



UNITED  
OIL & GAS



# Interim Results 1H 2021

28 September 2021

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## STRATEGIC



**Divestment of non-core interests** - UK CNS and Italy signed SPA (post period end)

**Egypt** - Potential to deliver large reserve and production upside | Long term drilling plan starting with 4 wells in 2022

**Jamaica** - Actively working to achieve the best path forward for this exciting high-impact asset

Continued evaluation of **new business opportunities** to grow the business in line with our strategy

## OPERATIONAL



1H 2021 average production of **2,730 boepd** (1H 2020: 1,975 boepd)<sup>1</sup> | Production guidance for FY 2021 - **2,100-2,300 boepd**<sup>2</sup>

**3** successful wells in Egypt drilled in 1H 2021

**2** additional wells added to the Egypt 2021 drilling campaign (1) Exploration well ASX-1 >10m net pay (2) New development well AJ-13

**Zero** LTI's, MTI's, RWI's, spills, fires, or environmental incidents reported by Operator

## FINANCIAL



Revenues of **\$10m** m at an average realised price of **\$63/bbl**

Operating cost **<\$4.61/bbl**

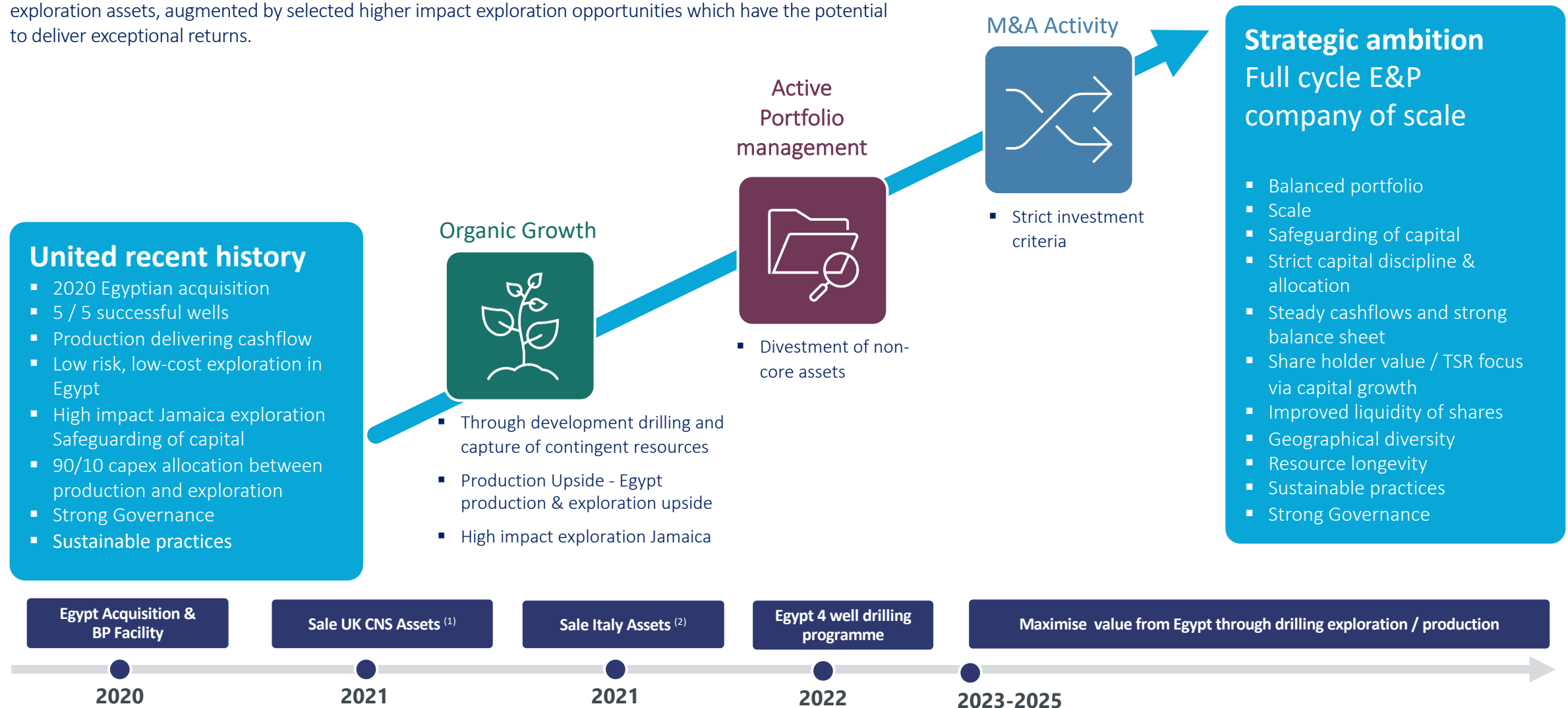
Cash generated by operations **\$6m** | **\$2m** cash as at 30 June 2021

Capex programme **fully funded** from operating cashflow

<sup>1</sup>Net Working Interest average for the 10 months from completion date of Egyptian Acquisition. <sup>2</sup>UOG Net Working Interest share  
<sup>3</sup>2.4 Bn bbls is UOG's arithmetic sum of the Unrisked Mean Prospective Resources for each prospect/lead

# Strategic Ambition - Value Creation and Growth Options

United intends to grow its portfolio through a combination of low-risk production, development and exploration assets, augmented by selected higher impact exploration opportunities which have the potential to deliver exceptional returns.



# Portfolio Optimisation - Underpinning Future Growth

Active portfolio management

Strategic divestments of non-core assets

- UK Zeta and Maria
- Italy Selva Malvezzi

Removes capital expenditure associated with development

Proceeds

- Provide additional financial flexibility
- Re-investment to drive future growth of Company



- \$5.2m of upfront consideration expected following completion of UK CNS & Selva transactions

Signed SPA with Quattro Energy Ltd  
100% working interest  
£3.2 million (c. US \$4.4 million).

Signed SPA in August 2021 with Prospex Energy  
20% working interest  
€2.165 million in cash (c \$2.54m).



# Commitment to Operating a Sustainable Business



## Environmental

- **ZERO** spills, fires, environmental incidents<sup>1</sup>
- Limit the Group's impact on the natural environment
- Operating to highest environmental and regulatory standards
- United's role is to provide challenge and sphere of influence to operating partners and ensure ESG practice is at the forefront of any activities
- Clear ESG focus and actions including evaluation of emissions baseline in Egypt and review of social investment programmes



## Social

- **ZERO** LTI's<sup>2</sup>, MTI's<sup>3</sup>, RWI's<sup>4</sup>
- **\$100,000** - Annual contribution to Training & Education Fund in Jamaica
- **\$400,000** contributed to this fund since United joined the licence in 2017
- **\$50,000**<sup>5</sup> Annual Training contribution in Egypt
- Commit to the sustainable development of the communities where we are present
- Promote diversity and ensure all employees are treated fairly
- Deliver positive engagement between the Company and all key stakeholders



## Governance

- Strong Governance
- Guided by the 10 principles set out in the QCA code
- Promoting a culture based on ethical values and behaviours
- Embedded Risk Management
- Board Committees for Audit, Remuneration, ESG & AIM Rules Compliance
- Establishment of ESG Committee enables enhanced monitoring and reporting of our assets at Board level

# Finance



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# 1H 2021 Financial Summary



## Production<sup>1</sup>

2,730 boepd

(1H 2020: 1,975)<sup>2</sup>

## Realised Oil Price

\$63/bbl

(1H 2020: \$28/bbl)

## Realised Gas Price

\$2.6/mmbtu

## Group Revenue

\$10m

(1H 2020: \$2m)<sup>2</sup>  
Net of Government Take

## Gross Profit

\$6m

(1H 2020: \$0.3m)

## Cash from operations

\$6m

(1H 2020: \$0.6m)

## Cash Operating Cost

\$4.61/boe

(1H 2020: \$4.36/bbl)

## Cash Balance

\$2m

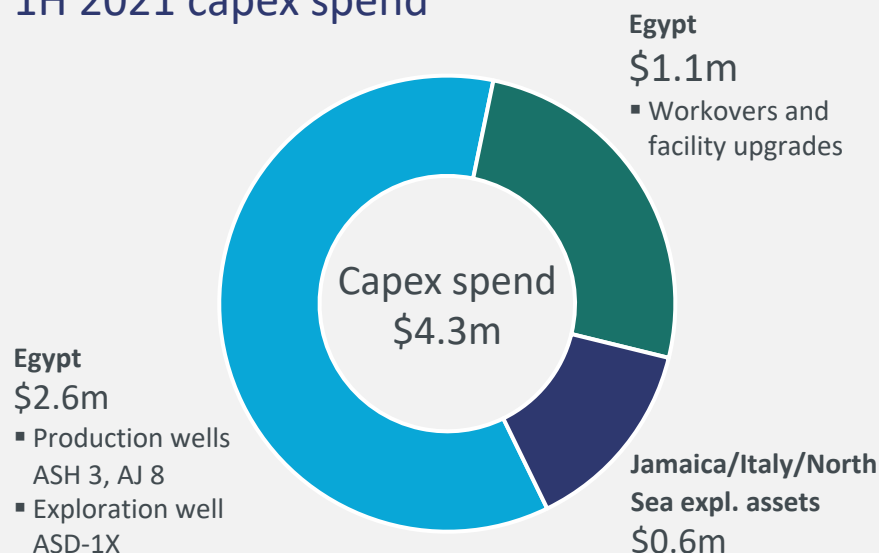
(1H 2020: \$2m)

## Cash Collections

\$8m

(1H 2020: \$4m)<sup>2</sup>

## 1H 2021 capex spend





# Disciplined Capital Allocation & Capital Flexibility

**Resilient Portfolio** with a low-cost production base and attractive short cycle development & exploration opportunities delivering positive operational cashflow

**Capital Allocation** focusing 90% of capital on development opportunities and 10% on selective exploration opportunities

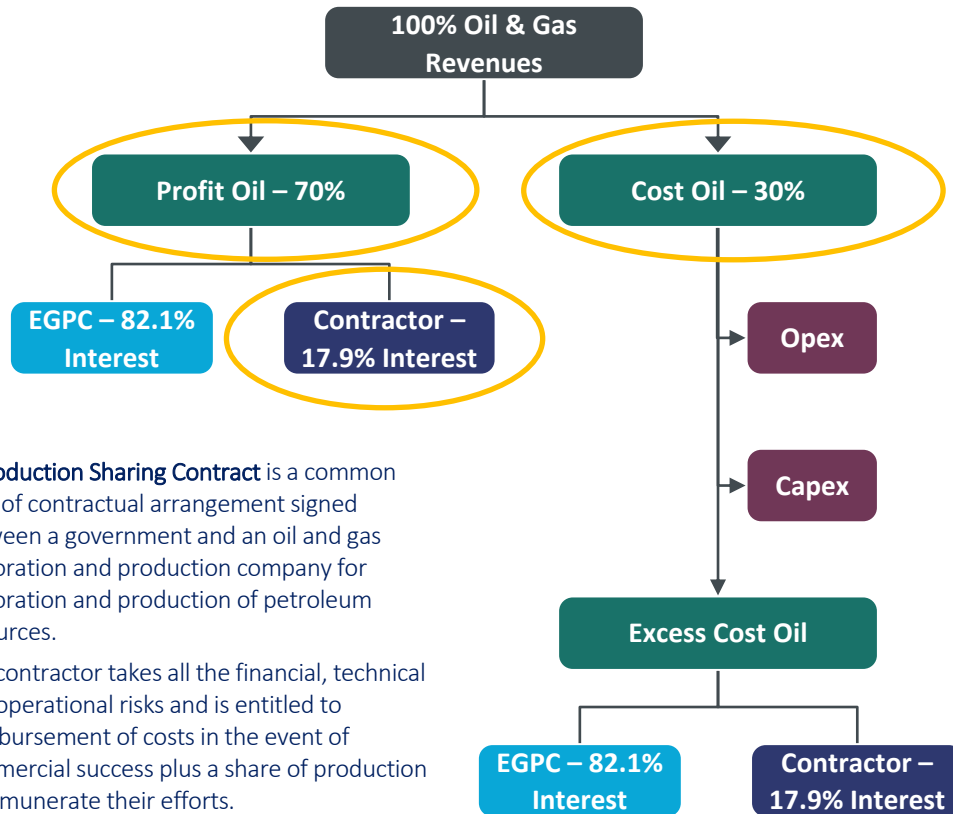
**Capital Flexibility** ensured decisive and disciplined capital allocation whilst delivering low-cost production growth

Continued focus on **G&A and Operating Costs**

Portfolio positioned to **deliver material cash flow into the future**



# Egypt Fiscal terms - Production Sharing Contract (“PSC”)



## PSC Terms

- Contractor (joint venture partners) entitled to recover Capex & Opex expenditure from cost pool
- Capex depreciated and added to the recoverable cost pool over a five-year period and Opex is added to the cost pool at the time on investment
- Inherited a significant cost recovery balance on acquisition completion and currently in excess of \$140m (gross) available for cost recovery
- Fiscal terms expected to remain stable for the remainder of asset life due to continued investment and cost pool balance
- Royalties and taxes are paid by EGPC on Contractors behalf from EGPC’s share of production

## Contractor’s Effective Take 42.53%

$$\text{Profit Oil – 70\%} \times \text{Contractor – 17.9\% Interest} + \text{Cost Oil – 30\%}$$

- Contractors (joint venture partners) take is 42.53% of production/revenue
- EGPC take is 57.47% of production/revenue
- United’s equity interest is 22% in the licence
- United does not pay any corporation tax in UK or Egypt on its profits due to the PSC terms and double tax treaty.

## Illustrated Example;

- 10,000 bopd gross oil production for one month (300,000 bbls) would mean working interest (22%) production of 2,200 bopd (66,000 bbls) for United
- Revenue at \$70/bbl (post \$2 discount to Brent) for United for this month would be 66,000\*42.53%\*\$70/bbl of \$1.96m and there is no taxation on this revenue
- The same calculation applies to gas revenues

# Operations



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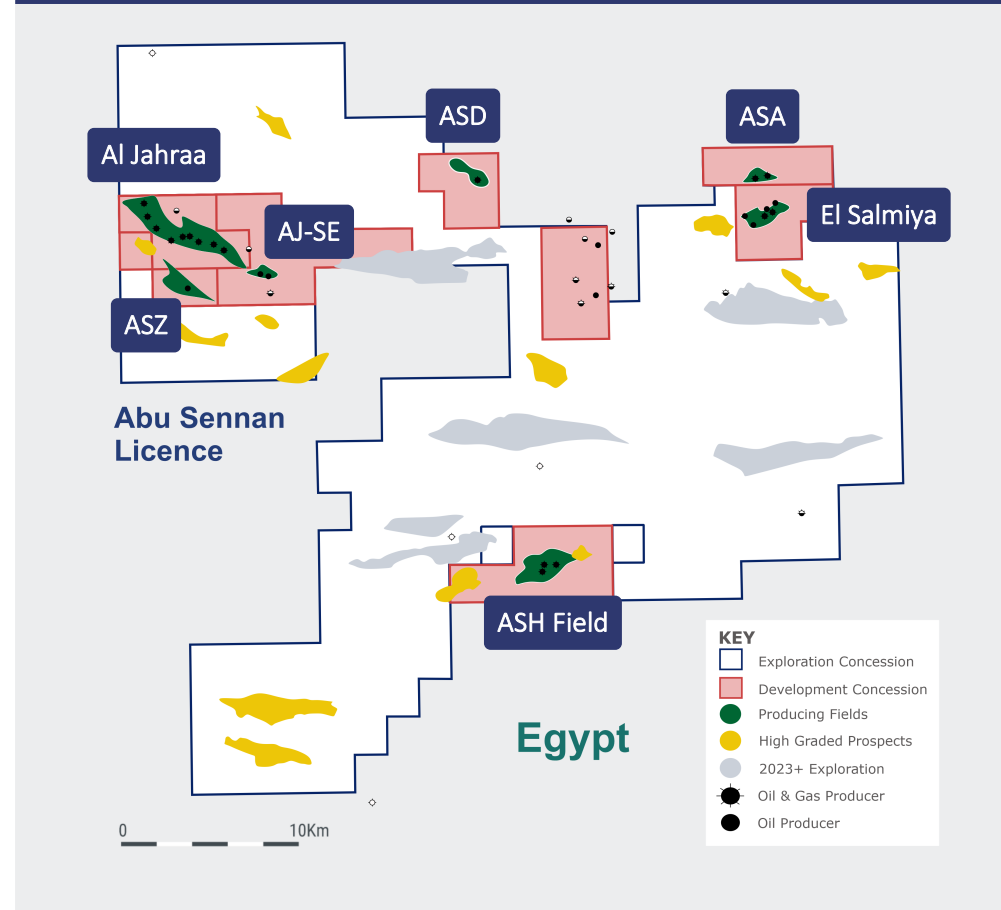
# Maximising Value from Our Asset Base

## EGYPT<sup>P+D+A+E</sup>



- 2,730 boepd<sup>1</sup> H1 2021 22% Net Working Interest production
- 2P reserves of 3.7 mmboe<sup>2</sup> Net WI
- Production & Development upside with 3P reserves of 7.6 mmboe<sup>2</sup> Net WI
- Exploration upside of 12.7 mmboe<sup>3</sup> Net WI prospective resources, 3U

## ABU SENNAN LICENCE<sup>P+D+A+E</sup>



## JAMAICA<sup>E</sup>



- High-Impact Colibri prospect with mean prospective resources 406 mmbbls<sup>4</sup>
- 2.4 billion barrels<sup>5</sup> of unrisked mean prospective resources identified across the licence area

P = Production; D = Development; A = Appraisal; E = Exploration

<sup>1</sup> 22% Net Working Interest reported by operator for H1 2021

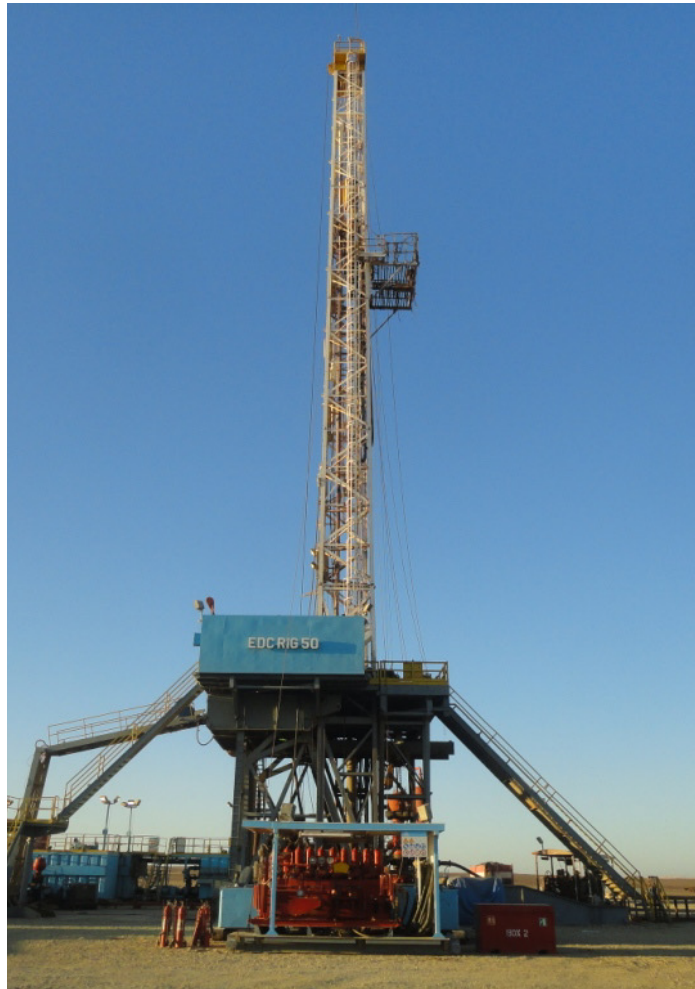
<sup>2</sup> Egypt reserves per GaffneyCline Report, YE2020. <sup>3</sup> UOG's arithmetic sum of the Unrisked 3U Prospective Resources for each prospect/lead

<sup>4</sup> Colibri resources per GaffneyCline Report, 2020.

52.4 Bn bbls is UOG's arithmetic sum of the Unrisked Mean Prospective Resources for each prospect/lead



# H1 2021 Summary - High Levels of Activity and Record Production



EDC 50 rig, Abu Sennan

## Excellent HSE Performance

0

LTIs, MTIs, RWIs, spills<sup>1</sup>

## Abu Sennan Summary

7

Producing Fields

## Working Interest

22%

United's net working interest

## H1 Production

2,730

Boepd net to United's working interest

## H1 Activity

3/3

Successful wells

## H1 Workovers

>220

Bopd net addition from ASH-1<sup>st</sup>2

## FY Production Guidance

2,100-2,300

Boepd net to United's working interest

## Additional 2021 Drilling

2

Wells added to 2021 drilling programme

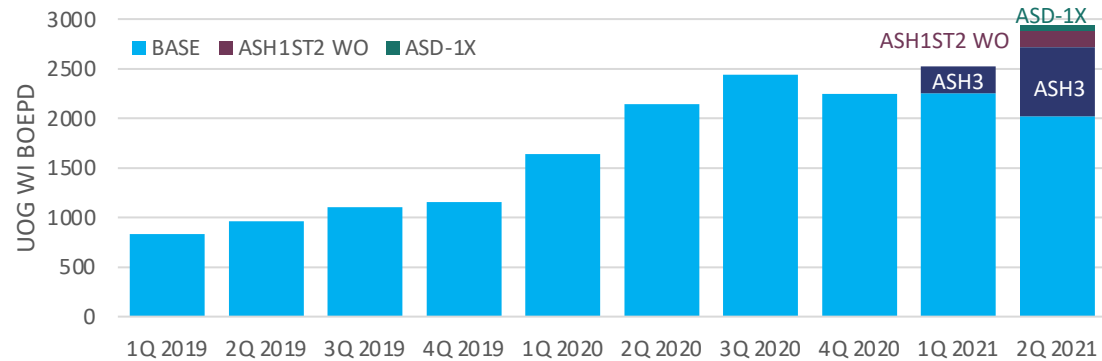
## 2022+

4

Wells in indicative programme for next year

# Value-accretive H1 2021 Success; Further Activity Planned

## Production growth since date of acquisition & 1H 2021 drilling campaign



### ASH-3

Feb '21  
620  
<3

Date onstream  
Boepd (net Q2 average)<sup>1</sup>  
month payback period<sup>2</sup>



### ASH-1<sup>ST</sup>2 Workover

May '21  
>220  
<3

Date onstream  
Bopd (net Q2 average add)<sup>1</sup>  
month payback period<sup>2</sup>



### ASD-1X

May '21  
130  
<12

Date onstream  
Bopd (net Q2 average)<sup>1</sup>  
month payback period<sup>2</sup>



### Al Jahraa-8st1

Aug '21  
>200  
<12

Date onstream  
Boepd net (early September)<sup>1</sup>  
month payback period<sup>2</sup>

## Additional 2021 Wells

ASX-1X >10m net pay encountered; Testing planned

AJ-13 Development well targeting Upper and Lower Bahariya upside identified by AJ-8st1

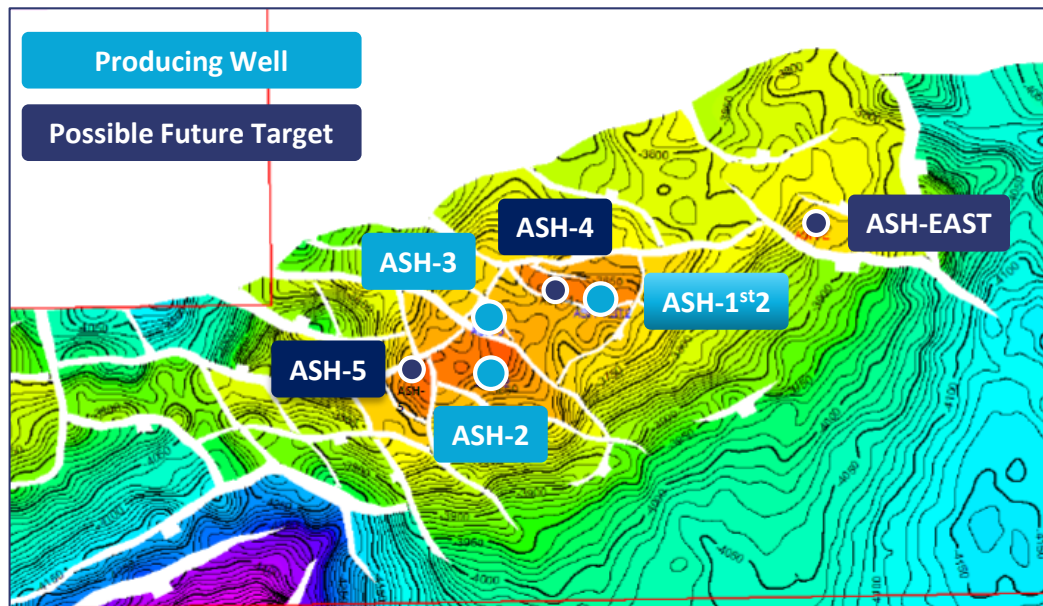
# Stabilisation of ASH Field Production

- During August, the **proportion of water to oil** being produced from the **ASH-2 well** increased at a faster than expected rate, leading to a drop in oil production
- This is an **ASH-specific issue**, and has no impact on the other fields in Abu Sennan
- Number of **operations to investigate** options for stabilising production were conducted during August



## PRODUCTION STABILISATION AND FORWARD PLANS

- Since the end of August, the **ASH wells have been left to flow** on a constrained choke.
- Encouragingly, both the water-cut and the production rates have **stabilised**
- On target for revised full-year Abu Sennan guidance of **2,100-2,300 boepd** net working interest
- **Continuing to closely monitor** the wells and work with the operator to optimise production
- **Additional drilling targets** in and adjacent to the field are being evaluated



## ASH FIELD SUMMARY

3	producing wells on the field
0.66	million barrels net produced to date
1,100	bopd net average over last 18 months

# Maximising the Future Potential of Abu Sennan

## PRODUCTION UPSIDE

Development targets identified at ASH, Al Jahraa, El Salmiya, and ASA Fields

**7.6** mmboe 3P Net WI Reserves<sup>1</sup>

## EXPLORATION UPSIDE

Targets range from near-field step-outs (ASA-4) to potential play-openers (ASF)

**21** Multi-target prospects<sup>2</sup>

**5.7** mmboe summed unrisks net 2U Prospective Resources<sup>3</sup>

**12.7** mmboe summed unrisks net 3U Prospective Resources<sup>3</sup>

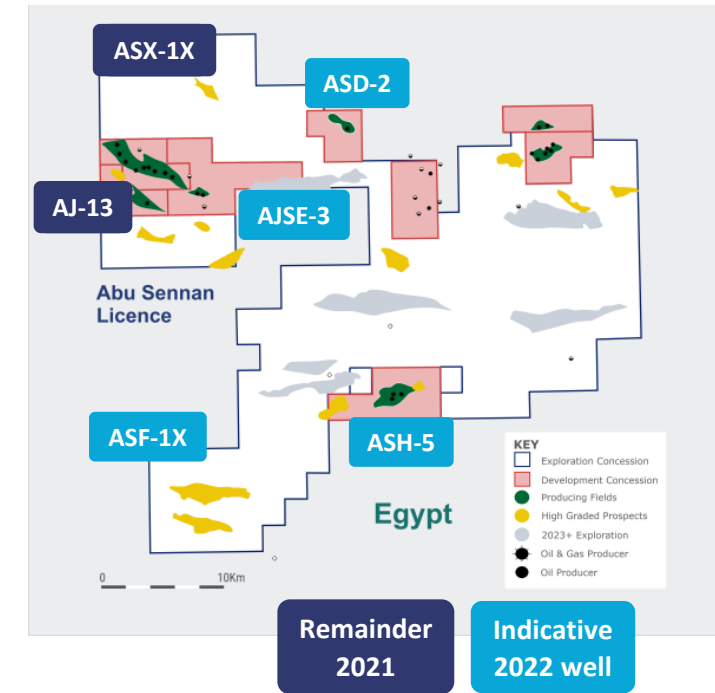
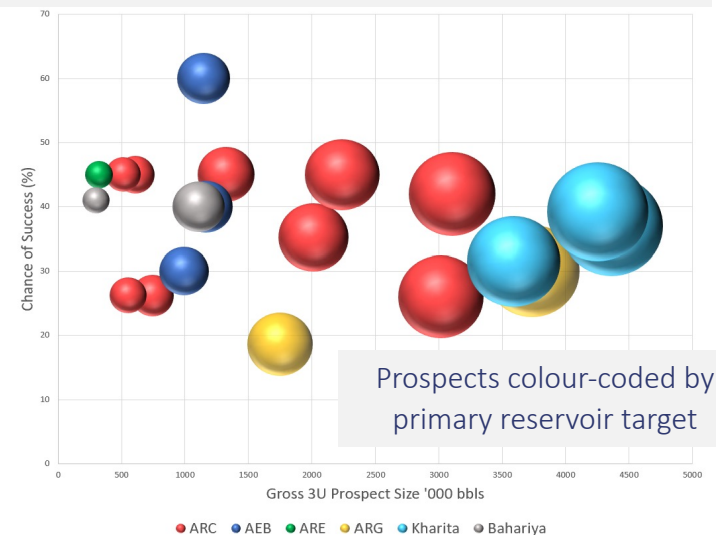
## FUTURE DRILLING PLANS

**4** wells in 2022 indicative drilling programme

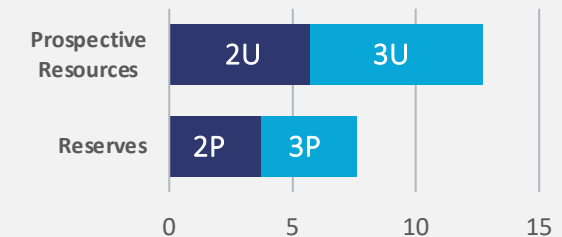
Long-term plan to include balance of development wells to maintain production and exploration wells with the potential to deliver large reserve and production upside

## ABU SENNAN PROSPECTIVITY

Upside (3U) Volumes vs Chance of Success<sup>3</sup>



## Reserves<sup>1</sup> & Resources<sup>3</sup> UOG Net Working Interest mmboe

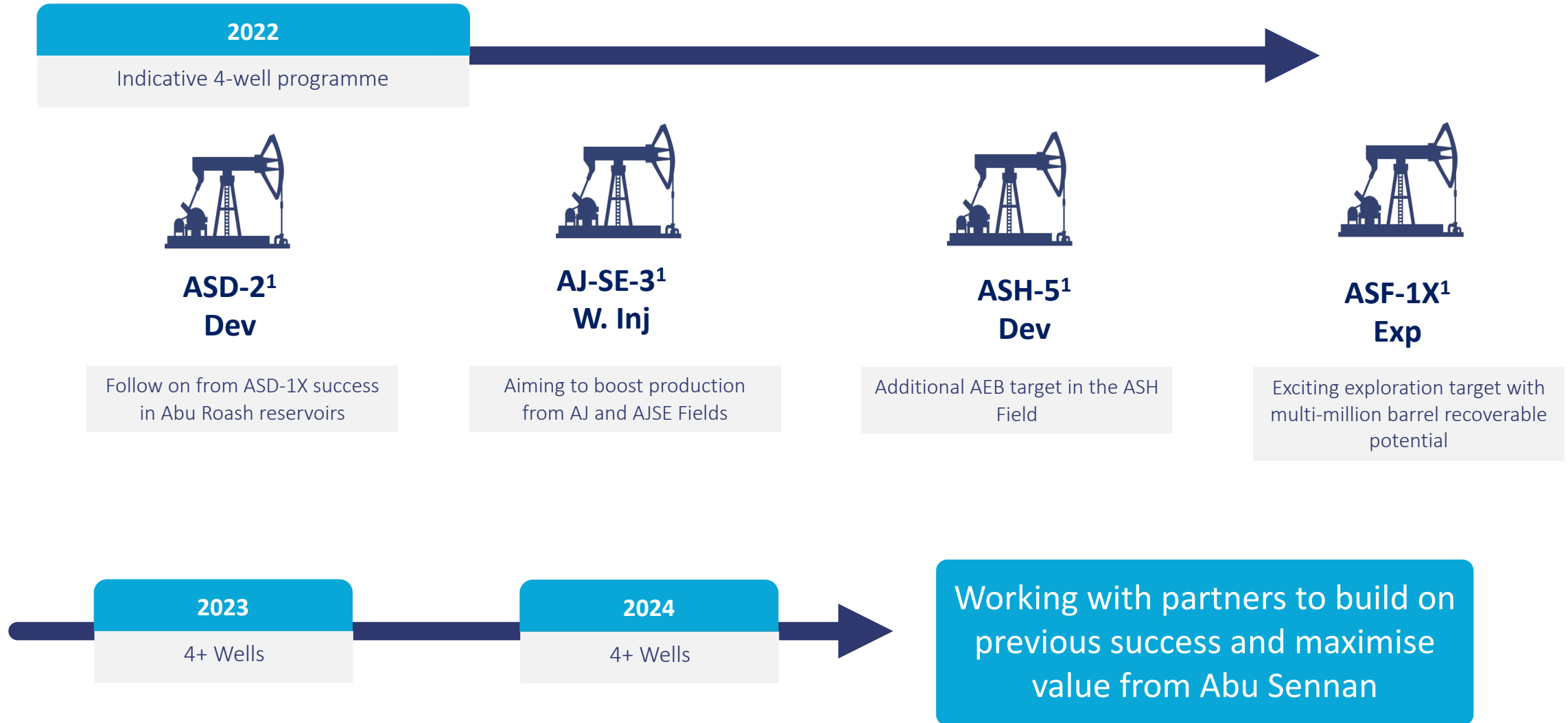


<sup>1</sup> Applying 22% working interest to gross reserves reported in GaffneyCline Report YE2020;

<sup>2</sup>GaffneyCline Report YE2020; <sup>3</sup>UOG's arithmetic sum of the Unrisked 2U & 3U Prospective Resources for each prospect/lead



# Targeting Additional Significant Reserves and Production

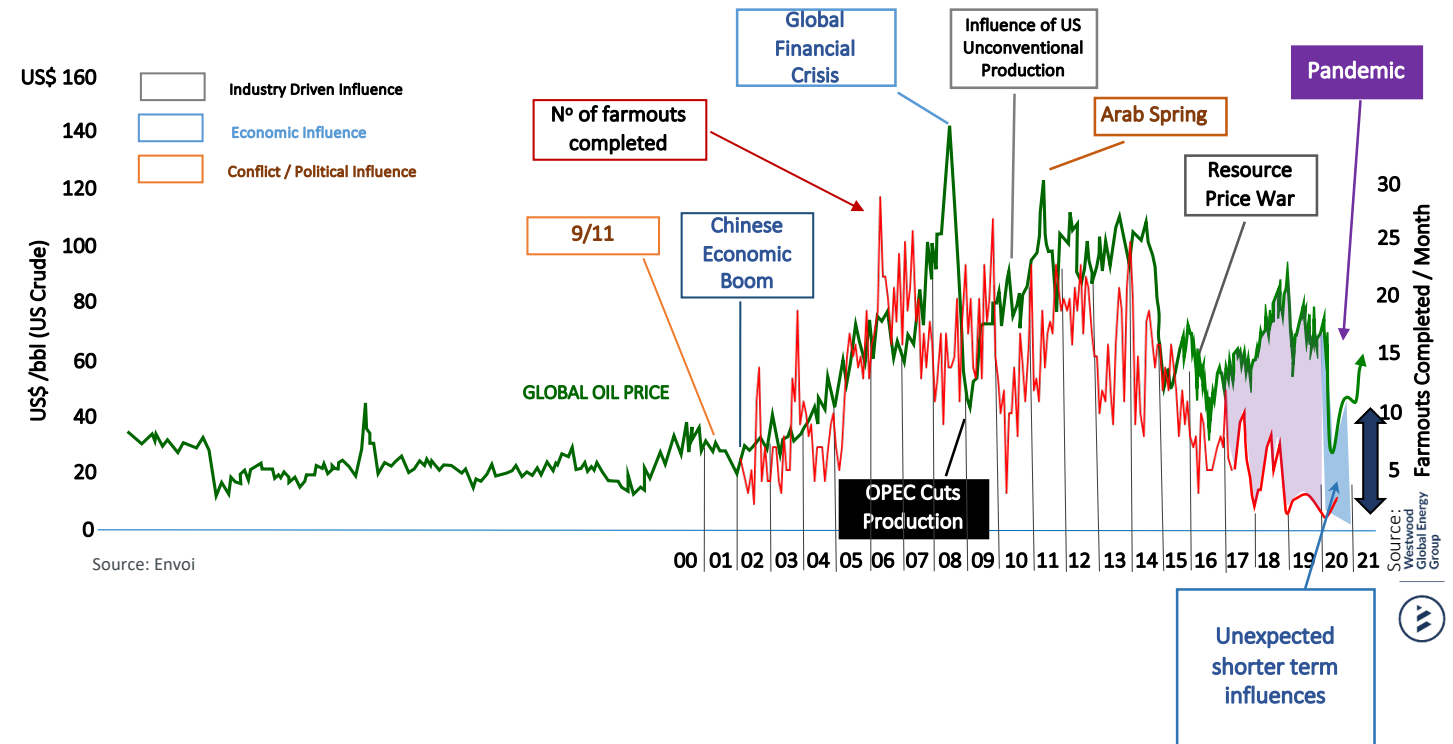


# High Impact Exploration Potential, Walton Morant Licence, Jamaica

- United hold **100% equity and operatorship** in the 22,400km<sup>2</sup> Walton Morant Licence
- Farm-out process launched** in April 2021, with interest shown from a number of companies
- With the **400+ mmbbl** drill-ready Colibri prospect and **2.4 Billion bbl potential**, Jamaica is well-placed to take advantage of higher energy prices and returning exploration sentiment
- Government of Jamaica has been an **engaged and constructive** counterparty throughout United's time on the licence
- Look forward to further positive engagement** to ensure opportunity is given best possible exposure to the exploration investment cycle

Actively working to achieve best path forward for this exciting high impact asset

Historical Events Vs Global Upstream Farmout Deal Flow 2000 – 2021  
(Exc.N. America)



# Outlook



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## 1H 2021

- Strong performance in 1H 2021
- 3/3 wells drilling success
- UK and Italian divestment proceeds to help drive growth
- Jamaica farm out process launched

## Looking forward

- ASX-1X Exp. well test results
- AJ-13 Dev. well spud
- 4 well 2022 drilling programme
- Constructive engagement on Jamaica
- Continued pursuit of M&A opportunities
- Renewed stakeholder engagement post COVID -19

## Underpinned by

Experienced Board &  
Executive team

Committed to  
operating a  
sustainable business

Strong Balance  
Sheet

Disciplined capital  
allocation & capital  
flexibility



# Glossary

<b>B</b>	Billion (10 <sup>9</sup> )
<b>Bbl</b>	Barrels
<b>/Bbl</b>	Per barrel
<b>bopd</b>	Barrels of oil per day
<b>bpd</b>	Barrels per day
<b>bwpd</b>	Barrels of water per day
<b>Bscf</b>	Billion standard cubic feet
<b>DST</b>	Drill Stem Test
<b>EGPC</b>	Egyptian General Petroleum Corporation
<b>GIIP</b>	Gas initially in place
<b>GOR</b>	Gas oil ratio
<b>ft</b>	Foot or feet
<b>HCIP</b>	Hydrocarbon initially in place
<b>HSE</b>	Health, safety and environment
<b>km</b>	Kilometres
<b>km<sup>2</sup></b>	Square kilometres
<b>m</b>	Metres
<b>M</b>	Thousand
<b>MBbl</b>	Thousand barrels
<b>Mbopd</b>	Thousands of barrels of oil per day

<b>Mbopd</b>	Thousands of barrels of oil per day
<b>MM</b>	Million
<b>MMBbl</b>	Million barrels
<b>MMBTU</b>	Million British thermal units
<b>MMscf</b>	Million standard cubic feet
<b>MMscfd</b>	Million standard cubic feet per day
<b>Mscf</b>	Thousand standard cubic feet
<b>NPV</b>	Net Present Value
<b>OPEX</b>	Operating expenditure
<b>OWC</b>	Oil-water contact
<b>p.a.</b>	Per annum
<b>P<sub>g</sub></b>	Chance of Geologic Success
<b>PSC</b>	Production Sharing Contract
<b>psia</b>	Pounds per square inch absolute
<b>scf</b>	Standard cubic feet
<b>ss</b>	Sub sea
<b>stb</b>	Stock tank barrel
<b>STOIIP</b>	Stock tank oil initially in place
<b>TVD</b>	True vertical depth
<b>WI</b>	Working Interest

<b>%</b>	Percentage
<b>1C</b>	Low estimate of Contingent Resources
<b>2C</b>	Best estimate of Contingent Resources
<b>3C</b>	High estimate of Contingent Resources
<b>2D</b>	Two-dimensional
<b>3D</b>	Three-dimensional
<b>1P</b>	Proved Reserves
<b>2P</b>	Proved plus Probable Reserves
<b>3P</b>	Proved plus Probable plus Possible Reserves
<b>1U</b>	Low estimate of Prospective Resources
<b>2U</b>	Best estimate of Prospective Resources
<b>3U</b>	High estimate of Prospective Resources