



INVESTOR PRESENTATION | H1 2023 Update

# WALDORF PRODUCTION

31 August 2023



WALDORF  
PRODUCTION



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# COMPANY & OPERATIONS UPDATE

FINANCIALS



WALDORF  
PRODUCTION



# WALDORF PRODUCTION: RESPONDING TO OPERATIONAL CHALLENGES

## KEY HIGHLIGHTS H1 2023

- › H1 2023 production of 24.9 kboepd compared to 29.1 kboepd in 2022 (including US production)<sup>1</sup>
- › Production behind Q1 forecast largely due to unforeseen Kraken and Catcher outages and ongoing water injection issues on Alba
- › Revised 2023 full-year group production forecast of 22-24 kboepd due to Kraken, Catcher and Alba issues
- › Realised oil price of USD 78/boe, predominantly driven by weaker than expected Kraken differentials. Albeit recent liftings show a marked improvement
- › Operating cash flow of USD 174m H1 2023
- › Estimated USD 70-100m in additional payments related to decommissioning security agreements in Q4 2023 – to be settled in GBP
- › Netherlands acquisitions cancelled. Negatively impacted by windfall taxes and uncertainty about future decommissioning security requirements. Matters resolved with TAQA but not yet with Dana
- › The Company is comfortably within its Net Debt / EBITDA covenant, both at WPL and WPUK
- › USD 211m was paid in earn-out payments to Capricorn and MOL in Q1 2023. Next earn-out payments expected in Q1 2024

## H1 2023 KEY STATS

PRODUCTION  
24.9 kboepd

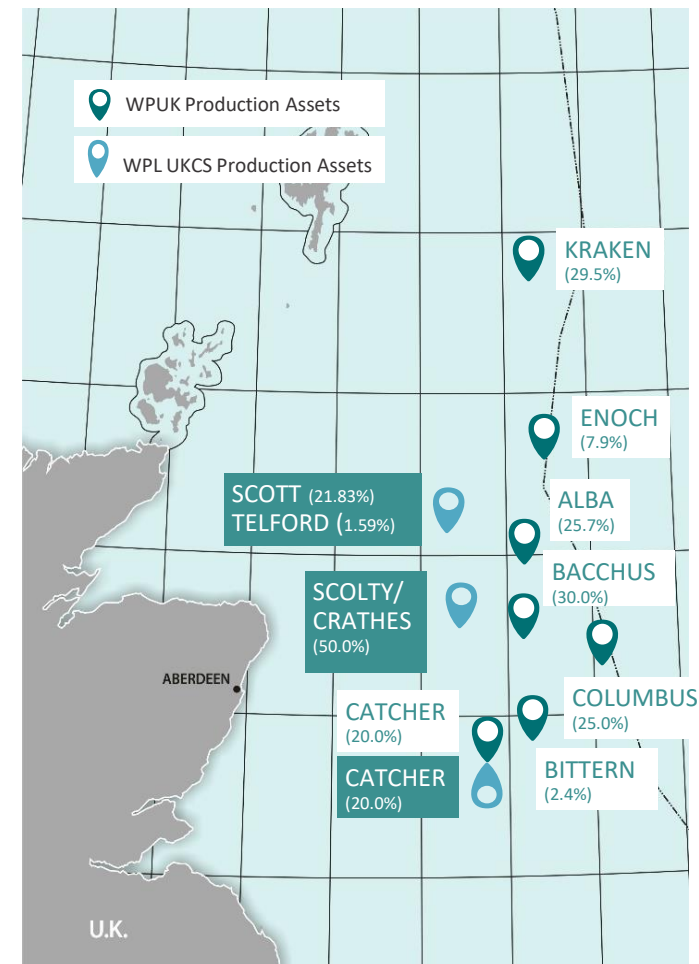
REALISED PRICE  
78.2 \$/boe

OPERATING CASH FLOW  
USDm 174

CASH POSITION  
USDm 391<sup>2</sup>

NET DEBT  
0.51X LTM  
EBITDA

## DIVERSIFIED UK PORTFOLIO



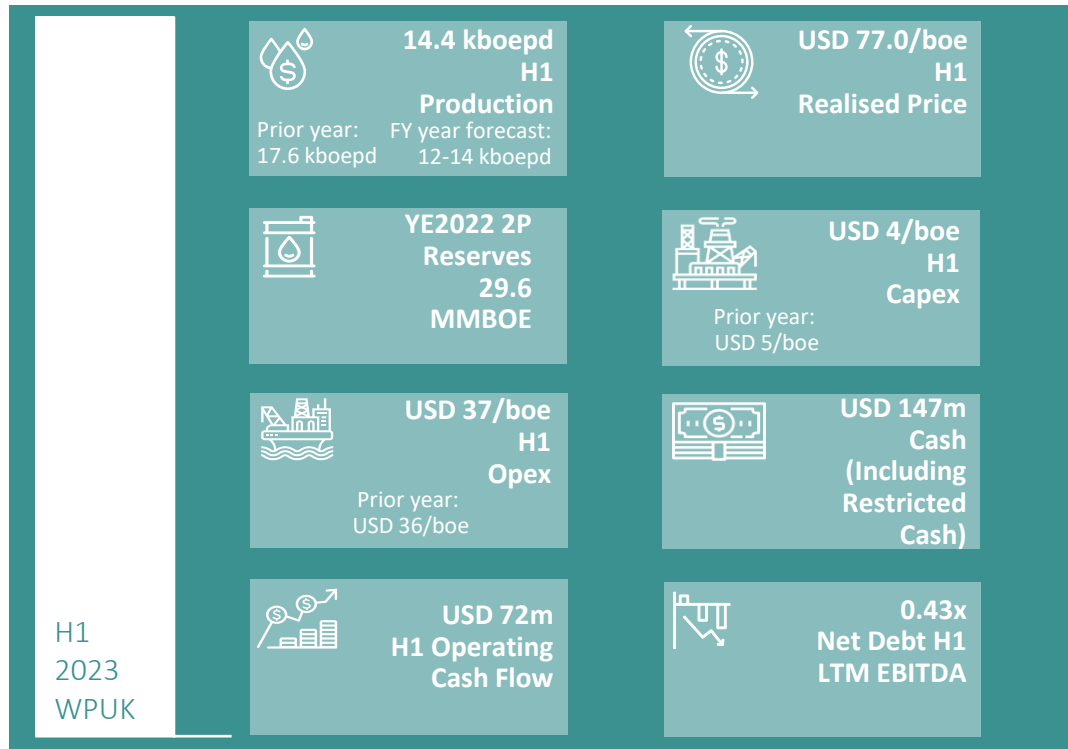
(1) Preliminary estimates for ORRI assets; (2) Including restricted cash, Excluding cash held at WEPL of USD 64mn;

# WALDORF: H1 2023 TRADING UPDATE

## WPUK

H1 2023 OPERATING CASH FLOW, EXCLUDING DEBT SERVICING AND EARN OUT PAYMENT, OF USD 72M

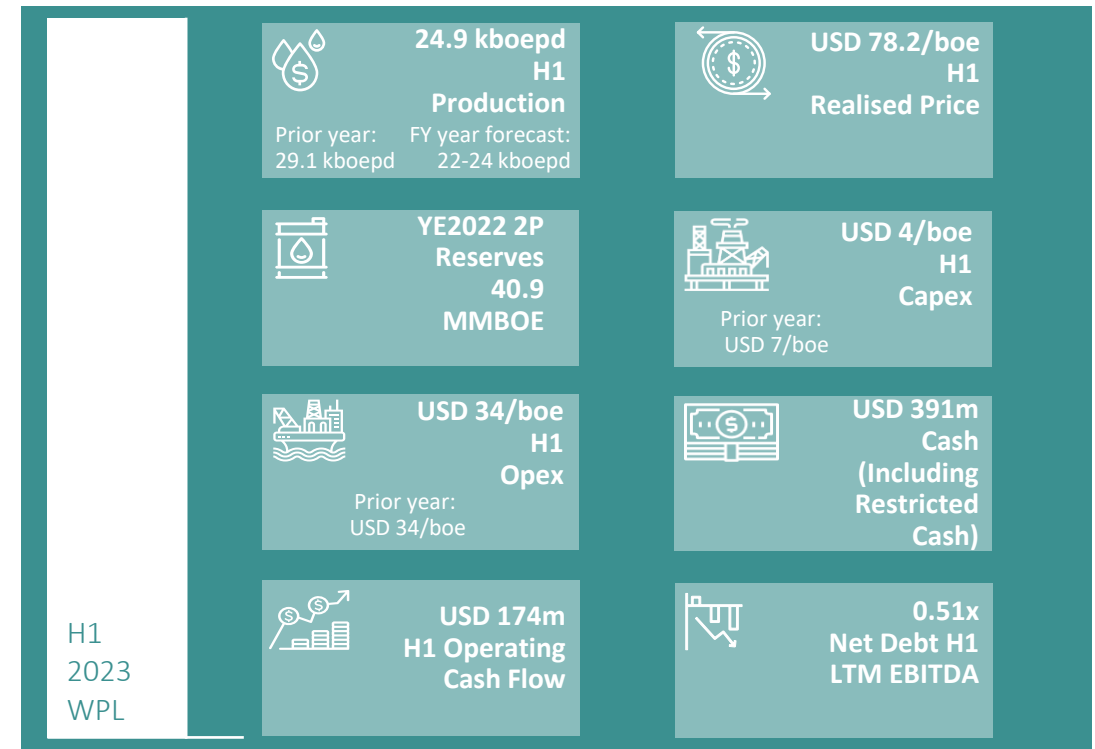
- › Production in the second quarter was behind target due to unforeseen Kraken and Catcher outages and ongoing water injection issues on Alba
- › End-H1 cash of USD 147m, post payment of bond amortization
- › Comfortably within Net Debt / EBITDA covenants at quarter end



## WPL

H1 2023 OPERATING CASH FLOW, EXCLUDING DEBT SERVICING AND EARN OUT PAYMENT, OF USD 174M

- › Revised full-year group production forecast of 22-24 kboepd due to Kraken, Catcher and Alba issues
- › Expected capex increase through the rest of the year driven by planned drilling activity at Scott and Alba (mid/late-2023)
- › End-H1 cash position of USD 391m (including restricted cash), broadly in-line with expectations given YTD commodity prices



# OPERATIONS UPDATE

## ADDRESSING OPERATIONAL ISSUES

### CATCHER



- › The FPSO generally continues to deliver good steady operational performance with increased gas export
- › An unplanned 5-day outage in June followed by restricted rates for ~2 weeks has negatively impacted overall production
- › The hopper of well targets is currently being evaluated for a potential 2024+ drilling programme

### KRAKEN



- › Production impacted by hydraulics submersible pump transformer failures. Good operator response to develop a recovery plan but field shut-in for over 3 weeks and restricted production for a further 2 months
- › Production resumed on rebuilt transformers but no system redundancy until delivery of replacement transformers in September
- › Loss of production insurance coverage is expected to provide some mitigation

### ALBA



- › The failure of the John Brown Turbine (JBT) power generation unit in April has resulted in a loss of water injection that has significantly impacted production rates
- › Discussions are actively ongoing within the joint venture with the objective to deliver a step change in field and cost performance reflecting the field's late life status
- › An infill well to drill the B06 location is scheduled to start early 4Q2023

### COLUMBUS



- › 2023 production close to forecast with significant flush production peaks following outages
- › Active engagement from the operator with Shearwater host (Shell) has driven improved information flow and response time

# OPERATIONS UPDATE

## ADDRESSING OPERATIONAL ISSUES

### SCOTT/TELFORD



- › Infill drilling restarted in May 2023 and the ST35 well drilled the reservoir section with positive results. The well will be completed and brought online after the summer maintenance shutdown
- › Platform returned to two engine operation and increased water injection rates from May 2023. Production is now responding and recovering from lower rates earlier in the year
- › Preparations for maintenance shutdown (TAR) completed in Q2. Planned 50-day TAR commenced on 22 July 2023

### SNS ASSETS



- › Transition of assets into Waldorf has been completed successfully
- › Positive engagements with JV partners and UK regulators to finalise timing for future decommissioning programme
- › Tenders have been issued for a jack-up rig to allow the commencement of well plug and abandonment operations in 2024
- › Opportunity for repurposing of Wenlock platform as a bird hotel is being pursued following government approval of Ørsted's Hornsea Four windfarm

### SCOLTY & CRATHES



- › Excellent production efficiency on the host platform (Kittiwake) has meant good uptime from Scolty Crathes
- › The planned 21 day shutdown was delayed from April to August 2023

### CHEVIOT



*Emerald Producer located on what is now Cheviot*

- › Redevelopment of the Emerald Field
- › Assess stage studies re-evaluated the development of the oil: lower recovery coupled with increased capital and operating costs leads to challenging economics. Oil development currently on hold
- › Evaluation of the development of the Cheviot gas cap and the nearby Padon gas discovery as a subsea tie-back to existing infrastructure is currently ongoing



WALDORF  
PRODUCTION

COMPANY & OPERATIONS UPDATE

# FINANCIALS







WALDORF  
PRODUCTION

COMPANY & OPERATIONS UPDATE

# FINANCIALS

WALDORF PRODUCTION LIMITED (CONSOLIDATED)  
H1 2023



# H1 2023 UPDATE – WALDORF PRODUCTION LIMITED

## UNAUDITED STATEMENT OF FINANCIAL POSITION



Unaudited Statement of Financial Position	30 Jun	31 Dec		30 Jun	31 Dec
Assets	2023	2022	Equity & Liabilities	2023	2022
	USD M	USD M		USD M	USD M
Property, Plant & Equipment	1,355	1,447	Equity	(145)	(63)
Goodwill	89	89	Bond	277	175
Receivables and other assets	128	190	Deferred Tax Liability	184	152
Cash & Cash Equivalents	111	99	Current tax liability	124	56
Restricted cash	280	270	ARO Provision	655	641
			Lease Liabilities	387	423
			Contingent consideration	234	440
			Other Liabilities	247	271
	<b>1,963</b>	<b>2,095</b>		<b>1,963</b>	<b>2,095</b>

### › NET DEBT TO EBITDA OF 0.51X COMFORTABLY WITHIN FINANCIAL COVENANT

- › End of H1 2023 cash & cash equivalents position of USD 111m (WPUK bond amortization and interest paid prior to quarter-end)
- › Closing bond position of USD 277m reflecting the timing of WPUK bond capital and interest repayments prior to the quarter-end
- › Un-recognised deferred tax asset of USD 727m not included in statement of financial position

**WALDORF PRODUCTION LIMITED (CONSOLIDATED)  
STATEMENT OF COMPREHENSIVE INCOME & CASH FLOW STATEMENT**

**QUARTER ENDING  
30<sup>TH</sup> JUN 2023**

**UNAUDITED  
CONSOLIDATED**

**WALDORF PRODUCTION  
LIMITED**

**STATEMENT OF  
COMPREHENSIVE  
INCOME &  
CASH FLOW STATEMENT**

Statement of Comprehensive Income	2023 H1 \$'000	2022 FY \$'000
Oil Sales	273,165	645,966
Gas and NGL Sales	22,880	48,568
Derivatives	(1,370)	(10,847)
<b>Revenue</b>	<b>294,675</b>	<b>683,688</b>
Cost of Sales	(66,118)	(203,082)
DD&A	(135,067)	(240,842)
Impairment	0	(88,743)
<b>Gross Profit</b>	<b>93,489</b>	<b>151,021</b>
G&A	(9,733)	(36,257)
Other income	231	7,704
Other expenses	(14,995)	(11,244)
Foreign Exchange	6,602	7,629
Interest Income	3,705	1,351
Interest Expense	(43,601)	(66,169)
Contingent revaluation	(9,718)	(91,185)
Other finance costs	(9,043)	(7,591)
Tax	(75,132)	(90,513)
<b>Net Profit/(Loss)</b>	<b>(58,194)</b>	<b>(135,254)</b>

Cashflow Statement	2023 H1 \$'000	2022 FY \$'000
<b>Cashflow from Operating Activities</b>		
Cash (absorbed by) / generated from operations	174,355	470,991
<b>Investing Activities</b>		
Net cash used in investing activities	(244,196)	(223,514)
<b>Financing Activities</b>		
Net cash generated from / (used in) financing activities	82,082	(202,323)
<b>Net increase / (decrease) in cash</b>	<b>12,241</b>	<b>45,154</b>
Unrestricted Cash at beginning of period	98,527	53,373
<b>Unrestricted Cash at end of period</b>	<b>110,768</b>	<b>98,527</b>

**WALDORF PRODUCTION LIMITED (CONSOLIDATED)  
STATEMENT OF FINANCIAL POSITION**

**QUARTER ENDING  
30<sup>TH</sup> JUN 2023**

**UNAUDITED  
CONSOLIDATED**

**WALDORF PRODUCTION  
LIMITED**

**STATEMENT OF  
FINANCIAL POSITION**

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Cash and cash equivalent	110,768	98,527
Restricted cash	280,067	270,394
Trade and other receivables	22,579	119,570
Inventory and cash (JV)	19,462	17,080
Intercompany receivables	50,466	48,649
Derviative financial instruments	0	2,762
Other current assets	35,819	2,015
<b>Current Assets</b>	<b>519,160</b>	<b>558,997</b>
Oil and Gas properties	1,354,898	1,446,972
Goodwill	88,993	88,993
<b>Non Current Assets</b>	<b>1,443,891</b>	<b>1,535,964</b>
<b>TOTAL ASSETS</b>	<b>1,963,051</b>	<b>2,094,961</b>

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Trade and other payables	111,053	116,801
Accruals	21,267	42,513
Bonds	101,500	100,000
Contingent Payment	117,744	227,673
Derviative financial instruments	6,830	15,657
ARO Liability (S/T)	5,591	7,829
FPSO Liability (S/T)	71,500	87,663
Current Tax	124,249	55,765
Other current liabilities	75,193	53,314
<b>Current Liabilities</b>	<b>634,927</b>	<b>707,216</b>
ARO Liability	649,216	633,610
Deferred tax liability	183,616	151,788
Contingent Payment	116,257	212,272
FPSO Liability	315,780	335,497
Bonds	175,000	75,000
Other non current liabilities	33,074	42,505
<b>Non Current Liabilities</b>	<b>1,472,942</b>	<b>1,450,672</b>
Equity	(144,818)	(62,926)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,963,051</b>	<b>2,094,961</b>

COMPANY & OPERATIONS UPDATE

# FINANCIALS

WALDORF PRODUCTION UK PLC  
H1 2023



WALDORF  
PRODUCTION



# H1 2023 UPDATE – WALDORF PRODUCTION UK PLC

## UNAUDITED STATEMENT OF FINANCIAL POSITION

Unaudited Statement of Financial Position	30 Jun		31 Dec		30 Jun		31 Dec	
	2023		2022		2023		2022	
	USD M		USD M		USD M		USD M	
<b>Assets</b>					<b>Equity &amp; Liabilities</b>			
Property, Plant & Equipment	726	820	Equity	(50)	4			
Investments	44	39	Bond	125	175			
Receivables and other assets	73	206	Current tax liability	81	51			
Cash & Cash Equivalents	44	85	ARO Provision	296	296			
Restricted cash	103	102	Lease Liabilities	266	292			
			Deferred tax liability	57	57			
			Contingent consideration	105	235			
			Other Liabilities	108	142			
	<b>989</b>	<b>1,253</b>		<b>989</b>	<b>1,253</b>			

- › NET DEBT TO EBITDA OF 0.43X COMFORTABLY WITHIN FINANCIAL COVENANT
- › End of H1 2023 cash & cash equivalents position of USD 44m (bond amortization and interest paid prior to quarter-end)
- › Closing bond position of USD 125m reflecting the timing of bond capital and interest repayments prior to the quarter-end

QUARTER ENDING  
30<sup>TH</sup> JUN 2023

UNAUDITED  
CONSOLIDATED

WALDORF PRODUCTION  
UK PLC AND  
SUBSIDIARIES

STATEMENT OF  
COMPREHENSIVE  
INCOME &  
CASH FLOW STATEMENT

WALDORF PRODUCTION UK PLC (CONSOLIDATED)  
STATEMENT OF COMPREHENSIVE INCOME & CASH FLOW STATEMENT

Statement of Comprehensive Income	2023 H1 \$'000	2022 FY \$'000
Oil Sales	150,849	546,845
Gas and NGL Sales	11,371	42,057
Derivatives	(1,370)	(10,847)
<b>Revenue</b>	<b>160,849</b>	<b>578,055</b>
Cost of Sales	(43,184)	(138,129)
DD&A	(97,360)	(251,898)
Impairments	0	(79,244)
<b>Gross Profit</b>	<b>20,305</b>	<b>108,784</b>
G&A	(5,832)	(30,297)
Other Income	176	0
Foreign Exchange	(1,163)	4,038
Interest Income	1,080	726
Interest Expense	(26,209)	(52,111)
Contingent revaluation	(4,227)	(88,255)
Other finance costs	(4,440)	(38,309)
Tax	(37,685)	(73,618)
<b>Net Profit/Loss</b>	<b>(57,995)</b>	<b>(169,041)</b>

Cashflow Statement	2023 H1 \$'000	2022 FY \$'000
<b>Cashflow from Operating Activities</b>		
Cash (absorbed by) / generated from operations	71,710	406,433
<b>Investing Activities</b>		
Net cash used in investing activities	(151,990)	(154,535)
<b>Financing Activities</b>		
Net cash generated from / (used in) financing activities	38,873	(219,908)
<b>Net increase / (decrease) in cash</b>	<b>(41,407)</b>	<b>31,990</b>
Unrestricted Cash at beginning of period	85,320	53,330
<b>Unrestricted Cash at end of period</b>	<b>43,913</b>	<b>85,320</b>

QUARTER ENDING  
30<sup>TH</sup> JUN 2023

UNAUDITED  
CONSOLIDATED

WALDORF PRODUCTION  
UK PLC AND  
SUBSIDIARIES

STATEMENT OF  
FINANCIAL POSITION

WALDORF PRODUCTION UK PLC (CONSOLIDATED)  
STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Cash and cash equivalent	43,913	85,320
Restricted cash	102,995	101,760
Trade and other receivables	24,948	74,436
Inventory and cash (JV)	12,151	10,566
Intercompany receivables	30,225	114,791
Derviative financial instruments	0	2,762
Other current assets	5,575	3,868
<b>Current Assets</b>	<b>219,808</b>	<b>393,502</b>
Oil and Gas properties	725,697	820,481
Investments	43,684	38,759
<b>Non Current Assets</b>	<b>769,381</b>	<b>859,240</b>
<b>TOTAL ASSETS</b>	<b>989,189</b>	<b>1,252,742</b>

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Trade and other payables	43,923	70,659
Accruals	18,719	28,065
Bonds	100,000	100,000
Contingent Payment	58,977	134,414
Derviative financial instruments	6,830	15,657
ARO Liability (S/T)	0	1,173
FPSO Liability (S/T)	67,488	81,305
Current Tax	81,224	51,002
Other current liabilities	38,464	27,733
<b>Current Liabilities</b>	<b>415,626</b>	<b>510,011</b>
ARO Liability	296,044	294,859
Contingent Payment	46,238	100,974
Deferred Tax	57,386	57,386
FPSO Liability	198,434	210,982
Bonds	25,000	75,000
<b>Non Current Liabilities</b>	<b>623,102</b>	<b>739,200</b>
Equity	(49,539)	3,531
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>989,189</b>	<b>1,252,742</b>





WALDORF  
PRODUCTION

COMPANY & OPERATIONS UPDATE

# FINANCIALS

WALDORF ENERGY FINANCE PLC (UNCONSOLIDATED)  
H1 2023



QUARTER ENDING  
30<sup>TH</sup> JUN 2023

UNAUDITED  
UNCONSOLIDATED

WALDORF ENERGY  
FINANCE PLC

STATEMENT OF  
COMPREHENSIVE  
INCOME &  
CASH FLOW STATEMENT

WALDORF ENERGY FINANCE PLC (UNCONSOLIDATED)  
STATEMENT OF COMPREHENSIVE INCOME & CASH FLOW STATEMENT

Statement of Comprehensive Income	2023 H1 \$'000	2022 FY \$'000
Gross Profit	0	0
Interest expense	(6,000)	0
Other finance costs	(1,677)	0
<b>Net Profit/(Loss)</b>	<b>(7,677)</b>	<b>0</b>

Cashflow Statement	2023 H1 \$'000	2022 FY \$'000
<b>Cashflow from Operating Activities</b>		
Cash (absorbed by) / generated from operations	0	0
<b>Investing Activities</b>		
Net cash used in investing activities	0	0
<b>Financing Activities</b>		
Net cash generated from / (used in) financing activities	0	0
<b>Net increase / (decrease) in cash</b>	<b>0</b>	<b>0</b>
Unrestricted Cash at beginning of period	0	0
<b>Unrestricted Cash at end of period</b>	<b>0</b>	<b>0</b>

QUARTER ENDING  
30<sup>TH</sup> JUN 2023

UNAUDITED  
UNCONSOLIDATED

WALDORF ENERGY  
FINANCE PLC

STATEMENT OF  
FINANCIAL POSITION

WALDORF ENERGY FINANCE PLC (UNCONSOLIDATED)  
STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Intercompany receivables	134,820	0
Other current assets	9,004	0
Current Assets	143,823	0
<b>TOTAL ASSETS</b>	<b>143,823</b>	<b>0</b>

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Other current liabilities	1,500	0
Current Liabilities	1,500	0
Bonds	150,000	0
Non Current Liabilities	150,000	0
Equity	(7,677)	0
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>143,823</b>	<b>0</b>



WALDORF  
PRODUCTION

COMPANY & OPERATIONS UPDATE

# FINANCIALS

WALDORF PRODUCTION LIMITED (UNCONSOLIDATED)  
H1 2023



QUARTER ENDING  
30<sup>TH</sup> JUN 2023

UNAUDITED  
UNCONSOLIDATED

WALDORF PRODUCTION  
LIMITED

STATEMENT OF  
COMPREHENSIVE  
INCOME &  
CASH FLOW STATEMENT

WALDORF PRODUCTION LIMITED (UNCONSOLIDATED)  
STATEMENT OF COMPREHENSIVE INCOME & CASH FLOW STATEMENT

Statement of Comprehensive Income	2023 H1 \$'000	2022 FY \$'000
Gross Profit	0	0
G&A	(2,321)	(2,222)
Other Income	221	76,000
Other expenses	(5,000)	0
Foreign Exchange	1,363	64
Interest expense	(2,482)	(168)
Contingent consideration revaluation	(5,491)	
<b>Net Profit/(Loss)</b>	<b>(13,711)</b>	<b>* 73,673</b>

Cashflow Statement	2023 H1 \$'000	2022 FY \$'000
<b>Cashflow from Operating Activities</b>		
Cash (absorbed by) / generated from operations	106,979	56,484
<b>Investing Activities</b>		
Net cash used in investing activities	(98,260)	(68,979)
<b>Financing Activities</b>		
Net cash generated from / (used in) financing activities	43,209	17,585
<b>Net increase / (decrease) in cash</b>	<b>51,928</b>	<b>5,090</b>
Unrestricted Cash at beginning of period	5,090	0
<b>Unrestricted Cash at end of period</b>	<b>57,018</b>	<b>5,090</b>

\* An expected credit loss provision on intercompany balances of \$144M was recorded in the FY22 financial statements. This is not reflected in the management accounts, as is a statutory adjustment only

QUARTER ENDING  
30<sup>TH</sup> JUN 2023

UNAUDITED  
UNCONSOLIDATED

WALDORF PRODUCTION  
LIMITED

STATEMENT OF  
FINANCIAL POSITION

WALDORF PRODUCTION LIMITED (UNCONSOLIDATED)  
STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Cash and cash equivalent	57,018	5,090
Intercompany receivables	0	77,575
Other current assets	23,468	0
<b>Current Assets</b>	<b>80,486</b>	<b>82,665</b>
Investments	227,108	227,108
<b>Non Current Assets</b>	<b>227,108</b>	<b>227,108</b>
<b>TOTAL ASSETS</b>	<b>307,594</b>	<b>309,773</b>

Statement of Financial Position	Jun-23 \$'000	Dec-22 \$'000
Accounts Payable	850	71
Accruals	993	0
Contingent Payment	58,767	93,260
Intercompany payables	86,638	0
Other current liabilities	88,476	62,586
<b>Current Liabilities</b>	<b>235,724</b>	<b>155,916</b>
Contingent Payment	70,019	111,299
Other creditors over a year	32,839	44,835
<b>Non Current Liabilities</b>	<b>102,858</b>	<b>156,134</b>
Equity	(30,988)	* (2,277)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>307,594</b>	<b>309,773</b>

\* An expected credit loss provision on intercompany balances of \$144M was recorded in the FY22 financial statements. This is not reflected in the management accounts, as is a statutory adjustment only



**WALDORF**  
PRODUCTION

**WALDORF PRODUCTION**

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