

14 November 2023

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 2023.

Paul Weir, Chief Executive of Genel, said:

“Despite encouraging comments from senior politicians, the Iraq-Türkiye pipeline remains shut. Good progress has been made in achieving consistency of domestic sales volumes, although pricing continues to be weak. We remain confident that the pipeline exports will resume, and provide access again to international pricing.

We are on track to deliver the cost reductions that we forecast at our half-year results. Tawke is now cash generative from local sales, and monthly spend across the business is set to reduce further once we have exited the Sarta licence and completed Somaliland civil works. This year we have reduced debt by almost 10% at opportunistic prices while retaining our significant cash balance, providing us with the financial strength to deliver on our objectives and diversify through the addition of resilient income streams.

We will continue to reshape our portfolio and effectively balance minimising our spend and progressing our strategy, and we continue to progress towards the Miran and Bina Bawi arbitration hearing currently scheduled for February next year.”

Q3 2023

- Zero lost time incidents in 2023, with it being over two years and four million hours worked since the last incident
- \$11 million of cash proceeds received from local sales from the Tawke PSC in Q3
 - Costs have been materially reduced at Tawke, with the asset profitable in the quarter
- Capital expenditure of \$12 million in Q3
- Cash of \$391 million at 30 September 2023 (\$425 million at 30 June 2023)
- Net cash under IFRS of \$132 million at 30 September 2023 (\$158 million at 30 June 2023)
 - Total debt of \$264 million at 30 September 2023 (\$273 million at 30 June 2023)
 - Following completion of the bond buy-back tender earlier this month, and earlier purchases in the market, Genel’s total debt has been reduced by \$25 million in H2 2023, and now stands at \$248 million
- \$110 million overdue from the Kurdistan Regional Government (‘KRG’) for past oil sales at the end of Q3

2023 OUTLOOK

- Domestic sales from Tawke expected to increase in Q4
- Genel expects capital expenditure to be c.\$70 million (compared to March 2023 guidance of \$100 to \$125 million), with \$60 million spent up to the end of Q3 2023
- Activity in Q4 includes limited work ahead of exit of the Sarta PSC, civil work completion on the Toosan-1 prospect in Somaliland, and continuing preparation for the Miran and Bina Bawi oil and gas arbitration hearing, scheduled for February 2024
- Genel will continue to review allocating capital towards the reduction of debt at opportunistic prices, while not materially impacting the availability of capital for the addition of new cash-generative assets

UPDATE ON IRAQ-TÜRKIYE PIPELINE

- The Iraq-Türkiye pipeline (‘ITP’) shut on 25 March 2023
- While there continues to be positive language from the Federal Government of Iraq and Türkiye regarding opening, Genel has received no guidance from the KRG regarding the status or timing of the pipeline reopening

- The Association of the Petroleum Industry of Kurdistan ('APIKUR'), of which Genel is a member, met with the Federal Government of Iraq's ('FGI') Ministry of Oil last week
 - The members of APIKUR have committed to continuing to work with the FGI and the KRG to resume full production and export through the ITP for the benefit of all stakeholders

OPERATIONS

(bopd)	Gross production Q3 2023	Net production Q3 2023	Gross production YTD 2023	Net production YTD 2023
Tawke	25,980	6,500	39,710	9,930
Taq Taq	0	0	1,820	800
Sarta	0	0	1,060	320
Total	25,980	6,500	42,590	11,050

- **Tawke PSC (25% working interest)**
 - Having begun in July, gross local sales from the Tawke licence in Q3 2023 totalled 13,300 bopd, with no export sales, and the balance of production delivered to the KRG as its entitlement
 - Production and sales continue to increase, with production in the fourth quarter so far averaging double the level of the third quarter, with the Peshkabir field having restarted production on 16 October
 - Local sales are currently more than covering costs at the licence
- **Sarta (30% working interest and operator)**
 - Genel and its partner, Chevron, informed the Ministry of Natural Resources ('MNR') in Q2 2023 of its intention to surrender the Sarta asset and thereby terminate the Sarta PSC, with the date of PSC termination 1 December 2023, and limited remediation activity expected to be low-cost and completed in Q1 2024
 - Genel's share of the limited amount of oil in storage at the field has been sold into the local market
- **Taq Taq PSC (44% working interest and joint operator)**
 - There has been no production since 20 May 2023, following closure of the export pipeline
- **Somaliland**
 - Civil work on the Toosan-1 well site continues on the SL10B13 block (51% working interest and operator) and is on track for the planned work for this year to be completed within budget and on time
 - As previously stated the Company will assess timing of further investment based on the financial outlook at the time
- **Morocco**
 - The farm-out programme on the Lagzira block (75% working interest and operator) is ongoing

ARBITRATION

- The London-seated international arbitration regarding Genel's claim for substantial compensation from the KRG following the termination of the Miran and Bina Bawi PSCs is progressing. The two-week hearing is currently scheduled for February 2024
- The KRG's claim is that the KRG was entitled to terminate the Bina Bawi and Miran PSCs. Genel's claim is that the KRG's termination of the PSCs was repudiatory and, as a consequence, is claiming substantial damages. The KRG is not claiming any damages from Genel

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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This announcement includes inside information.

Notes to editors:

Genel Energy is a socially responsible oil producer listed on the main market of the London Stock Exchange (LSE: GENL, LEI: 549300IVCJDWC3LR8F94), with an asset portfolio that positions us well for a future of fewer and better natural resources projects. 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