



# Harbour Energy's acquisition of Wintershall Dea asset portfolio

## Today's presenters



**LINDA Z. COOK**  
**CHIEF EXECUTIVE OFFICER**  
Harbour

- Extensive CEO experience building and managing large-scale, global energy businesses at Shell and EIG/Harbour
- Track record of successful strategic execution and growth including through M&A, major project delivery, disciplined capital allocation and raising capital

### Prior work experience:



### Extensive governance experience:



**ALEXANDER KRANE**  
**CHIEF FINANCIAL OFFICER**  
Harbour

- Extensive public company CFO experience
- Significant experience leading large finance functions through acquisition integration processes, including at Aker BP
- Proven track record of prudent financial risk management and disciplined capital allocation, ensuring balance sheet strength and delivery of investment plans and shareholder distributions

### Prior work experience:



# Harbour's acquisition of Wintershall Dea asset portfolio



## A transformational step in our journey

Scale and  
diversification

High quality, resilient  
asset base

Supporting the energy  
transition

Financial strength,  
sustainable returns

# Overview of acquisition: A compelling transaction for Harbour

## Acquisition of substantially all Wintershall Dea's upstream assets for \$11.2 bn (effective date 30 June 2023)

Wintershall Dea's upstream assets in Norway, Germany, Denmark<sup>1</sup>, Argentina, Mexico, Egypt, Libya<sup>2</sup> and Algeria

Adds 1.1 bnboe of 2P reserves at c.\$10/boe and more than 300 kboepd at c.\$35,000/boepd<sup>3</sup>

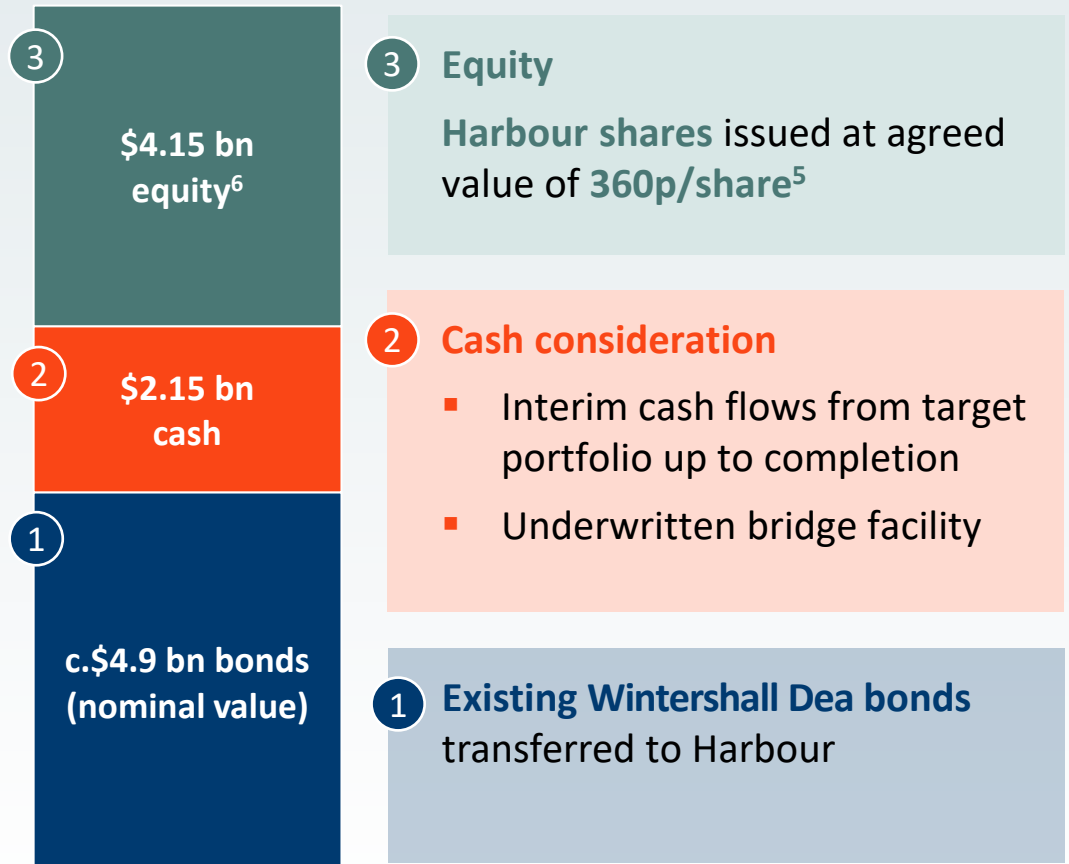
On completion, BASF to own 46.5% of Harbour's ordinary shares; LetterOne to hold non-voting shares<sup>4</sup>

18.5% of Harbour shareholders entered into irrevocable undertakings to support transaction

Targeting Q4 2024 completion

### Acquisition Funding structure

Expected to deliver  
Investment Grade  
credit profile

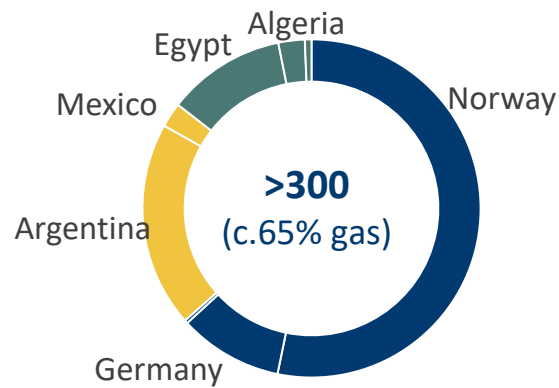


<sup>1</sup> Excluding the Ravn field. <sup>2</sup> Excluding Wintershall AG <sup>3</sup> Based on verified YE 2022 2P reserves and H1 2023 production, as per management estimates. <sup>4</sup> If the non-voting shares were to be converted into ordinary shares, Harbour's existing shareholders would own 45.5%, and BASF and LetterOne would own 39.6% and 14.9% respectively of Harbour. <sup>5</sup> Harbour will issue in total 921.2 million shares. <sup>6</sup> Using Harbour's 30 day VWAP of 227 pence/share, the equity component would be c.\$2.6 bn with a total consideration of \$9.7 bn.

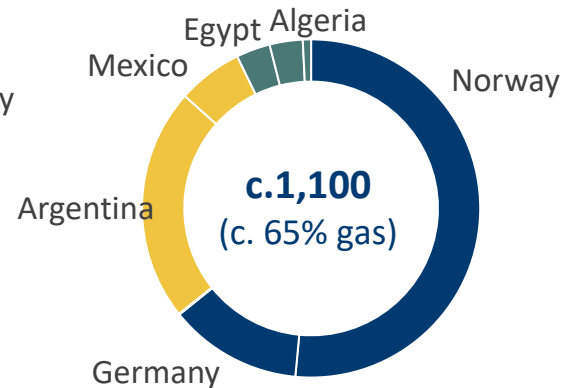
# Overview of assets being acquired: An advantaged upstream portfolio

A large, Norway dominated, gas-weighted portfolio with robust margins and low emissions

**H1 2023 production**  
kboepd



**YE 2022 2P reserves**  
mmboe



## Key portfolio metrics

**c.10 years 2P Reserves Life**  
YE2022<sup>1</sup>

**\$9/boe Unit Opex**  
H1 2023<sup>2</sup>

**\$2.2bn EBITDAX**  
H1 2023

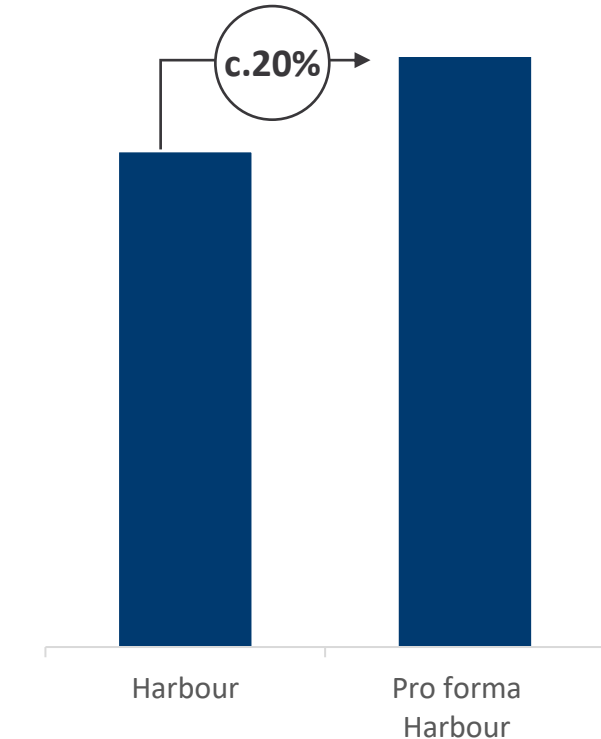
**c.12 kgCO<sub>2</sub>e/boe GHGi**  
FY 2022<sup>3</sup>

<sup>1</sup> Based on verified YE 2022 2P reserves and average H1 2023 production as per management estimates. <sup>2</sup> Unit opex including lease costs. <sup>3</sup> Scope 1 and Scope 2 emissions on a net equity share basis

# Acquisition of Wintershall Dea asset portfolio is expected to be accretive across all key metrics...

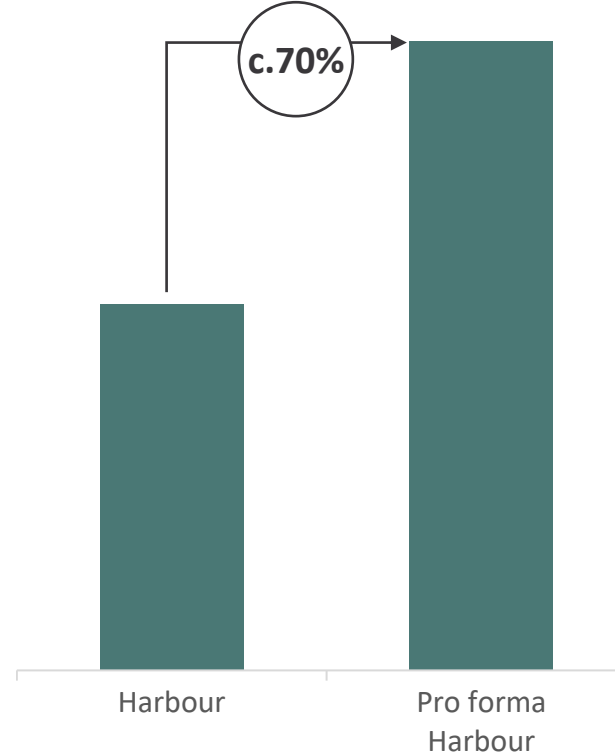
...underpinning expected investment grade credit ratings and sustainable, enhanced shareholder returns

**H1 2023 production**  
kboepd/share<sup>1</sup>



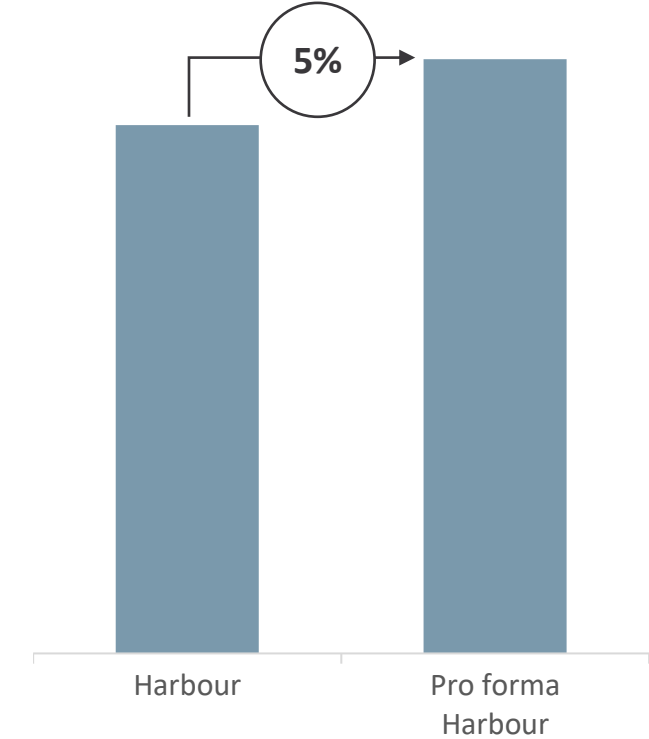
**Establishes material production outside UK**

**YE 2022 2P Reserves**  
mmboe/share<sup>1</sup>



**Increases Harbour's reserve life to 8 years<sup>2</sup>**

**Annual dividend**  
Cents/ordinary share<sup>3</sup>



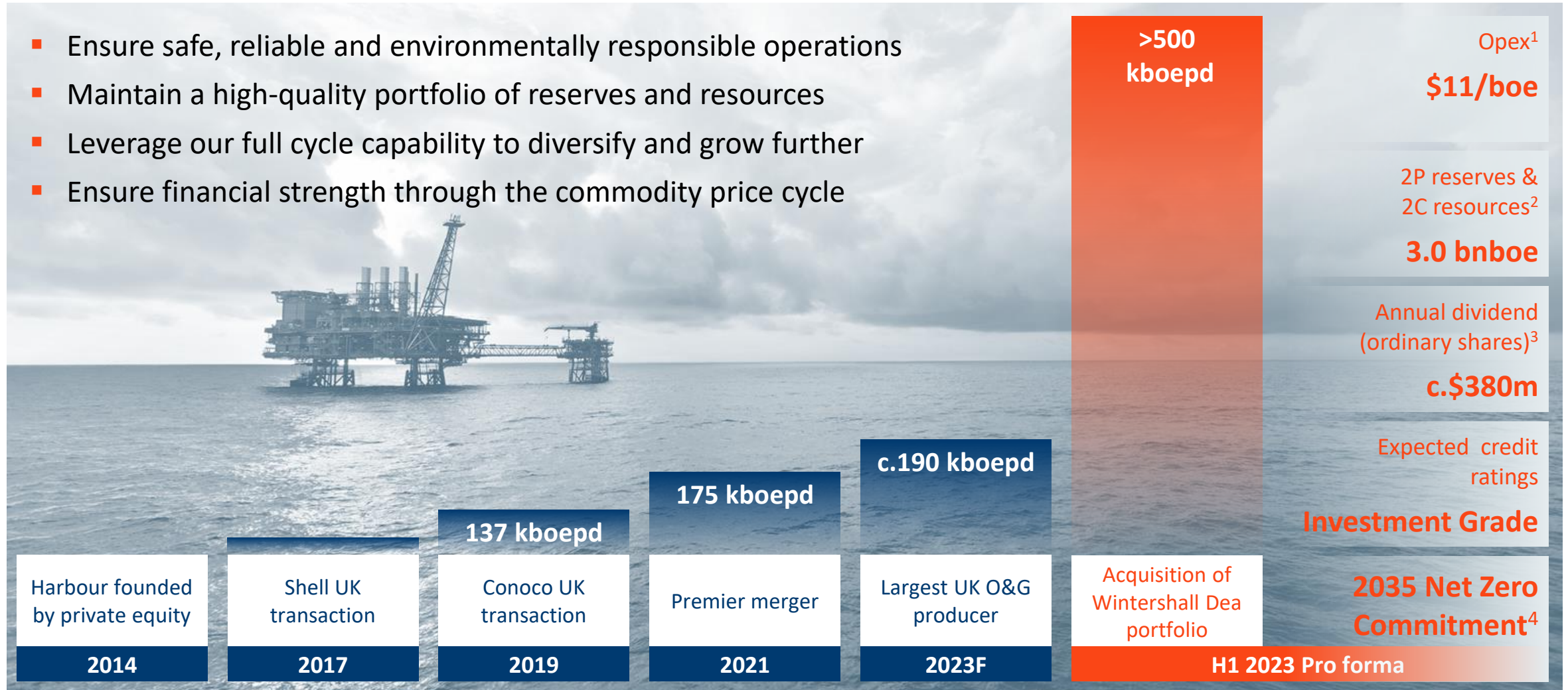
**Free cash flow accretion supports enhanced shareholder returns**

<sup>1</sup> Based on 770.4 million Harbour shares and 1691.6 million Harbour shares post-completion. <sup>2</sup> Based on YE 2022 2P reserves and average H1 2023 production. <sup>3</sup> Based on a total expected dividend for 2023 of 25 cents/share (12 cents interim and expected 13 cents final) and 1440.1 million Harbour ordinary shares (i.e. excluding the non-voting shares issued to LetterOne) post-completion

# Acquisition of Wintershall Dea asset portfolio is in line with Harbour's stated strategy

## Building a large, geographically diverse O&G company via disciplined M&A

- Ensure safe, reliable and environmentally responsible operations
- Maintain a high-quality portfolio of reserves and resources
- Leverage our full cycle capability to diversify and grow further
- Ensure financial strength through the commodity price cycle



<sup>1</sup> Wintershall Dea opex, includes lease costs; Harbour's opex does not. <sup>2</sup> Based on verified year end 2022 2P reserves and 2C resources. <sup>3</sup> \$380 million is the annual dividend for the ordinary shares and does not include the dividend for non-voting shares held by LetterOne <sup>4</sup> Scope 1 and 2 emissions on a gross operated basis

# Acquisition of Wintershall Dea asset portfolio: Compelling strategic and financial rationale

**Transforms Harbour into a large, geographically diverse O&G company while maintaining financial strength**

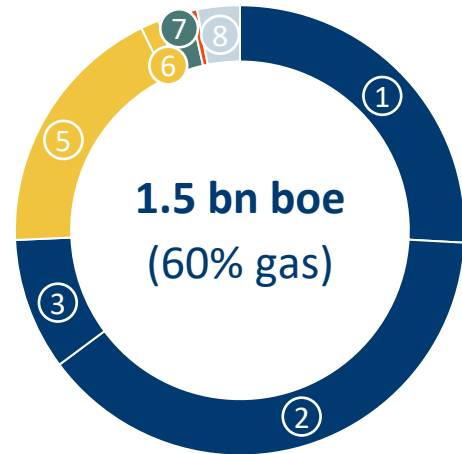
|                                                            |                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b><br><b>Scale and diversification</b>               | <ul style="list-style-type: none"> <li>Production &gt;500 kboed<sup>1</sup>; 2P reserves 1.5 bnboe<sup>2</sup></li> <li>Geographic diversification, OECD weighting, low asset concentration</li> <li>Material positions in multiple established O&amp;G basins</li> </ul>                     |
| <b>2</b><br><b>High quality, resilient asset base</b>      | <ul style="list-style-type: none"> <li>Natural gas-weighted production</li> <li>High operating margins support strong cash flow profile</li> <li>2P reserves life of 8 years<sup>3</sup>; reserve replacement opportunities from 1.5 bnboe<sup>4</sup> of 2C resources</li> </ul>             |
| <b>3</b><br><b>Supporting the energy transition</b>        | <ul style="list-style-type: none"> <li>Safe and responsible operator with strong safety track record</li> <li>Improved GHG emissions intensity; Net Zero 2035 commitment<sup>5</sup></li> <li>Strong pipeline of potential CO<sub>2</sub> Capture &amp; Storage (CCS) developments</li> </ul> |
| <b>4</b><br><b>Financial strength, sustainable returns</b> | <ul style="list-style-type: none"> <li>Expect to receive investment grade credit ratings</li> <li>Significantly increases per share free cash flow generation</li> <li>Supports enhanced and sustainable annual dividend, with potential for additional returns</li> </ul>                    |

<sup>1</sup>Based on H1 2023 production as per management estimates. <sup>2</sup>Based on verified YE 2022 2P reserves. <sup>3</sup>Based on verified YE 2022 2P reserves and average H1 2023 production as per management estimates. <sup>4</sup>Based on verified YE 2022 2C resources. <sup>5</sup>Scope 1 and 2 emissions on a gross operated basis

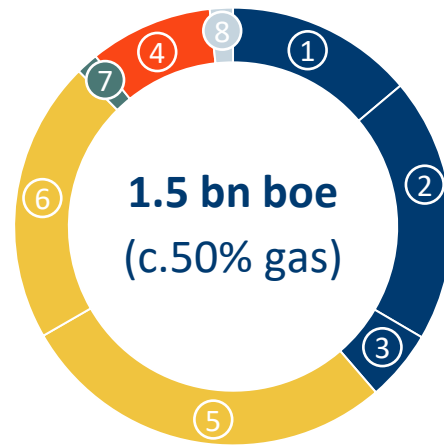
# 1 Scale and geographic diversification, material positions in established O&G basins

## Material production in the UK, Norway and Argentina, plus growth opportunities in Norway, Mexico, and Indonesia

YE 2022 2P Reserves<sup>1</sup>  
bnboe



YE 2022 2C Resources<sup>1</sup>  
bnboe



|                                                                                                                                                                                |                                                                                                                                                                   |                                                                                                                                                                |                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>UK</b> ① <ul style="list-style-type: none"> <li>▪ Largest UK producer</li> <li>▪ Strong operational control</li> <li>▪ High return drilling</li> </ul>                      | <b>Norway</b> ② <ul style="list-style-type: none"> <li>▪ High margin, long-life, low emissions production base</li> <li>▪ Pipeline of subsea tie-backs</li> </ul> | <b>Germany</b> ③ <ul style="list-style-type: none"> <li>▪ Long-life oil production</li> <li>▪ High margin assets</li> <li>▪ Low emissions intensity</li> </ul> | <b>Indonesia</b> ④ <ul style="list-style-type: none"> <li>▪ Potential multi-TCF development across Andaman licences</li> </ul> |
| <b>Argentina</b> ⑤ <ul style="list-style-type: none"> <li>▪ Long-life, gas production</li> <li>▪ High quality growth potential</li> <li>▪ Operated by TotalEnergies</li> </ul> | <b>Mexico</b> ⑥ <ul style="list-style-type: none"> <li>▪ Large scale oil resource</li> <li>▪ Significant interest in Zama project and Kan discovery</li> </ul>    | <b>Egypt</b> ⑦ <ul style="list-style-type: none"> <li>▪ Long-life gas production</li> <li>▪ Partnered with bp</li> </ul>                                       | <b>Other</b> ⑧ <ul style="list-style-type: none"> <li>▪ Denmark, Algeria, Libya, Vietnam<sup>2</sup></li> </ul>                |

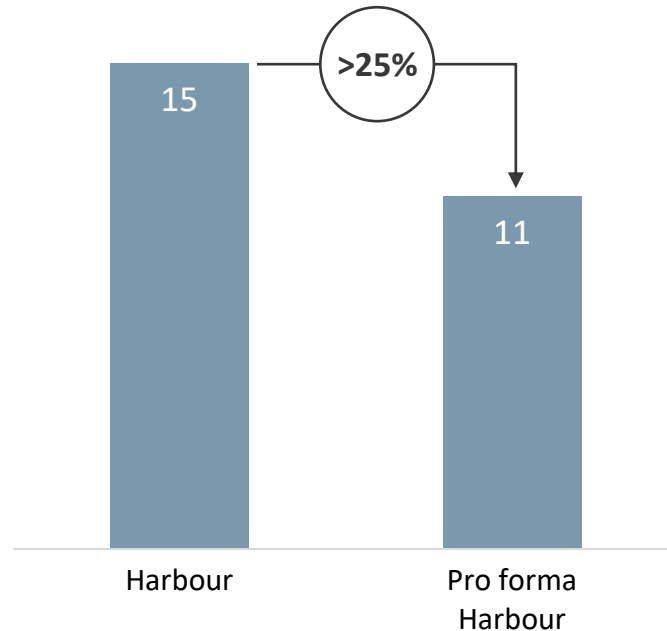
<sup>1</sup> Based on verified YE 2022 2P reserves and 2C resources <sup>2</sup> Harbour announced the sale of its Vietnam business in August 2023

## 2 Acquisition of high quality and resilient portfolio in line with Harbour's stated M&A criteria

### The acquisition is accretive to Harbour across key operational metrics

#### H1 2023 Operating costs<sup>1</sup>

\$/boe

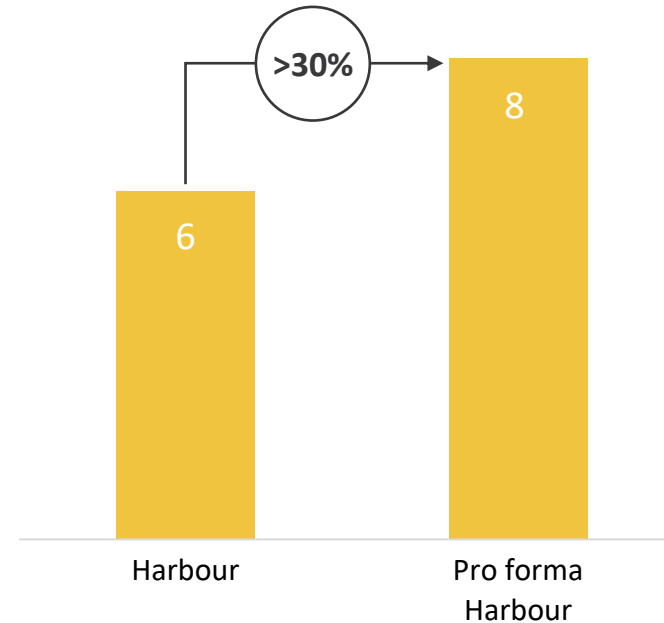


#### Robust operating margins

- Scale and high-quality portfolio supports low unit operating costs
- Exposure to European gas prices
- Proactive, efficient operator and partner

#### YE 2022 2P Reserve life<sup>2</sup>

Years

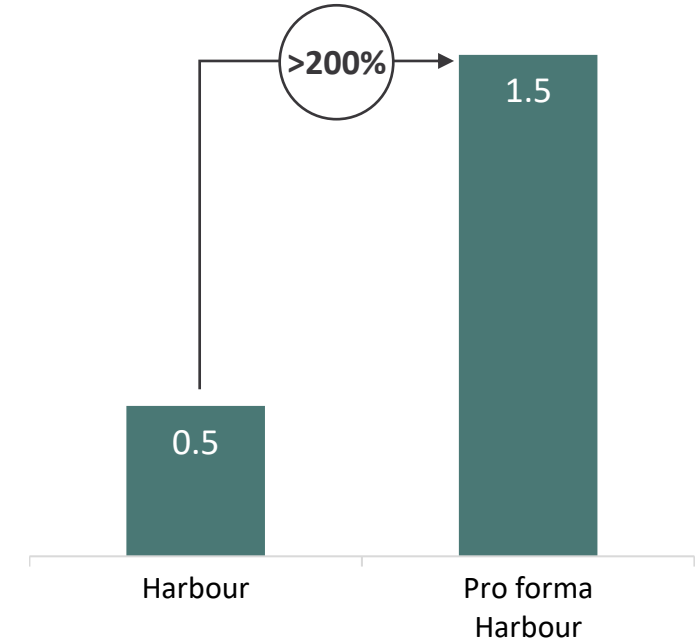


#### Expanded reserve life

- Material stakes in long-life assets with established operators
- Opportunities to support asset longevity
- Track record of reserve replacement

#### YE 2022 2C Resources<sup>3</sup>

bnboe



#### Significant 2C resource base

- Pipeline of near field, incremental developments in Norway, Argentina
- Growth potential with Vaca Muerta play in Argentina and Zama and Kan in Mexico

<sup>1</sup> Wintershall Dea opex also includes lease costs. Harbour's opex does not include lease costs. <sup>2</sup> Based on verified YE 2022 2P reserves and H1 2023 production as per management estimates. <sup>3</sup> Based on verified YE 2022 2C resources.

### 3 Acquisition supports our net zero and energy transition goals

#### Producing oil and gas responsibly and deploying our skills and infrastructure to accelerate CCS



##### A shift towards natural gas

% of YE 2022 2P reserves and 2C resources which is gas



##### A c.25 per cent reduction in our GHG intensity<sup>1</sup>

FY 2022, kgCO<sub>2</sub>e/boe



##### Committed to our goal of Net Zero by 2035<sup>3</sup>



##### Strong pipeline of potential CO<sub>2</sub> transportation and storage projects

Attractive NW Europe CCS portfolio with potential to provide long term, stable income stream

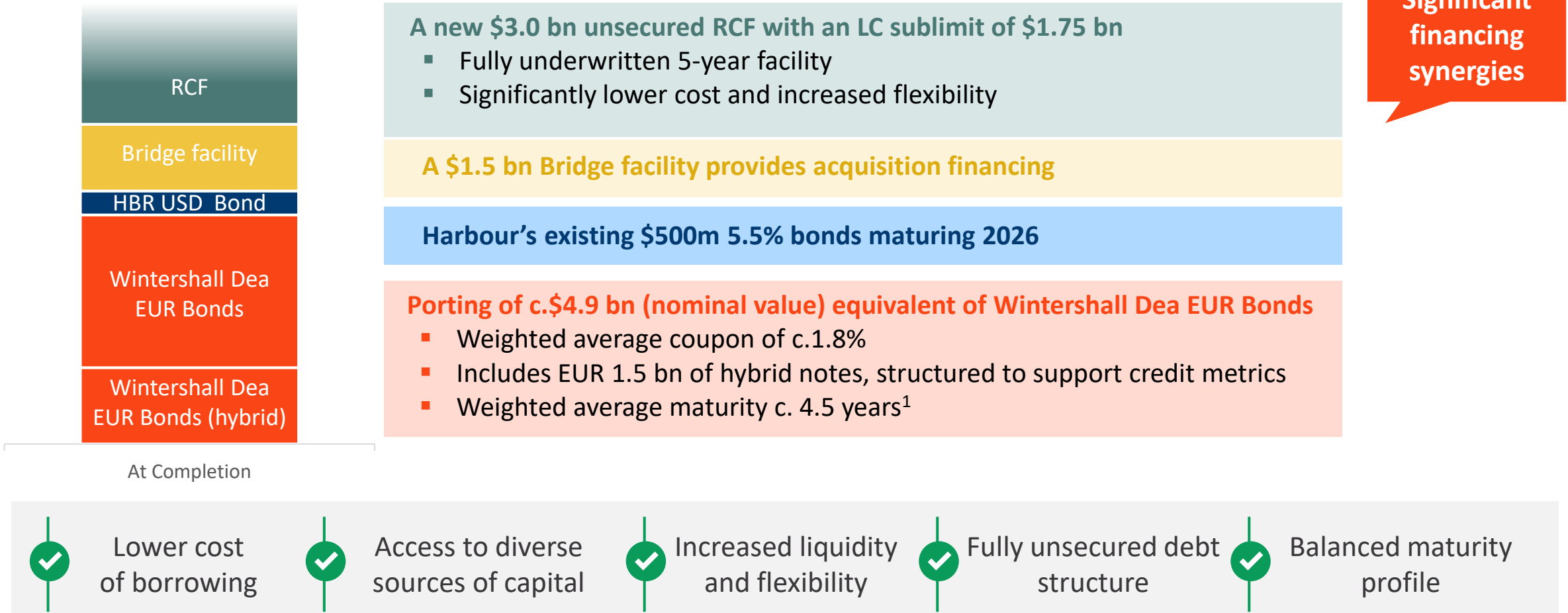


<sup>1</sup> Harbour GHGI is Scope 1 and 2 emissions on a net equity share basis. <sup>2</sup> Source is Oil and Gas Climate Initiative, Scope 1 and 2 emissions on a gross operated basis for 2022. <sup>3</sup> Harbour's Net Zero goal is Scope 1 and 2 emissions on a gross operated basis

## 4 Transaction expected to transform Harbour's corporate financing model into...

...a lower cost and more flexible structure through porting of bonds and expected IG credit ratings

### Funding structure



<sup>1</sup> Assumes hybrids refinanced at first call date

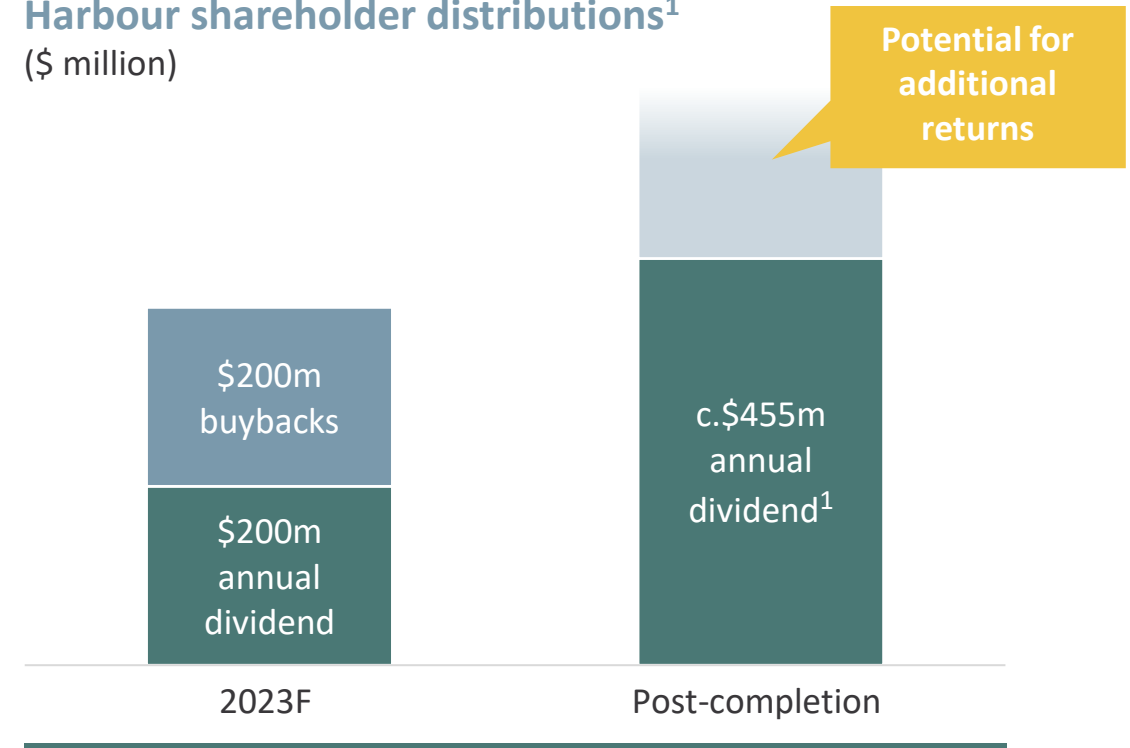
## 4 An enhanced, sustainable, shareholder distribution framework

High quality portfolio, free cash flow accretion and new capital structure support a sustainable increase in the dividend

- ✓ Increased scale and geographical diversification
- ✓ Extended reserve life
- ✓ Enhanced margins
- ✓ Materially reduced GHG intensity
- ✓ Significant free cash flow accretion
- ✓ Lower cost of financing



### Harbour shareholder distributions<sup>1</sup> (\$ million)



Annual dividend on ordinary shares increased to c.\$380m, a c.5% increase in dividend per share<sup>2</sup>

<sup>1</sup> Includes base dividend on both ordinary shares and non-voting shares. <sup>2</sup> Based on a total expected dividend for 2023 of 25 cents/share (12 cents interim and expected 13 cents final) and 1440.1 million Harbour ordinary shares post-completion

# Financial strength underpinned by high quality portfolio and continued capital discipline

## Harbour retains capital allocation optionality for additional returns and further growth

High quality portfolio

Safe, responsible and efficient operations

Robust risk management

### Material cash flow generation supports delivery of capital allocation priorities:

1

**Commitment to IG balance sheet**

- Significant liquidity with access to diverse, low-cost capital sources
- Prudent risk management, including via disciplined hedging

2

**Maintain a robust and diverse portfolio**

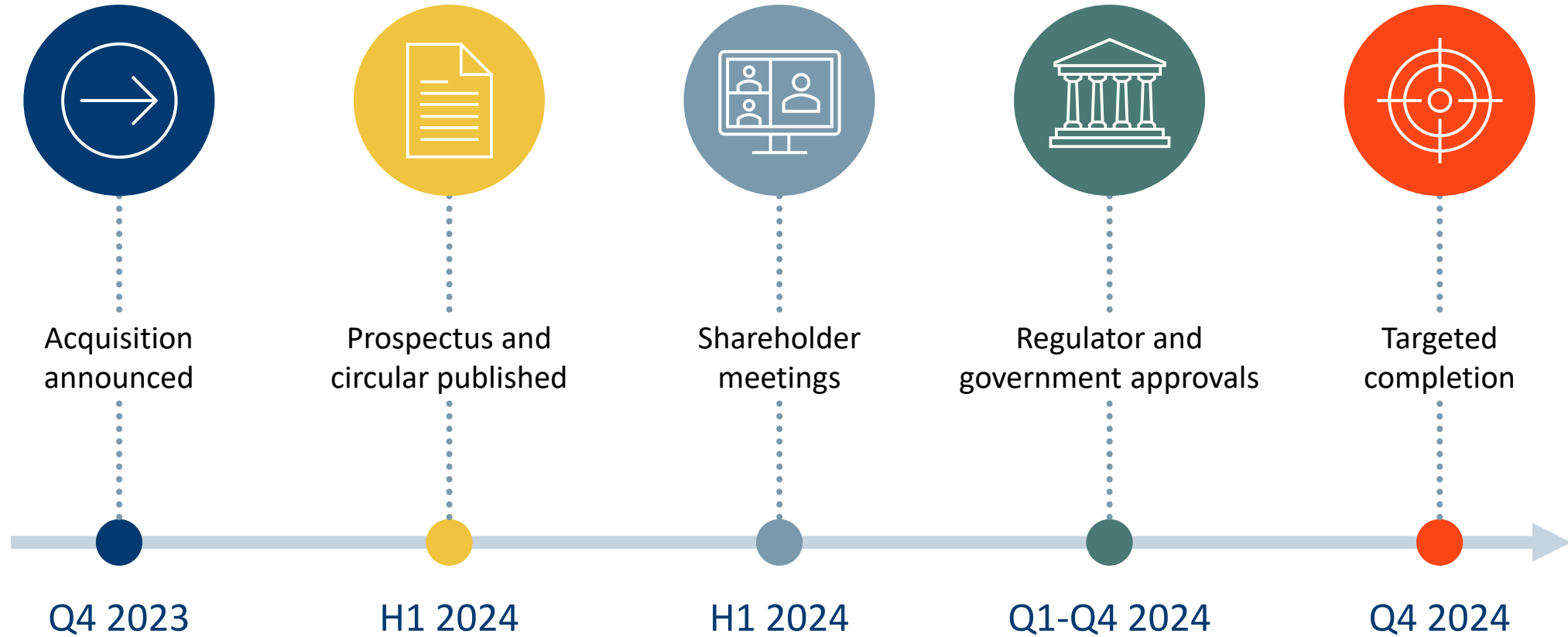
- Infrastructure-led high return, short cycle projects
- Organic growth projects
- Disciplined and value accretive M&A

3

**Sustainable shareholder returns**

- Annual dividend policy for ordinary shares increased to c.\$380 million
- Potential for additional returns via dividend increase and/or buybacks
- Aim to deliver both growth and yield

# Timeline

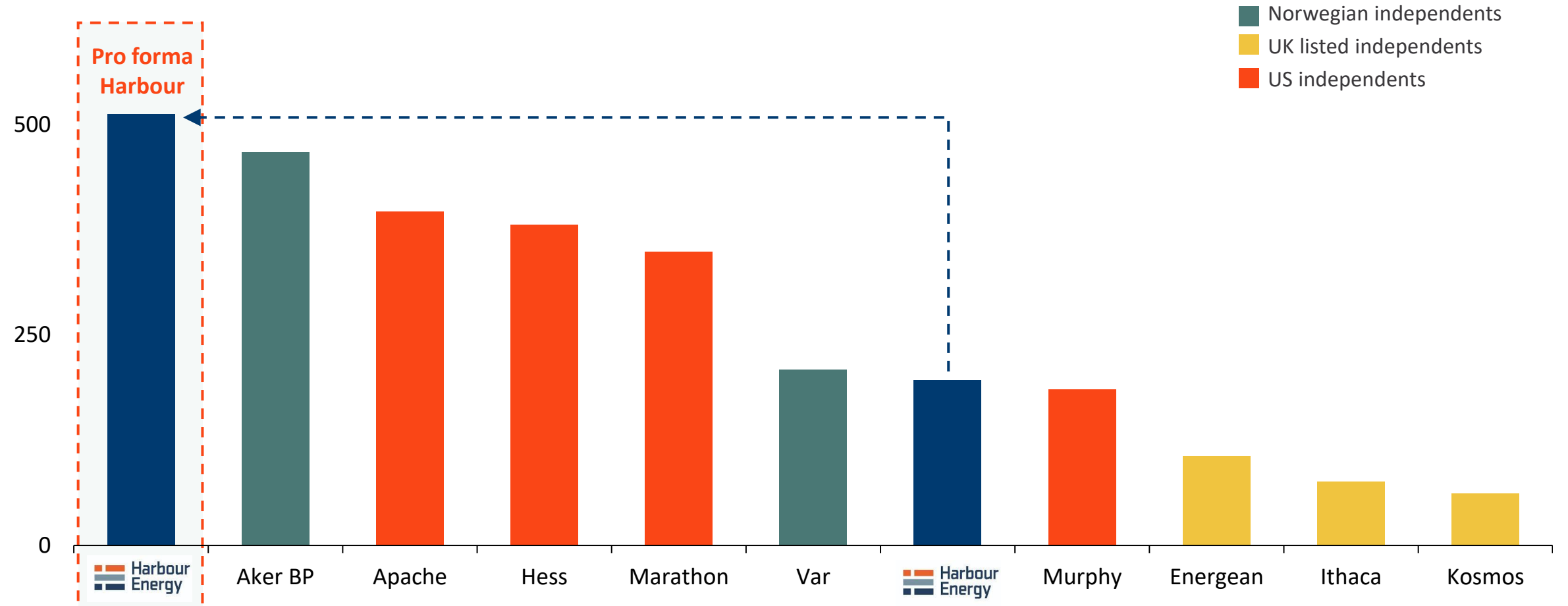


# Harbour to be well-placed amongst long-established global independent O&G companies

## Acquisition transforms Harbour into a large-scale, global independent with a new peer group

### Production

H1 2023 Working interest, kboepd<sup>1</sup>



<sup>1</sup>Source is companies' disclosures (quarterly / half year results)

## Harbour acquisition of Wintershall Dea asset portfolio



## A transformational step in our journey

Scale and  
diversification

High quality, resilient  
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Supporting the energy  
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Financial strength,  
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