

27 January 2025

Genel Energy plc Trading and operations update

Genel Energy plc ('Genel' or 'the Company') issues the following trading and operations update in advance of the Company's full-year 2024 results, which are scheduled for release on 18 March 2025. The information contained herein has not been audited and may be subject to further review.

Paul Weir, Chief Executive of Genel, said:

"We start 2025 with a business that has all the building blocks necessary to grow and become more successful. Genel has a strong balance sheet, our two producing fields within the Tawke PSC form a world class asset that delivers significant cash generation, even when only selling at heavily discounted domestic prices. Genel has a compact, but highly skilled and motivated work force, dedicated to delivery performance, execution of a growth strategy and pursuit of value accretive acquisitions that will geographically diversify us into reliable and predictable jurisdictions.

We continue to work with peers and our host government to push for the conditions necessary to enable testing of any new mechanism for exports. We note the recent discussions of a revised budget law in Iraq that would provide the framework for a mechanism to fund the payment of IOCs by the KRG on resumption of exports.

Consistent strong delivery performance at Tawke saw us complete another year of robust production and deliver full year free cash flow of \$19 million and an improvement in our net cash position to \$131 million.

We are very clear on what needs to be done to deliver on our strategy, add new assets and build a business that delivers consistent value to its shareholders. The period of our work focused on consolidation and efficiency improvement in 2024 has laid the foundations for profitable future growth."

2024 FINANCIAL PERFORMANCE

- Working interest average production of 19,650 bopd for the year, increased from 12,410 bopd in 2023
- All production sold into the domestic market at average \$35/bbl (2023: \$35/bbl)
- Closing out and finalising terms of exit from Taq Taq at minimal cost.
- Free cash flow of \$19 million, compared to free cash out flow of \$71 million last year
- Balance sheet at 31 December 2024
 - Total debt has been reduced from \$248 million at the start of the year to current \$66 million
 - Cash of \$195 million (2023: \$363 million)
 - Net cash of \$131 million, an increase from \$120 million at the start of the year
- Receivables
 - \$107 million (under KBT pricing and excluding interest) remains overdue from the Kurdistan Regional Government ('KRG'), although this is reduced by amounts owed to the KRG, which are currently around \$50 million
 - We continue to work towards a plan for payment or settlement of amounts owed, and appropriate adjustment for price and interest
- Arbitration
 - In December 2024 our subsidiary, Genel Energy Miran Bina Bawi Limited, lost the arbitration case brought against it by the KRG regarding the KRG's right to terminate the Miran and Bina Bawi Production Sharing Contracts
 - Due to the extremely limited grounds of appeal against an LCIA Arbitration Award, no appeal has been made by Genel Energy Miran Bina Bawi Limited and the deadline for appeal has passed

- The process under which the Tribunal determines the costs award to be made against Genel Energy Miran Bina Bawi Limited is now underway. The first stage of that process was for the KRG to submit its claim for costs incurred to the Tribunal. The KRG is claiming circa \$36 million for costs incurred to the end of November 2024. This is materially higher than all the costs incurred by Genel Energy Miran Bina Bawi Limited throughout all stages of the arbitration process which was commenced by the KRG in 2021
- The next stage of the process gives Genel Energy Miran Bina Bawi Limited the opportunity to make submissions to the Tribunal to challenge robustly the quantum of the KRG's cost claim, with a view to the final costs award being made for costs that are reasonably incurred, proportionate and also necessary

KURDISTAN: TAWKE PSC ACTIVITY AND PRODUCTION

- Q4 Gross production of 74,140 bopd (Q3 2024: 84,210 bopd) sold domestically at average \$34/bbl (Q3 2024: \$37/bbl), with average production for the year 78,615 bopd (H1 2024: 78,050 bopd)
- Working interest production of 18,540 bopd in Q4 2024 (21,050 bopd in Q3 2024)
- Three wells that were drilled in 2023 but not completed due to the closure of the Iraq-Türkiye Pipeline, were brought onstream midyear contributing 7,800 bopd to gross production, with further production added from well interventions work.
- Discussions with the Regulator around the work programme for 2025 are ongoing

AFRICA EXPLORATION

- On SL10B13 in Somaliland, we continue to work towards achieving conditions that support drilling of the highly prospective Toosan-1 exploration well
- On Lagzira in Morocco, we are running a farmout process seeking partners to test the newly high graded Banasa Prospect, which has been de-risked by 2024 seismic reprocessing

LEGACY KURDISTAN LICENCES

- Over the last two years we have taken steps to stop spend that does not represent good investment and we have begun the divestment or relinquishment of unprofitable assets
- We are pleased to confirm that we have agreed terms for divestment of the Taq Taq PSC, which will remove the risk of any residual decommissioning liabilities. This divestment is now subject to KRG approval

ESG

- Emissions reduction: in partnership with DNO, Genel continues to be part of the first Associated Gas Injection (AGI) project in the KRI.
- CDP Climate risk score of B for three consecutive years
- Genel's Mobile Medical Clinic project in Somaliland, which provides vital medical care for some of the poorest people in Africa, launched phase two of the project in July, with a further 15,000 cases treated to take the total cases treated to more than 30,000

OUTLOOK

- With Tawke domestic sales demand in 2025 expected to continue at similar levels to 2024, the Company expects its cash generation to cover its organisational costs - we will provide an update on Tawke activity and investment plans at our full year results in March
- We continue to work towards a payment plan for recovery of overdue receivables
- The Company continues to progress towards building a business with a strong balance sheet that delivers resilient, reliable, repeatable and diversified cash flows that supports a dividend programme. The Company objectives for the year on the path to building that business include:
 - acquisition of new assets to add reserves and diversify our cash generation
 - restart of exports to access international pricing
 - recovery of net amounts owed by the KRG
 - further progress towards drilling Toosan-1
 - farm-out of Lagzira

Genel will host a live presentation on the Investor Meet Company platform on Tuesday 4 February at 1000 GMT. The presentation is open to all existing and potential shareholders. Questions can be submitted at any time before or 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: 5493001VCJDWC3LR8F94). For further information, please refer to www.genelenergy.com