



12 May 2022

Neptune Energy announces Q1 2022 results

Neptune Energy today announced its financial results for the three months ended 31 March 2022.

Good operational performance, with production in line with guidance

- Improvement in our process safety event rate, down to 0.62 per million hours worked.
- Q1 production of 133.7 kboepd, in line with expectations. FY guidance of 135-145 kboepd maintained.
- Snøhvit (Norway) on schedule to restart in May, temporary increase in gas production from Gjøa.

Investment aligned with energy security priorities

- Capex of \$128.9 million in Q1 2022, supporting energy security in UK and Europe with c.47 kboepd of net additions in 2023.
- Discovery at Hamlet (Norway), located close to Gjøa.
- Sanctioned appraisal well at the significant Isabella (UK) discovery, drilling to commence in H2.

Continued progress with ESG, low carbon projects

- Industry-leading Sustainalytics ESG rating of 23.2. Ranked in top 3% of all global oil and gas producers rated.
- Finalising L10 CCS cooperation agreement with partners, aiming to progress project to FEED-ready by end of 2022.
- Gudrun electrification project on track for completion by year end.

Strong financial performance, higher tax charge

- Post-tax operating cash flow of \$741.3 million, EBITDAX of \$956.0 million and underlying operating profit of \$795.5 million.
- Net debt to EBITDAX of 0.57 times at end of period, total available liquidity of \$1.5 billion.
- FY guidance for post-tax operating cash flow increased to ~\$2.0 billion and cash taxes to ~\$1.4 billion.

FINANCIAL SUMMARY

Neptune Energy	First quarter 2022	First quarter 2021
Revenue (\$m)	1,149.3	367.8
Operating profit before financial items (\$m)	795.5	171.3
Profit before tax (\$m)	753.4	197.4
Net profit after tax (\$m)	493.6	77.9
Net cash flows from operating activities (\$m)	741.3	314.1
Non-GAAP measures		
Total daily production (kboepd) (note a)	133.7	125.7
Total daily production (kboepd) including production-equivalent insurance income (note a, b)	133.7	139.0
Operating costs (\$/boe)	11.6	10.1
EBITDAX (\$m) (RBL basis) (note c)	956.0	323.2
Underlying operating profit (\$m) (note d)	795.5	171.9
Adjusted development cash capital expenditure (\$m) (note e)	128.9	153.4
Free cash flow (\$m) (note f)	578.5	93.6
Net debt (\$m) (book value) (RBL basis) (note g)	1,552.1	1,964.3
Net debt/EBITDAX (RBL basis) (note g, h)	0.57x	2.11x



Neptune Energy's Chief Executive Officer, Pete Jones, said: "Neptune delivered strong operating and financial results in the first quarter, while continuing to invest in energy security across Europe. We will invest more than \$700 million this year in new sources of supply, which will support the delivery of 47 kboepd of new production from next year.

"We continue to make progress with our low carbon strategy and are on track to complete the electrification of our second asset in Norway by the end of this year. CCS is key to us going beyond net zero by 2030 – and we are maturing existing opportunities, while evaluating additional possibilities in the UK, Norway and the Netherlands."

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Notes to editors

- a) Production and realised price figures are for wholly owned affiliates and equity-accounted affiliates.
- b) Including business interruption insurance income, converted to a net entitled production equivalent.
- c) EBITDAX comprises net income for the period before income tax expense, financial expenses, financial income, impairment losses, other operating gains and losses, exploration expense and depreciation and amortisation.
- d) Underlying operating profit is calculated as operating profit before the impact of impairment losses, restructuring costs and pension settlements or curtailments.
- e) Excludes capital expenditure on acquisitions and includes capital expenditure of \$2.7 million for the period (2021: \$8.7 million) in respect of the Touat project, held by a joint venture company which Neptune accounts for under the equity method.
- f) Free cash flow is calculated as net cashflow from operating activities less net capital investments during the period including repayments under leases.
- g) Net debt excludes Subordinated Neptune Energy Group Limited Loan as defined by the RBL and Shareholder agreements.
- h) EBITDAX is based on a 12-month rolling average value of \$2,741.0 million (2021: \$931.0 million), as defined by RBL and Shareholder agreements and as described in note c) above.

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About Neptune Energy Group

Neptune Energy is an independent global E&P company with operations across Europe, North Africa and Asia Pacific. The business had production of 130,000 net barrels of oil equivalent per day in 2021 and 2P reserves at 31st December 2021 of 604 million barrels of oil equivalent. Neptune aims to store more carbon than is emitted from its operations and the use of its sold products by 2030. The Company, founded by Sam Laidlaw, is backed by CIC and funds advised by Carlyle Group and CVC Capital Partners.

More information: www.neptuneenergy.com