

**Harbour Energy plc**  
**("Harbour" or the "Company")**  
**Trading and Operations Update**  
**8 May 2025**

**Strong first quarter performance and ongoing business resilience**

Harbour today provides the following unaudited Trading and Operations Update for Q1 2025. This is issued ahead of the Company's Annual General Meeting (AGM), to be held today at 10.00 BST.

**Linda Z Cook, Chief Executive Officer, commented:**

"We had a strong start to the year. Production averaged 500 kboepd in the first quarter, reflecting the addition of the high quality Wintershall Dea portfolio and excellent operational delivery. This, together with improved European gas price realisations and lower unit costs, drove significant free cash flow of c. 0.7 billion.

"Recent market volatility reinforces the benefits of our diverse portfolio and our prudent approach to risk management. In relation to this, since early March, we successfully issued 0.9 billion of senior notes and €0.9 billion of hybrids. In addition, we are taking mitigating actions which, together with our improved production outlook, largely offset the impact of lower commodity prices. Given this progress, we remain well positioned to deliver against our capital allocation priorities."

**Strong operational delivery and growth opportunities matured**

- Materially increased and diversified production of 500 kboepd (Q1 2024: 172 kboepd), split broadly 40% liquids, 40% European gas, 20% non-European gas
  - Full contribution from the Wintershall Dea assets, including 180 kboepd from Norway, now our largest producing country
  - High reliability across the portfolio with 90% production efficiency achieved
  - New wells onstream in the UK, Argentina, Egypt and Germany
- Unit operating costs c.30% lower at 13/boe (Q1 2024: 18/boe), driven by the addition of the Wintershall Dea portfolio and strong Q1 production
- Continued focus on safe and responsible operations with no serious (Tier 1 or 2) process safety events and lower greenhouse gas intensity of 12 kgCO<sub>2</sub>/boe (Q1 2024: 24 kgCO<sub>2</sub>/boe)<sup>1</sup>
- High return, short cycle investments on track, including Maria Phase 2 (Norway) production start-up expected this quarter, two UK infill wells due on-stream mid-year, and a multi-pad drilling campaign underway at the Aguada Pichana Este license in the Vaca Muerta (Argentina)
- Material growth opportunities matured, underpinning future reserves replacement and portfolio optionality:
  - Final investment decision taken post period end on Southern Energy LNG (Argentina), a two-vessel c.6 million tonne per annum project, providing access to international markets for Harbour's Argentinian gas resources
  - Good progress in Mexico regarding the development of Zama; Kan gross resource estimate upgraded by 50% to c.150 mboe (Harbour, 70% operated interest)
  - Evaluating development options for the multi-TCF Andaman Sea gas play (Indonesia), including the potential accelerated development of the Tangkulo discovery
  - Exploration success with two gas discoveries close to our West Nile Delta infrastructure in Egypt, and an oil discovery at the Skarv-E prospect in Norway, close to the Skarv FPSO
- In our UK Business Unit, post period end, we initiated a review of our Aberdeen-based organisation which is expected to result in at least a 25% reduction in headcount, to align with significantly lower investment levels in light of the continued challenging domestic fiscal and regulatory environment

**Significant free cash flow generation reduces net debt by 0.5 billion**

- Revenue of 2.8 billion (Q1 2024: 0.9 billion) for the first quarter, reflecting higher production and realised post-hedge oil and European gas prices of 74/bbl and 14/mscf respectively
- A strong 2025 hedge position covering c.40% of liquids and European gas volumes; additional European gas hedges for 2026 and 2027 secured, in line with hedging policy (full hedging schedule in appendix)

- Total capital expenditure for the period of c. 0.5 billion (Q1 2024: c. 0.3 billion)
- First quarter free cash flow of 0.7 billion (Q1 2024: 0.1 billion), reflecting the timing of tax payments and phasing of capital expenditure
- Pre-funded all hybrid and senior note maturities through end 2027 with the successful issuance of 1.9 billion of bonds comprising:
  - 0.9 billion senior notes (6.3275%) issued in March; final book >3x oversubscribed
  - €0.9 billion of hybrid notes (6.117%) issued in April, with a successful concurrent tender offer for €0.52 billion of the NC26 hybrid notes, further supporting the balance sheet through additional €0.25 billion of hybrid capital layer
- Investment grade credit ratings of Baa2 and BBB- with stable outlook reconfirmed by Moody's and Fitch, respectively
- Significant liquidity of c. 3.7 billion consisting of c. 1.3 billion of cash and c. 2.4 billion of RCF availability at 31 March
- Net debt reduced from c. 4.7 billion at 31 December 2024 to 4.2 billion at 31 March, with c. 0.7 billion of free cash flow partially offset by a stronger USD increasing the USD value of our pre-swap EUR denominated senior bonds by c. 0.2 billion
- Proposed 2024 final dividend of 227.5 million (13.19 cents per ordinary share), in line with Harbour's 455 million annual dividend policy ( 380 million paid on the voting ordinary shares), to be paid on 21 May 2025, subject to shareholder approval

#### Improved 2025 guidance<sup>2</sup> and updated outlook for cash flow

- Full year production guidance narrowed upwards to 455-475 kboepd (450-475 kboepd previously), reflecting the strong year-to-date performance and ahead of the planned summer maintenance programmes in Norway and the UK
- Full year operating cost forecast unchanged at c. 14/boe, with strong cost performance offset by a weaker USD outlook
- Expected total capital expenditure for the full year narrowed to 2.4-2.5 billion (from 2.4-2.6 billion), driven by further high-grading of the capital programme
- 2025 free cash flow outlook updated to c. 0.9 billion, assuming 65/bbl and 12/mscf for Q2-Q4 (previously 1 billion at 80/bbl and 13/mscf)<sup>3</sup>
  - Reflects the phasing of capital expenditure and timing of tax payments later in the year
  - Includes accelerated initiatives to reduce costs and high-grade the capital programme in response to recent market volatility; these actions, together with the improved production outlook and working capital management, increase 2025 free cash flow by c. 0.2 billion, largely offsetting the impact of lower commodity prices
- Our diverse portfolio, prudent financial risk management and strong performance year to date mean we remain well positioned to deliver against our capital allocation priorities. Depending on market conditions, this includes the potential for additional shareholder returns via buybacks later this year

#### Enquiries

**Harbour Energy plc** +44 (0) 203 833 2421  
 Elizabeth Brooks, SVP Investor Relations  
 Andy Norman, SVP Communications

**Brunswick (PR advisors)** +44 (0) 207 404 5959  
 Patrick Handley  
 Will Medvei

<sup>1</sup> Scope 1 and 2 emissions on a net equity basis

<sup>2</sup> 2025 guidance does not include the impact of the sale of Vietnam. 2025 guidance assumes a USD to GBP exchange rate of 1.30/£, USD to EUR exchange rate of 1.1/€ and a Norwegian NOK to USD exchange rate of NOK10.5/US\$ 1.25/£, 1.1/€ and NOK11/ previously)

<sup>3</sup> A 5/bbl change in 2025 Brent oil prices or a 1/mscf change in 2025 European gas prices impacts full year free cash flow by c. 115 million, assuming a stable USD foreign exchange rate. Free cash flow sensitivity assumes mid-point of production and capex guidance. A 1:1 conversion rate for /mmbtu to /mscf has been assumed.

**Appendix:****Group production**

	<b>Q1 2025 (net, kboepd)</b>	<b>Q1 2024 (net, kboepd)</b>
Norway	180	NA
UK	165	161
Germany	29	NA
Argentina	74	NA
Mexico	10	NA
North Africa	33	NA
SE Asia	9	11
<b>Total Group</b>	<b>500</b>	<b>172</b>

**Hedging schedule**

	<b>2025</b>		<b>2026</b>		<b>2027</b>	
	<b>Volume</b>	<b>Average Price</b>	<b>Volume</b>	<b>Average Price</b>	<b>Volume</b>	<b>Average Price</b>
	mmbbl	/bbl	mmbbl	/bbl	mmbbl	/bbl
<b>Europe and UK gas</b>	36	12.5	24	10.5	6	9.9
	mmbbl	/bbl	mmbbl	/bbl	mmbbl	/bbl
<b>Oil</b>	18	75	14	73	1	64

As at 30 April 2025

**Realised post-hedge pricing**

	<b>Q1 2025</b>	<b>Q1 2024</b>
<b>Liquids ( /boe)</b>	70	79
<b>European gas (includes UK) ( /mscf)</b>	13.9	6.2
<b>Non-European gas ( /mscf)</b>	3.4	12.6

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