Q1 2022 results

12 May 2022

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Except as the context otherwise indicates, ’Neptune’ or ‘Neptune Energy’, ‘Group’, ‘we’, ‘us’, and ‘our’, refers to the group of companies comprising Neptune Energy Group Midco Limited (‘the Company’) and its consolidated subsidiaries and equity-accounted investments.

In this presentation, unless otherwise indicated, our production, reserves and resources figures are presented on a basis including our ownership share of volumes of companies that we account for under the equity accounting method, in particular, for the interest held in the Touat project in Algeria through a joint venture company. Production for interests held under production sharing contracts is presentation on an appropriate unit of production basis.

The discussion in this presentation includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to materially differ from those expressed or implied by the forward-looking statements. While these forward-looking statements are based on our internal expectations, estimates, projections, assumptions and beliefs as at the date of such statements or information, including, among other things, assumptions with respect to production, future capital expenditures and cash flow, we caution you that the assumptions used in the preparation of such information may prove to be incorrect and no assurance can be given that our expectations, or the assumptions underlying these expectations, will prove to be correct.

Any forward-looking statements that we make in this presentation speak only as of the date of such statement or the date of this presentation.

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Introduction

Sam Laidlaw, Executive Chairman

Q1 2022 overview

Delivery on plan, operational guidance unchanged

Good operational performance

- Improved process safety event rate
- Q1 2022 production in line with expectations
- Full year production guidance unchanged
- Incremental production to support energy security

Investment aligned with energy security

- Investment of $128.9m[(1)], mainly in UK, Norway
- Increase energy security in UK, Europe by 47 kboepd[(2)]
- Discovery at Hamlet, potential tie-back to Gjøa
- Sanctioned appraisal well at Isabella discovery

Progress with ESG, low carbon projects

- Top-rated oil and gas producer for ESG by Sustainalytics
- Finalising consortium agreement for L10 CCS[(3)]
- Gudrun electrification project on track for completion by YE
- Electrification feasibility study underway for Cygnus

Higher earnings, balanced by tax

- Stronger quarterly earnings and cashflows
- Material increase in cash taxes paid
- Annual redetermination of RBL facility complete
- Leverage remains low, good level of liquidity

1. Adjusted development capex. | 2. Net production from development projects at Njord, Fenja and Seagull. | 3. Carbon capture and storage.

Operational update

Pete Jones, CEO

Operational update

Q1 2022 performance

Strong operational and financial performance

- Stable HSE performance with improvement in process safety
- Robust operations across the business, Q1 2022 production in line with guidance
- Production efficiency of 88%, improved performances in the UK and the Netherlands
- Upgrades to improve resilience of the Touat plant (Algeria) ongoing to enable a return to sustained exports in H2 2022
- Merakes-7 well (Indonesia) brought back onstream at controlled rates
- Discovery at Hamlet prospect in Norway, recoverable volumes estimated at 8-24 mmboe

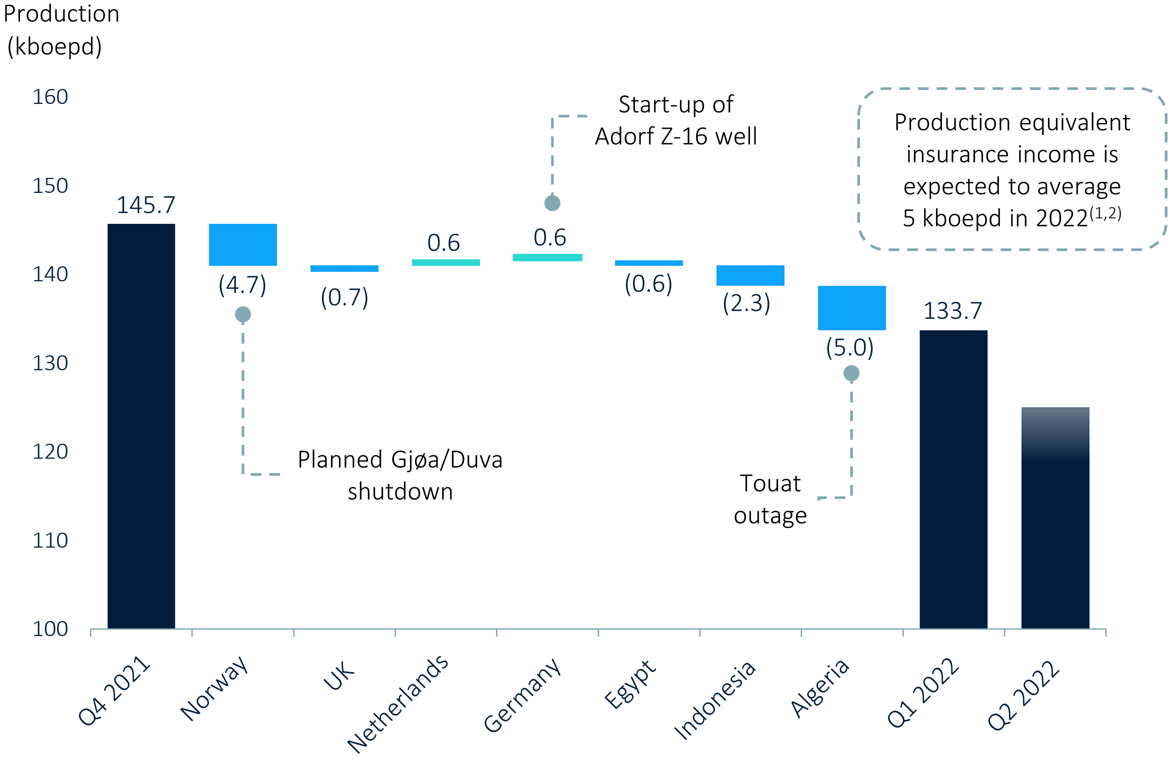
			Q1 2022	Q4 2021	Q1 2021
HSE	TRIR[1]	x	2.2	2.1	1.3
	PSER[2]	x	0.6	1.7	2.5
	Carbon intensity	kg CO_2/boe	6.5	6.3	6.6
Operations	Production[3]	(kboepd)	133.7	145.7	125.7
	Production efficiency	%	88%	90%	84%

1. Total recordable injury rate (TRIR) is defined as the number of recordable injuries per 1 million hours worked. It is calculated on a 12-month rolling average as follows: TRIR="(fatalities + lost workday cases + restricted workday cases + medical treatment cases)" /(Number of hours worked) x 1,000,000 | 2. Process safety event rate (PSER) is a three-tiered measurement of process safety events per million hours worked. Rates can be revised as more information becomes available. | 3. Production includes equity accounted entities.

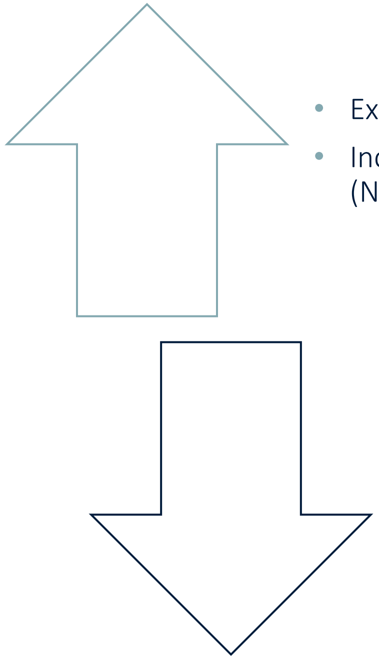
Near-term outlook

Production to exit Q2 at higher rates, FY guidance unchanged

Q1 2022 production in line with guidance



Slightly lower average output planned in Q2 2022



- Expected restart of Snøhvit (Norway)
- Increased gas production from Duva (Norway)

- Start of seasonal maintenance activity in the Netherlands
- Sales to cease at Altmark (Germany)
- Disposal of non-core minority interests in Norway completed

1. Business interruption insurance income for loss of revenue in relation to our interests in the Hammerfest LNG facility (Snøhvit) in Norway and converted on a production equivalent basis using prices from our insurance model. | 2. Further loss of production income is subject to ongoing loss adjustment discussions with our insurers.

Operational update

Progress on strategy

Good progress with projects, alignment with government priorities

Increasing energy production

- Sailaway of the Njord A FPU (Norway) in March, final offshore activities underway ahead of Equinor-scheduled start-up in Q4 2022
- Second Fenja (Norway) development drilling campaign to commence in Q2 2022, on track to start-up in H1 2023
- First two wells at Seagull (UK) to be completed in Q2 2022, topside work programmes underway, on track to start-up in H1 2023
- New discovery at the Hamlet prospect offers a potential lower carbon tie-back development to Gjøa (Norway). Further drilling at Ofelia prospect.
- Isabella (UK) appraisal well sanctioned, drilling scheduled to commence in H2 2022

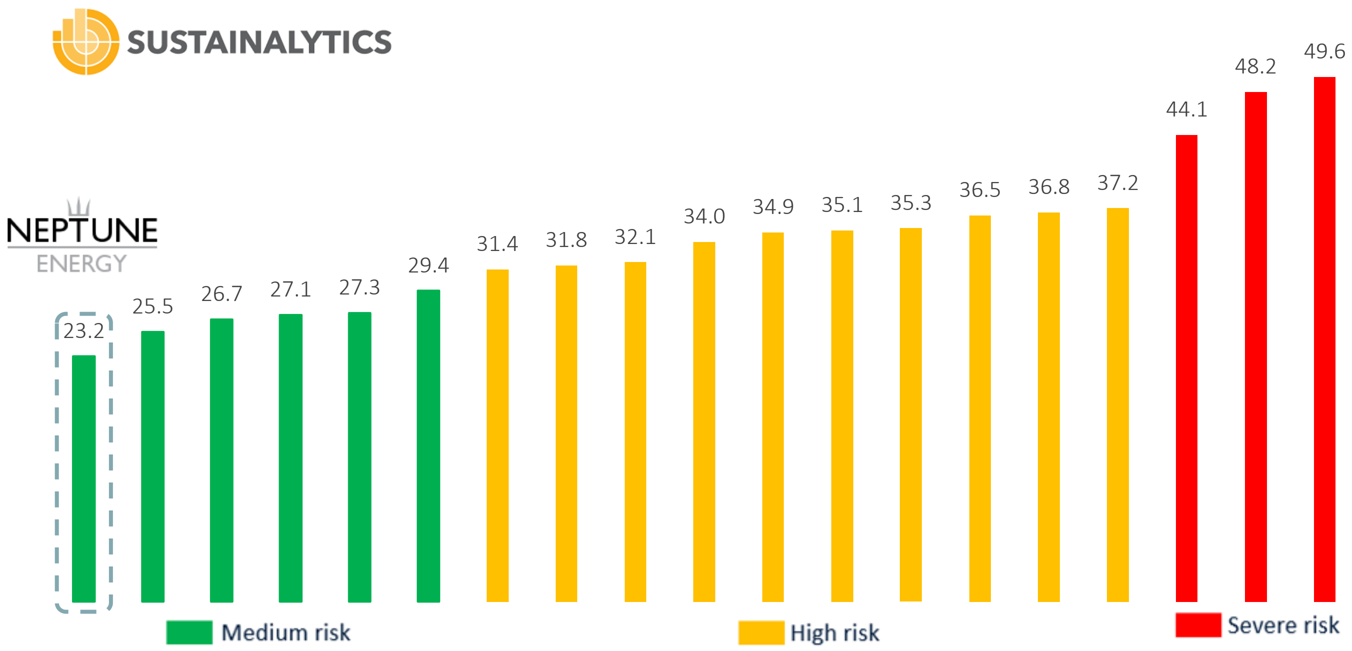
Low carbon developments

- Ambitious strategy to store more carbon than is emitted from our operations and the use of sold products by 2030
- Finalising cooperation agreement with L10 partners to progress L10 CCS project (Netherlands) to storage licence application stage and FEED-ready status
- Defining work scopes in collaboration with RWE to progress H_2opZee project (Netherlands)
- Gudrun electrification project (Norway) on schedule for completion in Q4 2022
- Study underway on potential electrification of offshore platforms in the UK

Best-in-class ESG performance

Further progress on leading position

Top-rated oil and gas producer for ESG (Sustainalytics)



Delivered

Environment
- 'Beyond net zero' carbon strategy
- Equity share and Scope 3 emissions disclosure
- Biodiversity strategy

Social
- Doubled social investment spend
- Achieved best employee engagement score to date
- Conducted economic impact study for Europe and Indonesia

Governance
- Human rights risk assessment, including supply chain
- Revised Code of Conduct and new Human Rights Policy

Targeted

Environment
- Target L10 CCS project to be FEED-ready by end of 2022
- Progress electrification projects in Norway and UK
- Enhance TCFD disclosure

Social
- Continued focus on embedding strong safety culture
- Implement ISO 45001 certification
- Improve diversity across the organisation

Governance
- Implement supplier ESG monitoring framework
- Alignment with the UN Guiding Principles

Source: Sustainalytics: Sustainalytics, a leading independent provider of ESG and corporate governance ratings, research and analysis, has provided the ESG Risk Rating as set forth in the Summary ESG Risk Rating Report. Listed European E&P peers also rated by Sustainalytics include Harbour Energy, AkerBP, Lundin Energy, Wintershall Dea, Capricorn Energy, Tullow Oil, Energean Oil & Gas and Kosmos Energy. Data correct as at 14 April 2022.

Financial results

Armand Lumens, CFO

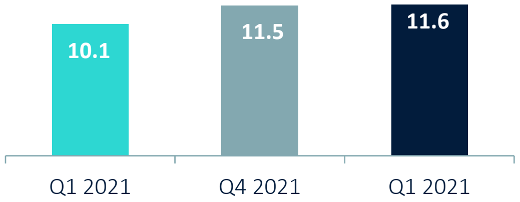
Financial highlights

Strong financial performance, mitigated partially by higher taxes

Higher EBITDAX, stable opex

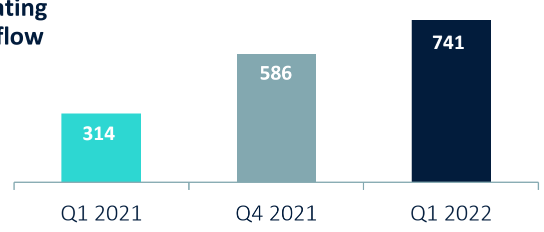
EBITDAX(1)
($m)

OPEX(2)
($/boe)

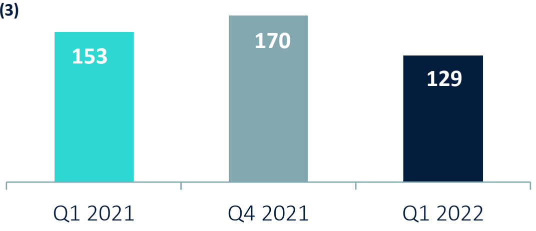


Strong cash flows, focused investment

Post-tax operating cash flow
($m)

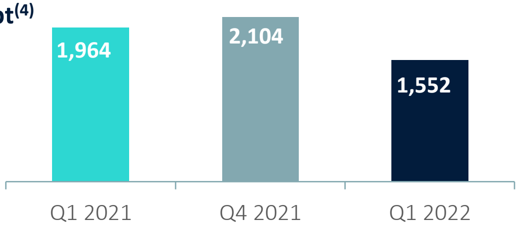


Capex(3)
($m)

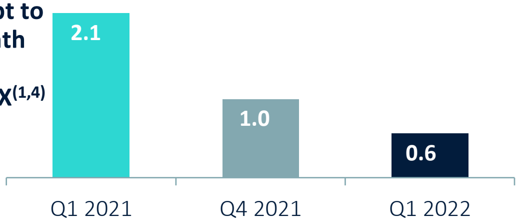


Materially lower net debt and leverage

Net debt(4)
($m)



Net debt to 12-month rolling EBITDAX(1,4)
(x)



1. EBITDAX (as defined by the RBL and Shareholder agreements). EBITDAX comprises net income for the period before income tax expense, financial expenses, financial income, other operating gains and losses, exploration expense and depreciation and amortisation. Includes our share of net income from Touat. | 2.Opex including royalties, but excluding equity-accounted entities. | 3. Development capex, excluding acquisitions and exploration, but including equity-accounted entities. | 4. Book value net debt excluding Subordinated Neptune Energy Group Limited Vendor Loan as defined in RBL and shareholders agreement.

Financial results

Income statement

Strong revenue growth driven by higher commodity prices

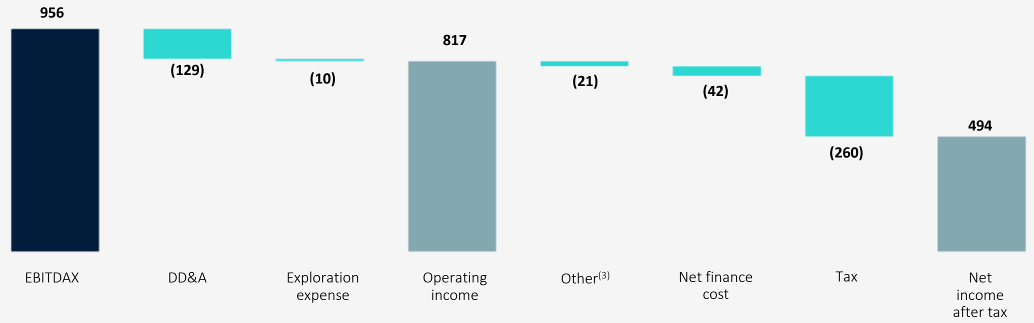
Income statement summary ($ million)(1)	Q1 2022	Q1 2021
Revenue and other operating income	1,149.3	397.3
Operating costs	(137.2)	(111.6)
Other cost of sales(2)	(35.1)	59.6
G&A expenses	(17.6)	(18.4)
Share of net loss from equity-accounted entities	(3.4)	(3.7)
EBITDAX (RBL basis)	**956.0**	**323.2**
DD&A	(128.9)	(128.2)
Exploration expenses	(10.3)	(7.6)
Operating profit	**816.8**	**187.4**
Other operating losses(3)	(21.3)	(16.1)
Operating profit before tax and financial items	**795.5**	**171.3**
Net finance costs	(42.1)	26.1
Profit before tax	**753.4**	**197.4**
Taxation charge	(259.8)	(119.5)
Net profit/(loss) after tax	**493.6**	**77.9**

Underlying operating profit before tax ($ million)(1)	Q1 2022	Q1 2021
Operating profit before tax and financial items	795.5	171.3
Net restructuring cost	0.0	0.6
Underlying operating profit before tax	**795.5**	**171.9**

Stronger earnings, despite hedging and materially higher taxes

- Significant increase in revenues in Q1 2022 despite $464.2 million of hedging losses(4)
- Tax charge of $259.8 million in Q1 2022, effective tax rate of 34%

EBITDAX reconciliation for Q1 2022 ($ million) (1)

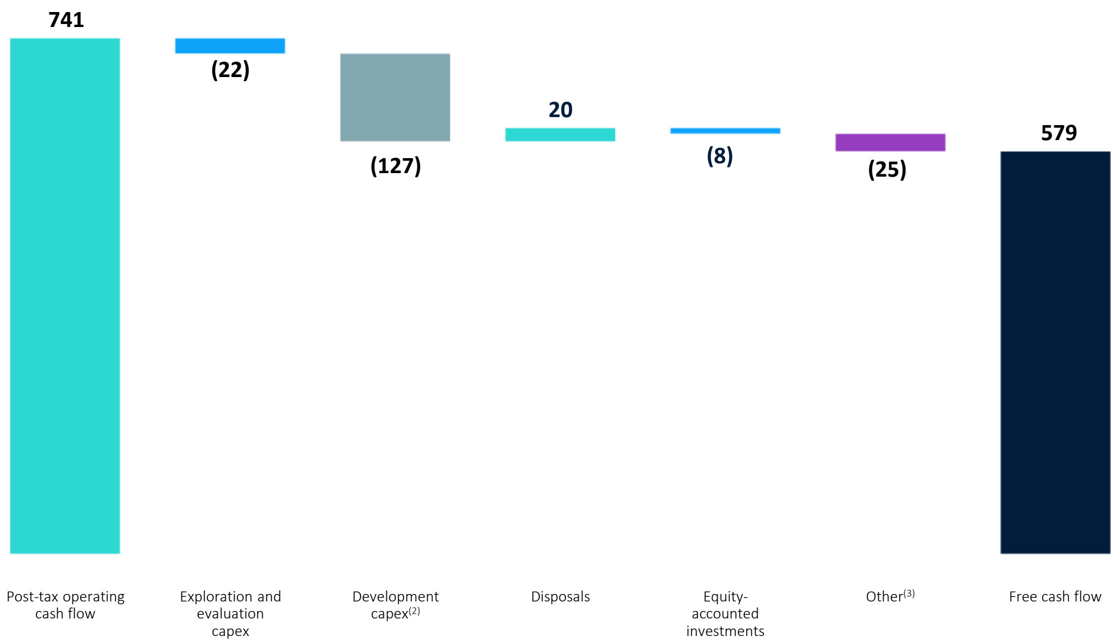


1. Numbers might not equal due to rounding differences. | 2. Other cost of sales include under/over lift, net-off income from tariffs and services and NOGAT operating costs. | 3. In Q1 2022, other operating losses ($21.3 million) include a loss on mark-to-market commodity contracts ($23.0 million) and other net gains ($1.7 million), which is principally related to gains on the disposal of a portfolio of non-core assets in Norway. | 4. Includes realised hedging losses recognised in revenue and realised and unrealised hedging losses recognised in other operating losses.

Cash flow and balance sheet

Strong free cash flow supports deleveraging

Q1 2022 free cash flow waterfall ($ million)[1]



Net debt and liquidity at 31 March 2022

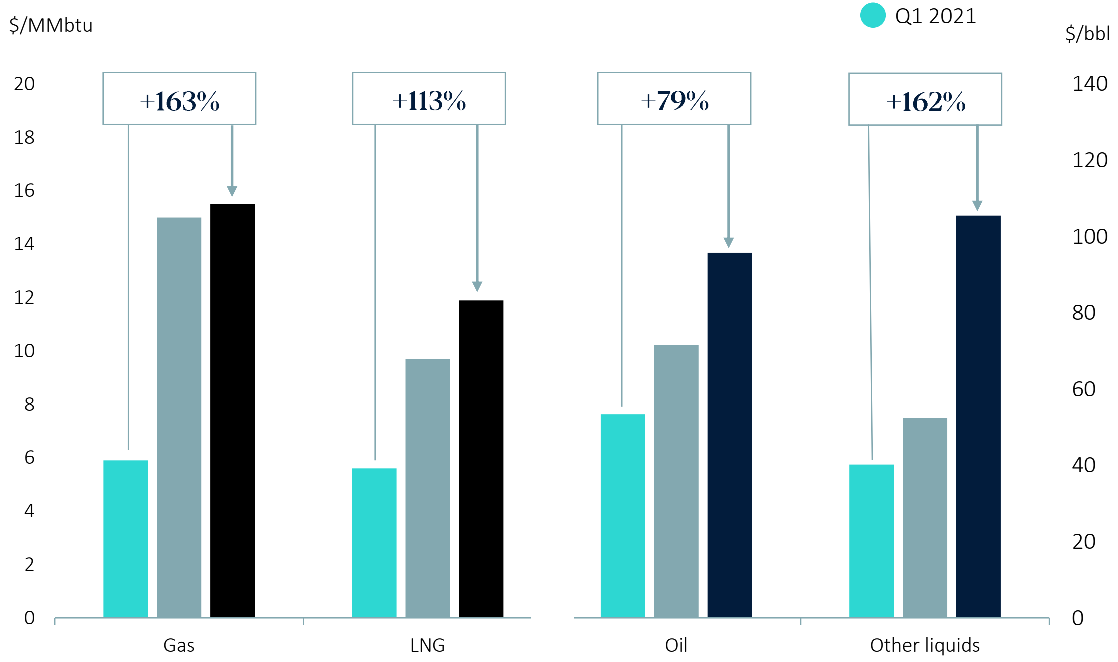
1. Numbers might not equal due to rounding differences. | 2. Development capex excluding equity-accounted entities. | 3. Includes repayment of lease obligations ($25.5 million). | 4. RBL facility, borrowing base level.

Financial results

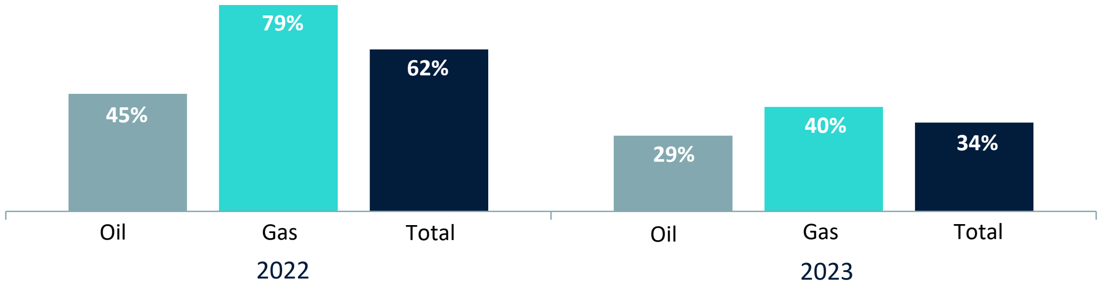
Hedging activity

New hedges added to lock-in stronger prices

Higher annual post-hedge realised prices



Aggregate post-tax hedge ratio(2) at 31 March 2022



Hedged prices		2022	2023
Gas			
Hedged downside volumes[1]	mmboe	9.7	7.0
Upside cap[3]	$/MMbtu	13.4	22.8
Downside floor	$/MMbtu	9.9	7.2
Oil			
Hedged downside volumes[1]	mmbbl	5.6	6.3
Upside cap[3]	$/bbl	87.0	91.4
Downside floor	$/bbl	53.1	45.4

1. Hedged volumes includes swaps, puts and collars. | 2. Post-tax hedge ratio reflects our equity production volumes, whereas our RBL hedging obligations exclude certain volumes. | 3. We have bought calls to provide further upside exposure to prices above upside cap for part of the hedged volume.

2022 guidance update

Positive outlook supported by operational performance and commodity prices

		Full year 2022 guidance	Year to date
Production[1]	(kboepd)	135-145	133.7
Carbon intensity	(kg CO_2/boe)	~8	6.5
Opex[2]	($/boe)	11.5-12.5	11.6
Development capex[3]	($m)	~600	129
Exploration and pre-development spend[4]	($m)	~130	28
Decommissioning spend	($m)	~85	6
Net cash taxes	($bn)	~1.4 (previously ~1.0)	0.1
Operating cash flow before working capital[5]	($bn)	~2.0 (previously >1.2)	0.8
Leverage	(net debt/EBITDAX)	<1.5	0.6

1. Production including equity-accounted entities. | 2. Opex including royalties and excluding equity-accounted entities. | 3. Development capex includes equity-accounted entities. | 4. Exploration spend including pre-development activities | 5. Post-tax operating cash flow, before working capital movements.

- Production in line with expectations, growth in 2022 supported by expected production restarts at Snøhvit in Q2 and Touat in H2
- Operating costs likely to increase slightly in the short term due to inflationary pressures on our supply chain
- Development capex is expected to remain around current levels. Exploration and pre-development spend to increase in H2 2022 due to Isabella drilling
- Operating cash flow supported by commodity prices and good cost control. Cash taxes to continue to increase through 2022
- Declining leverage and strong liquidity provides opportunity to target additional growth

Overview

Sam Laidlaw, Executive Chairman

Summary and outlook

Delivering the plan, targeted investment for energy security

Delivery on plan, production guidance unchanged

- Good HSE performance, production on target
- Snøhvit restart to drive near-term production growth
- Projects progressing well, 47 kboepd to be added in 2023

Investing in energy security, decarbonisation

- Aligned with host governments on energy supply security and the energy transition
- Targeted investment in shorter cycle, lower carbon developments
- Incremental capital allocation to low carbon projects

Strong cash flow, higher tax charge

- Cash flow guidance increased
- Higher cash taxes paid, further increases expected through 2022
- Continuing to add hedges to protect downside risk and preserve majority of upside

Q&A

neptuneenergy.com/investors