	Assets \$ million	Liabilities \$ million	Assets \$ million	Liabilities \$ million
Current				
Measured at fair value through profit and loss				
Foreign exchange derivatives	43	–	–	(25)
Commodity derivatives	8	(3)	26	(14)
Short term investments	24	–	25	–
Fair value of embedded derivative within gas contract	24	–	5	–
	99	(3)	56	(39)
Measured at fair value through other comprehensive income				
Commodity derivatives	404	(25)	89	(396)
Foreign exchange derivatives	27	–	–	(27)
	431	(25)	89	(423)
Total current	530	(28)	145	(462)
Non-current				
Measured at fair value through profit and loss				
Commodity derivatives	–	–	1	(2)
Contingent consideration	–	(40)	–	(52)
Other financial assets-investments	8	–	–	–
Foreign exchange derivatives	–	–	7	–
	8	(40)	8	(54)
Measured at fair value through other comprehensive income				
Commodity derivatives	100	(45)	36	(215)
Interest rate derivatives	–	(3)	–	–
Foreign exchange derivatives	144	–	–	(146)
	244	(48)	36	(361)
Total non-current	252	(88)	44	(415)
Total current and non-current	782	(116)	189	(877)

Fair values of other financial instruments

The following financial instruments are measured at amortised cost and are considered to have fair values different to their book values.

	30 June 2025		31 December 2024	
	Book value \$ million	Fair value \$ million	Book value \$ million	Fair value \$ million
USD bond	(1,130)	(1,129)	(496)	(499)
EUR bonds	(5,179)	(5,223)	(4,515)	(4,555)
Total	(6,309)	(6,352)	(5,011)	(5,054)

The fair value of the bond is within level 2 of the fair value hierarchy and has been estimated by discounting future cash flows by the relevant market yield curve at the balance sheet date. The fair values of other financial instruments not measured at fair value including cash and short-term deposits, trade receivables, trade payables and floating rate borrowings equate approximately to their carrying amounts.

18. Other reserves

	Capital redemption reserve \$ million	Cash flow hedge reserve ¹ \$ million	Costs of hedging reserve ¹ \$ million	Currency translation reserve \$ million	Total \$ million
At 1 January 2024 (Audited)	8	3	4	3	18
Other comprehensive loss	–	(15)	(6)	(20)	(41)
Total comprehensive income	–	(15)	(6)	(20)	(41)
At 30 June 2024 (Unaudited)	8	(12)	(2)	(17)	(23)
At 1 January 2025 (Audited)	8	(185)	26	133	(18)
Other comprehensive income/(loss)	–	407	(29)	(191)	187
Total comprehensive income	–	407	(29)	(191)	187
At 30 June 2025 (Unaudited)	8	222	(3)	(58)	169

¹ Disclosed net of deferred tax.

19. Notes to the statement of cash flows

Net cash flows from operating activities consist of:

	2025 Unaudited \$ million	2024 Unaudited \$ million
Six months ended 30 June		
Profit before taxation	1,635	392
Adjustments to reconcile profit before tax to net cash flows:		
Finance cost, excluding foreign exchange	314	160
Finance income, excluding foreign exchange	(349)	(15)
Depreciation, depletion and amortisation	1,544	582
Net impairment of property, plant and equipment	186	33
Impairment of right-of-use assets	–	20
Exploration costs written-off	34	17
Share-based payments	24	26
Fair value movements on derivatives	(83)	–
Changes in provisions	(42)	–
Decommissioning expenditure	(165)	(129)
Movement in realised cash flow hedges not yet settled	(3)	(51)
Unrealised foreign exchange loss/(gain)	504	(14)
Working capital adjustments:		
Decrease in inventories	14	47
Decrease in trade and other receivables	47	82
Increase/(decrease) in trade and other payables	136	(40)
Net tax payments	(1,350)	(157)
Net cash inflow from operating activities	2,446	953

Reconciliation of net cash flow to movement in net debt

	30 June 2025 Unaudited \$ million	Year ended 31 Dec 2024 Audited \$ million
Proceeds from drawdown of RBL facility	–	(178)
Proceeds from Euro bonds	–	(1,728)
Proceeds from USD bonds	(900)	–
Proceeds from RCF	(220)	(2,225)
Proceeds from bridge facility	–	(1,500)
Repayment of RBL facility	–	178
Repayment of bridge facility	–	1,500
Repayment of RCF	470	1,975
Repayment of USD bonds	262	–
Repayment of financing arrangement	–	17
Bond debt arising on business combination ¹	–	(3,038)
Financing arrangement interest payable	–	(1)
Arrangement fees and related costs on bonds capitalised	6	11
Arrangement fees and related costs on RCF capitalised	–	34
Arrangement fees and related costs on bridge facility capitalised	–	13
Amortisation of arrangement fees and related costs capitalised	(42)	(102)
Reclassification of RCF arrangement fees and related costs to current and non-current assets	(28)	–
Currency translation adjustment on Euro bonds	(628)	263
Movement in total borrowings	(1,080)	(4,781)
Cash acquired on business combination	–	748
Movement in cash and cash equivalents	1,906	(229)
Decrease/(increase) in net debt in the period	826	(4,262)
Opening net debt	(4,424)	(162)
Closing net debt	(3,598)	(4,424)

Analysis of net debt

	30 June 2025 Unaudited \$ million	31 Dec 2024 Audited \$ million
Cash and cash equivalents	2,711	805
RCF	–	(218)
Bonds	(6,309)	(5,011)
Closing net debt after total unamortised fees	(3,598)	(4,424)

The carrying values on the balance sheet are stated net of the unamortised portion of issue costs and bank fees of \$250 million (Dec 2024: \$284 million) of which fees associated with the RCF were \$nil (Dec 2024: \$32 million), and \$250 million is netted against the bond (Dec 2024: \$252 million).

20. Related Parties

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There have been no significant changes to related party transactions since 31 December 2024, refer to note 30 in the 2024 Annual Report and Accounts for more information.

21. Distributions made and proposed

A dividend of 13.19 cents per Ordinary Share to be paid in pound sterling at the spot rate prevailing on the record date was approved by shareholders on 8 May 2025 in relation to the year ended 31 December 2024.

	2025 Unaudited \$ million	2024 Unaudited \$ million
Six months ended 30 June		
Cash dividends on ordinary shares declared and paid:		
Final dividend for 2024: 13.19 cents per share (2023: 13 cents per share)	228	100
Proposed dividends on ordinary shares:		
Interim dividend for 2025: 13.19 cents per share (2024: 13 cents per share)	228	100

On 6 March 2025, a final dividend of \$228 million was declared in respect of the financial year ended 31 December 2024 and approved by shareholders on 8 May 2025 at the AGM and paid on 21 May 2025.

An interim dividend of \$228 million was declared in respect of the financial period ending 30 June 2025, to be paid on 24 September 2025 to all shareholders on the register on 15 August 2025 (the "Record Date"). A dividend reinvestment plan ("DRIP") is available to shareholders who would prefer to invest their dividend in the shares of the company.

22. Post balance sheet events

On 9 July Harbour completed the disposal of the Vietnam business to EnQuest plc for a headline value of \$85 million with an effective date of 1 January 2024.

On 11 July 2025, the German Federal Council passed legislation mandating annual 1 per cent reductions in the Federal Corporate Income Tax rate starting from 2028 through to 2032. Including Trade Tax, Germany's headline tax rate is expected to reduce from approximately 32 per cent to an estimated 27 per cent. As the legislation was not substantively enacted at the balance sheet date, its effects have not been reflected in the results for the period. If enacted, it would have reduced the Group's deferred tax liability by an estimated \$66 million.

In prior periods, the Group disclosed a contingent liability, estimated at up to \$137 million as at 30 June 2025, in certain UK subsidiaries in respect of an uncertain tax position related to the fair value movements and realised gains and losses on derivative instruments entered into to hedge commodity price risk. In the first half of 2025, HMRC completed a thorough review of this matter and, subsequent to 30 June, confirmed that the Group's filed tax position requires no adjustments. Consequently, the uncertainty has been resolved and no financial impact results from this resolution, as no liability was recognised in prior periods.

The Board approved a share buyback programme of the Company's voting ordinary shares for up to a maximum aggregate consideration of \$100 million. The purpose of the programme is to reduce the Company's share capital and all ordinary shares purchased as part of this programme will be cancelled. The programme will commence on 8 August 2025, and will end no later than 31 March 2026.

Glossary

Alternative Performance Measures

Alternative performance measures are key performance indicators that management consider to be important to monitor the operational and financial performance of the business. They are not specifically defined under United Kingdom adopted International Accounting Standards or other generally accepted accounting principles. Harbour uses the following Alternative Performance Measures:

- | | |
|--------------------------------------|-----------------------------|
| a) EBITDAX / Adjusted EBITDAX | h) Capital investment |
| b) Adjusted profit after taxation | i) Free cash flow |
| c) Adjusted earnings per share (EPS) | j) GHG intensity |
| d) Adjusted effective tax rate | k) Leverage ratio |
| e) Operating cost per barrel | l) Liquidity |
| f) DD&A per barrel | m) Net cash/debt |
| g) Total capital expenditure | n) Shareholder returns paid |

Definitions, and for financial performance measures, a reconciliation from the alternative performance measure to the nearest IFRS reported number, are provided below. We have introduced additional alternative performance measures in our H1 2025 reporting covering “adjusted EBITDAX”, “adjusted profit after taxation”, “adjusted effective tax rate” and “adjusted earnings per share”. These are indicators that management consider better reflect true operational and financial performance in the period and facilitate a more meaningful period on period comparison.

a) EBITDAX/Adjusted EBITDAX

EBITDAX is defined as operating profit/(loss) for the period adjusted for depreciation, depletion and amortisation, impairment of property, plant and equipment, impairment of right-of-use assets, impairment of goodwill, impairment of operating receivables, exploration and evaluation expenditure, and new ventures, and exploration costs written-off. Adjusted EBITDAX is defined as EBITDAX adjusted for gains/losses on disposal of assets, M&A, restructuring and reorganisation costs, and other gains/losses that, by size and nature, do not relate to the underlying financial performance of the group.

Both are a measure of profitability and provides useful information for stakeholders because they are tracked by management to evaluate the Group’s operating performance and to make financial, strategic and operating decisions. Further, they may help stakeholders to better understand and evaluate, in the same manner as management, the underlying trends in the Group’s operational performance on a comparable basis, period-on-period. EBITDAX and Adjusted EBITDAX are reconciled to operating profit/(loss) as follows:

	2025 \$ million Unaudited	2024 \$ million Unaudited
Six months ended 30 June		
Operating profit	2,021	542
Depreciation, depletion and amortisation	1,544	582
Impairment of property, plant and equipment	186	33
Impairment of right-of-use assets	–	20
Impairment of operating receivables	28	–
Exploration and evaluation expenditure, and new ventures	63	22
Exploration costs written-off	34	17
EBITDAX	3,876	1,216
M&A, restructuring and reorganisation costs	12	34
Adjusted EBITDAX	3,888	1,250

b) Adjusted profit after taxation

Adjusted profit after taxation is defined as profit after tax for the period adjusted for impairment of property, plant and equipment; impairment of right-of-use assets, impairment of goodwill, gains/losses on disposal of assets, M&A, restructuring and reorganisation costs, other gains/losses that, by size and nature, do not relate to the underlying financial performance of the group, and the tax effects of these items and changes in tax law.

Adjusted profit after taxation which is adjusted for items which can distort year-on-year comparisons, is reconciled to profit after taxation as follows:

Six months ended 30 June	2025 \$ million Unaudited	2024 \$ million Unaudited
Profit before taxation	1,635	392
Adjustments:		
Impairment of property, plant and equipment	186	33
Impairment of right-of-use assets	–	20
M&A, restructuring and reorganisation costs	12	34
Other gains/losses:		
Foreign exchange differences on intercompany balances	193	(13)
Profit before taxation, as adjusted	2,026	466
Income tax expense	(1,809)	(335)
Tax effect of adjustment items to profit before taxation	(118)	(45)
Changes in tax law	311	–
Income tax expense, as adjusted	(1,616)	(380)
(Loss)/profit after taxation	(174)	57
Adjusted profit after taxation	410	86

c) Adjusted earnings per share

Adjusted earnings per share is calculated as adjusted profit after taxation attributable to shareholders divided by average number of shares for the year of 1,724 million (2024: 770 million).

Six months ended 30 June	2025 Unaudited	2024 Unaudited
Adjusted profit after taxation	410	86
Profit attributable to subordinated notes investors	33	–
Adjusted net profit attributable to shareholders	377	86
Average number of shares ¹	1,724	770
Adjusted earnings per share	22	11

¹ Earnings per share for non-voting shares reflects the 13% incremental premium on this class of shares increasing the number of shares used in the calculation

d) Adjusted effective tax rate

Adjusted effective tax rate represents the effective tax rate that results from adjusting both profit before taxation and income tax expense for the impact of the adjustments made in arriving at Adjusted profit after taxation as set out in section b) above. The nearest equivalent measure on an IFRS basis is the effective tax rate on profit before taxation for the period.

Six months ended 30 June	2025 \$ million Unaudited	2024 \$ million Unaudited
Profit before taxation	1,635	392
Profit before taxation, as adjusted	2,026	466
Income tax expense	(1,809)	(335)
Income tax expense, as adjusted	(1,616)	(380)
Reported effective tax rate (%)	111	85
Adjusted effective tax rate (%)	80	82

e) Operating cost per barrel

Direct operating costs (excluding over/underlift) for the period, including tariff expense, insurance costs and mark to market movements on emissions hedges, less tariff income, divided by working interest production. This is a useful indicator of ongoing operating costs from the Group's producing assets.

Six months ended 30 June	2025 \$ million Unaudited	2024 \$ million Unaudited
Operating costs		
Field operating costs	1,142	561
Non-cash depreciation on non-oil and gas assets	(26)	(11)
Tariff income	(25)	(16)
Total operating costs	1,091	534
Operating costs per barrel (\$ per barrel)	12.4	18.5

f) DD&A per barrel

Depreciation, depletion and amortisation (DD&A) of oil and gas properties for the period divided by working interest production. This is a useful indicator of ongoing rates of depreciation and amortisation of the Group's producing assets.

Six months ended 30 June	2025 \$ million Unaudited	2024 \$ million Unaudited
Depreciation, depletion and amortisation (DD&A) before impairment charges		
Depreciation of oil and gas properties	1,519	565
Depreciation of non-oil and gas properties	15	8
Amortisation of intangible assets	10	9
Total DD&A	1,544	582
DD&A before impairment charges (\$ per barrel)	17	20

g) Total capital expenditure

Capital investment 'additions' per notes 11 and 12 plus decommissioning expenditure 'amounts used' per note 15.

h) Capital investment

Depicts how much the Group has spent on purchasing fixed assets in order to further its business goals and objectives. It is a useful indicator of the Group's organic expenditure on oil and gas assets, and exploration and appraisal assets, incurred during a period.

i) Free cash flow

Operating cash flow less cash flow from investing activities (exclusive of net expenditure on business combinations) less interest and lease payments (principal and interest).

j) GHG intensity

Reported on a gross operated basis and excluding offsets.

k) Leverage ratio

Net debt/last twelve months EBITDAX.

l) Liquidity

The sum of cash and cash equivalents on the balance sheet and the undrawn amounts available to the Group on our principal facilities. This is a key measure of the Group's financial flexibility and ability to fund day-to-day operations.

m) Net cash/debt

Total revolving credit facility and bonds (net of the carrying value of unamortised fees) less cash and cash equivalents recognised on the consolidated balance sheet. This is an indicator of the Group's indebtedness and contribution to capital structure.

n) Shareholder returns paid

Dividends plus share buybacks completed in the period are included in this metric which shows the overall value returned to stakeholders in the period.

INDEPENDENT REVIEW REPORT TO HARBOUR ENERGY PLC

Conclusion

We have been engaged by the Company to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related notes 1 to 22. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management has inappropriately adopted the going concern basis of accounting or that management has identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed consolidated set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London, United Kingdom

6 August 2025

Acronyms

2C	Best estimate of contingent resources
2P	Proven and probable reserves
AGM	Annual general meeting
Bbl	Barrel
Boe	Barrel of oil equivalent
CCS	Carbon capture and storage
CGU	Cash generating unit
CO₂	Carbon dioxide
DD&A	Depreciation, depletion and amortisation
DRIP	Dividend re-investment plan
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration
EPL	Energy Profits Levy (UK)
EPS	Earnings per share
ESOP	Employee stock ownership plan
FEED	Front End Engineering Design
FID	Final investment decision
FPSO	Floating production storage offtake vessel
FVLCD	Fair value less costs of disposal
FX	Foreign exchange
GHG	Greenhouse gas
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
Kboepd	Thousand of barrels of oil equivalent per day
kgCO₂e	Kilograms of carbon dioxide equivalent
LNG	Liquified natural gas
LTM	Last twelve months
Mmboe	Million barrels of oil equivalent
Mscf	Thousand standard cubic feet
Mtpa	Million tonnes per annum
NBP	National balancing point
NOK	Norwegian krone
OECD	Organisation for economic cooperation and development
RBL	Reserve based lending
RCF	Revolving credit facility
SPA	Sale and purchase agreement
Tcf	Trillion cubic feet
TRIR	Total recordable injury rate
USD	US dollar