

Focused On Value

Annual General Meeting, 27 June 2024





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Dave Latin
Chairman and Interim CEO

- Appointed to Serica Board in 2021
- Non-Executive Chairman since July 2023 and Interim CEO (effective 24 April until 1 July 2024)
- Formerly SVP for NW Europe, Africa & Australasia for OMV
- At BP from 1993-2011 in range of executive roles including running the BKR assets



Martin Copeland
CFO

- Joined as CFO in February 2024
- 30+ year career in Investment Banking across the energy space including financing and M&A
- Extensive North Sea advisory experience including on some of the most important transactions in the space
- Advised Tailwind on the combination into Serica Energy

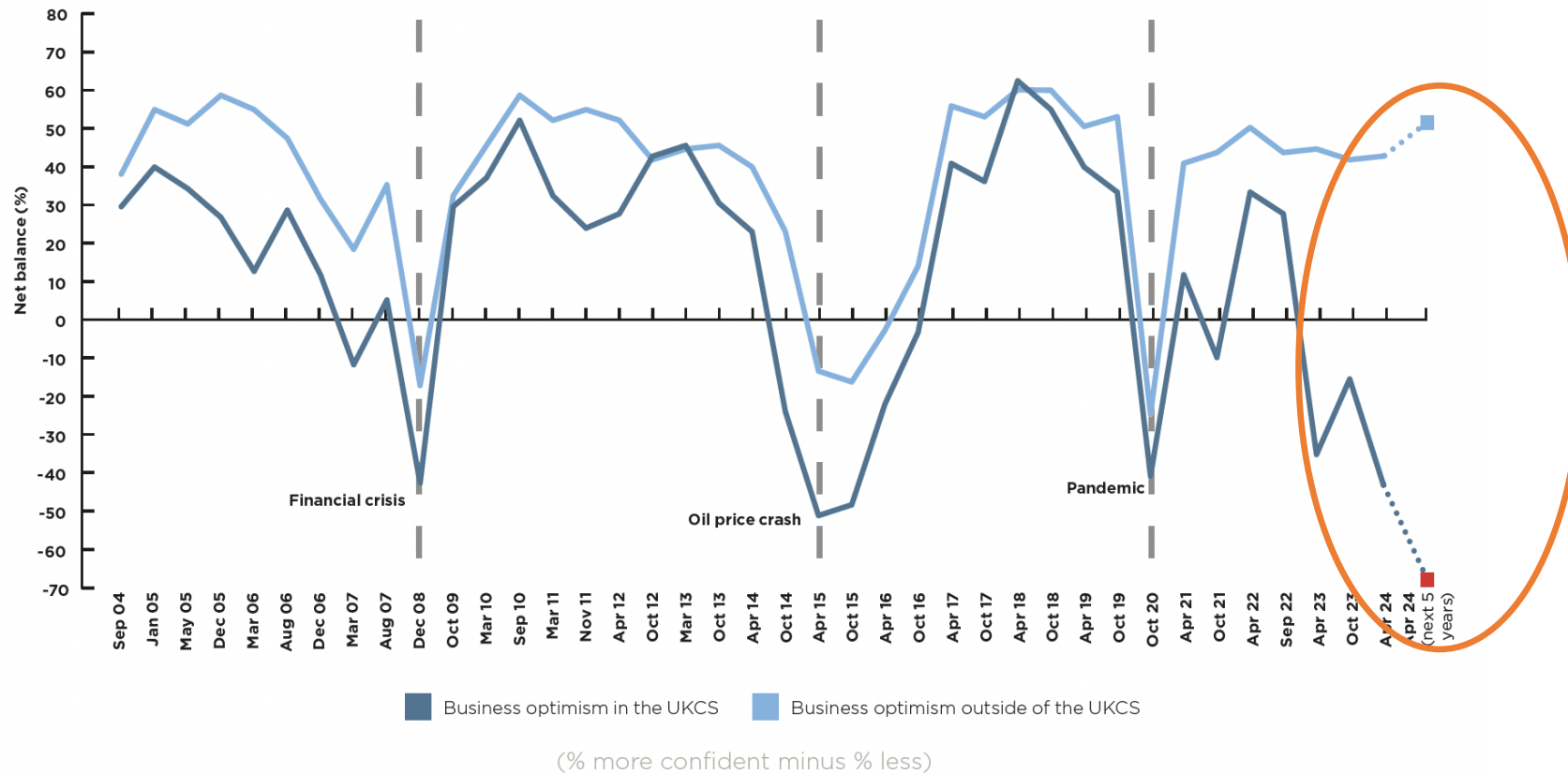


Serica 3.0

Dave Latin, Chairman and Interim CEO



Aberdeen & Grampian CC UKCS Confidence Survey 2004 – 2024YTD



Confidence in UK and rest of the world 'disconnected' for the first time

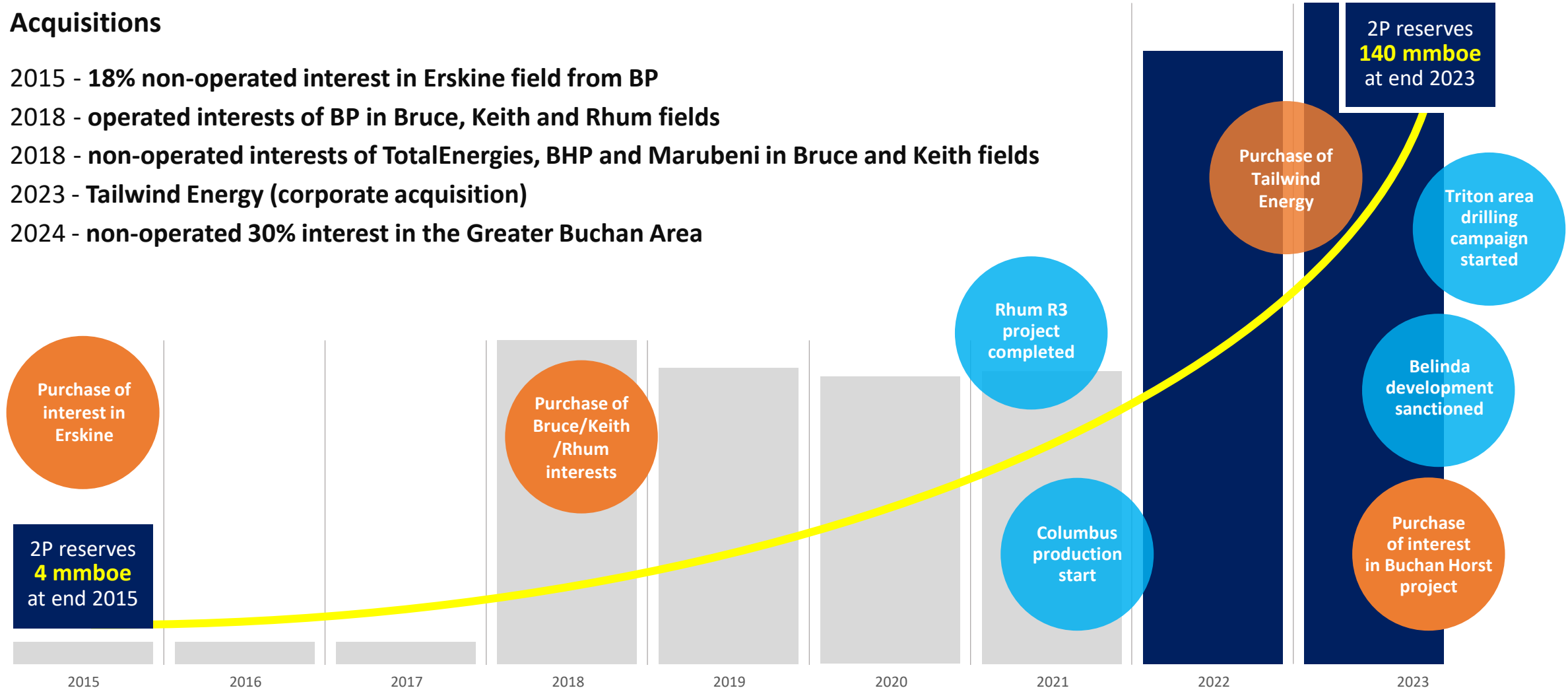
To contribute responsibly towards meeting the world's energy needs through the safe and efficient production of hydrocarbons

- **Experienced and safe operator**
- **Growing production**
- **Strong balance sheet**
- **Track record of successful M&A**
- **Significant returns to shareholders**



Acquisitions

- 2015 - 18% non-operated interest in Erskine field from BP
- 2018 - operated interests of BP in Bruce, Keith and Rhum fields
- 2018 - non-operated interests of TotalEnergies, BHP and Marubeni in Bruce and Keith fields
- 2023 - Tailwind Energy (corporate acquisition)
- 2024 - non-operated 30% interest in the Greater Buchan Area



- **AIM listed** with Head Office in London and Operations based in Aberdeen
- **Top 10 UK North Sea producer**
- Portfolio focused around **two production hubs**
- **Balance of oil and gas**
- Established North Sea **operator**
- Production **>40 kboe/d**
- **140 mmboe** of 2P reserves
- Strong balance sheet provides **platform for future growth**
- **Dividend paying** since 2020
- Inaugural **share buyback** in 2024



Screening criteria

- Accretive to value
- UKCS and/or overseas (NW Europe lens)
- Creates opportunities for further investment
- Includes current or near-term production
- Conservatively financed
- Operated or non-operated
- Preference for unlocking 'special' situations through bilateral negotiations

M&A 'bench strength'

Internal team



Martin Copeland

Long career in investment banking



Ian Macaulay

Business development at Tailwind



Chris Boulter

Ex-M&A at Neptune



Kate Coppinger

Formerly at Harrison Lovegrove and Standard Chartered



Jérôme Schmitt

Former Head of M&A, TotalEnergies



Rob Lawson

Former Head of M&A, BP



Operational review

Dave Latin, Chairman and Interim CEO



Investment

- Completed acquisition of Tailwind in March
- Successful multi well intervention campaign on Bruce
- Progressed planning for Triton area well campaign in 2024/25
- Acquired interest in potential Buchan Horst project

Growth

- Production 40.1 kboe/d¹ compared to 26.2 kboe/d in 2022
- Net 2P reserves additions of 24 million boe (179% of produced boe in 2023¹)
- Increased resource base supports new enlarged debt facility
- Enhanced capabilities following integration of Tailwind staff

1. Proforma Serica + Tailwind basis from 1 January-31 December 2023

Returns

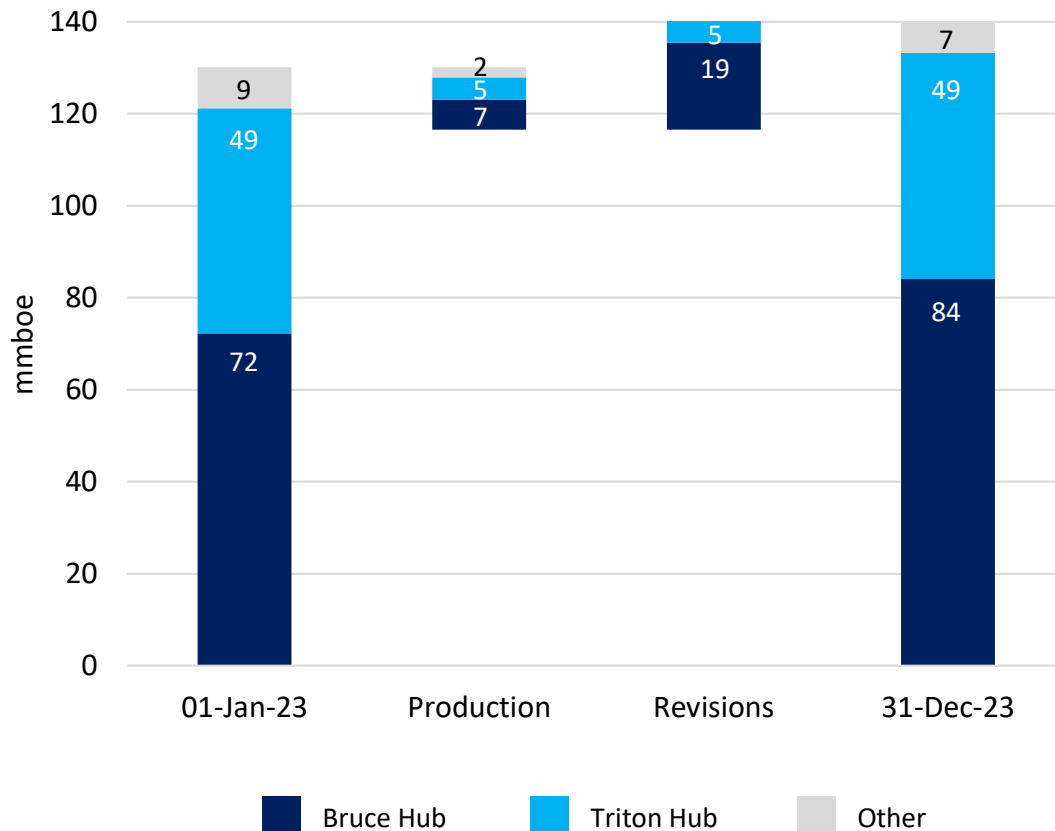
- EBITDAX £381 million despite average NBP gas price half that in 2022
- Paid dividends of £89 million
- Declared final dividend of 14p per share making total dividend for year 23p per share
- Initiated inaugural £15 million share buyback

Key operational metrics

	2023	2022	Comment
Production	40.1 kboe/d ¹	26.2 kboe/d	Addition of Tailwind in 2023 Longer than planned summer shutdowns of Bruce and Triton hubs
Unit opex	~US\$19/boe ²	US\$16/boe	Significant inflationary pressures in offshore costs Planned shutdown overruns
Reserves Replacement Ratio	179% ¹	253%	Upward net revisions in both Bruce and Triton hubs
Workforce fatalities & major incidents	0	0	
Carbon emissions³	179,442 tonnes	218,567 tonnes	Reduction partially reflects shutdown
Carbon intensity³	16.4 kgCO ₂ /boe	16.4 kgCO ₂ /boe	UKCS average 19.8 kgCO ₂ /boe (2022) ⁴

1. Proforma Serica + Tailwind basis from 1 January - 31 December 2023
2. Adjusted proforma Serica + Tailwind basis from 1 January-31 December 2023
3. Bruce hub only (Serica's other operated assets are tie-backs to hosts operated by others)
4. NSTA Emissions Monitoring Report 2023

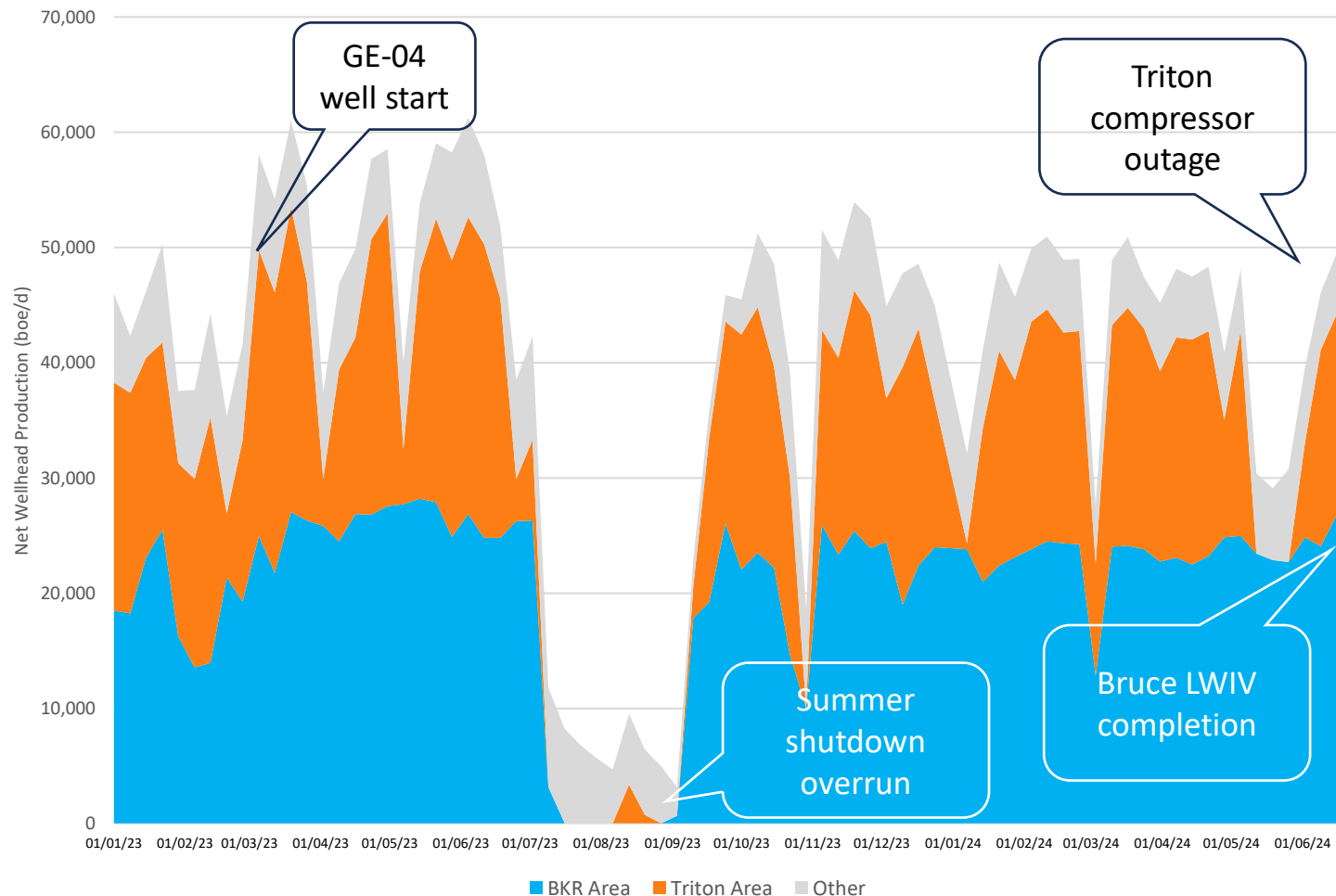
Proforma Net Proven and Probable Reserves¹



- Reserves estimate based on independent Competent Person’s Report
- Balance of oil and gas
- 179% reserves replacement ratio²
- Upward revisions include
 - Bruce infill well
 - Bruce well intervention campaign
 - Rhum gas compression project
 - Belinda field development

1. Proforma based on Serica + Tailwind portfolios from 1 January – 31 December 2023
 2. Revisions / production

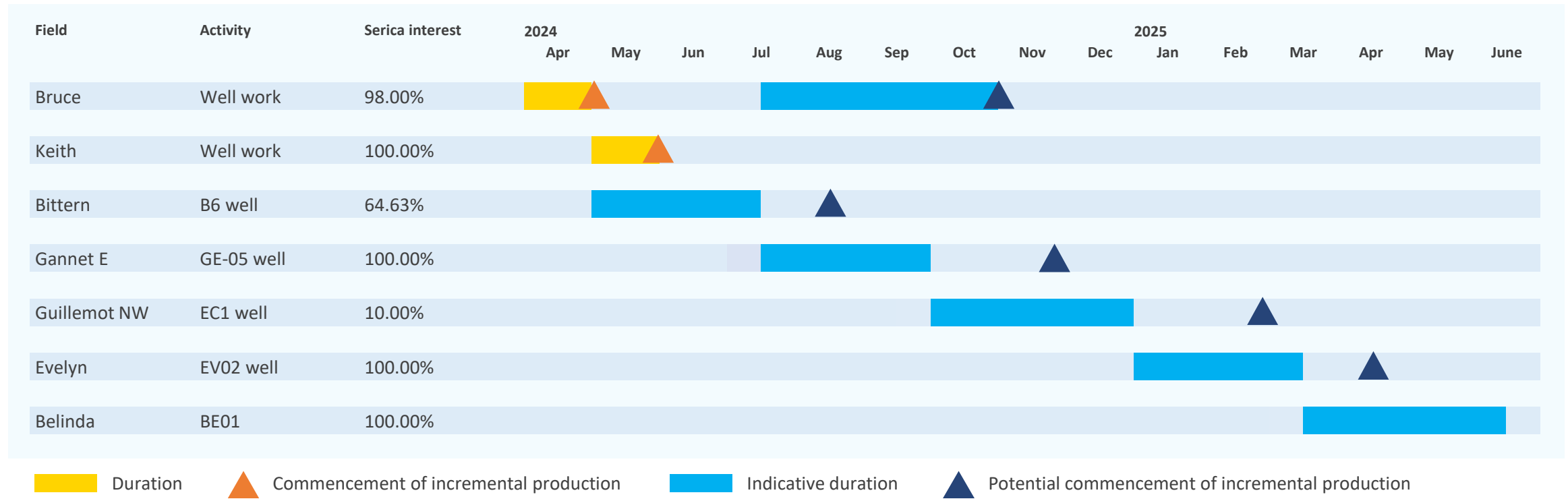
Average Net Weekly Production (boe/d)¹



- 2024 YTD² production 43,781 boe/d
- Triton outage during May 2024 due to gas compressor being offline
- Initial results from recently completed LWIV campaign has boosted Bruce production
- 2024 production guidance 41-46,000 boe/d
- Range reflects remaining uncertainties
 - Sustained impact of well work
 - Results of Triton drilling campaign
 - Execution of Triton summer shutdown

1. 2023 proforma (Serica + Tailwind for entire year). Tailwind acquisition completed 23 March 2023.
 2. 1 January – 23 June 2024

Converting reserves to production



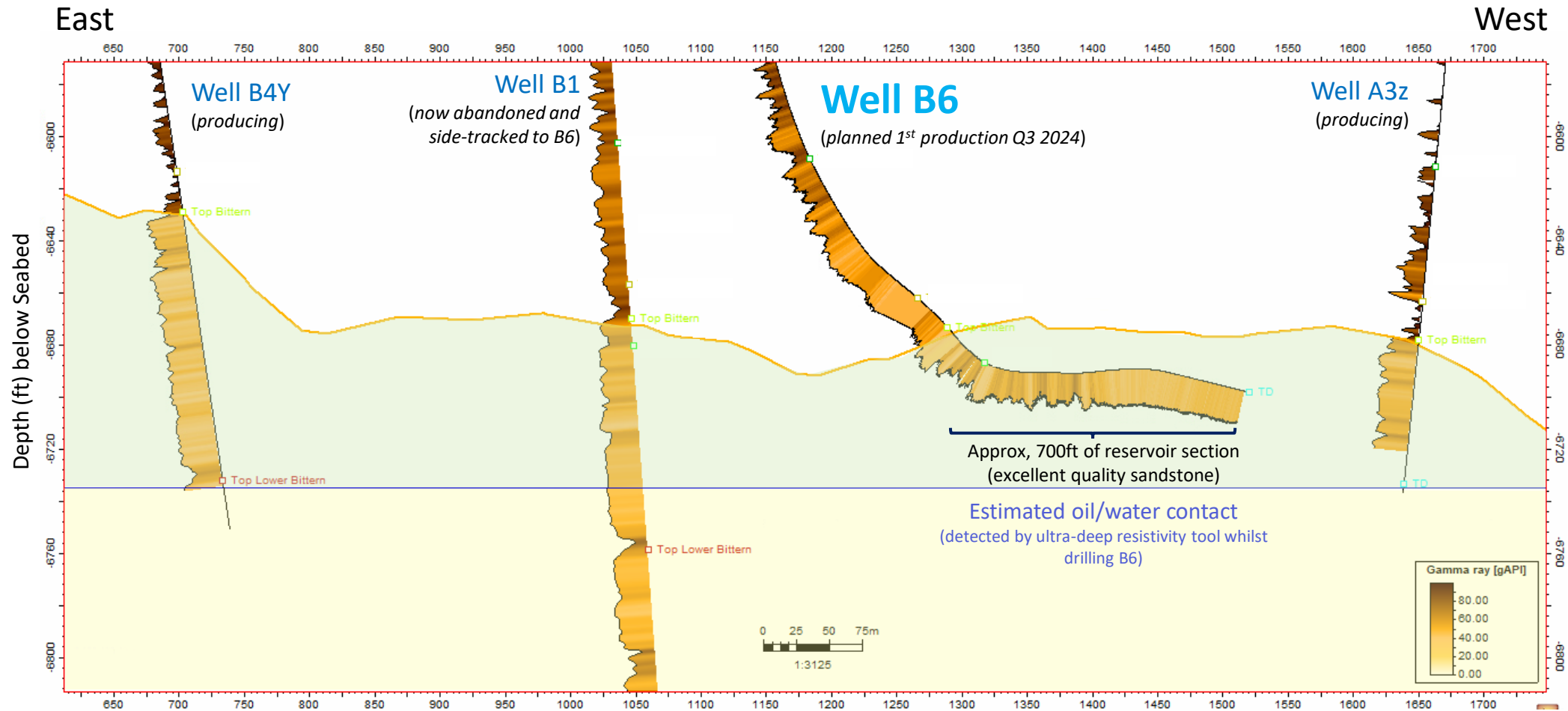
- Bittern B6 well (formerly called B1z sidetrack) in progress
- Belinda 1st oil planned 1Q 2026

Note

- *Timetable subject to variation for operational reasons; e.g. weather*



Encouraging results from Bittern well



- Reservoir section drilled
- Production completion outstanding with production scheduled to commence in August 2024



Financial Results

Martin Copeland, CFO



Production¹

40.1 kboe/d

Total Capex²

£79 million

Unit operating cost¹

~US\$19/boe

Current tax³

£183 million

(incl. £97 million net EPL)

EBITDAX²

£381 million

CFFO⁴ post tax²

£195 million

Profit before tax

£306 million

Dividends Paid

£89 million

Net Income

£103 million

Adjusted Net Cash²

£78 million

Notes

1. Proforma (Serica + Tailwind from 1 January – 31 December 2023)
2. See Reconciliation of non IFRS measures in Annual Report for definitions
3. Cash tax paid £279 million
4. Cash flow from operations

Income Statement

Continued strong operating margins and profitability with impact of Tailwind tax shelter partially offsetting weaker commodity price backdrop



£ million		2023	2022
Revenue	●	633	812
Direct operating costs	●	(219)	(121)
Lifting costs		(7)	-
DD&A		(109)	(77)
Other cost of sales		9	(20)
Gross profit		307	594
Hedging (costs) / gain		5	(25)
E&E write off		(11)	(83)
G&A		(20)	(9)
Transaction costs and other		(18)	(1)
Acquisition accounting effects	●	58	-
Operating profit		322	476
Net financing costs		(9)	4
Acquisition FV adjustments		(7)	8
Profit before tax		306	488
Current tax	●	(183)	(278)
Deferred tax		(19)	(33)
Profit after tax		103	178
Earnings per share (pence)		29	65
EBITDAX		381	617

- Revenues and EBITDAX reflect lower realised prices (US\$63/boe v US\$104/boe) NBP average c. 50% of 2022, offset by 32% increase in production post Tailwind
- Opex/boe of ~US\$19 on proforma basis reflects the business today
- G&A increase reflects expanded capabilities post Tailwind and includes non-recurring costs
- IFRS3 acquisition accounting includes finalised gain on acquisition of £34 million and acquisition accounting of fixed price sales contracts of £24 million
- 2023 Current Tax (including EPL of £97mm) gives 2023 effective tax rate of 48%

Revenues to EBITDAX	2023	2022
£ million		
Revenues	633	812
Movement in overlift / underlift	9	(20)
Operating costs	(219)	(121)
Lifting costs	(7)	-
Realised hedging gain (loss)	(16)	(45)
G&A	(20)	(9)
EBITDAX	381	617

Balance Sheet

Serica continues to enjoy a very strong Balance Sheet with differentiated low decom provisions and net cash position



New Reserve Based Loan Facility completed in January 2024

- Serica reached financial close on its US\$525 million multi-currency RBL facility on 23 January 2024
- Facility provided by a syndicate of leading banks
- At 26 June 2024 RBL drawn balance was US\$231 million (£182 million¹) and cash and cash equivalents were £302 million

- The increase in PP&E reflects largely the net book value of PP&E at fair value on the completion date from the Tailwind transaction offset by the application of deferred tax
- Movement from 2022 Deferred tax liability to Deferred tax asset in 2023 reflects the acquisition of tax losses with Tailwind
- The £28 million DSA security advances is cash temporarily lodged in respect of decommissioning security which was replaced by letters of credit post Balance sheet date
- Increase in Equity reflects the retained earnings during the year combined with a £231 million merger reserve created by the Tailwind transaction
- Borrowings reflects the drawn balance under the RBL assumed through the Tailwind merger – subsequently refinanced with new RBL

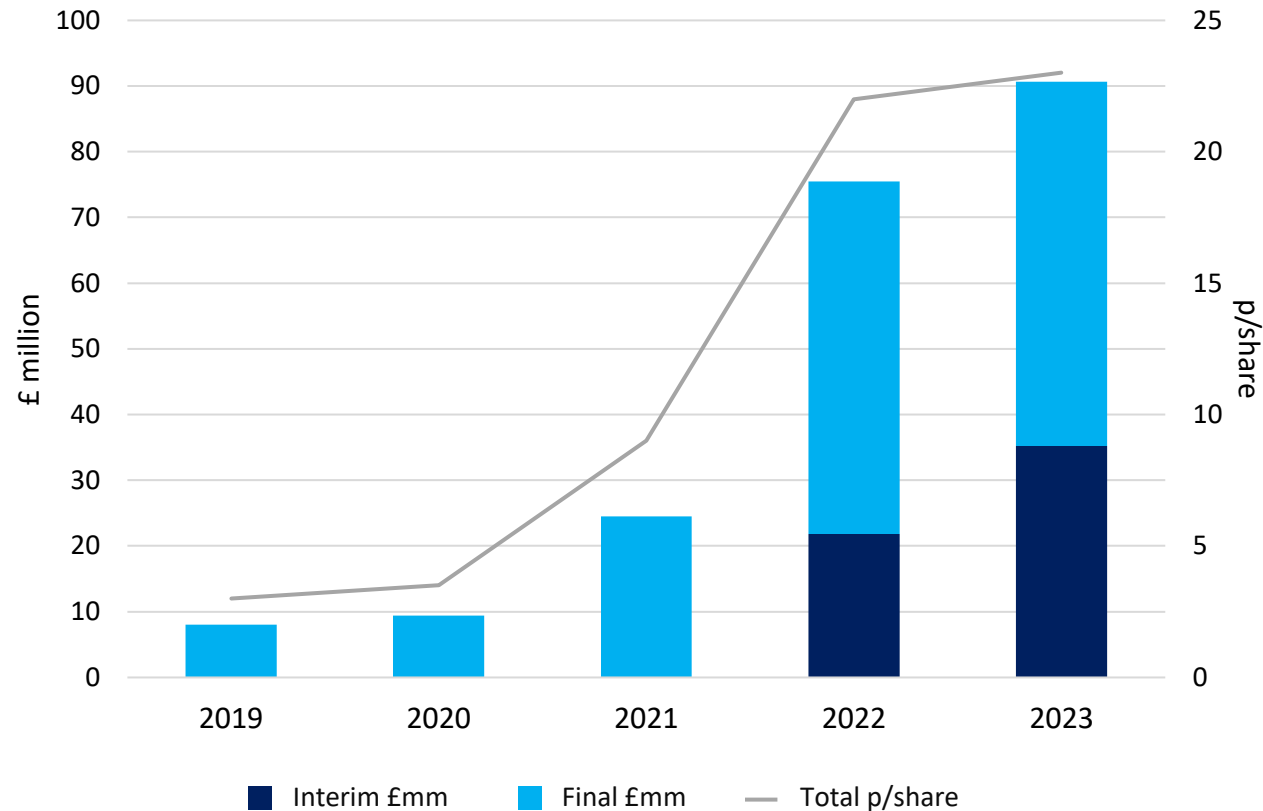
Note

1. Based on US\$/£ conversion of 1.27

Assets	2023	2022
	£ million	£ million
E&E Assets	2	1
PP&E	711	266
Deferred tax asset	84	-
Trade receivables & inventory	149	139
Hedging security	-	24
DSA security advances	28	-
Cash & cash equivalents	263	433
Total Assets	1,238	862

Equity and liabilities	FY 2023	FY2022
	£ million	£ million
Equity	655	409
Borrowings	213	-
Provisions	117	25
Deferred tax liability	-	153
Financial liabilities	73	55
Contract liabilities	29	-
Tax payable	54	150
Trade and other payables	97	70
Total Equity and liabilities	1,238	862

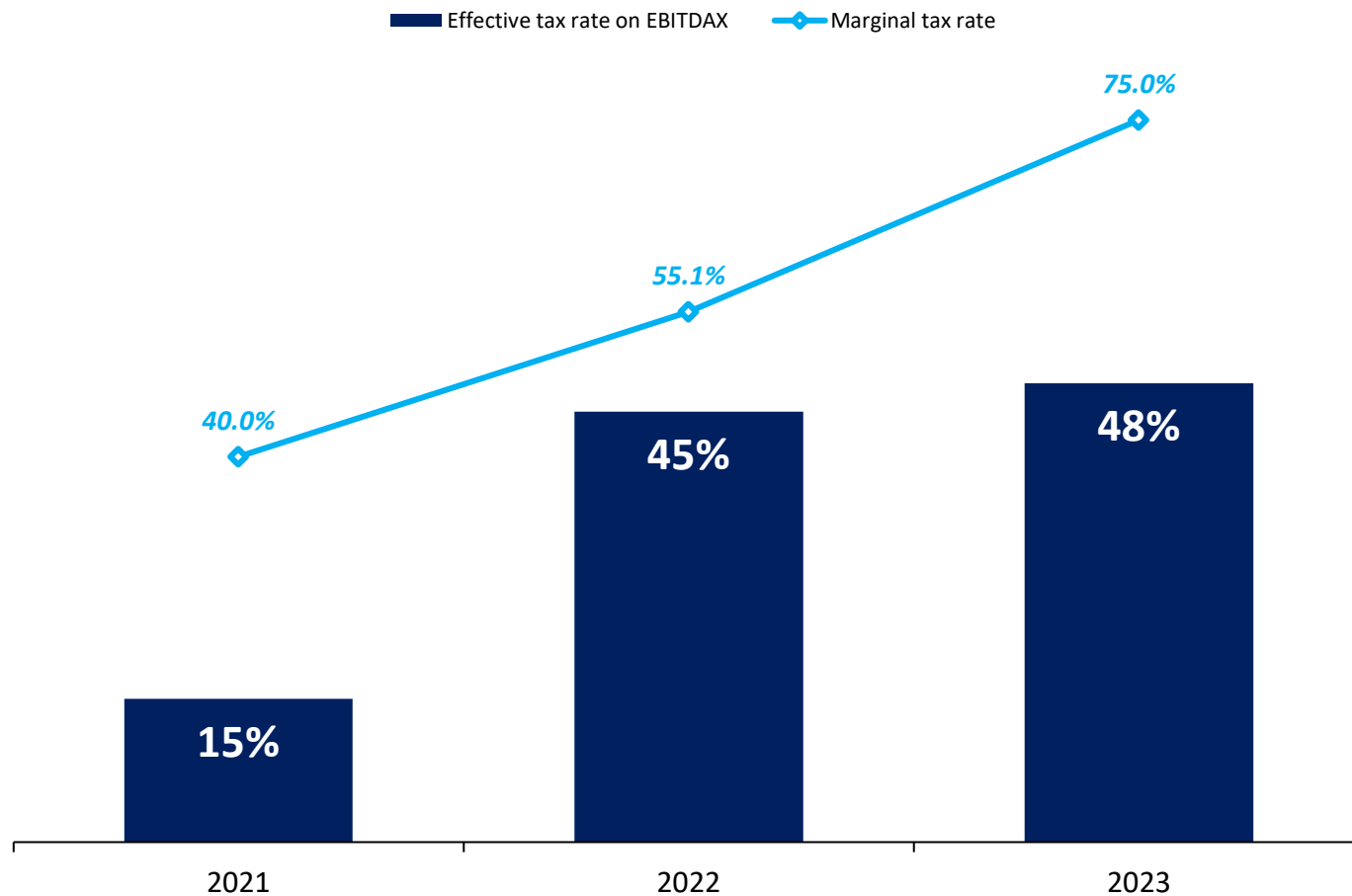
Dividends Paid and Proposed¹



1. Dividends shown by reference to accounting period to which they relate
 2. Subject to shareholder approval, payable on 24 July 2024 to shareholders registered on 28 June 2024 with an ex-dividend date of 27 June 2024

- Proposed final dividend of 14p/share in respect of 2023²
- Dividends of >£200 million paid or proposed to date
- £15 million share buyback initiated as part of 2024 shareholder cash returns
- Future cash returns will reflect trading conditions, investment plans and M&A

Effective tax rate¹ vs. Marginal tax rate (%)

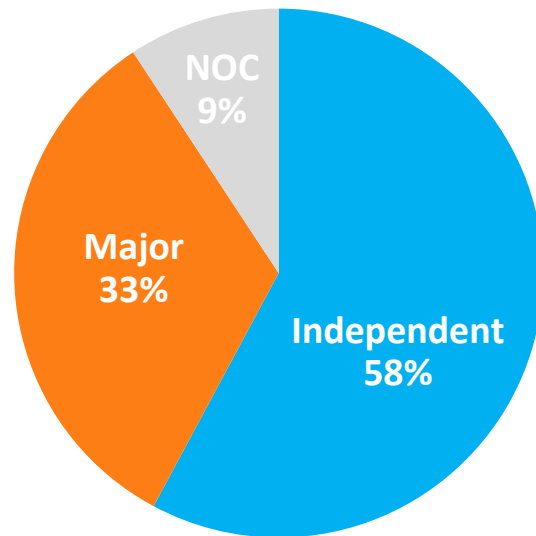


- Tax comprises RFCT, Supplementary Charge and EPL
- 2022 marginal tax includes pro-rata impact of EPL introduction and increase
- 2023 effective rates reflect organic investment and utilisation of Tailwind tax losses
- Capex in 2024 expected to qualify for full relief
- Estimated losses² at end 2023
 - Ring fence CT c.£920 million
 - Supplementary Charge c.£780 million
 - EPL c.£120 million

Notes

1. *Effective rate = Current Tax / EBITDAX*
2. *RFCT and SC losses include unclaimed capital allowances*

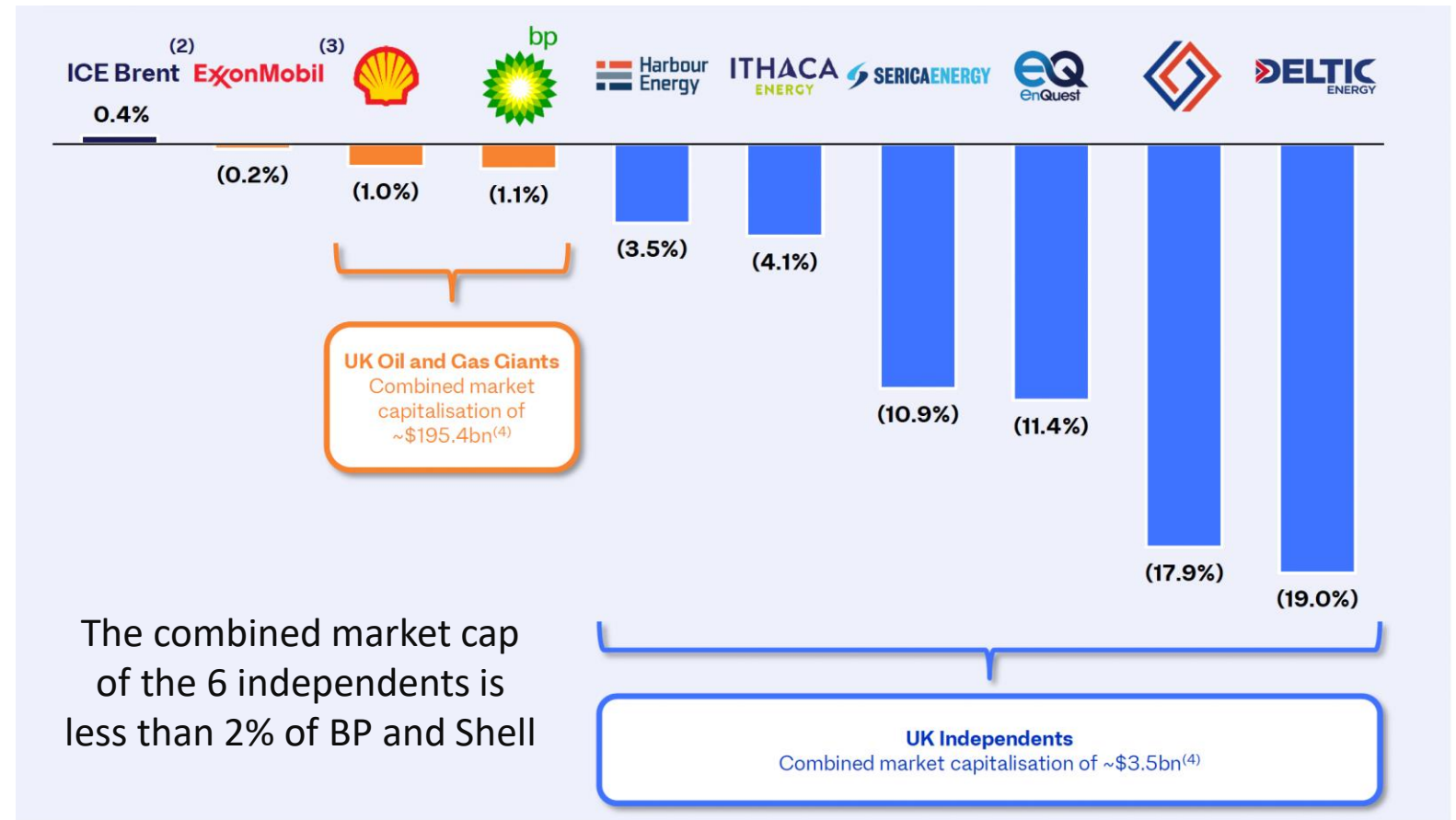
2024E Production¹ (by Company Type)



■ Independent ■ Major ■ NOC

Only circa one third of UK Production is produced by Majors today

Percentage Share Price Movement 14th June 2024 (Day of Labour Party Manifesto Release)



The combined market cap of the 6 independents is less than 2% of BP and Shell

1. Source Welligence

Inaugural £15 million share buyback completed

Period	24 April to 21 June 2024
Number of shares purchased	8,437,478
Total consideration	£15 million
Volume weighted average price	177.78p/share
Lowest price	143.00p/share
Highest price	206.20p/share
Number of shares in issue ¹	393,468,408
Number of shares in treasury ¹	3,010,773
Number of voting shares ¹	390,457,635
Number of voting shares without buyback ¹	398,895,113

Notes

1. *As at 21 June 2024*



Outlook and closing remarks

Dave Latin, Chairman and Interim CEO



Pursuing a new phase of growth, building on the achievements and firm foundations established over the last several years

- Safe and effective North Sea operator
- High level of subsurface expertise
- Significant financial firepower
- Refreshed leadership at Executive and Board levels
- Increased in-house M&A identification and execution capability
- Geographical horizon for M&A extends beyond UKCS





Q&A

David Latin / Martin Copeland