



Longboat
Energy

Acquisition of initial production assets in Norway

3 July 2023

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- **Longboat’s subsidiary, Longboat Energy Norge AS, has agreed to purchase two producing assets from INPEX Idemitsu Norge AS on the Norwegian Continental Shelf (the “Statfjord Satellites”)**
 - a 4.80% unitised interest in the Statfjord Øst Unit; and
 - a 4.32% unitised interest in the Sygna Unit
- **Statfjord Satellites represent long-term cash flow, with fields expected to produce until late 2030s**
 - Net production of ~300 boepd (to 31 April 2023)
 - Production anticipated to approximately double in 2024 following a redevelopment programme (currently underway)
- **Cash consideration of \$12.75 million¹**
 - CPR net, audited 2P reserves of 1.55 mmboe (~77% oil & NGLs) and NPV10 of US\$15.3 million²
 - Acquisition price equivalent of US\$8.2 /2P boe, in-line with recent NCS transactions
- **Consideration fully funded without requirement to raise equity from shareholders**
 - Funded through cash on hand and JAPEX JV transaction (expected to complete in first half of July)
 - Acquisition triggers US\$4 million contingent payment from JAPEX into JV

1) Excludes further US\$1.75 million, post-tax consideration paid in equal stages over the next 18 months as part of a decommissioning security agreement

2) Competent Persons Report produced by ERCE as at 31 December 2022, available in full at www.longboatenergy.com

Location and description

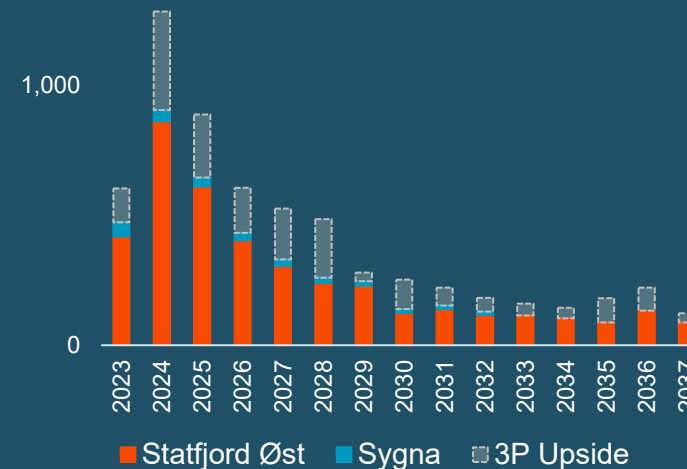
■ Statfjord Øst Unit (4.80%)

- Good quality, Middle Jurassic reservoir
- Subsea development via two subsea production templates tied-back to Statfjord C
- Production start in 1994 with redevelopment plan approved in 2021
- Anticipated to produce until late 2030s

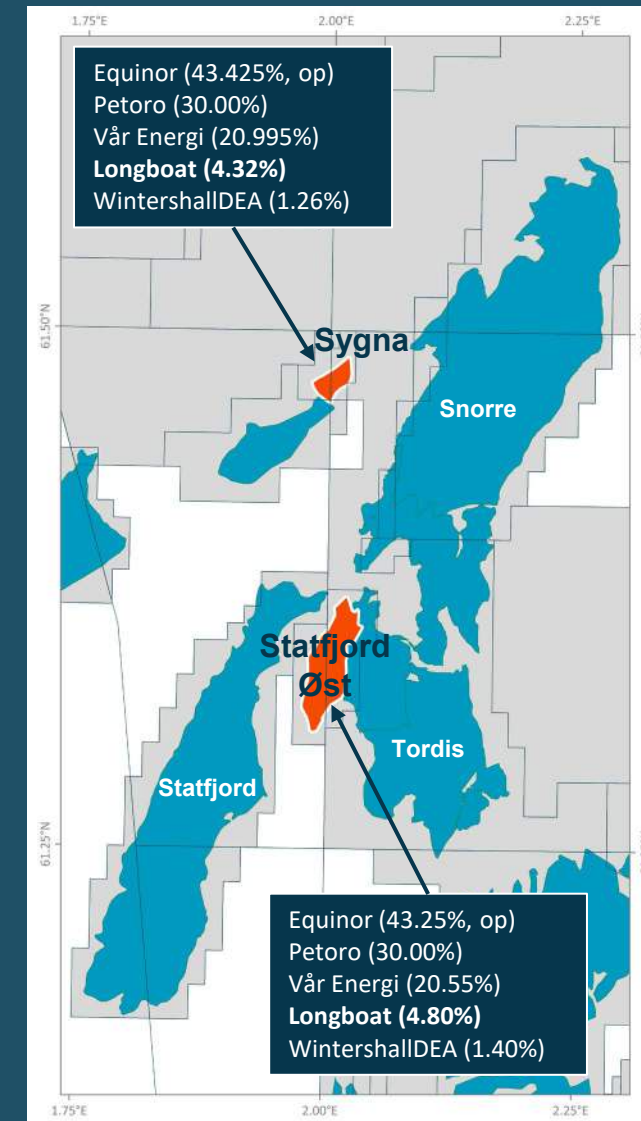
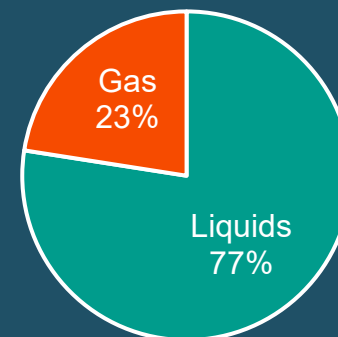
■ Sygna (4.32%)

- Good quality, Middle Jurassic reservoir
- Subsea development via subsea production template tied-back to Statfjord C
- Production start in 1994, no further development currently planned
- Anticipated to produce until early 2030s

CPR Net Production Profile (boepd)^{1,2}



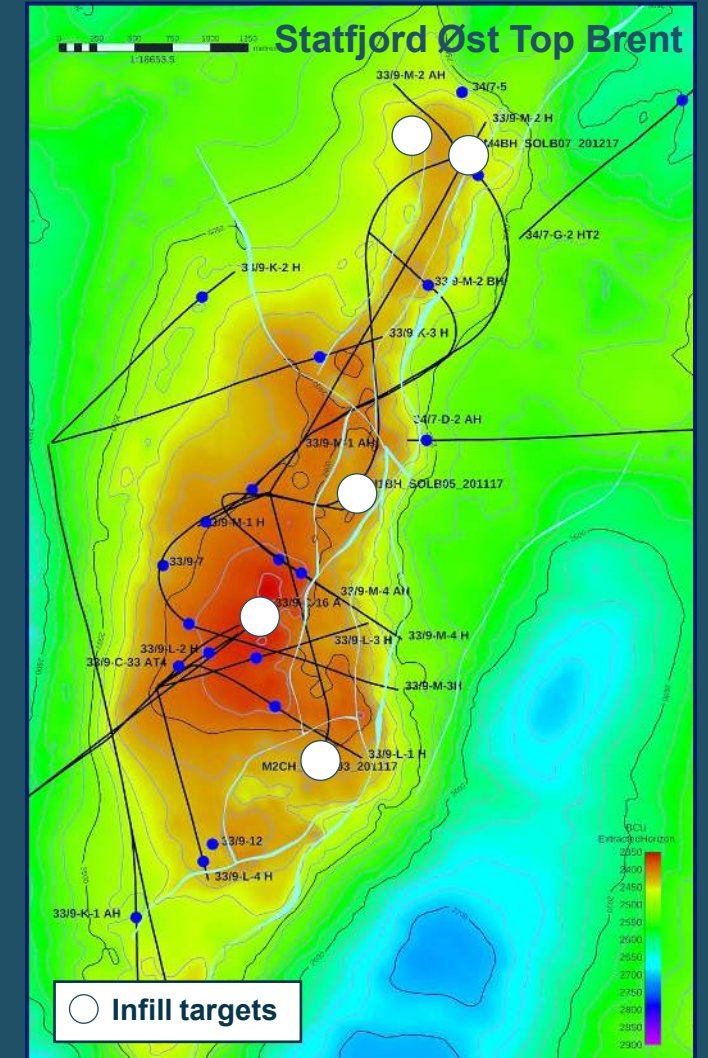
CPR Net 2P Reserves: 1.55 mmboe¹



1) Extract from Competent Persons Report produced by ERCE as at 31 December 2022, available in full at www.longboatenergy.com. Liquids include oil & NGLs
 2) Longboat intends to provide a detailed update on production outlook for 2024 towards the end of 2023 once the drilling programme is substantially complete and is not company guidance

Statfjord Øst redevelopment

- **Statfjord Øst currently undergoing extensive redevelopment**
 - Part of flagship 'FLX Future Energy' project of operator, Equinor
 - Area-wide opportunity to maximise recovery in the Statfjord Area
- **Redevelopment PDO approved in 2021 and underway**
 - Five well in-fill programme targeting un-swept oil in 'slump' areas of the field plus gas-lift flow lines to increase production rates
 - Large field STOIP of 410 MMstb¹
 - Recovery factor currently 58% vs ~70% in the Statfjord main field²
 - Drilling throughout 2023 – two wells completed to date
 - Subsea scope, including the installation of the gas lift systems, completed
 - Add gas-lift flow lines to subsea templates to increase production rates
 - Further upside associated with additional in-fill targets
- **Operator evaluating emissions reduction projects for Statfjord C**

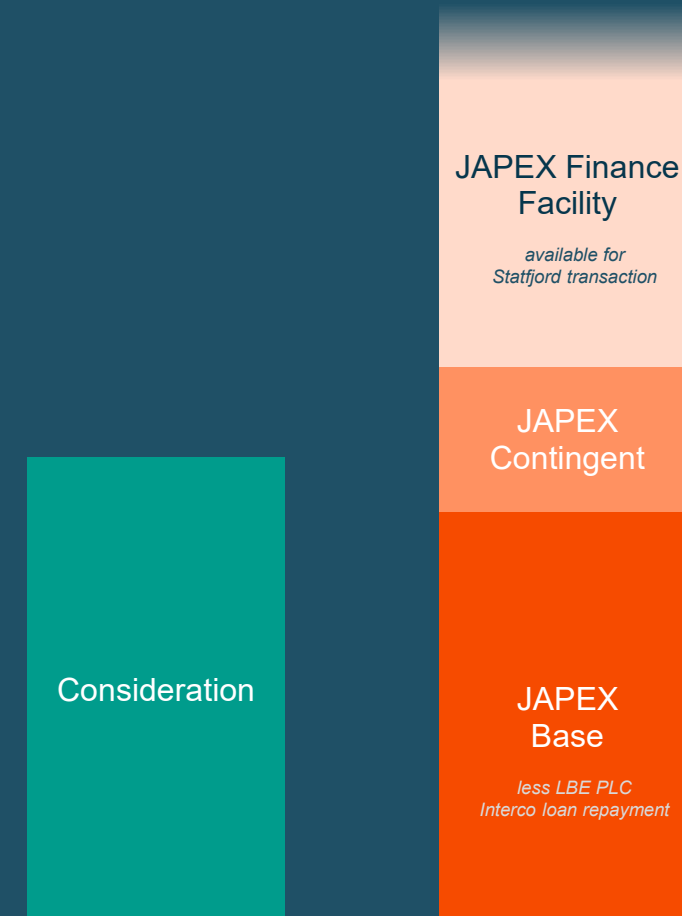


Source: operator

Valuation and financing

- **CPR values Statfjord Satellites at NPV10 of US\$15.3 million – a 20% premium to the consideration¹**
 - Transaction expected to unlock material tax synergies within Longboat Norge associated with historic corporation tax losses
 - Acquisition price of US\$8.2 2P/boe, in-line with recent NCS transactions
- **Consideration fully funded without requirement to raise equity**
 - No dilution to Longboat Energy plc shareholders
- **Transaction financed through JAPEX JV payments**
 - Based payment of US\$16 million (less PLC intercompany loan repayment)
 - US\$4 million contingent payment triggered by transaction
 - Availability under the JAPEX Acquisition Bridge Facility if needed
- **Transaction positions the enlarged business for future success**
 - JAPEX JV transaction anticipated to reach completion by mid-July

Transaction financing



- **Acquisition of production repositions Longboat as full-cycle E&P**
 - Represents the 'first step' in the transformation of the business following the recent JAPEX JV transaction
- **Statfjord Satellites represent long-term cash flow, with significant production increase in 2024**
 - Further upside potential from increased recovery factor through production outperformance
 - Potential for additional consolidation opportunities in the area
- **Statfjord operator philosophy in-line with Longboat's ESG goal of delivering energy responsibly**
 - Equinor (operator) evaluating multiple emissions reduction projects for Statfjord C
- **Modest cash consideration fully funded from JAPEX JV, no equity dilution for shareholders**
 - CPR net, audited 2P reserves of 1.55 mmboe (~77% oil & NGLs) and NPV10 of US\$15.3 million¹
 - Acquisition price equivalent of US\$8.2 /2P boe, in-line with recent NCS transactions
- **Longboat remains focused on additional acquisition opportunities both in Norway and SE Asia**



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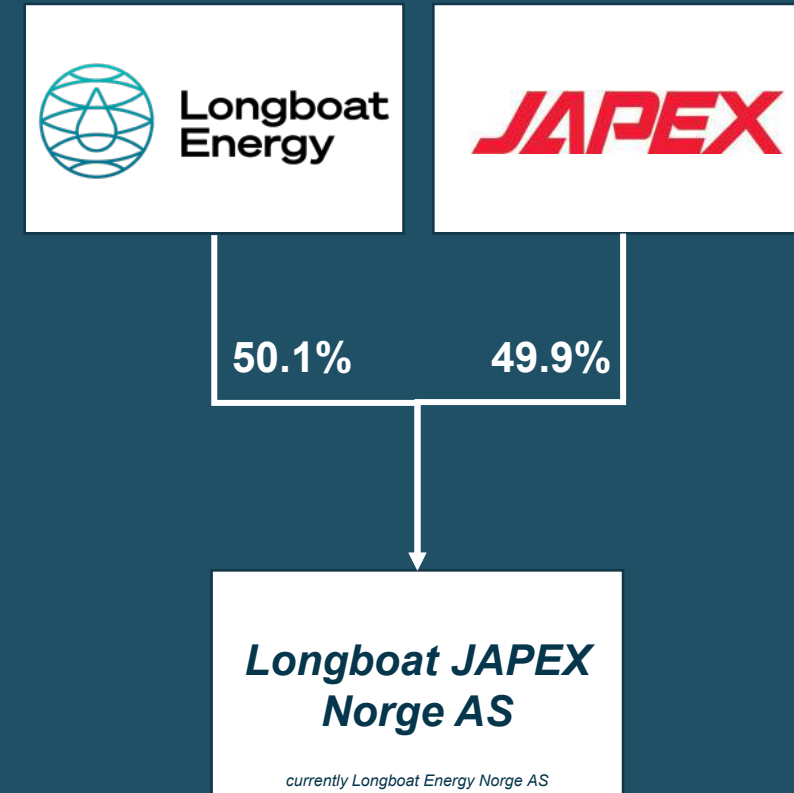
An aerial photograph of a vast, flat, light-colored landscape, possibly a salt flat or a desert, under a cloudy sky. The terrain is mostly flat with some subtle undulations and shadows. A vertical white line is on the left side, and a horizontal white line crosses it, with a small orange square at the intersection.

Appendix

JAPEX JV transaction summary



- **Transformational transaction to create a new Norwegian JV**
 - JAPEX to become 49.9% shareholder in Longboat's Norwegian subsidiary
 - Regulatory approvals granted – completion expected in July
- **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



■ 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 billion¹)
- 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 billion²)
- Investment Grade Credit: Moodys (Baa1, Stable), R&I (A+, Stable)

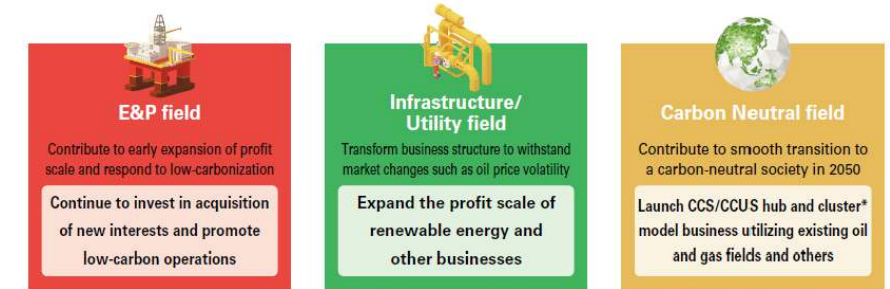
■ Combination of domestic and global E&P operations

- 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

Business Foundation



* CCS/CCUS network that connects multiple CO₂ emission sources and CO₂ storage sites



Source: JAPEX

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

2. Based on 1 JPY = 0.0075 USD



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