

12 November 2024

## Genel Energy plc Trading and operations update

Genel Energy plc ('Genel' or 'the Company') issues the following trading and operations update in respect of the third quarter and first nine months of 2024.

### **Paul Weir, Chief Executive of Genel, said:**

“Since our half year results in August, we have continued optimising cash flows, evolving our capital structure and originating and maturing opportunities to acquire new assets that add reserves and diversify our cash generation geographically. We maintain our discipline on spend and focus on profitability and both delivering, and building on, the significant value upside that is already in the business.

We have repurchased and cancelled \$182 million of our own bonds, reducing our debt from \$248 million to \$66 million at the end of October. Our balance sheet position remains strong, with net cash at the end of October of \$125 million, and cash of \$191 million.

The Tawke PSC continues to deliver consistent production into consistent domestic market demand to generate significant cash flow. That cash generation more than covers our cash out-flows in the period, which have further reduced as a result of non-repeating activity in the first half of the year coming to an end, decreasing activity on non-core licences as we move towards exit and reduction in net interest cost following the purchases of our bonds.

Finally, the timing of the award from the London-seated Miran and Bina Bawi oil and gas assets arbitration is not certain, but is expected before the end of 2024.”

### **FINANCIAL**

- Tawke cash generation has again more than covered all spend in the period, resulting in year-to-date free cash flow of \$20 million (2023: \$60 million out flow)
- Cash of \$273 million at 30 September 2024 (30 June 2024: \$370 million)
  - \$109 million invested in August to purchase \$107 million nominal value of bonds through the bond tender announced at half year results
  - Bond debt of \$141 million at 30 September 2024 (30 June 2024: \$248 million)
  - Net cash of \$132 million at 30 September 2024
- Balance sheet further evolved at 31 October 2024 by call of \$75 million nominal value of bonds
  - Cancellation of \$234 million nominal value of all bonds already held by the Company
  - Cash of \$191 million and debt of \$66 million, net cash of \$125 million
- We retain an overdue receivables balance of nominal \$107 million owed by the KRG. Although there has been discussion on the mechanism for recovery of this balance, there is not yet a formal payment plan in place. We expect any resolution to include offsetting balances owed to the KRG, which at the end of October amounted to around \$50 million. This balance relates to unpaid amounts owed on the Tawke, Taq Taq, Sarta and Qara Dagh PSCs and arises from past year and current year items such as Oil field Police Force, financial obligations under our PSCs and positive working capital movements.

### **TAWKE PSC ACTIVITY AND PRODUCTION**

- Q3 Gross production of 84,210 bopd (Q2 2024: 79,780 bopd) sold domestically at average \$37/bbl (Q2 2024: \$36/bbl), with a small increase in YTD production since the half year to 80,120 bopd (H1 2024: 78,050 bopd)
- Q3 Working interest production of 21,050 bopd in Q3 2024 (19,950 bopd in Q2 2024)

- Three wells that were drilled last year, but not completed due to the closure of the Iraq-Türkiye Pipeline, were brought onstream midyear to meet demand from local traders, contributing 7,800 bopd to gross production in the quarter
- Further production was added from well interventions work.
- In association with our industry peers, we continue dialogue towards the resumption of exports on a basis that properly rewards IOCs that have chosen to invest in Kurdistan in accordance with their contractual terms

## ESG

- Emissions reduction: in partnership with DNO, Genel continues to be part of the first Associated Gas Injection (AGI) project in the KRI. The project has successfully captured over 1.2 million tonnes of CO<sub>2</sub>e from the Peshkabir field
- CDP Climate score of B for two consecutive years
- Genel's Mobile Medical Clinic project in Somaliland launched phase two of the project in July, with a further 15,000 cases treated to take the total cases treated to nearly 30,000
- Following the Annual General Meeting on 9 May 2024 the Company announced that resolutions 2, 3, 4, 6 and 12 had over 20% of votes cast against them. The Company reached out to major shareholders to understand their views. The Company does not believe it is necessary or appropriate to take any additional action

## OUTLOOK

- With domestic sales expected to continue at similar levels, the Company expects net cash at the end of the year to be around \$125 million
- The Company continues to seek progression towards building a business with a strong balance sheet that delivers resilient, reliable, repeatable and diversified cash flows that supports a dividend programme
- We continue to work towards the restart of exports to access international pricing, and the acquisition of new production assets to add reserves and diversify our cash generation
- The timing of the award relating to the London-seated international arbitration regarding Genel's counterclaim for substantial compensation from the KRG following the termination of the Miran and Bina Bawi PSCs is not certain, but it is expected by the end of the year.

Genel will also host a live presentation on the Investor Meet Company platform today at 1000 GMT. The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet Genel Energy PLC via: <https://www.investormeetcompany.com/genel-energy-plc/register-investor>

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Genel Energy is a socially responsible oil producer listed on the main market of the London Stock Exchange (LSE: GENL, LEI: 549300IVCJDWC3LR8F94). Genel has low-cost and low-carbon production from the Kurdistan Region of Iraq, and continues to seek opportunities to add new resilient and cash-generative assets to its portfolio. For further information, please refer to [www.genelenergy.com](http://www.genelenergy.com)