

UNITED OIL & GAS

# 2022 FULL YEAR RESULTS

27 April 2023





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# 2022 SUMMARY

## CORPORATE

### PORTFOLIO MANAGEMENT

- Receipt of **\$2.5m** from sale of Crown
- Receipt of **\$2.5m<sup>(1)</sup>** from sale of UOG Italia
- Conditional sale agreed for Maria

### BOARD CHANGES

- Appointment of Peter Dunne, CFO
- Tom Hickey, NED stepped down

### DIRECTOR PURCHASES

- Total directors' holding increased to **>5%** of issued share capital

## OPERATIONS

### EGYPT

- FY 2022 production **1,312** boepd net
- **5** wells drilled, **8** workovers,
- **Zero** LTI's

### JAMAICA

- Targeting NPV of c. \$4 billion<sup>(2)</sup>
- Farmout process is ongoing with indicative offers due **Q2 2023**



### 2022 FINANCIAL PERFORMANCE

- Revenue of **\$15.8m**
- Profit of **\$2.3m**
- Operating Cashflow **\$8.7m**

### IMPROVED FINANCIAL POSITION

- **Strong Cash Collections** with reduction in receivable balance year on year
- Net Debt of **\$1.5m**
- BP Facility to be paid by end of 2023

### FOCUSED ON COST OPTIMISATION

- Egyptian Opex cost of **<\$11/bbl**
- Corporate target to reduce G&A by **15%**

## FINANCE

2023 programme to deliver value growth



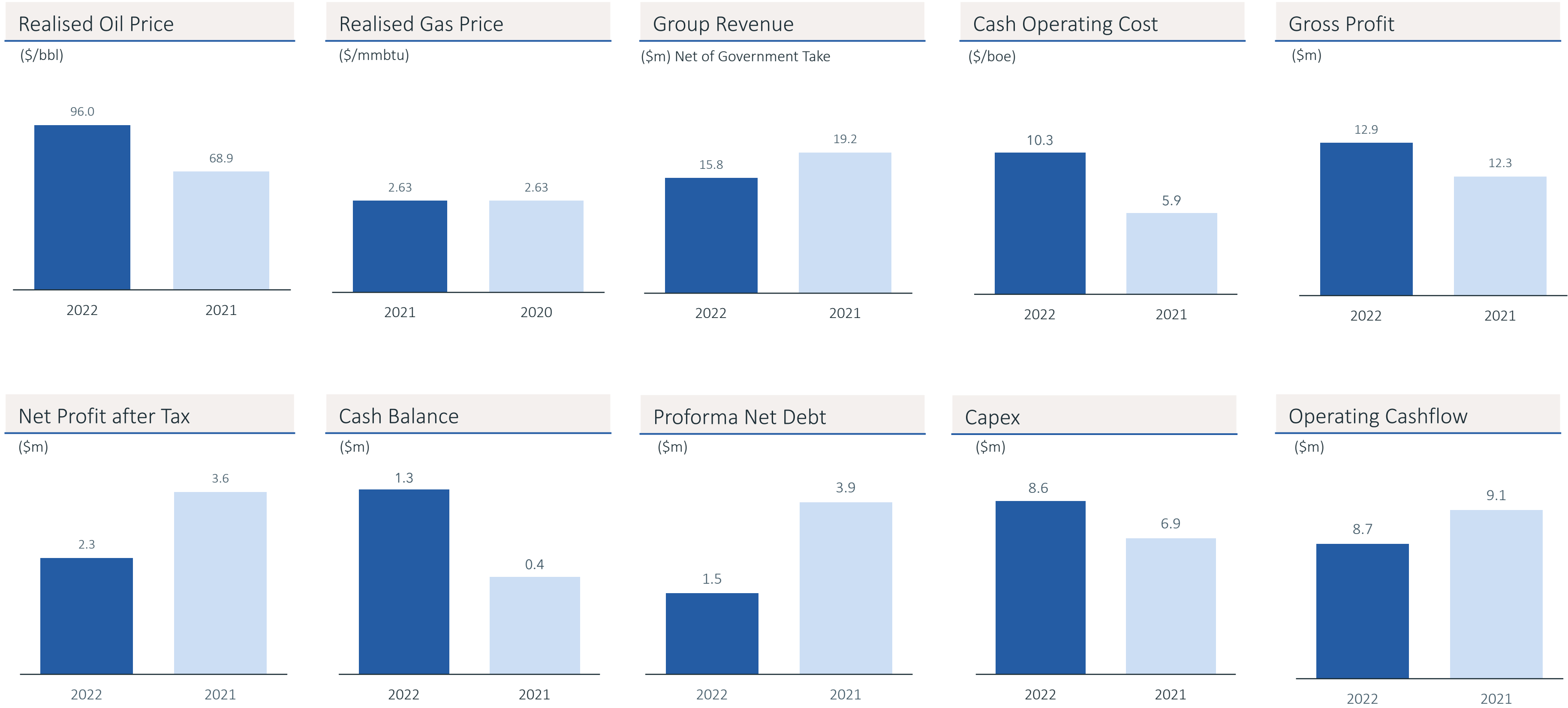
# FINANCE

PETER DUNNE - CFO



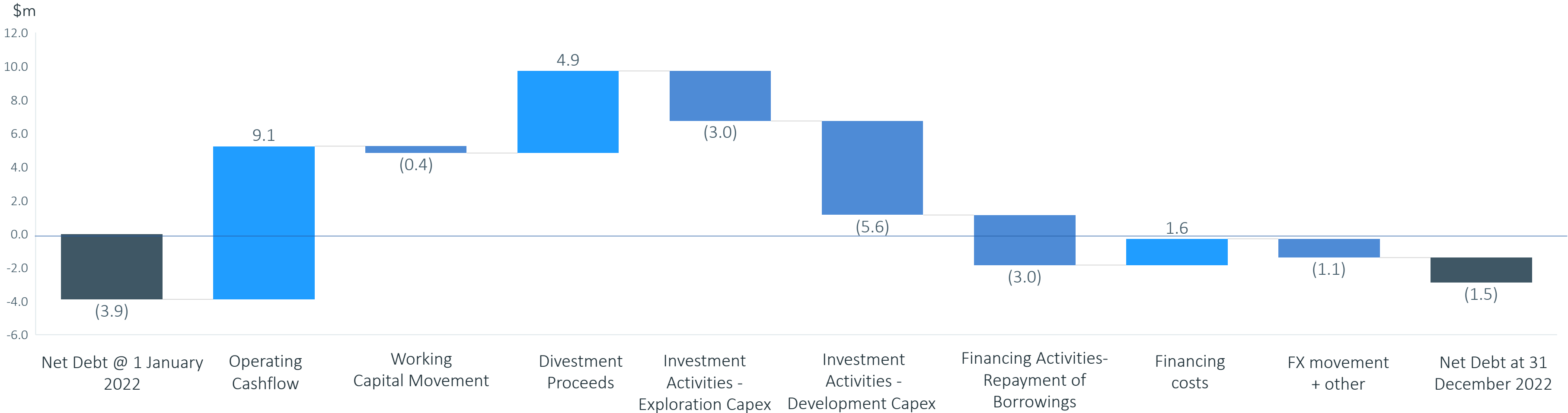


# FY 2022 FINANCIAL SUMMARY

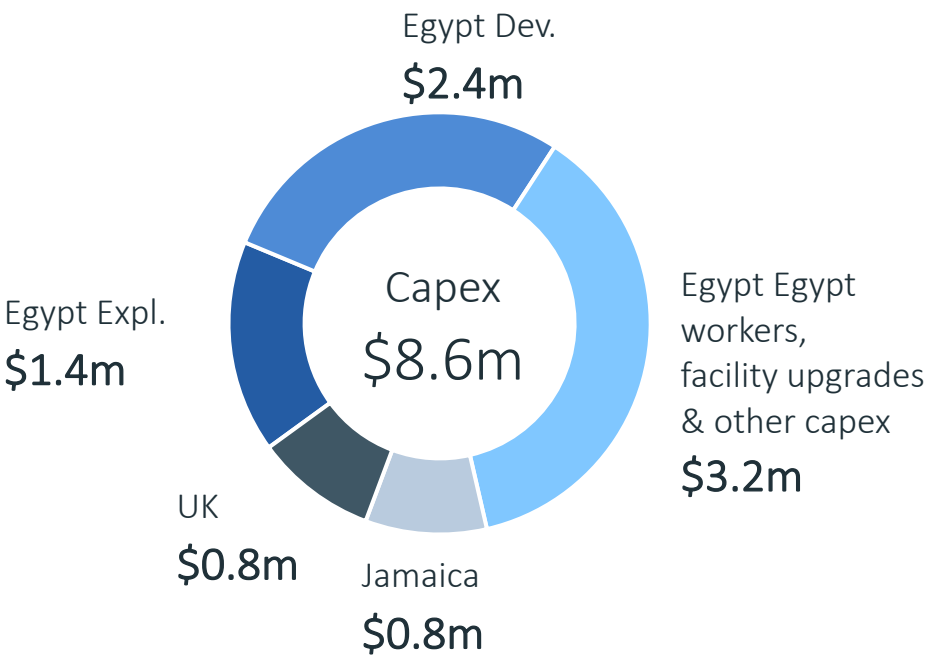




# STRONG CASHFLOW WITH REDUCTION IN NET DEBT



## Capital Expenditure – FY 2022



### Egypt

- Development - 3 wells
- Exploration - 2 well
- Workovers & interventions
- Facility upgrades & other capex

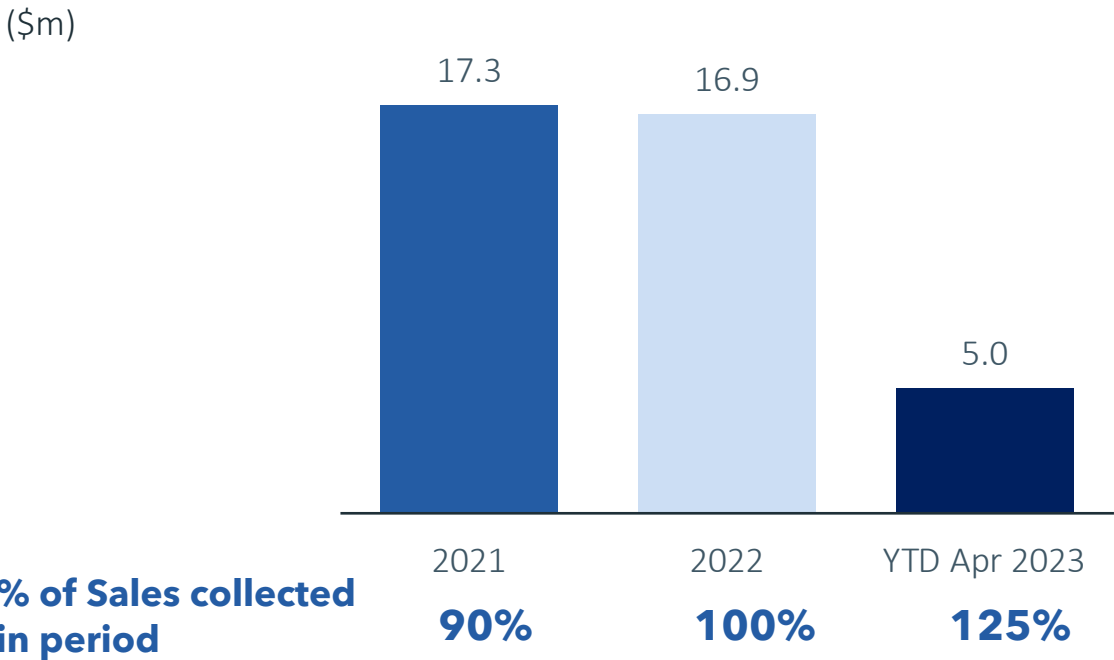
### Jamaica

- Carbon Intensity study
- Reservoir analogue field studies

### UK

- Technical studies
- Rock physics

## EGPC Receivable – consistent payment record (\$m)





# 2023 KEY CONSIDERATIONS

## Strengthening Balance Sheet

- 

**Oil production leveraged to high commodity prices**
- 

**Flexibility of Egyptian assets** - with 2023 programme tailored to cashflows
- 

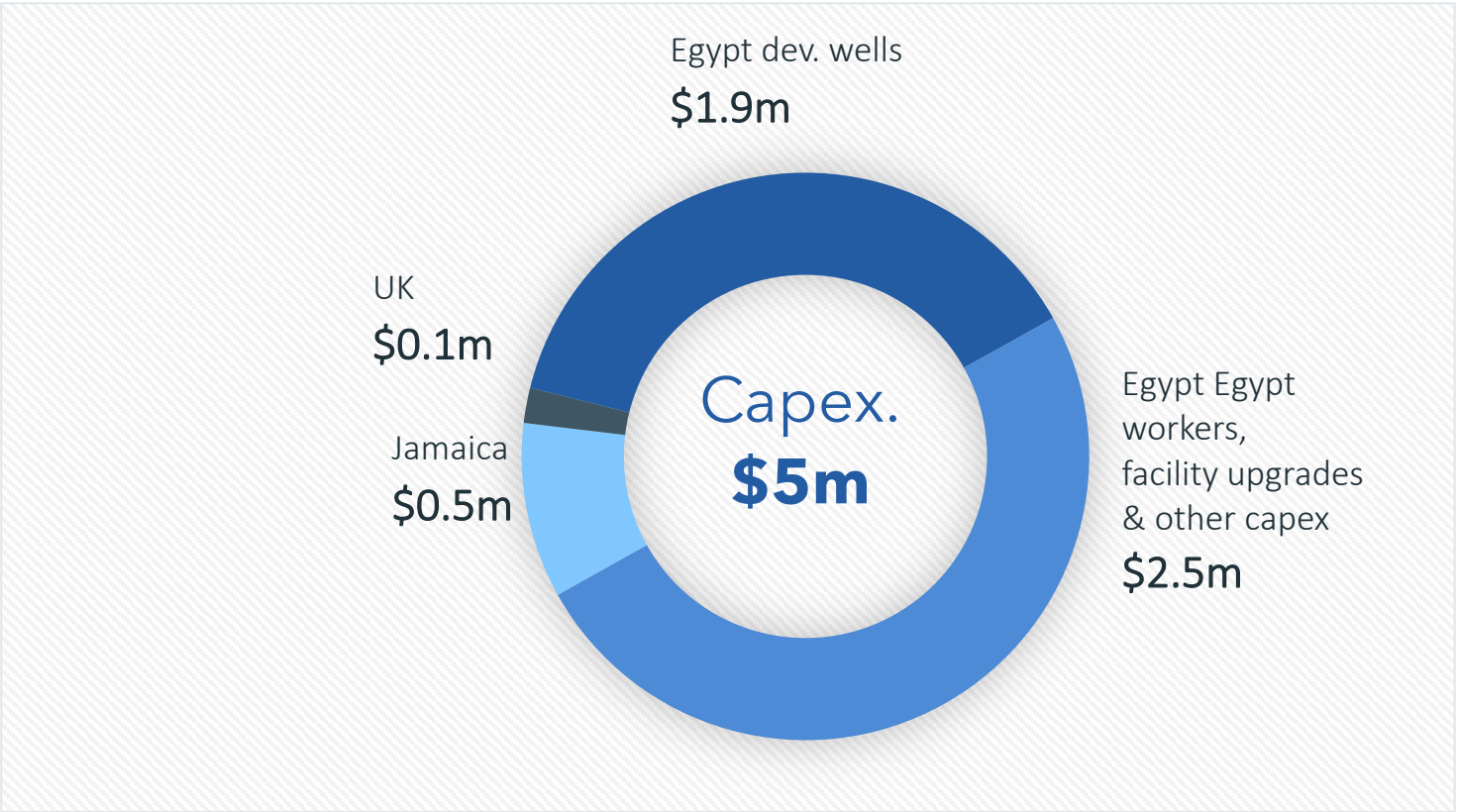
Continued **focus on costs** with reduced overhead and board cost
- 

**Proceeds** from Portfolio Management provides **opportunity** to **return capital** to shareholders through a limited share buy back programme later in the year
- 

**Balance sheet** has been **de-leveraged** over the last 2 years  
- Long term cashflow from the Egyptian assets provide **re-financing opportunity**
- 

**Improved balance sheet strength** provides **stable platform to execute** Group strategy

## Forecast Capital Expenditure – FY 2023



- Egypt**

  - Development - 2 wells
  - >8 workovers & interventions
  - Facility upgrades & other capex
- Jamaica**

  - Limited programme prior to farmout
- UK**

  - Waddock Cross planning and permitting ahead of FID



# OPERATIONS and ESG

Jonathan Leather, COO





# ENVIRONMENT, SOCIAL & GOVERNANCE

Progress in 2022



## SOCIAL

Al Amal Mentoring Programme supporting  
**>40 STUDENTS**

JV contribution for training and education <sup>(2)(3)</sup>  
**\$150,000<sub>p/a</sub>**

Sponsorship of the Energy4Her event  
**>50 STUDENTS**

Sponsorship of the Energy4me programme  
School visit programme





## SAFETY & ENVIRONMENT

Spills<sup>(1)</sup>  
**ZERO**

Environmental incidents<sup>(1)</sup>  
**ZERO**

Lost-Time Injuries<sup>(1)</sup>  
**ZERO**

Total recordable incident frequency rate <sup>(1)</sup>  
**ZERO**



## GOVERNANCE

**20%** of Corporate KPIs made up of ESG metrics

Commitment to being **transparent** on what we report, how we report, and what we can achieve

<sup>1</sup> As reported by the Abu Sennan operator, Kuwait Energy Egypt for FY 2022.  
<sup>2</sup> As per Joint Operating Agreement – up to \$50,000 to be paid per annum for capacity building  
<sup>3</sup> As per the Jamaican Production Sharing Agreement \$100,000 for the training and education fund



# AT A GLANCE



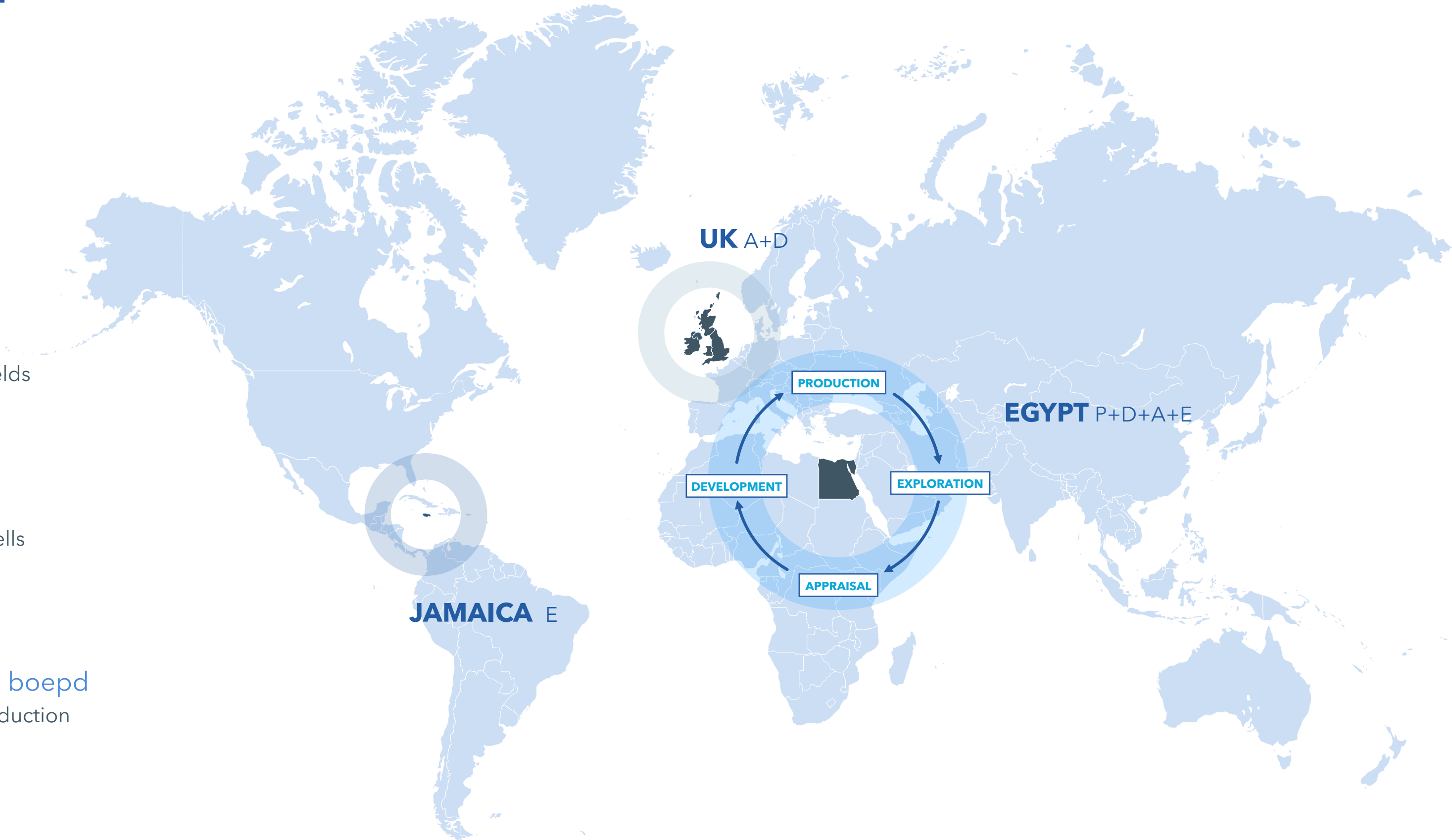
8  
producing fields



23  
producing wells



1,312 boepd  
2022 net production



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

# 2022 EGYPT OPERATIONS SUMMARY

## Activity Summary

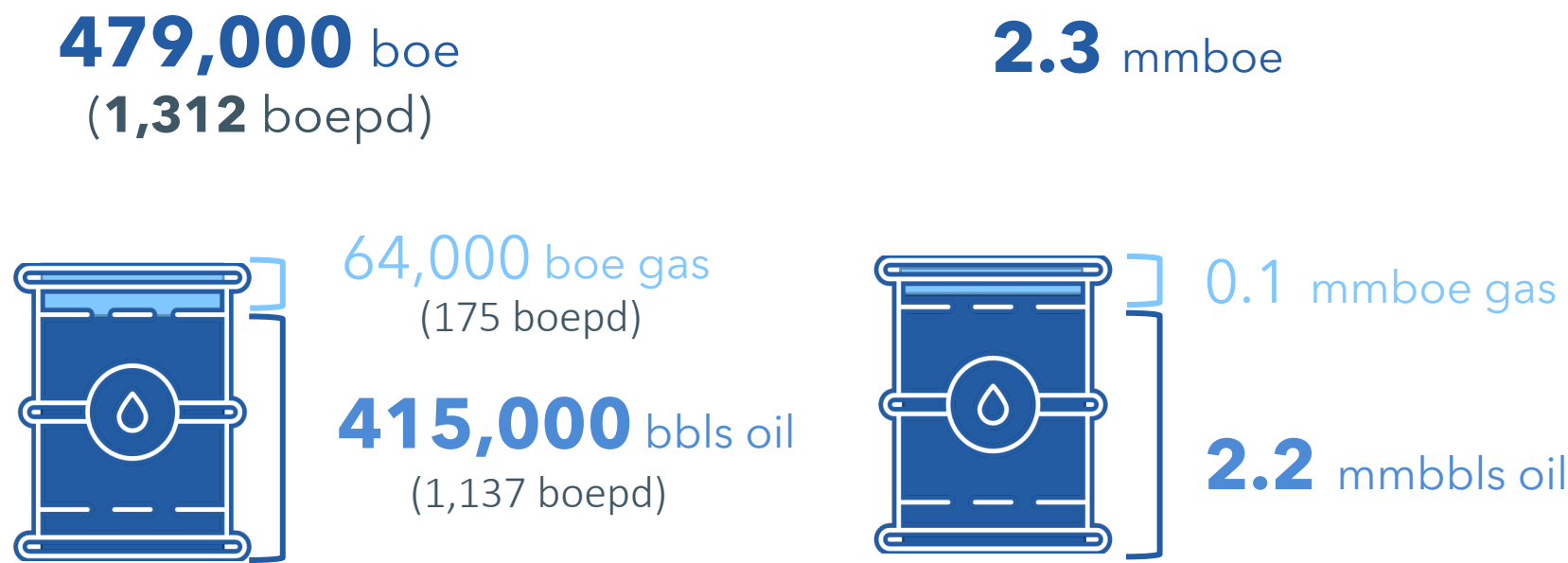
- ASD-2: Onstream in March 2022. Over 400,000 barrels produced to date
- ASH-4: Onstream in November 2022
- Exploration: ASV-1X and ASW-1X wells did not flow hydrocarbons
- AJ-14: Now onstream after workover completed in April 2023

## Focus on enhancing high-value oil production

## Production and Reserves Summary

FY 2022 Net Production

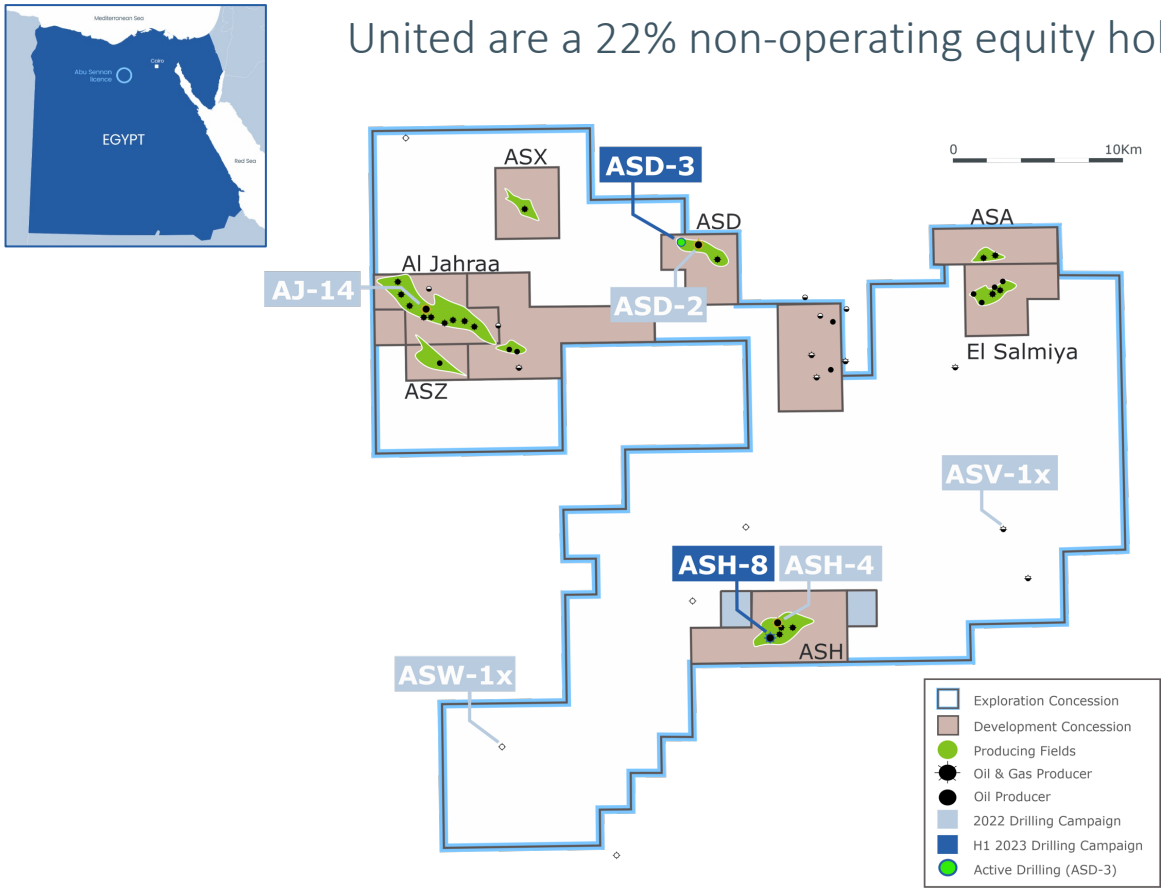
YE2022 2P Net Reserves<sup>1</sup>



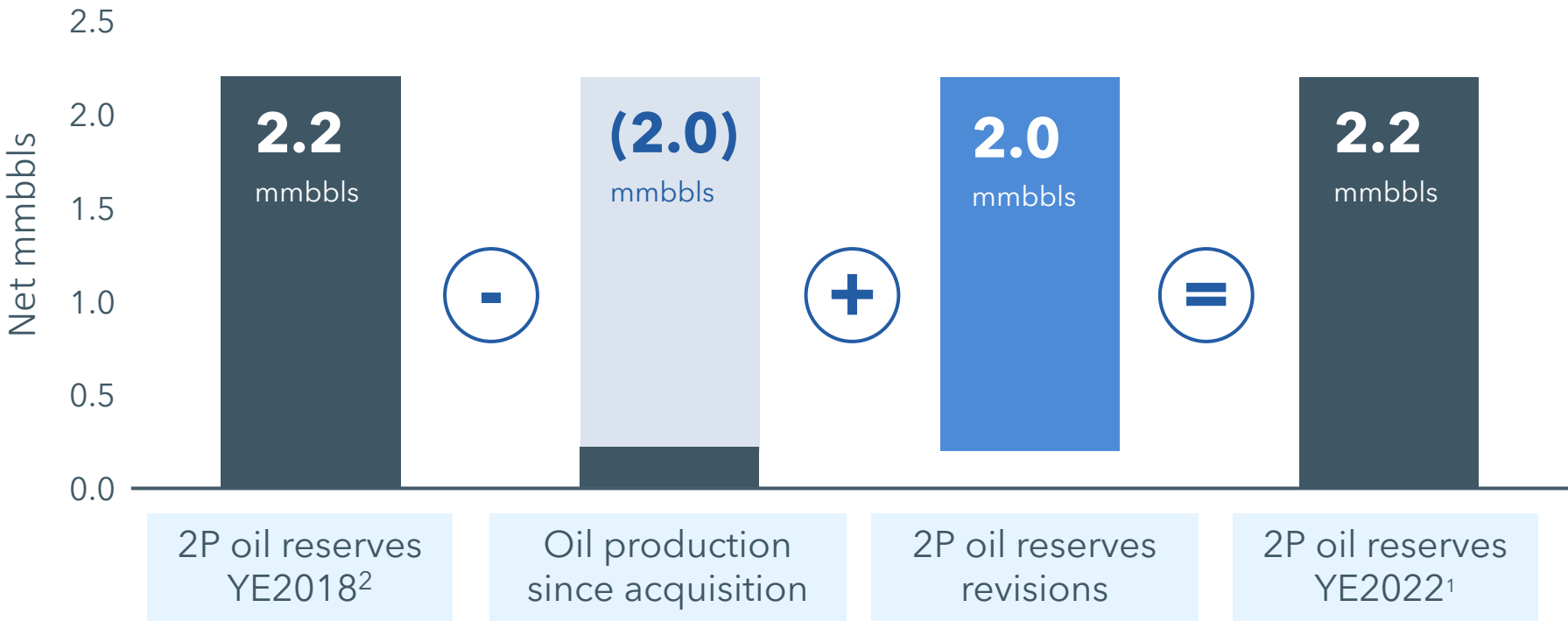
<sup>1</sup> ERCE reserves report, April 2023. Reserves of 2.3 MMboe are Net Working Interest and do not represent the Net Entitlement share of future production legally accruing under the terms of the development and production contract; <sup>2</sup> GaffneyCline & Associates report, May 2019  
Definitions: 2P – Proven + Probable; bbls – barrels; boe – barrels of oil equivalent; boepd – barrels of oil equivalent per day mmboe – million barrels of oil equivalent; mmbbls – million barrels of oil; YE – Year-end

## Abu Sennan Licence Area

United are a 22% non-operating equity holder



## 100% Oil Reserves Replacement Ratio Since Acquisition





# EGYPT 2023 YEAR-TO-DATE AND OUTLOOK

## Production enhancing activity

Q1 Average Production

841 bopd net

Q1 Exit Rate

1,275 bopd net (+170 boepd gas net)

## 2023 Activity



**ASH-8** onstream **6** weeks ahead of schedule at rates above expectations.  
Initial oil rate of **2,980 bopd gross (656 bopd net)**



**ASD-3** targeting upside in the ASD field, spud April 1

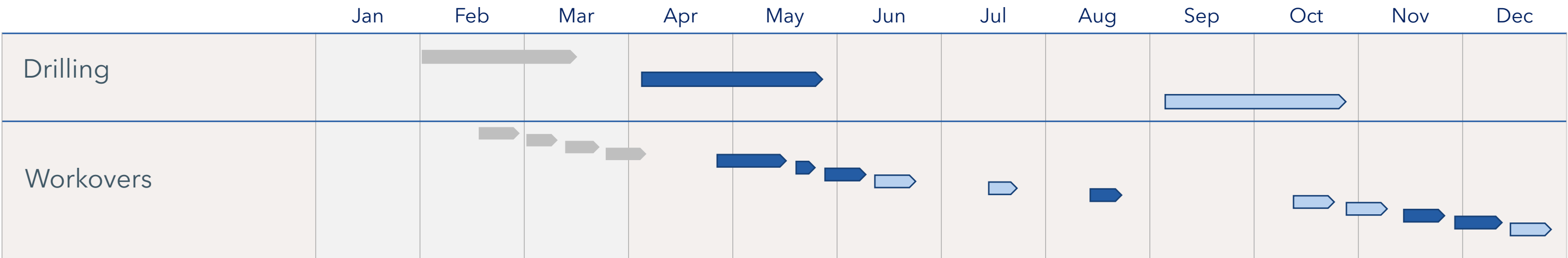


Workover programme continues to target behind pipe opportunities: **ES-5** and **AJ-14** delivering additional production

**H2 flexibility** to drill additional wells – portfolio of targets with prioritisation to be agreed in H1 with JV partners



## 2023 Planned Activity Schedule



Firm Contingent Completed

2024 +

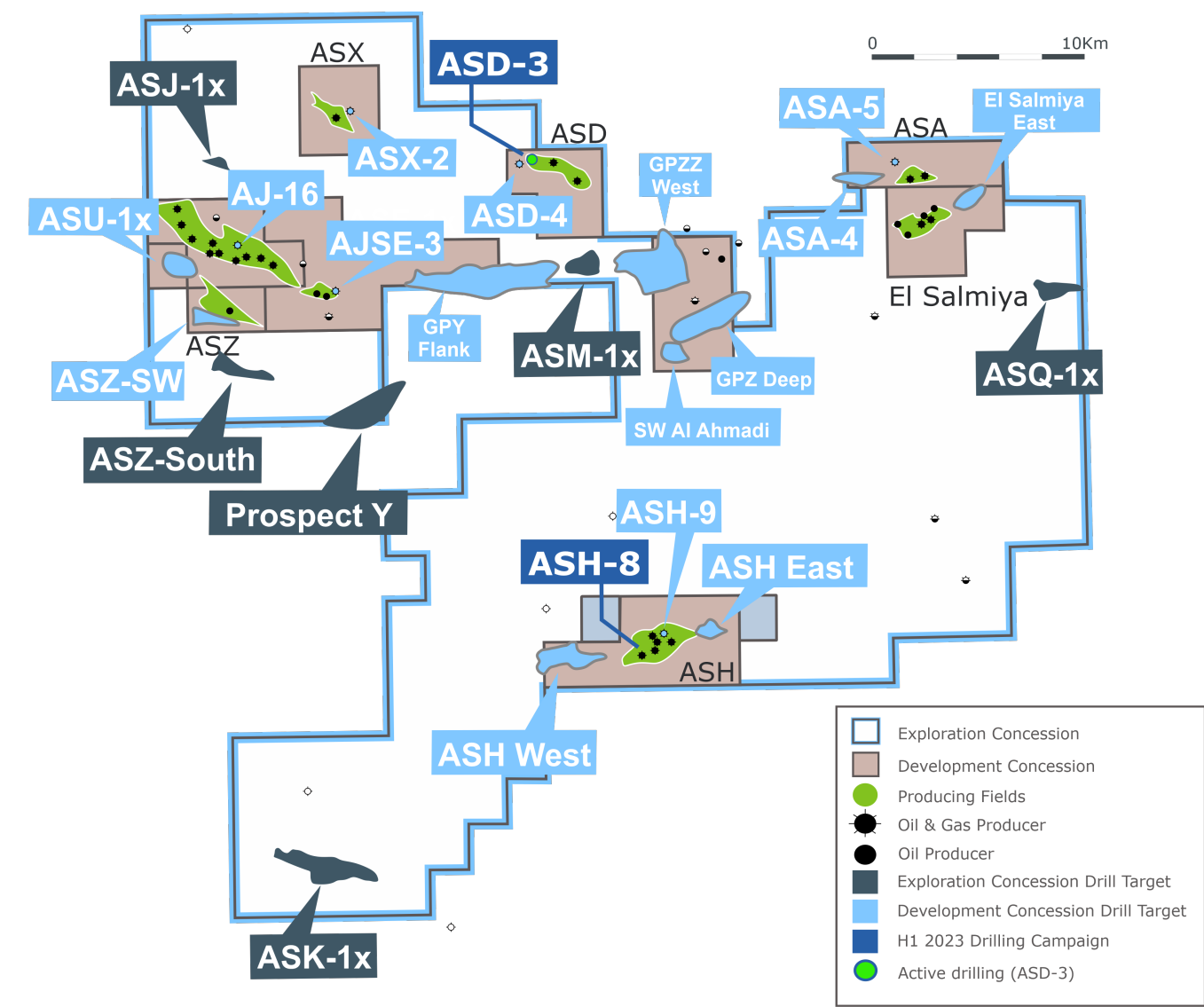
Continuing drilling and workover activity to maintain and enhance production

Definitions: boepd – barrels of oil equivalent per day; bopd – barrels of oil per day

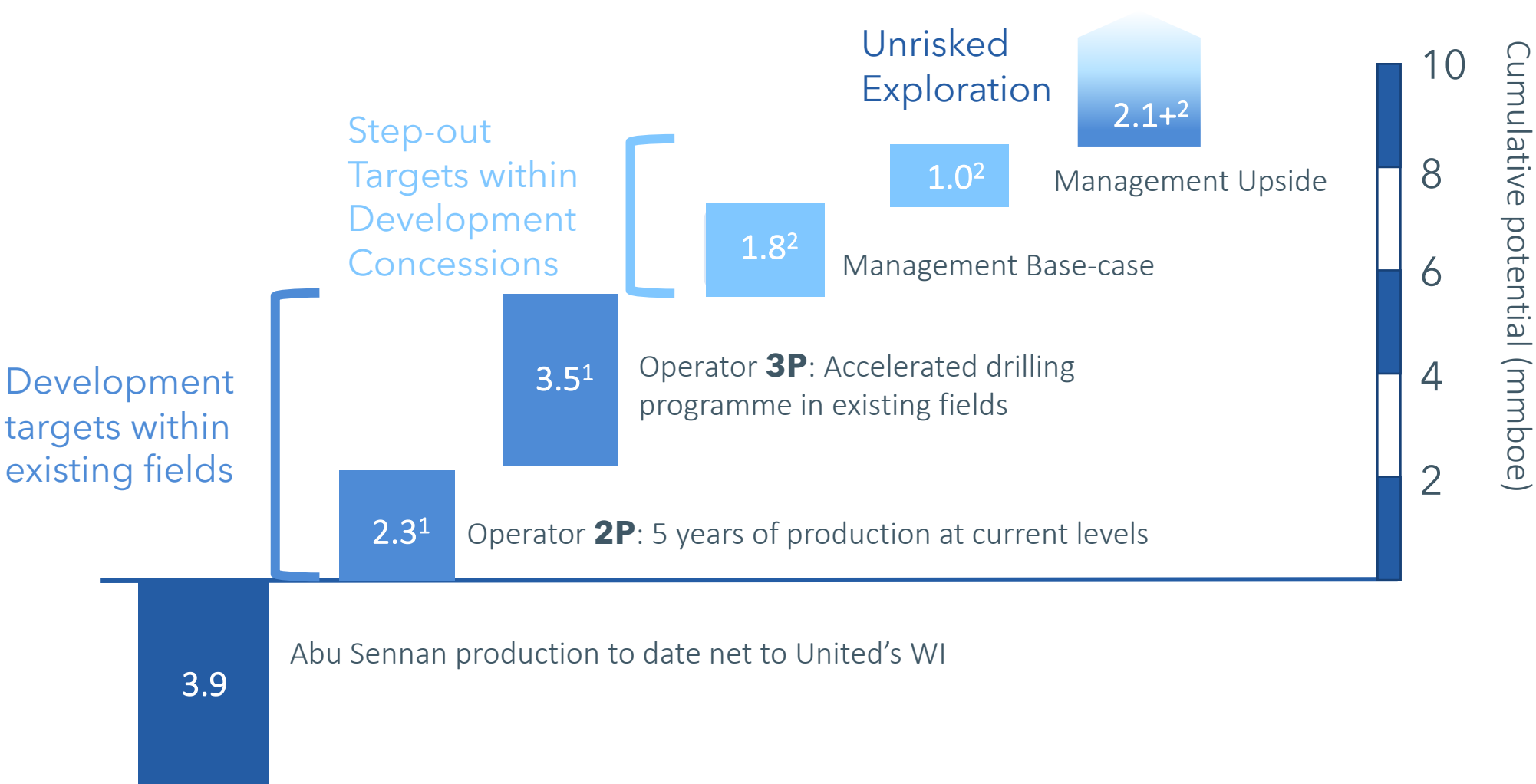
# EGYPT OUTLOOK 2024 AND BEYOND

- Numerous targets identified across the concession
- Potential from existing fields to maintain production for many years to come

## Abu Sennan Licence Area



## Abu Sennan Remaining Potential (mmboe net to United)



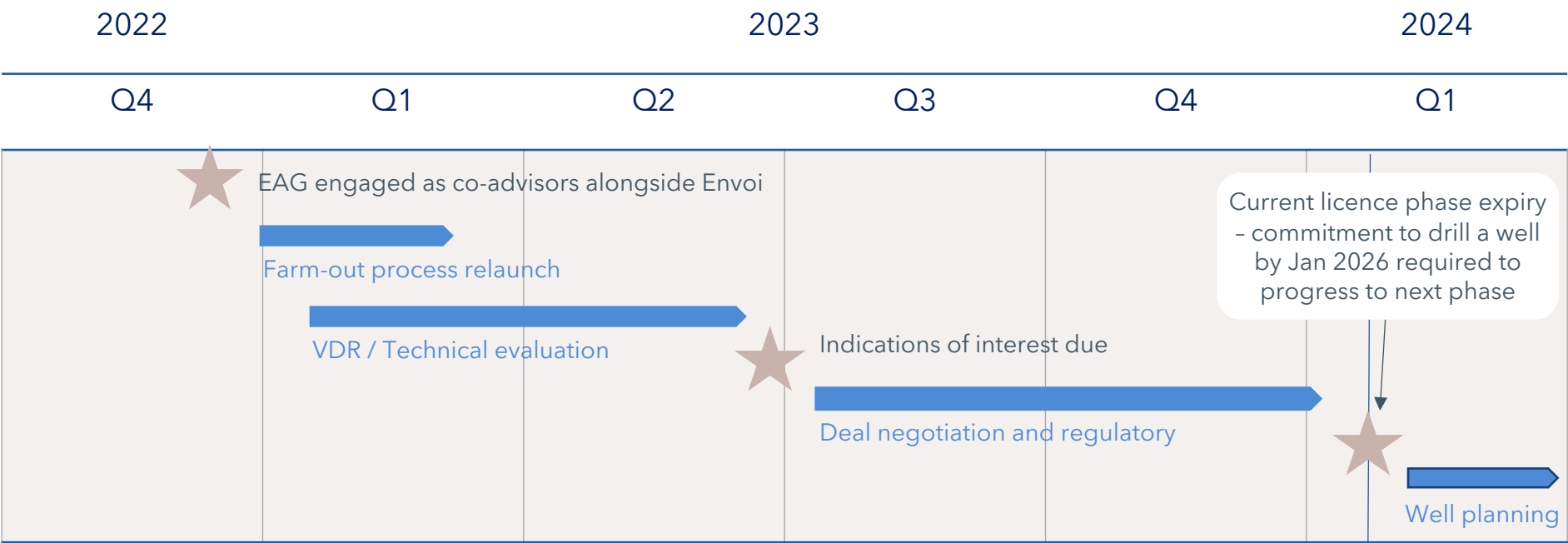
<sup>1</sup> ERCE reserves report, April 2023. Reserves quoted are Net Working Interest and do not represent the Net Entitlement share of future production legally accruing under the terms of the development and production contract; <sup>2</sup> Figures based on United interpretations and calculations  
Definitions: 2P - Proven + Probable; 3P - Proven + Probable + Possible; mmboe - million barrels of oil equivalent



# WALTON MORANT, JAMAICA

World-class exploration opportunity

- **Key focus:** bring in a partner to accompany United in drilling a basin-opening well
- Number of companies actively conducting **detailed technical evaluations**
- Supported by a **positively engaged Government**



### Walton Morant in Figures:

>400 mmbbls

Colibri drill-ready prospect prospective resources<sup>(1)</sup>

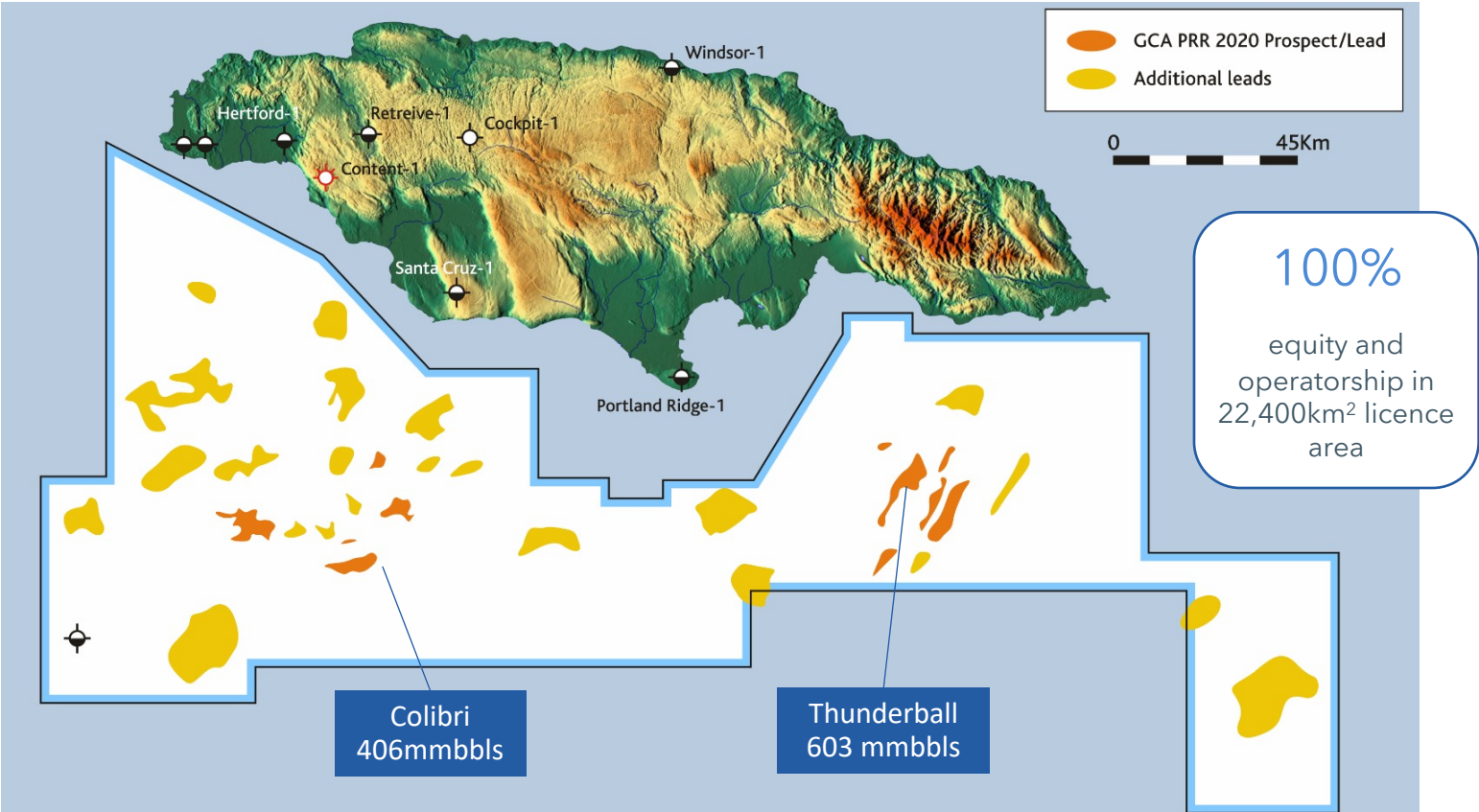
2.4 Billion

barrels unrisked mean prospective resources<sup>(2)</sup>

\$3.9 Billion

Standalone success-case NPV for Colibri at \$80 oil<sup>(3)</sup>

<sup>1</sup> Unrisked Mean Prospective Resources per GaffneyCline Report, 2020; <sup>2</sup> 2.4Bnbbbls is UOG's arithmetic sum of the Unrisked Mean Prospective Resources for each prospect/lead; <sup>3</sup> United calculation based on development concepts by OPC; Definitions: mmbbls – million barrels of oil



Technical work continues to provide additional positive evidence for offshore prospectivity:

Good reservoir candidates sampled in the onshore

Updated petroleum systems modelling supports presence of oil-filled prospects

Additional onshore oil seeps identified



# OUTLOOK

Brian Larkin, CEO





# OPPORTUNITY IN THE CHANGING MARKET ENVIRONMENT

## OPPORTUNITY

1. **Energy Transition** will require **credible** and responsible **counterparties** for Governments and other stakeholders

2. Early stage of transition provides **opportunity for M&A as IOC's seek to divest from Oil & Gas** to reduce carbon footprint and expand into renewables

3. **Investor sentiment** and change in **sources of capital** requires a different approach

4. Sector has a **history of underperformance**



## UNITED'S APPROACH & HISTORY OF DELIVERY

- Credible participants to push for safe and responsible transition
  - Experienced board and strong governance structure
  - Responsible company to extract hydrocarbons safely
  - 20% of Corporate KPIs directly relate to ESG metrics
  - Committed to positive socio-economic and environmental impact
  - Positive stakeholder relations across regions where active
- 
- Egypt Acquisition has shown ability to identify, high-grade, acquire and integrate assets
  - Strong industry network with existing relationships with key industry participants
  - Strict investment criteria to deliver returns – ensure we choose the right deal
- 
- Sources of equity and innovative deal structuring
- Combination of equity/debt
  - New sources of finance - BP Trader finance
  - Access specialist pools of equity
  - Deal structures to align buyer and seller expectations
- 
- Committed to shareholder returns and responsible capital management

# UPCOMING KEY EVENTS FOR 2023



## Upcoming activity



### Egypt

- Development drilling is currently underway at **ASD-3**; looking to build on the success already achieved this year at **ASH-8**
- Continuing **workover programme** to maintain and enhance production from existing wells
- Exciting portfolio of potential targets for H2 drilling

### Jamaica

- Houston-based M&A advisory group engaged, targeting **US companies and investment funds**
- Process is ongoing with indicative offers due **Q2 2023**



## Disciplined capital allocation and cost controls



### Buyback programme

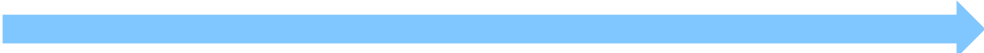
- Intend to seek requisite approvals at **AGM**
- Subject to completion of **Maria sale and market conditions**

### Cost reductions

- Costs reduction programme targeting **15%** in 2023 compared to 2022
- Board **remuneration** reduced by 15%



## Pursuit of M&A opportunities



### New ventures

- Greater Mediterranean area and North and West Africa

2023 programme to deliver value growth





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2022 Full year results | 27 April 2023

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