



13 May 2021

Neptune Energy announces Q1 2021 results

Neptune Energy today announces its financial results for the three months ended 31 March 2021.

Good operational performance, with production in line with guidance

- Continued improvement in health and safety, with total recordable injury rate down to 1.3 per million hours worked in the period
- Q1 production of 125.7 kboepd (139.0 kboepd including production-equivalent insurance income), in line with guidance
- First production from Gjøa P1 (Norway) and Merakes (Indonesia) projects, adding c.19 kboepd at plateau
- Exports from Touat (Algeria) recommenced in April

Strong financial performance, with higher prices supporting improved cash flow

- Average realised prices (including hedging) of \$53.4/bbl for oil and \$6.1/mcf for gas
- Continued low operating costs of \$10.1/boe. Adjusted development capex of \$153.4 million; activity to fall in H2
- EBITDAX of \$323.2 million, reflecting stronger commodity prices and tight cost control. Post-tax operating cash flow of \$314.1 million on track for full year guidance

Production growth momentum on track, with more than 27 kboepd to be added in 2021

- Acquisition of oil and gas fields in Germany complete, adding c.1.8 kboepd production. Pegasus West (UK) acquisition announced in May, adding possible tie-back development to Cygnus
- Duva (Norway) on track for first production in Q3, adding 8 kboepd
- Snøhvit (Norway) restart revised by the operator to 31 March 2022, mitigated through loss of production insurance. FY 2021 group production guidance unchanged

Further long-term growth opportunities, supported by strong liquidity, higher credit and ESG ratings

- Further exploration success with a discovery at Blasto (Norway). Dugong (Norway) appraisal well successful
- Completed annual redetermination of RBL facility and reconfirmed a borrowing base of \$2.3 billion. Total available liquidity of \$1.2 billion to support growth
- Upgraded credit ratings to 'stable' from S&P and Fitch; global top-quartile ESG rating of 26.1 (Sustainalytics)

FINANCIAL SUMMARY

Neptune Energy	2021	2020
	First quarter 2021	First quarter 2020
Total daily production (kboepd) (note a)	125.7	162.1
Total daily production (kboepd) including production-equivalent insurance payments (note b)	139.0	162.1
Operating costs (\$/boe)	10.1	8.9
EBITDAX (\$m) (RBL basis) (note c)	323.2	322.9
Underlying operating profit (note d)	171.9	155.0
Cash flow from operations, after tax (\$m)	314.1	355.2
Adjusted development cash capital expenditure (\$m) (note e)	153.4	242.2
Free cash flow (\$m) (note f)	93.6	54.5
Net debt (\$m) (book value) (RBL basis) (note g)	1,964.3	1,462.9
Net debt/EBITDAX (RBL basis) (note g,h)	2.11x	0.99x



Neptune Energy's Chief Executive Officer, Jim House, said: "Neptune delivered a good operating and financial performance in the first quarter, supported by stable production and stronger commodity prices. We also delivered growth from the portfolio, bringing online our Gjøa P1 project and having further drilling success with the Blasto discovery and Dugong appraisal wells in Norway.

"In the second quarter, we have already brought our Merakes project online and restarted exports from our Touat gas facility. With drilling underway we continue good progress towards delivering first production from our Duva project in the third quarter.

"We remain on track to deliver material production growth, while generating strong cash flows that will support further long-term portfolio development."

- ends -

Notes to editors

- a) Production and realised price figures are for wholly owned affiliates and equity accounted affiliates.
- b) Including business interruption insurance payments, 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. Following repayment of the Touat Vendor loan in September 2020, EBITDAX as defined by the RBL and shareholder agreement includes our share of net income from Touat. EBITDAX for the three months ended 31 March 2020 excludes our \$9.2 million share of net income from Touat.
- d) Underlying operating profit is calculated as operating (loss)/profit before the impact of impairment losses, restructuring costs and pension settlements or curtailments. A full calculation is shown below.
- e) Excludes capital expenditure on acquisitions and includes capital expenditure of \$8.7 million for the period (2020: \$9.4 million) in respect of the Touat project, held by a joint venture company which Neptune accounts for under the equity method.
- f) Free cashflow is calculated as net cashflow from operating activities less net capital investments during the period including repayments under leases but excluding finance income received.
- g) Net debt excludes Subordinated Neptune Energy Group Limited Loan and Touat project finance facility as defined by the RBL and Shareholder agreements. The Touat project finance facility was repaid at the end of September 2020.
- h) EBITDAX is based on a 12-month rolling average value of \$931.0 million (2020: \$1,472.1 million), as defined by RBL and Shareholder agreements and as described in note c above.

Enquiries

Media

Gavin Roberts
+44 (0) 7704 308138
gavin.roberts@neptuneenergy.com

Investors

Will Arnstein
+44 (0) 7760 783895
william.arnstein@neptuneenergy.com

About Neptune Energy Group

Neptune Energy is an independent global E&P company with operations across the North Sea, North Africa and Asia Pacific. The business had production of 142,000 net barrels of oil equivalent per day in 2020 and 2P reserves at 31st December 2020 of 601 million barrels of oil equivalent. 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