



INVESTOR PRESENTATION | Second Quarter 2022 Results Update

WALDORF PRODUCTION



WALDORF
PRODUCTION

31 August 2022



www.waldorf-production.com

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WALDORF: A PRODUCTION-FOCUSED UKCS OIL & GAS INDEPENDENT

INTRODUCTION

- › Private oil & gas company focused primarily on production and development in the UK North Sea
 - Owners comprise group of Norwegian investors and management/directors
 - Highly acquisitive company with growth delivered by focused M&A strategy and near-term value enhancement across the company's existing portfolio
 - Established through the acquisition of Endeavour Energy UK in late 2019
 - Transformational acquisition of interests in Catcher and Kraken from Cairn Energy completed in November 2021, generating material cash flow growth
 - USD 300m bond issue raise in October 2021 to finance acquisition from Cairn Energy and refinance existing debt
 - Waldorf Production Limited's previously announced acquisition of MOL UK continues apace and is expected to complete in 4Q22.
 - Elsewhere, Waldorf Production Limited entered into a binding agreement to purchase Alpha Petroleum in July 2022. The acquisition further diversifies the group's asset portfolio, with the Cheviot gas development providing significant medium-term growth optionality
- › Highly cash generative portfolio
 - 1H 2022 Production in line with forecast, 2022 production guidance maintained
 - 1H 2022 Free Cash Flow of USD 223m (prior to financing activities and earn-out payment)
- › Strategy to grow through acquisition of mainly non-operated producing assets, leveraging the shift in market and ownership structures in the North Sea and targeted international geographies

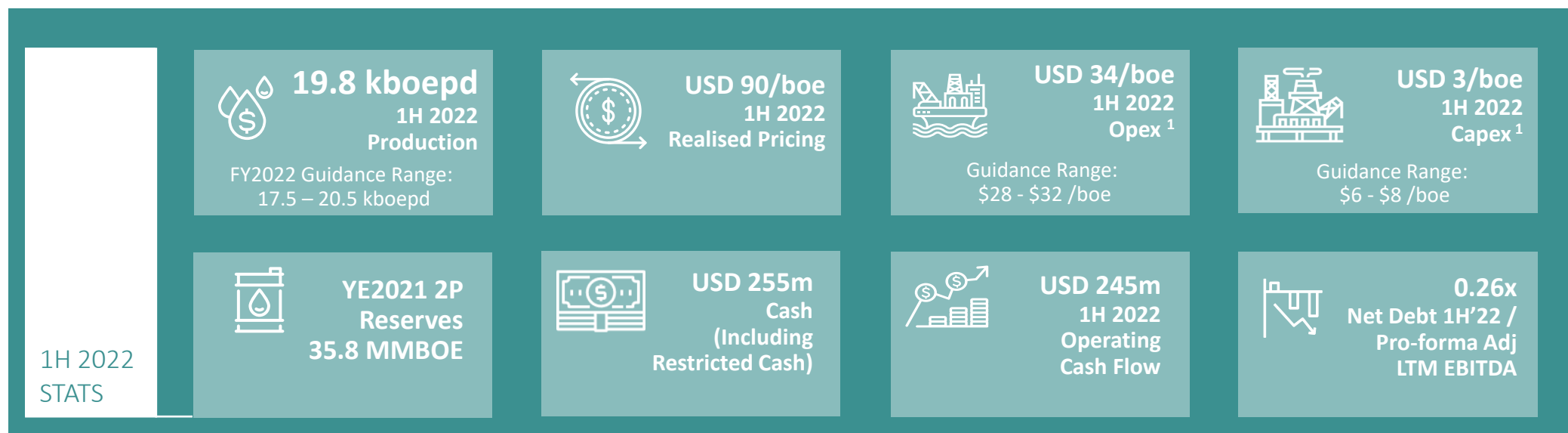
DIVERSIFIED UK PORTFOLIO



WALDORF: 1H 2022 TRADING UPDATE

1H 2022 OPERATING CASH FLOW, PRIOR TO DEBT SERVICING AND EARN OUT PAYMENT, OF USD 223M

- › Strong cash flow generation in 1H 2022, driven by steady production performance (in line with guidance) and a buoyant commodity price environment
- › 1H 2022 Opex per barrel remains modestly above Waldorf’s guidance range, primarily as a result of increasing fuel/power costs
- › Capex guidance remains unchanged with drilling activity ongoing at the Greater Catcher Area and Alba drilling scheduled for 4Q 2022
- › Net Debt position of USD 117m, excluding group restricted cash of USD 148m, placing the Company comfortably within its Net Debt: EBITDA covenant test
- › Following the Chancellor’s announcement on 26 May, WPUK’s future profits will be subject to a 25% Energy Profits Levy (“levy”) until the earlier of 31 December 2025 or the return of oil and gas prices to “historically more normal prices”. A new levy investment allowance forms part of the legislation, in a bid to encourage continued investment
- › At current commodity prices, management estimates c.USD 30m impact of the Energy Profits Levy for 2022². We continue to evaluate the longer-term impact of the tax on group cashflows, and opportunities to mitigate this exposure



DELIVERING ON THE PLAN PREPARING FOR THE FUTURE

KRAKEN



- › The Floating, Production, Storage & Offloading (FPSO) vessel continues to deliver excellent production and water injection efficiency
- › 1H 2022 production close to forecast
- › Operator is optimising plans for maintenance shutdown in Q3 2022
- › Recently acquired seismic under interpretation to identify future infill drilling and Western Area Development targets
- › Evaluating potential for Enhanced Oil Recovery

CATCHER



- › 1H 2022 production exceed forecast due high production efficiency and deferment of TAR to Q3 2022
- › FPSO debottlenecking in progress, increases in total liquid production already being observed
- › Three well drilling campaign in progress, the first a non-commercial result, the second completed for 3Q tie-in and the third currently drilling
- › Work ongoing to mature 2023+ drilling options, utilizing 4D seismic data

ALBA



- › Ongoing focus on late life maintenance and asset integrity.
- › TAR deferred to Q3 2022
- › Opportunity to workover several long-term shut-in wells before upcoming drilling campaign
- › Resumption of drilling now expected to occur in mid 2023. Campaign of three infill wells has been approved.
- › JV working closely to manage OPEX, including fuel gas costs.

COLUMBUS



- › First production to Shearwater achieved in late 2022
- › Initial decline rate faster than pre start-up expectations but now slowing
- › Lower rates compensated by better Shearwater uptime
- › Still benefitting from exceptional gas prices following payback
- › Predictable future production

2022 DRILLING CAMPAIGN CURRENT STATUS

> Three well campaign, nearing completion

1) Laverda

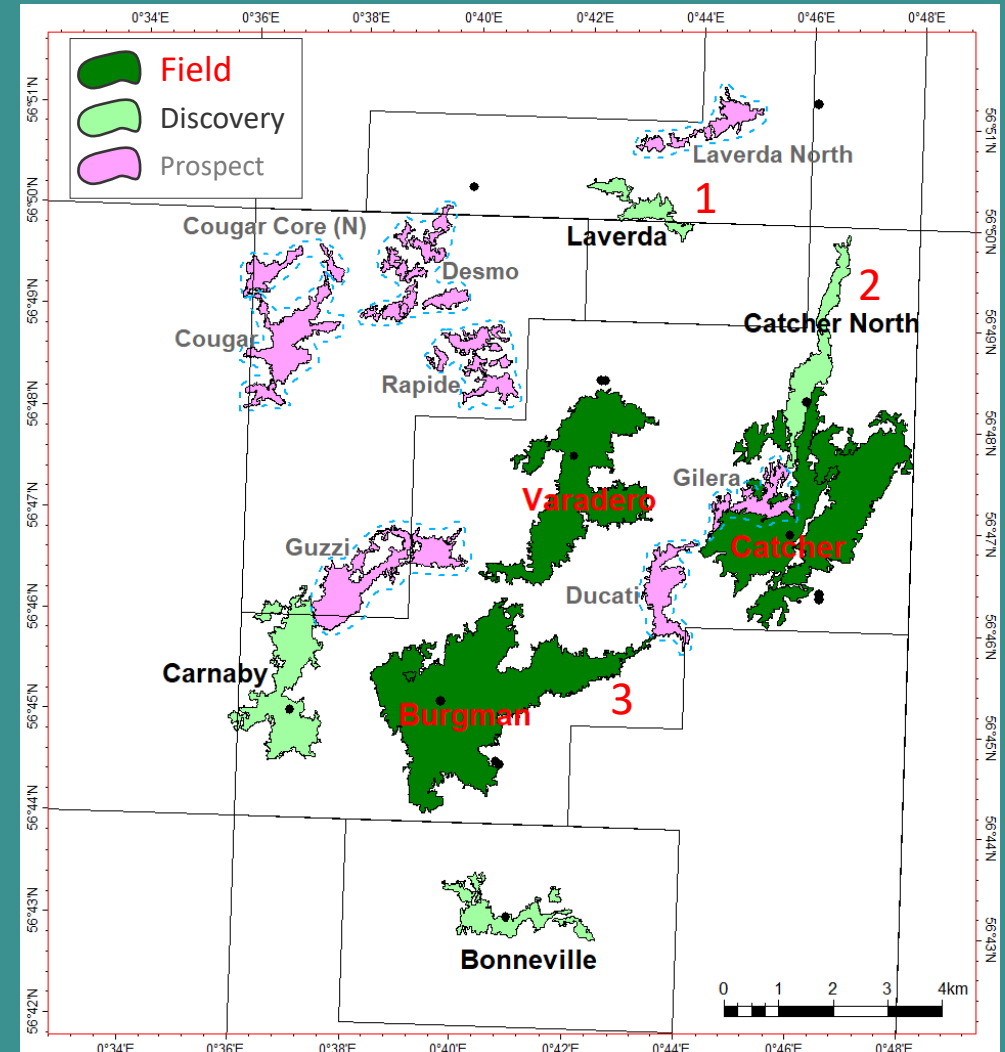
- Targeted Prospective Resources to the North of Catcher Hub
- Encountered sub-commercial volumes and was not completed

2) Catcher North

- Targeted reserves in NE extension of Catcher Field
- Well completed and expected to be tied in to start production in early 4Q2022

3) Burgman Infill (Burman Far East)

- Targeting reserves in an undeveloped region of the Burgman Field
- Currently drilling, results expected in Sep 2022



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1H 2022 UPDATE

UNAUDITED STATEMENT OF FINANCIAL POSITION

Unaudited Statement of Financial Position					
Assets	30-Jun	31-Dec	Equity and Liabilities	30-Jun	31-Dec
	2022	2021		2022	2021
	USD M	USD M		USD M	USD M
Property, Plant & Equipment	892	756	Equity	503	200
Deferred Tax Asset	153	153	Bond	225	275
Receivables and other assets	390	289	ARO Provision	260	323
Cash & Cash Equivalents	208	160	Lease Liabilities	252	193
			Other Liabilities	403	366
	1,643	1,358		1,643	1,358

- › NET DEBT TO PRO-FORMA ADJUSTED EBITDA COVENANT MET WITH A POSITION OF 0.26X
- › End of 1H 2022 Cash & Cash Equivalents position of USD 255m (bond amortization, interest and Capricorn earn-out paid prior to quarter-end)
- › Deferred Tax Asset of USD 153m recognized at year end 2021, additional c.USD 200m DTA expected to be recognized at year end 2022 given current commodity prices
- › Closing Bond position of USD 225m reflecting the timing of bond capital and interest repayments prior to the quarter-end
- › Other liabilities include:
 - Long-term contingent payment provision to provide for future contingent payments under the terms of the Put and Call option; FY2022 earn out payment due at end-1Q 2023
- › Currently available undrawn capacity under the Shell prepay facility of c.USD 45m

QUARTER ENDING
30TH JUNE 2022

UNAUDITED
CONSOLIDATED
WPUK + WREL

STATEMENT OF
COMPREHENSIVE
INCOME &
CASH FLOW
STATEMENT

Statement of Comprehensive Income	2022 1H \$'000	2021 FY \$'000
Oil Sales	321,568	167,779
Gas and NGL Sales	19,162	10,786
Revenue	340,730	178,565
Cost of Sales	(80,562)	(85,218)
DD&A	(133,894)	(25,486)
Impairment Reversal	0	58,152
Gross Profit	126,274	126,014
G&A	(9,428)	(14,713)
Other Income	582	1,337
Foreign Exchange	(11,645)	(1,015)
Interest Expense	(36,312)	(8,170)
Gain/Loss on derivatives	(1,324)	(48,091)
Tax	0	128,934
Net Profit/Loss	68,149	184,297

Cashflow Statement	2022 1H \$'000	2021 FY \$'000
Cashflow from Operating Activities		
Cash (absorbed by) / generated from operations	173,584	(48,868)
Investing Activities		
Net cash used in investing activities	(22,330)	(145,886)
Financing Activities		
Net cash generated from / (used in) financing activities	(96,712)	243,889
Net increase / (decrease) in cash	54,542	49,136
Unrestricted Cash at beginning of period	53,330	4,194
Unrestricted Cash at end of period	107,872	53,330

QUARTER
ENDING 30TH
JUNE 2022

UNAUDITED
CONSOLIDATED
WPUK + WREL

STATEMENT OF
FINANCIAL
POSITION

Statement of Financial Position	Jun-22 \$'000	Dec-21 \$'000
Cash and cash equivalent	107,872	53,330
Restricted cash	99,878	106,399
Accounts Receivable	1,994	24,172
Derivative financial instruments	0	0
Inventory and cash (JV)	45,403	13,815
Other current assets	201,998	251,371
Current Assets	249,394	289,358
Deferred Tax	153,007	153,007
Derivative financial instruments		0
Oil and Gas properties	892,204	755,688
Right of use assets	0	0
Non Current Assets	1,045,211	908,695
TOTAL ASSETS	1,502,355	1,357,783

Statement of Financial Position	Jun-22 \$'000	Dec-21 \$'000
Accounts Payable	13,480	21,734
Accruals (JV)	34,273	29,946
Bonds	100,000	100,000
Contingent Payment and WHT	0	75,792
Derivative financial instruments	9,604	20,942
ARO Liability (S/T)	543	339
FPSO Liability (S/T)	63,018	41,099
Other current liabilities	56,768	50,126
Current Liabilities	277,686	339,979
ARO Liability	259,910	323,101
Contingent Payment	144,203	146,502
Derivative financial instruments	3,602	21,220
FPSO Liability	188,840	152,023
Bonds	125,000	175,000
Non Current Liabilities	721,556	817,846
Equity	503,113	199,958
TOTAL LIABILITIES AND EQUITY	1,502,355	1,357,783



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WALDORF PORTFOLIO AT A GLANCE

