

# Press release

28 May 2024

**ITHACA ENERGY PLC**  
 (“Ithaca Energy”, the “Company” or the “Group”)

## First Quarter Update and Results for the Three Months to 31 March 2024

**Continued execution against strategy: Transformational Business Combination with Eni UK  
 Delivery of EOR Phase II project supporting long-term production growth  
 Q1 performance in-line with expectation and reaffirming FY 2024 guidance**

Ithaca Energy, a leading UK independent exploration and production company, today announced its unaudited financial results for the three months ended 31 March 2024.

### Financial key performance indicators (KPIs)

	Q1 2024	Q1 2023
Adjusted EBITDAX <sup>1</sup> (\$m)	<b>339.0</b>	518.1
Statutory net income (\$m)	<b>42.7</b>	158.4
Net cash flow from operating activities (\$m)	<b>313.8</b>	351.4
Available liquidity <sup>1</sup> (\$m)	<b>1,249.9</b>	650.4
Unit operating expenditure <sup>1</sup> (\$/boe)	<b>22.9</b>	20.3
Adjusted net debt <sup>1</sup> (\$m)	<b>461.1</b>	899.6
Adjusted net debt/adjusted EBITDAX <sup>1</sup>	<b>0.30x</b>	0.46x
<b>Other KPIs</b>		
Total production (boe/d)	<b>58,699</b>	75,257
Tier 1 process safety events	<b>0</b>	0
Serious injury and fatality frequency	<b>0</b>	0

<sup>1</sup> Non-GAAP measure

### Q1 2024 Strategic Highlights

#### Transformative Business Combination with Eni UK

- Announced transformational Business Combination of Ithaca Energy and substantially all of Eni S.p.A’s (Eni) UK upstream oil and gas assets in April 2024, creating a UK powerhouse that provides the strategic platform for long-term growth in the UK North Sea and internationally through the combination of complementary portfolios.
  - UKCS powerhouse with estimated pro-forma 2024 production of 100,000 – 110,000 barrels of oil equivalent per day<sup>2</sup>
  - Agility of an Independent and capability of a Major, implementing Eni’s successful regional satellite model

- Complementary portfolio unlocks potential for material long-term organic growth with the capability to increase the Combined Group's production to over 150,000 barrels of oil equivalent per day by the early 2030s on an un-risked basis<sup>3</sup>
- Platform for further inorganic growth in the UK and internationally
- Highly cash-generative combination providing material dividend capacity with ambition for up to \$500 million total dividends each year in 2024 and 2025<sup>4</sup>
- Following completion of the Business Combination, Eni will be a fully committed, long-term and supportive shareholder of the combined business
  - Based on the merger ratio, Ithaca Energy's shareholders will own 61.5% and Eni will own 38.5% of the combined entity
  - Sell down provisions have been put in place, together with an Eni Call option, to maintain a free float of 10% on completion

## BUILD

- Rosebank development project progressing as planned to multi-year development timeline:
  - Petrojarl Rosebank FPSO docked in Dubai with vessel upgrade work continuing
  - Q1 preparation work ahead of commencement of Subsea, Umbilicals, Risers and Flowlines (SURF) activity in Q2
- Successfully awarded license extension from 31 March 2024 to 31 March 2026 for Cambo field on 19 March, supporting the ongoing farm-in process to enable the future progression of Cambo and Fotla towards FID, subject to fiscal and market conditions
- Continued progression of Captain Electrification FEED study to support FID in due course, subject to fiscal and market conditions

## BOOST

- Captain continues to deliver against a high-activity plan in support of the Enhanced Oil Recovery (EOR) Phase II project now substantially complete and in preparation for turnaround activity in May. During the quarter, rig recertification was successfully executed on plan and on budget in support of the topside drilling campaign scheduled for Q3
- Final verification activities completed supporting milestone first EOR Phase II polymer injection into the subsea wells during H1 2024, with the following activities completed in the Q1:
  - **Drilling:** Completed drilling operations of remaining three Area D polymer injection wells and new production well B35 brought online
  - **Subsea:** Completed installation of all remaining subsea infrastructure including flowlines, umbilicals, subsea distribution units to enable EOR II start-up
  - **Facilities:** Successfully completed significant facilities maintenance scopes across power generation, gas compression and oil export pumps
- Preparation for W1 well workover at Erskine during Q2, reinstating a fifth production well at the field

## Q1 2024 Operational Update

- Q1 production of 58.7 thousand barrels of oil equivalent per day (kboe/d), supporting full year pro-forma 2024 production guidance issued 23 April
- Q1 production split 69% liquids, 31% gas
- Q1 production reflects previously guided operational issues across our non-operated joint venture portfolio:

- Non-operated Pierce field production impacted as the vessel remained off stream for the entirety of Q1. The issue has now been resolved and field production is ramping up
- Non-operated Schiehallion field production impacted by weather related downtime and outages caused by the Ocean Great White rig being off station, which will also impact the timing of production wells later in 2024
- Compressor issues at Erskine's host facility (Lomond) impacting production in Q1

## Q1 2024 Financial Highlights

- Adjusted EBITDAX of \$339.0 million (Q1 2023: \$518.1 million)
- Statutory net income of \$42.7 million (Q1 2023: \$158.4 million)
- Robust net cash flow from operating activities of \$313.8 million (Q1 2023: \$351.4 million)
- YTD realised oil prices of \$88/bbl before hedging and \$87/bbl after hedging (Q1 2023: \$83/bbl before hedging and \$81/bbl after hedging) and gas prices of 65p/therm before hedging and 119p/therm after hedging (Q1 2023: 137p/therm before hedging and 192p/therm after hedging)
- Continued strong cost control, delivering Q1 operating costs of \$122 million (\$22.9/boe (Q1 2023: \$20.3/boe)) with Q1 producing asset capex of \$93 million and Q1 Rosebank capex of \$43 million including the ongoing modifications to the FPSO
- Balance sheet remains very strong with further deleveraging in the period
- Adjusted net debt of \$461.1 million at 31 March 2024 (31 December 2023: \$571.8 million; 31 March 2023: \$899.6 million)
- Group leverage position of 0.30x adjusted net debt to adjusted EBITDAX (31 March 2023: 0.46x)
- Further interim dividend for 2023 of \$134 million paid in April 2024, taking the total 2023 dividend payment to \$400 million
- Significant build on hedging book during the quarter, with 7.4 million barrels of oil equivalent (69% oil) hedged from Q2 2024 into 2025 at an average price floor of \$77/bbl for oil and 125p/therm for gas at 31 March 2024

## FY 2024 Management Guidance

- Management **reaffirms** all previously provided pro-forma guidance ranges for full year 2024 (issued 23 April)

**Interim Chief Executive Officer, Iain Lewis**, commented: "Ithaca Energy continues to deliver against its BUY, BUILD and BOOST strategy, announcing the transformational Business Combination with Eni UK in April that positions the Company as the largest resource holder in the UKCS with the potential for further material organic and inorganic growth. The Company's Q1 performance was in line with our expectations and factored into our full year guidance set towards the end of March, following a number of operational issues across our non-operated joint venture portfolio that have now been resolved."

## Webcast and Conference call

Ithaca Energy will host a virtual presentation and Q&A session for investors and analysts at 09:00 (GMT) today, 28 May 2024, and a further presentation and Q&A session for Bond Holders only, which will be held at 16:00 (GMT) today, 28 May 2024. Details of both sessions are accessible via our website.

### Investors and Analysts – Webcast link

<https://www.investis-live.com/ithaca-energy/663b9a7dfc6d34130014853c/jeyh>

### Investors and Analysts – Conference call

Operator Assisted Dial-In: United Kingdom (Local): +44 20 3936 2999 United Kingdom (Toll-Free): +44 800 358 1035 Global Dial-In Numbers Access Code: 857557

### Bond Holders – Webcast link

<https://www.investis-live.com/ithaca-energy/663b9d9cfc6d341300152f71/pneh>

### Bond Holders – Conference call

Operator Assisted Dial-In: United Kingdom (Local): +44 20 3936 2999 United Kingdom (Toll-Free): +44 800 358 1035 Global Dial-In Numbers Access Code: 869425

## Enquiries

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## Notes:

<sup>1</sup> Non-GAAP measure

<sup>2</sup> 2024 pro forma production – 2024 production guidance from Ithaca Energy, NSAI Top-Up Report in relation to Eni UK and ERCE CPR in respect of Neptune, each as at 31 December 2023

<sup>3</sup> Wood Mackenzie, Ithaca Energy (NSAI CPR), Eni UK CPR (prepared by NSAI dated 25 March 2024) and ERCE CPR, as of 31 December 2023

<sup>4</sup> All dividends are subject to operational performance and commodity prices as well as Combined Group refinancing and availability of distributable profits

## About Ithaca Energy plc

Ithaca Energy is a leading UK independent exploration and production company focused on the UK North Sea with a strong track record of material value creation. In recent years, the Company has been focused on growing its portfolio of assets through both organic investment programmes and acquisitions and has seen a period of significant M&A driven growth centred upon two transformational acquisitions in recent years. Today, Ithaca Energy is one of the largest independent oil and gas companies in the United Kingdom Continental Shelf (the “UKCS”), ranking second by resources.

With stakes in six of the ten largest fields in the UKCS and two of UKCS’s largest pre-development fields, and with energy security currently being a key focus of the UK Government, the Group believes it can utilise its significant reserves and operational capabilities to play a key role in delivering security of domestic energy supply from the UKCS.

Ithaca Energy serves today’s needs for domestic energy through operating sustainably. The Group achieves this by harnessing Ithaca Energy’s deep operational expertise and innovative minds to collectively challenge the norm, continually seeking better ways to meet evolving demands.

Ithaca Energy’s commitment to delivering attractive and sustainable returns is supported by a well-defined emissions-reduction strategy with a target of achieving net zero by 2040.

Ithaca Energy plc was admitted to trading on the London Stock Exchange (LON: ITH) on 14 November 2022.

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