

Harbour Energy plc
("Harbour" or the "Company")
Trading and Operations Update
29 November 2023

Harbour Energy plc provides the following unaudited Trading and Operations Update for the nine months to 30 September 2023.

Operational highlights

- Production averaged 189 kboepd (2022: 207 kboepd), split c.50% liquids, c.50% gas. Full year guidance of 185-195 kboepd is unchanged.
- Operating costs averaged \$16/boe (2022: \$14/boe) for the period. Full year guidance unchanged at c.\$16/boe, with strong cost control offset by lower volumes.
- Strong safety record with total recordable injury rate of 0.9 per million hours worked
- High return, short cycle, infrastructure-led UK investment opportunities progressed, supporting future production and cash flow
 - Tolmount East production start-up underway, increasing future rates from the Tolmount area
 - Leverett discovery, close to Harbour's operated Britannia infrastructure, successfully appraised with good flow rates achieved; planned final appraisal side track underway
 - Talbot on track to deliver first oil, via the Harbour operated Judy platform, around the end of 2024, with two of the three development wells completed
- International growth projects advanced with the potential to materially increase our reserve life
 - The drilling of Layaran, the first of a multi-well Andaman Sea (Indonesia) exploration campaign, is ongoing. This follows the Timpan-1 gas discovery in 2022. Three additional prospects on the Andaman South and Andaman II licenses will be drilled as part of this campaign.
 - Zama (Mexico) commercial agreements progressed with preparation for FEED underway
 - Kan (Mexico) appraisal plan submitted to the regulator following the oil discovery in April with drilling scheduled for 2024
- Continued progress on Harbour's CCS projects. For the Harbour-led Viking project, this includes entering FEED and the successful submission of the Development Consent Order for the onshore pipeline, marking important milestones for the project.

Financial highlights

- Estimated revenue for the period was \$2.9 billion with realised post-hedging oil and UK gas prices of \$77/bbl and 53 pence/therm, reflecting legacy hedging put in place at the time of the Premier acquisition
- 2023 total capex guidance of c.\$1 billion reiterated, reflecting increased drilling activity in the second half of the year
- Forecast 2023 free cash flow of c.\$1 billion, after expected total cash tax payments of \$0.4 billion, and before shareholder distributions, reiterated
- Shareholder distributions of c.\$440 million completed year to date. This includes c.\$240 million of share buybacks and an interim dividend paid in October of c.\$100 million. The dividend

payment was in line with our \$200 million annual dividend policy and represented a nine per cent dividend per share growth year-on-year

- Net debt of c.\$0.3 billion at period end, an increase on half year mainly due to UK tax payments made in the third quarter; potential to be net debt free in 2024 unchanged
- Successful outcome of RBL facility amendment and extension on favourable terms with borrowing base increased to \$1.3 billion and maturity extended to December 2029

Linda Z Cook, Chief Executive Officer, commented:

"We have continued to maximise the value of our UK oil and gas portfolio and to progress our diversification opportunities in Mexico, Indonesia and CCS while maintaining strong cost control and capital discipline. This has enabled significant free cash flow generation and a robust balance sheet, supporting material shareholder returns over and above our base dividend.

We also continue to evaluate a number of material M&A opportunities in line with our stated strategy, as we seek to build a global and diverse oil and gas company. Recent large transactions in our sector and our own discussions with potential counterparties indicate that market conditions for M&A are improving. We remain disciplined, balancing the return of excess capital to shareholders with ensuring flexibility for meaningful, value accretive M&A which would support shareholder returns over the longer run."

Enquiries

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Appendix 1: Group production

	1 Jan – 30 Sept 2023 (net, kboepd)	1 Jan – 30 Sept 2022 (net, kboepd)
Greater Britannia Area	27	32
J-Area	34	29
AELE hub	20	27
Catcher	19	19
Tolmount	13	12
East Irish Sea	6	8
Elgin Franklin ¹	20	24
Buzzard	11	15
Beryl	14	11
West of Shetlands ¹	13	15
Other North Sea ²	2	2
North Sea	178	194
International	11	13
Total Group	189	207

¹ West of Shetlands comprises Clair, Schiehallion and Solan. ²Other North Sea includes Galleon, Ravenspurn North and Johnston.

	1 Jan – 30 Sept 2023 (net liquids, kboepd)	1 Jan – 30 Sept 2023 (net gas, kboepd)
Greater Britannia Area	9	18
J-Area	16	18
AELE hub	5	15
Catcher	18	1
Tolmount	1	13
East Irish Sea	0	6
Elgin Franklin ¹	8	12
Buzzard	11	0
Beryl	10	4
West of Shetlands ¹	12	1
Other North Sea ²	0	1
North Sea	89	89
International	4	7
Total Group	93	96

¹ West of Shetlands comprises Clair, Schiehallion and Solan. ²Other North Sea includes Galleon, Ravenspurn North, and Johnston.

Appendix 2: Hedging schedule¹

	2023		2024		2025		2026	
	Volume (mmboe)	Av. price (p/th, \$/bbl)	Volume (mmboe)	Av. price (p/th, \$/bbl)	Volume (mmboe)	Av. price p/th, \$/bbl	Volume mmboe	Av. price p/th, \$/bbl
UK gas								
Swaps	21.5	40	10.1	54	5.7	87	1.2	106
Collars	1.6	55-69	3.0	112-263	1.7	98-233	0.4	80-150
Oil								
Swaps	11	74	7.3	84	3.7	77	0	0

¹ As at 30 September 2023

Appendix 3: 2023 guidance

	2023 Guidance (as at Aug 23)	Actual (1 Jan to 30 Sept 2023)	2023 Guidance (as at Nov 23) Unchanged
Production (kboepd)	185-195	189	185-195
Operating costs (\$/boe)	c. 16	c. 16	c. 16
Total capex (\$ billion)	c.1.0	c.0.7	c.1.0