RNS Number : 1072B
Rockhopper Exploration plc
29 September 2025

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Rockhopper Exploration plc

("Rockhopper", the "Group" or the "Company")

Half-Year Results for the Six Months Ended 30 June 2025

Rockhopper Exploration plc (AIM: RKH), the oil and gas company with key interests in the North Falkland Basin ("NFB"), announces its unaudited results for the six months ended 30 June 2025 ("H1 2025").

YEAR TO DATE HIGHLIGHTS

Capital Raise
- Firm and Conditional two tranche placing to raise up to US 140 million
- Company to undertake Open Offer for up to an additional €8 million

Firm placing US 115 million
- 53p per share plus one underwriting warrant for every four shares, at a price of 80p per share
- Expected to fund Rockhopper capex requirements for Phase 1 development plan for Sea Lion
- Funds held in escrow pending Final Investment Decision ("FID") for Sea Lion Phase 1 development

Conditional placing US 25 million
- 53p per share plus one underwriting warrant for every four shares, a price of 80p per share
- Approved by shareholders at a General Meeting on 16 September 2025
- Provides additional funding flexibility for subsequent phase planning, first phase contingencies and early project decommissioning
- Funds held in escrow pending occurrence of FID

Open Offer up to €8 million
- To be held at FID, 53p per share
- Provides shareholders the opportunity to participate at the same price as those in the placings
- No underwriting warrants as investors will not be required to subscribe funds to the escrow account
- Capped at €8 million under the Prospectus Regulations

Independent Resource Evaluation
- Carried out by Netherland Sewell and Associates ("NSAI")
- Sea Lion oil only numbers
- Unrisked gross contingent resources 2C 917 mmbbls
    - 321 mmbbls net to Rockhopper
- Unrisked gross contingent resources development pending 2C 727 mmbbls
    - 255 mmbbls net to Rockhopper
- Valuation of the Rockhopper net 2C 255mmbbls 35% working interest in Sea Lion
    - 1.3bn at US 60 brent oil
    - 1.8bn at US 70 brent oil
    - 2.3bn at US 80 brent oil
    - Net of all royalties and taxes

Ombrina Mare Arbitration Award (the "Award")
- Award fully annulled
- Insurance monies of €31 million now received (the "Insurance Proceeds")

- New funder and Rockhopper have submitted a new request for arbitration
- To the extent that Rockhopper makes a financial recovery from any new arbitration, after deductions for any reasonable costs and expenses incurred, that recovery will be utilised to reimburse the insurers in respect of the Insurance Proceeds

Italian disposal

- Amended SPA signed. Transaction completion subject to required regulatory consents.
- Allows Company to re-focus entirely on the Falklands

Outlook

- Funded for FID based on current financing plan
- Independent NSAI report confirms scale of opportunity
- Balance sheet strongest for over 5 years, with US 54m cash resources (unaudited) as at 31 August 2025
- Operator continues to target FID by year end 2025

Samuel Moody, CEO of Rockhopper, commented:

"This has been a transformative period for Rockhopper and the last few months have seen an acceleration of progress towards FID. A financing plan is in place for which we have secured our base equity requirement and the potential value to all stakeholders is independently confirmed.

"We are very grateful for the support of shareholders, both existing and new, at the recent fundraise. Having passed all of resolutions at the recent General Meeting, US 140 million is now in escrow pending FID, which we are more hopeful than ever of reaching by the end of this year."

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

Rockhopper's strategy is to create value for all our stakeholders through the safe and responsible development of our assets in the North Falkland Basin ("NFB"). The Company has been operating offshore the Falkland Islands since 2004 and discovered the Sea Lion oilfield in 2010. We are a long term partner of the Falkland Islands Government ("FIG") and our aim has always been to support the rights of the Falkland Islanders to develop their natural resources.

Sea Lion project

The Company's core asset is a 35% non-operating interest in the Sea Lion oil field located offshore to the north of the Falkland Islands. As the recent NSAI report confirmed, the field holds highly material resources and is a world class asset. The current plan is for the field to be developed in a phased manner, with the first phase targeting 170 million barrels via an FPSO. The second phase targets an additional 144 million barrels to be developed through the same FPSO. Production is targeted to peak at 55,000 barrels per day. Subsequent phases are assumed to be developed via a separate FPSO.

The financing plan for Phase 1 has a total capital requirement of US 1.658 billion from FID to first oil and US 2.058 billion from FID to project completion. Of this, it is currently anticipated that approximately US 1 billion will come from a senior secured financing facility. The total Rockhopper equity requirement, after the Navitas loans, assumed post first oil project cash flows and an additional equity cost overrun contingency have been taken into account, is US 102 million. In addition, the Falkland Islands Government has previously indicated a requirement to provide for certain project decommissioning liabilities as each pre first oil well is spudded. Our share of these liabilities have been estimated to peak at US 40 million at the time of first oil. These requirements are anticipated to be met through the capital raise announced on 31 July 2025, with Rockhopper therefore being fully funded for its Phase 1 equity funding requirements at FID. Based on analysis in the senior debt financing documentation, and dependent upon oil prices and field performance, it is currently envisaged that all subsequent phases of Sea Lion could be self-financing once Phase 1 reaches project completion. The previously disclosed Navitas loans do not cover Rockhopper for any non-Phase 1 costs.

The independent resource evaluation carried out by NSAI (published on 3 June 2025) confirms the size of the opportunity at Sea Lion with an oil-only gross 2C of 917 million barrels (321 mmbbls net to Rockhopper) of which 727 million barrels are development pending (255 mmbbls net to Rockhopper). NSAI has run a series of economic valuations of those 255 million barrels, all of which are net of all Falkland Government royalties and taxes. The NPV net to Rockhopper of these barrels is confirmed by NSAI to be US 1.3bn at US 60 brent, US 1.8bn at US 70 brent and US 2.3bn at US 80 brent.

As disclosed in the Rockhopper Annual Report published on 5 June 2025, Rockhopper is currently in discussions with the Falkland Islands Government to resolve differences relating to a deferred tax liability arising from a previously disclosed tax settlement deed as the current arrangements are incompatible with the currently envisaged Phase 1 financing plan. Based on discussions to date, the Company is hopeful that this matter will be resolved in conjunction with the Sea Lion project moving ahead to FID.

Having carried out the capital raise, unless otherwise required, the Company does not anticipate providing any more updates in relation to progress to FID until the point of FID itself, which is targeted to take place in H2 2025 by the Navitas (the "Operator").

Ombrina Mare

As announced on 3 June 2025, the Ombrina Mare Award was fully annulled by the ad hoc Panel of the International Centre for Settlement of Investment Disputes ("ICSID"). Fortunately, the Company had put in place an insurance policy (announced on 14 October 2024). As announced on 29 August 2025, that €31m insurance has now been received in full.

The resubmission of a new request for arbitration was made in September and the new funder continues to be responsible for all costs associated with this. Given that the original arbitration took from 2016 to 2025 to be resolved, Rockhopper does not anticipate this new process will have any impact on the Sea Lion financing or its ability to take FID. To the extent that Rockhopper makes a financial recovery from any new arbitration, after deductions for any reasonable costs and expenses incurred, that recovery will be utilised to reimburse the insurers in respect of the Insurance Proceeds. Further announcements will be made in due course as and when appropriate.

Italian Disposal

On the 14 October 2024, Rockhopper announced its planned exit from Italy through the signing of a share purchase agreement ("SPA") with Zodiac Energy Limited ("Zodiac"), for the sale of Rockhopper Civita Limited (a wholly owned subsidiary of Rockhopper Exploration Plc). Rockhopper Civita Limited

Civita Limited (a wholly owned subsidiary of Rockhopper Exploration Plc). Rockhopper Civita Limited holds all Rockhopper's Italian assets and liabilities, except for the Ombrina Mare arbitration.

The SPA is conditional on receipt of approvals from the FIG and the Italian regulator. As part of this approval process, the Italian regulator requested the recapitalisation of Rockhopper Civita Limited (the "Recapitalisation") before consideration be given to the proposed transfer.

The Recapitalisation has now occurred; however, this was not envisaged under the SPA and so an amended SPA (the "Amended SPA") has now been agreed and signed. Under the terms of the SPA, Rockhopper would have paid Zodiac in two instalments, with a retained upside participation to Rockhopper in two undeveloped licences (the "Earn Out Agreements"). Under the SPA, the second of those instalments and the Earn Out Agreements were contingent on successfully defending the Republic of Italy's annulment application and receiving a minimum of €10 million from the Monetisation Agreement. Following receipt of the €31 million of Insurance Proceeds, the substance of the Amended SPA is as previously announced, except the second contingent tranche and associated Earn Out Agreements are no longer contingent and as if Rockhopper had won the annulment. The key terms of the Amended SPA are:

- As consideration for the transaction, Zodiac will pay £1 and assume any outstanding liabilities from Rockhopper to Rockhopper Civita Ltd, such amounts not to exceed €4.5 million.

In turn, on completion, Rockhopper will:

- Provide evidence of the Recapitalisation and any subsequent additional recapitalisations;

- Provide evidence of there being no less than €5.5 million, in aggregate, in Rockhopper Civita Limited's cash and term deposits balances; and

- Receive the Earn Out Agreements - meaning that Rockhopper will retain a royalty on two assets within the Rockhopper Civita Limited portfolio, those being AC19 (a northern Adriatic licence with two gas discoveries and an additional adjacent prospect) and Serra San Bernado (which contains the Monte Grosso exploration prospect).

The royalties will take the form of either 10% of the revenues of the interests acquired by Zodiac or, should they realise value by on-selling the licences acquired, 25% of the gross proceeds received for the part sold.

The transaction continues to be subject to both Italian regulatory and FIG approval, the timing of which is uncertain. To allow for the delays caused by the Recapitalisation, the longstop date under the Amended SPA has been revised to 31 March 2026, which should be sufficient to enable these approvals to be given.

Following completion of the transaction, Rockhopper will have no remaining liabilities relating to its Italian licences, its P&A liability will have been reduced by some US 12.6 million (as at 31 December 2024) and its annual cash expenditure reduced by approximately €500,000 - €750,000.

The transaction with Zodiac allows Rockhopper to refocus the Company on Sea Lion by further reducing both short- and long-term costs, reducing risk, and protecting our balance sheet whilst maintaining some potential upside in two Italian licences.

Environmental, Social and Governance ("ESG")

ESG and Corporate Responsibility continue to be a key focus for Rockhopper. As an oil and gas exploration and production business, our role is to discover and produce hydrocarbons in an environmentally responsible manner, supporting energy requirements during the energy transition. As noted previously, FIG established an independent environment trust to receive and administer future off-setting payments from the Sea Lion project and distribute those funds for activities aimed at ensuring a positive environmental legacy in the Falkland Islands. Once FID on Sea Lion has been achieved, the Company commits to defining measures, reporting transparently and mitigating our own emissions as far as practicable.

Outlook

This has been an exceptionally busy period for your Company on a range of fronts. As always, our focus has been on creating value for our stakeholders.

In that context, the capital raise referred to above was highly significant and places your Company as close as we have ever been to being in a position to take FID at our core asset Sea Lion, which the Operator is targeting by year end. The independent NSAI report clearly sets out the very significant value we are seeking to unlock on behalf of all of our stakeholders and the Insurance Proceeds have contributed to our strongest balance sheet for a number of years.

Whilst risks remain, we are more hopeful than ever of taking FID by the end of 2025.

FINANCIAL REVIEW

Results for the period

For the period ended 30 June 2025, the Group reported a loss after tax of US 51.0 million (H1 2024: profit of US 69.5 million).

The Ombrina Mare Award Annulment

From a financial perspective the main event during the period was the annulment of the Ombrina Mare Arbitration Award which was announced on 3 June 2025.

The accounting impact as at the period end is discussed in detail in note 2. These numbers are material and some clearly involve a high level of judgement and estimation uncertainty, as such we will continue to seek external professional expert opinion in order to ensure robust and transparent disclosure around these amounts.

After the period end the Group submitted its request for resubmission of the dispute to arbitration.

Discontinued operations

In October 2024, the Group announced the disposal, subject to conditions precedent, of its 100% interest in Rockhopper Civita Limited which holds the Group's remaining operations in the Greater Mediterranean geographical segment. The transaction had not completed at the period end, but the assets and associated liabilities have been reclassified as held for sale on the balance sheet. Due to the fact that the disposal group has been classified as held for sale and represents a geographical area of operations it has also been treated as a discontinued operation in line with IFRS 5. As such the comparative information in the Income Statement and relevant notes have been re-presented.

Operating activities

Administrative expenses ("G&A") for the period are US 2.6 million (H1 2024: US 1.4 million). This increase mainly relates to a US 1.0 million increase in Employers National Insurance ("NI") costs. This has been caused by a substantial increase in share price in the period, which in turn has led to an increase in the NI provision for in the money employee share options.

The foreign exchange gain in the period is US 2.3 million (H1 2024: loss of US 0.3 million). These mainly arise on GBP and Euro denominated cash and term deposit balances in both the current and prior period.

Finance income in the period increased substantially due to the unwinding of discount on the fair value of the Monetisation Agreement.

Finance expenses in the period of US [illegible] million (H1 2024: US [illegible] million) relate mainly to interest

Finance expenses in the period of US 0.9 million (H1 2024: US 0.0 million) relate mainly to interest charged on the Co-venturers loan from Navitas. As part of the transaction to bring Navitas onto the licences, Navitas agreed to provide loan funding to the Group to cover the majority of its share of Sea Lion phase one related costs from Transaction completion, in September 2022, up to FID with interest charged at 8% per annum (the "Pre-FID Loan"). Subject to a positive FID, Navitas will provide a second interest free loan to fund two-thirds of the Group's share of Sea Lion phase one development costs (for any costs not met by third party debt financing).

Cash movements and capital expenditure

At 30 June 2025, the Group had cash and term deposits of US 21.7 million (31 December 2024: US 20.9 million).

Cash and term deposit movements during the period:

	US m
Opening cash and term deposit balance (31 December 2024)	20.9
Discontinued operations	(0.3)
Falkland Islands	(0.6)
Administrative expenses	(2.6)
Proceeds of share issues	0.1
Miscellaneous	4.2
Closing cash and term deposit balance (30 June 2025)	21.7

Miscellaneous includes foreign exchange, interest and movements in working capital during the period.

Oil and gas assets

The Sea Lion development remains central to the Group's plans and the additions in the period of US 12.4 million relate to this project and progressing it towards FID.The majority of these costs are covered through the aforementioned Co-venturers loan from Navitas.

Taxation

The tax credit in the period principally relates to deferred tax credit in relation to the change in fair value of the Monetisation Agreement offset by an increase in the non current tax payable estimate of amounts owed to the Falkland Islands arising on historic farmouts. The non current tax payable is discussed in more detail in note 3.

Liquidity, counterparty risk and going concern

The Group monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management.

At 30 June 2025, the Group had cash resources of US 21.7 million.Historically, the Group's largest annual expenditure has related to pre-sanction costs associated with the Sea Lion development. The Group benefits from loan funding for its share of all Sea Lion pre-sanction costs (other than licence fees and taxes). The cash balance does not reflect a further €31 million of insurance proceeds which was received in August 2025.

In forming this judgement the Directors have not taken into account any post sanction Sea Lion costs. The Directors expect that the proceeds of the recently announced placing to be sufficient to take FID in respect of the phase 1 Sea Lion Development, subject to securing the Senior debt facility of US 350 million net to the Group. Ultimately from a going concern perspective, project sanction is a discretionary act and if for some currently non envisaged reason it was deemed that insufficient funding was in place then the Directors would not sanction the project.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the signing of this interim report.

less than 12 months from the signing of this interim report.

Principal risk and uncertainties

A detailed review of the potential risks and uncertainties which could impact the Group are outlined in the Strategic Report of the Group's annual consolidated financial statements. These included , inter alia, sufficiency of funding to develop the Sea Lion Project, disputes in respect of the sovereignty of Falkland Islands, joint venture alignment, changes to the fiscal regime and regulatory requirements, volatility in commodity prices and health, safety, environment and security risks.

Subsequent to the period end the Company, as part of its conditional placing and Open Offer to raise funds for the Sea Lion project issued a circular. Part 2 of the circular highlighted various risk factors. The circular is available on the Company's website www.rockhopperexploration.co.uk.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	**30 June 2025 Unaudited '000**	30 June 2024 Unaudited *Restated '000
Administrative expenses		**(2,595)**	(1,444)
Charge for share based payments		-	(40)
Foreign exchange movement		**2,251**	(279)
Results from operating activities		**(344)**	(1,763)
Other income	2	**(46,399)**	79,802
Other expenses	2	**(5,278)**	-
Finance income		**1,515**	173
Finance expense		**(863)**	(47)
(Loss)/Profit before tax		**(51,369)**	78,165
Tax	3	**650**	(8,163)
(Loss)/profit from continuing operations		**(50,719)**	70,002
Loss for the year from discontinued operations		**(275)**	(537)
(LOSS)/PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE PARENT COMPANY		**(50,994)**	69,465
(Loss)/profit per share attributable to the equity shareholders of the parent company: cents			
Basic	4	**(7.92)**	10.80
Diluted	4	**(7.92)**	10.67
Basic (continuing operations)	4	**(7.88)**	10.88
Diluted(continuing operations)	4	**(7.88)**	10.75

* The comparative information has been restated see note 1.4.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	**Six months Ended 30 June 2025 Unaudited '000**	Six months Ended 30 June 2024 Unaudited *Restated '000
(Loss)/profit for the period		**(50,994)**	69,465
Exchange differences on translation of foreign operations		**2,890**	468

TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD	**(48,104)**	69,933

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2025

	Notes	**As at 30 June 2025 Unaudited '000**	As at 31 December 2024 Audited '000
NON CURRENT ASSETS			
Exploration and evaluation assets	5	**283,509**	271,110
Property, plant and equipment		**2**	10
Other receivables	2	**14,110**	-
CURRENT ASSETS			
Other receivables	2	**35,473**	62,330
Term deposits		**20,387**	19,969
Cash and cash equivalents		**1,269**	915
Assets classified as held for sale		**1,923**	1,203
TOTAL ASSETS		**356,673**	355,537
CURRENT LIABILITIES			
Other payables		**9,788**	6,516
Tax payable	3	**2,042**	1,806
Liabilities associated with assets held for sale		**16,663**	14,279
NON-CURRENT LIABILITIES			
Insurance liability	2	**31,060**	-
Co-venturers loan	5	**27,576**	15,354
Tax payable	3	**24,888**	22,300
Provisions		**1,640**	1,600
Deferred tax liability		**42,637**	45,305
TOTAL LIABILITIES		**156,294**	107,160
EQUITY			
Share capital		**9,516**	9,455
Share premium		**12,674**	12,585
Share based remuneration		**1,927**	2,185
Owns shares held in trust		**(332)**	(1,320)
Merger reserve		**78,208**	78,208
Foreign currency translation reserve		**(7,705)**	(10,595)
Special reserve		**175,281**	175,281
Retained losses		**(69,190)**	(17,422)
ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		**200,379**	248,377
TOTAL LIABILITIES AND EQUITY		**356,673**	355,537

These condensed consolidated interim financial statements were approved by the directors and authorised for issue on 28 September 2025 and are signed on their behalf by:

Samuel Moody
Chief Executive Officer

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Share	Share	Share based	Shares held	Merger	Foreign currency translation	Special	Retained

	capital '000	Premium '000	remuneration '000	in trust '000	reserve '000	reserve '000	reserve '000	losses '000
Balance at 31 December 2024	**9,455**	**12,585**	**2,185**	**(1,320)**	**78,208**	**(10,595)**	**175,281**	**(17,422)**
Loss for the period	-	-	-	-	-	-	-	(50,994)
Other comprehensive profit for the year	-	-	-	-	-	2,890	-	-
Total comprehensive loss for the year	-	-	-	-	-	2,890	-	(50,994)
Shares issues (net of expenses)	61	89	-	(44)	-	-	-	-
Other transfers	-	-	(258)	1,032	-	-	-	(774)
Balance at 30 June 2025	**9,516**	**12,674**	**1,927**	**(332)**	**78,208**	**(7,705)**	**175,281**	**(69,190)**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital	**Share Premium**	**Share based remuneration**	**Shares held in trust**	**Merger reserve**	**Foreign currency translation reserve**	**Special reserve**	**Retained Gains/ (losses)***
	'000	**'000**	**'000**	**'000**	**'000**	**'000**	**'000**	**'000**
Balance at 31 December 2023	**9,196**	**10,181**	**2,109**	**(1,320)**	**78,208**	**(8,501)**	**175,281**	**(65,034)**
Profit for the period	-	-	-	-	-	-	-	69,465
Other comprehensive profit for the year	-	-	-	-	-	468	-	-
Total comprehensive profit for the year	-	-	-	-	-	468	-	69,465
Shares issues (net of expenses)	259	2,404	-	-	-	-	-	-
Share based payments	-	-	40	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2024	**9,455**	**12,585**	**2,149**	**(1,320)**	**78,208**	**(8,033)**	**175,281**	**4,431**

* Restated - see note 1.4

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	**Six months Ended 30 June 2025 Unaudited '000**	Six months Ended 30 June 2024 Unaudited '000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		(50,994)	16,500
Adjustments to reconcile net losses to cash:			
Depreciation of property, plant and equipment		8	8
Share based payment charge		-	40
Finance expense		1,055	195
Finance income		(1,322)	-
Foreign exchange		(4,576)	(111)
Income tax expense		(650)	1,882
Operating cash flows before movements in working capital		(56,479)	18,514
Changes in:			
Decrease in receivables		21,440	267
Increase/(decrease) in payables		34,441	(502)
Increase/(decrease) in provisions		-	-
Utilized by operating activities		(598)	18,279
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised expenditure on exploration and evaluation assets		(827)	(766)
Investing activities before movements in capital balances		(827)	(766)
Changes in:			
Change in cash classified as held for sale		(17)	-

Term deposits	1,686	(2,532)
Cash flow from/(used in) investing activities	842	(3,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of share issues	106	-
Exercise of warrants	-	2,109
Net lease payments	-	(11)
Cash flow from financing activities	106	2,098
Exchange gain/loss on cash and cash equivalents	4	276
Net cash flow	350	17,079
Cash and cash equivalents brought forward	915	3,487
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,269	20,842

NOTES TO THE CONDENSED CONSOLIDATED GROUP FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1 Accounting policies

1.1 Group and its operations

Rockhopper Exploration plc ("the Company"), a public limited company quoted on AIM, incorporated and domiciled in the United Kingdom ("UK"), together with its subsidiaries (collectively, the "Group") holds interests in the Falkland Islands and the Greater Mediterranean. The Company's registered office address is Warner House, 123 Castle Street, Salisbury, SP1 3TB.

The interim condensed consolidated financial statements for the six months ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 28 September 2025.

1.2 Statement of compliance and basis of preparation

The interim financial information has been prepared using the accounting policies which were applied in the Group's statutory financial statements for the year ended 31 December 2024. The Group has not adopted IAS 34: Interim Financial Reporting in the preparation of the interim financial statements.

The information as at 31 December 2024 has been extracted from the audited financial statements of Rockhopper Exploration plc for the year ended 31 December 2024. The annual consolidated financial statements of the Group for the year ended 31 December 2024 were prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. These interim condensed consolidated financial statements do not constitute statutory financial statements under the Companies Act 2006. The information for the year ended 31 December 2024 shown in this report does not constitute statutory accounts for that year as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor has reported on those accounts. Their report was unqualified, did not draw attention to any matters by way of an emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

There has been no impact on the Group of any new standards, amendments or interpretations that have become effective in the period. The Group has not early adopted any new standards, amendments or interpretations.

1.3 Going concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption.

In forming this judgement the Directors have not taken into account any post sanction Sea Lion costs. The Directors expect that the proceeds of the recently announced placing to be

Lion costs. The Directors expect that the proceeds of the recently announced placing to be sufficient to take FID in respect of the phase 1 Sea Lion Development. Ultimately, from a going concern perspective, project sanction is a discretionary act and if for some currently non envisaged reason it was deemed that insufficient funding was in place then the Directors would not sanction the project.

Therefore the Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of this interim report.

1.4 Restatement of comparative balances

In October 2024, the Group announced the disposal, subject to conditions precedent, of its 100% interest in Rockhopper Civita Limited which holds the Group's remaining operations in the Greater Mediterranean geographical segment ("the disposal group"). The transaction had not completed as at 30 June 2025, but the assets and associated liabilities have been reclassified as held for sale on the balance sheet.

Due to the fact that the disposal group has been classified as held for sale and represents a geographical area of operations it has also been treated as a discontinued operation in line with IFRS 5. As such the comparative information in the Income Statement and relevant notes has been re-presented.

Additionally at 31 December 2024, after discussion with our auditors Tranche 2 and Tranche 3 contingent payments under the Monetisation Agreement (see note 2) were reclassified as financial instruments under IFRS 9 and as such fair valued on initial recognition and subsequently through profit and loss. The prior year comparative information for the six months to 30 June 2024 has been restated to recognise the full fair value.

1.5 Period end exchange rates

The period end rates of exchange actually used were:

	30 June 2025	30 June 2024	31 December 2024
£ : US	**1.37**	1.26	1.25
€ : US	**1.17**	1.07	1.04

1.6 Judgements and estimates

The key areas identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are consistent with those identified in note 2 of the consolidated financial statements for the year ended 31 December 2024 with the addition of Insurance liability, which is discussed below in note 2. The judgements applied in the period ended 30 June 2025 are also consistent with those made at 31 December 2024 with the exception of the fair value of the Monetisation Agreement, following the annulment of the Arbitration Award in June 2025. This is also discussed in note 2 below.

2 Monetisation agreement and Insurance proceeds

Background:

In August 2022, pursuant to an ICSID arbitration against the Italian Republic, 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.

Following Italy's request on 28 October 2022 to seek annulment of the Award, an ad hoc Committee was constituted to hear relevant arguments and ultimately make a ruling on Italy's request to annul the Award.

Italy's request to annul the Award.

On 20 December 2023, Rockhopper announced its entry into a funded participation agreement (the "Monetisation Agreement") with a regulated specialist fund that has experience in investing in legal assets (the "Specialist Fund") to monetise its Award.

Under the terms of the Monetisation Agreement, the Specialist Fund agreed to make cash payments to Rockhopper in up to three tranches:

- Tranche 1 - Rockhopper retain €19 million of an upfront payment of €45million on completion. As previously disclosed, Rockhopper entered into a litigation funding agreement in 2017 under which all costs relating to the Arbitration from commencement to the rendering of the Award were paid on its behalf by a separate specialist arbitration funder (the "Original Arbitration Funder"). That agreement entitled the Original Arbitration Funder to a proportion of any proceeds from the Award or any monetisation of the Award. The Original Arbitration Funder was paid €26 million of the Tranche 1 proceeds to discharge all of Rockhopper's liabilities under the agreement with the Original Arbitration Funder.
- Tranche 2 - Additional contingent payment of €65 million upon a successful annulment outcome. Should the Award be partially annulled and the quantum reduced as a result, then Tranche 2 will be reduced such that the amounts under Tranche 1 and Tranche 2 shall be adjusted downward on a pro-rata basis. For example, if the quantum of the Award is reduced by 20%, then the amounts under Tranche 1 and Tranche 2 shall be reduced by 20%. For the avoidance of doubt, the amounts under Tranche 1 and Tranche 2 shall not reduce below €45m in any circumstance.
- Tranche 3 - Potential payment of 20% on recovery of amounts in excess of 200% of the Specialist Fund's total investment including costs.

In June 2024 the precedent conditions were satisfied and Rockhopper received its initial consideration of €19 million. Management determined that the Monetisation Agreement is a financial instrument within the scope of IFRS 9 and as such should be fair valued on initial recognition and subsequently through profit and loss. This led to a US 58.2 million current receivable in the balance sheet as at 31 December 2024.

In October 2024 the Group decided, in line with normal market practice, that insuring to protect shareholders against loss resulting from an annulment of the Award to be the most prudent course of action. The insurance arrangements (the "Insurance") ensured that in the event that the Italian Republic succeeded in having the entire Award annulled or in the event of partial annulment, the combination of the Tranche 2 payment and the insurance payout shall entitle Rockhopper to a total no less than €31 million. The total cost of the Insurance, which including applicable taxes and underwriting fees, is €4 million.

In June 2025 it was announced that Italy had been successful in its attempts to annul the Award (the "Annulment"). Under the terms of the Monetisation Agreement the Tranche 2 payment will now be €nil. As such the Group submitted claims and statements of loss under the terms of the Insurance. The lead insurer has confirmed that the loss has been triggered and, as a result, Rockhopper recognised a receivable in June 2025 for the full €31 million amount ("Insurance Proceeds") to which it is entitled under the Insurance. The money was received in August 2025 in line with terms of the Insurance.

Under the terms of the Insurance to the extent that Rockhopper makes any future financial recovery from any new arbitration ("Recovered Amounts"), through the Monetisation Agreement or otherwise, after deductions for any reasonable costs and expenses incurred, that recovery will be utilised to reimburse the insurers ("Insurance Liability") in respect of the Insurance Proceeds.

A new request for arbitration was submitted in September 2025. Under the terms of the Monetisation Agreement the costs of contesting the new request for arbitration are borne by the new funder.

<u>Fair value of the monetisation agreement</u>

Even though the claim now has been resubmitted, the Monetisation Agreement anticipated this event and includes future economic flows to the Group arising from the past event. Given some or all of the future proceeds of the Monetisation Agreement will be passed

Given some or all of the future proceeds of the Monetisation Agreement will be passed through to insurers Management have considered whether the derecognition criteria IFRS 9 have been met and concluded they have not. The derecognition criteria have to be applied to the whole Monetisation Agreement as neither a part or pro rata part of a specifically identified cash flow can be identified. As noted there is a pass through obligation but Rockhopper has maintained a potential subordinated retained interest and control of the Monetisation Agreement.

As a result, Management's judgement is to continue to recognise the fair value of the Monetisation Agreement as at 30 June 2025.

In the period the fair value of the Monetisation Agreement reduced from US 59,246k to US 14,110k resulting in an overall loss through a combination of changes in fair value and foreign exchange of 45,136k recognised in the income statement.

In estimating the fair value of the monetisation agreement management has made the following judgements and estimates:

- As Rockhopper is not due any amounts for Tranche 2 under the Monetisation Agreement the fair value of Tranche 2 is now US nil.
- The fair value of Tranche 3 has now increased as its fair value is linked to the costs incurred by the Specialist Fund which has now been reduced as they will no longer have to make a payment for Tranche 2 to Rockhopper. This increases the likelihood that if a future arbitration finds in Rockhopper's favour the award recovery will be in excess of 200% of the Specialist Funds costs.
- The fair value of Tranche 3 has been estimated on the basis of probability weighted expected cash flows. This is inherently subjective and includes judgements on amongst other things, the chance of success in the resubmitted arbitration, the expected value of any recovered amounts under any new award, the cost of achieving those recoveries as well as the time taken to achieve any recovery.

Insurance receivable, liability and costs

Following the Annulment €31 million has been recognised as a receivable at 30 June 2025, which was subsequently received in August 2025.

An insurance liability has also been recognised representing the expected pass through of the proceeds of Tranche 3, capped at a maximum of €31 million.

The cost of the Insurance was being spread over the life of the policy (which materially exceeded the expected time to receive an outcome from the Award annulment). As such the majority of this cost was recorded as a prepayment as at 31 December 2024. Given the claim on the Insurance, during the period, the US 3.9 million balance of this prepayment has been recognised in Other Expenses in the period.

Summary financial information

The impact in the financial statements of the above is as set out below

Balance sheet

	30 June 2025 Unaudited '000	31 December 2024 Audited '000	30 June 2024 Unaudited '000
Monetisation asset	14,110	58,228	
Insurance receivable	35,179	-	-
Insurance prepayment	-	3,906	-
Insurance liability	31,060	-	-

Income statement

	Six months ended	Year ended 31	Six months ended

	30 June 2025 Unaudited '000	December 2024 Audited '000	30 June 2024 Unaudited '000
Gain / (loss) on fair value of the monetisation asset	(50,518)	79,802	79,802
Net Insurance income	4,119	-	-
Insurance cost	3,906	232	-

3 Tax payable

	Six months ended 30 June 2025 '000 Unaudited	Six months ended 30 June 2024 '000 Unaudited
Current tax payable	2,042	1,882
Non current tax payable	24,888	-
	26,930	1,882

Current tax payable of US 2.0 million relates to tax arising in the prior year on the Tranche 1 proceeds of the Monetisation, which was paid post period end as well as an estimate of the tax due on the Insurance proceeds as disclosed in Note 2. Non-current tax payable of US 24.9 million relates to the potential liability arising from the historic farm-outs in the Falkland Islands.

On the 8 April 2015, the Group agreed binding documentation ("Tax Settlement Deed") with FIG in relation to the tax arising from the Group's 2012 farm out. The Tax Settlement Deed confirms the quantum and deferment of the outstanding tax liability and is made under Extra Statutory Concession 16. The Tax Settlement Deed also states that the Group is entitled to make adjustment to the outstanding tax liability if and to the extent that the Commissioner is satisfied that any part of the Development Carry becomes irrecoverable.

In September 2022 the transaction enabling Harbour Energy plc to exit and Navitas to enter the North Falkland Basin completed. Under the transaction the balance of Development Carry became irrecoverable.

Following the transaction professional advice (the "Advice") was sought over whether the Group was entitled to adjust the tax returns for the irrecoverable Development Carry. The Advice confirmed that it is probable that the Group is entitled to adjust the outstanding tax liability. As such the Group submitted tax returns on this basis. FIG disagreed with this analysis and asserted that the Group continued to owe £59.6 million payable around first oil.

Based on the information as at 31 December 2023 the Directors made a judgement to derecognise any liability, given that it was considered the most probable outcome based on the Advice.

Separately the Group submitted tax returns in relation to the farm out to Navitas that occurred immediately after their acquisition, from Harbour Energy plc of the company that holds the North Falkland's Basin licences. The consideration for this transaction was the provision of loan funding to the Group to cover the majority of its share of Sea Lion phase 1 related costs from transaction completion up to FID through a loan from Navitas with interest charged at 8% per annum (the "Pre-FID Loan"). Subject to a positive FID, Navitas will provide an interest free loan to fund two-thirds of the Group's share of Sea Lion phase 1 development costs (for any costs not met by third party debt financing). The Directors are confident that the Group has sufficient losses to ensure no tax liability will arise.

The Group has continued discussions with FIG to resolve differences regarding any outstanding tax liability arising from the Tax Settlement Deed and recognise that the arrangements make the project financing for Sea Lion significantly more difficult.

Given these discussions, and notwithstanding the Advice, the level of uncertainty relating to the potential tax liability has increased. For this reason, the Directors' recognised a US 22.3 million liability as at 31 December 2024, which has been determined with reference to a probability weighting approach to reflect the additional uncertainty. This provision was reviewed and increased as at the period end to US 24.9 million, this change reflecting mainly the effects of discounting and foreign exchange in a number of the possible outcomes. For the avoidance of doubt there is no agreement to date with FIG and the ultimate tax liability could be materially different.

Should it be proven that there is no entitlement to adjustment under the Tax Settlement Deed then the outstanding tax liability would be £59.6 million and still payable on the earlier of: (i) the first royalty payment date on Sea Lion; (ii) the date of which Rockhopper disposes of all or a substantial part of the Group's remaining licence interests in the North Falkland Basin; or (iii) a change of control of Rockhopper Exploration plc.

4 Basic and diluted loss per share

	Six months ended 30 June 2025 Number Unaudited	Six months ended 30 June 2024 Number Unaudited
Shares in issue brought forward	**640,578,764**	620,229,436
Shares issued		
- Issued	**4,635,001**	20,349,328
Shares in issue carried forward	**645,578,764**	640,578,764
Weighted average:		
Ordinary shares	**645,980,317**	644,485,599
Shares held in Employee Benefit Trust	(1,959,286)	(1,304,500)
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**644,021,030**	643,181,099
Effects of		
Share options	-	8,058,678
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**644,021,030**	651,239,777

	Continuing operations 2025 '000	**Discontinued operations 2025 '000**	**Total 2025 '000**	Continuing operations 2024 '000	Discontinued operations 2024 '000	Total 2024 '000
Net (loss)/profit after tax for purposes of basic and diluted earnings per share	**(50,719)**	**(275)**	**(50,994)**	70,002	(537)	69,465

The weighted average number of Ordinary Shares is greater than the Shares in issue because it takes into account those employee options which have vested and have a nil exercise cost ("LTIPs") as in substance these are similar to a vested ordinary share, and the entity will receive no further substantive consideration when the option is exercised. It also takes into account those shares which are treated as own shares held in trust. As at the period end the Group had 3,042,001 Ordinary shares held in an Employee Benefit Trust which will be used to settle future exercises of LTIPs.

Shares issued in the period relate to either the exercise of employee options or shares issued to the Employee Benefit Trust for the future exercise of LTIPs.

As the Group is reporting a loss in the period then in accordance with IAS33 the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

At the period end, the Group had the following unexercised options in issue.

	Weighted Average	**Six months ended 30 June 2025**

	Average Exercise Price	2025 Number Unaudited
Vested:		
Long term incentive plan	Nil	3,042,001
Share options	4.8 pence	19,358,889
Unvested		
Share options	7.0 pence	4,500,000

5 Intangible exploration and evaluation assets

During the period there were US 12.4 million (2024: US 9.2 million) of additions. These mainly relate to the Sea Lion Development as does the balance carried forward.

The Group benefits from funding to cover the majority of its share of Sea Lion phase 1 related costs up to FID through a loan from Navitas with interest charged at 8% per annum (the "Pre-FID Loan"). Subject to a positive FID, Navitas will provide an interest free loan to fund two-thirds of the Group's share of Sea Lion phase 1 development costs (for any costs not met by third party debt financing). The majority of the additions in the period are covered through the Pre-FID Loan, which totaled US 27.6 million at 30 June 2025 (31 December 2024: US 15.4 million)

At 30 June 2025, Management reviewed its intangible exploration/appraisal assets for indicators of impairment, with no indicators of impairment being identified. No impairment tests were therefore performed.

Specifically, Management noted that the proceeds of the recently announced placing should be sufficient to take FID in respect of the phase 1 Sea Lion Development. If for some currently non envisaged reason it was deemed insufficient funding at the point of FID, Management believe that additional funding would be available.

Ultimately should any required additional funding not be available then it would not be possible to sanction the Sea Lion phase 1 development. This would possibly lead to the carrying value of the intangible asset not being recovered.

6 Post balance sheet events

The Group announced it had received firm commitments to raise up to approximately US 140 million (approximately £105 million), before expenses, by way of a conditional placing of up to 198,207,354 new Ordinary Shares and 49,551,833 Underwriting Warrants at an issue price of 53 pence (the "**Issue Price**") comprising:

- a firm placing of 162,813,189 Firm Placing Shares and 40,703,294 Firm Underwriting Warrants to raise approximately US 115 million at the Issue Price, conditional upon *inter alia* the occurrence of a final investment decision in relation to Phase 1 of the development plan for the Company's Sea Lion field, to be effected using the authorities to issue and allot new shares granted to the Directors by Shareholders at the Company's annual general meeting held on 27 June 2025 (the "**Firm Placing**"); and
- a conditional placing of 35,394,165 Conditional Placing Shares and 8,848,539 Conditional Underwriting Warrants to raise approximately US 25 million at the Issue Price, conditional upon *inter alia* the passing of the Resolutions at a general meeting of the Company (the "**General Meeting**") and the occurrence of a final investment decision in relation to Phase 1 of the development plan for the Company's Sea Lion field (the "**Conditional Placing**" and, together with the Firm Placing, the "**Placing**").

Pursuant to the firm and conditional tranches of the Placing, each Placee will receive one Underwriting Warrant for every 4 Placing Shares subscribed for at the Issue Price upon completion of the Placing. Each Underwriting Warrant will give the holder the right to subscribe for one new Ordinary Share at a price of 80 pence per Ordinary Share (the "**Strike** subscribe for one new Ordinary Share at a price of 80 pence per Ordinary Share (the "**Strike Price**") at any time from the issue of the Underwriting Warrants up to (and including) 5.00 p.m. on the fourth anniversary of Admission (the "**Warrant Exercise Period**'). Members of the public were not entitled to participate in the Placing. The Placees include a combination of new Israeli based institutional investors as well as larger existing shareholders.

The Company considers it important that existing Shareholders who did not participate in the Placing are given an opportunity to acquire new Ordinary Shares at 53 pence. The Company therefore confirms its intention to provide existing Shareholders with the opportunity to subscribe for new Ordinary Shares at 53 pence pursuant to an Open Offer to be announced on or around the date of Admission, which is currently expected to occur by the end of 2025. Pursuant to the Open Offer, the Company will seek to raise gross proceeds of up to €8 million (approximately US 9.2 million).

The making of the Open Offer was conditional upon the approval by Shareholders at the General Meeting.

The General Meeting was held on 16 September 2025 and all the necessary approvals were given for the Conditional Placing and the Open Offer. As such they are now only conditional on FID.

The net proceeds of the Placing and Open Offer are expected to fund Rockhopper's proportion of the capex required for the Phase 1 development plan for the Sea Lion oil field in the North Falklands Basin ("**Sea Lion**"). The Phase 1 scope is over the northern development area of Sea Lion and is designed to recover 170 mmbbls of gross 2C resource through the drilling of seven oil producer wells, one gas injector and three water injector wells ("**Phase 1 of the Sea Lion Development"** or "**Phase 1**").