

Longboat Energy plc

Year End 2021 Results Presentation



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Longboat strategy: full cycle E&P, delivered responsibly

Longboat is committed to supporting the energy transition

Focus on growth and value

- Create significant value with near-field exploration
- Targeting value accretive M&A transactions

Delivering energy responsibly

- Corporate 'Net Zero' target (Scope 1 & 2) by 2050
- Norwegian industry amongst the lowest emitters globally

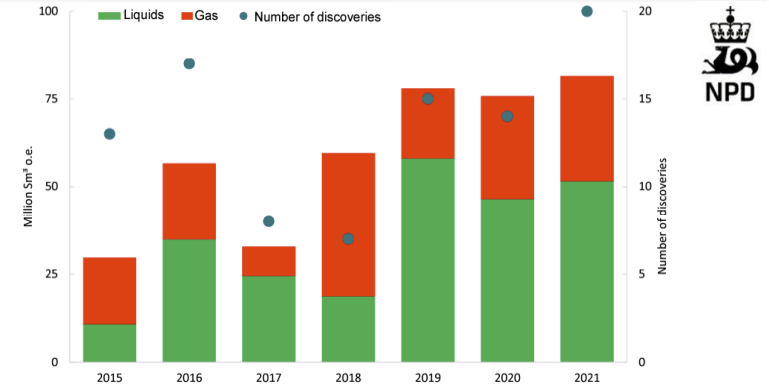
Natural gas increasingly seen as an important 'bridge fuel'

- E&P companies have an essential energy transition role
- Longboat's portfolio heavily gas weighted

Committed to high corporate governance standards

- Strongly held principles of diversity and inclusion

Norwegian Discovery Rates Remain High in 2021



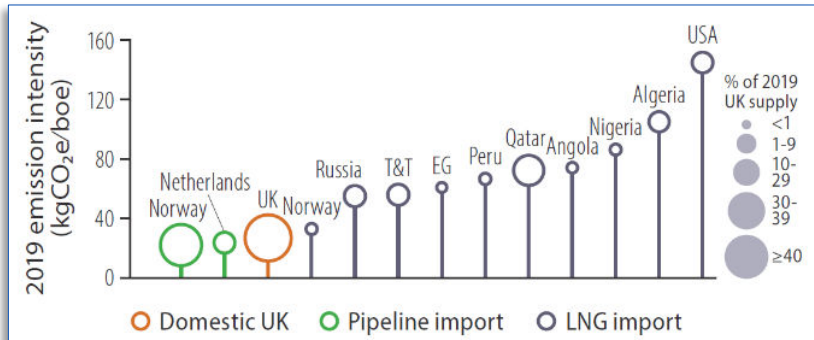
40 exploration wells

20 discoveries

81 million Sm³ o.e.

Source: NPD 'The Shelf 2021'

Emission Intensity for Gas Deliveries to the UK



Source: NPD Exploration Resource report 2020

Highlights 2021

A transformational year with two potentially commercial discoveries out of four wells

Safely & successfully drilled four exploration wells¹ in Norway

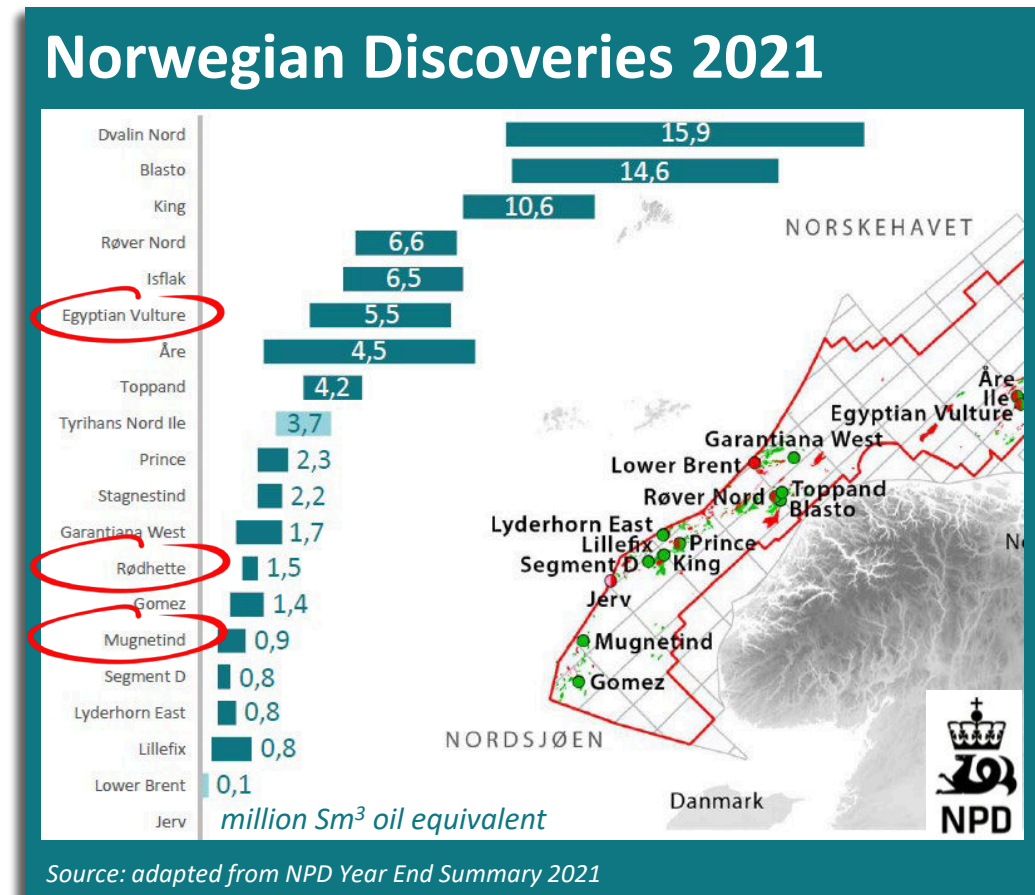
- Egyptian Vulture: material discovery near infrastructure, significant upside, maturing appraisal strategy
- Rødhette: potential commercialisation via existing infrastructure highlighted by Vår
- One sub-economic discovery, one dry well

Planning of three material wells to be drilled in 2022

- Total net resources of 69 mmboe²
- Upside resources of 254 mmobe³
- Two of the largest gas prospects in Norway

Several significant corporate milestones

- £35 million equity raise and NOK 600 million (£50 million) Exploration Finance Facility
- Completed three farm-in transactions, reverse takeover, qualified as license holder on the NCS



(1) Includes Ginny/Hermine drilled post period end
 (2) Mean unrisks prospective and contingent resources net to Longboat (ERCE CPR)
 (3) Based on net unrisks "3U" high volumes in ERCE CPR plus operator high unrisks estimates of Fontina-Burrata

Year end results 2021

Maintaining strong balance sheet despite high levels of activity

	£ million	Notes
Cash	£26.3	Includes fundraise (£32.5 million net) and tax refund of £18.6 million
Year-end tax receivable	£8.1	'Negative tax instalments' to be received H1-22 in respect of E&A spend in 2021
Debt	£0.0	No drawings on Exploration Finance Facility (EFF) during 2021. Post-period drawing of NOK 15 million (~£1.3 million) in March-22.
Operating loss		
G&A	£3.7	Reflects higher staff costs associated with full technical team and becoming an asset owner – also includes consulting, legal, audit and other professional fees.
Exploration impairment	£6.3	Pre-tax impairment of Mugnetind sub-commercial discovery.
Other	£1.6	
Total operating loss	£11.6	
Tax credit	£(6.9)	Income tax credit (non-cash item).
Loss for the period after tax	£4.7	

Positive Norwegian tax changes underway

Proposed changes positive for Longboat's full-cycle E&P strategy

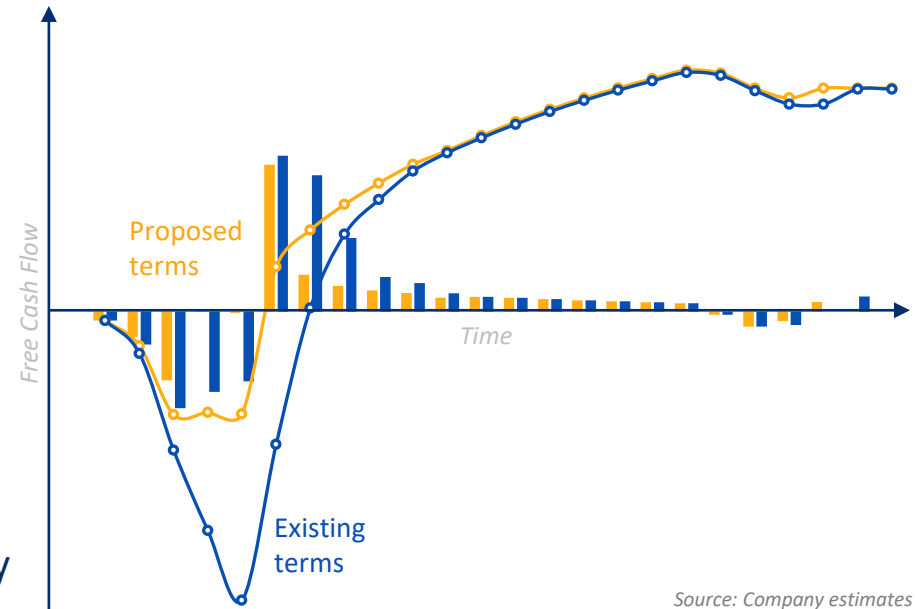
Proposed Norwegian petroleum tax system from 2022

- Same marginal rate (78%)
- Move to immediate expensing of investments
- 71.8% repayment of all losses in following year
- Corporate Tax (6.2%) carried forward until profitable
- Smooth transition from 'EFF' regime expected

Significant benefit for "pre-revenue" companies

- Reduces working capital requirement for developments
- Creates potential for new debt structures
- New opportunity set for Longboat – including the ability to see discoveries through to production

Current vs Proposed Norwegian Tax System



Source: Company estimates

Anticipate formal tax proposal and government ratification during H1 2022

Discoveries

Egyptian Vulture results summary

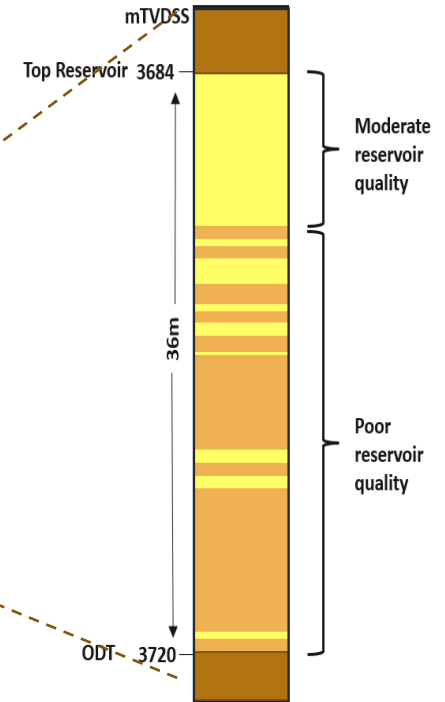
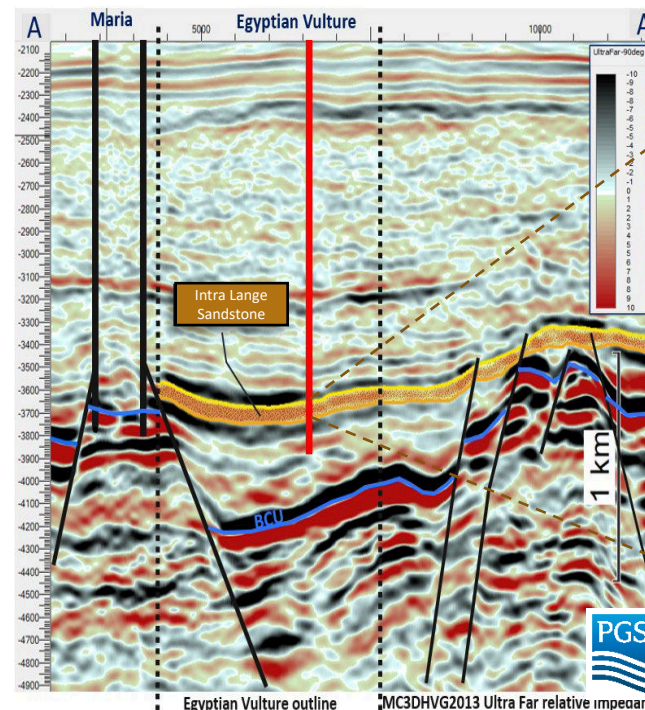
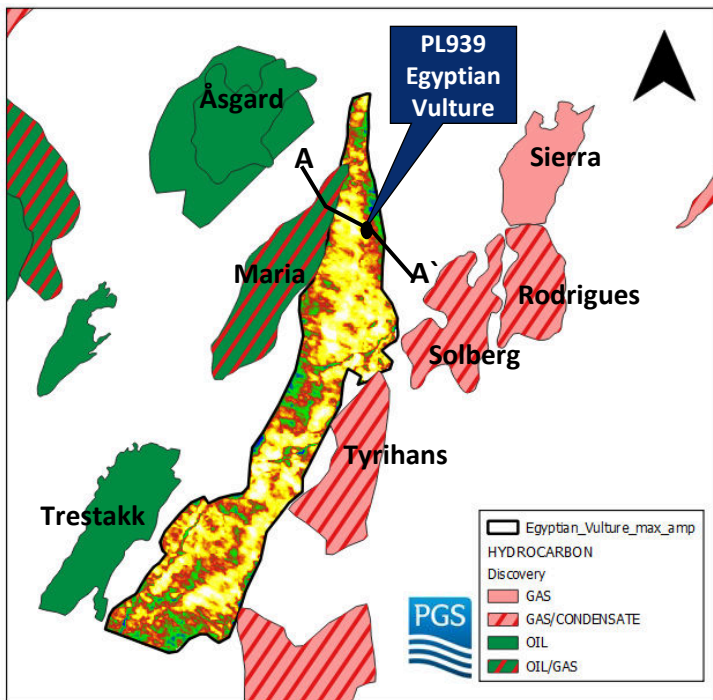
Material discovery with substantial upside

Light oil discovery in Lower Cretaceous

- 13m net sand in a 36m hydrocarbon filled gross interval
- High net-to-gross in upper reservoir section with porosities ~16%

Combination structural and stratigraphic trap, no oil-water contact encountered

Licence	PL939
Partners	Equinor (Op. 55%) PGNiG (30%) Longboat (15%)



Egyptian Vulture could extend over more than 80 km²

Egyptian Vulture: in the right postcode

Significant hub area actively focused on incremental tiebacks

Egyptian Vulture resources

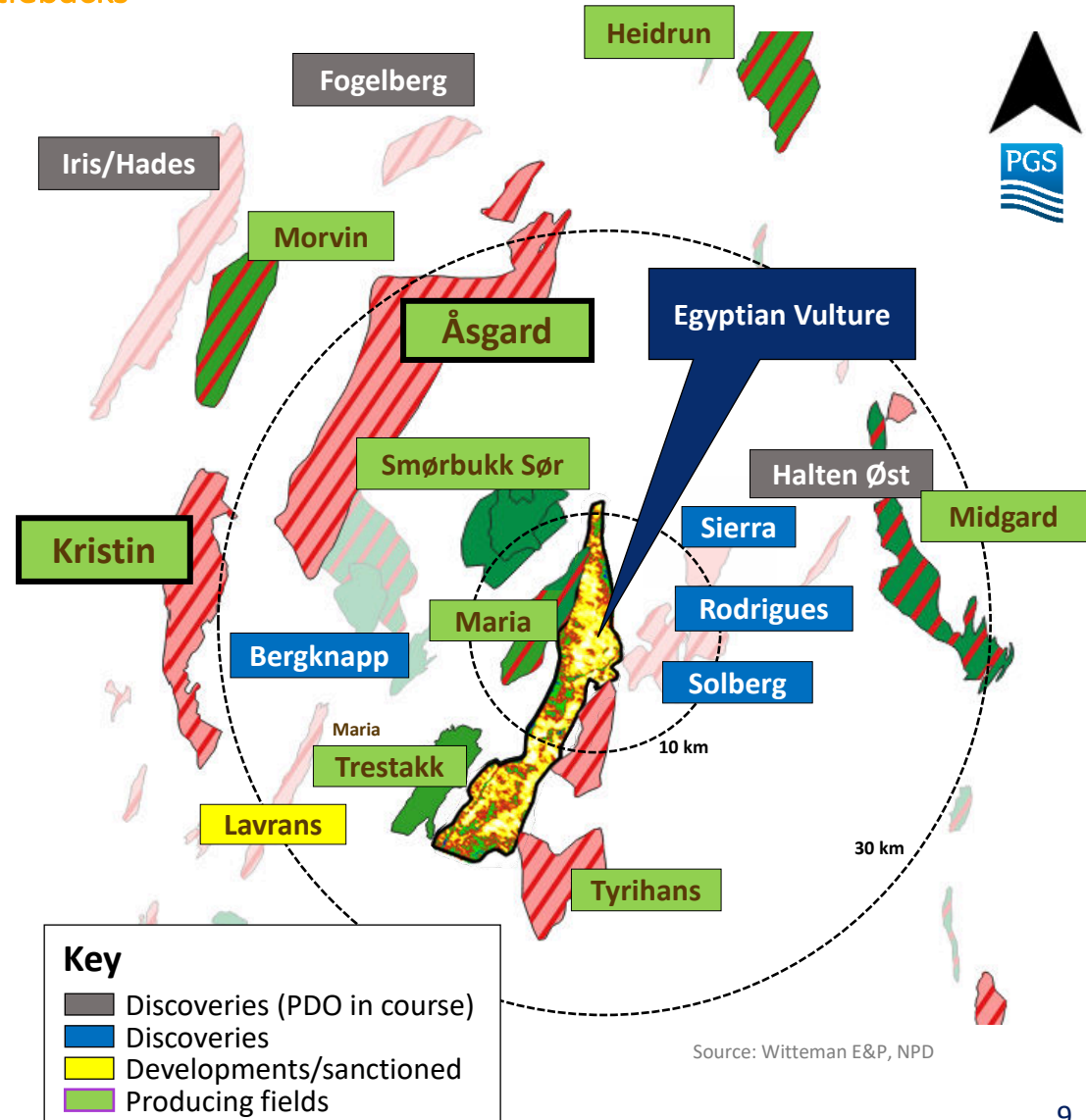
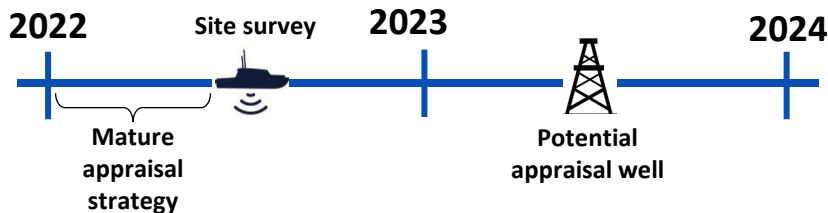
- In-place volumes: 220-440 m mboe
- Reserves range: 19-63 m mboe
- PVT analysis confirms light oil

Appraisal well strategy considerations

- Confirm contact and reservoir sweet spot
- Reservoir thickening and lateral extent
- Test reservoir flow potential

Area hubs

- Åsgard ~19 Km (FPSO, Op: Equinor)
- Kristin ~30 Km (FPSO, Op: Equinor)



Rødhette discovery

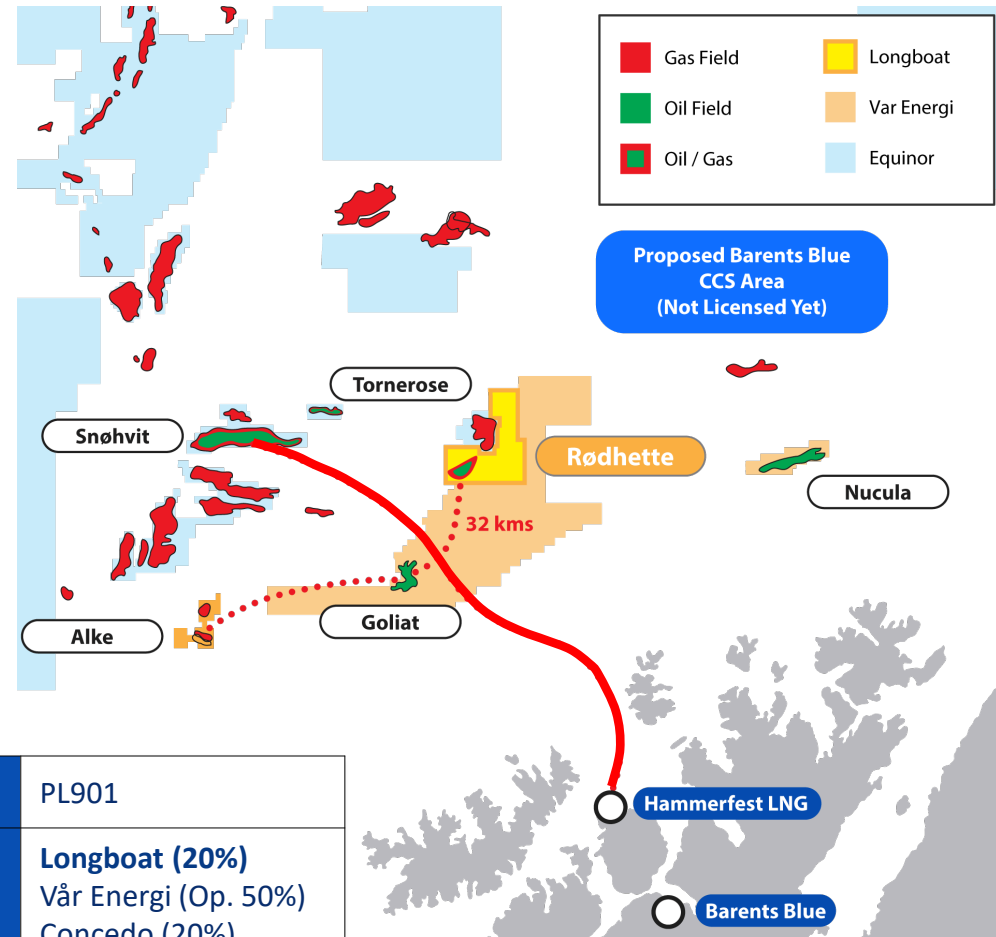
Minor oil & gas discovery near to infrastructure

Well results

- 29m hydrocarbon column in Stø Formation (11m oil)
- High net-to-gross, moderate-to-good quality reservoir
- Preliminary resource estimate at 9-12 mmboe (gross)

Activities & opportunities

- Highlighted by Vår Energi in recent IPO materials as Goliat tieback candidate
- Tornerose/Rødhette area solution potential:
 - Tornerose: 24 mmboe (NPD resources)
- Blue ammonia under evaluation in Hammerfest given significant gas feedstock



Exploration

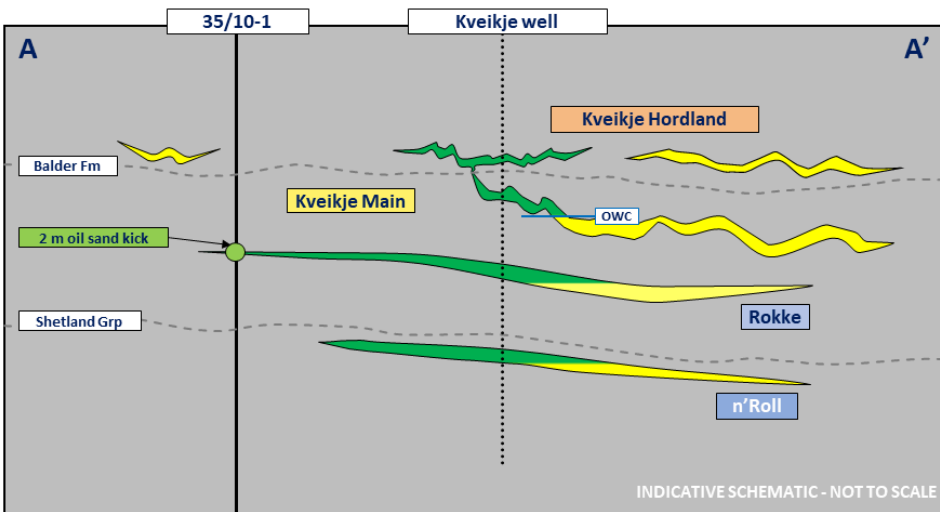
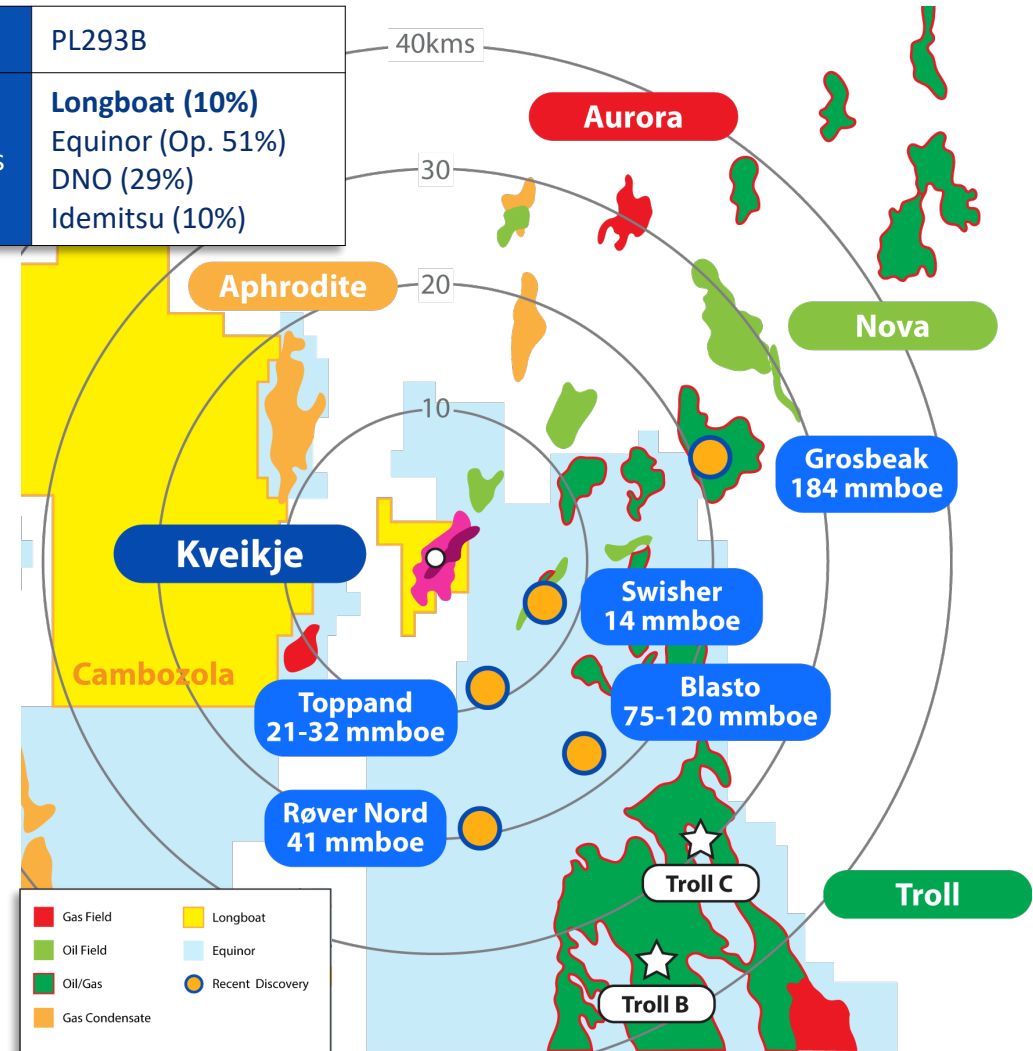
Kveikje prospect

Located in exciting Equinor operated hub area

Kveikje (LBE, 10%)

- Paleocene injectite play
- Upside in underlying Late Cretaceous
- Gross resources 36–79* mmboe
- Several secondary targets
- CoS: 55%
- Multiple development options including a regional cluster development

License	PL293B
Partners	Longboat (10%) Equinor (Op. 51%) DNO (29%) Idemitsu (10%)



* Mean-high, un-risked prospective and contingent resources (ERCE CPR)

Two significant gas wells drilling imminently

Both prospects have play-opening potential near infrastructure

Longboat is participating in two of the largest gas prospects drilling in Norway in 2022

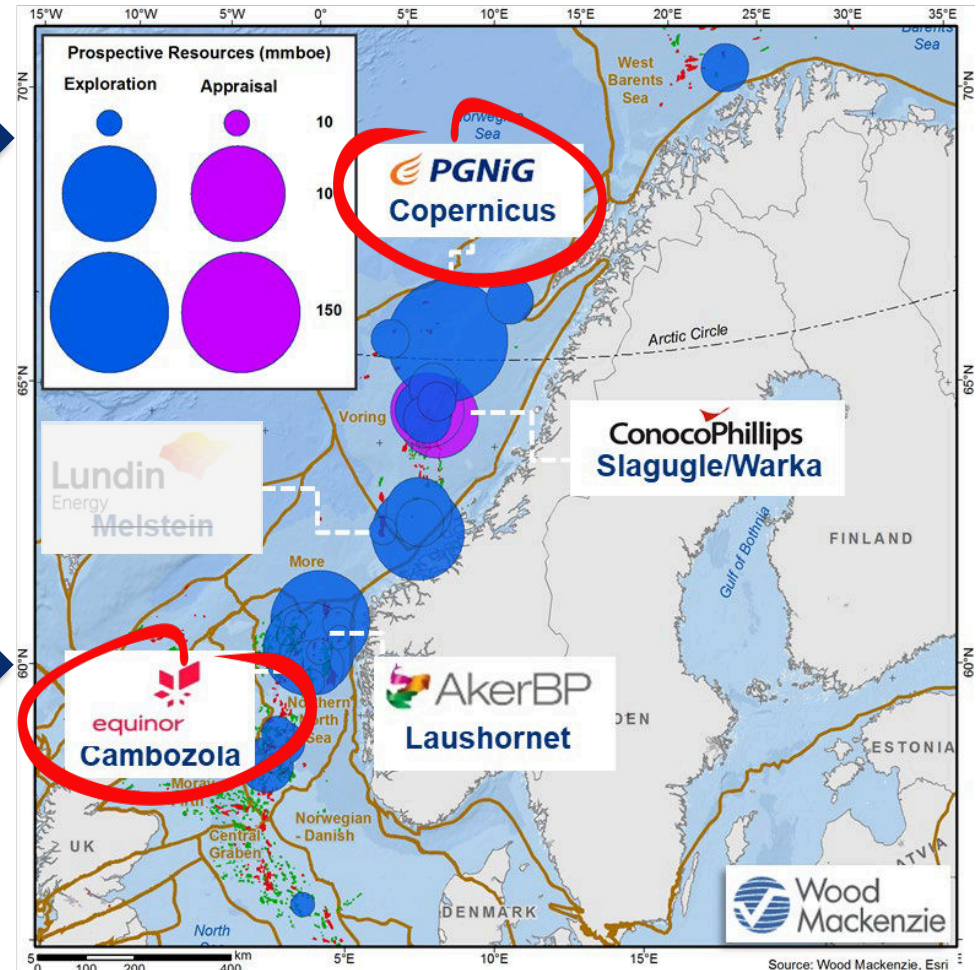
Cambozola (LBE, 25%)

- Play-opening Lower Cretaceous submarine fan
- Clear amplitude anomaly, possible gas chimneys
- Drilling with Deepsea Stavanger immediately following Kveikje, ~3 month well
- Gross Mean: 159*mmboe, CoS: 15%, 80% gas
- Large follow-on prospectivity (>200 mmboe)

Copernicus (LBE, 10%)

- Miocene/Pliocene stratigraphic trap
- Amplitude anomaly and possible Direct Hydrocarbon Indicator (DHI)
- Drilling with Deepsea Yantai (summer 2022)
- Gross Mean: 254*mmboe, CoS: 25%, 97% gas

Norway Wells to Watch in 2022



Outlook & Summary

Market outlook

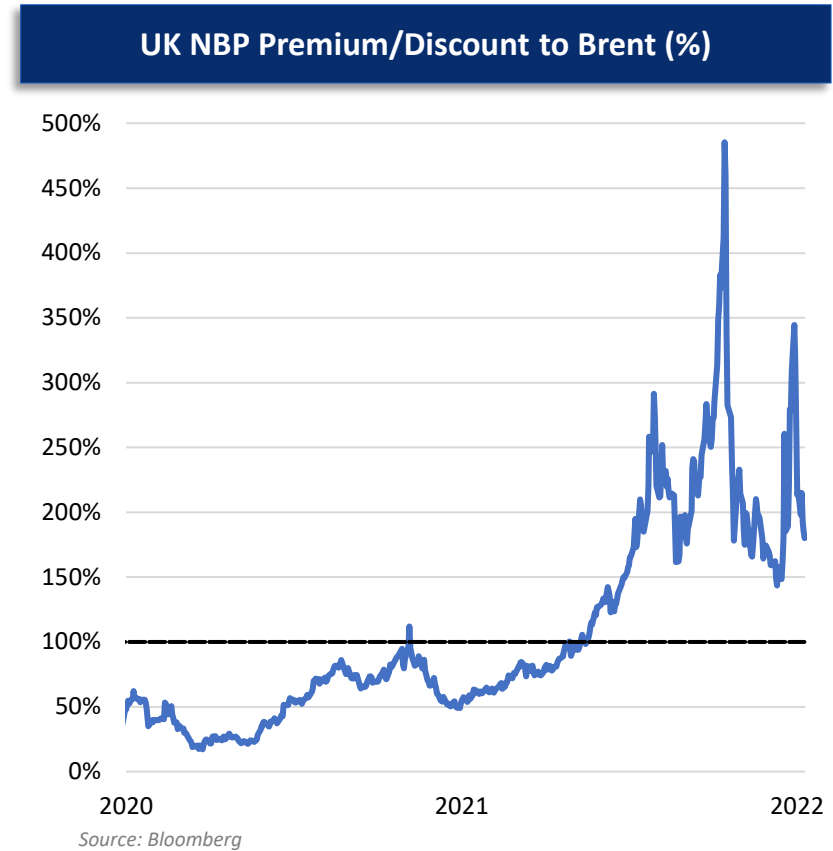
Increased M&A opportunities driven by market and Longboat positioning

Increasingly active North Sea M&A market

- Deal space continues to be dominated by private companies
- Continued consolidation – large companies getting larger
- Increased competition for ‘mid market’ deals (<\$300 million)
- Longboat one of only ~30 active companies in Norway
- Price volatility potentially challenging for transacting

Longboat actively pursuing value-accretive opportunities

- In-house team allows for quick and consistent evaluations
- Maintain disciplined approach to valuation
- Continue to consider using discoveries as ‘swap currency’
- Tax change can make NCS developments more attractive



Our plan remains to build Longboat in to a full-cycle, North Sea E&P company

Summary

Increased M&A opportunities driven by market and Longboat positioning

Focused on value-accretive growth

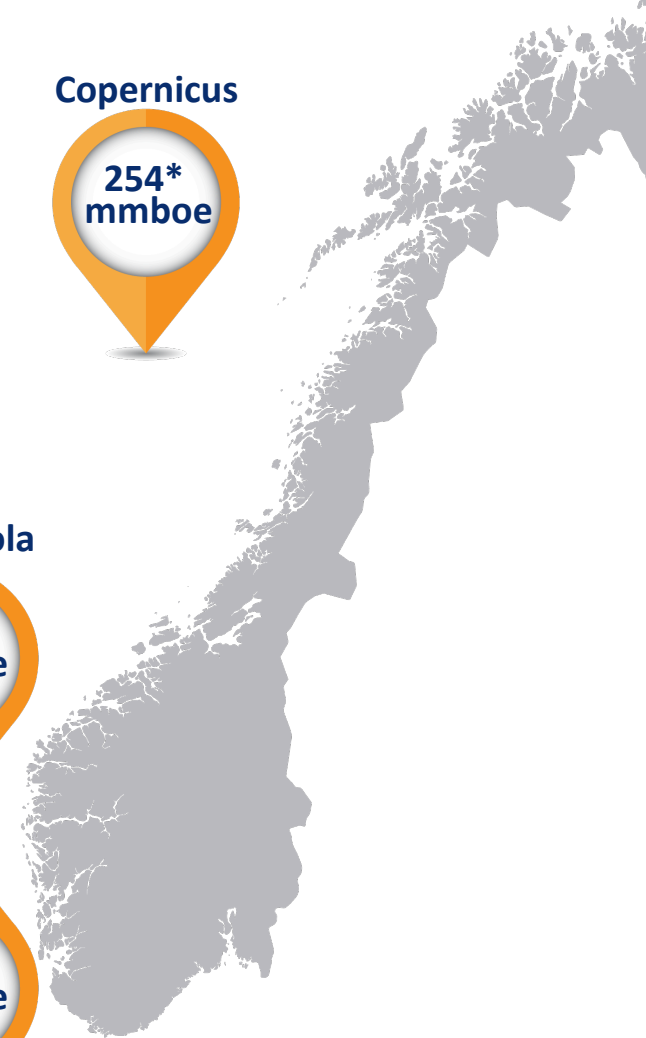
- Create value through the drill-bit with near-field exploration
- Targeted M&A transactions
- Committed to delivering energy responsibly with net zero target

Commodity prices at record levels, tight European gas market

- Increasing consensus energy transition will take longer
- Risk of sustained energy crisis without more investment
- Price volatility and Russian actions represent uncertainty

Drilling Three high-impact wells in next ~6 months

- Norwegian discovery rates remain high (50% in 2021)
- Targeting 69*mmboe (net) and total upside of 254**mmboe (net)
- Includes two of Norway’s largest gas prospects in 2022



Copernicus

254*
mmboe

Cambozola

159*
mmboe

36*
mmboe

Kveikje

* Mean un-risked prospective and contingent resources (ERCE CPR)

** Based on net unrisked "3U" high volumes in ERCE CPR plus operator high unrisked estimates of Fontina-Burrata

Appendix

Remaining exploration wells

Anticipated 2022 drilling cost schedule

Prospect	Operator	LBE WI%	Gross/Net Pre-Tax Well Cost ¹ \$mm	Gross Mean Resources ² mmboe	Risk
Kveikje	Equinor	10%	\$24/\$2	36	55%
Cambozola	Equinor	25%	\$80/\$20	159	15%
Copernicus	PGNiG	10%	\$25/\$3	254	26%

Total pre-tax remaining carry of £33 million at 1 January 2022 (£9 million post-tax)

- Assumes shift to new Norwegian tax refund rate of 71.8% from start of 2022

1) Assumes USD/GBP of 1.30 and NOK/GBP of 11.5
 2) Mean un-risked prospective and contingent resources (ERCE CPR)

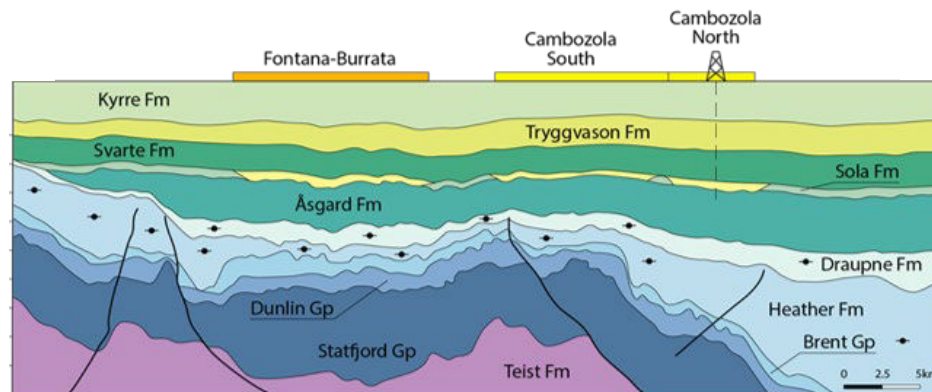
Cambozola

Play opener close to infrastructure

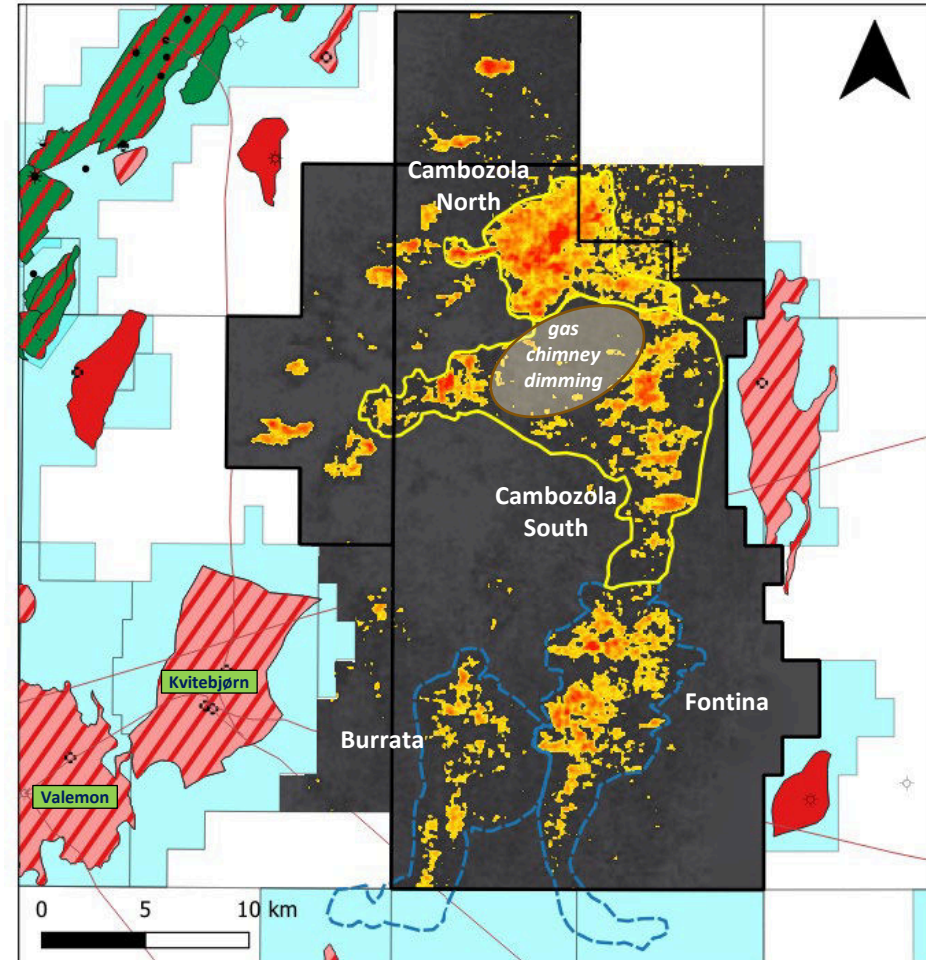
- Lower Cretaceous submarine fan in Magne Sub-basin sourced from Gullfaks High
- Stratigraphic trap with potential structural element
- Clear amplitude anomaly and possible gas chimneys
- Burial depth 3,840m, planned as High Pressure High Temperature (HPHT) well
- Key risk on reservoir presence/quality and trap

Gross Mean (mmboe)	Gross Upside (mmboe)	Oil/Gas (%)	Risk (%)
159	307	18/82%	15%

Source: ERCE CPR



Licence	PL1049, PL1049B
Partners	Longboat (25%), Equinor (Op. 35%), Petoro (20%), Spirit (20%)



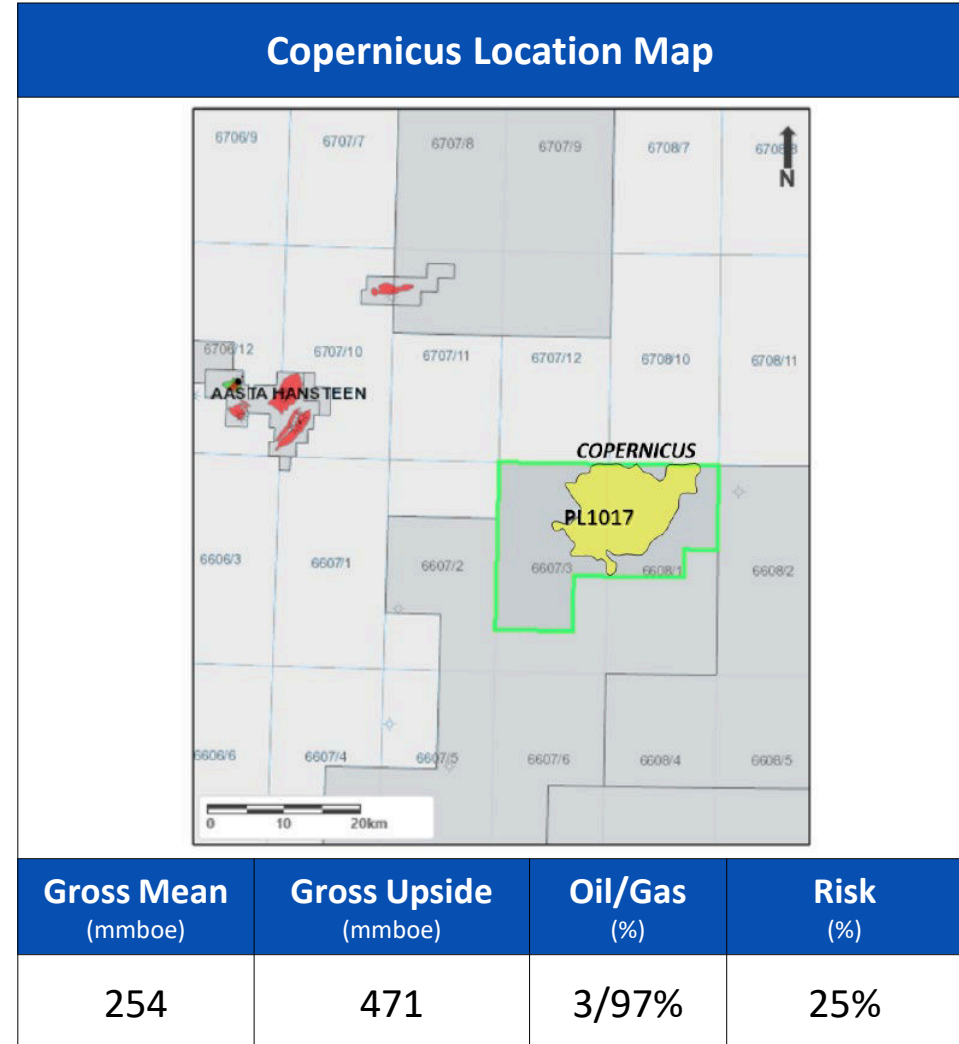
Courtesy of CGG and Spirit

Significant gas potential: Copernicus

Medium risk – high reward opportunity

Licence	PL1017
Partners	Longboat (10%), PGNiG (50%), Equinor (40%)

- Miocene–Pliocene lowstand wedge with amplitude anomaly
- Play-opener with large potential and follow-up opportunities
- Tie-back to Aasta Hansteen Field and Polarled gas pipeline with available capacity
- On the shelf break: 400–700m water depth
- Reservoir depth 2,140–2,300m – high porosity reservoir expected
- Possible gas Direct Hydrocarbon Indicator (DHI)
- Key risks with trap and reservoir
- Expected spud mid-2022



Source: ERCE CPR

Proposed Norwegian tax change summary

Move to a 'cash based' system seems to have broad political support

Proposal recently announced to change Norwegian petroleum tax system from 2022 onwards

- Move to a 'cash based' system (i.e. immediate expensing of investments)
- Improved alignment between government and industry (less difference on pre-vs-post-tax economics)
- Seems to have broad political support

Same marginal rate (78%), different calculation

- Special Petroleum Tax (SPT) increases to 71.8% (from 56%)
- Corporation Tax (CT, 22%) fully deductible from SPT, investment uplift removed
- Exploration refund (78%) removed – replaced with 71.8% repayment of all losses (including capex) in Y+1
- Residual CT element (6.2%) carried forward until profitable

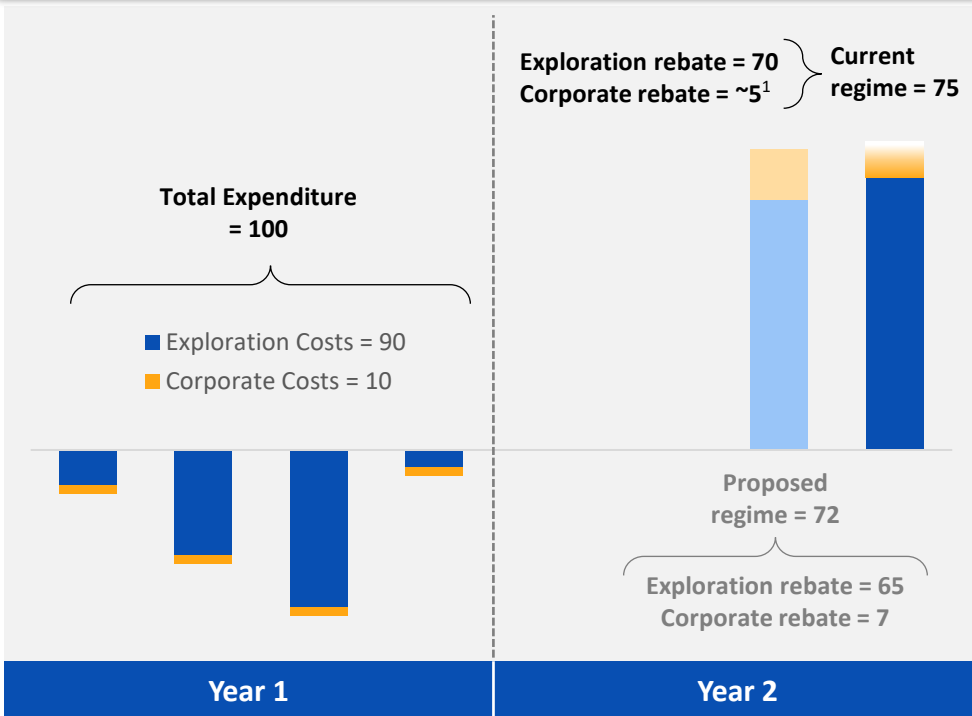
Industry requires further clarifications on aspects of the proposal, including:

- Authorities have assured continued ability to pledge tax refund in 2022; status for 2023 awaited
- Potential for a transition period if new system introduced retroactively (Q2-22 approval, 1-Jan-22 effective)
- Longboat has proactively engaged with its lenders to make any necessary adjustments to the EFF

Proposed Norwegian tax change impact

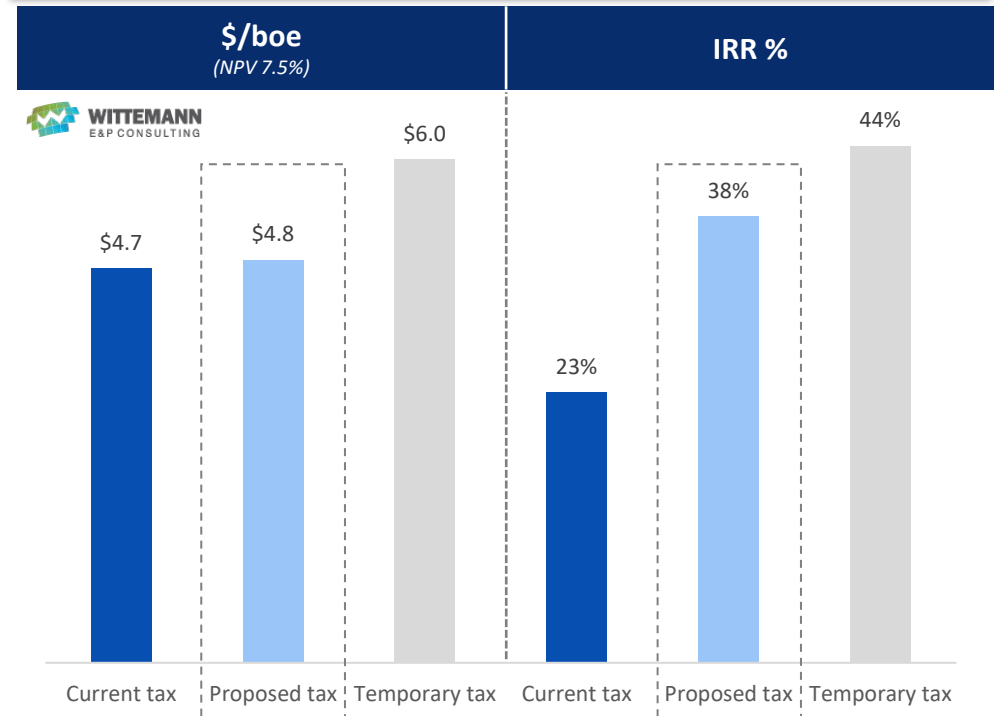
Small increase in near-term cash costs offset by improved development economics

Cash impact of Proposed Fiscal Regime



Source: Company estimates based on Norwegian government proposal Sept-21

Fiscal Regime Comparison: Subsea tie-back²



Source: Wittemann E&P Consulting

Norwegian tax changes expected to be broadly neutral and to provide long term regime stability

(1) Assumes ~2/3 of the corporate costs are eligible for 78% exploration rebate (ie total refund of ~50% of corporate costs)

(2) Based on the government tax proposal announced 31 August 2021. Assumptions include 1 Jan-22 effective date, \$60/bbl, owner is in a full tax paying position