



Independent Oil and Gas plc Annual General Meeting 2020

1st May 2020



Disclaimer



The information contained in this confidential document (“Presentation”) has been prepared by Independent Oil and Gas plc (the “Company”).

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as “Information”) and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation.

Neither the issue of this Presentation nor any part of its contents is to be taken as any form of commitment on the part of the Company to proceed with any transaction and the right is reserved to terminate any discussions or negotiations with any prospective investors. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute an offer or invitation to subscribe for or purchase any securities and neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

Neither this Presentation nor any copy of it may be (a) taken or transmitted into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America (each a “Restricted Territory”), their territories or possessions; (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)) or (c) distributed to any individual outside a Restricted Territory who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

www.iog.co.uk

Contents



1. 2019 Highlights
2. Responding to Covid-19
3. Core Project Progress
4. Portfolio Development
5. Gas Market
6. Conclusion
7. Q&A



2019 Highlights – Corporate and Operational



Farm-out

- Core Project 50% Farm-out to CalEnergy Resources Limited (CER)
- IOG retained operatorship
- Partnership working well

FID



- Core Project Phase 1 Final Investment Decision (FID) taken in October 2019
- Platform, SURF, drilling and onshore workstreams all kicked off
- Targeting first gas in Q3 2021



TRF acquisition

- Acquisition of the Thames Reception Facilities (TRF) at Bacton Gas Terminal (BGT) completed in October 2019
- Key element in the infrastructure value chain for IOG and CER

Portfolio development



- Harvey appraisal well safely drilled, with results indicating 40 Bcfe and 100 Bcfe mid-case recoverable gas at Harvey and Redwell respectively
- Further technical work kicked off to optimise development plans for both assets
- Alliance with CER for SNS business development, including 32nd Round applications

Strengthened team for next phase



- Board strengthened with the additions of Esa Ikaheimonen and Neil Hawkings as NEDs and Rupert Newall as Executive Director
- High quality hires brought into key technical roles for efficient project delivery

2019 Highlights – Financial



Institutional fundraise

- £19m equity raise, bringing several institutions onto share register
- Incl. board/management subscription and open offer
- Funded company through to FID and funded Harvey well

Farm-out



- £40m up-front consideration, paid on completion
- Further £125m of development carries committed
- £60m Phase 1 development carry being utilised



Bond issue

- €100m 5-year senior secured bond issue
- Nordic, European, UK and Asian institutional investors
- Listed on Oslo Børs

Capital restructuring

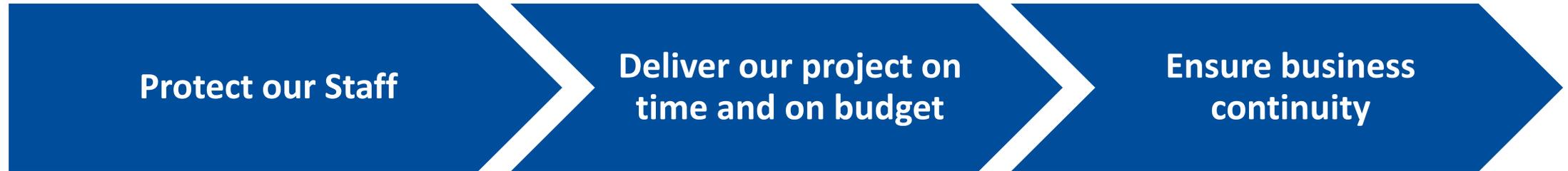


- 8p convertible loan fully converted at Farm-out completion
- 19p convertible restructured into long-term, unsecured, non-interest bearing convertible Loan Note Instrument
- All other prior debt repaid at Farm-out completion



FY19 Results

- YE19 cash £98.3 million; £16.2m free cash, £82.1 million in bond escrow & DSRA
- YE19 net cash position of £8.0m
- FY19 post-tax profit of £15.0 million



Implemented logistical and organisational changes

- Quickly adopted reliable remote communication systems
- Procedures under regular review to maintain safe working environments and stay in line with government guidance

Mitigated any Covid-19 schedule impact thus far

- Social distancing in effect at sites to maintain safe progress - e.g. double shifts at platform yard
- Working with counterparties to mitigate Covid-19-related challenges at Bacton Gas Terminal

We are actively managing the business and the project

Core Project Phase 1 Progress – Overview



Project Headlines

- OGA has approved the Phase 1 FDP – a major milestone for IOG and its partner CER
- Platform, SURF & well management all to progress from limited commitment letters to full contracts
- Platform fabrication activities ramping up
- Pipelay campaign on track for 2H 2020
- Drilling workstreams progressing well – rig tender process, preparation for offshore service tendering, detailed well and completion design
- Trees & wellheads acquired and tested
- Thames Reception Facilities (TRF) initial refurbishment works due to start this quarter
- Strengthened focus on cost savings across all areas of the project

IOG team members at TRF, Bacton¹



Terminal visit in January 2020, prior to Covid-19 social distancing

Progress update

- Fabrication activities continue to ramp up for the two Phase 1 Normally Unmanned Installation (NUI) platforms at Southwark and Blythe
- At the fabrication yard, a two-shift system is in place to optimise workflow in light of Covid-19, which is working well
- Expected platform delivery dates are not currently seen as affected by Covid-19, despite pressures in certain parts of the supply chain
- Following FDP approval, we expect to progress shortly from limited commitment letter to full EPC contract

Fabrication work underway



Progress update

- Planning and preparation continue on track for the offshore pipelay programme scheduled for 2H 2020
- Procurement and preparation of long lead subsea and pipeline items is going well: 24-inch (Southwark) and 12-inch (Blythe) line pipe manufactured and now delivered from Greece to the UK for storage prior to loading onto pipelay vessels in the summer
- Pipeline Works Authorisation applications (PWAs) and other required consent applications have been submitted for the planned campaign
- With FDP approval in place, the full EPC contract is shortly expected to be awarded to the main SURF contractor

All linepipe manufactured and delivered to the UK



Progress update

- Competitive tendering process for the jack-up rig is progressing well, with substantial interest in the five-well Phase 1 drilling programme
 - Aiming to secure attractive terms given favourable market conditions
- Our well management contractor is now well established, supporting the in-house drilling and subsurface teams
- Detailed well planning and design and relevant regulatory processes are underway
- Successfully completed acquisition and testing of two unused subsea wellheads and trees
- Preparations for offshore drilling services tender process also in progress

Example of SNS jack-up drilling



Phase 1 Onshore: initial refurbishment works to start this quarter



Progress update

- FEED studies are underway on the Thames Reception Facilities (TRF) refurbishment at Bacton Gas Terminal (BGT)
- Initial preparatory refurbishment works are expected to commence this quarter
- Covid-19 has necessitated operating protocols to be temporarily revised across the whole of BGT, which is a site of national strategic importance.
- IOG is working proactively with the site operators to resolve any potential disruptions which might arise to planned TRF activities

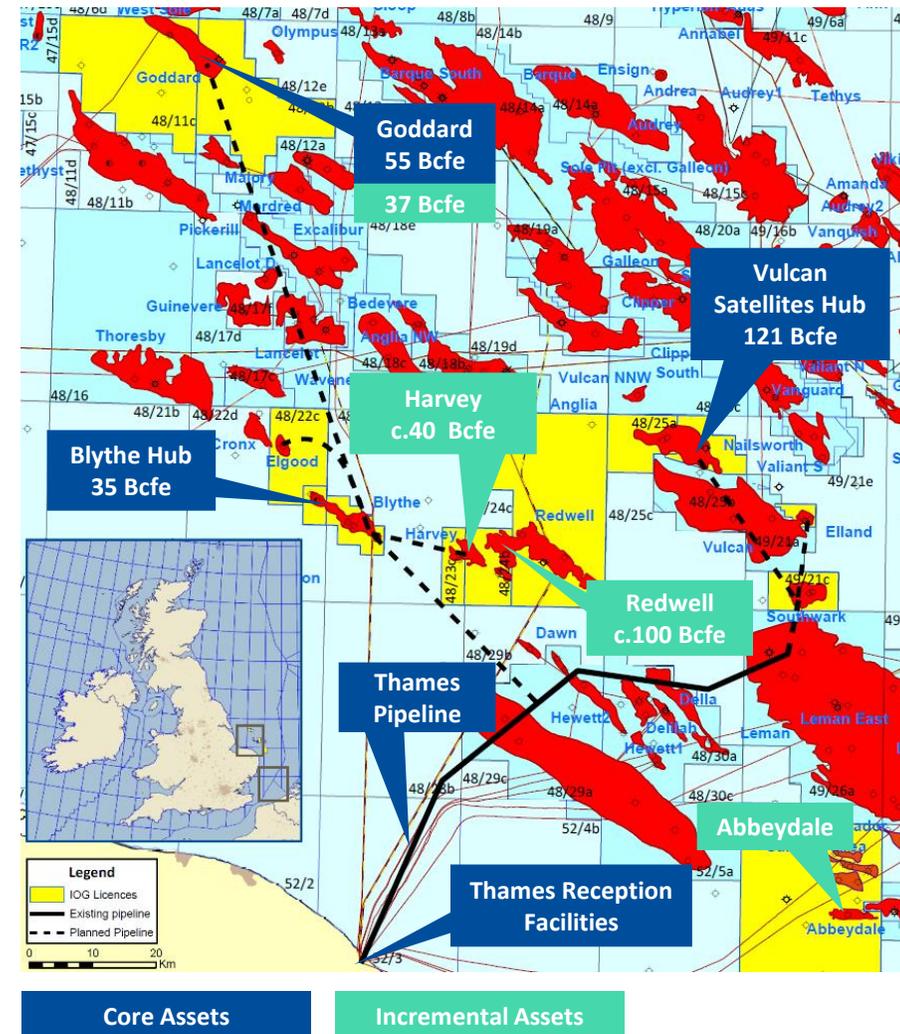
Working closely with Perenco & Worley at Bacton



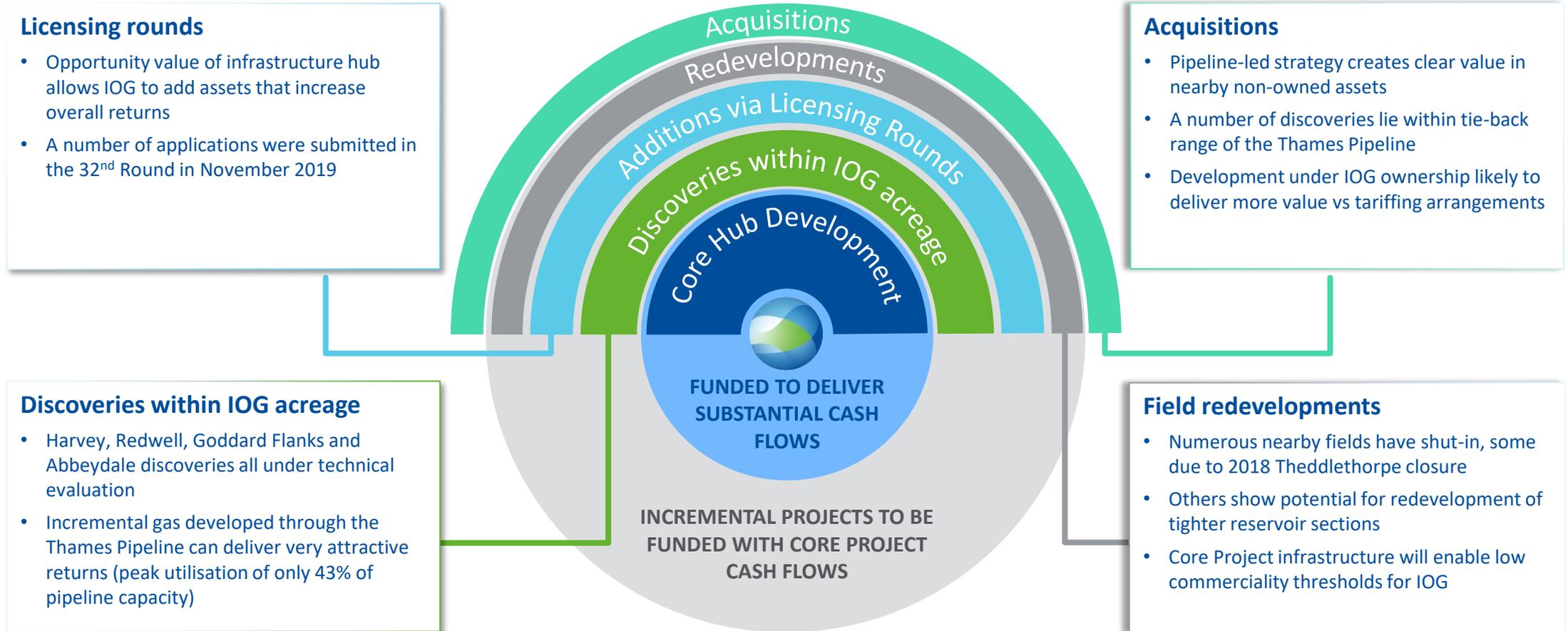
Further work ongoing on all non-Phase 1 assets

- Further seismic reprocessing, interpretation and reservoir modelling exercises are underway on:
 - Vulcan Satellites, Goddard and Abbeydale
 - Harvey and Redwell
- These workstreams will enhance the subsurface imaging, generate more accurate gas volumes and optimise field developments and well designs
- Based on current mid-case recoverable gas estimates of 40 Bcfe at Harvey and 100 Bcfe at Redwell, scoping economics indicate high-return incremental investments
 - Lower capex requirements to integrate with the Core Project assets
- In addition, OGA interviews have been held in support of 32nd Offshore Licensing Round applications – results expected by early summer

IOG SNS Portfolio



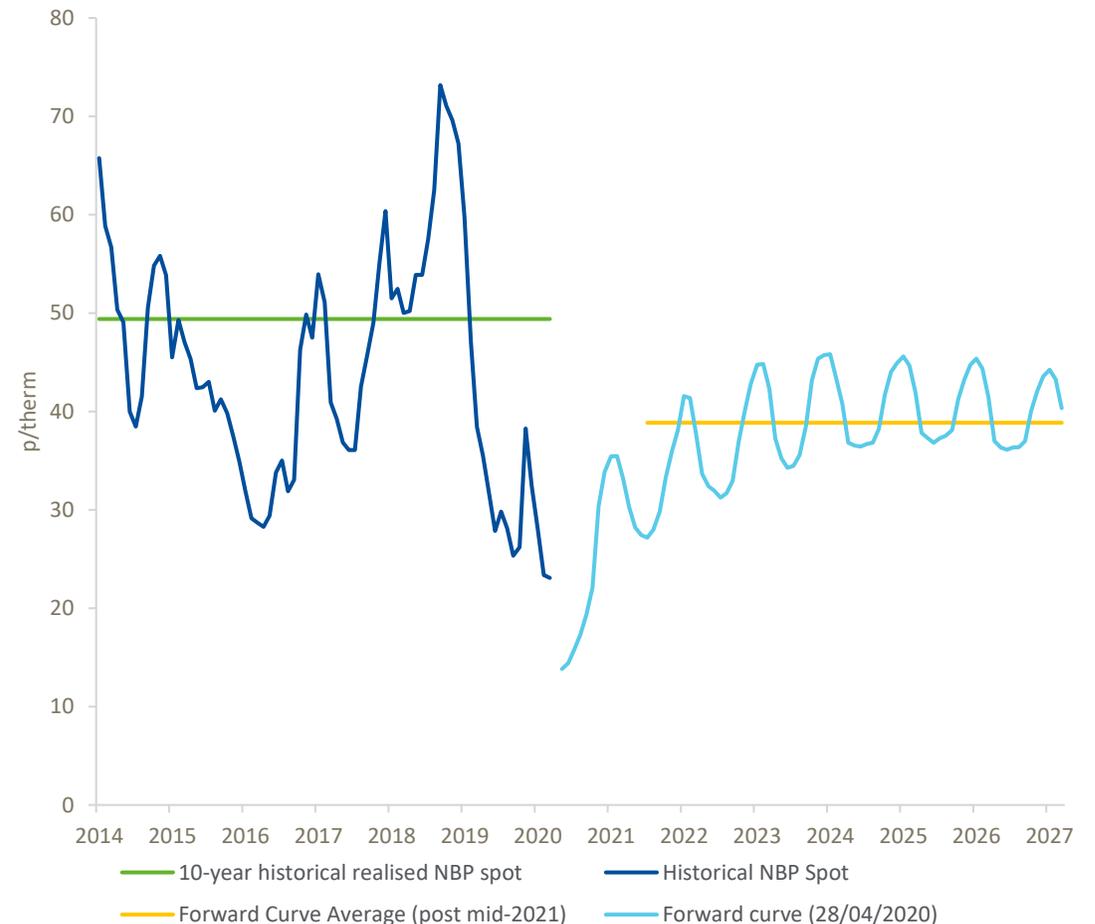
Value Creation Model



Focus on fully costed/risked IRR (not just NPV) and shareholder returns

- Gas has an important long-term role as a UK energy source, alongside the growth of renewables
- European gas prices are currently at historical lows due to confluence of:
 - Excess LNG supply capacity
 - Unusually warm last two winters in Europe and Asia
 - Covid-19 demand shock
- Gas market analysts expect fundamentals to improve as new investment falls, albeit timing is uncertain
- IOG is protected by low unit costs which we are aiming to reduce further in the current environment
 - Incremental investments around our core hub should also help to drive unit costs down further over time

UK NBP Historical Gas Prices and ICE Forward Curve

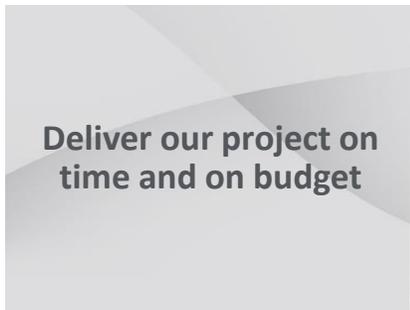


Focused on safe, timely project delivery and continued growth



**Protect our staff,
contractors and their
families**

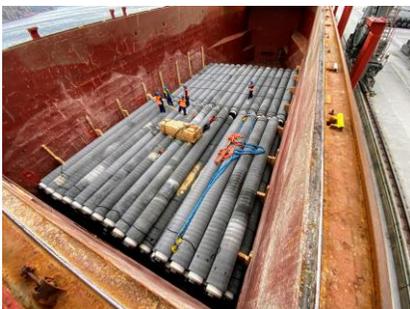
- Safety of our staff, contractors and their families remains our top priority
- Implemented logistical and organisational changes to maintain safe progress



**Deliver our project on
time and on budget**



- Very focused on timely and cost-effective project delivery – targeting cost savings across the project
- High quality team with deep and relevant SNS experience – the right people to deliver the project
- Strong collaboration with stakeholders across industry, government & supply chain
- Staying vigilant and proactive in mitigating Covid-19 risks – working well so far



**Ensure business
continuity**

- Relatively well positioned to navigate the current environment
- Focused on creating significant value both from the Core Project and high return incremental investments
- Low cost and low carbon portfolio will be key advantages
- Management and board aligned with goal of maximising shareholder returns



Q & A