



Longboat
Energy

Transformational Investment and Joint Venture with JAPEX

May 2023

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A transformational deal for Longboat

■ Transformational transaction to create a new Norwegian JV

- JAPEX to become 49.9% shareholder in Longboat's Norwegian subsidiary
- Transaction subject only to regulatory approvals

■ Initial investment of up to US\$50 million

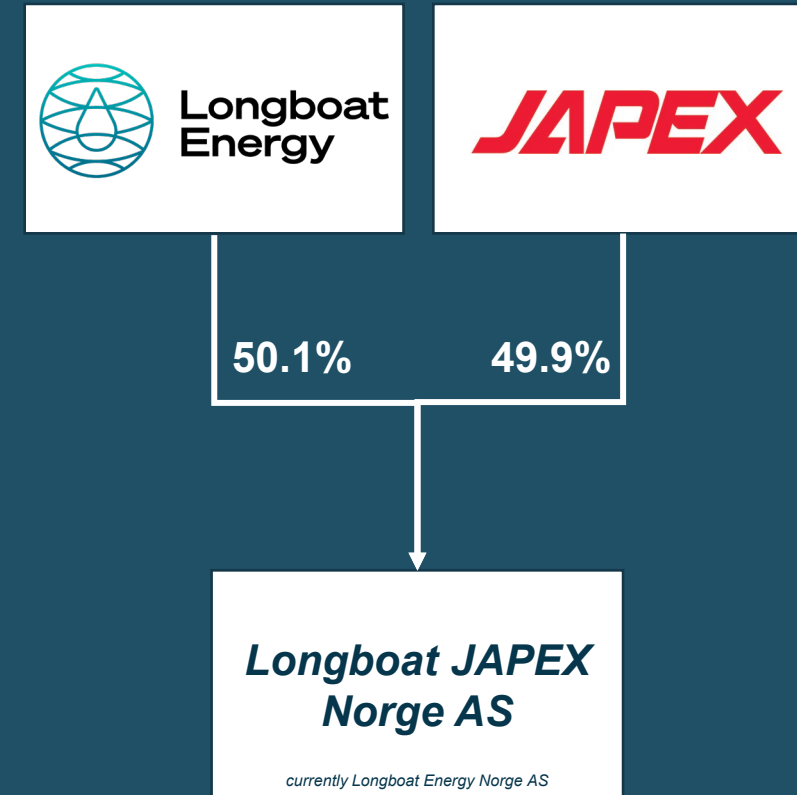
- Initial cash consideration of US\$16 million
- Contingent consideration of US\$4 million linked to completion of a production acquisition under review
- Up to US\$30 million linked to Velocette exploration success (drilling Q3-23)

■ JAPEX to provide JV with US\$100 million financing facility

- 5-year facility available to finance acquisitions and development costs
- All-in interest cost over the term of loan <10%

■ JV to pursue a growth-led strategy

- Target development projects and reach significant production in 3-5 years
- Continue to drilling of 1-to-3 exploration & appraisal wells per year



Key benefits for Longboat



- **Significant upfront capital injection with no dilution for Longboat shareholders**
 - Transaction structured as an investment directly into Norwegian subsidiary
 - Two additional contingent payments linked to near-term events
- **Transaction enables Longboat to retain exposure to asset base with significant upside**
 - Upcoming catalysts include firm exploration wells (Velocette Q3-23, Lotus H2-24)
 - Kveikje planning underway as part of area-wide “Ringvei Vest” project seeking to capture ~250 mmboe¹
 - Recent asset sales in Norway (e.g. Wellesley) demonstrates attractiveness of Longboat’s core acreage position
- **Substantial follow-on financing commitment allows JV to actively pursue growth ambitions**
 - Ability to transact from a position of strength
 - Acquisition financing facility secured at competitive pricing
- **JV brings together two companies with complementary strengths**
 - Longboat has significant Norwegian experience, expertise and strong local industry relationships;
 - JAPEX has significant world-wide technical competence and a strong balance sheet.

JAPEX at a glance

■ Japan Petroleum Exploration Co., Ltd (JAPEx) founded in 1955 by Japanese government – reorganised as a private entity in 1970

- Listed on the Tokyo Stock Exchange (m/cap ~US\$1.8 billion¹)
- Major shareholder: Minister of Economy, Trade and Industry of Japan (35%)
- Proved reserves (2022/3): 159 mmboe
- Production (FY22): 58,500 boepd
- Net Sales (FY22): ¥249,140 million (~US\$1.9 billion²)
- Investment Grade Credit: Moodys (Baa1, Stable), R&I (A+, Stable)

■ Combination of domestic and global E&P operations

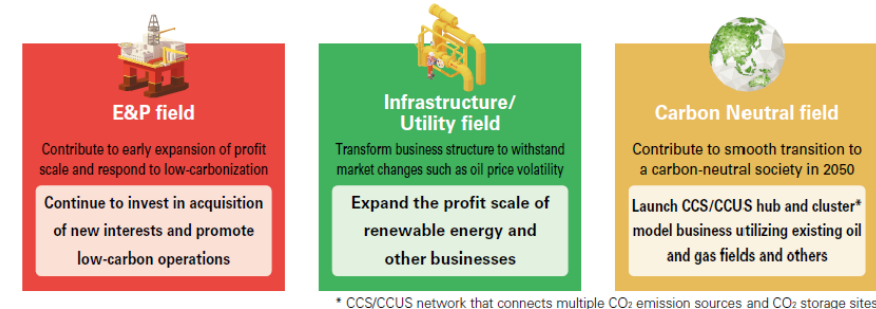
- Active regions include Japan, US, Indonesia, Iraq and UK
- Technically focused organisation with +1600 staff

■ Shared focus on delivering energy responsibly

- Target 40% reduction of Scope 1+2 emissions intensity by 2030 (vs 2019)
- Net zero target for JAPEx group operations by 2050



Business Foundation



Source: JAPEx

Transaction detail



- **JAPEX will invest up to US\$50 million into Longboat Energy Norge AS in return for a 49.9% interest (JV to be renamed Longboat JAPEX Norge AS)**
- **Initial JAPEX investment divided into three elements:**
 - Initial cash investment of US\$16 million payable in full on transaction completion (ex working capital adjustments)
 - Contingent tranche of US\$4 million, payable on the successful negotiation and completion of a currently contemplated small production acquisition in-line with the Joint Venture strategy
 - Contingent tranche of up-to US\$30 million on a successful discovery on the Velocette prospect, with sliding scale \$/boe payment of based on total resources discovered (min/max 85-200 mmboe), payable on PDO approval
 - All amounts paid on a gross basis into to the JV
- **JAPEX to also provide the JV with a US\$100 million Acquisition Financing Facility**
 - The Facility is available to finance mutually agreed acquisitions and associated development costs
 - 5-year tenor with drawings available for the first three years (subject to certain conditions)
 - Facility attracts a market-interest rate on an annually increasing scale (initial rate of 6%, all-in costs of less <10%)
- **Longboat will continue to actively manage JV, decisions governed by a Shareholder Agreement**
 - Unanimous shareholder approval for most key decisions (strategy, acquisitions, budgets etc)
 - 'Built-in' hop-off point after 3-years if JV fails to achieve key strategic goals

Norwegian JV strategy

■ Predominately development-led strategy to grow 2P reserves and reach significant production levels within 3-5 years

- Strategy to be delivered through one-or-more acquisitions
- Preference for 10-30%, non-operated interests
- Target straightforward projects (e.g. subsea tie-backs)
- Norwegian tax system provides downside risk protection

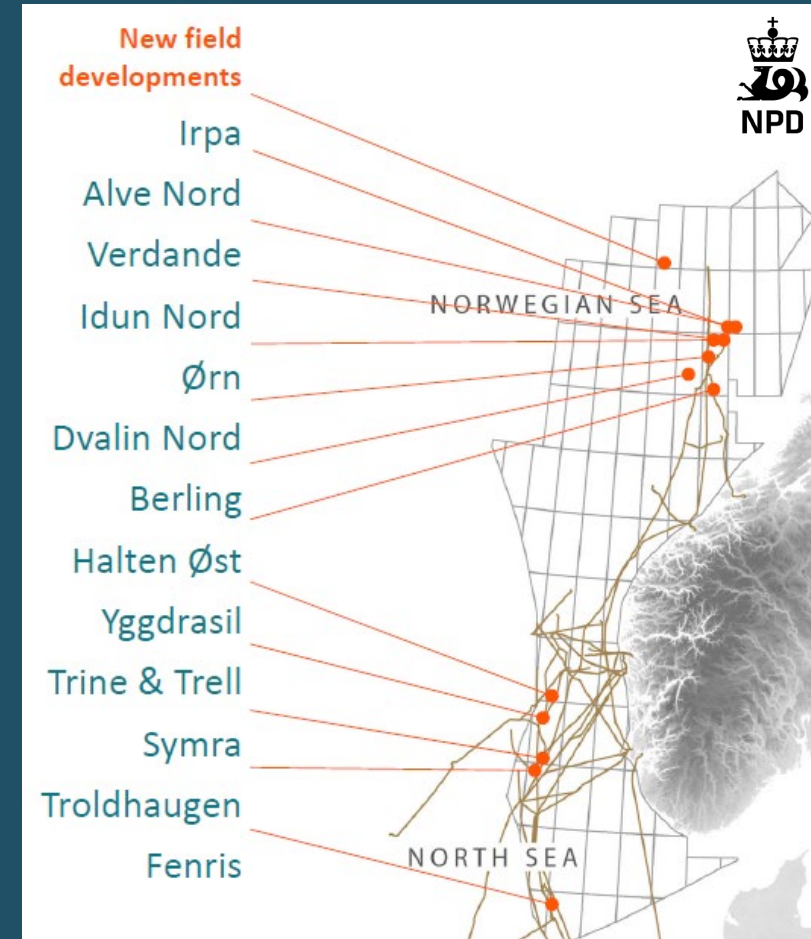
■ High level of field development activity in Norway represents significant M&A opportunity

- COVID-era tax incentives have resulted in record number of PDOs submitted (field development plans)
- Total associated capex spend of \$29 billion¹ likely to result in divestments

■ Continue to drill 1-3 E&A wells per year

- Norway delivering +30 E&A wells p.a., high success rates and low finding costs
- JV retains existing attractive exploration targets (Velocette and Lotus) and appraisal opportunities (Oswig)
- Continued opportunities in APA licensing rounds and farm-out market

PDO Submissions 2022



Source: NPD

1. Source: NPD based on 300 Billion NOK and NOK-USD exchange rate of 10.5

Malaysia strategy

■ Why Malaysia?

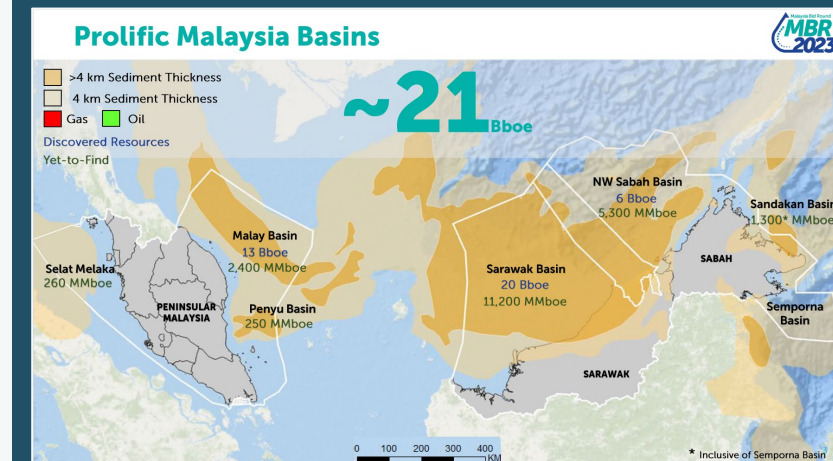
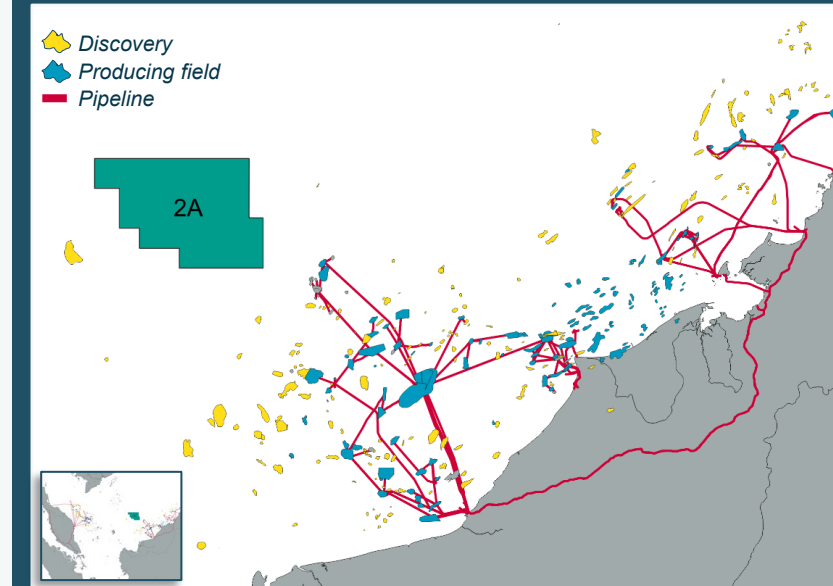
- Opportunity set comparable to the North Sea 15-20 years ago
- High barriers for entry, significant prospectivity, fallow discovery backlog
- Strong, supportive regulator looking to establish new players

■ Longboat entered Malaysia in Q1-23 via licencing round

- SK2A is a large exploration block offshore Sarawak
- Multi-TCF potential in stacked Kertang prospect, excellent 3D seismic data
- Low-cost initial work phase (3 years), with firm well in 2nd phase
- Longboat operator with strong state participation (Petronas, Petros)

■ Strategy focused on building a full cycle business

- Exploit changes underway in the Malaysian upstream industry
- Add production and/or developments with low capex & short lead times
- Exploit innovative M&A experience and network to target growth



Source: Malaysia Petroleum Management PETRONAS

Longboat's vision unchanged

■ Corporate vision remains unchanged

- Build a significant, cashflow generating, full-cycle E&P company
- Grow production and reserves through exploration and M&A
- Execute innovative deals to deliver the strategy
- Deliver shareholder value

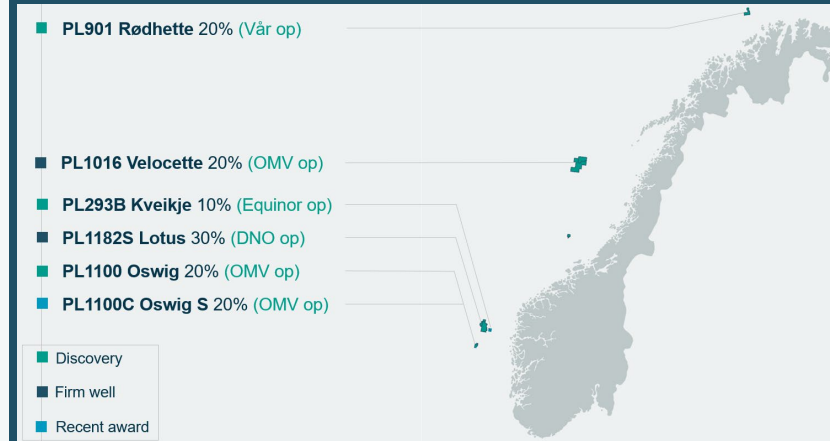
■ Longboat entering major growth phase

- **Norway**
 - New JV brings significant financial capacity to deliver attractive acquisitions
 - Progressing Kveikje towards concept select as part of large Ringvei Vest project
 - Velocette drilling H2-23, Lotus drilling in 2024
- **Malaysia**
 - Entry into Malaysia complete
 - High-impact, multi-TCF exploration opportunity at low initial cost
 - Focused on adding production/development assets in region

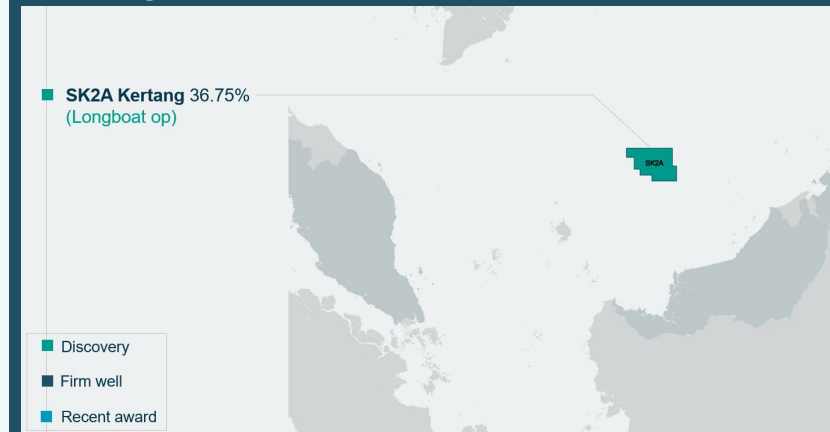
■ Maintain strong financial foundation

- Activities fully funded, including all well commitments
- JAPEX finance facility positions JV deliver on Norwegian strategy

Norwegian Portfolio



Malaysian Portfolio





Longboat
Energy

APPENDIX

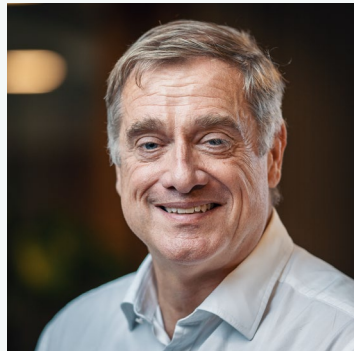
Longboat Energy PLC Executive Management



- Ex-COO of Faroe Petroleum
- +30 years' international experience (Shell, Paladin)
- Degrees in Petroleum Engineering (NTH University of Trondheim) and Economics (Institut Français du Pétrole, Paris)

Helge Hammer

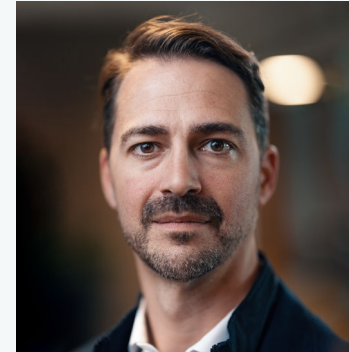
Chief Executive Officer



- Ex-CFO of Faroe Petroleum
- Former CFO at Gulf Keystone, Lamprell, Sterling Energy and Director Oil & Gas Corporate Finance at DKW
- PhD Mechanical Engineering (University of Leeds)

Jonathan Cooper

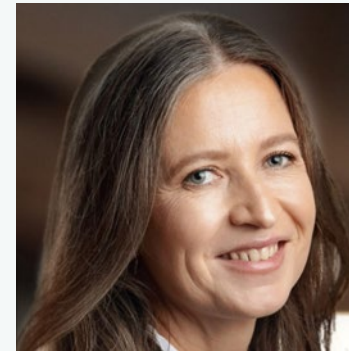
Chief Financial Officer



- Ex-Group BD Head Faroe Petroleum
- Prior BD roles at Salamander Energy, Valiant Petroleum and banking roles with Morgan Stanley and RBS
- MA Hons Ancient History (University of St Andrews)

Nick Ingrassia

Corporate Development Director









- Subsurface Manager, DNO North Sea
- Petroleum Geologist +20 years' experience (Shell, Equinor, Talisman, Paladin, Faroe)
- Masters Degree from University of Trondheim (NTNU)

Hilde Salthe

Managing Director Norway

Near Term Activity Overview

Prospect	LJN WI%	Gross Resources (mmboe)	Risk	2023				2024			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Norway											
Velocette	20%	177	30%	<div><div></div><div><div></div></div><div>Transocean Norge</div></div>							
Lotus	30%	27	56%	<div><div></div><div></div><div><div></div></div></div>							
Oswig S	20%	-	-	<div><div></div><div></div><div><div></div></div></div>							
Malaysia											
Kertang (SK2A)	36.75%	-	-	<div><div></div><div></div><div><div></div></div></div>							

 Firm well
 Potential well

Norway Asset Focus: Velocette

Setting

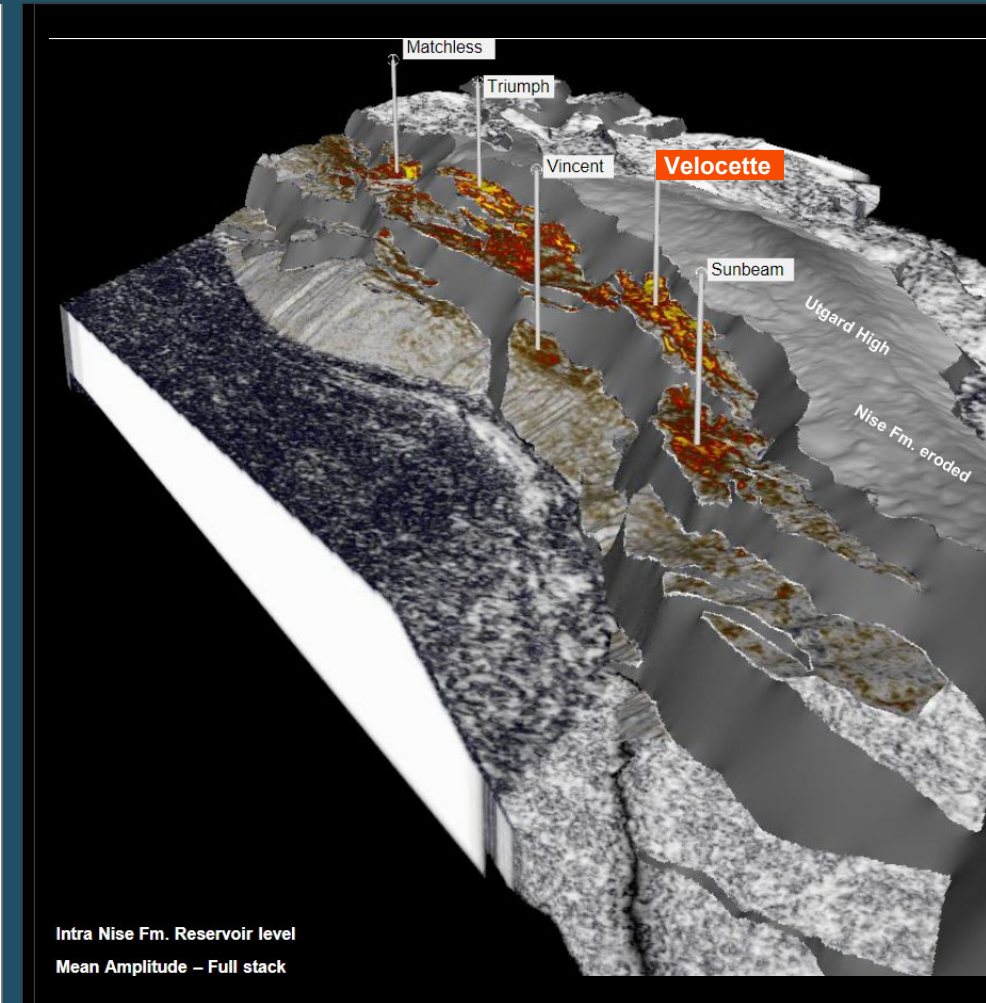
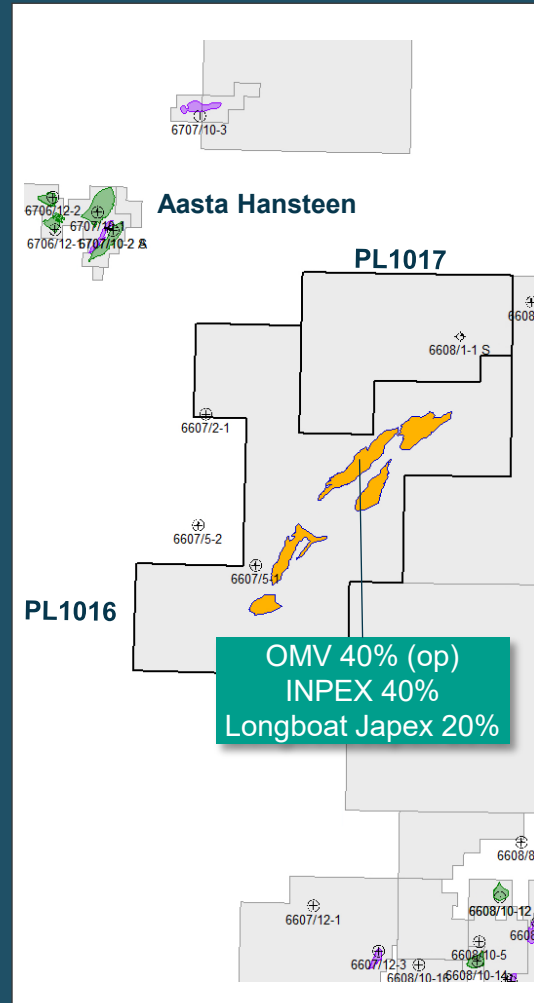
- Cretaceous turbidite sands
- Large fault blocks
- Amplitude supported gas prospect

Volumes & Risk

- Gross mean 177 mmboe¹⁾
- Chance of Success: 30%¹⁾
- Key risk(s): reservoir presence and quality

Update

- ~200 mmboe follow-on potential in adjacent fault blocks
- Derisked by initial exploration well
- Tie back to Aasta Hansteen (45 km)



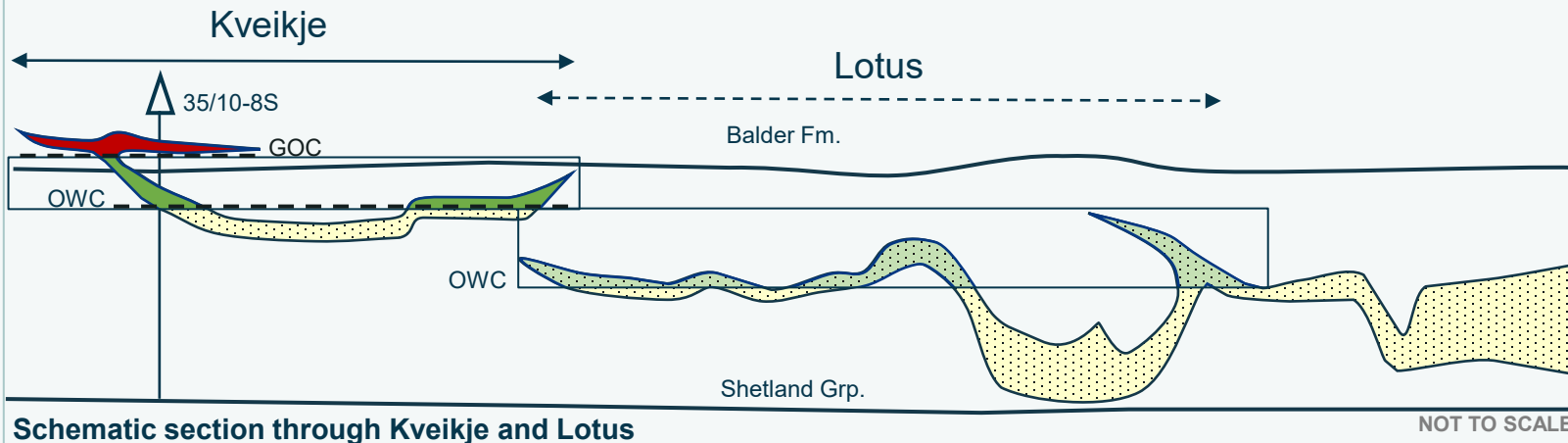
Norway Asset Focus: Greater Kveikje Area

■ Kveikje one of largest Norwegian discoveries in 2022

- Injectite reservoir with excellent quality
- Gross volume range: 35 – 60 mmboe¹⁾
- Joint development of multiple discoveries in the area (200-300 mmboe)
- JAPEX joint venture marks end of monetisation process

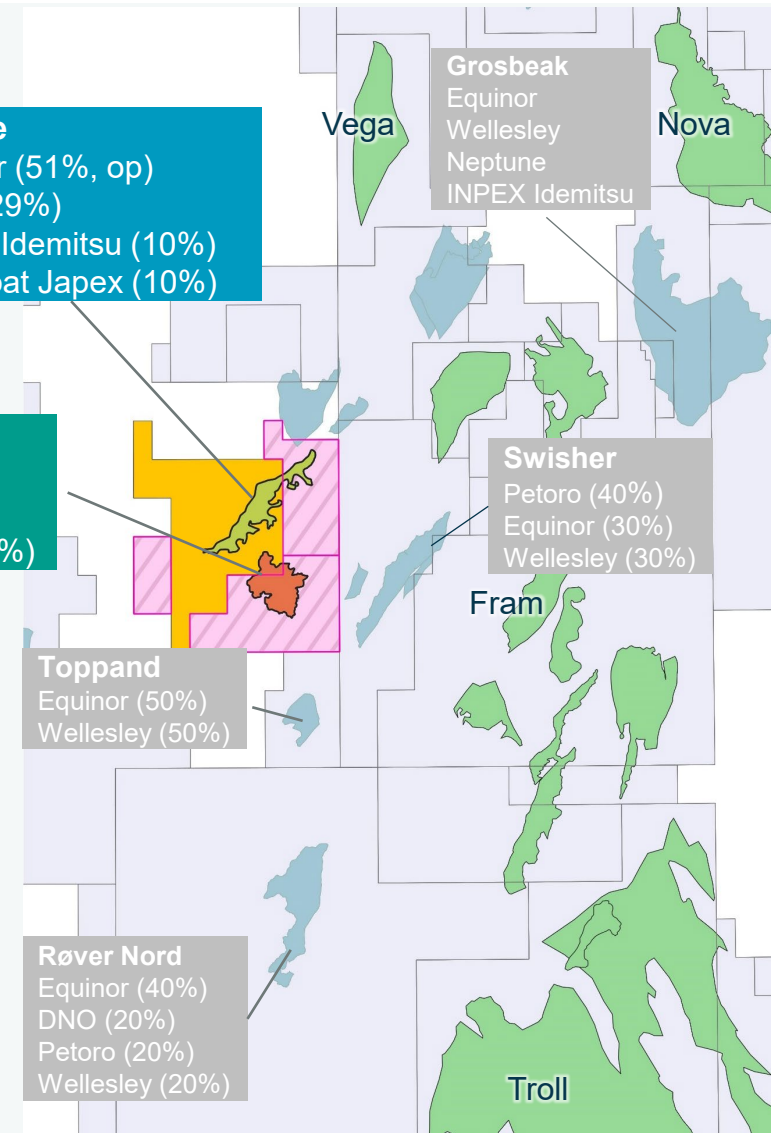
■ Low-risk/high-reward Lotus award in APA 2022

- Pursuing successful play opened at Kveikje discovery
- 27 – 44 mmboe, Chance of Success 56%²⁾



Kveikje
Equinor (51%, op)
DNO (29%)
INPEX Idemitsu (10%)
Longboat Japex (10%)

Lotus
DNO (40%, op)
AkerBP (30%)
Longboat Japex (30%)



1) ERCE Competent Persons Report 2C-3C September 2022

2) Longboat APA2022 evaluation, mean-to-high oil case

Norway Asset Focus: Oswig Area

■ Oswig, HPHT discovery adjacent to giant Oseberg field

- Successful side-track and production test (DST) in late 2022
- Very large Gas In Place Volumes (GIIP): 100-215 mmboe¹⁾
- Focus on technologies to maximise recovery factor

■ Oswig South: low risk prospect, potential to double Oswig size

- Significantly shallower than Oswig – expected better reservoir quality
- Low commitment, to be matured alongside current Oswig studies

