



**KISTOS**  
ENERGY IN TRANSITION

# Interim Results Presentation

7<sup>th</sup> September 2022



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# H1 2022 Highlights

# Delivering on our strategy

Focused on delivering returns to shareholders through organic and inorganic growth

Completion of acquisition of 20% interest in the Greater Laggan Area (GLA), West of Shetland

Doubling production to  
**12.4 kboe/d**

Successful workover programme on Q10-A conducted between July 2021 and February 2022

Robust production with low CO<sub>2</sub> emissions of **1 gram per CO<sub>2</sub>/boe**

Average pro forma net daily production of 12.4 kboe/d, 20% higher than H1 2021

Pro forma revenue from gas sales of **€285MM**

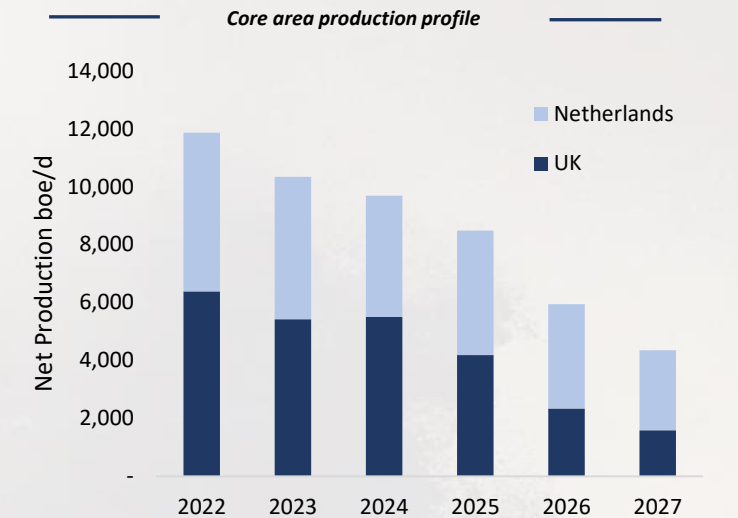
Adjusted pro forma EBITDA of €261MM in the six months to 30 June 2022

Strong balance sheet with cash balance of **€148MM**

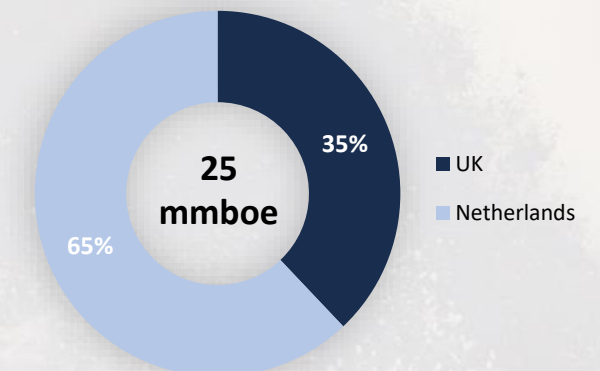
Near-term exploration and development programmes utilising the investment allowance under the UK Energy Profits Levy

Significant upside potential in Benriach of **638 Bcf gross**  
(Operator P50 resource estimate)

Production & Reserves (inc. GLA)\*



2P Reserves\* Overview

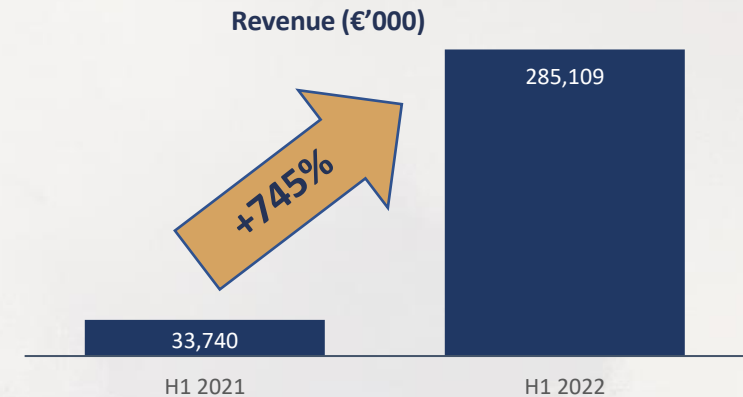




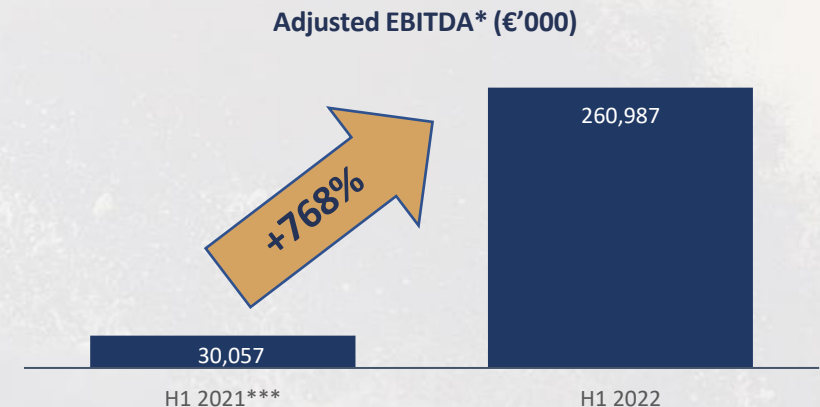
# Financial performance

Strong cash generation supported by increased production and high gas price

## Revenue of €285 Million



## Adjusted EBITDA €261 Million



- ✿ Average realised gas price of €82.65 per MWh (H1 2021: 20.71 per MWh)\*
- ✿ Adjusted EBITDA for the period stood at €261.0MM on a pro forma basis\*\*
- ✿ Buy back of €27.7MM of €150MM of Nordic Bonds in issue in February 2022, resulting in outstanding Nordic Bonds of €122.3MM (net)
- ✿ Cash balance of €148.4MM at the end of the period
- ✿ Very low unit operating expenditure at €2.28 per MWh or €5.56 per MWh on a pro forma basis
- ✿ H2 2022 capital expenditure focused on value accretive drilling programme at Q10-A, and securing long-lead items for the Glendronach development and the Benriach exploration well

\* Non-IFRS measure. Refer to the definition within the H1 2022 Interim Report glossary.

\*\* Adjusted EBITDA is calculated on a business performance basis. Refer to the definition within the H1 2022 Interim Report glossary.

\*\*\* Comparative figures have been restated to align with the reporting methodology as presented in the audited full year 2021 annual report.

# Balance sheet and capital structure

## Strong balance sheet and full exposure to high gas price

### \* Operating profit of €112.5MM and profit before tax of €102.5MM

reflecting net finance charges of €9.9MM relating primarily to interest on Nordic Bonds issued by Kistos NL2

### \* Cash balance increased post-period end to €153.6MM on 31 August 2022,

despite making the completion payment for the GLA acquisition and undertaking planned maintenance at Q10-A.

\* Kistos has been **unhedged since April 2022**, allowing the company to benefit from the high gas price throughout the year

### Unaudited results for the 6 months ending 30 June 2022

Key metrics		30 June 2022 (actual) <sup>1</sup>	30 June 2022 (pro forma) <sup>2</sup>
Production	boe/d	6,077	12,400
Revenue	€'000	137,502	285,109
Unit Opex	€/MWh	2.28	5.56
Adjusted EBITDA	€'000	130,207	260,987
Profit before tax	€'000	102,539	n/a
Basic earnings per share	€	0.63	n/a
Net cash from operations	€'000	126,957	n/a
Average realised gas price	€/MWh <sup>3</sup>	83.55	82.65
Total cash at 30 June	€'000	148,446	148,446

Note: The financial results are prepared in accordance with IFRS, unless otherwise noted below:

1. Non-IFRS measures. Refer to the definition within the glossary to the half-year financial report.
2. Adjusted EBITDA is calculated on a business performance basis. Refer to the definition within the glossary to the half-year financial report.
3. Includes the impact of realised and unrealised gain on commodity hedges.
4. Pro forma figures include the GLA as if it had been acquired on 1 January 2022. The acquisition completed in July 2022 and is therefore not included in the actual results to 30 June 2022.





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# Operational Overview



# Q-Blocks - Q10-A

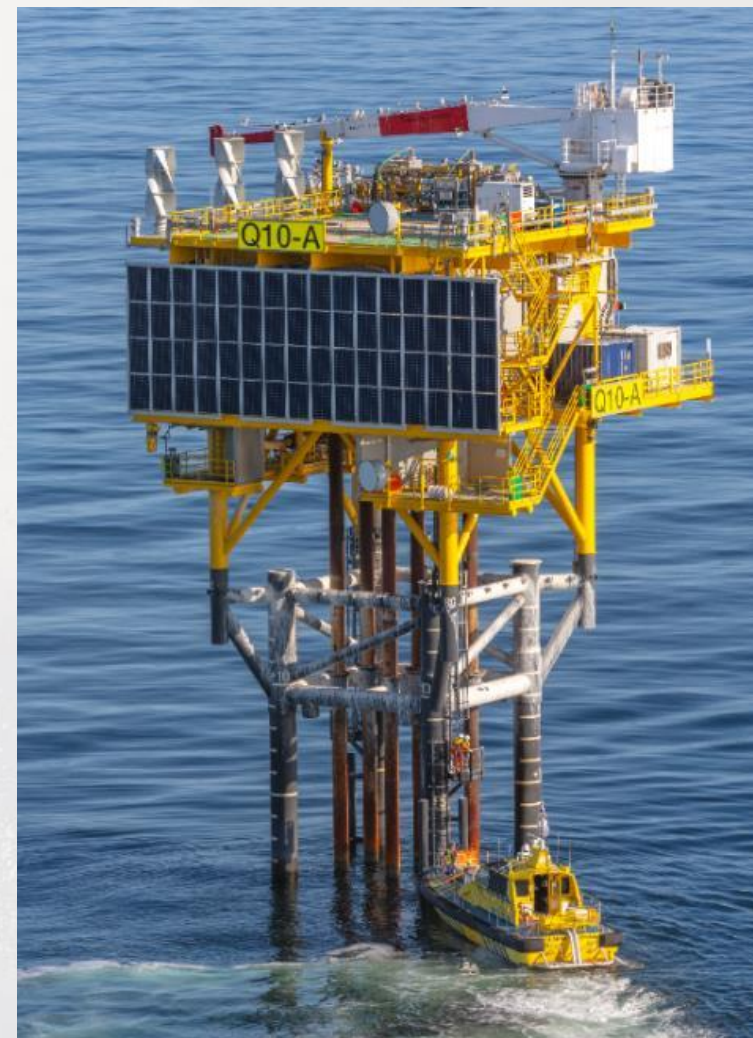
Low cost, low emissions

## H1 2022 progress

- ✿ Average daily production from Q-10A was 6.1 kboe/d in the six months to 30 June 2022, 5% higher than a year earlier
- ✿ The field benefited from the drilling and workover campaign conducted between July 2021 and February 2022, in particular, the sidetrack of the Q10-A-04 well to a new location in the Slochteren formation
- ✿ Following an upgrade of the wind turbines in 2021, Scope 1 emissions from the Q10-A platform remained industry-leading with an estimated 1 gram of CO<sub>2</sub>e/boe
- ✿ Highly cost-effective operation, with unit OPEX of €2.28 /MWh

## Outlook

- ✿ Fully funded work programme at Q10-A to minimise production decline, will commence in Q4 2022. This will include:
  - Installation of a velocity string in the A06 well
  - Installation of a velocity string in the A05 well
  - Sidetrack of the A01 well into the Schlochteren formation
  - Stimulation of the Zechstein clastic formation in the A-04 well
- ✿ Jack-up drilling rig due on location in October





# Q-Blocks - Orion and Q11-B

Proven organic upside within existing portfolio

## H1 2022 progress

- ✿ Both the Orion oil discovery and the Q11-B gas discovery were appraised as part of our 2021/2022 drilling campaign
- ✿ The Orion horizontal well tested at a maximum rate of 3,200 boe/d
- ✿ Kistos engaged Rockflow Resources to assist with both the Concept Assess and the Concept Select phases of the Orion project

## Outlook

### Orion

- ✿ Concept Assess phase on the Orion oil development successfully completed
- ✿ Three potential development options are being considered for the Concept Select phase
- ✿ Two development options would utilise the existing Q10-A platform while the third envisages the installation of a new, minimal facilities Bridge Linked Platform (BLP) adjacent to Q10-A

### Q11-B

- ✿ Well results being evaluated to establish recoverable volumes prior to taking a development decision



# Greater Laggan Area

## Reliable production with development upside

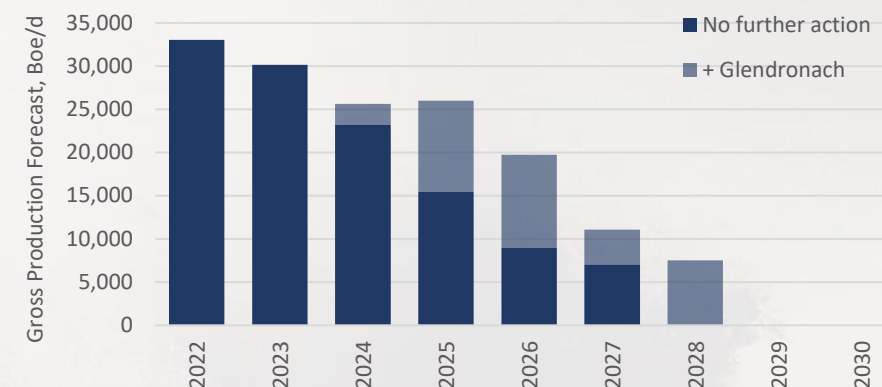
### GLA producing assets

- ✿ Pro forma production of 6.3 kboe/d, net to Kistos, in H1 2022 from Laggan, Tormore Glenlivet and Edradour fields
- ✿ Net 2P Reserves of 6.2 MMboe on 1 January 2022 with upside to 8.7 MMboe when Glendronach is sanctioned
- ✿ Onshore processing at the Shetland Gas Plant (“SGP”) allows for highly reliable operations, with uptime over 90%

### Glendronach – development upside

- ✿ Glendronach was discovered in 2018 by the 206/4a-4 well in 295 metres of water
- ✿ Development likely to extend the life of the GLA by at least 1 year
- ✿ Development concept:
  - Single well tie-back to the nearby Edradour manifold
  - Re-entry of 206/4a-4 (“GD-01”) well, for co-mingled completion from Royal Sovereign and Spinnaker formations
- ✿ Project FID expected during 2022, with first gas anticipated during 2024

### Greater Laggan Area Production Forecast



### Greater Laggan Area Field Overview

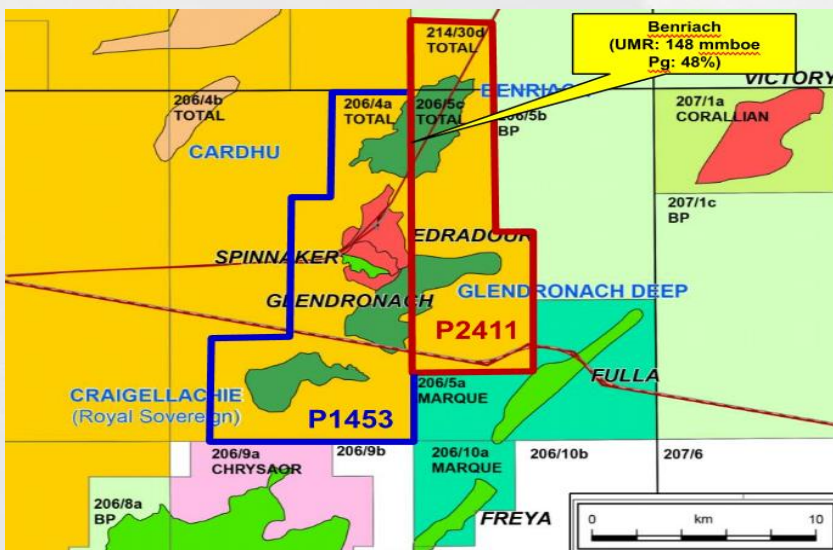
Field	WI %	Partners	Discovery date	On-stream date	Peak rate, mmscf/d
Laggan	20%	TotalEnergies RockRose INEOS	1986	Feb-2016	>500
Tormore			2007	Aug-2016	120
Edradour			2010	Aug-2017	115
Glenlivet			2009	Aug-2017	180



# Greater Laggan Area – Exploration upside

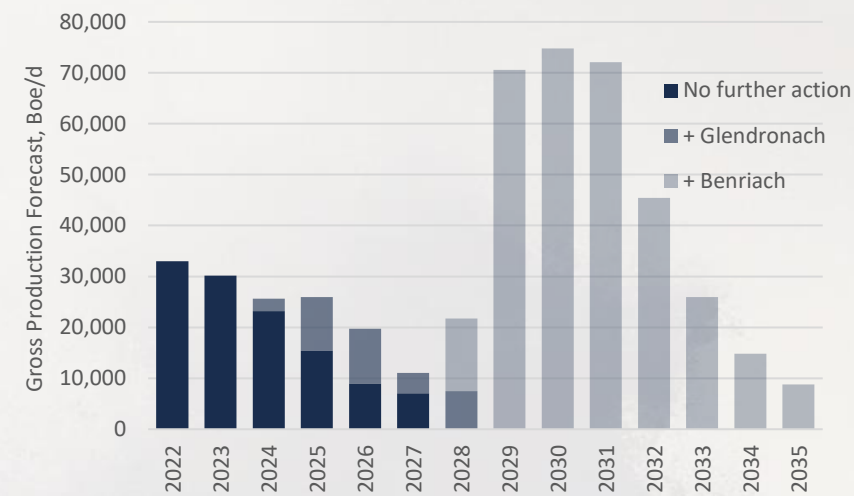
## Preparations underway to drill the 638 Bcf Benriach prospect in 2023

- \* Benriach (Kistos 25%) is a Lower Cretaceous gas play, close to existing pipeline and infrastructure
- \* Partially de-risked by Glendronach
- \* Exploration well expected to be drilled in 2023
- \* Success could lead to a multi-well development that is producing gas by the end of the decade



Source: TotalEnergies

Greater Laggan Area Production Forecast

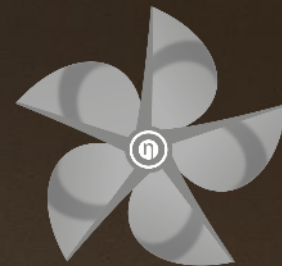


Benriach Prospect – Operator Estimates

Operator estimates	P90	P50	P10	Pg
Gross Resources (Bcf)	110	638	1,638	48%
Net Resources (Bcf)	28	160	410	
Net Resources (boe)*	5	28	71	

\* Converted at 5.8 MMcf per boe





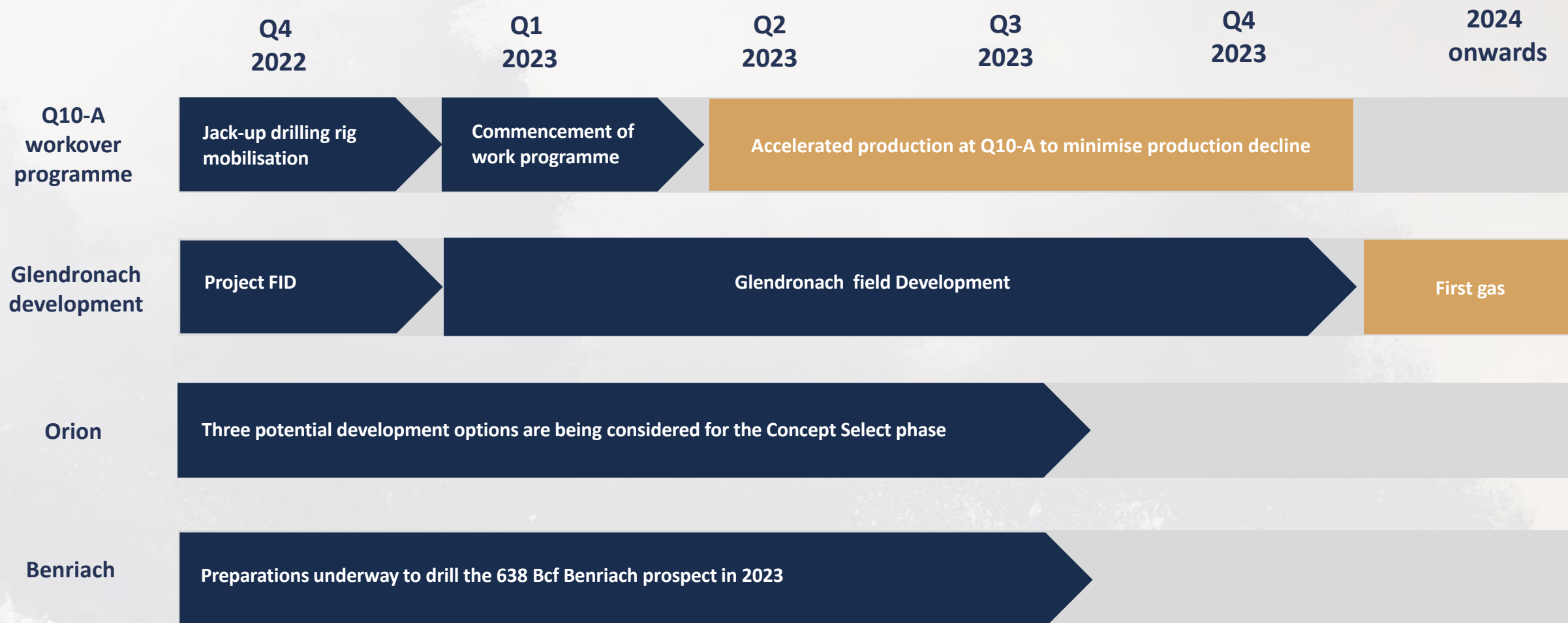
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**Outlook**



# Operational timeline

Multiple organic value drivers





## Materially increasing production base

Pro forma H1 2022 production averaged 12,400 boe/d (>95% gas)



## Delivering on existing development workstreams

Glendronach FID expected before the end of 2022, three potential development options identified for the Orion oil field and being considered for the Concept Select phase



## Significant upside potential

Preparations underway to drill the 638 Bcf Benriach prospect in 2023



## Proactive management of existing production base

Q10-A work programme commencing in Q4, maximising output in a high gas price environment



## Well-placed across two gas markets

Unhedged position across the UK and the Netherlands providing exposure to high spot gas prices and forward curve





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# Appendix: Management & Shareholders



# Board and Management

Experienced team with a proven track record



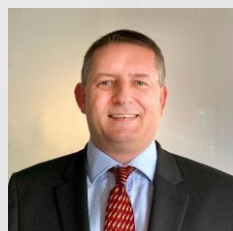
**Andrew Austin – Executive Chairman**

- ✿ 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.



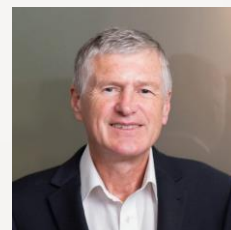
**Peter Mann – CEO**

- ✿ 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.



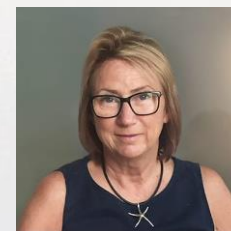
**Richard Slape – CFO**

- ✿ 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.



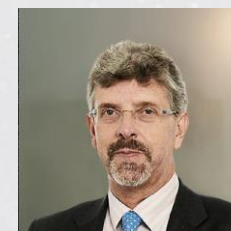
**Richard Benmore – Non-Executive Director**

- ✿ 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.



**Alan Booth – Non-Executive Director**

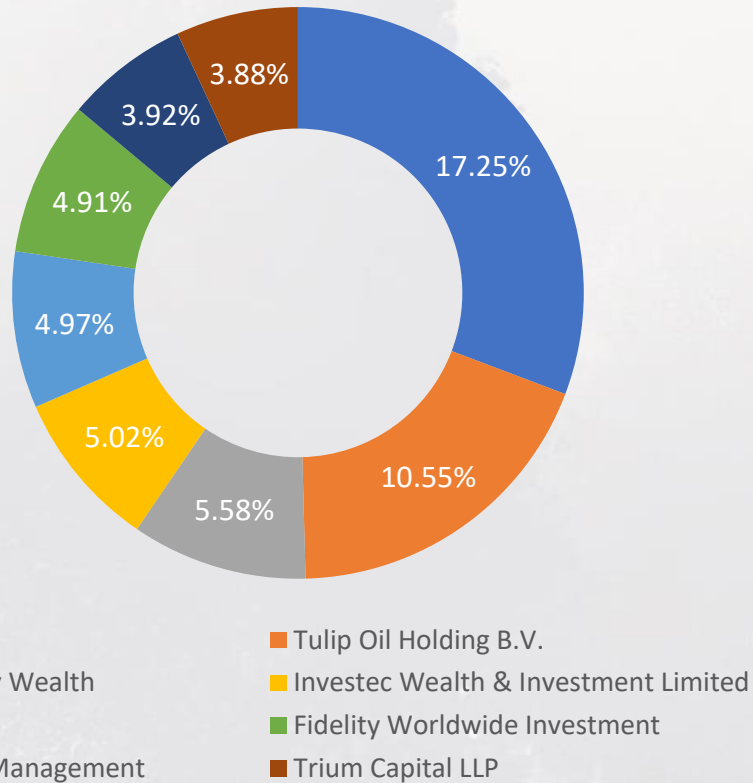
- ✿ 30 years' experience in Oil & Gas exploration and production.
- ✿ A non-executive director of Ophir Energy plc from 2013 to 2018, when he became CEO.
- ✿ Founder and CEO of EnCore Oil plc, an AIM-listed oil & gas exploration company, and a founder/director of EnCounter Oil.



# Share ownership

## Major Shareholders

As at 04 August 2022



- \* The largest shareholder is Kistos founder, Andrew Austin, followed by Tulip Oil Holdings
- \* Kistos Board & Senior Management own ~20% in total
- \* Tulip Oil Holdings – which is backed by GNRI – 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
- \* Strong institutional shareholder register
  - Schroder Investment – a number of funds under management that invest in specific markets and categories globally
  - Canaccord – specialist fund management in UK small-cap and multi-cap equities
  - Fidelity – over 50 years in running funds, focussing on sustainable growth companies