2019 Financial Results

29 April 2020

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This Presentation contains non-International Financial Reporting Standards ("IFRS") industry benchmarks and terms, such as “net debt”.. Net debt includes amounts outstanding under the Company’s senior debt less cash and cash equivalents. These non-IFRS financial measures do not have any standardised meanings and therefore are unlikely to be comparable to similar measures presented by other companies. The Company uses these measures to help evaluate its performance.

This Presentation includes unaudited indicative financial information which has been prepared by management. The unaudited indicative financial information was not prepared with a view towards compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of indicative financial information or IFRS. The Company’s independent auditors have not audited, reviewed, compiled or performed any procedures with respect to such unaudited indicative financial information for the purpose of its inclusion herein and accordingly, they have not expressed an opinion or provided any form of assurance with respect thereto for the purpose of this Presentation.

Notes Regarding Oil and Gas Disclosure
This Presentation contains estimates of future net revenue from the production of oil and gas reserves and resources of the Company. These estimates do not represent fair market values of the reserves and resources. The estimates of such volumes and future net revenues for individual properties may not reflect the same confidence level as estimates of volumes and future net revenues for all properties, due to the effects of aggregation. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is an equal probability that the quantities actually recovered will be greater or less than the sum of the proved plus probable reserves. There is a 10% probability that at least the sum of the estimated proved reserves plus probable reserves plus possible reserves will be recovered. References herein to "boe" mean barrel of oil equivalent which is derived by converting gas to oil in the ratio of 5.8 thousand cubic feet ("Mcf") of gas to one barrel ("bbl") of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 5.8 Mcf:1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 5.8 mcf:1 bbl, utilising a conversion ratio at 5.8 mcf:1 bbl may be misleading as an indication of value. Well test results that may be disclosed represent short-term results, which may not necessarily be indicative of long-term well performance or ultimate hydrocarbon recovery therefrom.

Statements relating to reserves and resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described can be profitably produced in the future. The volume estimates set forth in this Presentation are estimates only and the actual reserves and resources and realised revenue may be greater or less than those calculated. If a discovery is made, there is no certainty that it will be developed, or if it is developed, there is no certainty as to the timing of such development or the benefits (if any) which may flow to the Company. The reserve and resource figures are derived a report prepared by Netherland Sewell & Associates Inc., an independent qualified reserves evaluators. The reserve and resource estimates are prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resource Management System (PRMS) approved by the Society of Petroleum Engineers (SPE).

Recipients of this Presentation are specifically referred to the risk factors described in the Company’s Management Discussion and Analysis of operating results and financial condition for the twelve month period ended 31 December 2019 and in other documents the Company files from time to time with securities regulatory authorities.

Assumptions Throughout This Presentation
$ represents US dollars; £ represents pounds sterling; $M represents millions of US dollars; “MMboe” represents millions of barrels of oil equivalent; “MMbbl” represents millions of barrels of oil; “kboe/d” represents thousands of barrels of oil equivalent per day; “MMscf/d” represents millions of standard cubic feet per day.

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Ithaca Energy

Scale

Enhanced Opportunity Set & Efficiencies

- One of the UK North Sea's leading independent E&P companies – diverse production base
- Full-cycle asset portfolio – mix of production, development and near-field exploration

75 kboe/d[1]
2019 Production

Cash Flow

Sustainable Free Cash Flow Generation

- Solid netback production base, ~$15/boe 2020 unit opex – low cost, quick payback project pipeline
- Cash flow supported by hedging, tax allowances and limited near term decommissioning

$960M[1]
Pro-Forma 2019 EBITDAX

Growth

Control and Optionality Over Investments

- Balanced cross-asset capital investment programmes
- Lower risk investment portfolio – centred on infill drilling and satellite field subsea developments

273 MMboe[2]
2P + 2C
YE-2019

Financial Discipline

Balanced Capital Allocation Priorities

- Simple, low cost capital structure – $1.65Bn RBL and $500M senior unsecured notes
- Strong balance sheet – solid liquidity profile

$1.4Bn
Net Debt
31 March 2020

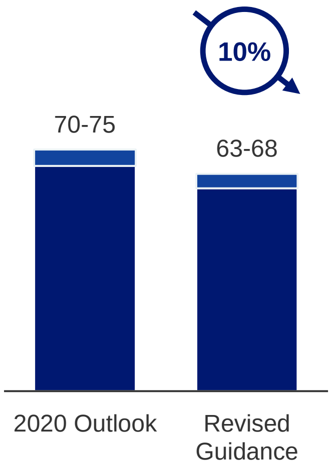
1. Pro-forma production and EBITDAX, taking the contribution of the acquired Chevron North Sea Limited assets from the transaction effective date of 1 January 2019
2. Independent reserves evaluations as of 31 Dec. 2019 performed by Netherland Sewell & Associates Inc.

Maintaining resilience and flexibility in a challenging environment

Integrated response to managing the challenges of Covid-19 and lower oil prices – protecting personnel, minimising operational risks, preserving financial strength and flexibility

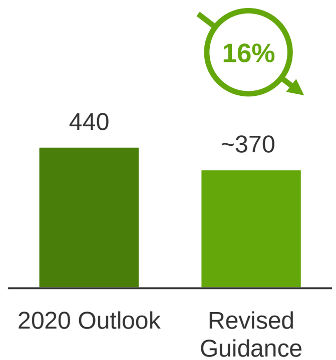
- *Modest 2020 production impact of reduced activity levels*
- *Securing material reductions in capital and operating expenditures – preserving financial headroom*
- *Strong free cash flow generation underpinned by commodity hedging position*

Production - kboe/d



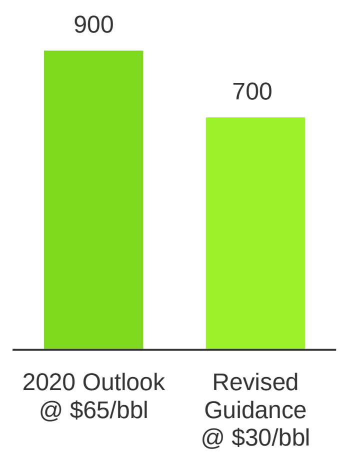
- **Minimised offshore manning – Covid-19 personnel protection**
- **Delayed Infill drilling / Vorlich start-up – partially offset by shorter planned maintenance shutdowns**

Operating Expenditure - $M



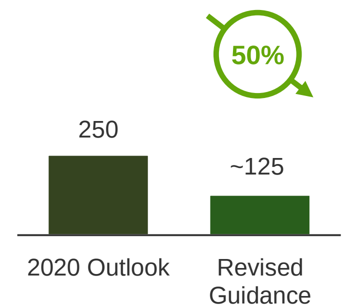
- **Reducing and deferring non-critical activities**
- **Accelerating transformation programme initiatives**

EBITDAX[1] - $M



- **Strong cash generation and reducing net debt**
- **Underpinned by material hedging protection**

Capital Expenditure - $M



- **Ability to flex short-cycle, capex programmes**
- **Reduced offshore personnel requires deferred of activities**

1. Revised EBITDAX guidance reflects average 2020 Brent price of $30/bbl and 21p/therm NBP; EBITDAX includes G&A and excludes one-off items plus $66M hedging put premiums and ~$150M cash generated from hedging resets (accounted for as finance fees)

Solid free cash flow outlook underpinned by material commodity hedging

Hedge Summary Post $150M Resets Completed

Hedged Volumes		2020	2021	2022	Total
Oil	*MMbbl*	12	7	2	21
Gas	*Mil. Therms*	325	221	36	582
Total	*MMboe*	18	11	3	32

Oil Prices		2020	20201	2022	Total
Average Swap / Strike	*$/bbl*	63	44	43	54
Put Premiums	*$/bbl*	-4	-2	0	-3
Net	*$/bbl*	59	42	43	51

Gas Prices		2020	2021	2022	Total
Average Swap / Strike	*p/therm*	52	51	46	51
Put Premiums	*p/therm*	-4	-3	0	-3
Net	*p/therm*	48	48	46	48

Robust commodity hedging book providing major protection against current slump in oil and gas prices

- *Near term… 80% of forecast oil and gas production from currently producing fields hedged in 2020*
- *Mid term… 50% hedging in 2021 and 15% in 2022*

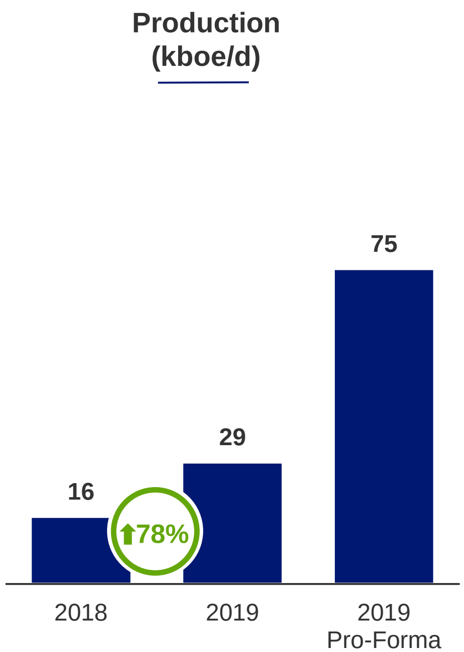
Majority of 2021/22 oil hedges reset - retaining total hedged volumes through swaps at relevant forward curve

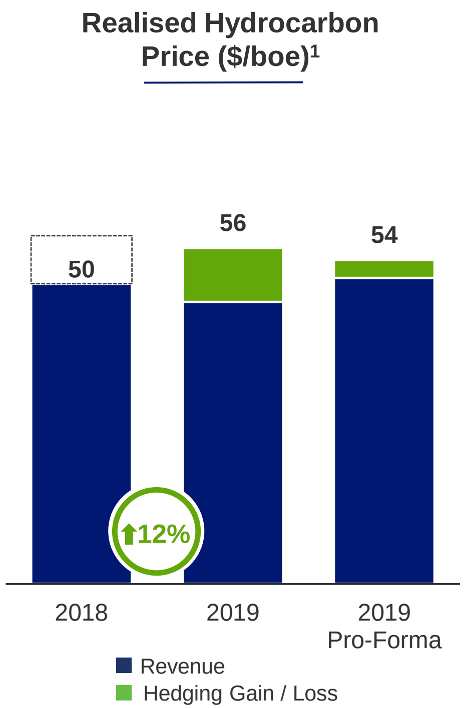
- *Accelerated cash receipts of over $150M into April 2020*
- *Protection retained against any further deterioration in commodity prices*

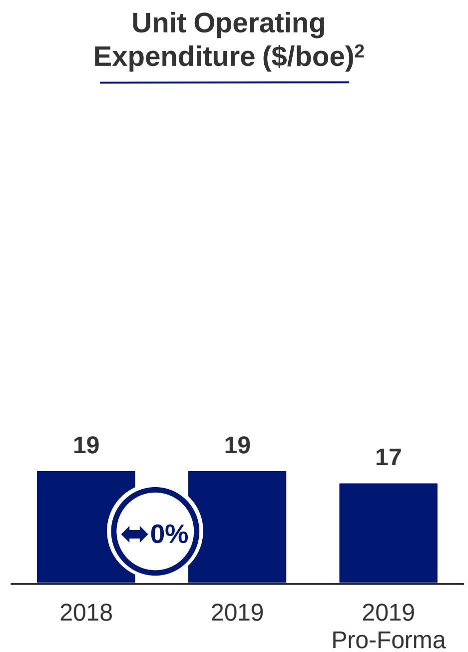
Hedging position means the Company is forecast to…

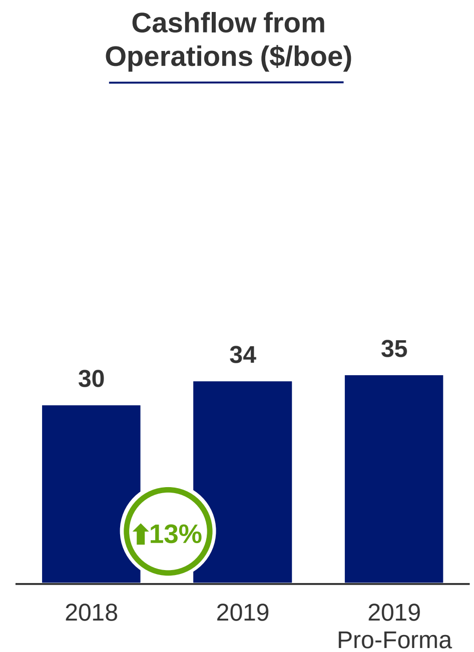
- *Generate over $450M of free cash flow in 2020 even if Brent drops to $1/bl for the balance of the year*
- *Generate an additional $150M of cash flow from the 2021/22 hedging resets*

2019 financial results









Production increase driven by completion of CNSL acquisition in Nov. 2019

Realised prices higher as a result of strong oil and gas hedges

Unit opex flat and reducing on a pro-forma basis with the addition of lower cost fields

Strong and rising unit cash flow, with G&A costs remaining tightly managed

1. Realised price of hydrocarbons produced in period - revenue figures include movement in inventory; 2. Opex figures exclude tanker costs and in 2018 are also net of payments that were received by Ithaca Energy through its 49% ownership in the associated company FPF1 Limited

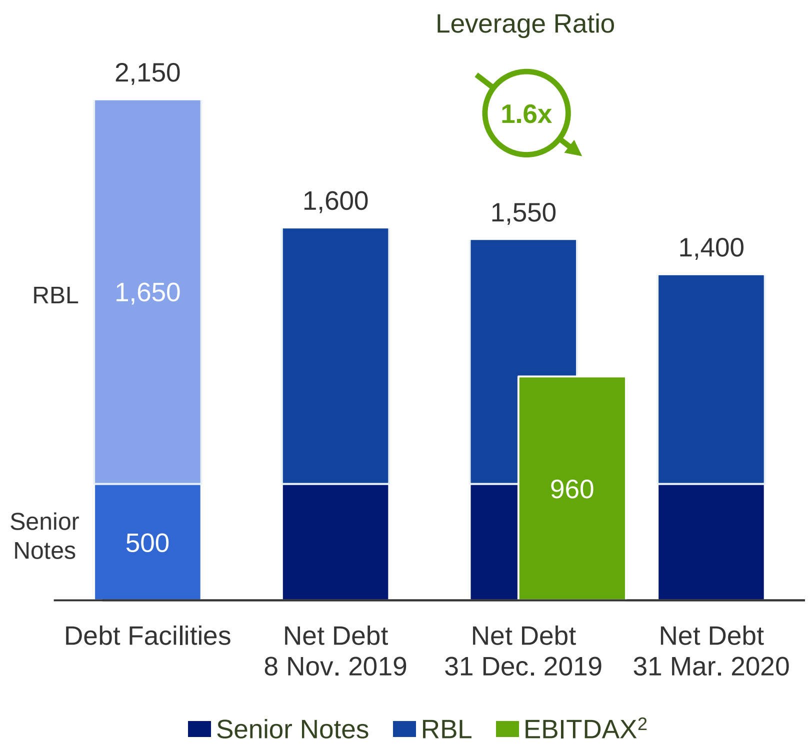
2019 financial results

Financial Summary		2019	2018	
Revenue[1]	*$M*	**576**	**291**	⬆ Revenue almost doubled, driven mainly by increased production from CNSL transaction closing in Nov. 2020
Opex [2]	*$M*	(196)	(109)	⬆ Opex increase driven by higher production – flat unit cost
G & A underlying	*$M*	(5)	(4)	⬆ G&A costs remain tightly controlled
G & A - one-off	*$M*	(17)	-	⬆ Transaction one-off costs include stamp duty ($14M) and legal / audit fees
Cash Flow from Operations[3]	*$M*	**358**	**177**	⬆ Strong cash flow, up over 100%
Finance Costs underlying	*$M*	(128)	(64)	⬆ Increased borrowing costs associated with enlarged business + $44M Put premium costs
Finance Costs – one-off	*$M*	(28)	-	⬆ Transaction - $20M fees & bond interest pre-completion + $8M non-cash accelerated fin. fees amortisation
DD&A	*$M*	(342)	(160)	⬆ Impairment of $107M ($64M post tax) relating to the Dons and GSA
Other Non-Cash Costs	*$M*	2	81	⬇ Negative goodwill from 2018 GSA transaction & mark-to-market oil / gas accounting in 2018
Taxation	*$M*	124	84	⬆ RFES benefit plus capital allowances from transfer of FPF-1
Earnings	***$M***	**(15)**	**118**	⬇ 2019 Earnings of $29M excluding one-off costs associated with the CNSL transaction

1 Revenue net of movement in inventory, royalty costs, realised hedging gains/losses and tanker costs; 2. Opex excludes tanker costs and in 2018 is net of payments that were received by Ithaca Energy through its 49% ownership in the associated company FPF1 Limited; 3. 2019 Cash Flow from Operations per the cashflow statement is $349M - excludes $9M legacy non-cash gain from pre-hedge accounting transactions, 2018 Cash Flow from Operations includes $25M from holding 49% of FPF1 Limited.

Strong balance sheet and liquidity headroom

Net Debt Evolution[1] ($M)



RBL Facility Banks

Simple capital structure

- *$1,650M Reserves Based Lending (RBL) five year facility maturing June 2024 – no amortisation in first three years*
- *$500M senior unsecured notes due July 2024*

Material deleverage in less than five months since deal close

- *$0.2B RBL repaid by Q1-2020*
- *RBL availability currently over $1.2B v $0.9B net drawn, providing liquidity headroom of $0.3B*
- *End Q1-2020 leverage ratio ~1.5x*

Planned April 2020 RBL redetermination underway

- *Liquidity headroom following redetermination anticipated to be materially unchanged*
- *Reflects acceleration of $64M Petrofac payment due October 2020 to April 2020 for substantial discount*
- *As a result, case for dividend being considered by the RBL banks and the Board of Directors*

1. Net debt equates to drawings under the RBL plus the senior notes less cash (excludes equity-like Subordinated Shareholder Loan)
2. Pro-forma EBITDAX, taking the contribution of the acquired Chevron North Sea Limited assets from the transaction effective date of 1 January 2019

Summary

Low cost, heavily hedged portfolio combined with strong balance sheet provides resilience to manage a challenging macro environment

High Quality Portfolio	**Diverse portfolio of high quality, low cost assets – well invested portfolio**
Long-life Assets	**Attractive range of investment programmes and minimal near term decommissioning**
Strong Balance Sheet	**Simple, conservative capital structure**
Financial Discipline	**Strong track record of disciplined financial and operational risk management**
Strong Cash Flow	**Substantial free cash flow underpinned by extensive commodity hedging position**

Note: * denotes assets operated by Ithaca Energy; 1. Britannia 32.38%, Brodgar 6.25%, Callanish 16.5%, Enochdhu 50% and Alder (operated) 73.68%