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Harbour Energy plc
(“Harbour” or the “Company”)
Completion of the Acquisition of the Wintershall Dea asset portfolio
3 September 2024

Harbour Energy is pleased to announce that the acquisition of the Wintershall Dea asset portfolio, comprising substantially all of Wintershall Dea AG’s upstream assets (the **“Target Portfolio”**) (the **“Acquisition”**), was completed earlier today (**“Completion”**). The Acquisition has an effective date of 30 June 2023.

A large, global independent oil and gas company

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. Following Completion, Harbour is producing c.475,000 barrels of oil equivalent (**“boe”**) per day with significant production in Norway, the UK, Argentina, North Africa and Germany.

Harbour benefits from competitive operating costs and resilient margins as well as a 2P reserve base of c.1.5 billion boe¹, underpinning material and sustainable free cash flow. In addition, Harbour has c.1.8 billion boe² of 2C resource, providing a broad set of growth options in support of future production and reserve replacement. These resources include near-infrastructure opportunities in Norway, unconventional scalable opportunities in Argentina and conventional offshore projects in both Mexico and Indonesia.

With low emissions intensity of less than 15 kgCO₂e/boe³, targets to reduce GHG emissions and eliminate non-routine flaring, and involvement in multiple CCS projects under development, Harbour remains committed to producing oil and gas safely and responsibly to help meet the world’s energy needs.

Acquisition funding structure and financial position

In line with prior guidance, Harbour financed the Acquisition through the issuance of equity with an agreed value of \$4.15 billion⁴, the transfer of c.\$4.9 billion⁵ of euro denominated Wintershall Dea bonds comprising investment grade and hybrid bonds, and cash consideration of \$2.15 billion.

Of the \$2.15 billion cash consideration, c.\$0.4 billion was satisfied by agreed adjustments under the Business Combination Agreement. This includes a pre-completion dividend paid to Wintershall DEA AG funded by cash flow from the Target Portfolio between the effective date and Completion. The remaining c.\$1.8 billion cash consideration was funded from Harbour’s \$1.5 billion bridge facility and c.\$0.3 billion of Harbour’s existing cash. The bridge facility will be repaid in part using some of the acquired \$0.8 billion of cash balances within the Target Portfolio.

As a result, Harbour’s estimated net debt on Completion is c.\$4.5 billion. This reflects:

- \$3.8 billion of bonds, comprising \$3.3 billion⁶ Wintershall Dea investment grade bonds transferred to Harbour and Harbour’s existing \$0.5 billion bond. (Note: The c.\$1.7 billion⁷ of euro denominated hybrid bonds transferred from Wintershall Dea have been reclassified as equity following Harbour Energy plc becoming the guarantor of the notes at Completion.);

- c.\$1.8 billion of drawings on debt facilities, comprising Harbour's fully drawn \$1.5 billion bridge facility and c.\$0.3 billion of drawn RCF; and
- \$1.1 billion of cash, including \$0.8 billion of acquired cash balances⁸ from the Target Portfolio and \$0.3 billion of cash within Harbour at Completion.

Following Completion, and because of the significant improvement to Harbour's credit quality, Harbour expects its existing Credit Watch positive outlook with Fitch and S&P to be resolved. Harbour expects to be rated Investment Grade in due course.

2024 guidance and outlook

Harbour today updates its guidance for 2024 to include the impacts of the Acquisition. The updated guidance reflects 12 months contribution from Harbour's legacy assets and four months contribution from the Target Portfolio. The proforma equivalent metrics reflecting 12 months contribution from Harbour's legacy assets and the Target Portfolio are included as a reference.

- Production of 250-265 kboepd; proforma 470-485 kboepd
- Unit operating costs of \$16-\$17/boe⁹; proforma \$13-14/boe
- Total capital expenditure, including production and development, exploration and appraisal and decommissioning costs, of c.\$1.7 billion¹⁰; proforma c.\$2.7 billion

The above guidance and equivalent proforma metrics are consistent with that provided independently by Harbour and Wintershall Dea on 8 August 2024.

Regarding hedging, for the second half of 2024¹¹, Harbour has hedged 88 kboepd and 38 kboepd of its European gas and oil production at \$11/mscf (c.90p/therm) and \$78/bbl, respectively. For 2025, hedges are in place covering 79 kboepd and 36 kboepd of its European gas and oil production at \$13/mscf (c.105p/therm) and \$77/bbl, respectively. Harbour's full hedging schedule, including for 2026 and 2027, is set out in the appendix.

Shareholder returns

Harbour reiterates its commitment to increase its annual dividend from \$200 million to \$455 million, of which c.\$380 million will be paid to holders of Harbour's ordinary shares. The balance will be paid to holders of the non-voting, non-listed convertible ordinary shares with preferential rights (the "**Non-Voting Shares**"). For ordinary shareholders, this represents a c.5% increase from 25 cents per share paid in 2023, to 26.25 cents per share.

Readmission and admission of shares to trading and share ownership

Harbour's 770,387,788 existing ordinary shares are expected to be cancelled and then readmitted, and the 669,714,027 new ordinary shares issued to BASF¹² (the "**BASF Consideration Shares**") are expected to be admitted, to trading on the main market for listed securities of the London Stock Exchange and to listing on the Equity Shares (Commercial Companies) Listing Category of the Official List of the Financial Conduct Authority on 4 September 2024 at 0800 BST ("**Admission**"). The Company's ordinary shares will continue to trade under the name Harbour Energy plc with the ticker symbol "HBR" and ISIN GB00BMBVGQ36.

Following Completion, the 1,440,101,815 ordinary shares in Harbour are owned approximately 53.5% by Harbour's legacy shareholders and 46.5% by BASF. BASF's ordinary shares in Harbour are subject to a six-month lock-up from Completion.

The total number of voting rights in the Company on 3 September 2024 is 1,440,101,815 and may be

used by shareholders to determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

The 251,488,211 Non-Voting Shares issued to LetterOne will not be admitted to listing or trading on any market. In the event that LetterOne's Non-Voting Shares convert into Harbour ordinary shares within the six months following Completion, these would be subject to a lock-up period ending six months following Completion.

Following Completion, the Company's total issued share capital of 1,691,590,026 shares, which includes the Non-Voting Shares, is owned approximately 45.5% by Harbour's legacy shareholders, 39.6% by BASF and 14.9% by LetterOne.

Board of Directors

Harbour is pleased today to welcome two new non-executive directors, Dr. Hans-Ulrich Engel, the former Deputy CEO, CFO and Chief Digital Officer (CDO) of BASF, and Dr. Dirk Elvermann, CFO and CDO of BASF, to its board of directors as nominees of BASF, Harbour's largest shareholder. In addition, Dr. Engel will join Harbour's Health, Safety, Environment and Security Committee and Dr. Elvermann will join Harbour's Nomination Committee.¹³

Upcoming events

Harbour's next scheduled market update will be in November when the Company will issue a Trading & Operations update.

In addition, Harbour plans to host a capital markets event in the first half of 2025.

Linda Z Cook, CEO of Harbour Energy, commented

"We are extremely proud to have completed the Wintershall Dea acquisition. It marks our fourth and most transformational acquisition since we were founded in 2014, and is another big step forward as we continue to build a large, global independent oil and gas company focused on the safe and responsible production of the oil and gas the world still needs.

I would like to thank everyone involved for their tremendous efforts in completing the Acquisition and welcome new colleagues from Wintershall Dea to Harbour. We look forward to continuing to realise the potential of our company for all our stakeholders."

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Appendix: Hedging schedule

H2 2024			2025		2026		2027	
	Volume	Average Price	Volume	Average Price	Volume	Average Price	Volume	Average Price
	mmbbl	\$/mcf	mmbbl	\$/mcf	mmbbl	\$/mcf	mmbbl	\$/mcf
EU gas	16	11	29	13	13	10	2	10
	mmbbl	\$/bbl	mmbbl	\$/bbl	mmbbl	\$/bbl	mmbbl	\$/bbl
Oil	7	78	13	77	9	73	0	N/A

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- ¹ As at year-end 2023, based on D&M Competent Person's Report for the Wintershall Dea asset portfolio and Harbour's reported 2P reserves
- ² As at year-end 2023, based on D&M Competent Person's Report for the Wintershall Dea asset portfolio and Harbour's reported 2C resources
- ³ Estimated GHG emissions intensity for 2024 is on a net equity share basis and reflects 12 months contribution from legacy Harbour assets and 12 months contribution from the Target Portfolio
- ⁴ This reflects 921 million shares issued at an agreed value of 360p/share
- ⁵ This reflects \$1.08/EUR, the average exchange rate during H1 2023 and used at the time of the Acquisition announcement (December 2023)
- ⁶ This reflects \$1.10/EUR exchange rate as at 31 August 2024
- ⁷ This reflects \$1.10/EUR exchange rate as at 31 August 2024
- ⁸ Estimated at 31 August and reflects \$1.10/EUR exchange rate
- ⁹ Operating costs comprises production and transportation costs and tariff income. Assumes an average exchange rate of \$1.10/EUR for 2024
- ¹⁰ Assumes an average exchange rate of \$1.10/EUR for 2024
- ¹¹ H2 2024 hedge position is shown on a proforma basis, and reflects legacy Harbour and the Target Portfolio's combined hedging programme
- ¹² BASF Handels-und Exportgesellschaft mit beschränkter Haftung
- ¹³ Dr. Hans-Ulrich Engel is a member of the supervisory board and Chair of the Audit Committee of DHL Group and Chairman of the Supervisory Board of the Heinz Hermann Thiele Family Foundation. Dr Engel and Dr. Elvermann are both members of the Supervisory Board of Wintershall Dea AG. There is no further information to be disclosed under the requirements of UK Listing Rule 6.4.8R in relation to these appointments.