



**ROCKROSE**  
ENERGY

# 2020 AGM update

30<sup>th</sup> April 2020

Opportunities. *Enhanced.*

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# 2019 Highlights

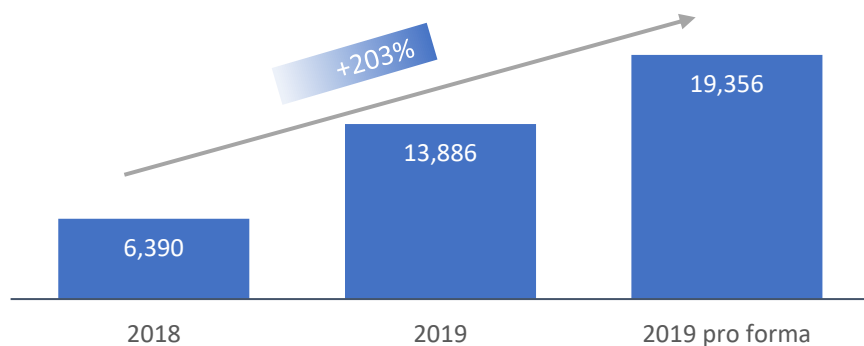
- Operational Highlights
- Financial Highlights



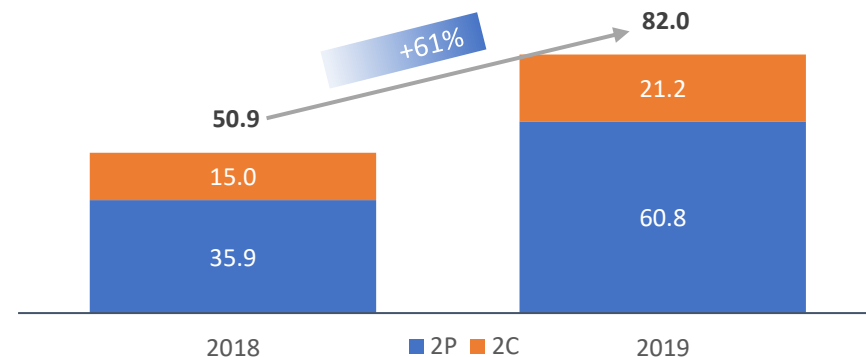
# Operational Highlights



## Production (boepd)

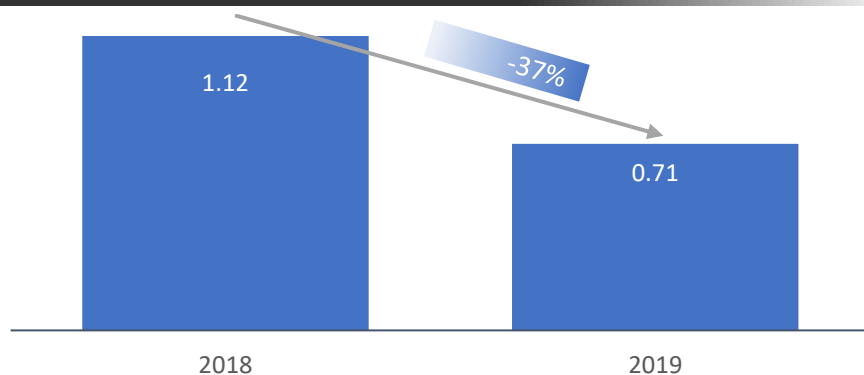


## Reserves and Resources (MMBOE)\*



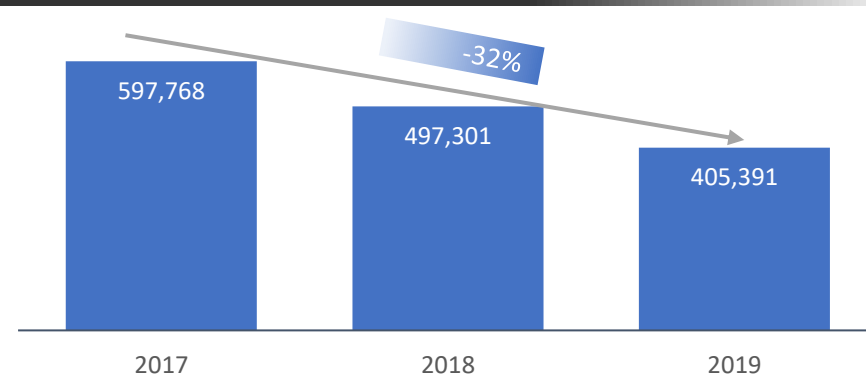
\* Source: ERCE Competent Persons Report (2P Reserves), internal estimates (2C Resources).

## HSE Reportable Events Frequency (TRIF)\* - Operated Assets



\* Total Recordable Injury Frequency (TRIF) per 200,000 man hours.

## Emissions Performance (CO<sub>2</sub> tonnes) - Operated Assets\*

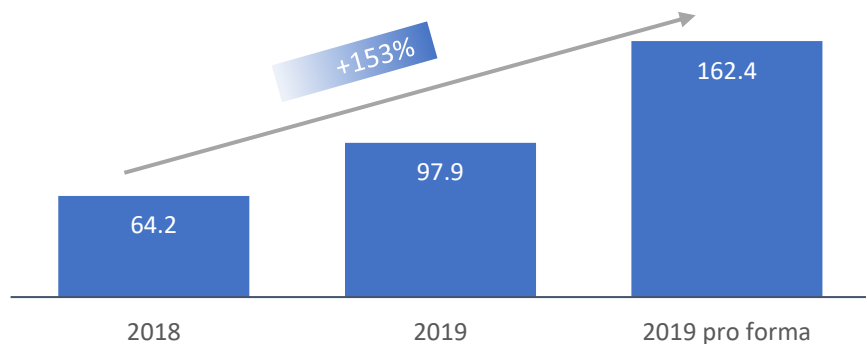


\* Operated by Marathon Oil UK prior to July 2019.

# Financial Highlights

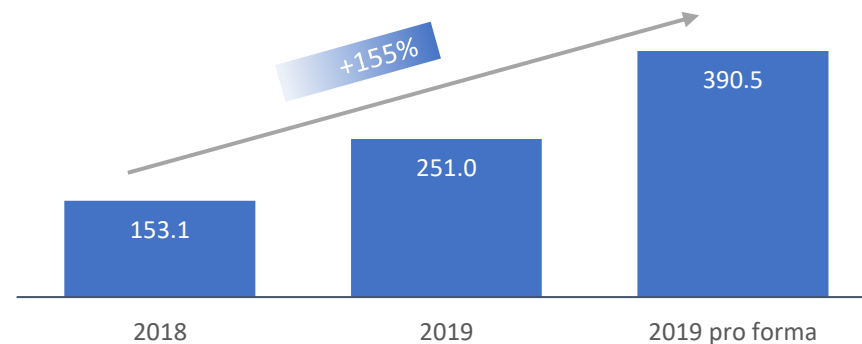


## EBITDA\* (\$MM)

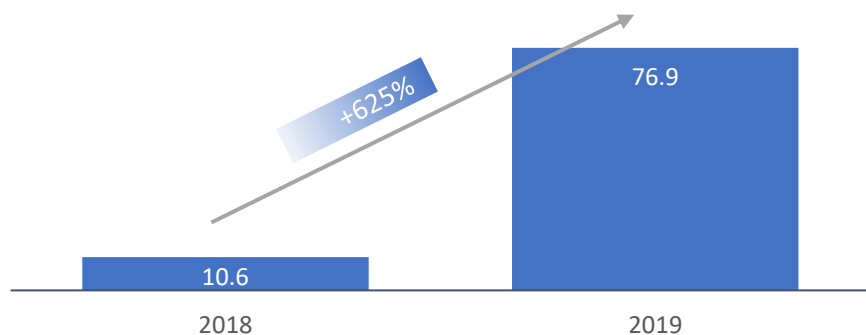


\* Adjusted EBITDA is calculated on a business performance basis. Refer to the alternative performance measures definition in the glossary to the Annual Report.

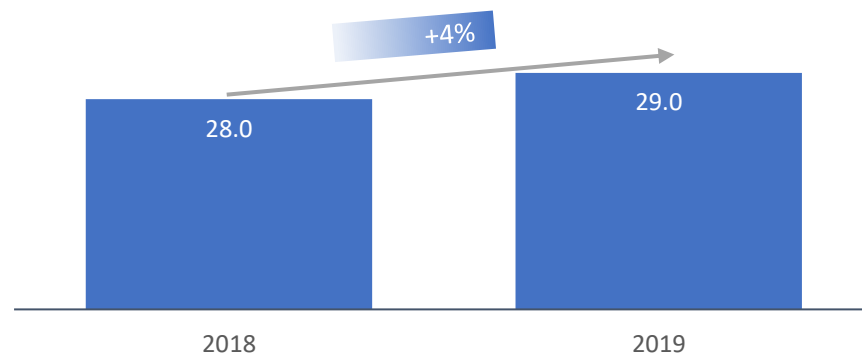
## Revenue (\$MM)



## Capital Expenditure (\$MM)



## Unit OPEX(\$/boe) \*



\* Non-IFRS measure. Refer to the alternative performance measures definition in the glossary to the Annual Report.

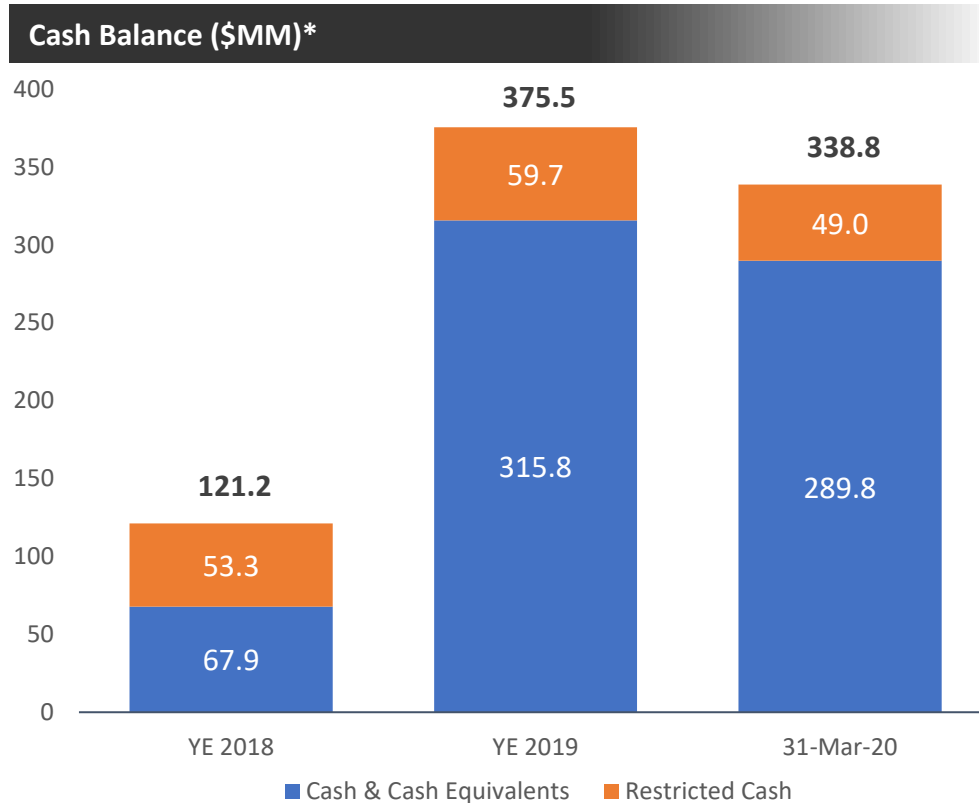


# Outlook

- Strong Balance Sheet
- 2020 Expenditure
- 2020 Activity & Production



# Strong Balance Sheet



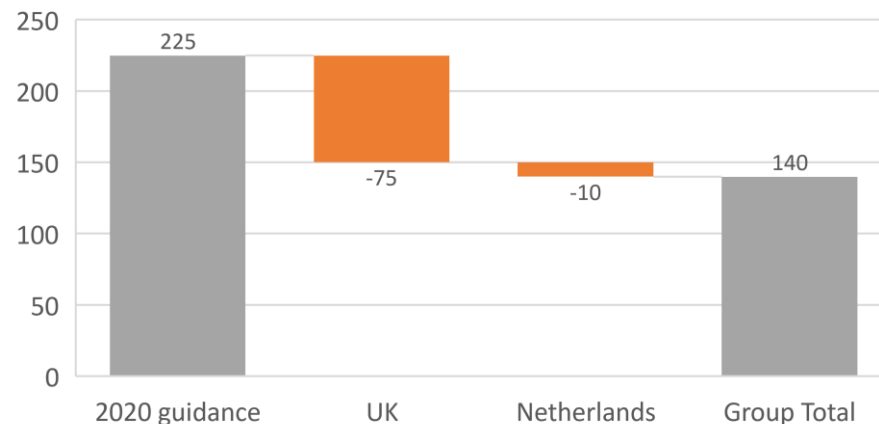
- **Debt free with significant cash on hand.**
  - The Company generated cash from operating activities of \$100.6m in 2019, up from \$77.4m in 2018.
  - 210% uplift in net cash achieved after capital expenditure (CAPEX) of \$76.9 million and, abandonment expenditure (ABEX) of \$9.4 million (before tax relief).
  - Cash increase of \$239.1 million as a result of the Marathon acquisition.
- **Restricted cash reduced**
  - The Group has now replaced all cash securities held in trust in respect of DSAs with decommissioning surety bonds.
  - At the end of 2019, the Group had in issue \$206.5 million of surety bonds with A rated surety providers.

# 2020 Expenditure

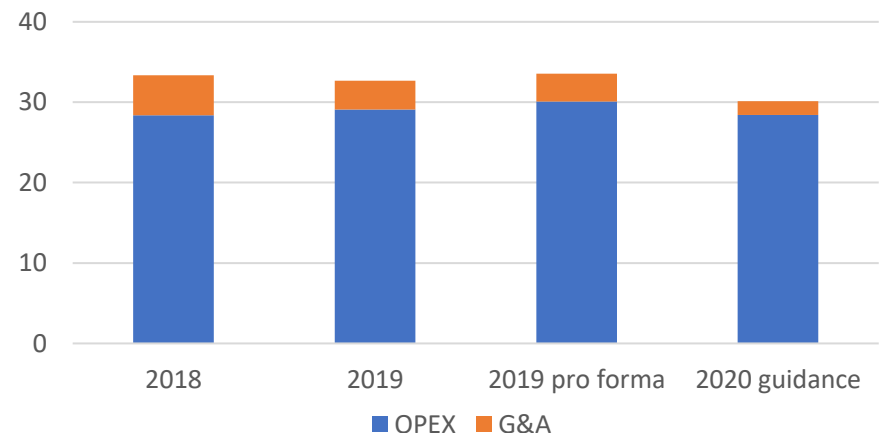
## ■ Cash costs materially reduced

- Certain projects are expected to be deferred into 2021. CAPEX in 2020 is forecast to be at least 40% below previous guidance of ~\$200 million as a result. ABEX is likely to be ~\$5 million lower.
- Unit OPEX was adversely affected in 2019 by lower than expected production in H2. This was largely due to a planned maintenance shutdown at Foinaven lasting 34 days longer than scheduled.
- Production efficiency has improved across our portfolio and an extensive cost review has been conducted for 2020 whereby non-critical work scopes have been deferred.
- Including G&A, these factors are expected to lead to a ~10% reduction in unit OPEX costs from ~\$33/boe to ~\$30/boe in 2020.
- The combined reduction in cash OPEX, CAPEX, and ABEX costs due to actions taken since mid-March is expected to be in excess of \$100 million.

Group CAPEX & ABEX outlook (US\$MM)



Unit OPEX (\$/boe)



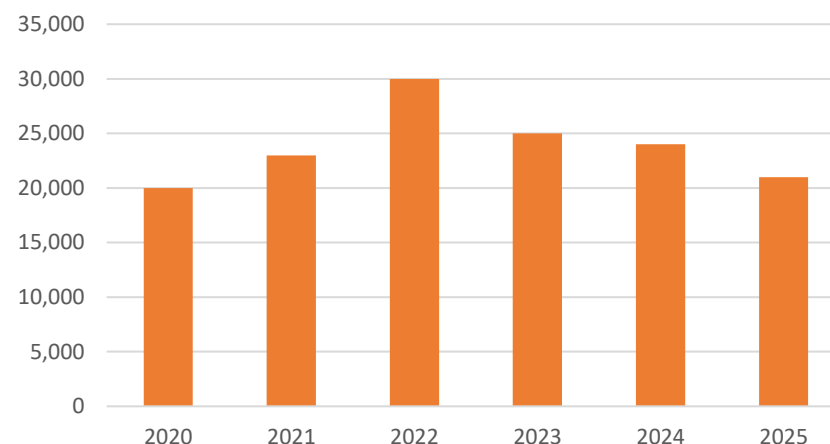


# 2020 Activity & Production

## ■ Expenditure deferrals won't impact reserves

- As a consequence of actions taken to reduce expenditure, RockRose now expects to participate in three wells in 2020 rather than seven.
- Two RockRose operated West Brae infill wells have been completed on time and within budget. One was successful and is producing ~1,600 b/d net.
- 2020 production guidance cut by 1,000 boe/d to about 20,000 boe/d due to CAPEX deferrals and the suspension of the second West Brae infill well.
- Only one well is now planned to be drilled at Arran in 2020 but the Seven Borealis pipelay vessel will commence laying the 55km pipeline to the Shearwater platform shortly.
- Production growth in 2021 will be reduced as Blake infill wells and Arran will come onstream later than previously anticipated.
- The revised expenditure and production profiles are not expected to result in material changes to reserves or resources estimates.

Production Profile (boe/d)

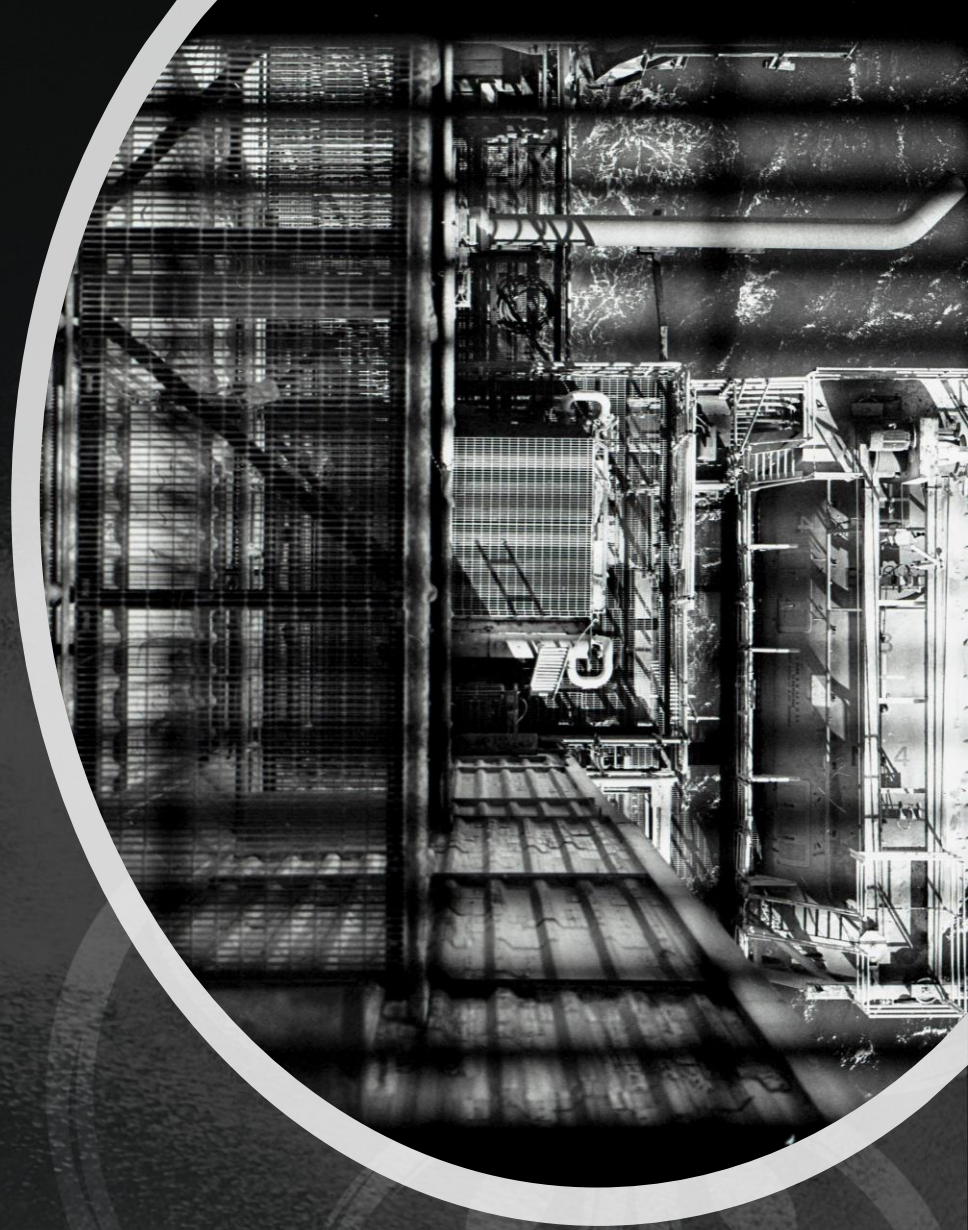


Noble Houston Colbert on location at West Brae



# Responsible Business

- Governance
- Environmental performance
- Social responsibility





## ▪ A Framework for Continuous Improvement

- Guided by our Responsible Operations Management System (ROMS) framework
- Each ROMS element overseen by a relevant member of our Operational Leadership team
- Health, environment, safety and security (HES&S) activities overseen by a Board-level HES&S Committee and ROMS Steering Committee
- Code of Conduct: holding employees, officers, directors and external parties to the same ethical standards

ROMS Elements	
01 Leadership and Accountability	02 Regulatory Compliance
03 Risk Assessment and Management	04 Management of Change
05 Design and Construction	06 Safe Work Practices
07 Training and Competency	08 Operations, Maintenance and Integrity Management
09 Operational Readiness	10 Emergency Preparedness and Communications Awareness
11 Event Management	12 Third-Party Services
13 Governance and Document Control	14 Audit and Improvement

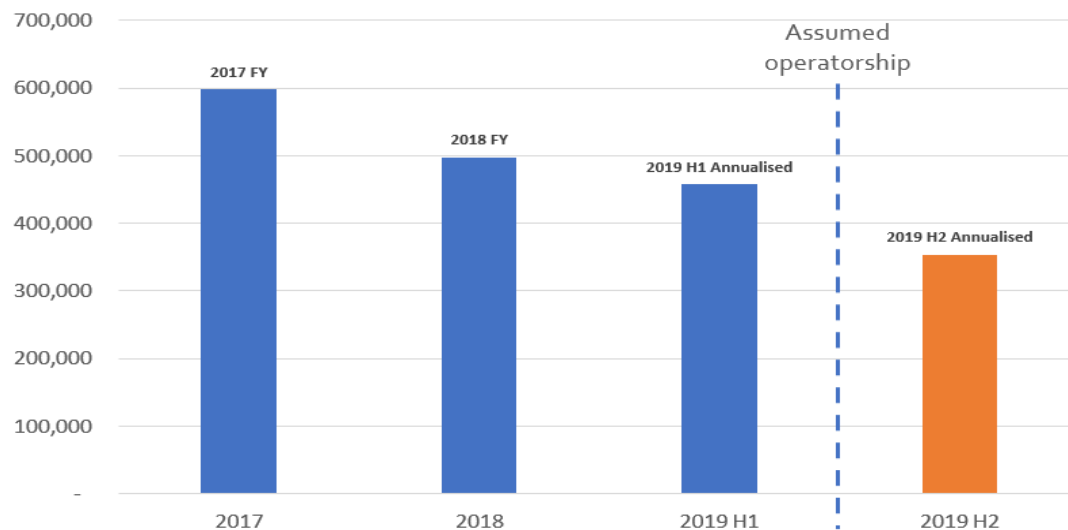


# Environmental Performance

## ■ Safeguarding the Environment

- Reduced GHG emissions offshore by 20% and unnecessary hydrocarbon flaring
- Establishing our Net Zero Emissions Target in line with the Oil and Gas UK (OGUK) framework
- Cut operational waste to landfill by 40% and chemical discharge by 33%
- Robust plans and protocols in place to prevent oil spills

## CO<sub>2</sub> Emissions – Operated Assets



### Innovate Together

## Net Zero Emissions Target

RockRose are committed to extracting oil and gas safely, efficiently and responsibly, seeking to not just minimise our impact on the environment but actively reduce it. We want to do our part by working towards making RockRose a net zero carbon emissions company.

Big or small, your ideas and solutions to help reduce our atmospheric emissions could form our next steps in meeting this challenge. If you have a thought on how to help reach our ambition, please go to 'The Rock' and fill in the idea proposal form.

We thank you for your time and effort to propose an idea and are committed to sharing and feeding back the outcome to you.



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# Social Responsibility

- **Supporting Our People**

- Improved offshore working conditions
- Introduced the offshore promotion assessment panels
- New Process Safety Training Matrix developed
- Offered training and ensured equal opportunities for all

- **Building Strong Communities**

- Supported local charities such as Absafe, Techfest, Maggie's, and Crisis
- Matched funds raised through employee-raised charitable activities
- Trained employees of the future through the Offshore Petroleum Industry Training Organization (OPITO) apprenticeship program
- Sponsored prize for Chemical Engineers at the University of Aberdeen





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