

17 January 2023

## 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 2022 results, which are scheduled for release on 22 March 2023. The information contained herein has not been audited and may be subject to further review.

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

“Genel starts 2023 with a strong balance sheet, a net cash balance of over \$200 million, and a cash generative production business. Our focus is now the preservation of capital for the addition of new resilient and cash-generative assets to our production portfolio, with free cash generation in 2023 funding both our dividend programme and progress towards the drilling of our exploration well in Somaliland.

As we work to centre our business around the delivery of our material, sustainable, and progressive dividend programme, our capital allocation decisions are targeted towards delivering the profitability and cash generation required to support that programme in the long-term.”

#### 2022 PERFORMANCE

- Zero lost time incidents in 2022, with over three million hours worked since the last incident
- Net production of 30,150 bopd in 2022 (31,710 bopd in 2021), and 29,600 bopd in Q4, in line with guidance
- \$473 million of cash proceeds were received from the KRG in 2022 (2021: \$281 million)
  - Higher Brent oil price of \$101/bbl in 2022 (\$71/bbl in 2021)
  - \$124 million received relating to Tawke PSC override payments
  - \$94 million received for deferred receivables relating to unpaid oil sales from November 2019 to February 2020 and the suspended override from March to December 2020
- Capital expenditure of \$140 million, slightly below guidance due to the deferral of a well at Taq Taq and lower than budgeted spend at Sarta
  - \$74 million at Tawke PSC, and \$47 million at Sarta
- Free cash flow of \$233 million (\$86 million in 2021)
- Dividends totalling 18¢ per share paid in 2022 (2021: 15¢ per share), a total distribution of \$50 million
- Cash of \$495 million at 31 December 2022 (\$314 million at 31 December 2021)
  - Excludes \$64 million which was due for payment in 2022
- Net cash under IFRS of \$228 million at 31 December 2022 (\$44 million at 31 December 2021)
  - Total debt of \$274 million at 31 December 2022 (\$280 million at 31 December 2021)

#### 2023 OUTLOOK AND GUIDANCE

- Production in 2023 is expected to be 27-29,000 bopd, with similar operating expenditure to last year of c.\$50 million, equating to c.\$5/bbl
- Material reduction in capital expenditure, with 2023 expenditure expected to be between \$100 million and \$125 million, with key asset spend including:
  - Production business cost recoverable capital expenditure roughly flat at c.\$90 million
  - Up to c.\$25 million expenditure in Somaliland, as we progress towards the spudding of the Toosan-1 well in this frontier basin
  - c.\$10 million currently expected on maintenance of other assets including Sarta, a reduction of c.\$50 million on 2022
- Genel is committed to our material and sustainable dividend programme. The dividend is currently at 18¢ per share, equating to \$50 million, which we expect to be covered by free cash flow in 2023
- Genel continues to actively screen and work up opportunities to put our cash to work in order to extend the line of sight on cash flows that support our dividend programme into the long-term

- Genel continues to invest in the host communities in which we operate, aiming to invest in those areas in which we can make a material difference to society, with an increasing focus on Somaliland in 2023

## PRODUCTION BUSINESS

- Production by field was as follows:

(bopd)	<b>Gross production 2022</b>	<b>Net production 2022</b>	<i>Net production 2021</i>
<b>Tawke</b>	107,090	26,770	<i>27,180</i>
<b>Taq Taq</b>	4,490	1,980	<i>2,610</i>
<b>Sarta</b>	4,710	1,400	<i>1,920</i>
<b>Total</b>	121,060	<b>30,150</b>	<i>31,710</i>

- **Tawke PSC (25% working interest)**
  - Gross production averaged 107,090 bopd in 2022, and 106,480 bopd in Q4
- **Sarta (30% working interest and operator)**
  - Gross production 4,710 bopd in 2022, and 3,960 bopd in Q4
  - Genel's focus is on making ongoing production from Sarta profitable, with any further capital investment contingent on both licence profitability and the extent to which there can be confidence that such investment can add cash generative production
- **Taq Taq PSC (44% working interest and joint operator)**
  - Gross production averaged 4,490 bopd in 2022, and 3,970 bopd in Q4
  - Activity in 2023 is expected to include one sidetrack well targeting the Upper Shiranish formation

## PRE-PRODUCTION BUSINESS

- **Somaliland**
  - Preparation continues for the drilling of the Toosan-1 well on the highly prospective SL10B13 block (51% working interest and operator)
  - The Toosan prospect contains stacked Mesozoic reservoir objectives, with multiple individual prospective resource estimates each ranging from 100 to 200 MMbbls
  - The geotechnical survey has now completed as we progress towards construction of the well pad. Environmental and social impact assessments are underway, and tendering has commenced for the rig and well services
  - Genel continues to target a spud date in the next 12-18 months, acknowledging the challenges of operating in such a frontier area with limited existing infrastructure
- **Morocco**
  - The farm-out programme on the Lagzira block (75% working interest and operator) is continuing
- **Qara Dagh**
  - The results of the QD-2 well were announced in January 2022
  - Under the terms of the PSC the licence has now expired
  - The joint venture partners are engaging with the KRG on the future of the licence area

## 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 trial is scheduled for February 2024

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). The Company is one of the largest London-listed independent hydrocarbon producers, 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 a committed dividend programme that is material and sustainable. Genel continues to seek opportunities to add new resilient and cash-generative assets to its portfolio, with the goal of progressing its dividend in the long-term. For further information, please refer to [www.genelenergy.com](http://www.genelenergy.com)