

Press release

21 May 2025

ITHACA ENERGY PLC
("Ithaca Energy", the "Company" or the "Group")

First Quarter Update and Results for the Three Months to 31 March 2025

Record quarterly production and adjusted EBITDAX reflecting the operating capacity of the Group's enlarged portfolio

Ithaca Energy today announced its unaudited financial results for the three months ended 31 March 2025.

Key Q1 2025 highlights– record quarterly production and adjusted EBITDAX:

- Record quarterly production of 127.4 kboe/d (Q1 2024: 58.7 kboe/d), supporting FY 2025 production guidance
- Q1 2025 opex per barrel of \$16.5/boe (Q1 2024: \$22.9/boe) demonstrates the continued high netback capability of the Group's enlarged portfolio
- Record quarterly adjusted EBITDAX of \$653.2 million (Q1 2024: \$339.0 million) reflecting the impact of the transformational Business Combination with Eni UK and operational efficiency
- Material hedge position from 2025 through 2027, protecting cash flows in a lower commodity price environment
- Low pro forma leverage position of 0.38x with significant available liquidity of \$1.1 billion, providing material financial firepower for growth
- Continued execution of Ithaca Energy's consolidation strategy in the UKCS, with:
 - Acquisition of JAPEX UK E&P announced March 2025 with an estimated completion date of 1 July 2025, increasing the Group's stake in the high-quality Seagull field, which began production in November 2023 from 35% to 50%
 - Acquisition of a further 46.25% stake in the Cygnus Field from Spirit Energy announced 20 May 2025, increasing the Group's operated WI in the high-margin, high-quality gas field from 38.75% to 85%
- Third interim 2024 dividend of \$200 million paid in April 2025, taking total 2024 dividends to \$500 million
- Management reaffirms all previously provided guidance ranges for FY 2025 and targeted 2025 dividend and updates guidance to reflect the acquisition of an increased stake in the Cygnus gas field

Executive Chairman, Yaniv Friedman, commented: "Our Q1 results demonstrate the transformational nature of the Eni UK combination, the successful integration, and operational efficiency across the portfolio. In the period we increased our interest in the high-quality, long-life Seagull asset to 50% via the acquisition of JAPEX UK, in line with our low-risk inorganic strategic growth ambitions. Yesterday, we announced a further acquisition of a 46.25% stake in the Cygnus field from Spirit Energy taking our operated working interest to 85%, increasing the gas weighting of our portfolio and strengthening our position as one of the largest gas producers in the UKCS. With a strong balance sheet, a record quarterly EBITDAX of \$653.2 million and material hedging in place through to 2027, we are well placed to continue to grow the business and support shareholders through continued shareholder returns."

Financial key performance indicators (KPIs)

	Q1 2025	Q1 2024
Adjusted EBITDAX ¹ (\$m)	653.2	339.0
Profit before tax (\$m)	367.2	136.5
Adjusted net income (\$m)	69.1	43.9
(Loss)/profit for the period (\$m)	(258.7)	42.7
Net cash flow from operating activities (\$m)	435.3	313.8
Unit operating expenditure ¹ (\$/boe)	16.5	22.9
	Q1 2025	Q4 2024
Available liquidity ¹ (\$m)	1,107.6	1,015.1
Adjusted net debt ¹ (\$m)	792.4	884.9
Adjusted net debt/pro forma adjusted EBITDAX ¹	0.38x	0.45x

Other KPIs

	Q1 2025	Q1 2024
Total production (boe/d)	127,373	58,699
Tier 1 & Tier 2 process safety events	0	0
Serious injury and fatality frequency	0	0

¹ Non-GAAP measure

Q1 2025 Strategic Highlights

Continued strong execution across the Group's strategic pillars, maximising value and returns for shareholders.

Organic growth

- Material ongoing activity at Captain including the platform drilling campaign with well C73 completed and online and workover activity completed in well C45 in the period
- Good progress made through Q1, in readiness for the Flotel Safe Caledonia's arrival at Captain WPPA at the end of May to support optimisation, maintenance backlog reduction and asset life extension projects
- Cygnus infill well campaign commenced with arrival of the Valaris Norway on 22 March
 - Two firm wells to be drilled in 2025 with the first well due to spud in Q2 2025
- Rosebank development project progressing as planned to multi-year development timeline with 2025 Subsea infrastructure installation campaign commencing in April 2025
- Cambo project technical refresh nearing completion, utilising technical capabilities of Eni, and supporting farm-out process and progression towards Final Investment Decision, subject to fiscal and regulatory certainty
- NSTA approval received for Fotla Development Concept with draft Field Development Plan submitted to the NSTA during April. Awaiting Environmental Impact Assessment guidance ahead of issuing an Environmental Statement

Inorganic growth

- Strategy to pursue consolidation in core UKCS basin, reflected in acquisition of JAPEX UK E&P Limited (JUK) announced 25 March 2025 and the acquisition of a further 46.25% stake in the Cygnus Field from Spirit Energy announced 20 May 2025:

Acquisition of Japex UK E&P:

- Increased stake in well understood, high-quality, long-life Seagull field from 35% to 50%
- Acquisition expected to add 4-4.5 kboe/d to the Group's production base
- Transaction includes JUK's material tax losses of approximately \$215 million in both RFCT and SC tax as well as approximately \$105 million Energy Profit Levy losses as at the effective date of 1 January 2024, reflecting JUK's material investment in the field
- Acquisition equates to a valuation of ~\$10/boe (excluding tax losses)
- Estimated completion date of 1 July 2025

Acquisition of 46.25% stake in the Cygnus Field from Spirit Energy:

- Increased stake in high-margin, low-emission operated Cygnus gas field, adding additional gas production to our portfolio
- Attractive investment metrics achieved, equating to a valuation of < \$7/boe per 2P Reserves
- Ongoing infill drilling in area, with further upside potential
- Adding circa 12.5 – 13.5 kboe/d net production on a pro forma basis, and circa 4 kboe/d net annualised increase assuming a targeted completion date of 1 October 2025, subject to NSTA consent
- Effective date of 1 January 2025 for determining total consideration

Value creation and shareholder returns

- Third interim 2024 dividend of \$200 million paid in April 2025, delivering total 2024 dividends of \$500 million, in line with the Group's 2024 target
- Reaffirming dividend policy for 2025, targeting dividend of 30% post-tax CFFO, at the top end of our capital allocation policy range of 15-30% post-tax CFFO, with a target of \$500 million for FY 2025

Q1 2025 Operational Update

- Continued strong process safety performance with zero Tier 1 or Tier 2 events recorded in the quarter
- Record Q1 production of 127.4 kboe/d (Q1 2024: 58.7 kboe/d), supporting full year 2025 production guidance ahead of summer shutdown period and reflecting the operating capacity of the Group's enlarged portfolio
 - Q1 production split 59% liquids, 41% gas and 40% operated, 60% non-operated
- Achieved improved levels of production efficiency in Q1 across the Group's operated asset base (higher than 2024 average of 80%)
- Record Q1 production reflects:
 - Q1 production efficiency consistently above basin average and 2024 actual through the quarter with strong delivery at the operated Captain and Cygnus assets as well as the non-operated Elgin Franklin, Seagull, GBA, Schiehallion and Mariner assets
 - Production performance at operated Captain field, underpinned by strong base well performance and infill well programme together with polymer response from EOR Phase II
 - First production from Jocelyn South in the J Area in March 2025, less than three months from field discovery, with robust production rates above pre-drill expectations

Q1 2024 Financial Highlights

- Record quarterly adjusted EBITDAX performance achieved with Q1 2025 EBITDAX of \$653.2 million (Q1 2024: \$339.0 million)
- Q1 2025 profit before tax of \$367.2 million (Q1 2024: \$136.5 million)
- Q1 loss for the period of \$258.7 million (Q1 2024: profit of \$42.7 million) reflecting primarily a one-off, non-cash deferred tax charge of \$327.6 million due to the two-year extension of EPL to 31 March 2030
- Q1 2025 adjusted net income of \$69.1 million (Q1 2024: \$43.9 million)
- Q1 2025 realised oil prices of \$78/bbl before hedging and \$79/bbl after hedging (Q1 2024: \$88/bbl before hedging and \$87/bbl after hedging) and gas prices of 110p/therm before hedging and 106p/therm after hedging (Q1 2024: 65p/therm before hedging and 119p/therm after hedging)
- Q1 2025 operating costs of \$189.0 million (Q1 2024: \$122.4 million) and Q1 unit operating expenditure of \$16.5/boe (Q1 2024: \$22.9/boe) demonstrating the high netback capability of the portfolio post Business Combination
- Q1 2025 producing assets capex of \$121 million (Q1 2024: \$93 million) and Rosebank capex of \$53 million (Q1 2024: \$43 million)
- Operating cash flow before movements in working capital of \$625.2 million (Q1 2024: \$329.9 million)
- Net cash flow from operating activities of \$435.3 million (Q1 2024: \$313.8 million) reflects an increase in underlift during Q1 of \$160.7 million, substantively all of which is expected to reverse through the course of FY 2025
- Adjusted net debt at end of the quarter of \$792.4 million (31 December 2024: \$884.9 million)
- Pro forma leverage ratio at 31 March 2025 of 0.38x (31 December 2024: 0.45x)
- Available liquidity at 31 March 2025 of \$1,107.6 million (31 December 2024: \$1,015.1 million) providing significant financial firepower for growth
- Material hedge position protecting cash flows in a lower commodity price environment. As at 16 May 2025, the Group had 27.5 million barrels of oil equivalent (29% oil) hedged from Q2 2025 into 2027 at an average floor price of \$73/bbl for oil swaps, \$71/bbl for oil puts/collar floors and 99p/therm for gas swaps, and 83p/therm for gas puts/collar floors

FY 2025 Management Guidance

- Management **reaffirms** all previously provided guidance ranges for full year 2025 (issued 26 March 2025) and upgrades guidance to reflect the acquisition of an additional 46.25% stake in the Cygnus gas field from Spirit Energy, assuming a completion date for the transaction of 1 October 2025:
 - FY 2025 production in range of 109-119 kboe/d
 - FY 2025 net operating cost guidance range of \$780–860 million
 - FY 2025 net producing asset capital cost guidance range of \$580-640 million (excluding pre-FID projects and Rosebank development)
- Following the completion of the acquisition of Japex UK E&P and the additional 46.25% stake in the Cygnus gas field expected 1 July and 1 October respectively, the Group expects a production exit rate at the end of 2025 of circa 135 kboe/d

Webcast and Conference call

Ithaca Energy will host a virtual presentation and Q&A session for investors and analysts at 09:00 (BST) today, 21 May 2025. Details are accessible via our website.

Investors and Analysts – Webcast link

<https://www.investis-live.com/ithaca-energy/6814c73b75e117000f6cde0d/edvs>

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: 055304

Enquiries

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Notes:

¹ Non-GAAP measure

About Ithaca Energy plc

Ithaca Energy is a leading UK independent exploration and production company 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 three transformational acquisitions in recent years, including the recent Business Combination with Eni UK. Today, Ithaca Energy is one of the largest independent oil and gas companies in the United Kingdom Continental Shelf (the “UKCS”), ranking second largest independent by production with the largest resource base.

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 ahead of targets set out in the North Sea Transition Deal.

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

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