

Siccar Point Energy Limited

Registered No: 9103084

31 December 2017

Siccar Point Energy Limited

Management Accounts H2 2017

Overview

The second half of 2017 saw significant activity for Siccar Point Energy:

- The BP operated Schiehallion field (Siccar Point Energy 11.75%) which came onstream in May 2017 continued its production ramp up. Full production is expected to be achieved in H1 2018.
- The Statoil operated Mariner development (Siccar Point Energy 8.89%) continued to make excellent progress towards first production in H2 2018. Installation of the topsides modules offshore was successfully completed in July 2017 and hook up and commissioning work commenced. At 31 December 2017 the project was 91% complete.
- The Board of Siccar Point Energy Limited has approved the drilling of an appraisal well on the Cambo discovery (Siccar Point Energy 100%) in 2018. Agreement was reached with North Atlantic Drilling Limited to contract the West Hercules rig. It is planned to spud the well in H1 2018.
- Siccar Point Energy successfully marketed and sold its entire 26% working interest in the Shell operated Jackdaw development to Dyas BV. Transaction terms were not disclosed. This transaction closed in December 2017. A gain on disposal of \$6.7mm was recognised in the P&L.
- Successful marketing and farming out of a 66.67% working interest in the Siccar Point Energy operated Lyon exploration prospect to Ineos UK Ltd. Transaction terms were not disclosed. An exploration well is planned to be drilled on the Lyon prospect in 2018 with the West Hercules rig contracted from North Atlantic Drilling Ltd for this purpose.

At 31 December 2017 Siccar Point Energy Limited had 37 full and part-time employees.

Production

Production in H2 2017 was 6,927 boepd (H1 2017 1,128 boepd)

Outlook

2018 will be a further period of important activity for Siccar Point Energy:

- Planned drilling of the Siccar Point Energy operated Cambo appraisal well.
- Planned drilling of the Siccar Point Energy operated Lyon exploration well.
- Ongoing work at the Mariner development project with first production currently forecast for Q4 2018.
- Ongoing work on the Chevron operated Rosebank development (Siccar Point Energy 20%) towards a final investment decision forecast for H1 2019.
- Preparation for a potential final investment decision on Cambo in H1 2019.
- Preparation for the planned drilling of the Siccar Point Energy operated Blackrock exploration well (Siccar Point Energy 75%) in 2019.

Doug Fleming

Chief Financial Officer

28 February 2018

Group statement of comprehensive income (unaudited)

For the six months period ending 31 December 2017

	<i>Six months ending Dec 31, 2017</i>
	<i>US \$'000</i>
Revenue and other operating income	89,453
Operating expenses	(73,483)
Gross profit	<u>15,970</u>
Administrative expenses	(4,541)
Operating profit	<u>11,429</u>
Gain on disposal of E&A asset	6,698
Finance income	973
Finance expense	(33,775)
Loss before tax	<u>(14,675)</u>
Taxation	20
Loss for the period	<u><u>(14,655)</u></u>

Group statement of financial position (unaudited)

for the year ended 31 December 2017

	2017
	US \$'000
Non-current assets	
Intangible assets	267,910
Property, plant and equipment	1,476,016
Deferred tax asset	173,036
Long term financial asset	102,107
Total Non-current assets	<u>2,019,069</u>
Current assets	
Inventories	3,923
Debtors: Amounts falling due within one year	84,345
Cash and cash equivalents	67,861
Total current assets	<u>156,129</u>
Total assets	<u>2,175,198</u>
Current liabilities	
Creditors: Amounts falling due within one year	(50,909)
Derivative financial instruments	(17,671)
Net current assets	<u>87,549</u>
Non-current liabilities	
Interest bearing loans	(546,000)
Long term financial liability	(96,182)
Provisions	(154,778)
Total liabilities	<u>(865,540)</u>
Net assets	<u>1,309,658</u>
Equity	
Share capital	692,607
Retained profit	617,051
Total profit	<u>1,309,658</u>

Group cash flow statement (unaudited)

for the six months period ending 31 December 2017

Six months ending
Dec 31, 2017

US \$'000

Net cash generated from operating activities

Loss for the period (14,655)

Adjustments to reconcile loss after tax to net cash flows:

DD&A - producing assets 54,193

Depreciation: office equipment 9

Unwinding of decommissioning discount 2,053

Mark to market hedges 17,671

Finance costs 13,271

Unrealised FX gain (619)

Gain on disposal of E&A assets (6,698)

Working capital adjustments:

Increase in inventories (693)

Decrease in trade and other receivables 40,258

Decrease in trade and other creditors (27,458)

Net cash flows from operating activities 77,332

Investing activities:

Expenditure on development and production assets (46,145)

Expenditure on exploration and evaluation assets (18,168)

Sale proceeds of E&A asset 2,316

Net cash flows used in investing activities (61,997)

Financing activities:

Proceeds from borrowings 20,000

Interest paid on long term loan (18,800)

Net cash flows from financing activities 1,200

Cash and cash equivalents at 1 July 50,928

Unrealised FX 398

Net increase in cash and cash equivalents 16,535

Cash and cash equivalents at 31 December 67,861