Building a well-funded, full-cycle, exploration-led E&P company

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Strategy for value creation through the cycle

Building a balanced portfolio in core areas
- Focus on North Falkland Basin and Greater Mediterranean
- Full cycle exploration and production company
- Production base to cover costs and fund growth through exploration

Maintaining balance sheet strength
- Prudent balance sheet management
- Partial monetisation of assets to fund development
- Disciplined approach to cost management

Delivering value accretive exploration
- Leveraging technical skillset
- Focus on proven hydrocarbon basins
- Managed exposure to high-impact opportunities
2017 highlights

**Funding package for Sea Lion progressing**
- LOIs signed with contractors for vendor finance
- Progressing senior debt discussions (export credit and commercial bank)

**Sea Lion cost estimates reducing**
- Gross capex to first oil reduced to c.$1.5bn
- Opex inc FSPO <$25/bbl
- Life of field costs reduced to <$35/bbl

**Regulatory interface for Sea Lion well advanced**
- EIS consultation complete
- FDP largely agreed
- Alignment with FIG on key fiscal, commercial and regulatory items

**Greater Med portfolio to protect balance sheet and fund growth**
- Production 1.2 kboepd
- Revenue up 40% to $10.4m
- Cash opex $9.5/boe
- G&A funded by operating cash flows

**Ombrina Mare arbitration commenced**
- International arbitration under ICSID (World Bank)
- Seeking significant monetary damages
- Hearing set February 2019

**Cost control and balance sheet strength**
- YE cash $51m; no debt
- Sale of non-core assets in Italy
- G&A reduced 50% over 3 years
North Falkland Basin

Diagram showing the location of Falkland Islands, Stanley, South and East Falkland Basin, and Sea Lion within the North Falkland Basin.
A strategic acreage position in a world class hydrocarbon basin

- Leading acreage holder in the North Falkland Basin with >40% working interest in all key licences
- Sea Lion discovery (350 – 450 meter water depth) drilled in 2010
- Sea Lion field fully appraised through extensive E&A campaign – 8 well penetrations, 2 production tests
- Discovered oil resources of 517 mmbbls (2C) and 900 mmbbls (3C)
- Zebedee well drilled in 2015 further extended the Sea Lion complex southwards in PL004 (RKH 64%)
- Two wells found oil in multiple targets in the Isobel/Elaine complex on PL004 in 2015/16
- Substantial upside through additional low-risk, near-field exploration opportunities
Sea Lion – increasing resource base as project matures

- Independently certified 2C resources have more than doubled since discovery as field appraised and better understood.
- Operator has already booked barrels to be developed in Phase 1 as 2P reserves.
- Rockhopper net 2C resources of approximately 260 mmbbls.
Sea Lion – development substantially de-risked

1. World class resource
   - 1.7 bn bbls in place; 520 mmbbls recoverable (2C)
   - Well understood reservoir
   - Highly marketable crude

2. Regulatory interface well advanced
   - EIS public consultation process completed
   - FDP substantially agreed; final update at sanction
   - Alignment with FIG on key fiscal, commercial and regulatory items

3. Proven development concept
   - Technically straightforward FPSO development
   - Extensive project development and engineering complete
   - Supply chain and logistics proven after multiple drilling campaigns

4. Strong contractor team
   - Experienced in comparable projects
   - Opportunity to lock in supply chain at competitive rates
   - Alignment via provision of vendor financing

Predicted production profile

- Phase 1
- Phase 2
- Phase 3

Average annual oil rate (mbopd)

Years from first production
Sea Lion funding - working towards FID by end 2018

1. Key operational metrics
   - Initial target production 80,000 bopd gross
   - 23 well development (16 oil producers)
   - 220 mmbbl gross developed in Phase 1

2. Material costs savings achieved through FEED
   - Capex to first oil reduced to $1.5 billion gross
   - LOF costs <$35/bbl (capex, opex and FPSO lease)
   - Field opex $15/bbl
   - Indicative FPSO lease cost $10/bbl

3. Contractor finance
   - LOIs signed with contractors for provision of rig, well services and logistical services and vendor financing
   - Targeting ~$400m vendor financing

4. Senior debt
   - Positive engagement with senior debt providers (export credit and commercial bank)
   - Number of banks have indicated desire to support
   - Appointment of lead bank expected shortly
   - Lender due diligence advisers selected

Operator recently confirmed it is working towards FID by end 2018 with financial close expected H1 2019
Material low-risk upside remaining within the basin

1. Capture 3C resource within Sea Lion
2. Low risk exploration upside located close to Sea Lion
3. Further exploration and appraisal of Isobel-Elaine

**Gross Sea Lion Complex resources**
- **Total**: 900 mmbbl
- **2C**: 517 mmbbl
- **3C**: 223 mmbbl

Source: ERCE May 2016

**Mid case prospective resource**
- Sea Lion Area: 207 Mmbbl
- Zebedee Area: 207 Mmbbl
- Jayne Area: 194.2 Mmbbl
- Chatham Area: 140.7 Mmbbl

**High case prospective resource**
- Sea Lion Area: 547 Mmbbl
- Zebedee Area: 141.2 Mmbbl
- Jayne Area: 194.2 Mmbbl
- Chatham Area: 140.7 Mmbbl

**Contingent & Prospective Resources in the Isobel/Elaine Area**
- Management Recovery Factors utilised against some of the ERCE audited STOIP values
  - Best Case - 25%
  - High Case - 35%
Greater Mediterranean
Growing our asset base in Greater Mediterranean …Delivering a step-change increase in production and revenue

Note:
- 2016 production and revenue includes impact of Egypt acquisition from mid August 2016 onwards
Abu Sennan – Western Desert, Egypt (Rockhopper 22%)

- Operated by Kuwait Energy
- Six fields currently producing ~865 boepd net
- Active drilling program with historic success rate of >70%
- Good quality crude with small (3 - 4%) discount to Brent
- Low cash operating costs (~$6/bbl in 2017)
- Exploration success at Al Jahraa SE adds material reserves / resources
- Prospect inventory recently high-graded following completion of 3D seismic reprocessing

2018 forward activities
- Expected to commence mid 2018
- One exploration well – Prospect “S”
- Two infill development wells at Al Jahraa
- Initiation of water flood programme
Italian portfolio - production with exploration upside

Guendalina (RKH 20%)
- Operated by Eni
- 2017 net production: 290 boepd
- Attractive gas price (~$6/mcf)
- Opex reduced in 2017 through more cost efficient disposal of produced water

Monte Grosso (RKH 23%)
- Operatorship recently transferred to Eni
- Largest undrilled prospect onshore Western Europe
- ~250 mmbbl prospect; 23% CoS
- Drilling subject to regulatory and permitting approvals

In addition, Rockhopper has initiated international arbitration against the Republic of Italy to seek significant monetary damages in relation to Ombrina Mare – hearing scheduled in February 2019
Protecting financial strength to enable growth

- Strong financial performance in 2017 with continued focus on cost management
  - Revenue $10.4 million – up 40% vs 2016
  - Low cost production: unit cash operating costs $9.5/boe – down 35% vs 2016
  - Corporate costs funded by Greater Mediterranean production

- Strong balance sheet with cash at 31 December 2017: $51 million; no debt

- Limited outstanding work program commitments across the portfolio

- Sea Lion funding package progressing with ECAs, banks and contractors
  - Will mean Sea Lion Phase 1 development fully funded post project sanction
  - $337 million Development Carry and $750 million Standby Loan from Premier

- Additional $337 million Development Carry for Sea Lion Phase 2

- Initiated international arbitration against Republic of Italy to seek significant monetary damages in relation to Ombrina Mare – costs of arbitration to be financed on non-recourse basis from specialist arbitration funder
2017 cash movements

NFB drilling campaign close out cost expected to be minimal going forward

Includes FX, working capital, payments related to Egypt acquisition
Focus on cost management

Continued focus on reducing corporate costs

- Net recurring G&A in 2017: $5.3 million
- Equivalent to ~$450k per month
- 50% reduction since 2014

Savings achieved through

- UK employees (14 in total) consolidated under single office in London
- Significant head count reduction in Italy – from 25 employees in mid-2014 to 5 currently
- Non-core asset disposals allow for lean over-head structure
- Acquisitions (FOGL, Beach Egypt) integrated with minimal increase in recurring G&A

* Recurring G&A excludes one-off costs associated with acquisitions and group restructuring
Outlook
Focus for 2018

Progress Sea Lion towards FID by end 2018
- Select preferred contractors and secure vendor financing
- Secure senior debt funding
- Financial close H1 2019

Egypt drilling campaign
- Four well campaign in 2018
- El Qa’a - exploration well in May
- Abu Sennan - one exploration and two infill development wells – expected to commence mid 2018

Ombrina Mare arbitration
- International arbitration under ICSID (World Bank)
- Seeking significant monetary damages
- Hearing set February 2019

Continued pursuit of New Ventures
- Opportunities screened on highly selective basis
- Focus on addition of production and cash flow
- Strengthen balance sheet
- Greater Mediterranean region