

Longboat Energy – Investor Update

April 2020



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Longboat Energy

Build a significant North Sea-focused E&P business to deliver value to shareholders

Strategy unchanged

- Grow production and reserves through value accretive M&A and deliver value to shareholders
- Focus on near-field exploration with access to infrastructure and derisking through nearby fields and discoveries
- Replicate the success of Faroe Petroleum

The current market dislocation presents an opportunity for Longboat

- The strategy remains unchanged but market dynamics have altered significantly during the last month
- We believe the recent oil price fall will result in an increasing number of material and attractive opportunities
- The M&A market will revive - we expect transactions now on hold to return together with many new deals
- Underlying drivers for transactions:
 - Big players still committed to running divestments programmes
 - New drivers to reduce: capex, debt burden, G&A / staff levels etc.
 - Distress situations may occur if oil prices remain low for extended period
- Reduced competition as consolidation and industry dislocation has further reduced number of North Sea E&P's looking to acquire.

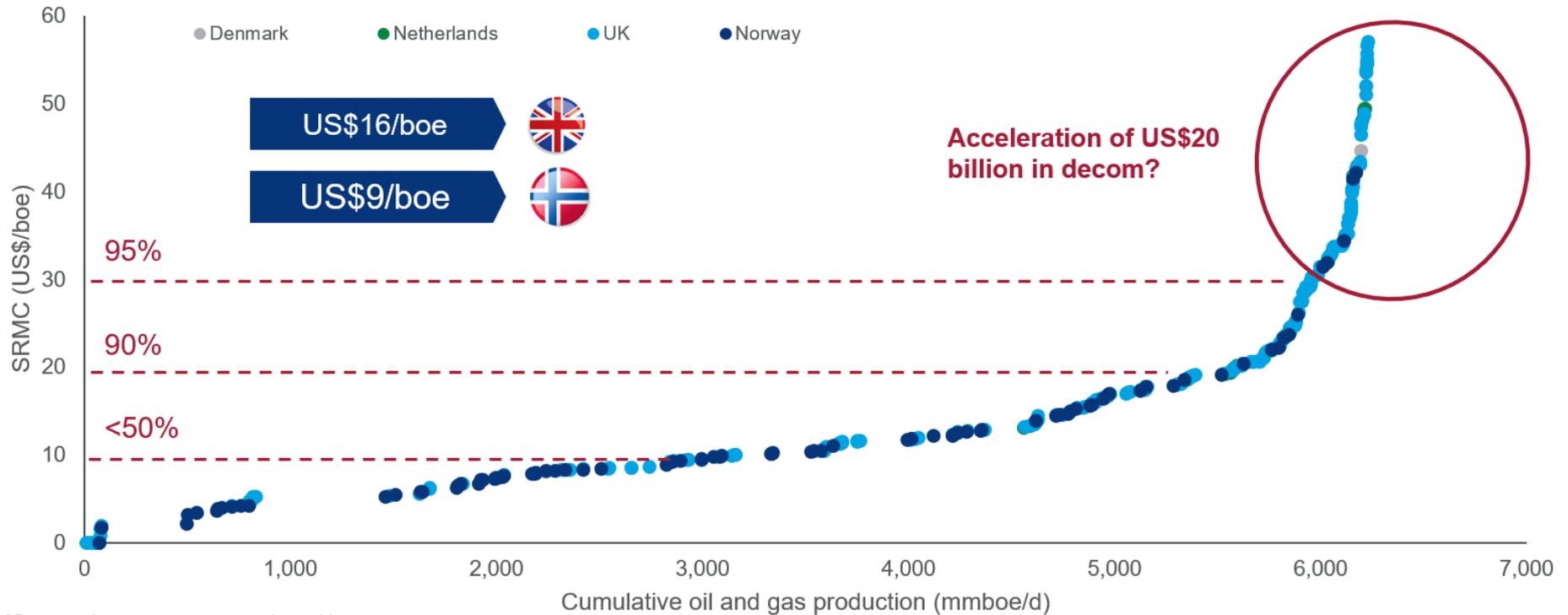
Financial

- Longboat is financially prudent, as was Faroe – fixed running costs will remain low
- Longboat is well capitalised: cash of £8.7m at the beginning of March 2020

North Sea production

Ability to remain cash generative at low oil prices

SRMC* by field versus cumulative oil and gas production (2020)



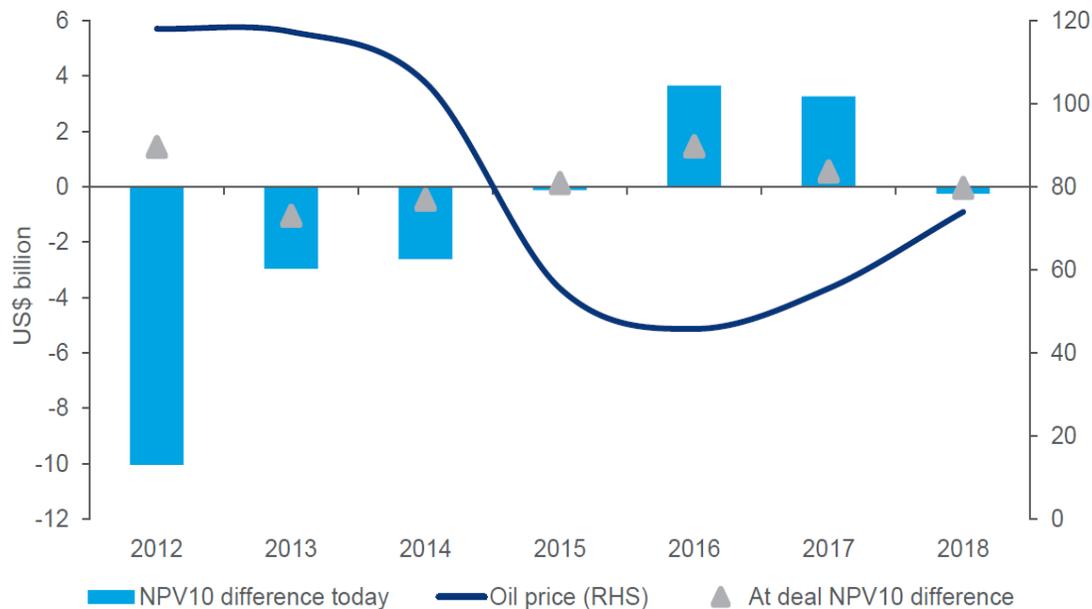
*SRMC: operating costs + taxes and royalties

Source: Wood Mackenzie Lens

M&A - historic low point in the commodity cycle

Longboat will leverage its operational and geological expertise to extract incremental value from acquisitions

M&A value creation v Brent price (2012 – 2018)



Wood Mackenzie: M&A Tool, GEM

Case Study

Faroë 2016 acquisition of NCS assets from **DONG energy**

Field optimisation delivered rapid payback and significant value creation in non-operated stakes

Full pay-back achieved 11 months from acquisition

- Acquired non-operated stakes in Ula, Tambar, Oselvar and Trym fields from DONG Energy for \$70m

90% increase in 2P reserves in 3 years

- 2P reserves of 20 MMboe at acquisition
- c.90% increase in 2P reserves in 3 years
- 3x increase in 2C resource also achieved

Ongoing development will deliver significant value and extend field lives

- Ula field life expected to be significantly extended
- Oselvar being considered for appraisal and redevelopment
- Trym to be brought back on stream alongside Tyra

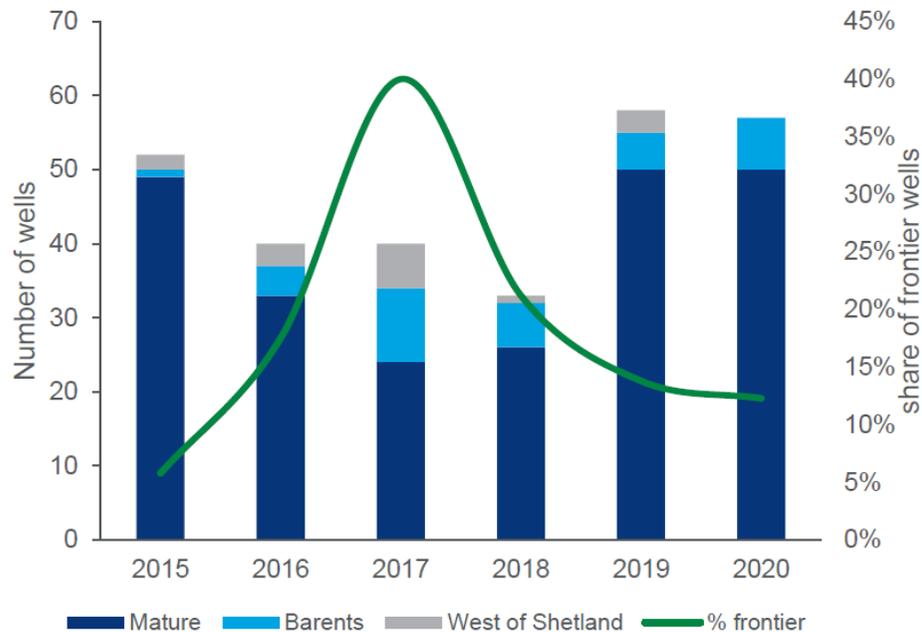
North Sea exploration

Infrastructure-led exploration has dominated since the last downturn

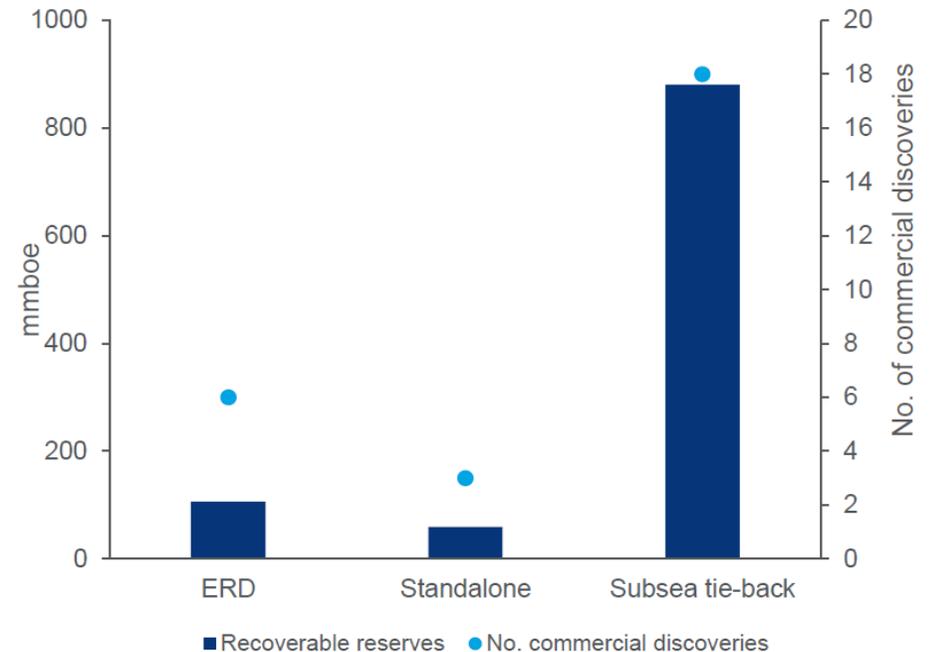
Norway remains a hotspot for exploration driven by resource potential and tax efficiency

Longboat will focus its exploration around existing infrastructure and hub strategy

Exploration wells by maturity (UK and Norway, 2015 – 2020*)



Commercial volumes discovered (UK and Norway, 2015 – 2019)



Source: Wood Mackenzie Lens; *2020 numbers are a projection

Indicative Target Assets

Approach to Acquisitions

- Use team's industry knowledge and relationships to take a focused approach to identify specific target acquisitions
- Initial acquisitions to create a sustainable and scalable platform
- Possibility of funding initial acquisitions through a combination of debt and equity

Target Assets

- North Sea: Norway and the UK
- Aligned partnerships with ability to influence and optimise operations
- Targeting immediate production, providing immediate cash flow to fund organic growth
- Robust economics, sustainable in a low oil price environment
- Hub focus: acquire assets near infrastructure with significant remaining subsurface upside potential
- Identified exploration opportunities both in-field and near-field
- Sensible approach to abandonment - limit exposure where possible with opportunities to extend asset lives
- Target deal size in the \$10s of millions to low/mid \$100s of millions – funded through equity and debt