

13 March 2020

**Longboat Energy plc**  
("Longboat Energy", the "Company" or "Longboat")

**Market Update**

Longboat Energy, established by the former management team of Faroe Petroleum plc to build a significant North Sea-focused E&P business, provides an update to the market following recent world and oil market events.

**Strategy**

Since Longboat was admitted to AIM on 28 November 2019, the Directors' time and resources have been deployed in meeting the Company's investment objective to create a full-cycle North Sea E&P company, in order to deliver value to shareholders.

The Company aims to deliver value by applying the business model of growing production and reserves through value creative M&A combined with exploration. Longboat will focus on 'near field' exploration with access to infrastructure and de-risking through nearby discoveries.

Although this strategy remains unchanged the market dynamics have altered significantly in recent days.

**Financial Status**

Longboat management has adopted the prudent financial approach that served them well at Faroe Petroleum and has established a flexible operation ensuring very low G&A running costs.

At the end of February 2020, Longboat Energy's cash balance was £8,656,325 (unaudited). The Company's committed G&A costs are running in the order of £125,000 per month and the uncommitted G&A costs flex according to the level of activity, notably as regards transaction analysis and the associated due diligence.

**Outlook**

Longboat has analysed multiple potential transactions since its IPO, including a number of bilateral discussions, to acquire assets consistent with the investment policies outlined in the prospectus. So far none of the opportunities to date have resulted in a transaction due to the Company remaining disciplined with regards to the Company's underlying technical and macro-economic assumptions (as was the case when at Faroe Petroleum).

During this period of current uncertainty, it is likely that companies which are financially constrained may seek to dispose of assets that Longboat will be able to consider opportunistically alongside the various ongoing discussions. In addition, it is likely that opportunities will arise out of distressed situations. Any material transaction entered into would require the approval of the Company's shareholders.

**Helge Hammer, Chief Executive of Longboat, said:**

"We believe that if the recent fall in the oil price is sustained, it will provide an increasing number of material and attractive opportunities. We have a robust bank balance, low G&A, strong industry relationships and institutional support. As such, we are well-placed to exploit existing as well as new opportunities arising from falling oil prices. We expect transaction valuations to decrease and thus potential returns to shareholders to grow significantly."

**Enquiries:**

**Longboat Energy**

Helge Hammer, Chief Executive Officer  
Jon Cooper, Chief Financial Officer

via FTI

**Stifel (Nomad)**

Callum Stewart  
Jason Grossman  
Ashton Clanfield

Tel: +44 20 7710 7600

**FTI Consulting (PR adviser)**

Ben Brewerton  
Sara Powell

Tel: +44 20 3727 1000

[longboatenergy@fticonsulting.com](mailto:longboatenergy@fticonsulting.com)