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23 March 2023

Rockhopper Exploration plc
("Rockhopper" or the "Company")

Sea Lion & Other Corporate Updates

Rockhopper Exploration plc (AIM: RKH), the oil and gas company with key interests in the North Falkland Basin, notes the recent update published by Navitas Petroleum LP ("Navitas" or the "Operator") on Sea Lion development progress, which included an independent resource report conducted by Netherland Sewell & Associates ("NSAI") (the "NSAI Independent Report"), showing reduced upfront capex, reduced life of field costs, and increased recoverable resources.

Rockhopper had previously highlighted that there was scope to reduce the overall capex, including the pre first oil capex, of the Sea Lion development. Rockhopper has been presented by Navitas a revised development plan and has been provided the associated NSAI Independent Report. The key highlights from this work and other corporate updates are provided below.

Sea Lion Phase 1 and 2 Development

Highlights of the new Sea Lion development plan, as provided by the Operator, assuming a leased FPSO and a 100% working interest, are as follows:

2C Contingent Resources (Development Pending) phase 1 and 2 development concept

- 23 wells
 - Phased drilling
 - 18 wells in phase 1 with 11 of them pre first oil
 - Five additional wells in phase 2, approximately 42 months post first oil
- Total barrels developed: 269 million
- Plateau production rate: 80,000 bbls/d
- Peak rate: 100,000 bbls/d
- Total capex: US\$2.2bn
- Phase 1 capex: US\$1.8bn
- Pre first oil capex: US\$1.3bn

Per barrel cost - life of field

- Capex: US\$7.50
- Opex: US\$20.10
- Total cost: US\$27.60

The new development plan, which the Operator continues to optimise and is subject to change, adopts a staged approach and represents a material reduction in both upfront and life of field cost when compared to the previous development scheme, while still achieving a plateau production rate in the initial stage of approximately 80,000 bbls/d, a peak production rate of approximately 100,000 bbls/d and recovery of over 269 MMbbls of oil (2C Development Pending) out of 712 MMbbls (2C Total).

The new development plan proposes 18 wells to be drilled in phase 1, 11 of these coming before first oil. The

phase 2 drilling campaign will add a further five wells approximately 42 months after first oil. Those later wells will also be tied into the FPSO to extend the production plateau.

Having successfully re-defined the project, work will now focus on refining the financing plan with a view to reaching FID during 2024. In the meantime, technical work streams continue to further refine the project, with Navitas focused on driving further project optimisations. Based on a redeployed FPSO, a timeline of 30 months is envisaged from FID to first oil, with drilling anticipated to commence approximately 12 months post FID.

Navitas published the NSAI Independent Report which is available in Navitas' 2022 Annual Report, and contains the following resource estimates:

	1C (MMbbls)	2C (MMbbls)	3C (MMbbls)
Development Pending	204	269	368
Development Unclassified	247	443	761
Total	451	712	1,129

The Development Pending category of 269 MMbbls 2C is the phase 1 and 2 development outlined above. The Development Unclassified category of 443 MMbbls 2C are the additional resources contained on the North Falkland Basin held by Navitas and Rockhopper, including Sea Lion and Isobel/Elaine, that could be developed under future phases but for which there is currently no published development plan.

The NSAI Independent Report contains analysis of cash flows and NPV on the phase 1 and 2 development net to Navitas. Based on the NSAI Independent Report data, the joint venture NPV10 of the development of 269 MMbbls is US\$4.3 billion on a post royalty and pre-tax basis, at US\$77 Brent.

Rockhopper holds a 35% working interest in Sea Lion and associated North Falkland Basin licences and benefits from various loans from Navitas in relation to the development, which are detailed in the Appendix below.

Resource Disclosure

As previously disclosed (including in Rockhopper's 2021 Annual Report), Rockhopper believed it was possible to materially reduce pre first oil capex from the previously estimated US\$1.8 billion (assuming a leased FPSO) and overall project capex by taking actions such as reducing the number of wells drilled pre first oil and reducing the number of drill centres.

The last independent resource report commissioned directly by Rockhopper was the ERCE 2016 Report which had an estimated 2C value of 517 MMbbls. The Navitas commissioned NSAI Independent Report used an updated approach and assumptions to the ERCE 2016 report.

Rockhopper is not an addressee and has not been party to the production of the NSAI Independent Report. The NSAI Independent Report has been produced to PRMS standards. Rockhopper's technical team which includes Lucy Williams (BSc Geology, MSc Petroleum Geology, Chartered Geologist) has had limited opportunity to review the NSAI Independent Report but endorses the work conducted and conclusions drawn. Rockhopper is delighted at this additional third-party validation of the potential of the North Falkland Basin and of Sea Lion to produce significant quantities of oil.

Other Corporate Updates

Ombrina Mare Arbitration

In August 2022, pursuant to an ICSID arbitration which commenced in 2017, Rockhopper was awarded approximately €190 million plus interest and costs following a unanimous decision by the ICSID appointed arbitral Tribunal that Italy had breached its obligations under the Energy Charter Treaty (the "Award").

Rockhopper submitted a letter to the Italian Republic in September 2022 formally requesting payment of €247 million, representing the Award amount plus accrued interest from 29 January 2016 to 23 August 2022 and costs. Interest was paused for four months following the date of the Award (being 23 August 2022) and is now accruing at EURIBOR + 4% which Rockhopper estimates at between €1.25 million and €1.5 million per calendar

month. Interest compounds annually.

As announced, Italy requested that this Award be annulled in October 2022. When Italy applied for the Award to be annulled, a provisional Stay of Enforcement was automatically put in place by ICSID pursuant to the ICSID Convention and Arbitration Rules.

Following Italy's request to seek annulment of the Award, an ad hoc Committee was constituted to hear relevant arguments and make a ruling on Italy's application for a continuation of the provisional Stay of Enforcement pending the determination of Italy's request to annul the Award. A hearing on whether the ad hoc Committee will continue or lift the provisional Stay of Enforcement was held on 6 March 2023, with a decision expected in the next few weeks. The decision on whether to continue or lift the provisional Stay of Enforcement is unrelated to the merits of Italy's annulment request.

A final hearing in relation to Italy's request to annul the Award is scheduled to take place in Q1 2024. Guidance given by Rockhopper in the Company's 31 October 2022 announcement that the entire annulment process is likely to take 18-24 months from that date remains in place.

Rockhopper is currently paying all legal costs associated with the annulment.

Issue of Options

As referred to at the time of the 2022 capital raise, Rockhopper has issued 4.5 million options at 7.0p per share outside of the Rockhopper group in connection with the delivery of the Sea Lion project. These options vest in three tranches of 1.5 million each at project sanction, first oil, and 12 months post first oil.

Samuel Moody, Chief Executive Officer of Rockhopper, commented:

"We are delighted with the revisions Navitas has made to the previous Sea Lion development plan. To reduce upfront estimated capex by such a significant amount and reduce life of field costs to under US\$30 per barrel while increasing recoverable resources and maintaining a peak plateau of 80,000 barrels a day is hugely encouraging progress.

"Our cooperation with Navitas is making real progress technically and commercially, and we believe the newly reworked Sea Lion project represents an eminently financeable proposition, despite all the well-known political challenges. We have developed a strong relationship with Navitas and will continue to work closely to support them as required as we progress together towards sanction at Sea Lion.

"Simultaneously, work continues on contesting the annulment application put in by Italy and, while there can be no guarantees, we remain confident in the merits of our legal case.

"Although risks remain on both Sea Lion and Ombrina Mare, following a very strong 2022 for the business, we are more confident on positive progress than for a number of years."

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Appendix

Details of key loan terms between Rockhopper and Navitas:

Pre FID loan

Available from:	deal completion 22 September 2022 to FID
Loan covers:	Rockhopper net working interest project costs excluding licence costs, fees to Falkland Islands Government and Rockhopper taxes
Interest rate:	8%
Repayable from:	Rockhopper's net Sea Lion project cash flows

Post FID loan

Available from:	FID to the earlier of project completion or 12 months post first oil
Loan covers:	2/3rds of Rockhopper net working interest project costs excluding licence costs and Rockhopper taxes
Interest rate:	0%
Repayable from:	Rockhopper's net Sea Lion project cash flows

Glossary of Key Terms

FPSO	Floating Production Storage and Offloading
FID	Final Investment Decision
1C	Low estimate scenario of contingent resources
2C	Best (Most Likely, Mid) estimate scenario of contingent resources
3C	High estimate scenario of contingent resources
Contingent Resources	Those quantities of petroleum which are estimated on a given date, to be potentially recoverable from known accumulations by application of development project, but which are not currently considered to be commercially recoverable owing to one or more contingencies
NSAI	Netherland Sewell & Associates
bbls/d	Barrels of crude oil per day
MMbbls	Millions barrels of oil
NPV	Net present value
NPV10	Net present value at a 10% discount rate
PRMS	2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers
ICSID	International Centre for Settlement of Investment Disputes

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