



**KISTOS**  
ENERGY IN TRANSITION

# Interim results presentation

14<sup>th</sup> September 2021



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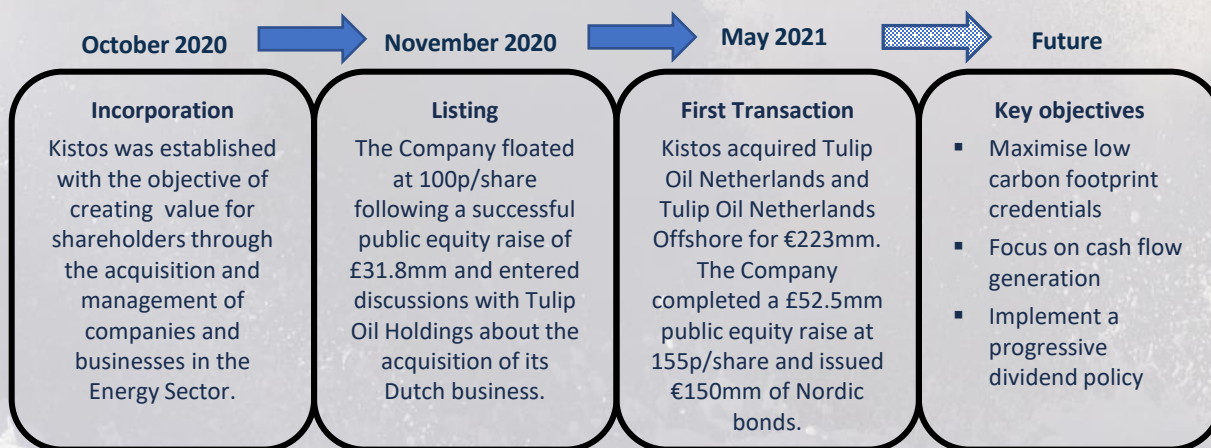
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# Introduction

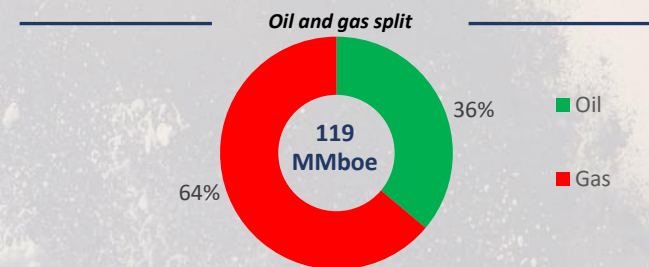
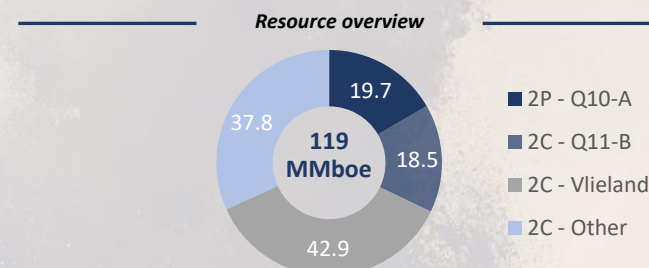
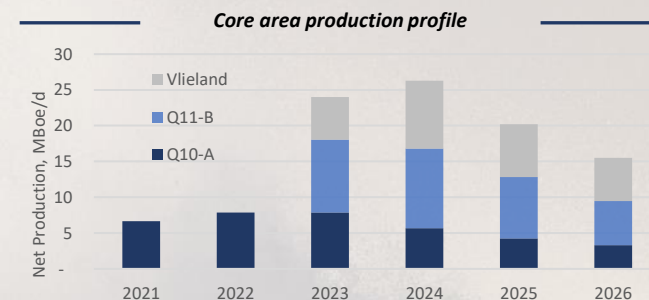
## Company snapshot

**Kistos plc is an independent UK-based company focused on European energy with low carbon intensity credentials**

- Established October 2020, with the aim to build a balanced long-life portfolio with high quality production and development assets, energy storage, infrastructure, and energy generation projects with an industry leading carbon footprint
- The Directors fully embrace the “Net Zero 2050” and energy transition agenda, with Kistos to be a part of meeting this objective



## Production, reserves & resources





# Board & Management

## Experienced team with a proven track record



**Richard Benmore – Interim Non-Executive Chairman**

- 35 years industry experience with Conoco, Oryx Energy, Nimir Petroleum, EnCana, Nexen Petroleum and IGas.
- Managed Nexen's unconventional projects in the UK and Poland and was a board member of Nexen Exploration UK.
- Richard was a non-executive director of RockRose.



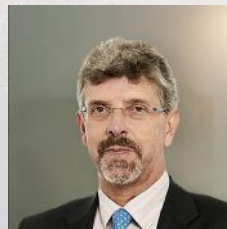
**Julie Barlow – Non-Executive Director**

- Group Financial Controller and Company Secretary for the Pentex Group of companies.
- Managing Director of the Production Division of Star Energy.
- Since 2017, Julie has been an independent contractor, latterly working with RockRose, supporting its M&A capability and integration of acquisitions.



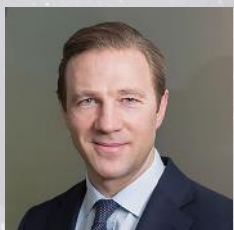
**Andrew Austin – Interim CEO**

- Executive Chairman of RockRose from 2016 until 2020, delivering a 42x return to shareholders.
- Jointly founded IGas Energy PLC in 2004 and developed it to become the leading onshore hydrocarbon producer in the UK.
- 17 years working in investment banking in the City of London with Merrill Lynch, Nomura, Citibank and Barclays Capital.



**Alan Booth – Non-Executive Director**

- 30 years' experience in Oil & Gas exploration and production.
- A non-executive director of Ophir Energy plc from 2013 to 2018, when he became CEO.
- Founder and CEO of EnCore Oil plc, an AIM-listed oil and gas exploration company, and a founder/director of EnCounter Oil Ltd.



**Peter Mann – Managing Director**

- CEO & Managing Director of RockRose from 2017 until 2021 following five years at IGas
- While at IGas, Peter was responsible for business strategy and implementing restructuring strategy in the difficult oil price environment
- Prior to IGas, Peter's career included various management roles. He also served in the British Army for six years



**Richard Slape – Chief Financial Officer**

- CFO of RockRose from 2019 until 2021
- Richard has over 30 years of experience working with independent Oil & Gas exploration and production companies
- Spent much of his career working in equity capital markets but also held roles at Rockhopper Exploration and Lansdowne Oil & Gas, where he was a director

# So far in 2021....

## Acquisition

- Agreed to acquire Tulip Oil Netherlands and its subsidiary, Tulip Oil Netherlands Offshore, from Tulip Oil Holdings for €223MM including refinancing €87MM of bonds
- The deal included 19.7 MMboe of 2P reserves in the producing Q10-A gas field plus 99.1 MMboe of 2C resources
- Strong support from the equity and bond markets, with Kistos raising almost €270MM in total since its inception in Q4 2020

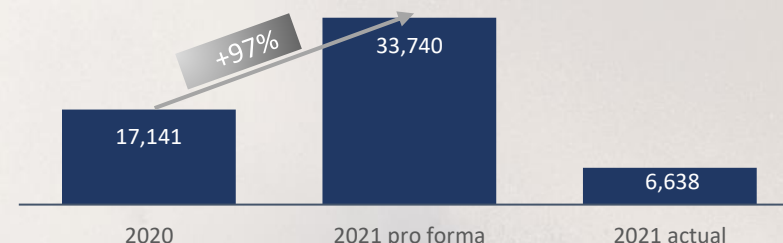
## Maiden results

- Interim results for the period to 30 June 2021
- Actual figures include Kistos plc from incorporation (14 October 2020) and the acquisition from completion (20 May 2021)
- Pro forma 2021 assumes the acquisition had completed on 1 January 2021. The 2020 figures are for Tulip Oil Netherlands

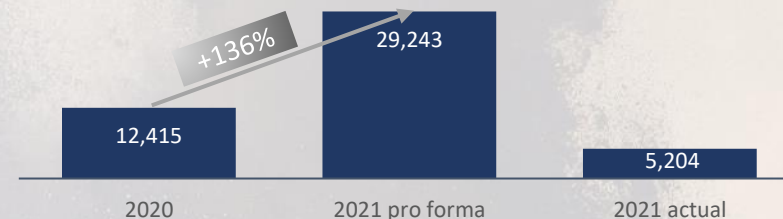
## Drilling campaign

- Campaign commenced in July and will end in November
- Results from the Vlieland sandstone light oil test were highly encouraging, with a stable flow rate of 3,200 b/d achieved
- Other planned activities include the appraisal of the Q11-B gas discovery and work designed to enhance production from Q10-A.

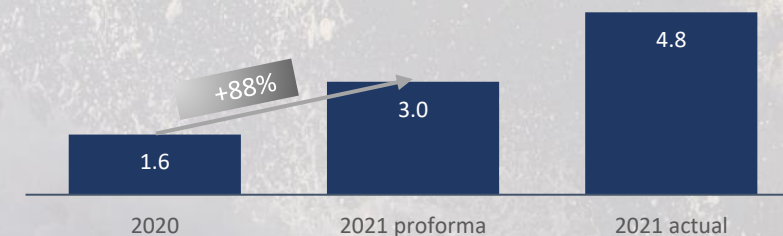
## Revenue (€'000)



## Adjusted EBITDA (€'000)



## Unit Opex (€/MWh)





# Assets & operations

- Q blocks overview
- Q07 / Q10 oil update
- Planned activity
- Carbon intensity
- M10a / M11 upside potential



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# Q blocks overview

## Q10-A



Producing



60% WI

**Net 2P**

19.7<sup>1</sup>  
MMboe

## Q11-B



Discovery



60% WI

**Net 2C**

18.5<sup>1</sup>  
MMboe

## Q10-A Vlieland



Discovery



60% WI

**Net 2C**

42.9<sup>1</sup>  
MMboe

## Q10-B



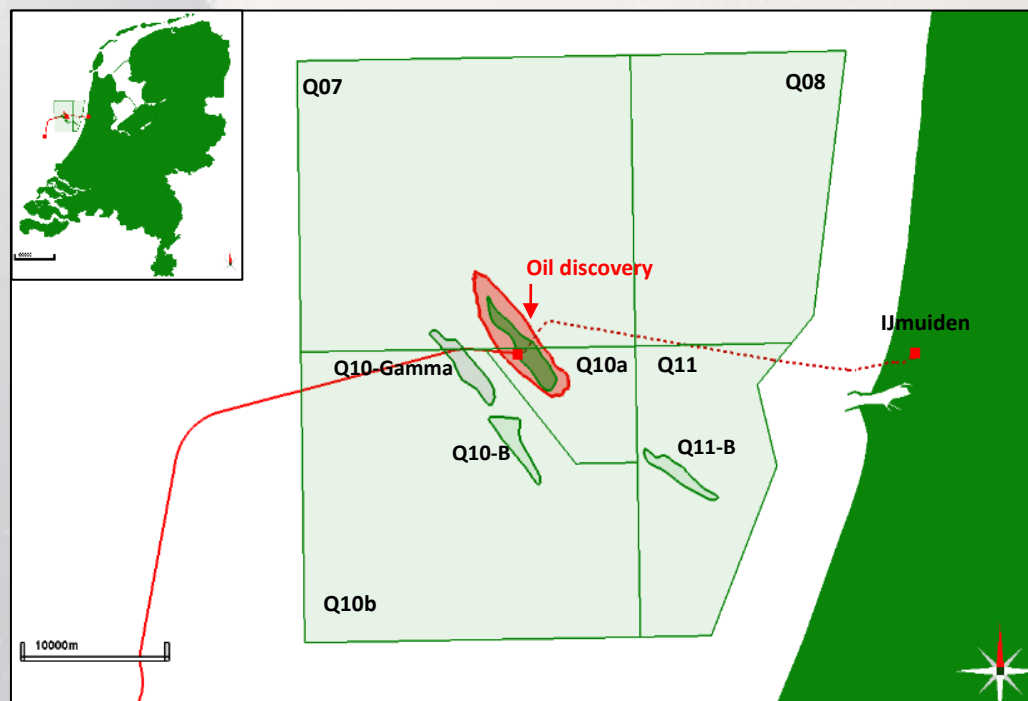
Discovery



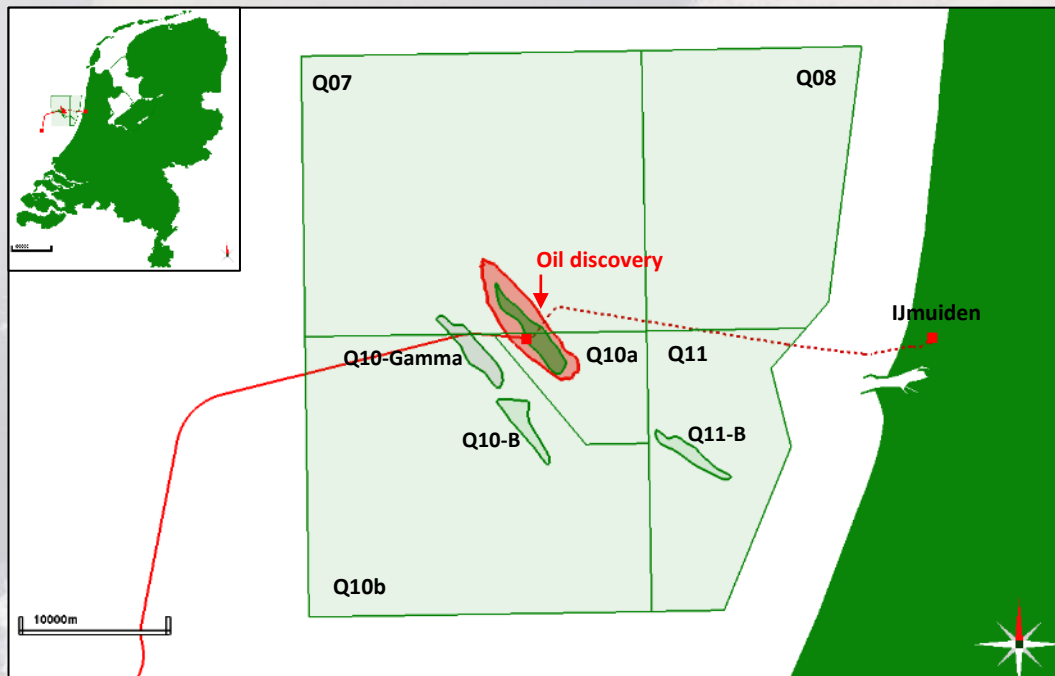
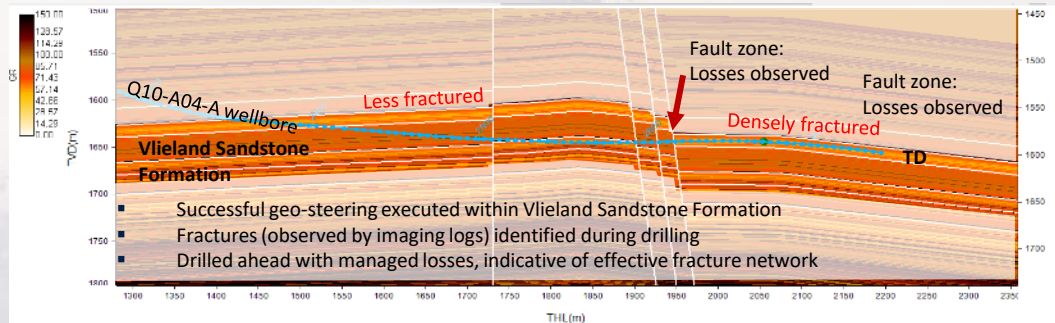
60% WI

**Net 2C**

1.8<sup>1</sup>  
MMboe



# Q07 / Q10 oil update



- Large anticlinal trap, straddling Q07 / Q10a blocks
- Structure overlies the Q10-A producing gas field
- Reservoir is the Vlieland sandstone formation
- Analogous producing oil fields nearby
- Q10-A04-A appraisal well drilled Q3 2021
  - Successfully drilled 825m horizontal section that was optimised to target areas of high fracture density
  - Mud losses observed during drilling
  - 5 days of clean-up and flow tests resulted in a better than anticipated maximum stable flow rate of 3,200 bopd
  - Downhole data to be analysed by Kistos team before updating notional development plan

MMBoe	Low	Mid	High
STOIIP	213	346	445
Contingent Resource (Gross)	38.5	71.5	112.5
Contingent Resource (Net)*	23.1	42.9	67.5

\*STOIIP & 2C resource estimates independently verified by Sproule CPR



# Planned activity

Notional Activity Timeline			2021				2022		2023		2024		2025		2026
			Q1	Q2	Q3	Q4	H1	H2	H1	H2	H1	H2	H1	H2	H1
Core Area	Reserves	Q10-A					Gas stimulation Q10-A06								
		Re-route					Gas Side track Q10-A04								
	Contingent & Prospective Resources	Q10-B													
		Q11-B													
		Vlieland Oil													
		Q10-Gamma													
Non Core Area		M11													
		M10													

Subject to contingent payments

Asset	Net 2P Reserves	Net 2C Resources		
		Low Case	Best Case	High Case
	MMBoe	MMBoe	MMBoe	MMBoe
Q10-A	19.7 <sup>1</sup>	-	-	-
Q10-B	-	-	1.8	2.9
Q11-B	-	12.0	18.5	27.8
Vlieland	-	23.1	42.9	67.5
M10a / M11	-	12.0	35.9	45.0
<b>Total</b>	<b>19.7</b>	<b>47.1</b>	<b>99.1</b>	<b>143.2</b>

1. Competent Persons Report by Sproule effective 31 January 2021.

- The Prospector-1 jack-up drilling rig arrived on location at the Q10-A field in July 2021 and commenced a ~4 month drilling campaign. This program is designed to start the process of converting 61 MMBoe (net) of 2C resources into 2P reserves and to increase output from Q10-A. Planned activity includes:
  - A flow test of the Vlieland light oil discovery (completed successfully)
  - The appraisal of the Q11-B gas discovery
  - A sidetrack of Q10-A-04 to a new location in the Slochteren formation (Q10-A's primary gas producing reservoir) and re-perforate Q10-A-06.
- Kistos expects the Q10-A field to exit 2021 with gross production of over 2.0 MM Nm<sup>3</sup>/d (71 MMcf/d)

# M10 / M11a upside potential

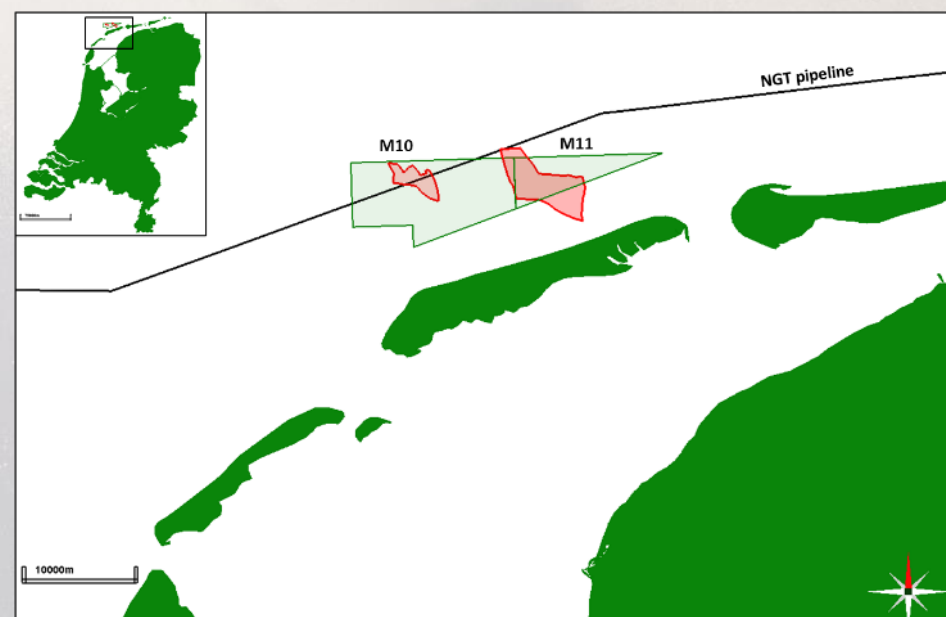
## Development of the M10a/M11 area

- Located approximately 9 km offshore, north of the Dutch Islands and outside the Natura 2000 protected area
- The Acquisition provides for contingent payments of up to €70.5mm<sup>1</sup>, subject to certain development milestones
- Planning and permitting for the appraisal wells has not yet commenced

## Significant upside potential

- Estimated resource of 333 Bcf (gross, mid-case estimate)
- Area Plan FDP drafted in 2020
- Notional Development: Two platforms, up to 15 wells, including processing, tied into NGT trunkline
- First gas not before 2024

Asset	Net 2C Resource		
	Liquid (mmbbl)	Gas (Bcf)	MMboe
<b>M10 / M11</b>	0.0	199.8	35.9



<sup>1</sup> Based on an exchange rate of \$1.19:€1



# Leading the way on carbon intensity

## A clean, low-cost source of gas

- The Q10-A field produces some of the cleanest natural gas in the world, with a scope 1 carbon intensity of 0.01 kg CO<sub>2</sub>e/boe
- Powered sustainably via wind and solar power (turbines upgraded in H1 2021)
- Remotely operated, limiting offshore visits
- Visits are conducted by boat, resulting in a safer, cheaper and lower emission operation compared to helicopter visits
- Highly cost effective operations, with unit OPEX of €3.00/MWh in H1 2021

## Comparing North Sea emissions (kg CO<sub>2</sub>/boe )

### Imported LNG



59 Kg

### Johan Sverdrup



0.2 Kg



CO<sub>2</sub>

### UKCS Gas

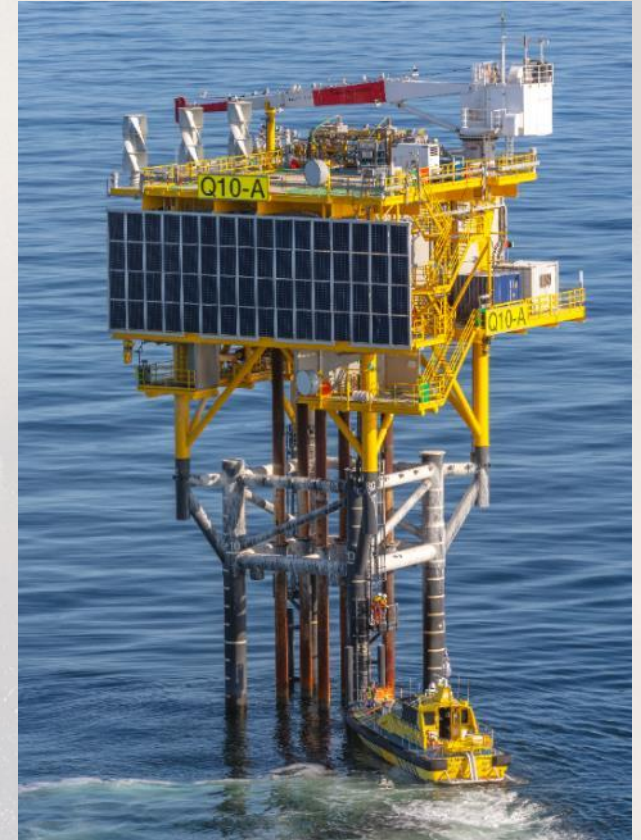


22 Kg

Q10-A



0.01 Kg





# Financials

- Interim results
- Keeping costs low
- Share price performance & ownership



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# Interim results

## Solid set of figures

- The reported numbers only benefit from the Acquisition from completion on 20<sup>th</sup> May
- On a pro forma basis, EBITDA in the first half of 2021 was over €29MM
- Kistos is well-funded and had cash at bank of almost €60MM at the end of the period
- Unit operating expenses remain very low at just €3/MWh despite the addition of compression and annual structural survey costs since 2020
- Excluding pre-FID costs relating to the proposed new export pipeline to IJmuiden, unit opex would have been €2.63/MWh
- H2 2021 capital expenditure is expected to be in the range of €25 – 30MM.

Key metrics		30 June 2021 (actual) <sup>1</sup>	30 June 2021 (pro forma) <sup>2</sup>
Production	million sm <sup>3</sup>	24	155
Production	'000 MWh	248	1,598
Revenue	€'000	6,638	33,740
Unit Opex	€/MWh	4.84	3.00
Adjusted EBITDA	€'000	5,203	29,243
(Loss)/profit before tax	€'000	(5,212)	2,625
Earnings per share	€ cents	(10.4)	n/a
Net cash from operations	€'000	2,894	n/a
Average realised gas price	€/MWh <sup>3</sup>	26.40	20.76
Total cash	€'000	59,146	59,146

EBITDA reconciliation (€'000)	30 June 2021 (actual) <sup>1</sup>	30 June 2021 (pro forma) <sup>2</sup>
Adjusted EBITDA	5,203	29,243
Depreciation and amortisation expense	(2,267)	(9,238)
Impairment	-	(7,471)
Transaction costs	(2,864)	(2,864)
Operating profit	72	9,670

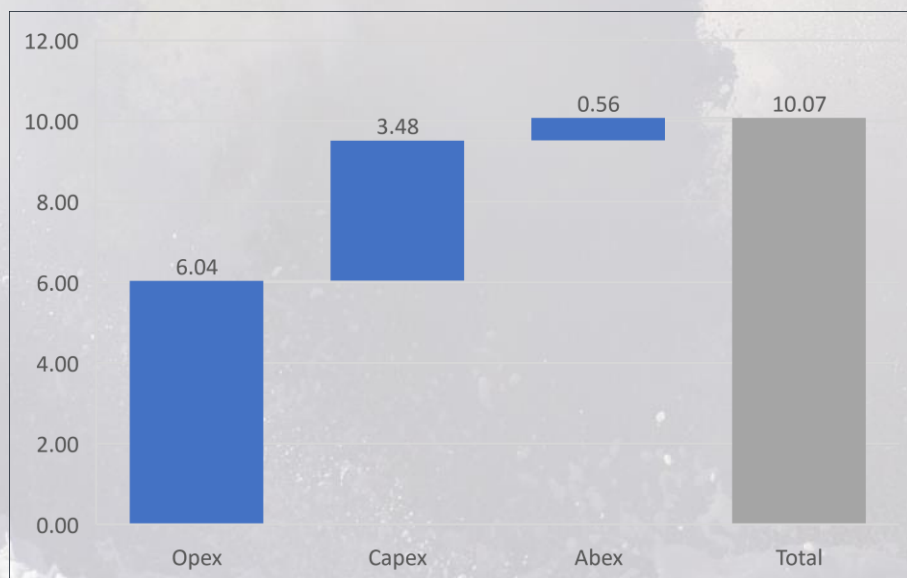
1. Includes the results of Kistos plc from incorporation on 14<sup>th</sup> October 2020 and the results of Kistos NL1 and Kistos NL2 from acquisition on 20 May 2021.
2. Includes the results of Kistos plc from incorporation on 14<sup>th</sup> October 2020 and the results of Kistos NL1 and Kistos NL2 as if they had been part of the Group from 1st January 2021.

# Keeping costs low

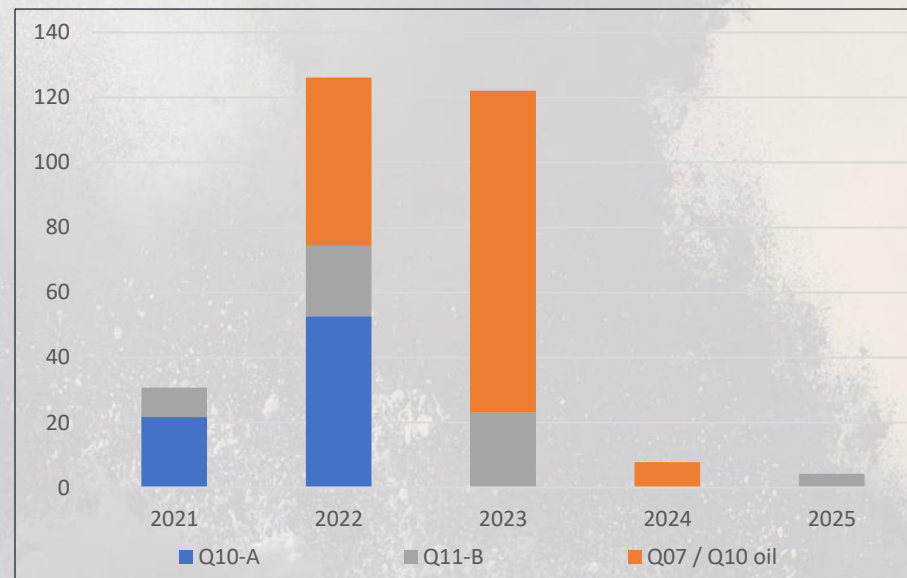
## Q blocks costs are very attractive

- Total costs for Q10-A, Q11-B, and Q07/Q10 light oil are estimated to be approximately €10 per boe in real terms.
- This is equivalent to under €6 per MWh, with opex estimated to be less than €3.50 per MWh.
- Assuming Q11-B and Q07/Q10 light oil go ahead, capex of nearly €300MM is anticipated in the five years to the end of 2025.
- This is expenditure expected to be funded out of cash flow and existing resources.

Remaining life of field costs (€ per boe real)



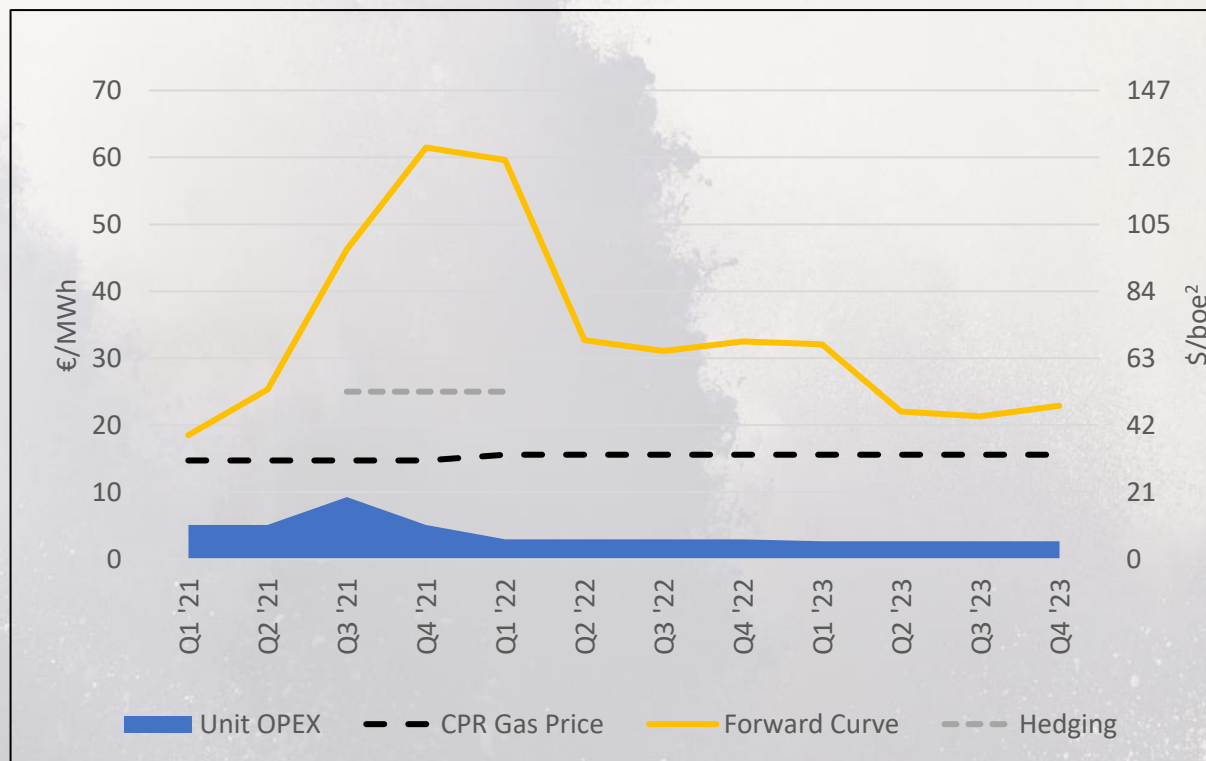
Group CAPEX outlook (€MM)





# Gas prices versus production costs

Indicative EBITDA margin at the forward curve<sup>1</sup>



1. Forward Curve, ICIS TTF mid-price as at 13/09/2021
2. Assume 1.76 MWh per boe and an exchange rate of \$1.19 : €1.

- Unit opex in Q3 2021 is inflated by the compressor issues and maintenance shutdown on P15-D
- Effects of hedging (100,000 MWh per month from 1 July 2021 to 31 March 2022) are short-lived.
- The current forward curve is significantly ahead of the gas price assumptions used in the CPR published by Kistos in April 2021
- Based on the production profile shown on slide 2, unit netbacks are expected to be very attractive once Q10-A is back onstream in the second half of September 2021

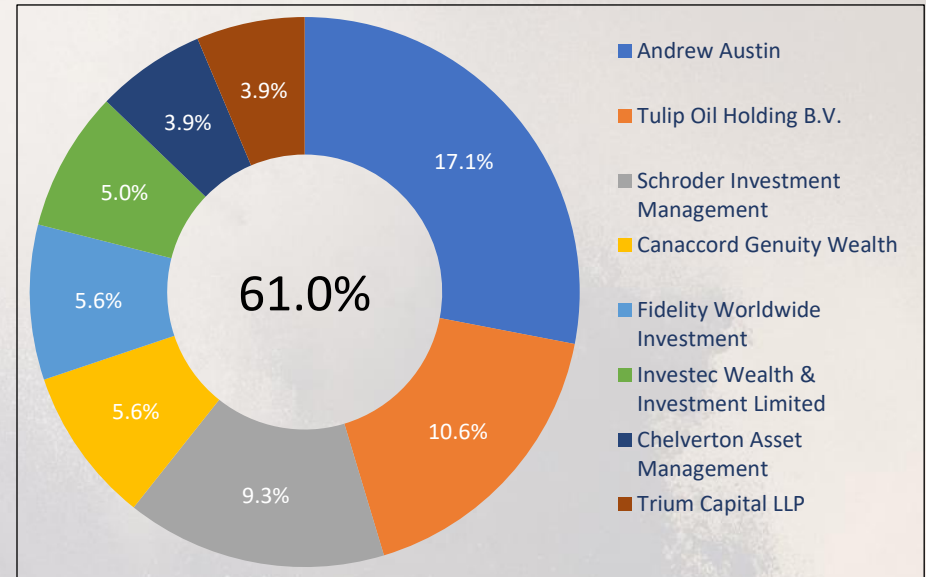
# Share price performance & ownership

## Share price performance



- Shares have performed strongly and are trading significantly above the November 2020 IPO price (100p) and the April 2021 placing price (155p)

## Major shareholders



- The largest shareholder is Kistos founder, Andrew Austin, followed by Tulip Oil Holdings
- Tulip Oil Holdings was issued with new shares as partial consideration for Tulip Oil Netherlands, which Kistos acquired in May 2021
- Tulip Oil Holdings also holds €60MM of Nordic Bonds issued by Kistos NL2, a subsidiary of Kistos plc

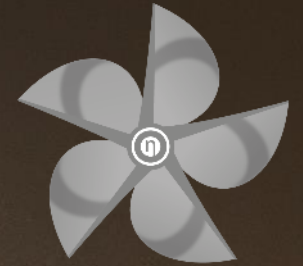


Q&A



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# Company contacts

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