



Longboat  
Energy

# Company presentation

June 2023

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## ■ Strategy

- Build a significant cashflow generating full-cycle E&P company and deliver value to shareholders
- Grow production and reserves through exploration and value accretive M&A

## ■ Longboat entering major growth phase

- Large Norwegian gas prospect, Velocette, drilling H2-23
- Awards in core areas as part of Norwegian APA 2022 licensing round, one firm well
- High-impact entry into Malaysia via MBR 2022, multi-tcf opportunity with low initial cost commitment

## ■ Actively pursuing M&A opportunities

- Announced transformational transaction to create a new Norwegian JV together with JAPEX
- Targeting production and development opportunities in Norway and SE Asia
- Leverage highly regarded organisation, network and prior track record

## ■ Strong financial support

- Existing cash and capital injection on completion of Norwegian JV transaction will create significant headroom
- JAPEX to provide the Norwegian JV company with US\$100 million financing facility
- Expanded NOK 800 million Norwegian Exploration Facility (£65 million)
- Strong institutional shareholder base

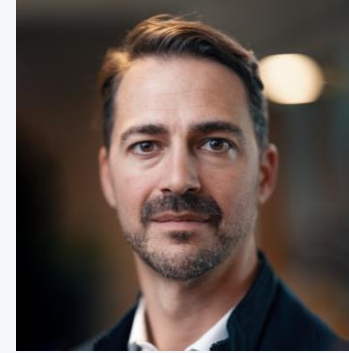
# Longboat Energy PLC Executive Management



- Ex-COO of Faroe Petroleum
- +30 years' international experience (Shell, Paladin)
- Degrees in Petroleum Engineering (NTH University of Trondheim) and Economics (Institut Français du Pétrole, Paris)

## Helge Hammer

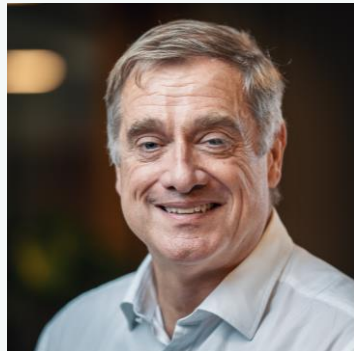
*Chief Executive Officer*



- Ex-Group BD Head Faroe Petroleum
- Prior BD roles at Salamander Energy, Valiant Petroleum and banking roles with Morgan Stanley and RBS
- MA Hons Ancient History (University of St Andrews)

## Nick Ingrassia

*Corporate Development Director*



- Ex-CFO of Faroe Petroleum
- Former CFO at Gulf Keystone, Lamprell, Sterling Energy and Director Oil & Gas Corporate Finance at DKW
- PhD Mechanical Engineering (University of Leeds)

## Jonathan Cooper

*Chief Financial Officer*



- Subsurface Manager, DNO North Sea
- Petroleum Geologist +20 years' experience (Shell, Equinor, Talisman, Paladin, Faroe)
- Masters Degree from University of Trondheim (NTNU)

## Hilde Salthe

*Managing Director Norway*

# Strong commitment to ESG

## ■ Delivering energy responsibly

- Subsea satellite developments to reduce emissions per boe
- Exploration success crucial to reducing CO<sub>2</sub>/boe through maximising throughput over mature infrastructure

## ■ Natural gas increasingly seen as important ‘bridge fuel’

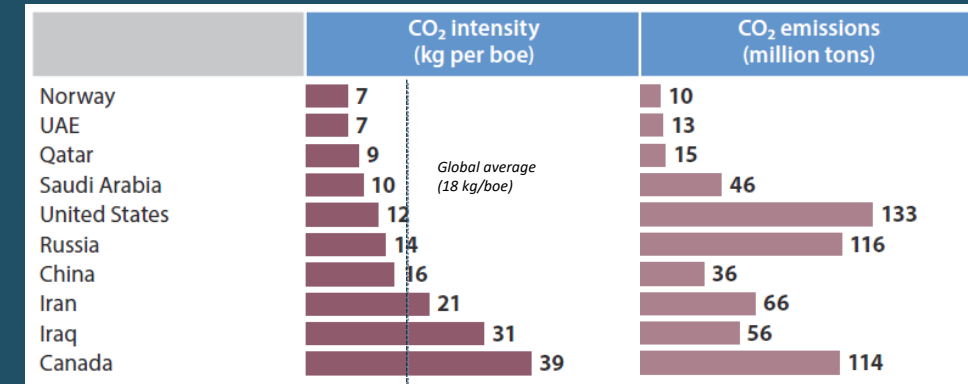
- E&P companies have an essential energy transition role
- Longboat’s targets are gas weighted

## ■ The Norwegian industry is committed to make positive contribution to energy transition:

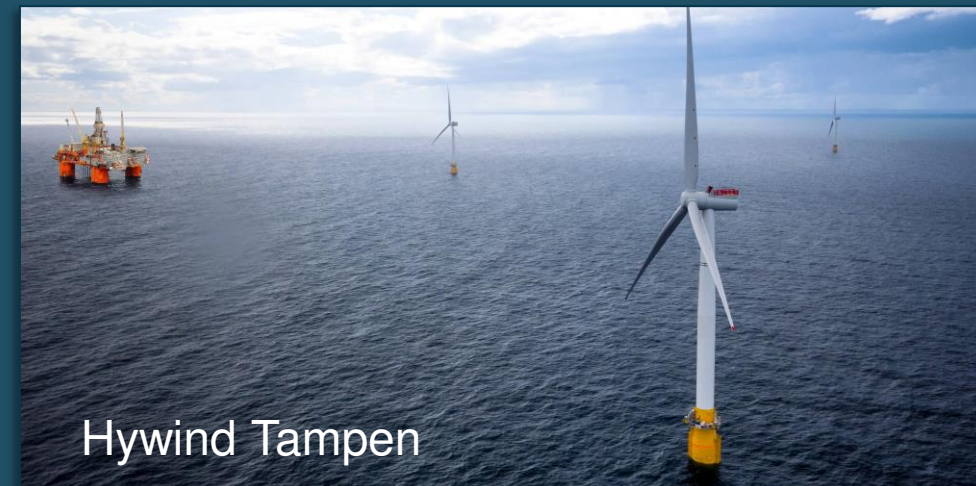
- Norway values strong ESG commitments
- Hydroelectric power-from-shore to reduce offshore CO<sub>2</sub> emissions
- Floating wind farm (Hywind Tampen) to power offshore platforms
- Northern Lights project to provide infrastructure for CO<sub>2</sub> storage and sequestration

## ■ Longboat has a strong commitment to the energy transition and ESG

## Global CO<sub>2</sub>/boe Ranking



Source: NPD Exploration Resource report 2020



Hywind Tampen

Source: Equinor

# A transformational deal in Norway

## ■ Transformational transaction to create a new Norwegian JV

- JAPEX to become 49.9% shareholder in Longboat's Norwegian subsidiary
- Transaction subject only to regulatory approvals

## ■ Initial investment of up to US\$50 million

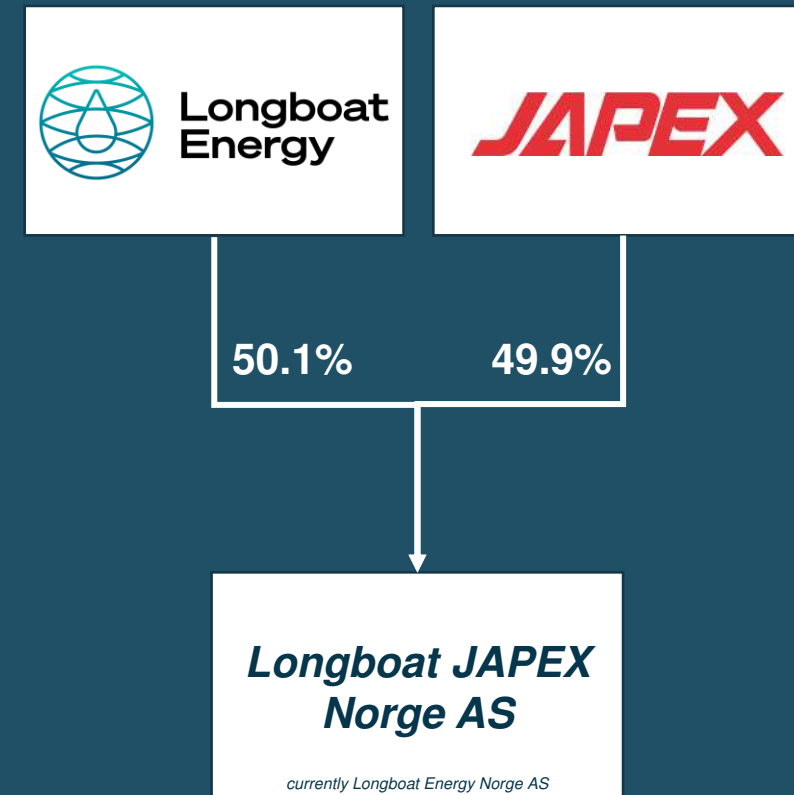
- Initial cash consideration of US\$16 million
- Contingent consideration of US\$4 million linked to completion of a production acquisition under review
- Up to US\$30 million linked to Velocette exploration success (drilling Q3-23)

## ■ JAPEX to provide JV with US\$100 million financing facility

- 5-year facility available to finance acquisitions and development costs
- All-in interest cost over the term of loan <10%

## ■ JV to pursue a growth-led strategy

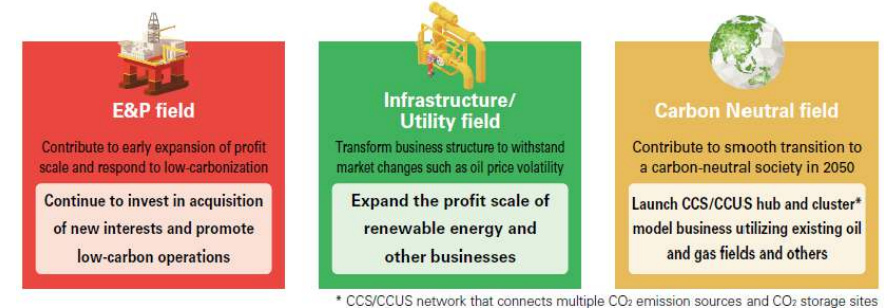
- Target development projects and reach significant production in 3-5 years
- Continue to drilling of 1-to-3 exploration & appraisal wells per year



# JAPEX at a glance



## Business Foundation



## ■ Japan Petroleum Exploration Co., Ltd (JAPEX) founded in 1955 by Japanese government – reorganised as a private entity in 1970

- Listed on the Tokyo Stock Exchange (m/cap ~US\$1.8 billion<sup>1</sup>)
- Major shareholder: Minister of Economy, Trade and Industry of Japan (35%)
- Proved reserves (2022/3): 159 mboe
- Production (FY22): 58,500 boepd
- Net Sales (FY22): ¥249,140 million (~US\$1.9 billion<sup>2</sup>)
- Investment Grade Credit: Moodys (Baa1, Stable), R&I (A+, Stable)

## ■ Combination of domestic and global E&P operations

- Active regions include Japan, US, Indonesia, Iraq and UK
- Technically focused organisation with +1600 staff

## ■ Shared focus on delivering energy responsibly

- Target 40% reduction of Scope 1+2 emissions intensity by 2030 (vs 2019)
- Net zero target for JAPEX group operations by 2050



Source: JAPEX

1. As at 23 Apr 2023, based on 1 JPY = 0.0075 USD  
2. Based on 1 JPY = 0.0075 USD

# Key benefits for Longboat



- **Significant upfront capital injection with no dilution for Longboat shareholders**
  - Transaction structured as an investment directly into Norwegian subsidiary
  - Two additional contingent payments linked to near-term events
- **Transaction enables Longboat to retain exposure to asset base with significant upside**
  - Upcoming catalysts include firm exploration wells (Velocette Q3-23, Lotus H2-24)
  - Kveikje planning underway as part of area-wide “Ringvei Vest” project seeking to capture ~250 mmboe<sup>1</sup>
  - Recent asset sales in Norway (e.g. Wellesley) demonstrates attractiveness of Longboat’s core acreage position
- **Substantial follow-on financing commitment allows JV to actively pursue growth ambitions**
  - Ability to transact from a position of strength
  - Acquisition financing facility secured at competitive pricing
- **JV brings together two companies with complementary strengths**
  - Longboat has significant Norwegian experience, expertise and strong local industry relationships;
  - JAPEX has significant world-wide technical competence and a strong balance sheet.



# Norwegian Portfolio

■ PL901 Rødhetta 20% (Vår op)

■ PL1016 Velocette 20% (OMV op)

■ PL293B Kveikje 10% (Equinor op)

■ PL1182S Lotus 30% (DNO op)

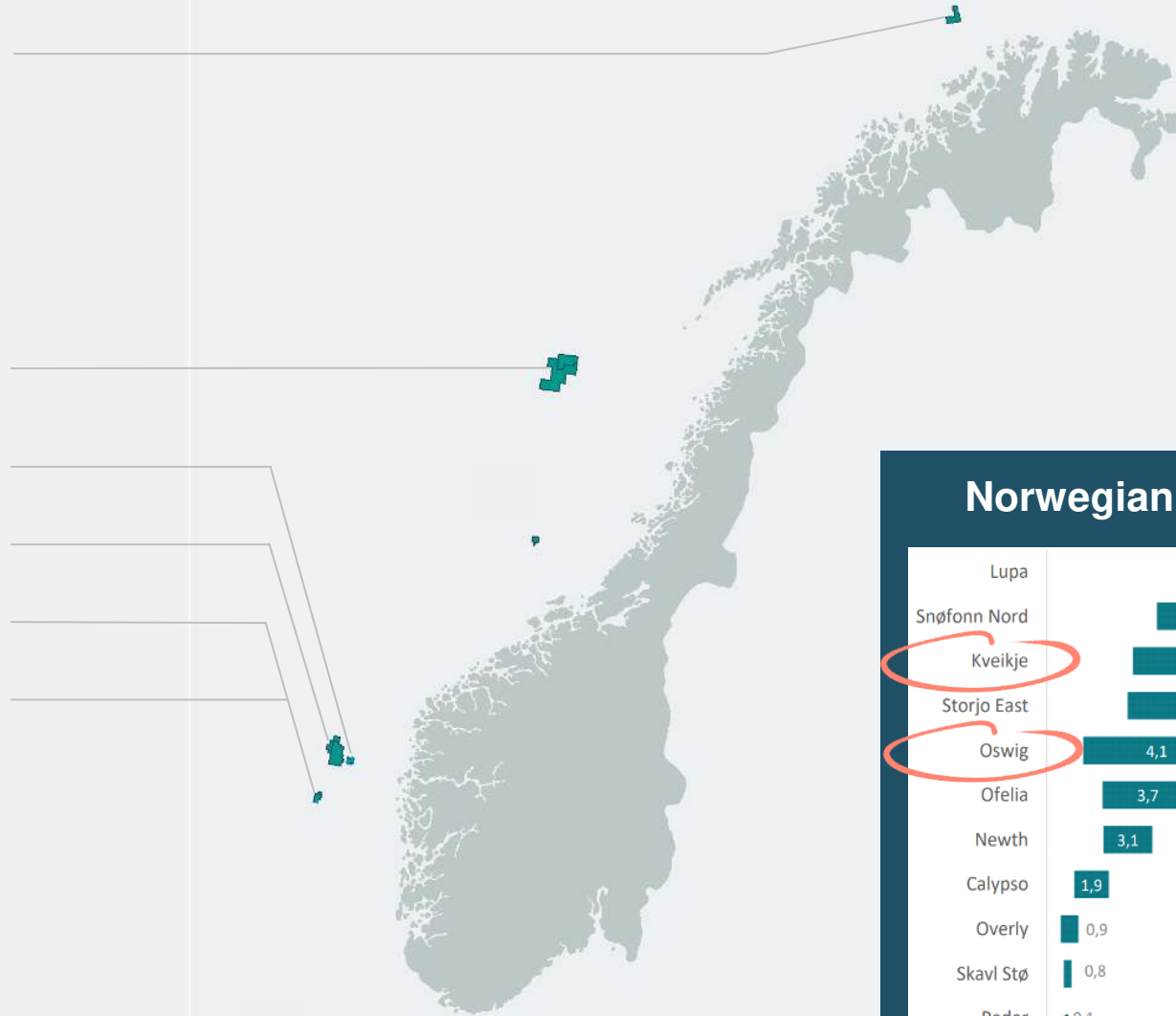
■ PL1100 Oswig 20% (OMV op)

■ PL1100C Oswig S 20% (OMV op)

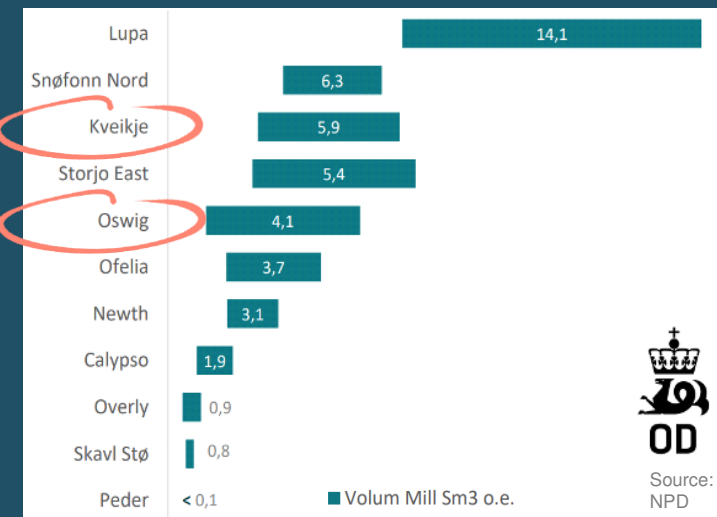
■ Discovery

■ Firm well

■ Recent award



## Norwegian Discoveries 2022



# Near Term Activity Overview

Prospect	LJN WI%	Gross Resources (mmboe)	Risk	2023				2024			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Norway</b>											
Velocette	20%	177	30%								
Lotus	30%	27	56%								
Oswig S	20%	-	-								
<b>Malaysia</b>											
Kertang (SK2A)	36.75%	-	-								



- Firm well
- Potential well

# Norway Asset Focus: Velocette

## Setting

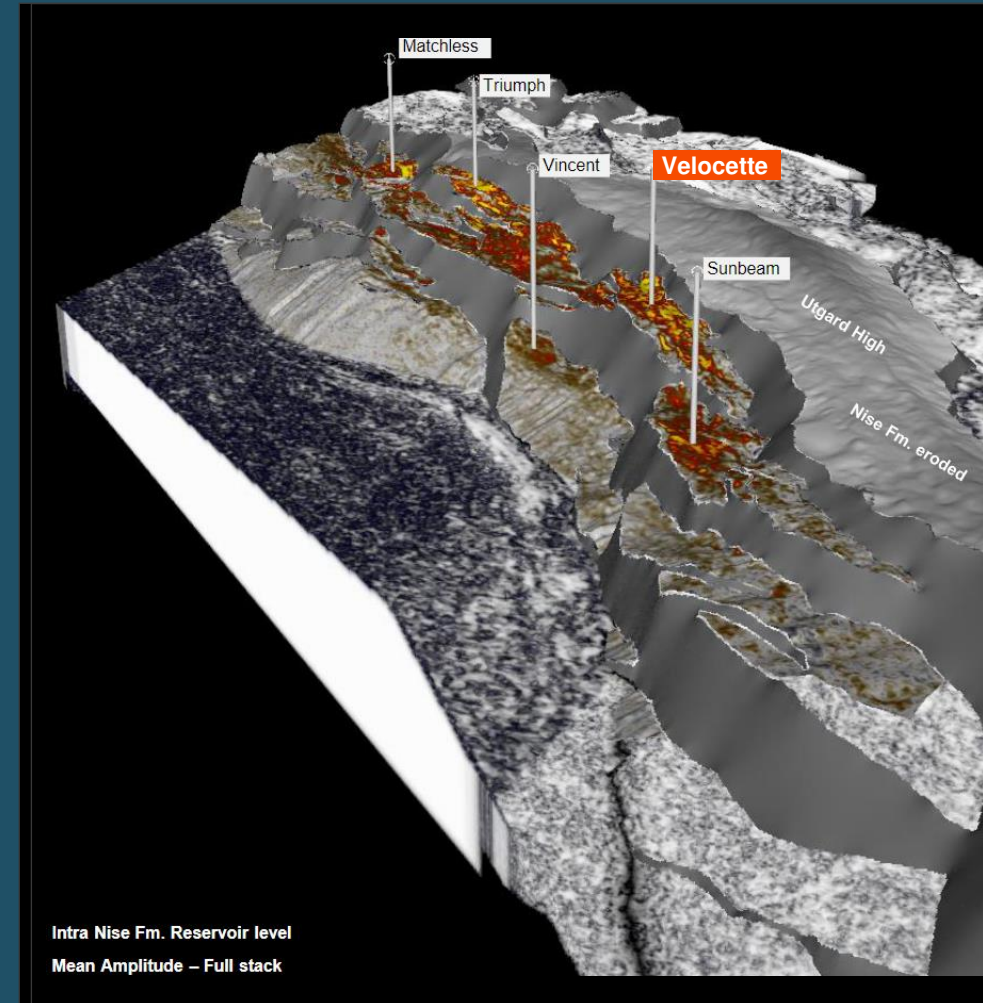
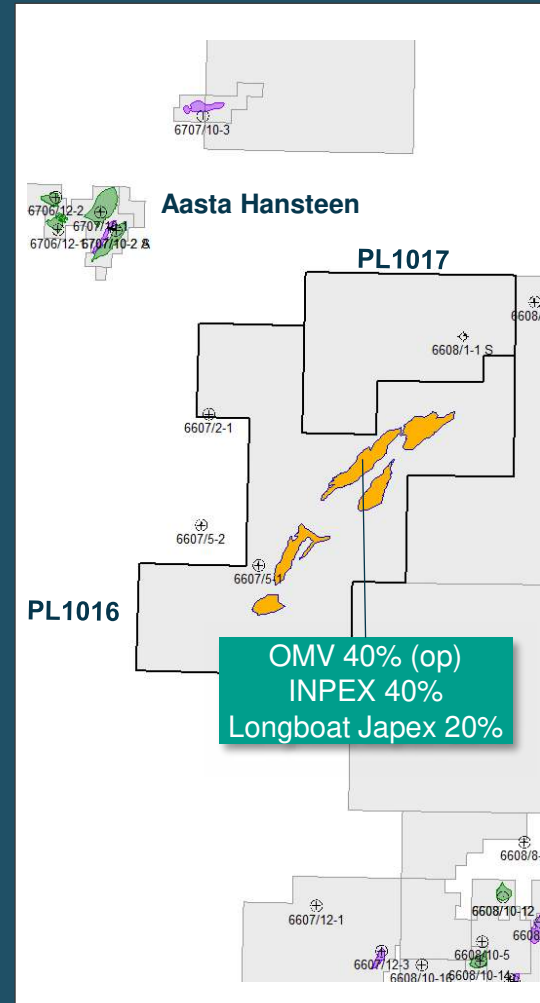
- Cretaceous turbidite sands
- Large fault blocks
- Amplitude supported gas prospect

## Volumes & Risk

- Gross mean 177 mmboe<sup>1)</sup>
- Chance of Success: 30%<sup>1)</sup>
- Key risk(s): reservoir presence and quality

## Update

- ~200 mmboe follow-on potential in adjacent fault blocks
- Derisked by initial exploration well
- Tie back to Aasta Hansteen (45 km)



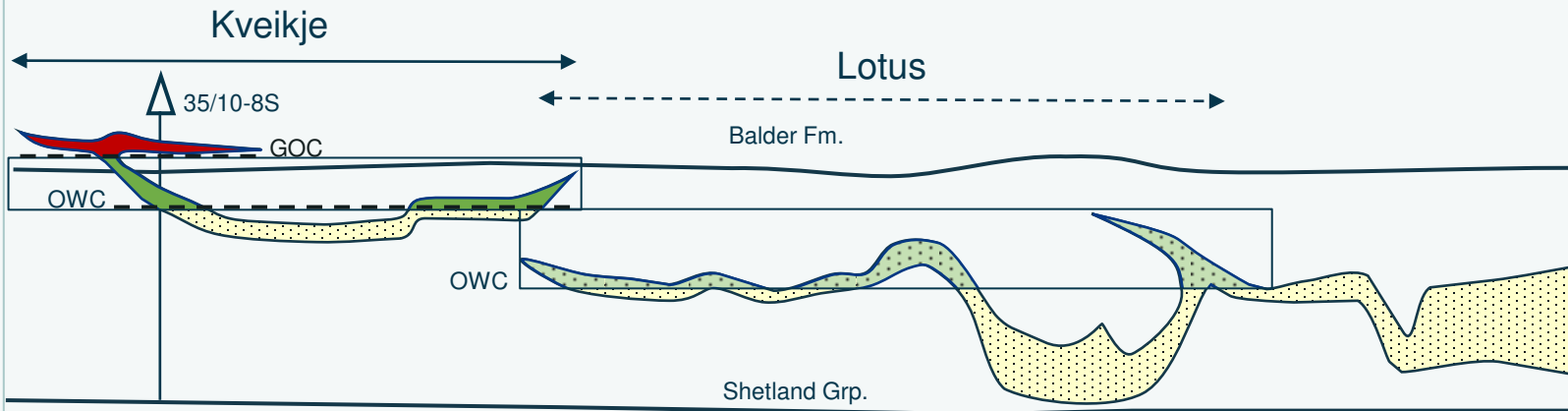
# Norway Asset Focus: Greater Kveikje Area

## ■ Kveikje one of largest Norwegian discoveries in 2022

- Injectite reservoir with excellent quality
- Gross volume range: 35 – 60 mmboe<sup>1)</sup>
- Joint development of multiple discoveries in the area (200-300 mmboe)
- JAPEX joint venture marks end of monetisation process

## ■ Low-risk/high-reward Lotus award in APA 2022

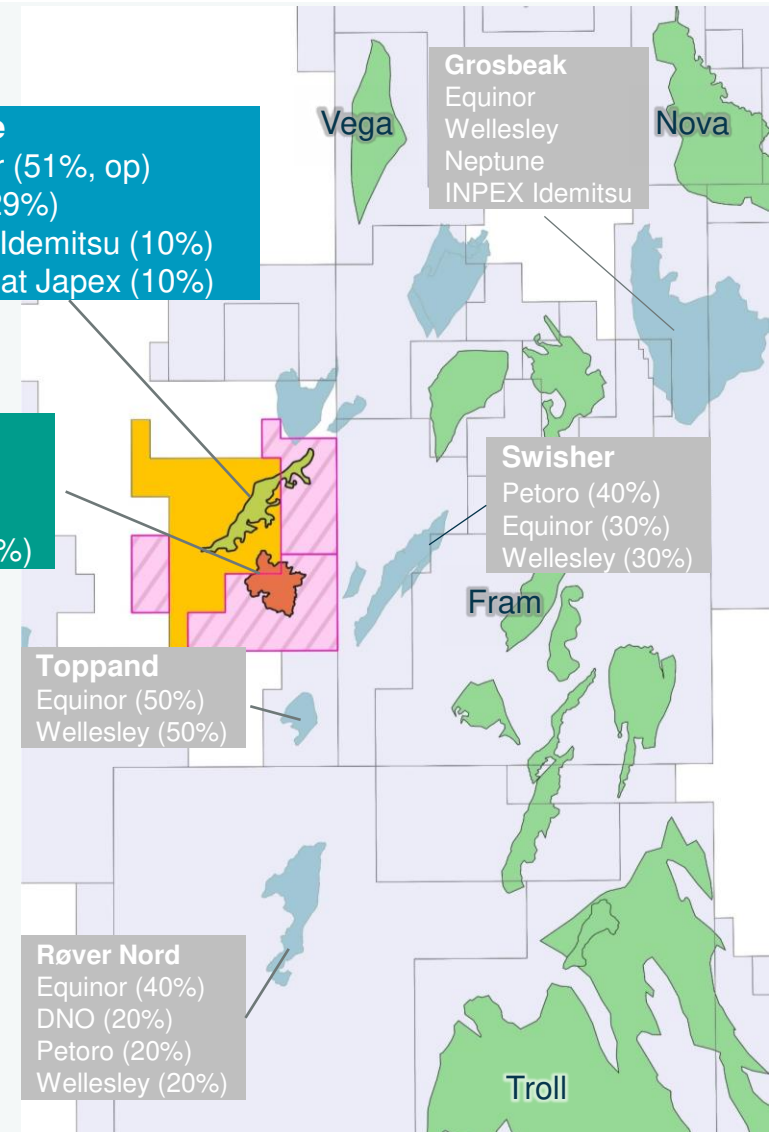
- Pursuing successful play opened at Kveikje discovery
- 27 – 44 mmboe, Chance of Success 56%<sup>2)</sup>



Schematic section through Kveikje and Lotus

**Kveikje**  
 Equinor (51%, op)  
 DNO (29%)  
 INPEX Idemitsu (10%)  
 Longboat Japex (10%)

**Lotus**  
 DNO (40%, op)  
 AkerBP (30%)  
 Longboat Japex (30%)



1) ERCE Competent Persons Report 2C-3C September 2022

2) Longboat APA2022 evaluation, mean-to-high oil case

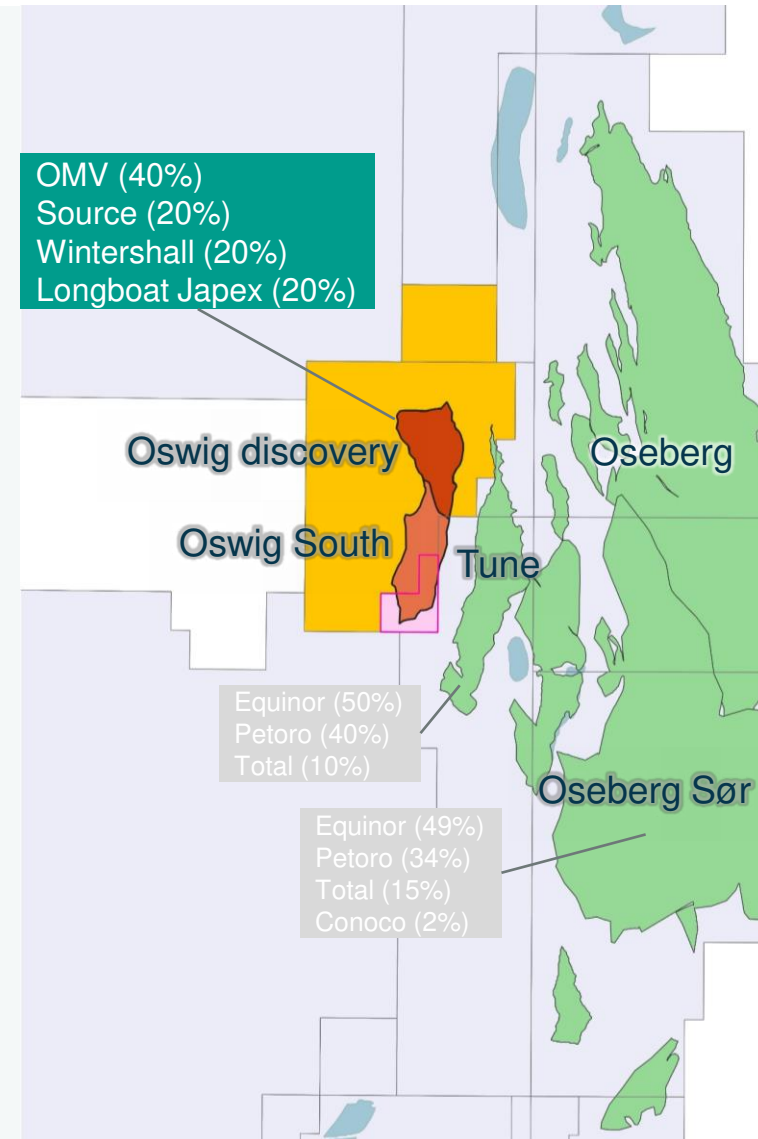
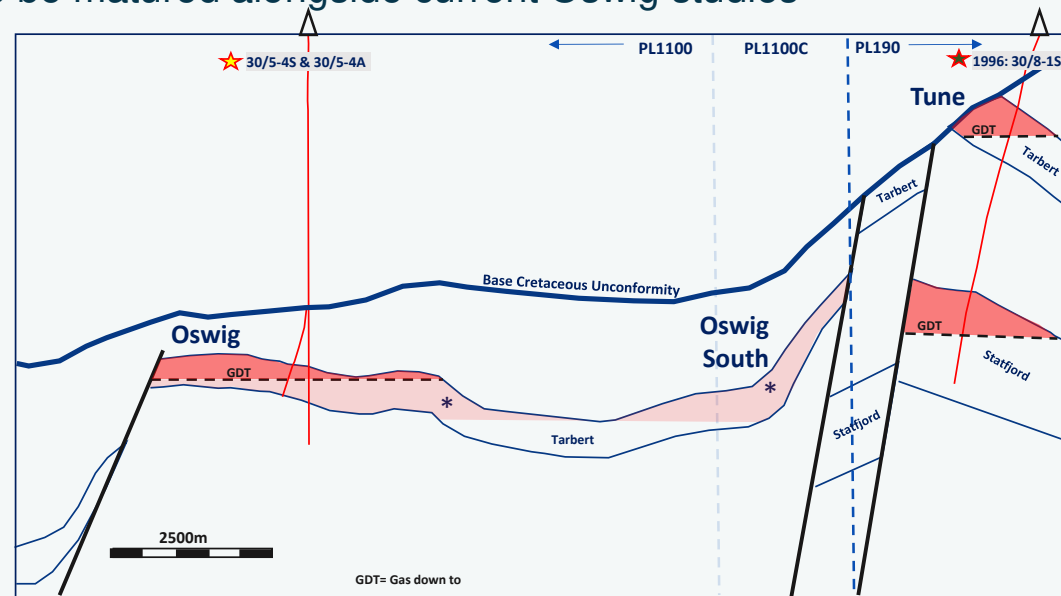
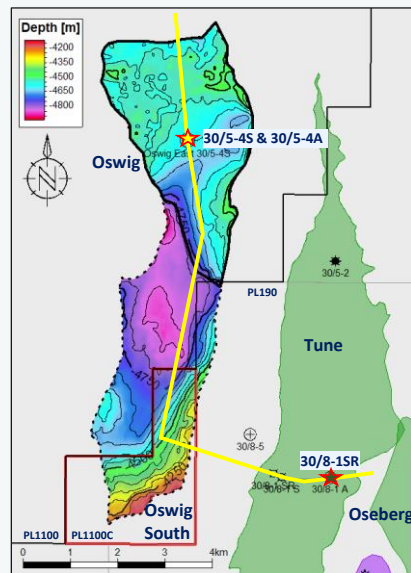
# Norway Asset Focus: Oswig Area

## ■ Oswig, HPHT discovery adjacent to giant Oseberg field

- Successful side-track and production test (DST) in late 2022
- Very large Gas In Place Volumes (GIIP): 100-215 mmboe<sup>1)</sup>
- Focus on technologies to maximise recovery factor

## ■ Oswig South: low risk prospect, potential to double Oswig size

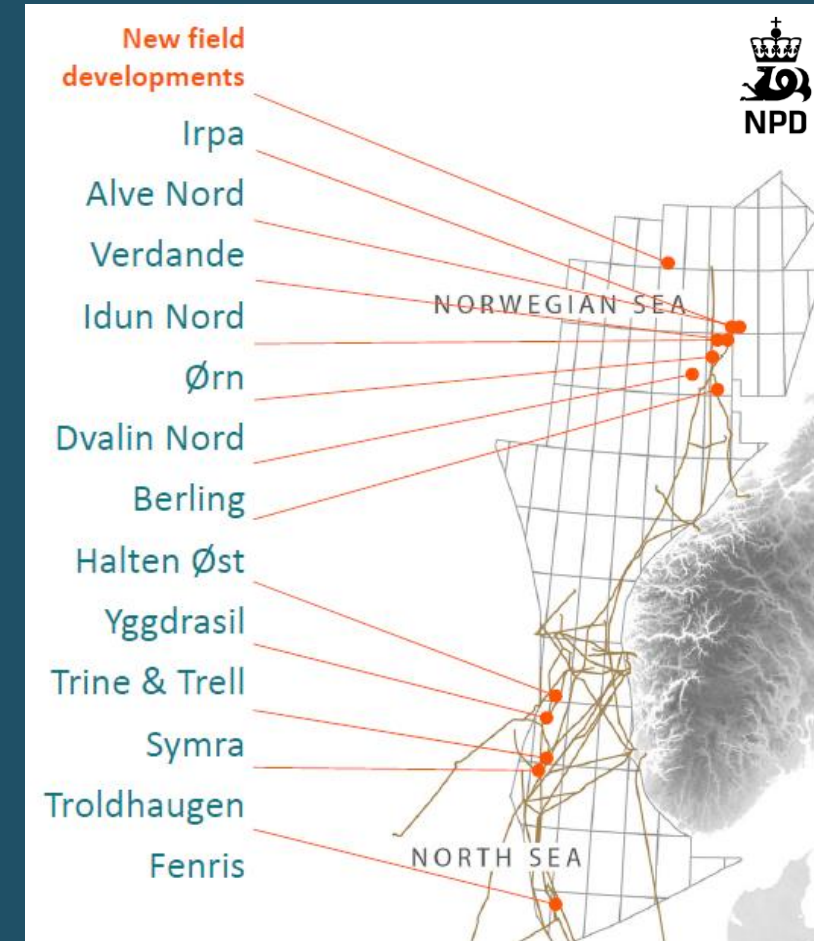
- Significantly shallower than Oswig – expected better reservoir quality
- Low commitment, to be matured alongside current Oswig studies



# Norwegian JV strategy

- **Predominately development-led strategy to grow 2P reserves and reach significant production levels within 3-5 years**
  - Strategy to be delivered through one-or-more acquisitions
  - Preference for 10-30%, non-operated interests
  - Target straightforward projects (e.g. subsea tie-backs)
  - Norwegian tax system provides downside risk protection
- **High level of field development activity in Norway represents significant M&A opportunity**
  - COVID-era tax incentives have resulted in record number of PDOs submitted (field development plans)
  - Total associated capex spend of \$29 billion<sup>1</sup> likely to result in divestments
- **Continue to drill 1-3 E&A wells per year**
  - Norway delivering +30 E&A wells p.a., high success rates and low finding costs
  - JV retains existing attractive exploration targets (Velocette and Lotus) and appraisal opportunities (Oswig)
  - Continued opportunities in APA licensing rounds and farm-out market

## PDO Submissions 2022



Source: NPD

# Malaysia strategy

## Why Malaysia?

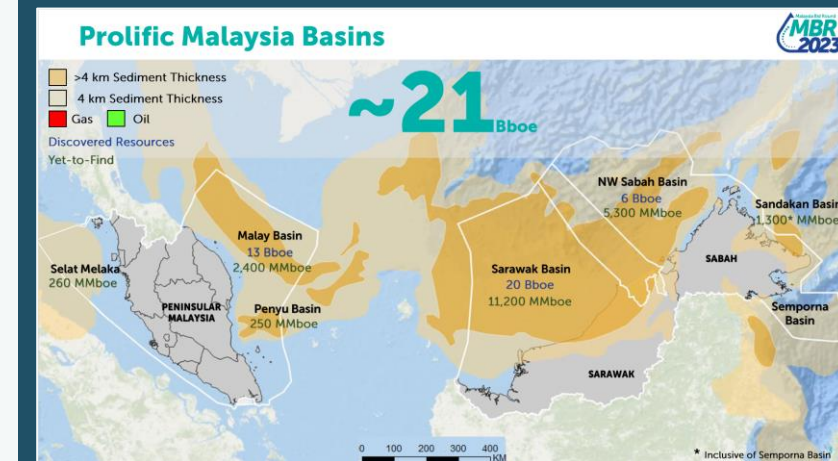
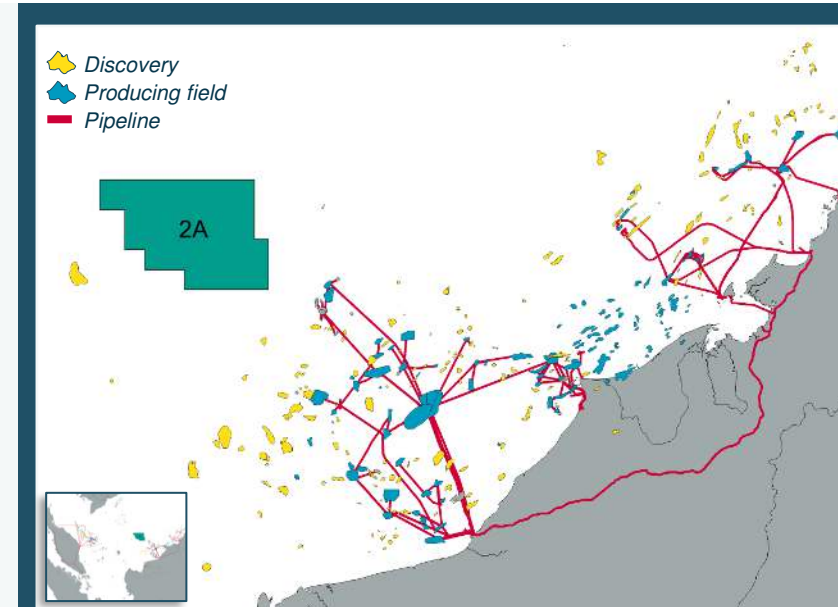
- Opportunity set comparable to the North Sea 15-20 years ago
- Significant prospectivity, fallow discovery backlog
- Strong, supportive regulator looking to establish new players

## Longboat entered Malaysia in Q1-23 via licencing round

- SK2A is a large exploration block offshore Sarawak
- Multi-TCF potential in stacked Kertang prospect, excellent 3D seismic data
- Low-cost initial work phase (3 years), with firm well in 2nd phase
- Longboat operator with strong state participation (Petronas, Petros)

## Strategy focused on building a full cycle business

- Exploit changes underway in the Malaysian upstream industry
- Add production and/or developments with low capex & short lead times
- Exploit innovative M&A experience and network to target growth



# Summary

## Corporate vision

- Build a significant, cashflow generating, full-cycle E&P company
- Grow production and reserves through exploration and M&A
- Execute innovative deals to deliver the strategy
- Deliver shareholder value

## Longboat entering major growth phase

### Norway

- New JV brings significant financial capacity to deliver attractive acquisitions
- Progressing Kveikje towards concept select as part of large Ringvei Vest project
- Velocette drilling H2-23, Lotus drilling in 2024

### SE Asia

- Entry into Malaysia complete
- High-impact, multi-TCF exploration opportunity at low initial cost
- Focused on adding production/development assets in region

## Maintain strong financial foundation

- Activities fully funded, including all well commitments
- JAPEX finance facility positions JV to deliver on Norwegian strategy



Westwood  
Global Energy  
Group

## KEY WELLS TO WATCH IN 2023



Source: Wildcat, Westwood Analysis



Oswig DST and Mærsk Intrepid jack-up drilling rig





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