



**KISTOS**  
ENERGY IN TRANSITION

# 2023 Interim Results Presentation

September 2023



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# Key highlights

Completed acquisition of Mime Petroleum in May 2023

Third acquisition and third country entrance since 2020 incorporation

Average pro-forma net daily production of 9,600 boe/d in H1 2023

Pro forma total production of **1,433 kboe** in H1 2023

Planned maintenance and workover programme to significantly uplift production for H2 2023

Maintaining FY production guidance range of 8,500-10,500 boe/d

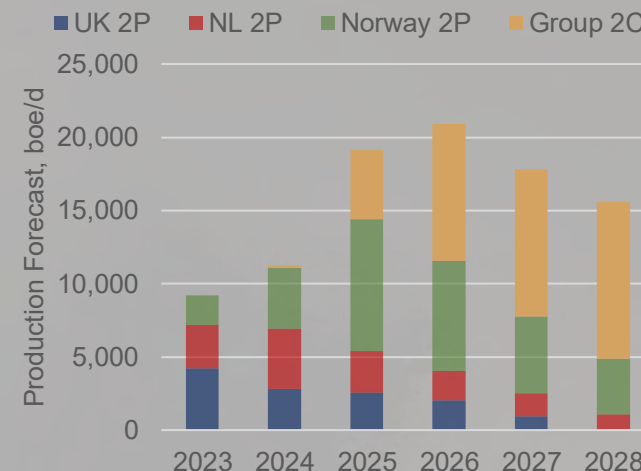
Robust end-of-period cash position

Cash and cash equivalents balance of **€247mm**

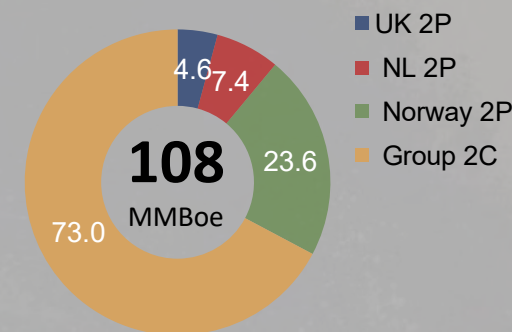
Strong pipeline of development opportunities across three stable jurisdictions in mature basins

Peak production forecast to reach **15,000 boe/d** in 2025

## Pro-forma Area Production Forecast



## Pro-forma Reserves & Resources<sup>1</sup>



<sup>1</sup>Year-end 2022, including Mime acquisition and M10/M11

# Strategy at a glance

A proven track record of delivering against our objectives



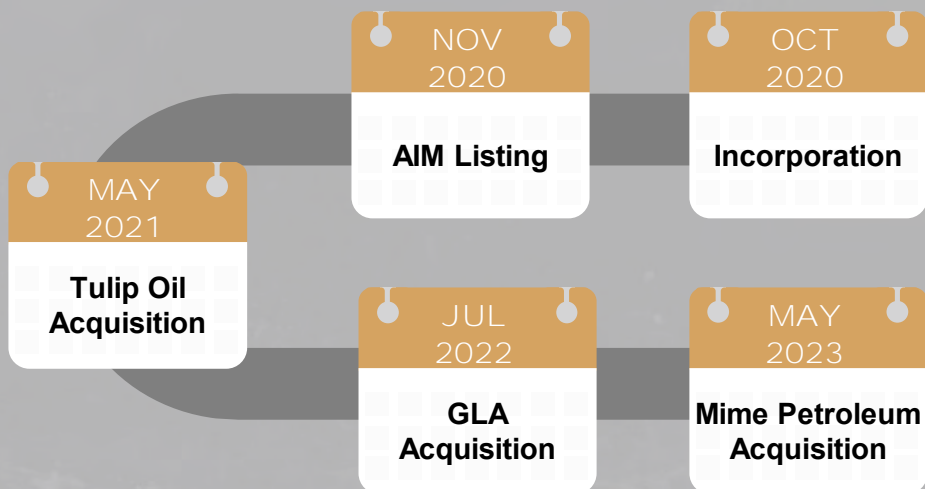
## Mission

Generate substantial shareholder returns by acquiring hydrocarbon assets that have (or have a near/medium term path to a low (or materially below industry average) carbon footprint (Scope 1 and Scope 2) and align with the energy transition.



## Delivery

3 Years  
3 Deals  
3 Countries



## OUR PATH FORWARDS



Maximise low carbon footprint credentials



Focus on cash flow generation



Implement a progressive dividend policy





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# Financial highlights

# Income statement

## Accounting for planned downtime and realised sales price

	Unit	H1 2023 (Actual)	H1 2023 (Pro forma) <sup>1</sup>	H1 2022 (Actual)	H1 2022 (Pro forma) <sup>1</sup>
Total production	kboe	1,433	1,659	1,031	2,206
Total production rate	boe/d	9,600	9,200	5,700	12,200
Revenue	€'000	105,149	119,883	137,502	285,109
Average realised sale price <sup>2</sup>	€/boe	74	74	142	139
Adjusted EBITDA <sup>2</sup>	€'000	67,071	68,613	130,207	260,987

✿ Net actual production increased by 68% compared with H1 2022, while pro-forma production was down by 547 kboe due to planned maintenance and downtime

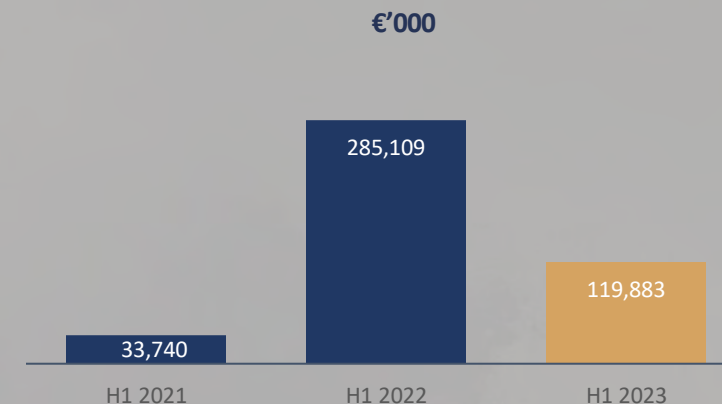
✿ Realised oil and gas sales price decreased by almost half due to significant commodity price volatility across the Netherlands and the UK

✿ In the Netherlands, the average realised gas price for the period was €46/MWh (H1 2022: €105/MWh)

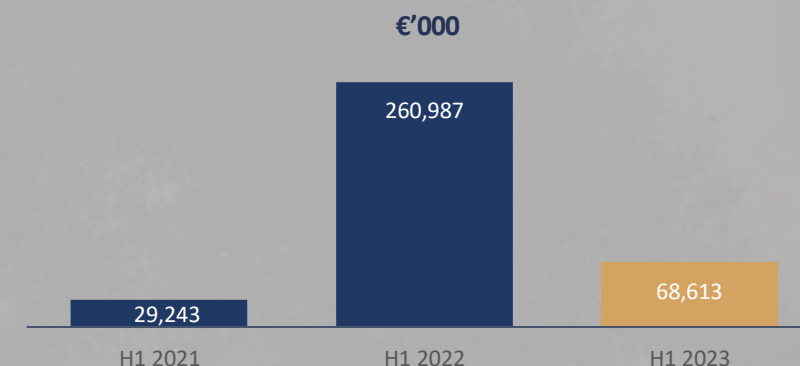
✿ In the UK, the average realised gas price for the current period was 91p/therm (H1 2022 pro forma: 204p/therm)

✿ In Norway, the average realised oil price from crude oil sales on a pro forma basis was \$74/boe

### Pro Forma Revenue



### Pro Forma Adjusted EBITDA



**FOOTNOTES:** <sup>1</sup>Pro forma figures for 2023 include Kistos Norway as if it had been acquired on 1 January 2023. The acquisition completed on 23 May 2023. Pro forma figures for 2022 include 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. <sup>2</sup>Non-IFRS measure. Refer to the definition in the Interim report.



# Balance sheet and capital structure

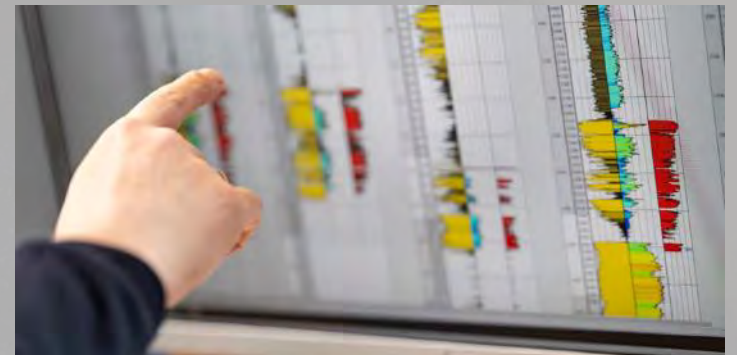
The addition of Norwegian licence interest significantly increasing total asset value

Consolidated balance sheet (€'000)	30 June 2023 <sup>1</sup>	31 December 2022 <sup>2</sup>
Cash and cash equivalents	247,326	211,980
Other current assets	156,347	64,250
Non-current assets	521,202	337,424
<b>Total Assets</b>	<b>924,875</b>	<b>613,684</b>
Current liabilities	193,112	184,147
Non-current liabilities	612,493	326,825
Total Equity	119,112	102,712
<b>Total Equity and Liabilities</b>	<b>924,875</b>	<b>613,684</b>

✿ **Cash balance at the end of the period** was €247.3mm, and, following the Mime acquisition, the Group had outstanding bonds (excluding the \$45mm hybrid bond, which is contingent on certain operational milestones on Balder Future) with a face value of €289.6mm

✿ **Net debt position at the end of the period**, after assuming Mime's bond debt during the period, was €42mm, leaving strong balance sheet strength to grow the business further

✿ The Kistos Board and Management Team continue to actively evaluate a pipeline of business development opportunities that reflect value for our shareholders







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# Operational overview



# Netherlands

## Existing production with upside

### Q10-A producing field

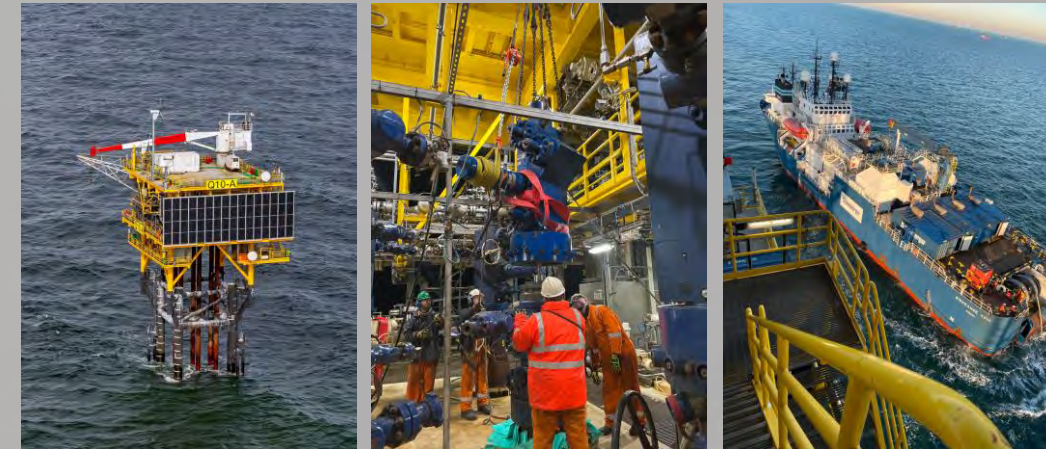
- ✧ Q10-A production during the period stood at 3,100 boed, lower than the previous comparable period (H1 2022: 6,100 boepd) due to a planned workover campaign that commenced in Q4 2022 and concluded in Q1 2023
- ✧ Production was also impacted by the planned maintenance shutdown of the P15 platform
- ✧ Workover campaign yielded mixed results due to mechanical issues rather than reservoir performance issues
- ✧ Continuing to evaluate opportunities across the Q10-A area to drill infill wells, ensuring volumes are maximised and unit costs are minimized

### Orion oil field

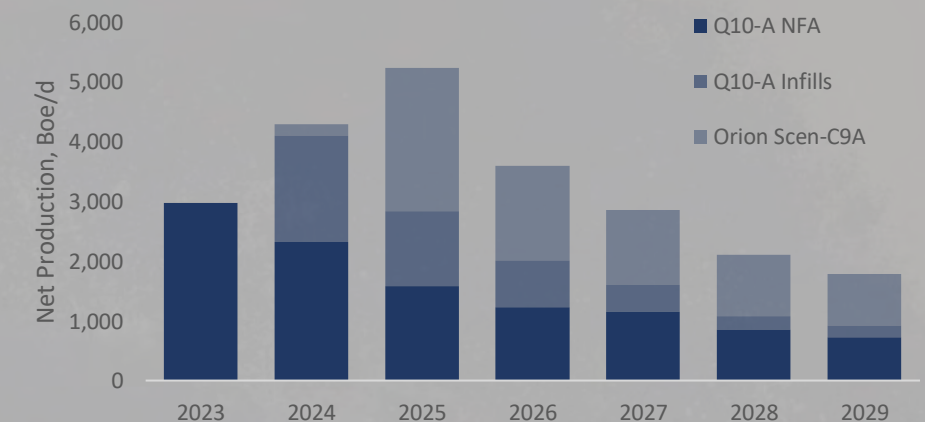
- ✧ A low-cost project that is expected to utilise existing infrastructure from the Q-10A field, thereby minimising costs and lowering carbon footprint
- ✧ Oil produced from this field would be amongst the lowest taxed barrels in the North Sea at a rate of approximately 50%
- ✧ Concept Select Phase nearing completion with FID targeting for H1 2024
- ✧ First oil expected by late 2025 or early 2026

### M10/11

- ✧ Successfully appealed against the Dutch authorities, granting Kistos with a licence extension to August 2028
- ✧ Kistos to apply for a permit for an appraisal well, engaging closely with the local municipalities and stakeholders prior to commencing any assessment phase planning work
- ✧ Independent estimate of technically recoverable 2C net resources of 174 Bcf, or 31.7MMboe.



Q10-A Area + Orion Production Forecast



# Greater Laggan Area (UK)

A world class set-up

## Producing assets

- ✿ Production averaged 4,300 boepd, in line with expectation factoring in planned shut-ins to allow for pipeline pigging operations and a three-day planned maintenance window in May
- ✿ Production from the single well on the Edradour field is temporarily suspended due to facilities constraints; however, other GLA fields have compensated for production shortfall with production during H1 in line with guidance

## Key developments

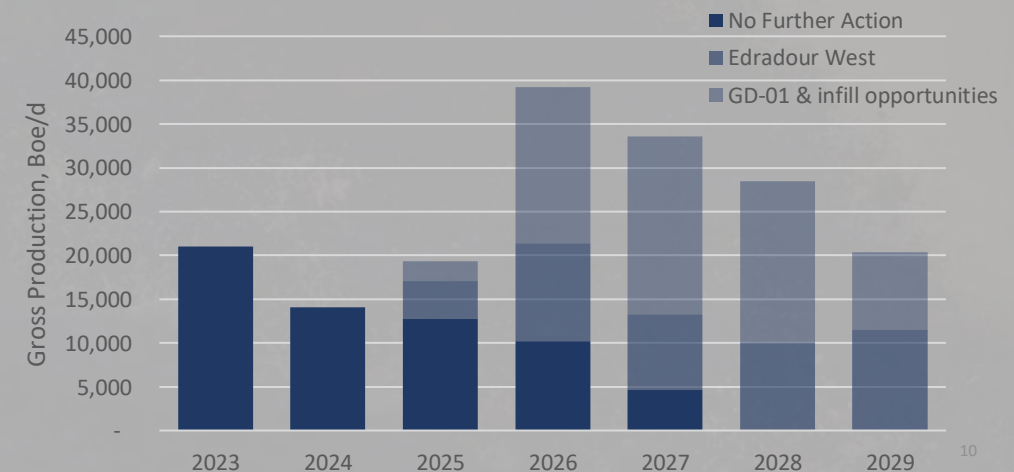
- ✿ 4D seismic survey completed in July 2023, ahead of schedule and significantly under budget – processing taking place with results expected in early 2024
- ✿ Continuing to progress Edradour West towards FID
  - ✿ Edradour West would add an estimated 2.5 MMboe of net reserves, plus an additional 1.3 MMboe via life extension of existing fields and facilities; and give more certainty to potential future developments such as Glendronach, and additional infill wells at existing production sites
- ✿ Shell UK operated Victory gas field continues to mature towards FID, targeting first gas Q4 2025 – would increase throughput at SGP, extending GLA life and reducing unit opex
- ✿ Benriach exploration well drilled during H1 2023, results deemed sub-commercial and well has been P&A'd
  - ✿ Benriach JV has moved into second term of the licence in order to undertake further analysis of acquired data with results anticipated early 2024
  - ✿ Net post-tax cost to Kistos of the drilling campaign anticipated to be €3mm.
- ✿ Kistos is part of TotalEnergies-led JV applying for a number of licence blocks as part of the 33rd Offshore Oil and Gas Licensing Round

## Greater Laggan Area ("GLA") Overview



Source: TEPUK

## GLA Production Forecast inc. Developments





# Balder and Ringhorne (Norway)

Prolific hydrocarbon province with proven production history

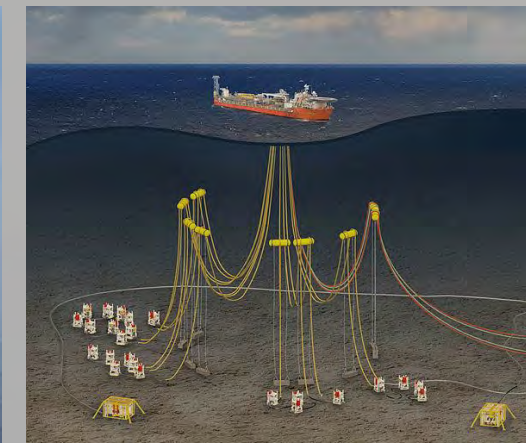
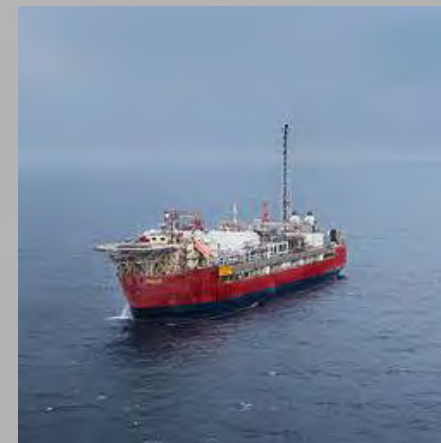


## Production and drilling activity

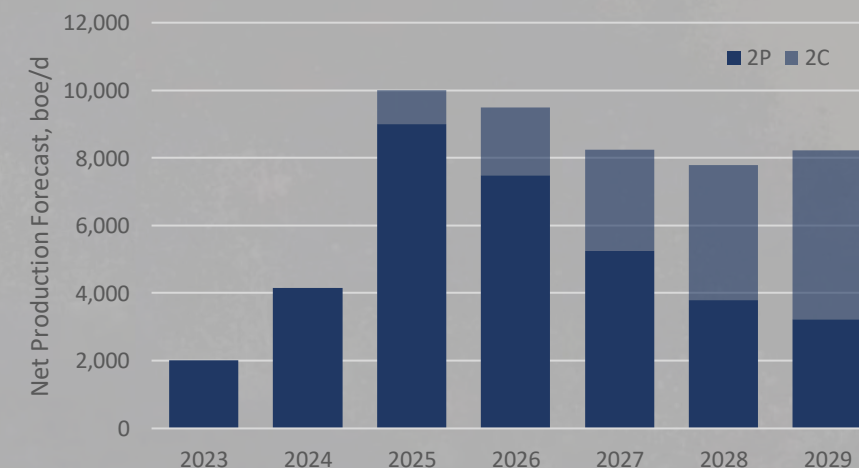
- ✿ Net production from the Balder and Ringhorne Øst fields (Kistos 10% and 7.4% respectively) in the period from acquisition to the end of June averaged 2,200 boepd
- ✿ One cargo of crude was lifted from the Balder FPSO in the period post-acquisition, totaling 72,000 boe net to Kistos with a provisional realised price of \$68/bbl
- ✿ Production positively impacted by the restart of gas-lifted Ringhorne wells in May following a temporary shut-in during Q1 202
- ✿ Overall production efficiency for Q2 2023 for Balder and Ringhorne improved to 83% from 80% in Q1 2023
- ✿ A well intervention campaign to restore output from Ringhorne Øst started in mid-May and the C17 well resumed production shortly after the period end

## Future development and upside

- ✿ Balder Future project is targeting an additional 143 MMboe from Balder and Ringhorne
- ✿ Drilling 14 new production wells plus 1 new water injector on the Balder field
- ✿ Vår Energi also drilling 12 new wells from the Ringhorne platform in 2 phases – first phase completed in H1 2023 and second phase commenced in June 2023
- ✿ Upgrades currently being made to the Jotun FPSO
  - ✿ Re-float took place in June and turret installed successfully in July
  - ✿ Subsea infrastructure installed
  - ✿ Dewatering of the gas lines have been completed ahead of umbilical installation
- ✿ Anticipating total full year 2023 capex of approximately \$130 million net
- ✿ Overall project capex estimate increased by operator by NOK 400 million (net) to mitigate schedule risk – no impact on 2023 capex phasing



**Balder and Ringhorne Production Forecast inc. Developments**







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# Sustainability

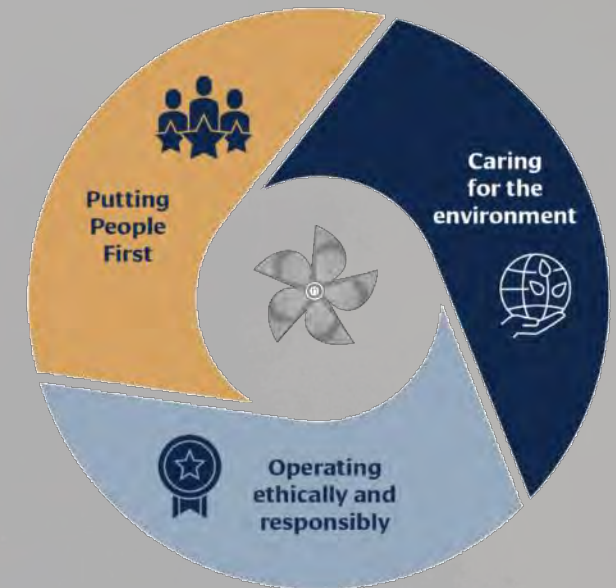


# Sustainability

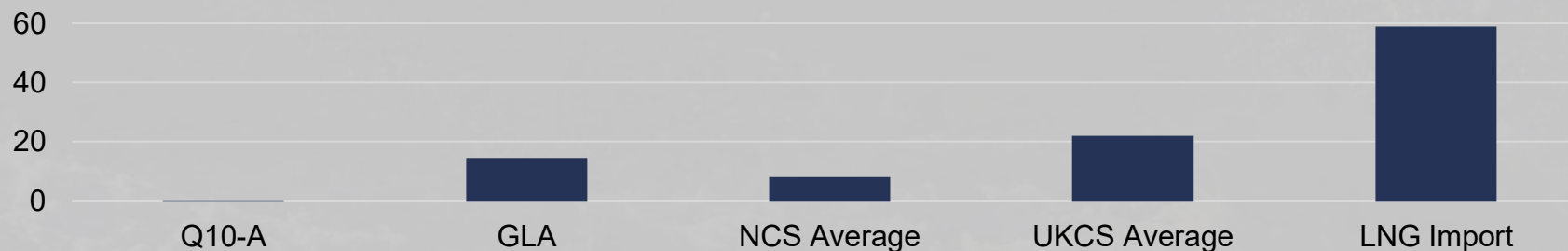
## Maintaining an industry-low CO<sub>2</sub> footprint



- ✿ As an energy business with a vital role to play in society's transition to a low-carbon future, we constantly look for opportunities for growth and value-creation for our investors
- ✿ We continue to explore ways to produce gas with a very low carbon footprint. In 2022, plans were made to increase the wind generation capacity on our Q10-A. This will be implemented in 2023
- ✿ Q10-A platform is unmanned and powered sustainably using solar energy and wind turbines. This saves an estimated 41 tonnes of CO<sub>2</sub> emissions annually
- ✿ Estimated Scope 1 emissions related to our activities in the Netherlands were less than 0.01kg CO<sub>2</sub>e/boe (excluding necessary flaring during drilling operations)
- ✿ Scope 1 and 2 emissions in the UK remain significantly below the North Sea Average, with an estimated 14.5kg CO<sub>2</sub>/boe emitted from normal operations during H1 2023<sup>1</sup>
- ✿ Scope 1 and 2 emissions from share of operations in Norway estimated at 21.7 kg CO<sub>2</sub>/boe for H1 2023
- ✿ The company strictly adheres to EU REACH regulations in preventing effluents and waste



### Average CO<sub>2</sub> intensity for gas operations (kg/boe)<sup>2</sup>



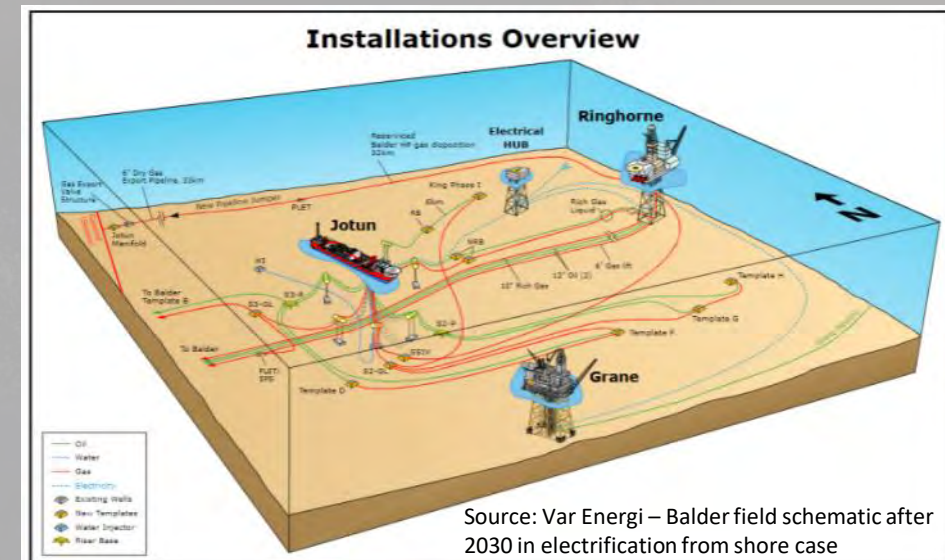
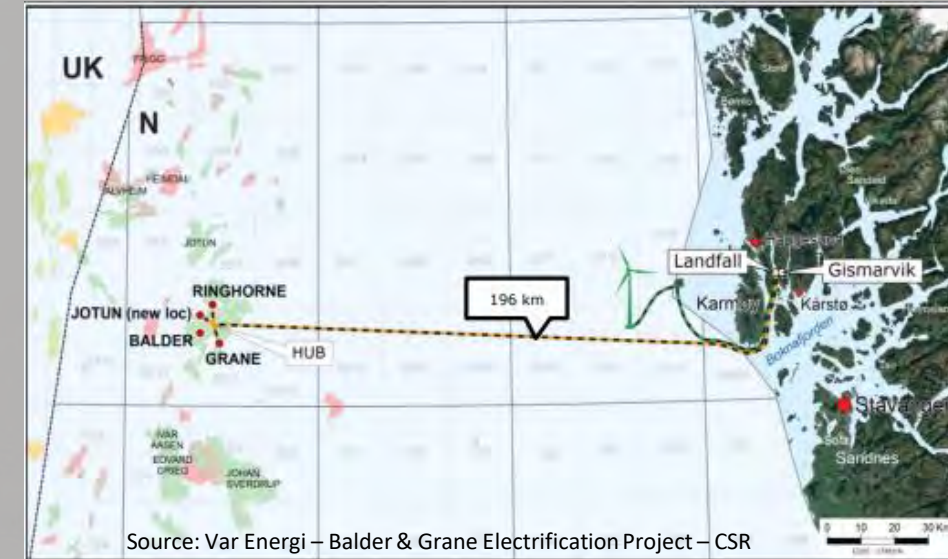
<sup>1</sup>Excluding impact of diesel from seismic vessels

<sup>2</sup>Source: North Sea Transition Authority

# Case Study

## Aligning our sustainability strategy with our M&A strategy

- ✿ The Acquisition of Mime Petroleum is consistent with Kistos' strategy to acquire hydrocarbon assets with a route to a lower carbon footprint
- ✿ The operator of the Balder fields has publicly stated ambition to reduce GHG emissions from its operations
- ✿ Carbon emissions intensity expected to reduce by more than 50% to <8kg/boe in 2025, significantly better than the North Sea or global average
- ✿ There is an opportunity to materially reduce emissions through the potential electrification of Jotun FPSO and Ringhorne Platform from shore
  - This project passed concept select phase in Q1 2022
  - It is being further matured in conjunction with the Grane joint venture, operated by Equinor
- ✿ The Balder FPU is currently planned to go off station in 2030, which will result in a significant reduction in total area emissions





# Outlook



# Investing in our future

**Foothold in three attractive markets with existing production and development workstreams**



## The Netherlands

- \* Orion oil development representing a low-cost, low-carbon development utilising existing nearby infrastructure
- \* Oil produced from Orion will be amongst the lowest taxed barrels in the North Sea
- \* Continual evaluation of the Q10-A area to undertake further enhancement and/or infill drilling to maximise production efficiency and potential
- \* Successful appeal and licence extension of M10/11 allowing for the commencement of assessment phase planning with a view to conducting appraisal drilling in the medium term. Engagement with stakeholders is underway



## United Kingdom

- \* Advancing Edradour West developments towards FID
- \* Development of this field is expected to increase 2P reserves by 3.8 mmboe
- \* New third-party throughput across the Shetlands Gas Plant is expected to significantly decrease operating costs and provide life extension to existing fields
- \* FID of Edradour West could allow more certainty for the future development of Glendronach, as well as other opportunities at existing production sites with additional infill wells



## Norway

- \* Acquisition of Mime adds 24 mmboe to the Group's 2P reserves
- \* Group output expected to exceed 15,000 boepd in 2025 once the Jotun FPSO and associated wells are fully onstream
- \* Assets fall in line with Kistos' industry-leading CO<sub>2</sub> footprint in the medium term





# Appendix



# Board of Directors



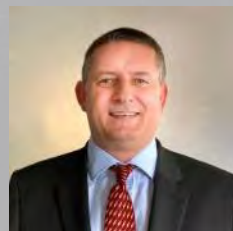
## Andrew Austin – Executive Chairman

- ✿ 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.



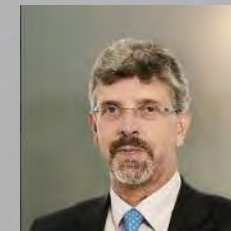
## Richard Benmore – Non-Executive Director

- ✿ 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.
- ✿ Executive Chair of Storegga



# Management Team

Experienced leadership throughout the Group



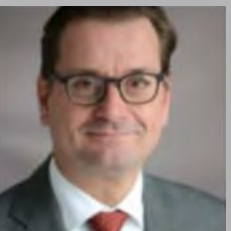
**Andy Cosstick – Group Finance Director – Kistos Holdings plc**

- Qualified as a Chartered accountant with KPMG
- 12+ years working in listed company roles including Oil & Gas
- Experience at BP included group financial reporting, oil/gas trading back office and BP Rotterdam Refinery finance manager
- Financial Controller at Hurricane Energy plc, leading the finance team from pre-production to first oil



**Rene Borsch – Country Manager/Operations Director – Kistos NL2**

- 20+ years industry experience with Shell/NAM, Clyde Petroleum, Wintershall DEA, Cirrus Energy, and One Dyas
- Operations Manager for Cirrus Energy and worked for Wintershall DEA in construction, engineering, technical, and management positions including Offshore Installation Manager
- Experience includes petroleum engineering, development, drilling and completion, operations, and project management



**Caspar Noothoven – Legal Director – Kistos NL2**

- 20+ years of experience in the Oil and Gas Industry.
- Multinational roles working for IOCs, small- and mid-size oil companies as well as major services companies.
- Managed entire Supply Chain for a deepwater development offshore West Africa with a contract value in excess of US\$5 billion



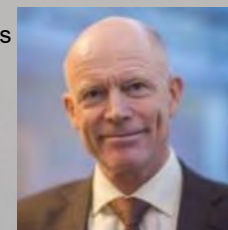
**Albertus Kor – Projects Director – Kistos NL2**

- 35+ years industry experience with Shell, Tulip Oil, and Kistos
- Projects include Troll-A (Norway), Malampaya (Philippines), Schoonebeek Oil Redevelopment (Netherlands)
- Shell representative for 5 years in the non-operated Norske Shell organization in Stavanger
- Engineering & Projects Director in Tulip Oil



**Thomas Bendzko – Drilling Director – Kistos NL2**

- 30+ years industry experience in Europe and the Middle East
- Gained technical expertise as drilling engineer for Germany's KTB deep drilling project and as lead drilling engineer for Shell's Brent Alpha Platform.
- Served as Operations Manager for DEUTAG in Russia, General Manager of Gulf Oil & Gas in Dubai, and Drilling Manager of Rhein Petroleum and Tulip Oil.



**Sverre Skogen – CEO – Kistos Energy Norway**

- 30+ years experience in the oil and gas industry
- CEO at Aker Maritime/Aker Kvaerner 1997 – 2003, Executive Vice President at PGS Floating Production 2003 – 2005, CEO at AGR Group 2005 – 2012 and Executive Chairman/Chairman at Det Norske (now Aker BP) 2013 – 2016
- During Mr. Skogen's time in Aker BP: Increased reserves by 11x and delivered Ivar Aasen (NOK 24bn) development on time and on budget



**Olav Haugland – CFO – Kistos Energy Norway**

- >30 years experience within shipping, oil-service, and investment companies
- Master of Science in Economics and Business Administration and State authorized public accountant from NHH
- Previous experience with Kistefos, Farstad Shipping and Ocean Installer



**Lars Stoltenberg – Director Commercial – Kistos Energy Norway**

- 25 years managerial, field development, business development and commercial experience from the oil and gas industry
- Holds a MSc from Norwegian School of Management
- Previous experience with Fortum Petroleum, ENI, ECON, Norsk Hydro and RWE Dea





# KISTOS

## Contact us today

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