Siccar Point Energy Limited

Registered No. 9103084

Interim Financial Statements (unaudited)

30 June 2021

Contents

Business Overview

Covid-19

There was no interruption to production on any of the Siccar Point Energy Limited ("the Group") fields as a result of the virus, despite the ongoing disruption caused by Covid-19 during H1 2021. Cases were reported on both the Glen Lyon and Mariner A platform and both were well managed by the operators and no production interruption resulted.

Operated Assets

Cambo

During H1 2021 the Group and its partner Shell progressed the Cambo development project towards a final development sanction. The project's Environmental Statement was submitted in June 2021 and the project remains on track for sanction in H2 2021.

Exploration and Appraisal

No exploration drilling took place in H1 2021 and none is planned for H2 2021. The Group has no exploration drilling commitments.

Non-Operated Assets

Schiehallion

Schiehallion has delivered production ahead of plan for H1 2021. This included a planned maintenance shutdown in April with the production ramp-up period extending into May. The maintenance work was successful and has resulted in a second shutdown planned for H2 2021 being cancelled. Schiehallion has delivered excellent performance since the maintenance work with net daily reported production averaging 7,917 boepd for June and July 2021.

There have been Covid-19 cases on the Glen Lyon, but operator BP has continued to manage these well with the affected personnel isolated and evacuated. It remains the case that there has been no production interruption from Covid-19 outbreak.

Mariner

Mariner has also produced ahead of plan for H1. The Noble Lloyd Noble's jack-up rig continued drilling operations, in parallel with the platform rig, to the end of January 2021. From there the platform rig continued drilling and in total 13 production wells and 3 water injector wells have been brought onstream to 30 June 2021. Operator Equinor is on track to deliver its target of adding five production wells and two water injectors in 2021.

Jade

Jade has also performed well in H1. The J6 well will be returned to production in H2 2021. Two further wells are planned for the Jade field – Jade South well is planned to come onstream in July 2022 and JM is planned to come onstream in April 2023.

Rosebank

Equinor is making excellent progress in moving forward the Rosebank development. The Rosebank partners are on track to select a preferred FPSO concept in 2021 and that selection will then determine the timeline to project sanction and first production.

Headcount

At 30 June 2021 the Group had 36 full and part-time employees (30 June 2020: 36).

Business Overview

Production

Production from all three of the Group's producing fields was ahead of plan for H1. Average daily production is summarised below

(boepd net to the Group)	H1 2021	H1 2020
Schiehallion	5,814	6,869
Mariner	3,090	1,697
Jade	402	573
Total	9,306	9,139

Reserves and Resources

As at 30 June 2021 the Group had 180mmboe 2P reserves (31 Dec 2020: 182mmboe) and 327 mmboe 2C resources (31 Dec 2020: 350mmboe) totalling 507mmboe 2P+2C (31 Dec 2020: 532mmboe).

Financial

With stability returning to financial markets in 2021 the Group adopted a policy of minimising cash balances to reduce drawings on the Reserves Based Lending (RBL) and so reduce interest costs. At 30 June 2021 the Group has cash of US$37.5 million.

At 30 June the Group had undrawn availability on its RBL facility of US$150.6 million so total liquidity at 30 June 2021 was US$188.1 million.

In March 2021 the Group successfully refinanced its existing US$200 million bond with a new five year issue with a final maturity of March 2026. As with the previous bond the coupon on the new issue is a fixed 9.0% p.a. Again like the previous bond the new bond is unsecured and is listed on the Nordic Alternative Bond Market a market administered by Oslo Børs. The new issue was significantly oversubscribed and the Group's bond investor base was broadened and diversified as a result of the successful issue. Combined with the extension of the Group's US$550 million RBL facility in December 2020 this concludes a complete refinancing of the Group's debt facilities.

For 6 months ended 30 June 21 Group EBITDA was US$84.6 million (30 June 2020: US$47.1 million) and EBITDAX US$87.0 million (30 June 2020: US$48.9 million).

Brent Hedging

At 30 June 2021 the Group had hedged:

- 1.2 million barrels of H2 2021 oil production at an average price of US$58.64/bbl
- 1.3 million barrels of 2022 oil production at an average price of US$63.48/bbl

With a strong liquidity position and hedge book the Group is well placed as it plans the way forward to sanctioning its Cambo project in 2021. In the meantime, the Group has no project or exploration drilling commitments.

Outlook

With a good performance across our production base and good progress on the Cambo development H1 2021 has been a productive period for the Group. Work continues towards Cambo

Business Overview

sanction and Rosebank concept selection in H2 2021. With substantial liquidity and recently refinanced debt facilities the Group is well positioned for the period ahead.

Doug Fleming

Chief Financial Officer

10 August 2021

Group statement of comprehensive income

	Note	*Unaudited Six months to 30 June 2021 US $'000*	*Unaudited Six months to 30 June 2020 US $'000*
Revenue	2	107,279	60,595
Cost of sales		(66,209)	(372,558)
Gross profit/(loss)		41,070	(311,963)
Other operating income		15,990	17,938
Administrative expenses		(7,201)	(6,020)
Operating profit/(loss)	3	49,859	(300,045)
Finance income	4	2,043	81,728
Finance expense	5	(112,795)	(23,655)
Loss before tax		(60,893)	(241,972)
Taxation		-	114,832
Loss for the period		(60,893)	(127,140)

Group statement of financial position

	Note	Unaudited 30 June 2021 US $'000	Audited 31 December 2020 US $'000
Non-current assets			
Exploration and evaluation assets		407,652	384,097
Property, plant and equipment		991,957	1,014,595
Deferred tax asset		647,175	647,175
Long-term financial assets		61,029	75,521
Total Non-current assets		2,107,813	2,121,388
Current assets			
Inventories		7,522	6,708
Trade and other receivables	6	33,498	60,144
Cash and cash equivalents		37,522	163,729
Total current assets		78,542	230,581
Total assets		2,186,355	2,351,969
Current liabilities			
Trade payables and accrued liabilities		(70,449)	(36,258)
Provisions		(2,753)	-
Net current assets		5,340	194,323
Non-current liabilities			
Interest-bearing loans	7	(440,081)	(586,488)
Long term financial liabilities		(56,444)	(50,940)
Provisions		(180,963)	(181,725)
Total liabilities		(750,690)	(855,411)
Net assets		1,435,665	1,496,558
Equity			
Share capital		692,607	692,607
Retained profit		743,058	803,951
Total equity		1,435,665	1,496,558

Group statement of changes in equity (unaudited)

	Share capital *US $'000*	Retained profit *US $'000*	Total equity *US $'000*
At 1 January 2021	692,607	803,951	1,496,558
Total comprehensive loss for the period	-	(60,893)	(60,893)
At 30 June 2021	692,607	743,058	1,435,665
At 1 January 2020	692,607	909,672	1,602,279
Total comprehensive loss for the period	-	(127,140)	(127,140)
At 30 June 2020	692,607	782,532	1,475,139

Group cash flow statement

	Unaudited Six months to 30 June 2021 US $'000	Unaudited Six months to 30 June 2020 US $'000
Net cash generated from operating activities		
Loss before tax from continuing operations	(60,893)	(241,972)
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs (third party loan interest)	13,791	20,146
Depreciation- right of use assets	72	80
DD&A - producing assets	34,743	42,665
Impairment of production asset (pre-tax)	-	304,418
Unwinding of decommissioning discount	1,818	1,632
Decommissioning change in estimate	4	(413)
Decommissioning provision utilised	-	(39)
Amortisation of bank arrangement fee	(407)	305
Unrealised loss/(gain) on derivative financial instruments	85,220	(79,468)
Unrealised FX (gain)/loss	(747)	647
Working capital adjustments:		
(Increase)/decrease in inventories	(832)	1,656
(Increase)/decrease in trade and other receivables	(5,119)	9,560
Increase/(decrease) in trade and other creditors	2,330	(2,509)
Net cash flows from operating activities	69,980	56,708
Investing activities:		
Purchase of computer/office equipment	-	(86)
Expenditure on development and production assets	(12,044)	(30,628)
Expenditure on exploration and evaluation assets	(23,548)	(22,386)
Net cash flows used in investing activities	(35,592)	(53,100)

Group cash flow statement (continued)

	Unaudited Six months to 30 June 2021 US $'000	*Unaudited Six months to 30 June 2020 US $'000*
Financing activities:		
Proceeds from bonds and bonds issuance (net of charges)	198,000	-
Repayment of bonds	(200,000)	-
Repayment from borrowing – third party	(144,000)	(35,000)
Interest paid on long term loan	(14,829)	(21,175)
Finance charge on leases	11	20
Net cash outflows from financing activities	(160,818)	(56,155)
Cash and cash equivalents at 1 January	163,729	275,626
Unrealised net foreign exchange difference on cash and cash equivalents	223	(1,514)
Net decrease in cash and cash equivalents	(126,430)	(52,547)
Cash and cash equivalents at 30 June	**37,522**	**221,565**

Selected notes to the interim financial statements(continued)

1. Accounting policies

Basis of preparation

These unaudited Condensed Group Interim Financial Statements ("Interim Statements") have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the European Union and on the basis of the same accounting principles as applied in the annual Group financial statements for the year ended 31 December 2020.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2020.

The Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing these Interim Statements.

The financial information presented in the Interim Statements does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006 ("the Act"). An unqualified audit opinion was expressed for the year ended 31 December 2020, as delivered to the Registrar of Companies for England and Wales.

The Interim statements for the six months ended 30 June 2021 are unaudited and an external review by an auditor was not performed. In the opinion of the directors the financial information for this period fairly presents the financial position, results of operations and cash flows for the period in compliance with IFRS.

2. Revenue

	Unaudited Six months to 30 June 2021 US $'000	*Unaudited Six months to 30 June 2020 US $'000*
Oil sales	102,810	58,585
Gas sales	4,041	1,639
NGL sales	428	371
	107,279	**60,595**

Selected notes to the interim financial statements(continued)

3. Operating profit/(loss)

This is stated after charging:

	Unaudited Six months to 30 June 2021 US $'000	*Unaudited Six months to 30 June 2020 US $'000*
Depreciation	34,815	42,745
Impairment of production asset (pre-tax)	-	304,418
Realised gain from hedging	(15,990)	(17,938)

4. Finance income

This is stated after charging:

	Unaudited Six months to 30 June 2021 US $'000	*Unaudited Six months to 30 June 2020 US $'000*
Derivative financial instruments – mark to market (unrealised)	-	79,468
Foreign exchange gains	1,616	59
Interest on bank deposits	20	1,440

5. Finance Expense

This is stated after charging:

	Unaudited Six months to 30 June 2021 US $'000	*Unaudited Six months to 30 June 2020 US $'000*
Derivative financial instruments – mark to market (unrealised)	85,220	-
Other fees	11,948	1,199
Interest on third party loan and bond	13,791	20,145

Selected notes to the interim financial statements(continued)

6. Trade and other receivables

	Unaudited 30 June 2021 US $'000	*Audited 31 December 2020 US $'000*
Accrued income	17,774	13,464
Amount owed by Group undertakings	9,799	9,046
Deposits and prepayments	61	1,333
Advances to Joint venture partners	1,641	1,012
NGL under lift	586	428
Derivative financial instruments	3,637	34,861
	33,498	60,144

7. Interest-bearing loans

	Unaudited 30 June 2021 US $'000	*Audited 31 December 2020 US $'000*
Third party loan	242,000	386,000
Third party bond	198,081	200,488
	440,081	586,488

The third-party loan relates to a bank loan with a syndicate of banks. It is an RBL facility of US$550 million (2020: US$550 million) with US$242 million currently drawn. Accrued interest as at 30 June 2021 US$ 0.7 million (2020: nil).

In March 2021 the Group successfully refinanced its existing US$200 million bond with a new five year issue with a final maturity of March 2026. The net proceeds from the bond issue were applied towards early repayment of all amounts outstanding under its US$200 million bond issue with ISIN NO 001 0815053 and maturity 31 January 2023.The 9.0% unsecured callable 2021/2026 US$200 million bonds are listed on Nordic ABM, a marketplace regulated by Oslo Børs. Accrued interest as at 30 June 2021 is US$5.8 million (2020: US$7.5 million). Bonds are recorded at fair value less transaction costs at initial recognition and are subsequently measured at amortised cost.