Focussing on West of Shetland Growth

Jonathan Roger, Siccar Point Energy CEO, 20th March 2019
Company highlights
A full cycle North Sea E&P company with a high quality and robust portfolio backed by strong owners

1. Well-established full-cycle E&P with world-class owners
   - Full-cycle E&P with material production from a 2P reserve base of 156 mmboe
   - FY 2018 average daily reported production of 11,152 boepd, set to grow to c.17,000 boepd when Mariner fully ramped up
   - Experienced management team with a proven track-record of E&P operations on the UK Continental Shelf (“UKCS”)
   - USD c.700 million in equity capital provided to date from leading PE sponsors Blackstone and Blue Water Energy

2. Portfolio with highly attractive and credit-supportive characteristics
   - Large assets: Partner in four of the largest UKCS oil fields by remaining reserves
   - Low cost: USD c.12/boe average opex/boe (asset + corporate) over near term
   - Long-life: Key fields will produce into 2040s and 2050s. No decommissioning issues
   - Experienced partners: non-operated assets run by world-class operators BP and Equinor
   - High value investment options in portfolio with a 2P+2C resource base of c.480 mmboe – key projects recently validated by new blue chip licence partners

3. Robust and fully-funded business that will generate a strong cash flow
   - Strong cash flow from material production and tax shelter from significant tax pools (CT USD c.2.4bn, SCT USD c.2.2bn)
   - Robust balance sheet with solid support from lending banks under USD 800 million RBL (recently upsized) and substantial available liquidity to support investment plans
   - Conservative hedging strategy protecting against potential commodity price downside
Introduction to Siccar Point Energy
A fully-funded, full cycle E&P business focussed on the North Sea

Background and Strategy

- Siccar Point Energy was established in July 2014
  - USD c.700 million in equity invested by sponsors to date
  - Strategy aimed at building portfolio of large, low-cost and long-life assets and developing into mixed operated and non-operated full-cycle E&P business in the North Sea

- Material portfolio of high quality, robust UKCS assets
  - Operated & non-operated interests in four of the largest UK oil fields by remaining reserves with a strong balance between producing and development assets
  - Approx. 480 mmboe of discovered reserves and resources (incl. ~ 156 mmboe 2P reserves)
  - Portfolio that will produce through to the 2050s with large tax pools (CT USD c.2.4bn, SCT USD c.2.2bn) on the UKCS ensuring tax-efficient production

- Material, high value investment options in remaining portfolio with very limited licence commitments

Siccar Point Energy has a substantial UKCS position alongside established majors

* Chart shows an illustrative production profile at current working interest. Rosebank based on the draft FDP prepared by operator Chevron in 2018. Equinor will release its own plans in due course which we anticipate may include a later first production date. Cambo timing based on an FPSO conversion. Other FPSO options (including new build) are also being worked. 2018 is the daily reported production from operators, adjusted for their estimate of entrained water. ** Source: WoodMackenzie Upstream Data Tool Q4 2018 (except SPE Fields). Shows discovered reserves and resources. Chart cut-off at 1,400 mmboe for presentation purposes
Portfolio overview – location of assets

Current Production

Near Term Production

Development Options & Exploration

1. SCHIEALLION

2. JADE AREA

3. MARINER AREA

4. CORONA RIDGE AREA

5. NORTHERN GAS AREA

6. ROCKALL BASIN AREA

Key:

- Green: Current Production
- Red: Near Term Production
- Neutral: Development Options & Exploration

Locations:

- Aberdeen
- Stavanger
Huge industry interest and focus on West of Shetland

Key fields, developments and exploration prospects in West of Shetland

- Acquired Chevron’s 40% interest in Rosebank
- Acquired from INEOS 10% in Rosebank and 25% in Blackrock discovery
- Blackrock exploration well Q2 2019
- Shell buys 30% in Cambo development & 22.5% in Blackrock discovery
- Cambo successful well test Q3 2018
- Cambo project sanction 2019
- Successful 30th Licence Round award
- Alligin field sanctioned in early Apr 2018 as a satellite tie-back to BP’s Glen Lyon vessel
  - 20 mmbbls oil recoverable
  - First oil in 2020
- First oil from Schiehallion after major redevelopment (May 2017)
  - 134mbce/d (peak 2019)
- Lincoln and Halifax discoveries Mar 2017
- Lincoln, Halifax and Strathmore discoveries Mar 2017
- Acquired OMV UK consisting of a portfolio of assets concentrated in the WoS (among which 20% interest in Rosebank, 100% in Cambo and 11.8% in Schiehallion)
- Blackrock (P1830)
  - Siccar Point op. (52.5%)
- Rosebank
  - Equinor op. (40%)
  - Siccar Point 20%
- Clydebank
  - Siccar Point op. (70%)
- Siol
  - Premier Oil op. (100%)
- Strathmore
  - Hurricane op. (100%)
- Solan
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- Halifax
  - Hurricane op. (100%)
- Solan
  - Premier Oil op. (100%)
- Lincoln
  - Hurricane op. (100%)
- Schiehallion
  - BP op. (33.35%)
  - Siccar Point (11.75%)
- Alligin
  - BP op. (50%)
  - Shell (50%)
- Lyon (P1854)
  - Siccar Point op. (33.33%)
  - INEOS (66.67%)
  - Lyon exploration well Q3 2019
- Laggan-Tormore
  - Total op. (85%)
- Clair
  - BP op. (45.1%)
  - Total op. (60%)
- Glenlivet / Edradour
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- INEOS (66.67%) in P1854 and P1935
  - Potential gas hub development similar to Laggan-Tormore
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West of Shetland/Atlantic Margin exploration

**Material Remaining Prospectivity**

- Oil and Gas Authority (OGA) ‘yet to find’ for West of Shetland is 1.6 bnboe 
Pmean risked from identified leads/prospects and 4.7 bnboe Pmean risked for additional play-level prospective resources
- This is 33% of the UKCS total (46% including Rockall Tough)
- West of Shetland is underexplored and at an early stage in its development
- Exploration activity is building with some key new plays tested in last 2 years:
  - Achmelvich (BP)
  - Glendronach (Total)
  - Craster (Nexen)
  - Lincoln/Halifax (Hurricane)
- Two Wood Mackenzie ‘global exploration wells to watch’ being drilled in 2019 by Siccar Point in the WoS area:
  - Blackrock
  - Lyon
The Corona Ridge and Greater Cambo Area

World Class Development and Exploration Opportunity

Cambo discovery – progressing to project sanction
- Acquired 100% WI as part of the OMV (U.K.) takeover
- In 2018 Shell acquired a 30% non-operated WI for a significant undisclosed appraisal and development carry. A major validation of the area and Siccar Point Energy as operator
- In 2018 SPE successfully drilled and tested an appraisal well that exceeded pre-drill estimates
- Cambo is a major resource with STOIIP >800 mmboe and estimated full field reserves >250 mmboe
- A phased FPSO development will be sanctioned within 12 months with Phase 1 (Cambo North) targeting over 50% of the reserves with further phases to follow
- Cambo Phase 1 is a very robust, low cost, project with future phases adding significant incremental value

Rosebank discovery – further improvements following Equinor deal
- Chevron and partners had a fully worked up commercial multi-phase development with the initial phase recovering over 300mmboe and substantial additional discovered resources to follow
- Equinor recently acquired the full 40% interest of operator Chevron with plans to materially lower project costs which will further enhance the value of the project

Greater Cambo Area - substantial additional regional potential
- Additional acreage to the South of Cambo was acquired as part of the 30th Offshore Licence Round in 2018 (SPE/Shell 50/50):
  - This included the Tornado gas discovery which, combined with the existing SPE/Shell Suilven discovery, provides c.500bcf of discovered gas, creating the potential for a new gas-centred tie-back development
- There is also significant exploration upside in the area with an estimated 1.6 Bn boe unrisked prospectivity
- SPE is currently drilling the high impact Blackrock exploration well, one of a series of substantial prospects on the Corona Ridge
Northern Gas Area

- Potential for a material exploration and development hub in the Faroe Shetland Basin
- Over 1 tcf of gas in a single field is likely required to justify new infrastructure
- Lyon is a very material prospect (1-3 tcf recoverable) which has that resource potential and is being drilled in 2019
- Success at Lyon would result in stranded tie-backs becoming viable (Tobermory, Bunnehaven)
- Numerous other follow on prospects and leads such as Eden
- Northern Area Workgroup formed by the OGA for companies to look at how to jointly develop the area
- Lyon well due to spud late Q2 with well results in Q3
Summary – Siccar Point Energy and West of Shetland growth

*SPE has established a standout position in this core UKCS growth region*

- Existing West of Shetland discoveries will dominate future UKCS production
- OGA estimates that almost 50% of UK exploration potential lies in the West of Shetland/Atlantic Margin - by far the most prospective area in the UKCS
- The existing and future potential of this region has resulted in a significant increase in operational activity and deals
- SPE has built an outstanding position in this key growth area including the producing Schiehallion field and is actively progressing both development (Cambo) and exploration operated activities (Blackrock/Lyon)
- SPE is well positioned in another long-term theme for the UKCS – Northern North Sea Heavy Oil with the Mariner development due onstream in 2019
- SPE’s current portfolio, including initial phases of development of Cambo and Rosebank, will reach over 60,000 boepd at current working interests
- Significant additional potential from other discoveries and exploration
- Informed buyer approach to supply chain - minimising cost, accelerating pace and leveraging long-term relationships to deliver activity
- Performance-focused, solution-driven teams recognising a fresh approach required to unlock value
- SPE is an exciting, growing business, working alongside the Majors, at the heart of the UK’s key growth region

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**Source:** Wood Mackenzie Upstream Data Tool, Q4 2018