Heads of Terms with Navitas Petroleum to farm-in to the Sea Lion project

7 January 2020
Important Notice

This Presentation does not constitute an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of any securities in the Company. In addition, it is not intended to form the basis of or act as an inducement to enter into any contract or investment activity and should not be considered as a recommendation by the Company to do so.

Certain statements in this document are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that would cause actual results or events to differ from current expectations, intentions or projections might include, amongst other things, changes in oil prices, changes in equity markets, failure to establish estimated petroleum reserves, political risks, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain any required regulatory approval, failure of equipment, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties involved in interpreting drilling results and other geological, geophysical and engineering data, delays in obtaining geological results and other risks associated with offshore exploration, development and production. Given these risks and uncertainties, readers should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

The information in this Presentation, which does not purport to be comprehensive, has not been verified by the Company or any other person. No representation or warranty, express or implied, is or will be given by the Company or its directors, officers, employees or advisers or any other person as to the accuracy or completeness of the Presentation and, so far as permitted by law, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or mis-statements, negligent or otherwise, relating thereto. In particular, but without limitation, (subject as aforesaid) no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, estimates or forecasts and nothing in this Presentation is or should be relied on as a promise or representation as to the future. Accordingly, (subject as aforesaid), neither the Company, nor any of their respective directors, officers, employees or advisers, nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from the Presentation or any other written or oral communication with the recipient or its advisers in connection with the Presentation and (save in the case of fraudulent misrepresentation or wilful non-disclosure) any such liability is expressly disclaimed.

In furnishing this Presentation, the Company does not undertake any obligation to provide any additional information or to update this Presentation or to correct any inaccuracies that may become apparent.
Transaction highlights

→ **Navitas to acquire 30% working interest in licences PL032, PL004B, PL004C**
  
  → Adds financial strength to the Sea Lion joint venture increasing the likelihood of a successful project financing
  
  → Working interests aligned across the Sea Lion licences (PL032, PL004B and PL004C): Premier 40% (Operator); Rockhopper 30%; Navitas 30%
  
  → Greater alignment and simplified commercial arrangements across the joint venture
  
→ **Rockhopper fully funded for the Phase 1 development**
  
  → Rockhopper funded by combination of Premier and Navitas from 1 January 2020 to Phase 1 Project Completion (estimated to occur 9 – 12 months after first oil from Phase 1)
  
  → Protects Rockhopper’s balance sheet
  
→ **Additional contingent consideration to Rockhopper of up to $48mm on phase 2 and PL004A**
  
  → Option to align acreage (40%/30%/30%) in licence PL004A with PL032, PL004B and PL004C
  
  → Contingent payments of up to $36mm on phase 2 and $12mm on PL004A providing further upside to Rockhopper

**Process and timetable**

Sale and Purchase Agreement expected to be signed late Q1 2020 with completion expected by end Q2 2020, subject to satisfaction of certain conditions including regulatory approval
Benefits of the Transaction

→ Brings additional paying partner into the Sea Lion development
  → Strengthens joint venture and improves likelihood of successful project financing
  → Further industry validation

→ Rockhopper fully funded for Phase 1 from 1 January 2020
  → Protects Rockhopper’s balance sheet
  → Premier to carry Rockhopper from 1 January 2020 to 1 March 2020
  → Premier and Navitas to fully fund Rockhopper via interest free loan from 1 March 2020 to Project Completion
  → Additional standby loan at 15% pa. from Premier to Rockhopper to cover pre first oil licence fees and Capital Gains Tax

→ Rockhopper maintains significant working interest and NPV
  → Material 30% fully funded working interest maintained in Phase 1
  → Material 30% working interest maintained in Phase 2 with further upside in PL004A
  → Additional contingent payments of up to $48mm
  → Rockhopper estimates Phase 1 gross project NPV10 at first oil to be c.$4bn*  

* Rockhopper management estimate, 100% of project, post finance, post tax, $75 Brent at 2020 escalated at 2.5% p.a.
Sea Lion Phase 1 development

Proven development concept

→ Conventional new-build FPSO / subsea development
→ Extensive project development and engineering complete

Up to 29 wells
(20 oil producers)

250 million barrels
recoverable resource

$1.8bn
capex to first oil

$4bn
NPV10 at first oil *

* Rockhopper management estimate, 100% of project, post finance, post tax, $75 Brent at 2020 escalated at 2.5% p.a.
Navitas – an introduction

→ Navitas Petroleum LP is a publicly traded North American focussed E&P partnership (TASE:NVPT.L)

→ Development focussed asset portfolio

→ 2020 forecast production >3,000 bopd

→ Work programme in place to bring production to over 40,000 bopd by 2023 (excl. Sea Lion)

→ 2024 EBITDA forecast > $500mm

→ Strong track record in equity and debt capital markets

→ Highly experienced team with track record of success in offshore developments
Appendix
## Transaction details

<table>
<thead>
<tr>
<th>Issue</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Working Interest</strong></td>
<td>• Alignment across PL032, PL004b and PL004c - Premier 40% / Rockhopper 30% / Navitas 30%</td>
</tr>
<tr>
<td><strong>Phase 1 funding</strong></td>
<td>• Existing funding arrangements between Rockhopper and Premier replaced</td>
</tr>
<tr>
<td></td>
<td>• Premier will carry Rockhopper from 1 January 2020 to 29 February 2020</td>
</tr>
<tr>
<td></td>
<td>• Premier and Navitas will fund Rockhopper from 1 March 2020 to Phase 1 Project Completion (estimated to occur 9 – 12 months after first oil) through an uncapped interest free loan</td>
</tr>
<tr>
<td></td>
<td>• Interest free loan will be repaid from 85% of Rockhopper’s working interest share of free cash flow</td>
</tr>
<tr>
<td></td>
<td>• New Standby Loan available to fund production area licence fees and capital gains tax liability</td>
</tr>
<tr>
<td></td>
<td>• New Standby Loan (interest at 15% pa) and repayable from Rockhopper’s residual share of Phase 1 free cash flow</td>
</tr>
<tr>
<td><strong>Phase 2 funding and consideration</strong></td>
<td>• Existing funding arrangements between Rockhopper and Premier will be replaced</td>
</tr>
<tr>
<td></td>
<td>• Rockhopper will receive contingent payments of up to US$36 million from Premier and Navitas’ share of Phase 2 cash flows, linked to the achievement of certain production and oil price milestones</td>
</tr>
<tr>
<td><strong>PL004a</strong></td>
<td>• Rockhopper has granted Navitas and Premier an option to acquire working interests in PL004a (30% and 4% respectively) to align working interests across PL032 and PL004</td>
</tr>
<tr>
<td></td>
<td>• The option must be exercised within 8 years of completion of the Transaction or the date of Phase 2 FID</td>
</tr>
<tr>
<td></td>
<td>• Rockhopper will receive contingent payments of up to US$12 million from Navitas’ and Premier’s share of Phase 3 cash flows, linked to the achievement of certain production and oil price milestones</td>
</tr>
<tr>
<td><strong>Area of Mutual Interest</strong></td>
<td>• Navitas to become a party to the AMI entered into between Rockhopper and Premier in 2012 in relation to future joint exploration activities in the Falkland Islands Area</td>
</tr>
</tbody>
</table>
Transaction process, timeline and conditions

Share and Purchase Agreement signing targeted for late Q1 2020 (“SPA Signing”)
→ Conditional on:
  → Completion of Navitas due diligence
  → Agreement of Definitive Transaction Documentation and associated Phase 1 project documents

Completion of transaction targeted for Q2 2020 (“Farm-in Completion”)
→ Conditional on Falkland Island Government approval

Post Farm-in Completion unwind
→ Following Farm-in Completion, but prior to 1 April 2021, Navitas can exercise a withdrawal right, subject to certain conditions including in the event that Phase 1 FID has not occurred
→ In the event that Navitas’ board has failed to take a positive Phase 1 FID by 1 April 2021, or otherwise fails to secure its share of funding, Premier may elect to remove Navitas
→ In the event that either Navitas elects to withdraw or Premier elects to remove Navitas, Premier will have the option to step into the Navitas arrangements or implement a wind down of the project which could ultimately result in relinquishment of the acreage. In either event, Rockhopper is liable for its share of project wind down costs with no funding support from Premier and/or Navitas and if Premier does opt to wind down the project then Rockhopper has the right to acquire Premier’s interest and become 100% working interest licence holder and Operator of licences PL032, PL004a, b and c, subject to all necessary regulatory approvals.
The North Falkland Basin - a world class hydrocarbon province

- Benign met-ocean conditions in c.450 meters water depth
- Extensively appraised
  - Excellent quality 3D seismic across entire field
  - 8 well penetrations, 2 production tests
  - Extensive suite of high quality well data
- Discovered and independently audited oil resources of 517 mmbbls (2C) and 900 mmbbls (3C)
- Substantial upside through additional low-risk, near-field exploration opportunities
Potential for multiple phases of development

**Phase 1**
- Commercialising 250 mmbbls gross
- ~80 kbopd gross plateau production
- Project sanction: within next 12 months (subject to securing funding)
- Target first oil: 3.5 years after sanction

**Phase 2**
- Commercialising >270 mmbbls gross
- Focused on southern part of Sea Lion and adjacent discoveries (Zebedee)

**RKH 30%**
Strong contractor team

**Tier 1 supply chain in place**
- Experienced in comparable projects
- Leveraging Premier’s recent Catcher experience
- Supply chain and logistics proven after multiple drilling campaigns
- Alignment via provision of vendor financing

**Project optimised**
- Value engineering complete
- Execution substantially de-risked from a technical, cost and schedule perspective
- Key service and supply contracts in near final form

**Next phase of contracting**
- Supply vessels
- Onshore logistics

---

**Letters of Intent with key contractors**

- **FPSO**
- **Drilling Rig**
- **SURF/SPS**
- **Well Services**
- **Subsea Installation**
- **Helicopter Services**

**Key metrics**

<table>
<thead>
<tr>
<th></th>
<th>Sea Lion Phase 1</th>
<th>Catcher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Plan</td>
<td>FPSO+SPS</td>
<td>FPSO+SPS</td>
</tr>
<tr>
<td>FPSO oil capacity</td>
<td>85</td>
<td>66</td>
</tr>
<tr>
<td>Total wells</td>
<td>Up to 29</td>
<td>19</td>
</tr>
<tr>
<td>Pre first oil capex</td>
<td>$1.8bn</td>
<td>$1.3bn</td>
</tr>
<tr>
<td>Reserves / resource</td>
<td>250</td>
<td>96</td>
</tr>
</tbody>
</table>
Supportive government and regulatory framework

**Regulatory interface well advanced**
- Regulatory reviews and approval processes progressing
- Comprehensive assurance process
- Field Development Plan substantially agreed
- Extensive environment work completed

**Attractive fiscal regime**
- Positive commercial and fiscal engagement with FIG
- 9% royalty
- 26% corporate tax
Robust economics and financing plan

**Robust project economics**
- Project optimised through the FEED process
- Substantial value
- Rapid pay-back with high capital efficiency

| ~$40/bbl | cash break-even |
| ~$25/bbl | life of field opex + lease |
| >$1.5bn | peak annual FCF |
| $4bn | NPV10 at first oil * |

**Financing plan advanced**
- PIM and lender due diligence reports submitted to senior lenders including Export Credit Agencies in July 2019
- Vendor financing agreed with main contractors

* Rockhopper management estimate, 100% of project, post finance, post tax, $75 Brent at 2020 escalated at 2% p.a.
Offshore Falkland Islands acreage map