Harbour Energy

Harbour Energy plc

Annual Report & Accounts 2024

Our purpose is to play a significant role in meeting the world's energy needs through the safe, efficient and responsible production of hydrocarbons, while creating value for our stakeholders.

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HARBOURENERGY.COM

A transformational year for Harbour Energy

2024 has been a transformational year with the completion of the Wintershall Dea transaction, which added high quality assets, diversified our portfolio and strengthened our financial position.

Our strategy has enabled us to grow rapidly since we were founded in 2014 to become one of the largest and most geographically diverse independent oil and gas companies in the world today.

LINDA Z. COOK
CHIEF EXECUTIVE OFFICER

Integrating our reporting
In 2023, we integrated our financial and sustainability reports into one comprehensive report to enhance transparency and provide our stakeholders with a holistic view of our company's performance.

In 2024, we conducted a double materiality assessment informed by the approach in the European Sustainability Reporting Standards, to help us prepare for the upcoming Corporate Sustainability Reporting Directive (CSRD), effective for Harbour in 2025.

Reporting basis
All data is provided on a reported basis with the Wintershall Dea asset portfolio contributing from completion of the transaction (3 September 2024) unless otherwise stated.

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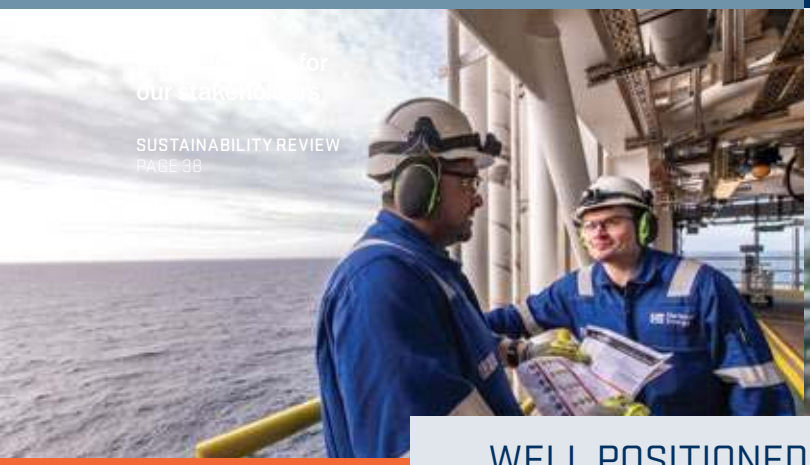
SAFE & RESPONSIBLE
Ensure safe, reliable and responsible operations

SCALE & DIVERSITY
Maintain a high quality portfolio of reserves and resources



SUSTAINABILITY REVIEW
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Underpinning future production and cash flow

OPERATIONAL REVIEW

WELL POSITIONED FOR THE FUTURE

HIGH QUALITY & RESILIENT
Leverage our full cycle capability to strengthen our portfolio

FINANCIAL DISCIPLINE
Ensure financial strength through the commodity price cycle

Successful completion of the Wintershall Dea transaction

CHIEF EXECUTIVE OFFICER'S STATEMENT
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A commitment to investment grade credit ratings

FINANCIAL REVIEW
PAGE 32

A year of continued delivery

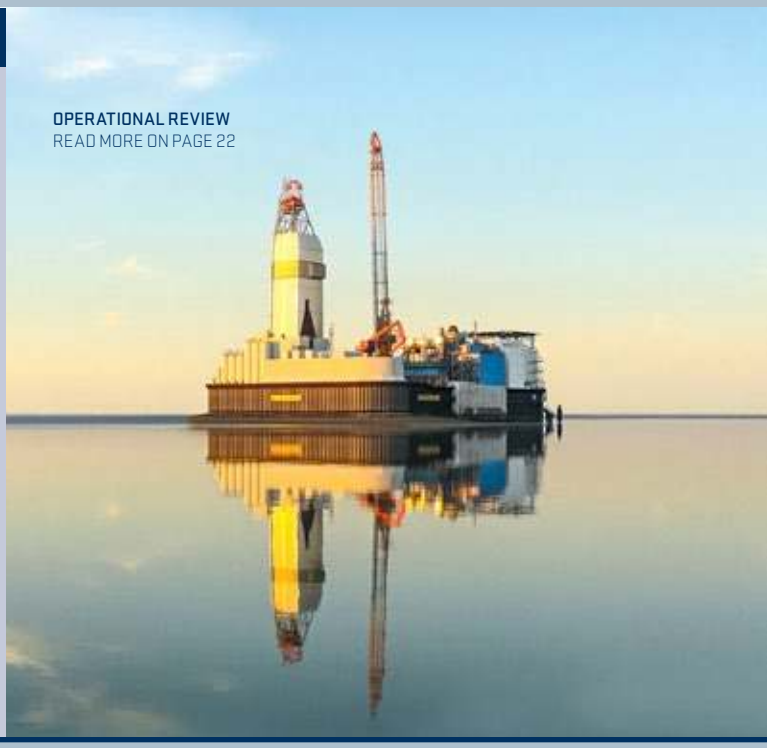
Operational

Transformational acquisition
Completed the Wintershall Dea transaction in September 2024

258kboepd
Production (2023: 186kboepd)

$16.5/boe
Operating costs (2023: $16.4/boe)

3.2bnboe
2P reserves + 2C resources at year end 2024
(2023 year end: 880mmboe)



OPERATIONAL REVIEW
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Safety and the environment[1]

1.0/m hours
TRIR[2] (2023: 0.7/m hours)

4 Tier 1 & 2
Process safety events (2023: Zero 1 & 2)[3]

26kgCO_2e/boe
GHG intensity (2023: 23kgCO_2e/boe)

SUSTAINABILITY REVIEW
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1 We report our safety and the environment metrics on a gross operated basis.
2 Total recordable injury rate, measured on a per million hours worked basis.
3 Comprising one Tier 1 event and three Tier 2 events.

Financial

Investment grade credit rating

Achieved from key credit rating agencies

$4.0bn

EBITDAX[4] (2023: $2.7bn)

$0.1bn

Free cash flow[5] before one-off acquisition fees (2023: $1.0bn)

$455m

Annual dividend policy commitment (2023: $200m)

FINANCIAL REVIEW
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Making a positive impact

We have set an aspiration to be net zero by 2050 for our gross operated Scope 1 and 2 CO_2e emissions, with an interim target of a 50 per cent reduction versus a 2018 baseline by 2030.

Transparent reporting

We report using Global Reporting Initiative standards and SASB indicators, and are preparing for the upcoming CSRD. CDP reaffirmed our rating of 'B' for our 2024 environmental performance and disclosure.

Working to address global challenges

We support the UN Sustainable Development Goals, which aim to overcome global challenges such as poverty, inequality and climate change by 2030. We focus on the goals where we can make the most impact.

4 EBITDAX is a non-IFRS measure calculated by taking earnings before tax, interest, depreciation and amortisation, impairments, remeasurements, onerous contracts and exploration expenditure. This is a useful indicator of underlying business performance.
5 Free cash flow is operating cash flow less cash flow from investing activities less interest and lease payments.

A geographically diverse large-scale oil and gas producer

Harbour's global footprint

Today, Harbour Energy is active in 11 countries. This includes significant production in well-established oil and gas producing regions in Europe, Southeast Asia, Latin America and North Africa and a high quality portfolio of 2P reserves and 2C resources.

In addition, Harbour has a leading CO_2 storage position in Europe, where we are seeking to deploy our skills and utilise existing infrastructure to build a competitive business with long-term cash flow potential.

OPERATIONAL REVIEW
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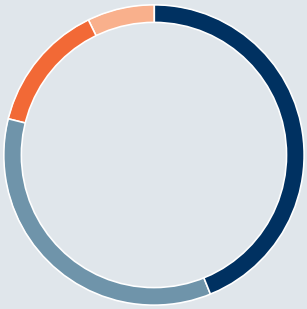
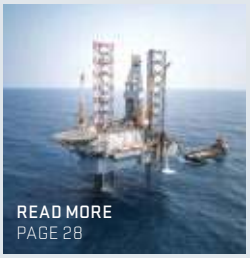
2024 production



European gas	44%
Oil	35%
Other gas	14%
NGLs	7%

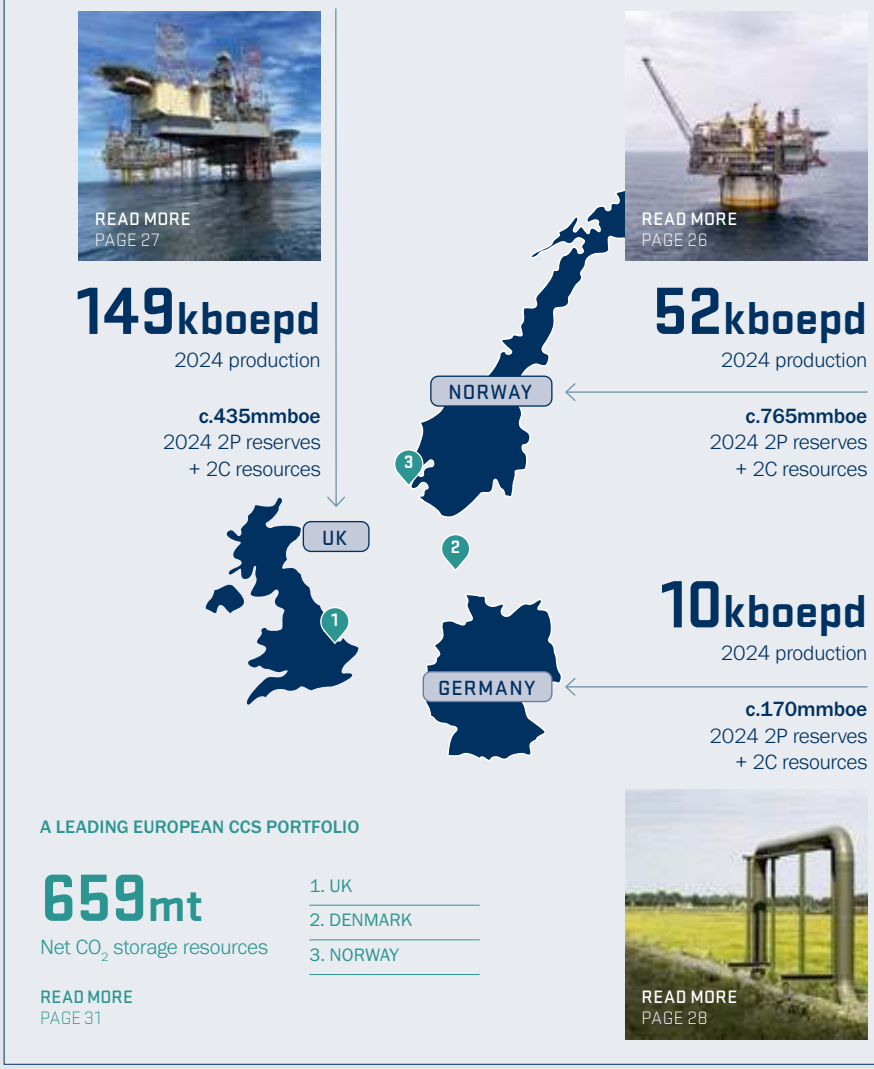


4kboepd
2024 production

c.450mmboe
2024 2P reserves + 2C resources

21kboepd
2024 production

c.1,025mmboe
2024 2P reserves
+ 2C resources



12kboepd
2024 production

c.80mmboe
2024 2P reserves
+ 2C resources

11kboepd
2024 production

c.225mmboe
2024 2P reserves
+ 2C resources

The Wintershall Dea transaction delivered a step-change in Harbour's scale, geographic diversification, portfolio quality and access to capital, and positions us well for future success.

R. BLAIR THOMAS
CHAIR

2024 was a very significant year for our company, with the completion of the Wintershall Dea transaction.

When we established Harbour Energy a decade ago, we had a clear vision about the future of our industry and a strategy underpinned by M&A-led growth. This ambitious transaction is further proof that we can be entrepreneurial, nimble and commercial, and fulfils many of the criteria that are important to us.

It delivers a step-change in Harbour's scale in an industry in which scale is increasingly important. It delivers a step-change in our geographic diversification, with production and growth opportunities in multiple established basins. It delivers a step-change in the quality of our portfolio, improving our margins, increasing our reserves life and expanding our resource base significantly. And it delivers a step-change in our access to capital through our investment grade credit rating. These are all competitive advantages which propel us into a new peer group of large, global independent oil and gas companies – of which there are fewer and fewer as another round of consolidation sweeps across our sector.

These factors strengthen our business in a world defined by rapid change and macroeconomic and geopolitical volatility. In the global economy, while inflation has eased, interest rates remain high by recent standards, and demand from China remains below pre-Covid levels, weighing on oil markets. Increased instability in the Middle East, in addition to the Ukraine conflict, continue to contribute to volatile oil and gas prices. Meanwhile, in an unprecedented year of elections, voters chose new governments in several countries that impact our business.

Another challenge for our industry is, of course, the energy transition. The combative tone of the debate about climate change means that society at large has become less accepting of the oil and gas industry. This has impacted policymaker, investor and lender sentiment. In some jurisdictions – the UK being a good example – an unwelcoming fiscal and regulatory environment is deterring investment in future production. Meanwhile, lender appetite for our industry has fallen and investors expect higher returns on their capital.

Against this complex backdrop, it is important that we have conviction in Harbour's purpose and strategy for the future. Our purpose – to play a significant role in meeting the world's energy needs through the safe, efficient and responsible production of hydrocarbons, while creating value for our stakeholders – has served us well. We believe it will continue to do so.

The transition to a lower carbon future, which we support, remains highly complex. It will take decades to accomplish. And it will require more investment and the continued use of hydrocarbons for much longer than some people expect, including in net zero scenarios.

Oil and gas producers have a vital role to play in this transition. First, we will need to continue producing oil and gas, at a lower carbon intensity, to meet growing demand for energy – energy that is both reliable and affordable. This will be all the more important as a result of persistent underinvestment in the sector over the last several years which risks future shortfalls in supply. Second, we will need to develop CO_2 sequestration technologies at scale. Carbon capture and storage (CCS) forms a part of credible net zero scenarios, and Harbour is well placed to deploy its expertise and utilise existing infrastructure to be a leader in this area. This will be vital to enabling a just and affordable transition to a lower carbon economy. As a leading, diversified global producer with a substantial carbon storage position in Europe, Harbour remains well positioned for the future.

Looking ahead, 2025 will be another important year for us. We will continue to aim for safety and operational excellence, to complete an efficient integration of the Wintershall Dea portfolio, and to further execute our strategy.

I am extremely proud of what Harbour Energy has achieved in the last 10 years, and we could not have done it without our shareholders. I would like to assure you that we remain laser-focused on delivering a total shareholder return that rewards you for your continued support for Harbour Energy.

R. Blair Thomas
Chair

CHIEF EXECUTIVE OFFICER'S STATEMENT

We are extremely proud to have completed the transformational Wintershall Dea transaction during 2024. Our enlarged business has a high quality, resilient portfolio which together with our dedicated team, strong financial position and disciplined capital allocation, means we're well positioned for the future.

LINDA Z. COOK
CHIEF EXECUTIVE OFFICER

Growth through large scale M&A

2014	2017	2019	2021	2024
Founded by EIG (private equity)	$3.0bn Shell transaction	$2.7bn ConocoPhillips transaction	$2.7bn Premier Oil merger	$11.2bn Wintershall Dea transaction
	17 kboepd	137 kboepd	175 kboepd	c.475 kboepd[1]

1 Pro forma; reflects 12 months' contribution from legacy Harbour assets and Wintershall Dea asset portfolio.

2024 was a transformational year for Harbour Energy with the completion of the Wintershall Dea transaction. As a result, we became one of the world's largest and most geographically diverse independent oil and gas companies.

At the same time, we achieved another year of solid operational and financial performance as we continue to deliver on the purpose and strategy we set out a decade ago.

Safety is and always will be our number one priority. Critical for us therefore was the safe transfer of the Wintershall Dea portfolio to Harbour ownership, which we achieved in September. However, after years of steadily improving safety performance, we saw an increase in our total recordable injury rate and we experienced our first Tier 1 process safety event and three Tier 2 process safety events in 2024. These incidents have been rigorously investigated and actions put in place to strengthen our process safety defences. This performance is a reminder of the need to keep safety front-and-centre as we work to complete the integration and embed our strong safety culture and standards across our newly enlarged portfolio.

As a result of the Wintershall Dea transaction, we materially increased and diversified our production, achieving rates of c.500 kboepd in the fourth quarter with significant contributions from Norway, the UK, Argentina and Germany. Norway, with its low unit operating costs, top quartile GHG emissions intensity and stable and supportive fiscal regime, is now the largest producer in our portfolio. Globally, production was supported by new wells and projects brought on-stream in the second half of the year resulting from continued investment in high return, short cycle opportunities close to existing infrastructure. We also delivered significant exploration and appraisal success in the year with positive drilling results in Norway, the UK, Indonesia and Mexico.

We remain very focused on maturing our significantly expanded and diverse 2C resource base of 1.9 billion boe to help sustain production and cash flow in the future. These resources include near-infrastructure opportunities, conventional, offshore projects in Mexico, Norway, Argentina and Indonesia, and scalable, unconventional opportunities in the Vaca Muerta onshore shale play in Argentina.

Our Leadership Team

We restructured our Leadership Team to support and strengthen executive oversight of our expanded business, creating a Chief Operating Officer role to oversee our seven Business Units, an EVP Technical Services and an EVP CCS.

Alexander Krane
Chief Financial Officer

Key responsibilities

Directing company-wide controls, capital allocation, financing activities, risk management, business reporting and planning.

Nigel Hearne
Chief Operating Officer

Key responsibilities

Accountable for safe and responsible business delivery across Harbour's seven Business Units in Norway, UK, Germany, Mexico, Argentina, Southeast Asia and North Africa.

Andrea Pinarel
EVP Strategy and Business Development

Key responsibilities

Leading strategic reviews, oversight and support for commercial activities, assessing and executing new business development opportunities.

Philip Whittaker
EVP Business Services

Key responsibilities

Delivering world-class business and information systems and corporate provision of supply chain, communications, real estate and integration capabilities.

Howard Landes
General Counsel

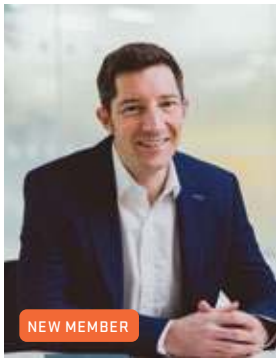
Key responsibilities

Managing Harbour's legal, compliance and governance matters globally, underpinned by our commitment to ethical business conduct.

Gill Riggs
Chief Human Resources Officer

Key responsibilities

Supporting the Harbour organisation through talent acquisition, career development and succession planning, compensation and benefits, DE&I, and employee engagement.



Alan Bruce
EVP Technical Services

Key responsibilities

Leading our global technical functions including HSES, subsurface, portfolio and reserves, capital projects, engineering, operations and wells to support delivery of technical and operational excellence.

Graeme Davies
EVP CCS

Key responsibilities

Accountability for our CCS strategy, portfolio development, maturing projects towards investment decisions, and post-FID project delivery.

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Notably, in Q4, we signed a participation agreement to acquire a 15 per cent interest in Southern Energy SA which is looking to develop an FLNG export project in the country. The acquisition completed in January 2025. This marks an important step towards unlocking Harbour's significant 2C resource in Vaca Muerta, Argentina.

The Wintershall Dea transaction also added to our CCS portfolio, with new licences in Denmark, Norway and the UK, where we already have our flagship Viking project, one of the largest potential CCS projects in the world. An important milestone was reached in December, with the approval of Greensand Future in Denmark, Harbour's first CCS project to have reached a final investment decision.

As a result of the transaction, we had to design and staff an organisation capable of managing a much larger business. Key new appointments included a Chief Operating Officer (COO) to oversee operational delivery in our seven Business Units, an EVP for technical services to support and provide assurance for our technical organisation globally, and an EVP for CCS to execute our strategy to create value from our enlarged CCS portfolio. Below the leadership level, we also strengthened our corporate functions, drawing from a talent pool comprising internal candidates, Wintershall Dea employees and external hires.

With the addition of the Wintershall Dea portfolio, we now have a much wider organic investment opportunity set to support future production. However, acquisitions will remain a core dimension of our strategy. We will continue to leverage our M&A expertise to strengthen our portfolio, prioritising high quality assets which lengthen our reserve life, ensure a balance of oil and gas, and increase our operational control, mindful always of balancing this with protecting our balance sheet and distributions for our shareholders.

The acquisition of the Wintershall Dea assets is expected to deliver a step up in the scale and sustainability of our free cash flow, underpinned by our improved reserves life and expanded resource base. This, together with our investment grade credit ratings, enabled us to increase our annual dividend payment to $455 million, signalling the Board's confidence in the increased scale and longevity of our free cash flow generation.

We will continue to maintain a strong balance sheet, providing us with optionality through the commodity price cycle. We will allocate our capital to our most attractive projects, thereby ensuring a robust and resilient portfolio and underpinning competitive dividend payments with the potential for additional shareholder returns via share buybacks.

Looking ahead, we remain focused on continuing to deliver our strategy of building a global, diversified oil and gas company. In this respect, our priorities for 2025 are simple: deliver strong safety and operational performance, mature our 2C resource base, complete the integration of the Wintershall Dea portfolio, and maintain disciplined capital allocation.

Harbour Energy has come a long way since we were founded in 2014, and I am extremely proud of what has been accomplished since producing our first barrel just seven years ago. I would like to thank everyone involved for their tremendous efforts in completing the Wintershall Dea transaction and for continuing to ensure we delivered operationally and financially throughout 2024. With today's portfolio, and our experienced and dedicated team, we're well positioned and excited for the future.

Linda Z. Cook
Chief Executive Officer

2024 saw continued geopolitical tensions, macroeconomic uncertainty and an elevated level of M&A activity in the oil and gas sector

Markets and geopolitics

US equity markets once again materially outperformed those in the UK and Europe, largely driven by the dominance of the technology sector and expectations related to Donald Trump's election, with the S&P 500 up 25 per cent in the year. Meanwhile, the uncertain impact of proposed trade tariffs and broader implications of the Trump administration cast a shadow over the year-end performance for both UK and European stocks, which closed the year with single-digit gains as lower interest rate expectations were offset by persistent concerns over a potential recession.

Geopolitical tensions, including ongoing conflict in the Middle East and the war between Russia and Ukraine, continued. In addition, election activity in over 50 countries added to the level of uncertainty and change, including in several countries where Harbour is active.

In the UK, the newly elected Labour Government increased and extended the Energy Profits Levy (EPL) on oil and gas producers and removed the EPL investment allowance uplift, effective in November, while stating an intention to work with industry to design a more stable and sustainable fiscal regime for implementation at the end of the decade. In addition, the Finch Ruling, which required the consideration of Scope 3 GHG emissions in the approval process for new field developments, adds to the negative investment climate for oil and gas producers in the country.

On the other hand, the government signalled its commitment to support CCS with over £21 billion of funding for two industry-sponsored projects but delayed any decision regarding the next two projects in line for approval – including Harbour's Viking project – until at least spring 2025.

In Argentina, President Javier Milei, in his first year of office, introduced new legislation (RIGI) which incentivises large infrastructure projects through tax breaks and dollarisation of revenues. This is supportive of the significant investments required to develop the country's world class Vaca Muerta shale resources.

In Mexico, President Claudia Sheinbaum became the country's first female president. In November, she announced the country's National Energy Plan which included the goal to maintain Mexico's oil production at 1.8 million barrels per day by focusing on strategic projects, specifically referring to the development of Harbour's Zama discovery.

Governments in Norway, Indonesia and our North African countries of Egypt, Algeria and Libya remain highly supportive of international oil and gas companies as they seek to attract additional investment. In Egypt, there is a focus on improving security of supply and the newly appointed Minister of Petroleum has introduced initiatives to increase domestic production. In Algeria, the country launched its first new licensing round since 2014.

OUR RESPONSE & OPPORTUNITY

Anticipating the changes to the oil and gas fiscal terms in the UK, we accelerated capital investment in the country into early 2024 and built flexibility into our UK supply chain. Following the Wintershall Dea transaction, the UK is a much smaller part of our portfolio and investment opportunities in the country will now have to compete with those across our larger portfolio. At our Viking CCS project, we have adapted the schedule and slowed the pace of investment as we await further progress from the UK Government.

In Norway, Harbour is now the sixth largest producer, and the country is our largest source of production. Our entry as a producer into the country following the Wintershall Dea transaction has been welcomed by relevant Norwegian authorities and stakeholders and we have been pleased to announce the successful appraisal of two recent discoveries since completion of the transaction.

In Argentina, we are working with partners to explore opportunities to accelerate investment in new developments, both offshore and in the Vaca Muerta. Harbour also acquired a 15 per cent interest in Southern Energy in January 2025, which is looking to develop a small-scale Floating Liquefied Natural Gas export project, enabling Harbour to access global Liquefied Natural Gas markets and international gas prices. Southern Energy has submitted an application for the project to qualify under RIGI.

In Mexico, the Wintershall Dea transaction resulted in increasing our stake in the strategically important Zama project from 12 per cent to 32 per cent. With the full support of the new government, the project entered the final engineering and design phase.

In Indonesia, we had two additional gas discoveries in the Andaman Sea. Planning for a potential development is now underway for these strategically located gas resources.

Finally, in Algeria, we initiated technical studies in preparation for participation in the licensing round, scheduled for April 2025.

Commodity prices

Brent oil price

In 2024, oil prices have remained volatile due to a combination of geopolitical tensions, supply and demand dynamics, and economic factors. Amidst these uncertainties, 2024 Brent crude prices averaged $81/bbl, fluctuating within a range of $71/bbl to $93/bbl.

Global oil demand continues to grow, but at a slower pace. This is in part due to weaker economic conditions including softer Chinese growth and is reflected in the OPEC+ decision in November to delay the unwinding of production cuts. This meant global oil inventory levels remained relatively low in historical terms, providing some price support, exacerbated by further escalation in Middle East conflicts. Brent ended the year at $75/bbl, $1/bbl below its level at the start of 2024.

c.30%

Of total production hedged in 2024

UK and European natural gas prices

UK and European natural gas prices remained higher than average during 2024 with UK NBP and European TTF averaging 83 pence/therm (c.$11/mscf) and €34/MWh (c.$10/mscf), respectively. Events such as disruptions in Norwegian flows or US LNG supply impacts from hurricanes have exacerbated volatility.

Prices were generally lower during the first half of the year due to higher storage levels and milder weather reducing demand. In the second half of the year, prices rose driven by Norwegian pipeline outages and anticipation of a colder-than-expected winter. Both the UK and European indices reached yearly highs in November amidst further escalation of the Russia-Ukraine war and the uncertainty about Russian exports through Ukraine. UK NBP closed the year at 118 pence/therm or $15/mscf and TTF at €48/MWh or $15/mscf.

OPERATIONAL REVIEW
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OUR RESPONSE & OPPORTUNITY

The Wintershall Dea transaction significantly increased our operational leverage to commodity prices by almost tripling our production. The acquisition also increased our exposure to European TTF gas prices which closed the year at €48/MWh or $15/mscf. Following completion of the acquisition, our production is broadly split c.40 per cent oil, 40 per cent European natural gas and 20 per cent other gas which is largely sold under fixed price or formula-linked contracts. Exposure to different markets and prices, coupled with our active hedging strategy, allows us to manage commodity price risk and invest through the price cycles.

In 2024, we realised post-hedging oil and European gas prices of $82/bbl and $11/mscf, reflecting that 24 per cent of our total pre-tax liquids production and 47 per cent of our total pre-tax European gas production was hedged. The price received for our other gas production averaged $4/mscf. For 2025, our hedging increases with c.26 per cent of our estimated liquids production hedged at an average price of $77/bbl and c.48 per cent of our estimated European natural gas production hedged at an average price of $14/mscf.

UK and EU ETS prices

The UK Emissions Trading Scheme (ETS) carbon allowance price averaged £38/t in 2024, down from £53/t in 2023. This was mainly driven by an increasing surplus of allowances, including the auction of previously unallocated allowances, and lower industrial emissions.

The EU ETS carbon allowance price averaged €65/t in 2024, compared to €83/t in 2023. Relative to the cost of allowances in the UK, the EU ETS is higher, in part reflecting stricter emissions reduction targets in the EU.

OUR RESPONSE & OPPORTUNITY

Harbour purchases UK and EU ETS carbon allowances, as required, over and above its annual government issued allocations to meet the compliance requirements of the schemes. We continue to work to reduce our emissions and look to manage our exposure to both UK ETS and EU ETS carbon allowance prices through hedging and participation in auctions.

Mergers and acquisitions

Despite the uncertain backdrop, M&A activity in the oil and gas sector remained elevated in 2024, in particular with consolidation amongst US companies and in the UK North Sea.

In the US, large companies continued to secure high quality unconventional shale reserves to help maintain production levels and margins as the shale play matures. Notably, Diamondback announced the acquisition of Endeavour, ExxonMobil completed the Pioneer acquisition, and ConocoPhillips completed the acquisition of Marathon Oil.

The year also saw two significant transactions announced in the UK North Sea as companies look to achieve economies of scale, drive efficiencies and preserve margins given the increasingly punitive fiscal regime and maturity of the basin. Namely, Eni and Ithaca Energy agreed to combine their UK portfolios, and Shell and Equinor announced the merger of their UK oil and gas assets.

$225bn

Disclosed value of oil and gas M&A announced in 2024[1]

OUR RESPONSE & OPPORTUNITY

In September 2024, we completed the transformational acquisition of the Wintershall Dea asset portfolio, marking our fourth major acquisition since we were founded in 2014. This acquisition transformed the scale, geographic diversity and longevity of our portfolio, and delivered a stronger company financially as our credit rating improved to investment grade.

M&A remains a core part of our strategy and the opportunity set remains rich. This includes the opportunities that may arise as larger companies integrate recent acquisitions and look to consolidate geographic footprints, as smaller companies look for scale and relevance, and as private companies look for a path to liquidity.

With production over 450 kboepd on a pro forma basis and positions in 11 countries we arguably have sufficient scale and geographical diversity. Going forward, our focus will be to continue to add high quality assets, lengthen our reserve life, maintain a balance of both oil and gas, and increase operational control all while staying true to our commitment to a conservative approach to the balance sheet and to competitive shareholder returns.

1 Source: Dealogic.

Well positioned for the future

Creating value through continued strategic delivery

LONG-TERM VALUE DRIVERS: OUR STRATEGY

SAFE & RESPONSIBLE

Ensure safe, reliable and responsible operations

PROGRESS IN 2024

- Safe and efficient operations, including the safe transfer of the Wintershall Dea portfolio to Harbour ownership
- Regrettably, we had one Tier 1 event, and three Tier 2 events occur in 2024 on a reported basis. All events were rigorously investigated by management, with learnings shared across the company
- Increased production whilst reducing unit operating cost on a pro forma basis
- GHG emissions materially lowered on a pro forma basis

PRIORITIES FOR 2025

- Continuous improvement in our safety performance, embedding our strong safety culture across the enlarged portfolio
- Maintain strong, positive and influential relationships with our joint venture partners and suppliers
- Maintain a competitive cost base, driving simplification and efficiency improvements through integration
- Continued progress towards our commitment to reduce GHG emissions by 50 per cent by 2030 (versus a 2018 baseline)

STRATEGY IN ACTION

Safe transfer of the Wintershall Dea portfolio to Harbour

Comprehensive transition process to systematically prepare for the safe transfer of the Wintershall Dea portfolio to Harbour which we achieved in September.

SCALE & DIVERSITY

Maintain a high quality portfolio of reserves and resources

PROGRESS IN 2024

- Three times increase in 2P reserves, reflecting the completion of the Wintershall Dea transaction
- 2P reserves significantly increased to 1.2 billion boe with material positions acquired in Norway, Germany, Argentina, Mexico and North Africa
- Significantly increased and diversified our 2C resource base to 1.9 billion boe, providing multiple high quality options for conversion into 2P reserves
- Progressed projects near existing infrastructure, including production start-up from Fénix in Argentina and Talbot in the UK
- Exploration success in and around our key hubs in Norway, UK and Mexico

PRIORITIES FOR 2025

- Execution of the capital programme, including successful production start-up from Maria Phase 2 (Norway) in summer 2025
- Mature high quality, infrastructure-led investment opportunities, including delivery of four exploration wells in Norway
- High grade our reserves and resource portfolio and ensure a healthy pipeline of longer-term organic and inorganic investment options

STRATEGY IN ACTION

Production start-up from Talbot

Delivery of the Harbour UK-operated Talbot project, on schedule and within budget, with zero recordable injuries, supporting 2025 production.

HIGH QUALITY & RESILIENT

Leverage our full cycle capability to strengthen our portfolio

PROGRESS IN 2024

- Completed the Wintershall Dea transaction, lowering our unit cost to $13.5/boe (pro forma 2024) from c.$16.4/boe in 2023, and lowering our GHG intensity from 22 $kgCO_2e$/boe in 2023 to 14 $kgCO_2e$/boe on a net equity pro forma basis in 2024
- Progressed our organic growth opportunities in Mexico (Zama, Kan), Indonesia (Tangkulo, Layaran) and Argentina (Southern Energy FLNG project participation agreement)
- Progressed our CCS projects, including substantially completing FEED at Viking (UK) and taking a final investment decision on Greensand Future (Denmark)
- Agreed sale of non-core assets in Vietnam and exited an uncompetitive CCS licence in the UK

PRIORITIES FOR 2025

- Advance organic growth opportunities in Mexico, Indonesia and Argentina
- Continue to high grade our CCS portfolio, focusing on competitively advantaged projects with long-term cash flow potential
- Continue to evaluate M&A opportunities, with a particular focus on improving our reserve life, increasing our operational control and adding oil weighted production near term

STRATEGY IN ACTION

Completion of the transformational Wintershall Dea transaction

The Wintershall Dea acquisition transforms our portfolio and propels Harbour into a new peer group that includes the world's largest global independent oil and gas companies.

FINANCIAL DISCIPLINE

Ensure financial strength through the commodity price cycle

PROGRESS IN 2024

- Investment grade credit ratings achieved from the three main credit rating agencies
- Successful issuance of €1.6 billion senior notes comprising €0.7 billion with 3.8 per cent coupon due 2029 and €0.9 billion with 4.4 per cent coupon due 2032
- Increase in annual dividend commitment to $455 million signalling our confidence in the increased scale and longevity of our free cash flow generation

PRIORITIES FOR 2025

- Continued execution of our hedging strategy to ensure predictable and resilient cash flow through the commodity price cycle
- Protect investment grade credit ratings, including by maturing investment opportunities which improve reserve life and reducing absolute net debt levels
- Proactively manage our debt maturity profile
- Deliver on our commitment to shareholder distributions

STRATEGY IN ACTION

Considerable balance sheet strength

Investment grade credit ratings achieved, providing stable access to lower cost sources of capital and more flexible financing terms.

ENGAGING WITH OUR STAKEHOLDERS
READ MORE ON PAGE 14

SUSTAINABILITY REVIEW
READ MORE ON PAGE 38

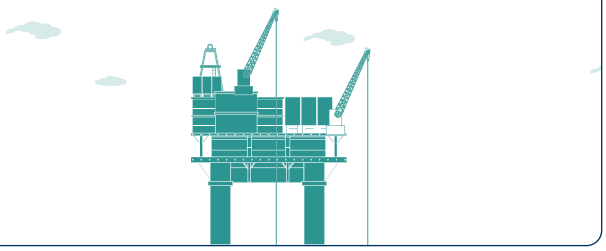
HOW WE CREATE VALUE:
OUR BUSINESS MODEL

DISCIPLINED CAPITAL ALLOCATION & PORTFOLIO MANAGEMENT

ORGANIC INVESTMENT
Exploring for new resources near existing infrastructure, and maturing our resources and reserves into production

SELECTIVE M&A
Targeting high quality assets that strengthen our portfolio

Production operations
Maximising value and cash flow from our existing oil and gas portfolio



CCS
Building an advantaged CCS portfolio with long-term cash flow potential

DECOMMISSIONING
Responsibly and efficiently decommissioning our retired infrastructure

MATERIAL CASH FLOW GENERATION

WHO THAT VALUE BENEFITS:
OUR STAKEHOLDERS

Our employees
74%
Response rate to our employee pulse survey, which gave a generally positive result on the impacts of the Wintershall Dea transaction

Government & regulators
$1.5bn
Paid in taxes

Our investors & shareholders
$455m
Annual dividend policy commitment

Our lenders
€1.6bn
Investment grade bonds issued enabling quick repayment of $1.5bn bridge facility

Our JV partners, suppliers & customers
c.$2.5bn
Of spend with our suppliers

Wider society
c.$6.3bn
Of economic value created

Working together to create shared value

We are a global business, and what we do and how we work affects a broad range of stakeholders. We engage with these stakeholders to understand and respond to the issues that are important to them.

OUR EMPLOYEES

WHY IS IT IMPORTANT TO ENGAGE?

Harbour's success depends upon our ability to attract and retain talented employees who can work collaboratively to deliver our strategy. In 2024, following the Wintershall Dea transaction, Harbour Energy onboarded nearly 1,300 new employees; hearing and responding to their concerns was essential to managing uncertainty and creating a positive working environment across our enlarged business.

HOW DO WE ENGAGE?

We engage regularly through face-to-face and digital channels, including town and village halls, small informal events and social channels. Our employee-led networks, each with a leadership team sponsor, provide peer support. Our CEO meets regularly with our elected Global Staff Forum and other directors join these sessions twice each year. In 2024 there was additional focus on engaging with prospective employees joining Harbour from Wintershall Dea as well as the wider workforce, given the organisational changes taking effect on completion of the acquisition. In Q4 we carried out a pulse survey to gauge employee sentiment across the company.

WHAT ISSUES ARE IMPORTANT TO THEM?

- Health, safety and wellbeing
- Career development
- Inclusion, including acceptance of different cultures
- Integration of the Wintershall Dea portfolio

ACTIONS AND OUTCOMES

In 2024, we continued our successful leadership engagement, hosting over 50 events across the year. Actions identified in our last employee engagement survey were implemented, including moving to new offices with an improved working environment in several locations.

We also took steps to improve our career development framework across the company, including the appointment of an SVP for Talent & Culture and a head of Technical Learning and Development.

A key focus for the year was the transition and integration of new colleagues from Wintershall Dea into Harbour. Pre-completion, Harbour hosted face-to-face events with future colleagues in all Wintershall Dea offices. Post-completion, a leadership roadshow visited every Wintershall Dea Business Unit location to welcome new colleagues to Harbour. We are building relationships with the Works Councils in Germany and Norway, and aim to add representatives from all new locations to our Global Staff Forum in 2025.

We refreshed our values and behaviours to better reflect the culture we have built over the past few years (see pages 18 and 19) and these have been well received by both existing and new colleagues.

Issues raised in our 2024 pulse survey were shared with our Board, leaders and employees, and are being addressed. In addition, a company-wide engagement survey is planned for 2025.

GOVERNMENT & REGULATORS

WHY IS IT IMPORTANT TO ENGAGE?

Government and regulatory stakeholders in our operating regions make decisions that materially impact our business, so it is important they understand Harbour's purpose, strategy, expertise and contributions and that we understand their priorities. This is more important as the Wintershall Dea transaction extended our global footprint to 11 countries, significantly increasing our government and regulatory stakeholder community.

HOW DO WE ENGAGE?

Harbour engages through direct meetings with ministers, their advisers and officials, and by contributing to government consultations and via trade bodies. In some jurisdictions we partner with or work alongside National Oil Companies (NOCs), so we prioritise strong relationships with these companies as well.

WHAT ISSUES ARE IMPORTANT TO THEM?

- Financial and operational performance
- Capital allocation, including commitment to investment grade credit ratings and shareholder returns
- M&A strategy and progress
- Integration of the Wintershall Dea acquisition and outlook for the combined business
- Our net zero aspiration and CCS projects

ACTIONS AND OUTCOMES

In 2024, much of our engagement was driven by the Wintershall Dea transaction, which required more than 15 regulatory, anti-trust and foreign direct investment approvals from governments and regulators in 11 different jurisdictions. We prioritised building strong relationships with ministers, government departments, trade bodies, NOCs and regulators, which helped facilitate timely approvals for the deal, allowing us to complete the acquisition ahead of schedule.

In addition, we continued to highlight the importance of a supportive and stable fiscal environment for the sector, enabling the investment in future production that supports jobs, energy security and the economy.

This was and continues to be especially important in the UK, which now has the most onerous fiscal regime of all countries in which we operate. In the UK, we have argued for a fairer and long-term approach to the fiscal environment for domestic oil and gas producers and also for a more supportive policy environment for the accelerated deployment of CCS.

In other countries, engagement has centred on progressing significant oil and gas projects including Zama (Mexico), Vaca Muerta (Argentina) and the discoveries in the Andaman Sea (Indonesia). Engagement in Mexico, Argentina and Egypt has also included discussions related to late payment challenges and foreign currency restrictions.

OUR INVESTORS & SHAREHOLDERS

WHY IS IT IMPORTANT TO ENGAGE?

Harbour seeks to develop an investor base of long-term shareholders and debt investors who are supportive of our strategy. By ensuring our strategy and objectives are well understood and by delivering against them, we maintain access to long-term providers of capital.

HOW DO WE ENGAGE?

We engage regularly with our shareholders, bondholders and potential investors through meetings, conferences and investor events. We hosted more than 420 meetings in 2024, in one-to-one and group settings, both in-person and virtually. The Wintershall Dea transaction has resulted in a significant increase in investor interest, especially from large US-based institutions, leading to an increase in time spent meeting investors in the US. In November, we hosted a live presentation for retail investors, allowing them to hear directly from the company. The CEO, CFO, Investor Relations and Treasury are primarily responsible for this engagement. Other directors engage on areas such as remuneration policy and are also available at Harbour's AGM.

WHAT ISSUES ARE IMPORTANT TO THEM?

- Financial and operational performance
- Capital allocation, including commitment to investment grade credit ratings and shareholder returns
- M&A strategy and progress
- Integration of the Wintershall Dea transaction and outlook for the combined business
- Our net zero aspiration and CCS projects

ACTIONS AND OUTCOMES

We have continued to build trust with the capital markets through proactive engagement, delivering against guidance, and successfully executing our strategy.

In July 2024, shareholders were invited to vote on the proposed Wintershall Dea transaction at a General Meeting. Significant information enabling shareholders to make an informed decision was provided, including webcast presentations by management and a circular and prospectus containing an independent valuation of the target portfolio. Shareholders approved the transaction with 99.99 per cent of votes cast in favour.

In March, we completed the voluntary bondholder consent process relating to the porting of €4.9 billion of Wintershall Dea bonds and, post completion of the transaction, we successfully issued €1.6 billion of senior bonds, enabling repayment and cancellation of the $1.5 billion acquisition bridge facility.

Consultation and feedback from institutional shareholders also shaped the evolution of our Remuneration Policy.

Section 172(1) statement

The disclosure on the following pages (14 to 17) describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' statement required under section 414CZA of the UK Companies Act 2006.

Information regarding our assessment of environmental and community issues associated with our operations, including how we aim to maximise our positive impacts and minimise the negative impacts, can be found in the Sustainability review on pages 38 to 59.

OUR LENDERS

WHY IS IT IMPORTANT TO ENGAGE?

The upstream oil and gas industry is a capital-intensive business. By maintaining supportive relationships with our lenders, and ensuring our strategy and objectives are well understood, we can ensure access to long-term debt financing that enables us to deliver the company strategy, including investment in high quality investment opportunities that generate cash flows and support shareholder returns.

HOW DO WE ENGAGE?

We undertake regular dialogue with the syndicate banks at varying levels of seniority and across multiple teams, both bi-laterally and via an annual bankers' presentation. Members of the leadership team give performance updates at these sessions, followed by questions and answers.

WHAT ISSUES ARE IMPORTANT TO THEM?

- Financial and operational performance
- Fiscal stability
- Safeguarding the balance sheet, including our commitment to investment grade credit ratings
- Financial risk management, including hedging
- M&A strategy and progress
- Sustainability and ESG considerations, including the impact of our operations and our CCS projects

ACTIONS AND OUTCOMES

We have a disciplined financial framework and capital allocation policy to ensure we maintain significant liquidity and access to capital. This includes a commitment to our investment grade credit ratings, ensuring, over 2024, that leverage remained below 1.5x on average through the commodity price cycle, and hedging to protect against price volatility.

Since the announcement of the Wintershall Dea transaction in December 2023, we have maintained a supportive senior bank syndicate and have been able to bring additional banks into a new $3 billion revolving credit facility (RCF).The margin on the RCF is approximately half that of the reserve based lending facility (RBL) it replaced. Additionally, the bank syndicate funded the $1.5 billion bridge facility, which was utilised for the cash portion of the consideration for the Wintershall Dea transaction, and subsequently refinanced in the European bond market after completion.

We continue to have access to significant debt capacity, and following completion of the Wintershall Dea transaction, our corporate credit rating is now Baa2/BBB-/BBB-, stable outlook, with the three main credit rating agencies, Moody's, S&P Global and Fitch, respectively. The ESG disclosure agency CDP reaffirmed our corporate 'B' rating in 2024.

OUR JV PARTNERS, SUPPLIERS & CUSTOMERS

WHY IS IT IMPORTANT TO ENGAGE?

The upstream oil and gas industry relies on joint venture (JV) partners and a complex value chain of suppliers who enable us to deliver oil and gas to our customers. Maintaining strong relationships across this value chain enables access to the resources, labour and the specialist goods and services we require to carry out our business safely, responsibly and efficiently.

HOW DO WE ENGAGE?

We have structured engagement plans in place for these key stakeholders. For example, Operating Committee Meetings are the forum for joint venture partner decision-making, while we regularly engage with our contractors through scheduled reviews and supplier audits. Meanwhile, our in-house marketing and trading team maintains an open dialogue with our global customers.

WHAT ISSUES ARE IMPORTANT TO THEM?

- Asset stewardship and life of field programmes (JV partners)
- Personal and process safety and operational performance
- Financial capability
- Transparency on future activity and opportunities (supply chain)
- Quality and reliability of supply (customers)

ACTIONS AND OUTCOMES

During 2024, we completed the rationalisation of supply chain management within Harbour's UK business, focusing on establishing strategic partnerships with suppliers to deliver better value, mitigate risks to our operations and support the delivery of our business objectives. We will extend this approach across our company in 2025, and have agreed a supply chain integration plan for developing long-term strategic partnerships across the new portfolio.

The Wintershall Dea transaction brought a large non-operated portfolio into Harbour, in addition to our existing non-operated assets. Our aim is to be a trusted and reliable partner to operators, and to nurture the collaborative working relationships that will manage risk and deliver value to the licence and to the countries in which we operate in the most reliable and sustainable way.

During 2024, as several long-term sales arrangements rolled off, Harbour began to enjoy increased flexibility to directly market our UK-produced hydrocarbons to a broader set of buyers. This flexibility has already started to deliver better value for the business. The integration of the new portfolio offers further scope to develop a more global market view and broaden/deepen relationships with global customers.

WIDER SOCIETY

WHY IS IT IMPORTANT TO ENGAGE?

A company's employees, customers and suppliers are part of the communities and wider society in which they operate. We aim to be a good corporate citizen, offering high quality jobs and a safe work environment, supporting a large supplier network, reducing our environmental impact and contributing to the communities in which we operate.

HOW DO WE ENGAGE?

Harbour supports local communities through its business activities, which contribute to economic vitality, supported by philanthropic activities and sponsorships. Where projects impact on local communities, we actively engage with the community to explain how we work to try to minimise our impact and share the economic value created. We support key industry bodies and events to promote the economic wellbeing of our communities and host countries. We help disadvantaged communities through local outreach and charitable giving.

WHAT ISSUES ARE IMPORTANT TO THEM?

- Environmental impact and safety
- Economic value and social investment
- Governance and ethics

ACTIONS AND OUTCOMES

We continued to deliver energy safely and responsibly, from a much larger production base. We are committed to managing our environmental impact by using resources efficiently and reducing emissions and waste. We joined the UN's Oil & Gas Methane Partnership (OGMP 2.0) in 2024, and are aiming to achieve their Gold Standard for methane emissions reporting and reduction.

Harbour generated c.$6.3 billion of economic value in 2024, through employment, payments to suppliers, tax payments to host governments and social investment. Our sponsorship budget supports the promotion of a safe and responsible oil and gas industry, and we continued to support local communities with social investment that promotes education, health and economic development. Social investment and sponsorship totalled $1.5 million across our global business.

We have harmonised governance and ethics standards across our enlarged business. A programme of mandatory training is in place to ensure employees understand and comply with our standards.

We aim to engage openly and honestly on issues of importance to our stakeholders and to establish strong and enduring relationships with the key stakeholders upon whom our business success relies.

These three case studies are examples of how our Board considers stakeholders' interests in its decision-making.

The duty of our Board is to promote the success of Harbour for our shareholders whilst having due regard for the interests of other stakeholder groups.

In discharging this duty, the directors must consider the likely consequences of their decisions in the long term whilst maintaining our corporate reputation and adhering to the highest standards of business conduct.

Our board of directors carries out its decision-making with this duty in mind.

CASE STUDY 1

To deliver growth and diversification by completing the Wintershall Dea transaction

$11.2bn

Acquisition of asset portfolio

Board discussions

The scale of the Wintershall Dea transaction, which nearly tripled Harbour's daily production and extended our portfolio into 11 countries, significantly impacted all our stakeholder groups. During the transition period between announcement of the deal (December 2023) and completion (September 2024), the Board continued to consider the impact of the transaction on key stakeholder groups. Particular attention was given to the quality of engagement with existing and future employees from Wintershall Dea, the governments from which various approvals were required, and our investors and our lenders, to secure their support for the transaction and ensure the safe and efficient transfer of people and assets to Harbour.

Board's consideration of stakeholder impacts in reaching its decision

The Board considered the impact of the transaction on a wide range of stakeholders whose support was vital to the completion of the transaction.

Building the confidence of shareholders and investors, our providers of capital, was a primary objective. Executive directors undertook an extensive programme of engagement with large investors to demonstrate the strategic rationale of the acquisition, the value creation opportunities the new portfolio presented, and a planned dividend increase. A detailed prospectus was published in June and, at a General Meeting in July, shareholders voted overwhelmingly in favour of the transaction (99.9 per cent of votes cast were in favour).

The Board also focused on ensuring the support of our lenders for the transaction, and the continued availability of debt financing post-completion. We helped lenders understand the high quality portfolio we were acquiring and the careful structuring of the transaction, including the porting of low-cost bonds from Wintershall Dea. Together, these would maintain Harbour's financial strength while also delivering an investment grade credit rating post-completion.

The multi-jurisdictional nature of the transaction required approvals from many regulatory and government bodies. The Board endorsed a CEO-led outreach programme with each prospective new Business Unit, including meetings with key regulatory/government stakeholders, to secure support and approvals for the transaction.

The CEO visited every one of our Business Units – including those acquired from Wintershall Dea – during the year, most of them twice, often accompanied by other members of the Leadership Team. During the visits local town halls were held, providing an opportunity for employees to learn about Harbour and our culture, and for us to hear their perspectives. Several additional events were held for employees in Wintershall Dea's corporate centre, who were not being automatically transferred to Harbour as part of the transaction. The objective of these engagements was to recruit Wintershall Dea employees to fill new roles in Harbour's expanded corporate centre, so we could benefit from their knowledge of the assets being acquired and enable a more efficient integration. Board discussions were also held to focus on retaining key personnel from both Harbour Energy and Wintershall Dea who were deemed critical to the safe transfer of the business to Harbour.

Thanks to careful planning, the receipt of all necessary consents and the cooperative transition process, the Wintershall Dea transaction was completed safely, ahead of schedule, in September 2024.

RELEVANT STRATEGIC DRIVERS

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

KEY STAKEHOLDER GROUPS IMPACTED

OUR EMPLOYEES
GOVERNMENT & REGULATORS
OUR INVESTORS & SHAREHOLDERS
OUR LENDERS
OUR JV PARTNERS, SUPPLIERS & CUSTOMERS
WIDER SOCIETY

Central to this is ensuring it understands the views of our stakeholders on key issues and how those stakeholders will be impacted by a particular course of action.

While the Board sets the parameters by which we develop, maintain and enhance relationships with our stakeholders, engagement cannot be undertaken by the Board alone; our Leadership Team also engages and fosters positive relationships with our key stakeholders. The Board considers stakeholder views when making key decisions. For example, the information is used in investment papers, strategy documents and budget proposals, to ensure that decisions are made with due consideration of all stakeholders.

OUR STRATEGIC DRIVERS

SAFE & RESPONSIBLE
Ensure safe, reliable and responsible operations

SCALE & DIVERSITY
Maintain a high quality portfolio of reserves and resources

HIGH QUALITY & RESILIENT
Leverage our full cycle capability to strengthen our portfolio

FINANCIAL DISCIPLINE
Ensure financial strength through the commodity price cycle

CASE STUDY 2

Endorsement of new values and behaviours to support a strong corporate culture

c.3,400
Workforce[1]

Board discussions

Since Harbour was founded in 2014, it has made four acquisitions in line with its strategy of becoming a global, diversified upstream producer, each time bringing people from legacy companies into Harbour. The Board considers that establishing and maintaining a distinctive Harbour Energy corporate culture, one that both motivates employees and sets high standards of behaviour, is critical to Harbour's continued success, and this is therefore regularly discussed by the Board. With the company pursuing its largest acquisition to date, the Board endorsed a plan proposed by management to refresh Harbour's corporate values and behaviours.

Board's consideration of stakeholder impacts in reaching its decision

Ahead of the completion of the Wintershall Dea transaction, which would bring some 1,300 new employees plus a large number of contractors into the business, Harbour's senior leaders discussed whether Harbour's existing corporate values and behaviours – established four years ago – properly reflected the culture we have built and aspire to. These discussions resulted in a recommendation to evolve the values and behaviours and express them in more direct language – We care, We work together, We aim high, We deliver. The CEO presented the recommendation to the Board for approval.

The Board agreed that the proposed values better reflected Harbour's culture, what makes us distinctive from other companies, and what we are proud of. It was considered important that the refreshed values were in place prior to completion of the Wintershall Dea transaction and then shared as part of the onboarding process for new employees, to explain our culture and set the right expectations from the start. The new values were rolled out within legacy Harbour in August and shared with the Wintershall Dea employees joining us upon completion in September.

RELEVANT STRATEGIC DRIVERS

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

KEY STAKEHOLDER GROUPS IMPACTED

OUR EMPLOYEES
OUR INVESTORS & SHAREHOLDERS
OUR JV PARTNERS, SUPPLIERS & CUSTOMERS
WIDER SOCIETY

1 Includes employees and direct contract staff.

CASE STUDY 3

Responsible funding of the company

€1.6bn
Investment grade bond issuance

Board discussions

In order to fund the $11.2 billion acquisition of the Wintershall Dea portfolio, Harbour secured a $1.5 billion acquisition bridge facility. Replacing this short-term funding facility with longer-term financing was a priority post-completion.

Board's consideration of stakeholder impacts in reaching its decision

Following the completion of the Wintershall Dea transaction, Harbour's credit rating was confirmed as investment grade, introducing the option of accessing the investment grade bond markets.

The Board considered that refinancing of the bridge facility quickly was in the interests of Harbour's shareholders and lenders, as it would reduce financing costs, simplify the capital structure and improve the debt maturity profile. Shortly after completion, the Board approved the issuance of bonds with a value of €1.6 billion to repay the bridge facility. This was executed across two tranches, five years and eight years, with over two times oversubscription from investors, demonstrating strong demand and establishing Harbour as an investment grade bond issuer.

RELEVANT STRATEGIC DRIVERS

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

KEY STAKEHOLDER GROUPS IMPACTED

OUR INVESTORS & SHAREHOLDERS
OUR LENDERS
OUR JV PARTNERS, SUPPLIERS & CUSTOMERS

Our core values represent who we are and what we stand for

We care

about each other, our safety and the environment

- We demonstrate we care for each other's safety and wellbeing every day
- We are inclusive, honest and respectful, always acting with integrity and speaking up when actions or behaviours are not in line with our policies or values
- We actively consider the environmental impact of our decisions

For me, 'We care' is about providing the best support we can to our field colleagues – giving them the tools to manage the risks and the confidence to 'stop the job' if necessary.

PETER BAMFORTH
CORPORATE PROCESS SAFETY MANAGER, UK

DEFINING OUR CULTURE

We work together

achieving more through communication and collaboration

- We work within our teams and across organisational boundaries to learn, resolve challenges and achieve goals
- We build strong trust-based relationships with internal and external stakeholders
- We regularly invite, provide and accept feedback – both positive and constructive

Now that we're a workforce of c.3,400, having global communities where people exchange ideas and help each other to solve challenges is a very powerful tool.

STEPHAN ALBRECHT
VP OGARRIO, MEXICO

These are the values that Harbour expects colleagues to abide by and demonstrate in all their business dealings with internal and external stakeholders, and they are reinforced through our reward and performance management processes.

FIND OUT MORE ONLINE
HARBOURENERGY.COM/ABOUT-US/OUR-VALUES-CODE-OF-CONDUCT

SUSTAINABILITY REVIEW
READ MORE ON PAGE 38

GOVERNANCE
READ MORE ON PAGE 70

We aim high

seizing opportunities and embracing challenges

- We measure our performance relative to best-in-class and continuously improve
- We innovate technically and commercially, encouraging new ideas and challenging assumptions
- We value personal development, enabling everyone to reach their full potential

When aiming high, we can't be complacent. We must actively seek to learn from experience, implement better ways of working and develop more robust solutions.

IDA KRISTIN MO
SENIOR SUBSEA COMPLETION ENGINEER, NORWAY

LIVING OUR VALUES

We deliver

with a can-do attitude

- We drive for simplicity, efficiency and action
- We take personal responsibility for delivery of our plans, targets and results
- We recognise and reward high performance delivered with the right behaviours

'We deliver' means creating lasting impact and value by consistently exceeding expectations. Through teamwork, innovation and the pursuit of excellence – exemplified in our proposed participation in Argentina's first FLNG project – we ensure sustainable growth and success for our shareholders and partners.

GASTON BENTANCURT
VP BUSINESS SERVICES, ARGENTINA

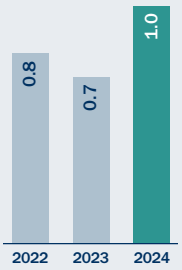
Measuring our performance

Safety and the environment[1]

Total recordable injury rate (TRIR)

1.0

Per million hours worked



Objective

Harbour is committed to ensuring the safety of its people, applying rigorous practices and procedures.

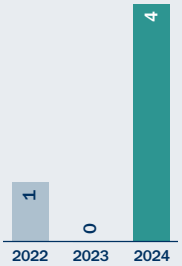
2024 progress

- There was an increase in TRIR partly due to the addition of new operating regions from Wintershall Dea
- Initiatives have been implemented to drive improvement, including in the legacy Wintershall Dea locations
- A Global Safety Day was held in October 2024 to help embed a safety culture across the enlarged portfolio and share collective experiences
- Exceptional individual and team safety performance recognised through the CEO Safety Awards

Process safety[2]

4

Tier 1 & 2 events



Objective

Harbour aims to maintain the highest standards of operational integrity to prevent releases of hazardous material from primary containment.

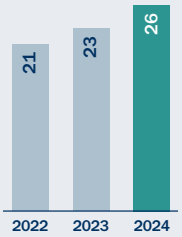
2024 progress

- One Tier 1 process safety event in Indonesia
- Three Tier 2 process safety events at assets in Indonesia, Norway and the UK
- All events have been rigorously investigated, resulting in actions to improve performance
- Continued detailed review of major hazards across the portfolio to identify inherent process safety risks and effectiveness of controls

GHG intensity (Scope 1 and 2)[3]

26

$kgCO_2e/boe$



Objective

Harbour is committed to managing its environmental impacts and is taking action to reduce operational emissions.

2024 progress

- GHG intensity on a gross operated basis increased year on year to 26 $kgCO_2e/boe$
- Retained target of a 50 per cent reduction in Scope 1 and 2 emissions on a gross operated basis by 2030 against a 2018 baseline, including for the enlarged portfolio
- Additionally, retained targets to achieve zero routine flaring by 2030 and a methane intensity of less than 0.2 per cent by 2025

LINK TO STRATEGIC DRIVERS:

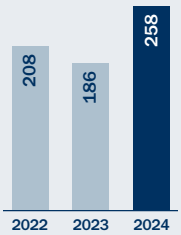
SAFE & RESPONSIBLE
HIGH QUALITY & RESILIENT
SCALE & DIVERSITY
FINANCIAL DISCIPLINE

Operational

Production

258

kboepd



Objective

Harbour aims to maximise value from its producing asset base, striving for efficient operations and reinvesting in the portfolio to limit the impact of natural decline.

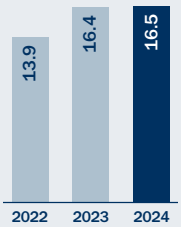
2024 progress

- Production of 258 kboepd, an increase of 39 per cent reflecting four months' contribution from the acquired Wintershall Dea portfolio of assets with material contributions from Norway, Germany, Argentina, North Africa and Mexico
- In the UK, natural decline and an unusually high level of planned summer shutdowns were partially offset by new wells and projects on-stream

Operating costs

$16.5

/boe



Objective

Harbour strives for competitive operating costs without compromising on health, safety and the environment, enabling robust margins through the commodity price cycle.

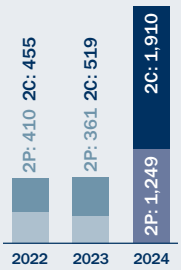
2024 progress

- Operating costs on an absolute basis increased year on year to $1.6 billion (2023: $1.1 billion) primarily reflecting the addition of four months' contribution from the Wintershall Dea assets as well as a higher dollar to sterling exchange rate for the legacy portfolio
- On a unit basis, operating costs were broadly flat year on year at $16.5/boe, reflecting lower volumes from the legacy Harbour asset base, offset by the lower cost per boe in the acquired portfolio
- On a pro forma basis, operating costs were $13.5/boe

Reserves and resources[4]

3.2

bnboe[5]



Objective

Harbour aims to add reserves through the conversion of its 2C resources into 2P reserves via targeted investment. We also seek to add reserves via selective, value-accretive M&A.

2024 progress

- 2P reserves more than tripled to 1.2 bnboe reflecting completion of the transformational Wintershall Dea acquisition partially offset by 2024 production
- 2C resources also more than tripled to 1.9 bnboe, driven by the acquisition, providing a large and diverse set of high quality opportunities for potential future conversion into 2P reserves
- Organic additions to 2C during 2024 included exploration success in Indonesia, Norway and the UK, offset by high grading of our UK 2C resource portfolio

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
HIGH QUALITY & RESILIENT
SCALE & DIVERSITY
FINANCIAL DISCIPLINE

OUR STRATEGIC DRIVERS

SAFE & RESPONSIBLE
Ensure safe, reliable and responsible operations

SCALE & DIVERSITY
Maintain a high quality portfolio of reserves and resources

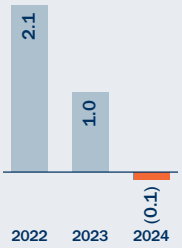
HIGH QUALITY & RESILIENT
Leverage our full cycle capability to strengthen our portfolio

FINANCIAL DISCIPLINE
Ensure financial strength through the commodity price cycle

Financial

Free cash flow[6]

$(0.1)
billion



Objective

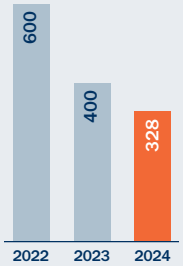
Harbour aims to deliver predictable and reliable cash flow, supported by prudent risk management, to enable financial strength, investment and shareholder returns through the commodity price cycle.

2024 progress

- Harbour had free cash flow of $(0.1) billion outflow which reflects negative working capital changes of $0.5 during the year and one-off acquisition costs. This also reflects significant tax payments in the legacy business and the phasing of tax payments for the acquired portfolio
- Before the one-off acquisition costs related to deal transaction fees and change of control payments for seismic data, totalling c.$0.2 billion, free cash flow was $0.1 billion inflow
- We continued to progress high return infrastructure-led investment opportunities to support production and free cash flow in the near to mid term

Shareholder returns approved

$328
million



Objective

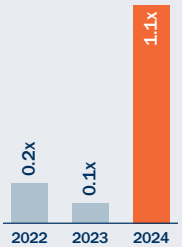
Harbour aims to deliver both growth and yield to its shareholders. Shareholder returns are one of our three capital allocation priorities, along with ensuring both balance sheet strength and a robust and diverse portfolio.

2024 progress

- We approved $328 million of dividends for 2024, which will result in c.$1.3 billion of shareholder distributions since listing on the London Stock Exchange in 2021
- Following the completion of the Wintershall Dea transaction, the Board confirmed its commitment to an annual dividend of $455 million

Leverage ratio[6]

1.1x
At year end



Objective

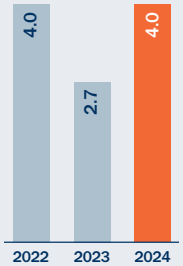
Harbour aims to keep leverage below 1.5x on average through the commodity price cycle supported by prudent capital allocation and a disciplined hedging programme. We are committed to protecting our investment grade credit rating through maintaining capital discipline.

2024 progress

- Leverage maintained below 1.5x. This reflects four months' contribution from the Wintershall Dea portfolio. On a pro forma basis leverage was 0.6x
- Net debt increased by c.$4.2 billion to c.$4.4 billion
- Debt structure transformed with reserve-based debt facility replaced with unsecured, lower cost and more flexible bank facilities and bonds

EBITDAX[6]

$4.0
billion



Objective

Harbour aims to deliver strong earnings before interest, tax, depreciation and amortisation, delivered by proactive cost control and prudent risk management.

2024 progress

- EBITDAX increased in the year, primarily driven by the four-month contribution of the acquired portfolio
- A continued focus on cost control including during the integration of the two portfolios

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
HIGH QUALITY & RESILIENT
SCALE & DIVERSITY
FINANCIAL DISCIPLINE

1 We report our safety and environmental metrics on a gross operated basis.
2 Reported as per the International Association of Oil and Gas Producers (IOGP's) Process Safety – Recommended Practice on Key Performance Indicators, report 456, 2018.
3 Our 2024 GHG intensity includes our Scope 1 and 2 emissions on a gross operated basis. For more details please see the Sustainability review on page 52.
4 Volumes reflect management estimates. DeGolyer and MacNaughton (D&M) as a competent independent person have evaluated 90 per cent of the Group's working interest 2P reserves and 60 per cent of the Group's 2C resources and consider Harbour's estimates to be fair and reasonable.
5 Values represented in the chart are presented in mmboe.
6 Non-IFRS measure – see Glossary for the definition.

Solid operational performance materially enhanced by acquisition

Production averaged 258 kboepd (2023: 186 kboepd) during 2024, split c.40 per cent liquids, c.45 per cent European natural gas and c.15 per cent other natural gas.

The c.40 per cent increase in production in 2024 versus 2023 was driven by the acquisition of the Wintershall Dea assets. The acquisition completed in September resulting in our expanded and diversified global portfolio achieving rates of c.500 kboepd in the fourth quarter with material contributions from Norway, the UK and Argentina.

Production was also supported by new projects and development wells coming on-stream in the UK, Argentina and Norway in the second half of the year. Looking to 2025, production on a full year basis is expected to increase to between 450-475 kboepd reflecting a full 12 months' contribution from the acquired Wintershall Dea assets and broadly stable production in the UK.

Absolute operating costs for 2024 were $1.6 billion (2023: $1.1 billion) which, on a unit of production basis, equated to $16.5/boe (2023: $16.4/boe). This reflects the addition of the lower cost Wintershall Dea portfolio offset by higher unit operating costs at our UK assets due to lower production volumes. In 2025, unit operating costs are expected to reduce to c.$14/boe, benefitting from a full year's contribution from the Wintershall Dea portfolio and continued management of our UK cost base.

2024 capital expenditure including decommissioning totalled $1.8 billion (2023: $1.0 billion). The increase on the prior year reflects the additional capital expenditure associated with the acquired Wintershall Dea assets, and accelerated capital investment in the UK ahead of anticipated changes to the UK fiscal regime. 2025 total capital expenditure is expected to be between $2.4-2.6 billion, reflecting 12 months of the Wintershall Dea portfolio partially offset by materially reduced capital investment in the UK.

2024 2P reserves

Norway	37%
UK	24%
Argentina	20%
Germany	10%
North Africa	4%
Mexico	4%
Southeast Asia	1%

2024 2C resources

Argentina	40%
Mexico	21%
Norway	16%
Southeast Asia	11%
UK	8%
Germany	2%
North Africa	2%

Safe and responsible operations

A priority during the year was the safe transfer of the Wintershall Dea portfolio which we achieved in September. However, after consistently improving our safety record, 2024 saw Harbour's total recordable injury rate increase to 1.0 per million hours worked (2023: 0.7), in part reflecting the higher TRIR from the newly acquired assets for the last four months of 2024. Further, we recorded our first-ever Tier 1 process safety event – in Indonesia – along with three Tier 2 events (2023: zero). All events have been rigorously investigated, resulting in actions to improve performance with a particular focus on strengthening our process safety defences in Indonesia and reducing our TRIR in Germany.

In 2024, our GHG intensity improved to 14 $kgCO_2e$/boe (2023: 22 $kgCO_2e$/boe) on a net equity, pro forma basis, reflecting the lower emissions intensity of the acquired portfolio. We remain on track to halve our gross operated emissions by 2030.

Maximising the value of our producing assets

The majority of Harbour's capital programme is focused on infrastructure-led opportunities, converting reserves into production and cash flow. These opportunities are typically low risk, high return investments concentrated around our existing production hubs, predominantly in Norway, the UK, Argentina and Germany.

In the UK, 2024 saw Harbour accelerate drilling around its operated hubs, taking advantage of tax credits which expired before year end 2024. This included a return to drilling at the Britannia satellite fields, with the Callanish F6 infill well on-stream in July while, at AELE, the North West Seymour well started up production in September. At Jocelyn South, we made a gas condensate discovery which is being brought on-stream through Harbour's Judy platform post period end in Q1 2025. In addition, in November, Harbour delivered first oil from its operated Talbot project, a three well subsea tie-back to J-Area. The project marked a material milestone for Harbour and was completed on schedule, within budget and with no recordable injuries.

Business Unit	2024[1] (kboepd)	2023 (kboepd)
Norway	52	–
UK	149	175
Germany	10	–
Mexico	4	–
Argentina	21	–
North Africa	12	–
Southeast Asia	11	11
Total	258[2]	186

1 Reflects c. four months of production from the Wintershall Dea assets.
2 Because of rounding, some totals may not agree exactly with the sum of their component parts.

In Norway, we continued to mature our pipeline of high value, short cycle developments. This includes the Harbour-operated Maria Phase 2 project, a four well subsea tie-back to existing infrastructure in the Maria field, with production start-up expected during summer 2025, and Dvalin North, a subsea tie-back to Dvalin. At Dvalin North, fabrication of the subsea infrastructure is well advanced with development drilling expected to commence in 2026. Harbour has a proven exploration track record in Norway, helping to support reserve replacement. This continued in 2024 with six successes from six exploration and appraisal wells drilled, including the Storjo gas discovery and successful appraisal drilling at Adriana/Sabina, both potential tie-backs to the Skarv hub.

In Argentina, Harbour holds a material non-operated position and is one of the country's largest gas producers. Production at our offshore CMA-1 concession in the Tierra del Fuego province was supported by the Fénix gas project, comprising a three well unmanned platform tied into existing CMA-1 facilities, which came on-stream ahead of schedule in September. Onshore in the Neuquén province, a multi-pad drilling campaign is ongoing to maintain gas production from our Aguada Pichana Este concession in the Vaca Muerta unconventional play. Production is currently constrained by offtake and local market capacity.

Elsewhere, in Germany, development activities across our three production hubs continued to support stable production. In Egypt, the two Raven West infill wells at West Nile Delta were progressed with production start-up from the first well achieved post period end in February 2025. In Indonesia, Harbour successfully amended its gas sales agreements with the Singapore buyers of Natuna Sea Block A gas, increasing the take-or-pay commitment under a tiered pricing structure, enabling higher production in the second half of 2024.

As at year end 2024, Harbour's proven and probable (2P) reserves on a working interest basis stood at 1.25 bnboe, more than three times higher than that at year end 2023 (2023: 0.36 bnboe). This increase was driven by the addition of 1.0 bnboe from the Wintershall Dea transaction, offsetting the impact of production by more than tenfold.

Strategic investment options

A broad set of major projects with the potential for material reserves replacement

During 2024, Harbour's 2C resources more than tripled to 1.91 bnboe (2023: 0.52 bnboe), driven by the Wintershall Dea transaction and providing significant reserve replacement opportunities. Organic additions to our 2C resources included exploration success in Indonesia, Norway and the UK, partially offset by revisions to our UK resources, largely the result of changes to the fiscal environment.

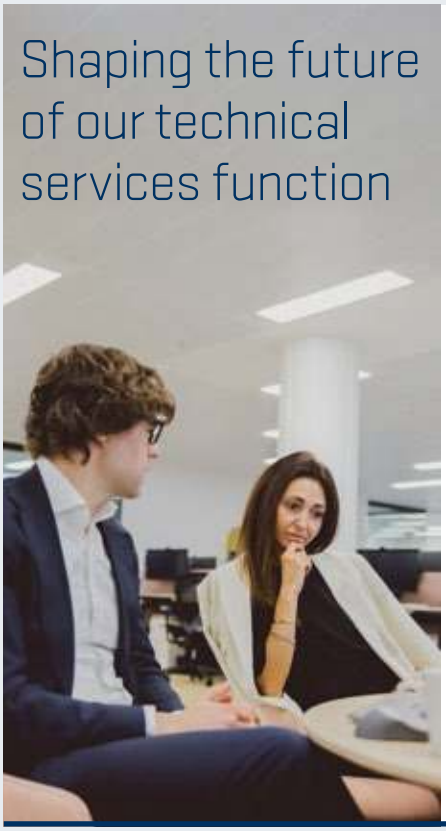
Harbour's 2C resources are split c.40 per cent in high value, near infrastructure opportunities, mainly in Norway, the UK and Argentina; c.30 per cent in conventional offshore growth projects in Mexico and Indonesia; with the remaining c.30 per cent in the globally competitive, unconventional Vaca Muerta shale play, onshore Argentina.

In Mexico, through the Wintershall Dea transaction, Harbour increased its interest in the offshore Zama and Kan oil fields and obtained an interest in the offshore Polok and Naajal discoveries. At Zama, FEED on the approved unit development plan was substantially completed in 2024. The Zama partners are now in discussions with Pemex to optimise the development concepts and accelerate first oil. A positive final investment decision at Zama would result in significant 2C resource moving into 2P reserves, replacing the equivalent of over a year's worth of Group production. To the southwest of Zama, appraisal drilling was successfully completed at the Harbour operated Kan oil discovery in Block 30. Work to identify the optimum development concept will be undertaken during 2025.

In August, a multi-well exploration and appraisal campaign across our Andaman Sea acreage in Indonesia was completed and included material gas discoveries at Layaran and Tangkulo on Andaman South (Harbour 20 per cent). In addition, Harbour secured a 60 per cent operated interest in the Central Andaman licence, which includes an extension of the Layaran discovery. Harbour, together with its partners, is now evaluating potential development options, including an accelerated development at Tangkulo.

Argentina represents the largest single component of Harbour's 2C resources, with 770 mmboe of 2C resources. In Q4, Harbour signed a participation agreement to acquire a 15 per cent interest in Southern Energy SA which is looking to develop a 2.45 million tonnes per annum (mtpa) FLNG export project off the coast of the Rio Negro province. It is anticipated that the upstream partners in Southern Energy SA will supply the natural gas for the FLNG project, enabling Harbour's Argentina natural gas to access global LNG export markets. This marks a significant milestone towards unlocking the accelerated development of Harbour's huge natural gas resource in Argentina. Harbour also has an interest in the San Roque licence, which is in the oil window of the Vaca Muerta play, and discussions with partners for the potential development of the resource are ongoing.

Shaping the future of our technical services function



ALAN BRUCE
EVP TECHNICAL SERVICES

Alan Bruce joined Harbour in 2024, drawn by the company's strong portfolio and people-focused culture. Now leading the corporate technical services function, Alan plays a key role in shaping Harbour's operational framework and future success.

With extensive experience in the global oil and gas industry — including as CEO of Ithaca Energy — Alan brings a strategic approach to technical operations, asset management and safety performance. His team is responsible for ensuring that Harbour's Business Units operate within a structured framework of systems, standards and processes, while also fostering collaboration and best practice sharing.

A core priority for 2025 and beyond is enhancing safety, with technical services supporting risk assessments, data-driven insights and structural improvements. The function also focuses on maximising asset value and guiding capital allocation to optimise investments.

Looking ahead, Alan emphasises the importance of team integration, operational consistency and continuous improvement in setting a foundation for future success.

> There's a level of professionalism which is evident wherever I go in the business. People's values chime with my own and there's a real desire to do things to a very high standard.
>
> **ALAN BRUCE**
> EVP TECHNICAL SERVICES

Building a competitive CCS business
Harbour's pipeline of potential CCS projects was strengthened in 2024 by the acquisition of the Wintershall Dea portfolio which added CO_2 storage licences in Denmark, Norway and the UK, where we already have our Viking project.

At Viking, FEED was substantially completed in 2024 and the Development Consent Order for the proposed new onshore CO_2 pipeline was submitted to the Secretary of State for approval in December. Clarity on commercial terms of the project is anticipated following the conclusion of the UK Government's Critical Spending Review in 2025. Viking's gross storage resource increased to 417 million tonnes as at 31 December 2024 (2023: 300 million tonnes) following the addition of the storage resources of two new CCS licences in Viking's vicinity awarded in 2023.

In December 2024, Harbour together with its partners announced a final investment decision (FID) for the Greensand Future project in Denmark, marking Harbour's first CCS project to reach FID. Greensand Future is a small, short cycle project with high returns, driven by the ability to reuse existing infrastructure and defer decommissioning at the Nini field. The project is targeting first injection from 2026. Harbour also has an interest in the cost-advantaged, onshore Greenstore CCS project in Denmark, which is being progressed through the appraisal work programme.

M&A remains a core part of our strategy
With the addition of the Wintershall Dea portfolio, we have a much wider organic investment opportunity set with the potential to support material production well into the next decade. However, M&A remains a core dimension of our strategy, and we will continue to leverage our capabilities in this area to strengthen our portfolio.

The opportunity set for M&A remains rich including potential asset sales from large companies following consolidation, private companies continuing to look for liquidity, and small companies seeking scale, access to capital and relevance with investors. We will however continue to be disciplined, prioritising high quality assets which lengthen our reserve life, provide a balance of oil and gas, and increase our operational control while, at the same time, are supportive to our investment grade credit ratings.

We will also continue to actively manage our portfolio, ensuring our capital and resources are deployed in line with our strategy. To this end, we agreed the sale of our Vietnam business, post period end, and exited an uncompetitive CCS licence in the UK.

Strong financial position

The acquisition of the Wintershall Dea assets is expected to deliver a step up in the scale and sustainability of our free cash flow, underpinned by our improved reserve life and expanded resource base. For 2024, Harbour delivered free cash flow of $0.1 billion for the year, before shareholder distributions and one-off acquisition-related costs. Cash flow is impacted by a number of period specific items including a material negative working capital movement, driven by the adjustment of our working capital cycle to the increased size of our business, significant planned shutdowns in Norway in September post completion, and payment of previously deferred UK taxes on 2023 earnings.

The Board has declared a final dividend of $227.5 million in respect of the 2024 financial year to be paid in May 2025 equating to 13.19 cents per ordinary share, subject to shareholder approval. This is in line with the Board's commitment at the time of acquisition announcement to increase the annual dividend to $455 million and signals the Board's ongoing confidence in the scale and longevity of our free cash flow generation.

Harbour's debt structure was transformed over 2024 with the reserve-based debt facility replaced with unsecured, lower cost and more flexible bank facilities and bonds. Harbour's corporate and senior bond credit ratings were upgraded to investment grade from all leading credit rating agencies and in October, Harbour issued €1.6 billion of Euro denominated, investment grade bonds.

At year-end 2024, net debt (before unamortised fees) stood at $4.7 billion with leverage, on a pro forma basis, of 0.7x.

Since becoming a public company in 2021, our sustained operational and financial delivery along with our disciplined approach to capital allocation enabled us to repay c.$2.9 billion of debt and return c.$1.2 billion to shareholders while retaining the flexibility to complete a transformational acquisition.

Outlook[1]

Looking to 2025, Harbour will benefit from a full year's contribution from the Wintershall Dea assets resulting in another step up in production, a reduction in unit operating costs and increased free cash flow generation. In these times of continued geopolitical uncertainty and commodity price volatility, the resilience our more diverse and lower cost portfolio provides is ever more important. It is also why we aim for a balance of oil and gas and employ a disciplined and consistent approach to hedging. At Brent oil prices of $80/bbl and UK and European natural gas prices of $13/mscf, we expect to generate free cash flow of c.$1.0 billion[1] in 2025. With a $5/bbl change in Brent oil prices or $1/mscf change in European natural gas prices impacting free cash flow by c.$115 million, we still expect to generate material free cash flow at current prices.

As we look to the future, we will continue to prioritise safe and efficient operations as we complete the integration of our new Business Units, mature our significant 2C resource base and maintain disciplined capital allocation. Our high quality portfolio with significant optionality, financial strength and strong management team mean we are well positioned for continued execution of our strategy and delivery of competitive shareholder returns.

1 2025 guidance/outlook assumes a US dollar to GBP sterling exchange rate of $1.25/£, US dollar to Euro exchange rate of $1.1/€ and a Norwegian NOK to US dollar exchange rate of NOK11/$. Free cash flow sensitivity assumes mid-point of production and capex guidance. A 1:1 conversion rate for $/mmbtu to $/mscf has been assumed.

A high quality, diverse global portfolio

Norway

MICHAEL ZECHNER
MANAGING DIRECTOR
NORWAY

52kboepd
2024 production

- 65% gas
- $12.3/boe operating cost
- 458mmboe 2P reserves
- 308mmboe 2C resources

As a result of the Wintershall Dea transaction, Harbour acquired a significant asset base in Norway and became the largest international independent oil and gas company in the country. Harbour's production in Norway is gas weighted and diversified across several key hubs, including Skarv, Gjøa and Aasta Hansteen, providing multiple routes into the European gas markets.

Production in Norway averaged 158 kboepd from 3 September to 31 December 2024, contributing 52 kboepd to the Group's full year production (2023: N/A). Production was supported by strong reservoir performance and high operating efficiency from the Aasta Hansteen and Skarv hubs, and by the Dvalin field which reached plateau production levels. This was offset by the annual planned maintenance shutdowns, including at our largest Norway production hubs Skarv and Gjøa, which ran throughout September.

Operating costs totalled $235 million for the period 3 September to year end, which equated to $12.3/boe. Total capital expenditure amounted to $363 million during the same period. This largely related to progressing development activities at the Harbour-operated Maria Phase 2 and Dvalin North projects, infill drilling at Skarv and Njord, and exploration and appraisal drilling close to existing hubs.

Maria Phase 2 is a four-well subsea tie-back to existing infrastructure in the Maria field, with production start-up expected during summer 2025. At Dvalin North, a subsea tie-back to Dvalin, fabrication of the subsea infrastructure is well advanced with development drilling expected to commence in 2026. Beyond these, Harbour has a non-operated interest in Irpa which is being developed as a subsea tie-back to Aasta Hansteen; Alve Nord and Idun North, which are being developed as subsea tie-backs to Skarv; and Solveig Phase 2, which is being developed as a subsea tie-back to the Edvard Grieg hub.

The Norway Business Unit has a proven track record of infrastructure-led exploration and appraisal, helping support future reserve replacement and production. This continued in 2024 with six successes from the six exploration and appraisal wells drilled. These included the successful appraisal drilling at the Harbour-operated Sabina gas discovery, part of the Adriana/Sabina complex, and the Aker BP-operated Storjo gas discovery. Adriana/Sabina and Storjo are potential tie-backs to the Skarv hub.

Geographically diverse, with material positions in Norway, the UK, Germany, Argentina, Mexico, North Africa and Southeast Asia.

UK

SCOTT BARR
MANAGING DIRECTOR
UK

149kboepd
2024 production

- 51% gas
- $19.9/boe operating cost
- 295mmboe 2P reserves
- 143mmboe 2C resources

The UK was Harbour's largest producer in 2024, averaging 149 kboepd (2023: 175 kboepd). UK production was underpinned by strong reservoir performance and high operating efficiency across Harbour's operated Greater Britannia, AELE and Tolmount hubs and new wells and projects on-stream in the second half of the year.

This was offset by an unusually high level of significant planned maintenance shutdowns, including at Harbour's largest operated hubs (Greater Britannia, J-Area, AELE), and a prolonged unplanned shutdown at East Irish Sea.

Operating costs in the UK were broadly flat at $1.1 billion (2023: $1.0 billion). Unit operating costs were higher at $19.9/boe due to lower volumes and a stronger sterling to US dollar exchange rate. Total UK capital expenditure was $1.0 billion (2023: $0.8 billion). This reflects the Talbot development, accelerated drilling around our operated hubs (taking advantage of EPL tax credits which expired before year end), and an increase in decommissioning activities.

In November, Harbour delivered first oil from the Talbot project, a three-well subsea tie-back to J-Area. The project was completed on schedule, within budget and with no recordable injuries, marking a material milestone for Harbour. 2024 also saw a return to drilling at the Britannia satellite fields, bringing on-stream the Callanish F6 infill well in July, while, at AELE, the North West Seymour infill well came on-stream in September. This well, together with plant modifications, has the potential to extend Armada's field life beyond 2030.

During 2024, Harbour successfully appraised the Leverett gas discovery, made an oil discovery at Gilderoy and a gas discovery at Jocelyn South. Both Leverett and Gilderoy are potential subsea tie-backs to Greater Britannia while Jocelyn South, which was drilled as a keeper well, will be brought on-stream through the Judy platform during Q1 2025.

Looking to 2025, production from the UK is expected to be broadly similar to 2024, with less maintenance downtime and volumes from new wells and projects substantially offsetting natural decline. Unit operating costs are also expected to be broadly similar. UK capital investment is anticipated to be materially lower in 2025, impacted by the deterioration in the fiscal regime and with opportunities now needing to compete across a broader portfolio.

Germany

CLAUDIA KROMBERG
MANAGING DIRECTOR
GERMANY

10kboepd
2024 production

- 65% liquids
- $21.2/boe operating cost
- 126mmboe 2P reserves
- 43mmboe 2C resources

Harbour is now one of the largest oil and gas producers in Germany with a significant operated position. Production is both oil and gas and diversified across three production hubs: Mittelplate, Germany's largest oil producing field, Langwedel-Holtebüttel/Gas Nord which includes the major Völkersen gas field, and the Emlichheim heavy oil field.

Production averaged 29 kboepd over the period from 3 September 2024 to 31 December 2024, contributing 10 kboepd to the Group's full year production (2023: N/A). This reflects a strong production efficiency from the three hubs compensating for delays to new wells and projects coming on-stream. Most of Harbour's operations in Germany are electrified and, as a result, the Business Unit has the lowest GHG emissions intensity, on a gross operated basis, in Harbour.

Operating costs totalled $73.8 million for the period 3 September to year end, which equated to $21.2/boe. Total capital expenditure was $70.3 million for the four months, largely reflecting development activities across the three production hubs. This included the start up of a new production well at Mittelplate in December, and drilling of the Weißenmoor Z3 well in Langwedel-Holtebüttel which is expected on-stream in 2025. At Emlichheim, a new desulphurisation unit, part of our hot water

development project, started at the end of the year and the first new wells of the project were successfully completed.

Production from Germany is expected to be broadly stable in the near to medium term, supported by ongoing infill drilling, well intervention and workover activities across the three production hubs.

Mexico

GUSTAVO BAQUERO
MANAGING DIRECTOR
MEXICO

4kboepd
2024 production

- 87% liquids
- $13.4/boe operating cost
- 47mmboe 2P reserves
- 405mmboe 2C resources

Through the Wintershall Dea transaction, we expanded our asset base in Mexico, adding production from the offshore Hokchi and onshore Ogarrio oil fields, and an increased stake in the offshore Zama and Kan developments. Harbour also obtained an interest in the offshore Polok and Naajal discoveries.

Production in Mexico averaged 11 kboepd from 3 September to 31 December, contributing 4 kboepd to the Group's 2024 production (2023: N/A). Unit operating costs equated to $13.4/boe, while total capital expenditure was $110 million, largely reflecting Kan appraisal drilling, FEED at Zama and Ogarrio development activities.

Harbour's material 2C resource base in Mexico's offshore conventional oil fields provides the company with significant 2P reserves replacement options.

At Zama, FEED on the approved development concept was substantially completed in 2024. The Zama partners are now in discussions with Pemex to optimise the development concepts and accelerate first oil. Approval of the Zama development could result in the equivalent of over a year's worth of Group production moving from resources into reserves.

To the southwest of Zama, appraisal drilling was successfully completed at the Harbour-operated Kan oil discovery. Work to identify the optimum development concept will be undertaken during 2025.

Argentina

MARTIN RUEDA
MANAGING DIRECTOR
ARGENTINA

21kboepd
2024 production

- 93% gas
- $4.8/boe operating cost
- 256mmboe 2P reserves
- 770mmboe 2C resources

As a result of the Wintershall Dea transaction, Harbour holds a material non-operated position in Argentina and is now one of the country's largest gas producers. Harbour's production is concentrated in two areas: the prolific offshore Cuenca Marina Austral (CMA-1) concession in the Tierra del Fuego province, and the Aguada Pichana Este and San Roque onshore concessions in the Neuquén basin. Harbour's acquired business has been active in Argentina for more than four decades and has a long-term operator partnership through TotalEnergies.

Production averaged 63 kboepd for the period 3 September to 31 December 2024, contributing 21 kboepd to the Group's full year production (2023: N/A). This reflects a continued strong performance from CMA-1, which delivered c.70 per cent of our production in the country. CMA-1 production was supported by the Fénix gas project, a new unmanned platform tied into existing CMA-1 facilities, which came on-stream ahead of schedule in September 2024.

Production from Aguada Pichana Este averaged 18 kboepd for the period 3 September to 31 December 2024, mainly from the unconventional Vaca Muerta shale, with production constrained by offtake and local market capacity. San Roque production averaged 3 kboepd for the period from the mature conventional oil play. The unconventional Vaca Muerta shale in the San Roque licence has been appraised and discussions with partners for the potential development of the resource are ongoing.

Operating costs totalled $37million, for the period 3 September to year end, which equated to $4.8/boe. Total capital expenditure amounted to $61 million for the last four months of the year. This reflected the drilling at Fénix, with production start-up from the second and third development wells initiated in December 2024, and an ongoing multi-pad drilling campaign at Aguada Pichana Este to sustain current production rates.

In Q4, Harbour signed a participation agreement to acquire a 15 per cent interest in Southern Energy SA which is looking to develop a 2.45 mtpa FLNG export project. The transaction completed in January 2025. The proposed project involves deploying Golar LNG's existing 'Hilli Episeyo' FLNG vessel off the coast of the Rio Negro province. It is anticipated that the upstream partners in Southern Energy will supply the natural gas for the FLNG project, enabling Harbour's Argentina natural gas to access global LNG export markets and international natural gas prices. An application for the project under the country's recently enacted RIGI legislation has been made; if successful, the project will qualify for certain investment incentives including the ability to keep revenues offshore after three years of production.

The progress at San Roque and Aguada Pichana Este, along with participation in Southern Energy, mark important steps towards the unlocking of the full potential of Harbour's natural gas resources in Argentina. With more than 750 mmboe of 2C resources, mainly in the Vaca Muerta shale play, Argentina represents the largest single component of Harbour's 2C resources and a significant reserve replacement opportunity for the company.

North Africa

SAMEH SABRY
MANAGING DIRECTOR
MENA

12kboepd
2024 production

- 86% gas
- $5.4/boe operating cost
- 52mmboe 2P reserves
- 30mmboe 2C resources

Harbour's gas-weighted portfolio in North Africa, acquired with the Wintershall Dea transaction, comprises a material position in Egypt along with interests in Algeria and Libya. The position in Egypt makes Harbour one of the critical suppliers of gas into the Egyptian domestic market.

Production from North Africa averaged 35 kboepd for the period 3 September to 31 December 2024, contributing 12 kboepd to the Group's 2024 production (2023: N/A). Egypt accounted for c.70 per cent of the production, with contributions from the bp-operated West Nile Delta, which includes the Raven field, and the DISOUCO-operated Greater Disouq Area gas fields. The balance of North Africa production came from the Reggane Nord onshore gas field in Algeria and the offshore Al-Jurf oil field in Libya.

Unit operating costs equated to $5.4/boe. Total capital expenditure amounted to $46 million during the last four months of the year. This largely related to the drilling of two Raven West infill wells at West Nile Delta, which are expected on-stream mid-2025, and a drilling campaign at Reggane Nord.

Southeast Asia

STEVE COX
MANAGING DIRECTOR
SOUTHEAST ASIA

11kboepd
2024 production

- 55% gas
- $19.4/boe operating cost
- 14mmboe 2P reserves
- 211mmboe 2C resources

Harbour has operated production in Indonesia and Vietnam and material organic growth opportunities in Indonesia. In January 2025, we announced the sale of our Vietnam business for $84 million, which we expect to complete during 2025.

Production averaged 11 kboepd (2023: 11 kboepd), split 5 kboepd from Indonesia and 6 kboepd from Vietnam. This reflected weaker Singapore demand for our Indonesian gas offset by strong reservoir performance from Chim Sáo in Vietnam, supported by an active well intervention and workover programme.

During 2024, Harbour successfully amended its gas sales agreements with the Singapore buyers of Natuna Sea Block A gas, increasing the take-or-pay commitment under a tiered pricing structure, enabling higher production in the second half of 2024.

Unit operating costs were broadly stable at $19.4/boe while capital expenditure was higher at $101 million for the full year (2023: $64 million), reflecting increased exploration and appraisal drilling across our Andaman Sea licences, offshore North Sumatra.

In August, a multi-well exploration and appraisal campaign across our Andaman Sea acreage was completed, resulting in material gas discoveries at Layaran and Tangkulo on Andaman South (Harbour 20 per cent). In addition, Harbour secured a 60 per cent operated interest in the Central Andaman licence, which includes an extension of the Layaran discovery. Harbour and its partners are now evaluating potential development options, including an accelerated development at Tangkulo. As at year end 2024, Harbour's 2C resource for the Andaman area stood at 143 mmboe.

At our operated Tuna project, the plan of development was approved by the Indonesian Government in December 2022. However, subsequent progress has been impacted by EU/UK sanctions which prevent us as operator from undertaking further work on the project whilst our Russian partner is on the licence. We continue to work with our partner and the Indonesian Government to find a path forward for the project.

Carbon capture and storage (CCS)

GRAEME DAVIES
EVP CCS

659mt
Net CO_2 storage resources

- Leading European CO_2 storage position
- 7 licences across the UK, Denmark and Norway

Harbour is seeking to build a competitive CCS business with long-term cash flow potential. 2024 saw significant progress in this respect. We continued to mature our operated Viking project in the UK towards a potential final investment decision (FID) while the Wintershall Dea acquisition strengthened our pipeline of potential projects, adding CO_2 storage licences in Denmark, Norway and the UK.

Located close to the UK's most industrial and emissions-intensive region, with the ability to reuse existing infrastructure and a robust and scalable CO_2 storage system close to European markets, Viking is a strategically and cost-advantaged project. Progress during 2024 included substantially completing FEED, completing the inspection of the 30 million tonnes per annum capacity LOGGS pipeline, and completing the examination phase of the Development Consent Order (DCO) for the proposed new onshore CO_2 pipeline. The Viking DCO was submitted to the Secretary of State for approval in December 2024.

Viking aims to transport and store up to 15 mtpa of CO_2 by 2035. Its gross storage resource increased to 417 million tonnes (2023: 300 million tonnes) as at year end 2024. This follows the addition of the storage resources of two new CCS licences in Viking's vicinity awarded in 2023.

The UK Government remains committed to supporting CCS, confirming over £21 billion of funding for two 'Track 1' projects in 2024. Whilst a welcome signal, the pace of decision-making for additional project funding has been slowed by the change of government. Further progress on Track 2 projects (including Viking) is anticipated following the conclusion of the UK Government's Critical Spending Review in 2025. In the meantime, spending on the Viking project has been slowed, awaiting the necessary progress from the UK Government.

In December 2024, Harbour together with its partners announced a final investment decision for the Greensand Future project, marking Harbour's and Denmark's first CCS project to reach FID. Greensand Future is a small, short cycle project with commercial returns, in part driven by the ability to reuse existing infrastructure and defer decommissioning at the Nini field.

The project has been awarded an EU Innovation Fund Grant and is targeting first injection from 2026. Harbour also has an interest in the cost-advantaged, onshore Greenstore CCS project in Denmark, which is being progressed through the appraisal work programme.

In Norway, Harbour was awarded an operated interest in the Kaupang CCS licence, alongside partner Equinor, in December.

Harbour is progressing with early-stage engineering and concept studies for the development of CO_2 transportation hubs at Wilhelmshaven in Germany, together with partner HES International, and at Immingham in the UK, with Associated British Ports.

Harbour continues to actively manage its CCS portfolio to ensure capital and resources are focused on its most advantaged projects. In line with this, in 2024, Harbour announced its planned exit from the Camelot CCS project in the UK.

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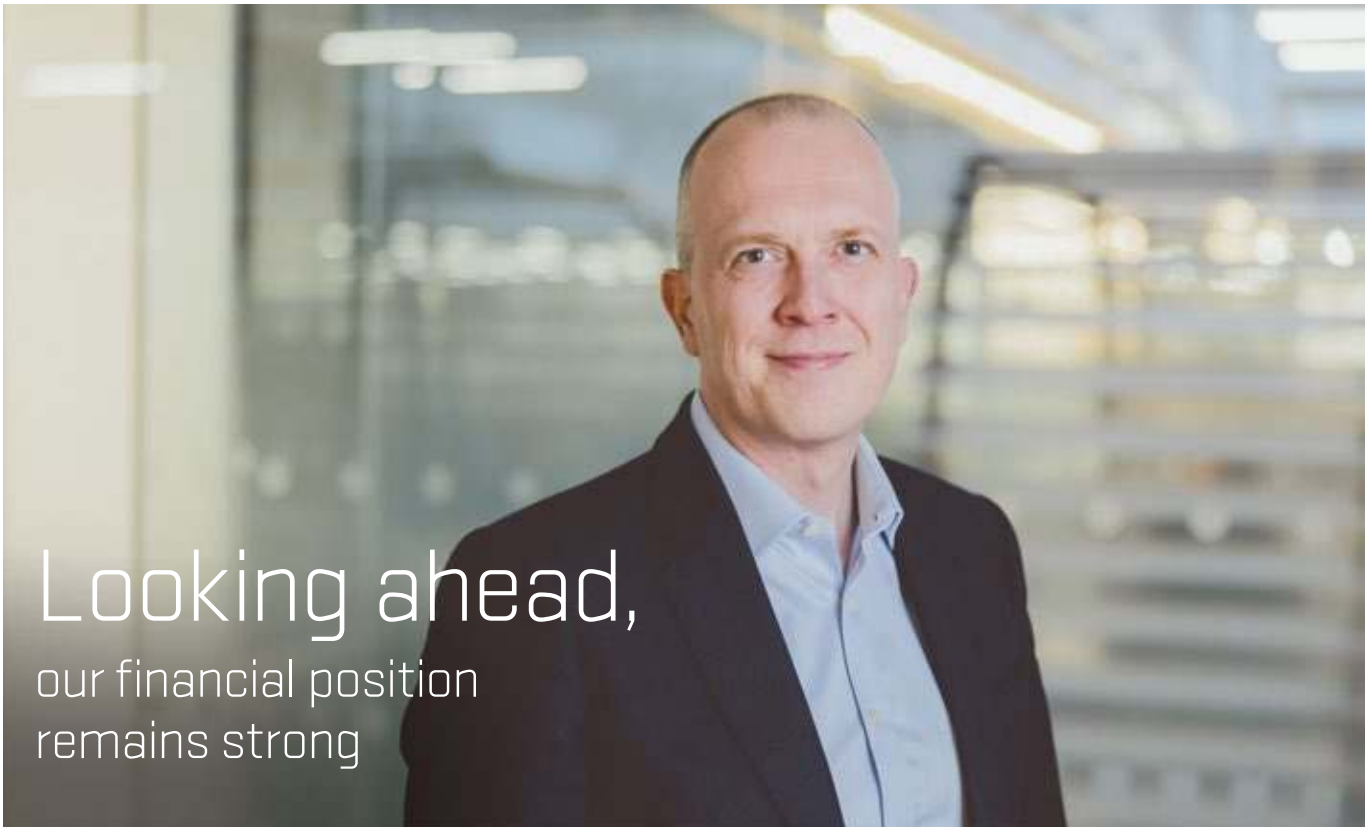


Summary of financial results

	Units	2024	2023 As restated[1]
Production and post-hedging realised prices			
Production	kboepd	**258**	186
Crude oil	$/boe	**82**	78
European gas[2]	$/mscf	**11**	7
Other gas[2]	$/mscf	**4**	13
Income statement			
Revenue and other income	$ million	**6,226**	3,751
EBITDAX[3]	$ million	**4,006**	2,675
Profit before taxation	$ million	**1,219**	616
(Loss)/profit after taxation	$ million	**(93)**	45
Basic (loss)/earnings per ordinary voting share	cents/share	**(10)**	6
Other financial key figures			
Total capital expenditure[3]	$ million	**1,828**	969
Operating cash flow	$ million	**1,615**	2,150
Free cash flow[3]	$ million	**(118)**	1,048
Shareholder returns paid[3]	$ million	**199**	439
Net debt[3]	$ million	**4,424**	207
Leverage ratio[3]	times	**1.1**	0.1

1 2023 results throughout this Financial review have been restated with respect to the Vietnam asset held for sale classification given the previous sales process did not conclude.
2 2024 reflects the impact of the Wintershall Dea portfolio. Europe includes UK, Norway and Germany with 2023 comparative restated to $/mscf. For Other gas, the 2023 comparative relates solely to the Indonesia business.
3 See Glossary for the definition of non-IFRS measures. Reconciliations between IFRS and non-IFRS measures are provided within this Financial review.

Income statement

	2024 $ million	2023 $ million As restated
Revenue and other income	**6,226**	3,751
Cost of operations	**(3,613)**	(2,376)
EBITDAX[1]	**4,006**	2,675
Operating profit	**1,648**	932
Profit before tax	**1,219**	616
Taxation	**(1,312)**	(571)
(Loss)/profit after tax	**(93)**	45

	Cents/share	Cents/share As restated
Basic (loss)/earnings per ordinary voting share	**(10)**	6

1 Non-IFRS measure – see Glossary for the definition.

Revenue and other income

Total revenue and other income increased to $6,226 million (2023: $3,751 million). This was driven by higher production, primarily due to the Wintershall Dea transaction with the newly acquired portfolio contributing $2,021 million in the four months post completion, and increased commodity prices, especially European natural gas.

	2024 $ million	2023 $ million
Revenue and other income	**6,226**	3,751
Crude oil	**2,878**	2,086
Gas	**2,936**	1,415
Condensate	**283**	179
Tariff income and other revenue	**61**	35
Other income	**68**	36

Revenue earned from hydrocarbon production activities increased to $6,097 million (2023: $3,680 million) after realised hedging losses of $18 million (2023: $911 million). This increase was mainly driven by higher production due to the acquired portfolio and higher post-hedging realised European natural gas prices. Of Harbour's total annual production of 258 kboepd and revenue of $6,226 million, 98 kboepd and $2,021 million revenue was delivered by the acquired portfolio in the four months post completion.

Crude oil sales increased to $2,878 million (2023: $2,086 million) after realised hedging gains of $32 million (2023: losses of $93 million). This was driven by higher production volumes from the acquired portfolio as well as a higher realised post-hedging oil price of $82/bbl (2023: $78/bbl). Of Harbour's total annual crude oil production of 90 kboepd and total $2,878 million post-hedging crude oil revenue, 27 kboepd and $590 million was delivered by the acquired portfolio in the four months post completion.

Gas revenue was $2,936 million (2023: $1,415 million), split between European gas revenue of $2,644 million (2023: $1,284 million) including realised hedging losses of $50 million (2023: $818 million) and other gas revenue of $292 million (2023: $131 million). The increase in both categories is primarily due to the acquired portfolio. Of Harbour's total annual gas production of 149 kboepd, 67 kboepd was delivered by the acquired portfolio in the four months post completion with associated European and Other post-hedging gas revenue of $1,121 million and $174 million respectively. The realised post-hedging price for our European and other gas was $11/mscf (2023: $7/mscf) and $4/mscf (2023: $13/mscf), respectively. The fall in the realised other gas price reflects the lower price environments of the acquired portfolio.

Condensate revenue was $283 million (2023: $179 million) and tariff income $61 million (2023: $35 million). Other income amounted to $68 million (2023: $36 million) which includes partner recovery on lease obligations and government subsidies in Argentina.

Cost of operations

Cost of operations increased to $3,613 million (2023: $2,376 million, as restated) driven primarily by costs associated with the acquired assets and a negative movement in hydrocarbon inventories and over/underlift. Cost of operations includes operating costs of $1,612 million (2023: $1,171 million) and depreciation, depletion and amortisation expense of $1,704 million (2023: $1,414 million, as restated) as discussed below along with over/underlift movements and other items for an expense of $297 million (2023: $209 million, credit).

	2024 $ million	2023 $ million As restated
Operating costs		
Field operating costs	**1,612**	1,171
Non-cash depreciation on non-oil and gas assets	**(25)**	(26)
Tariff income	**(32)**	(30)
Total operating costs	**1,555**	1,115
Operating costs per barrel ($ per barrel)[1]	**16.5**	16.4
Movement in over/underlift balances and hydrocarbon inventories	**201**	(225)
Depreciation, depletion and amortisation (DD&A) before impairment charges		
Depreciation of oil and gas properties	**1,704**	1,414
Depreciation of non-oil and gas properties	**22**	12
Amortisation of intangible assets	**19**	23
Total DD&A	**1,745**	1,449
DD&A before impairment charges ($ per barrel)[1]	**18.5**	21.3

1 Non-IFRS measure – see Glossary for the definition.

Total operating costs increased to $1,555 million (2023: $1,115 million) driven by the four-month contribution of the acquired portfolio. However, they were materially unchanged on a unit of production basis at $16.5/boe (2023: $16.4/boe).

Depreciation, depletion and amortisation unit expense, which reflects the capitalised costs of producing assets divided by produced volumes, decreased to $18.5/boe (2023: $21.3/boe, as restated).

General and administrative expenses

General and administrative expenses amounted to $352 million (2023: $149 million). The increase was driven by the enlarged group, including expansion of our corporate centre, and additional and one-off M&A transaction costs of $119 million (2023: $33 million) associated with the Wintershall Dea acquisition.

EBITDAX[1]

EBITDAX[1] was $4,006 million (2023: $2,675 million, as restated), with the increase driven by the four-month contribution of the acquired assets.

	2024 $ million	2023 $ million As restated
Operating profit	**1,648**	932
Depreciation, depletion and amortisation	**1,745**	1,449
Impairment of property, plant and equipment	**352**	176
Impairment of right-of-use asset	**20**	–
Impairment of goodwill	**–**	25
Exploration and evaluation expenditure, and new ventures	**68**	36
Exploration costs written-off	**173**	57
EBITDAX[1]	**4,006**	2,675

1 Non-IFRS measure – see Glossary for the definition.

The Group has recognised a net pre-tax impairment charge on property, plant and equipment of $352 million (2023: $176 million, as restated). Of this, $174 million was in respect of revisions to decommissioning estimates on mainly non-producing assets with no remaining book value. The remainder largely relates to impairments on three fields in the UK due to impacts from further changes to the UK Energy Profits Levy (EPL) and changes in life of field outlook.

During the year, the Group expensed $241 million (2023: $93 million) of exploration and appraisal activities. This covers exploration write-off expense of $173 million (2023: $57 million) including write-off of costs associated with projects in the UK ($79 million) and licence relinquishments in Norway ($64 million), and $40 million (2023: $29 million) costs primarily associated with carbon capture and storage activities.

Net financing costs

Finance income amounted to $173 million (2023: $104 million). The increase compared to 2023 is primarily due to unrealised foreign exchange gains of $118 million during the year which predominantly arose on the revaluation of the Group's tax liabilities due to the strengthening of the US dollar in the year.

Finance expenses amounted to $602 million (2023: $420 million). This included:

- interest expense incurred of $78 million (2023: $42 million) related to debt facilities and bonds;
- bank and financing fees of $139 million (2023: $100 million);
- unwinding of the discount on decommissioning provisions of $221 million (2023: $156 million) which increased due to the acquired assets and increased estimates in the UK;
- $53 million (2023: $51 million) of lease interest;
- $43 million related to changes in the fair value of foreign exchange derivatives (2023: $nil); and
- realised losses on foreign exchange forward contracts $71 million (2023: $9 million, gain).

Earnings and taxation

Loss after tax amounted to $93 million (2023: $45 million profit, as restated). This resulted in a loss per ordinary voting share of 10 cents (2023: 6 cents, earnings, as restated) after taking into account the weighted average number of ordinary voting shares in issue of 990 million (2023: 804 million) following the issue of shares to BASF and LetterOne as part of the acquisition. After taking into consideration $15 million (2023: $nil) attributable to subordinated notes investors, loss after tax attributable to equity owners of the company amounted to $108 million (2023: $45 million gain attributable to equity owners of the company).

Harbour's tax expense increased to $1,312 million in 2024 (2023: $571 million, as restated), primarily driven by higher pre-tax profits resulting from the additional earnings contributed by the acquisition and specific UK adjustments due to the EPL. The tax expense comprises a current tax expense of $1,415 million (2023: $677 million) and a deferred tax credit of $103 million (2023: $106 million, credit).

The effective tax rate of 108 per cent (2023: 93 per cent, as restated) is materially higher than the statutory tax rate of 78 per cent (2023: 75 per cent). This is primarily due to several UK-specific exceptional items. Key contributors include the increase in UK decommissioning obligations in the period (15 per cent), the impairment of tangible and intangible assets in the UK (4 per cent) and the increase in the EPL rate from 35 per cent to 38 per cent (6 per cent).

Shareholder distributions

A final dividend with respect to 2023 of 13.00 cents per ordinary share was proposed on 7 March 2024 and approved by shareholders at the AGM on 9 May 2024. The dividend was paid on 22 May 2024 to all shareholders on the register as at 12 April 2024, totalling $100 million. An interim dividend was announced on 8 August 2024 at 13 cents per share and was paid on 25 September 2024 at a value of $99 million.[1]

The Board is proposing a final dividend with respect to 2024 of 13.19 cents per voting ordinary share to be paid in pound sterling at the spot rate prevailing on the record date. This dividend is subject to shareholder approval at the AGM, to be held on 8 May 2025. If approved, the dividend will be paid on 21 May 2025 to shareholders as of 11 April 2025. The ex-dividend date is 10 April 2025. A dividend reinvestment plan (DRIP) is available to shareholders who would prefer to invest their dividends in the shares of the company. The last date to elect for the DRIP in respect of this dividend is 29 April 2025.

A DRIP is provided by Equiniti Financial Services Limited. The DRIP enables the company's shareholders to elect to have their cash dividend payments used to purchase the company's shares. More information can be found at shareview.co.uk/info/drip.

Statement of financial position

	2024 $ million	2023 $ million As restated
Assets		
Goodwill	**5,147**	1,302
Non-current assets, excluding goodwill and deferred taxes	**21,133**	7,061
Deferred tax assets	**130**	7
Current assets	**3,634**	1,546
Assets held for sale	**277**	–
Total assets	**30,321**	9,916
Liabilities and equity		
Borrowings net of transaction fees	**5,229**	509
Provisions	**7,521**	4,135
Deferred tax liabilities	**6,221**	1,297
Lease creditor	**792**	768
Derivative liabilities	**826**	284
Other liabilities	**3,248**	1,370
Liabilities directly associated with assets held for sale	**233**	–
Total liabilities	**24,070**	8,363
Equity	**6,251**	1,553
Total liabilities and equity	**30,321**	9,916
Net debt	**4,424**	207

Assets

The increase in total assets of $20,405 million to $30,321 million (2023: $9,916 million, as restated) is mainly as a result of the acquisition, primarily property, plant and equipment of $10,011 million, exploration, evaluation and other intangible assets of $4,409 million and goodwill arising from purchase price allocation exercise of $3,845 million. Total assets include assets held for sale in respect of the Vietnam disposal of $277 million.

The goodwill of $3,845 million arises principally from the requirement to recognise undiscounted deferred tax liabilities for the difference between the fair value and the tax base of the acquired assets and liabilities assumed in the business combination. This goodwill will ultimately be charged to the income statement over time as an impairment charge, primarily as the deferred tax balances unwind.

Liabilities

The increase in total liabilities of $15,707 million to $24,070 million (2023: $8,363 million, as restated) is primarily driven by the recognition of the liabilities assumed as a result of the acquisition. Liabilities assumed included deferred tax liabilities of $5,500 million, borrowings net of transaction fees of $3,079 million, provisions of $2,940 million, trade and other payables of $1,159 million and current tax liabilities of $1,128 million. Additionally, the Group increased its borrowings by $1,914 million being $250 million drawn under the $3 billion revolving credit facility (RCF) and new issue of Euro-denominated bonds of $1,664 million (nominal €1,600 million). Total liabilities included liabilities directly associated with assets held for sale in respect of the Vietnam disposal of $233 million.

1 Difference to the final dividend value declared of $100 million is due to foreign exchange adjustments on sterling denominated shares at the date of payment.

The net deferred tax position on the statement of financial position is a liability of $6,091 million (2023: $1,290 million, as restated). This is primarily made up of a deferred tax liability in respect of the future profits which will flow from our property, plant and equipment of $9,600 million offset by a deferred tax asset in respect of future tax relief on decommissioning spend of $2,791 million, fair value losses on derivatives of $336 million and tax losses of $288 million (before adjustment for assets held for sale).

Equity and reserves

Total equity increased by $4,698 million to $6,251 million (2023: $1,553 million, as restated) mainly due to the recognition of merger reserve of $3,457 million associated with the 921 million shares issued to BASF and LetterOne as part of the acquisition as well as the recognition of subordinated notes that were assumed as part of the acquisition of $1,548 million. Movements in equity also included unfavourable post-tax fair value movements on cash flow hedges of $166 million (2023: favourable of $792 million) and gains on currency translation of $130 million (2023: $103 million) all recognised in other comprehensive income. Equity was reduced by dividend payments of $199 million (2023: $190 million) in addition to the loss for the year.

Net debt

As at 31 December 2024, net debt of $4,424 million (2023: $207 million, as restated). This consisted of borrowings amounting to $5,512 million (2023: $500 million) less unamortised fees of $283 million (2023: $7 million) less cash balances of $805 million (2023: $286 million, as restated). During the year the RBL facility was replaced by the RCF and, as at 31 December 2024, $250 million was outstanding. At the end of 2023 the drawdown in the RBL was $nil and there were $61 million of unamortised fees classified in debtors which were expensed in 2024. As part of the acquisition, $3,079 million worth of borrowings were assumed, and a $1,500 million bridge facility was used to complete the acquisition. This was subsequently refinanced into two Euro-denominated bonds amounting to $1,664 million (€900 million and €700 million, respectively). In addition, Harbour had surety bonds of $675 million (£540 million) at year end which provide cover for decommissioning securities.

Available liquidity, comprising undrawn portion of the RCF facility of $1.9 billion ($250 million debt and $0.9 billion letters of credit for decommissioning have been drawn) plus cash balances of $0.8 billion (2023: $0.3 billion), was $2.7 billion (2023: $1.6 billion) at the end of the year.

As at 31 December 2024, the leverage ratio[1] was 1.1x (2023: 0.1x) which has increased primarily as a result of the significant increase in net debt due to the acquisition, as well as only four months of EBITDAX contribution from the acquired portfolio. The balance sheet is in a strong position supported by the RCF facility and investment grade credit ratings.

	2024 $ million	2023 $ million As restated
Leverage ratio		
Net debt[1]	**4,424**	207
EBITDAX[1]	**4,006**	2,675
Leverage ratio[1]	**1.1x**	0.1x

1 Non-IFRS measure – see Glossary for the definition.

Derivative financial instruments

We carry out hedging activity to manage commodity price risk. We have entered into both a series of fixed-price sales agreements and a financial hedging programme for both oil and gas, consisting of swap and option instruments. Hedges realised to date are in respect of both crude oil and natural gas.

The current hedging programme is shown below:

Hedge position	2025	2026	2027
Oil			
Total oil volume hedged (thousand bbls)	**16,162**	12,881	–
– of which swaps	**15,598**	12,881	–
– of which zero cost collars	**564**	–	–
Weighted average fixed price ($/bbl)	**76.47**	72.88	–
Weighted average collar floor and cap ($/bbl)	**60.00-86.78**	–	–
Natural gas			
Gas volume hedged (thousand boe)	**33,509**	19,924	2,056
– of which swaps/fixed price forward sales	**26,912**	16,817	2,056
– of which zero cost collars	**6,597**	3,106	–
Weighted average fixed price ($/mscf)	**12.91**	10.79	11.29
Weighted average collar floor and cap ($/mscf)	**11.46-22.50**	9.04-16.71	–

As at 31 December 2024, our financial hedging programme on commodity derivative instruments showed a pre-tax negative mark-to-market fair value of $476 million (2023: $18 million). Most of the commodity derivatives were designated as cash flow hedges, therefore, changes in fair value were reported in other comprehensive income.

For foreign exchange derivative instruments, the pre-tax negative mark-to-market fair value was $198 million (2023: $nil). Of this value, $173 million related to the cross-currency interest rate swaps designated as cash flow hedges relating to the euro bonds where €2.4 billion was hedged at a forward rate of between 1.1015 and 1.1209. The remaining $25 million related to FX forward contracts designated as fair value through income statement.

Acquisition of the Wintershall Dea assets

On 3 September 2024, the Group closed the transaction to acquire substantially all of Wintershall Dea's upstream assets from BASF and LetterOne, including those in Norway, Germany, Denmark, Argentina, Mexico, Egypt, Libya and Algeria as well as Wintershall Dea's CCS licences in Europe.

Under the purchase price allocation that was performed, the fair values of identifiable assets and liabilities of Wintershall Dea, and resulting goodwill, are as follows:

	Fair value recognised on acquisition $ million
Assets	
Other intangible assets	**4,409**
Property, plant and equipment	**10,011**
Right-of-use assets	**106**
Deferred tax assets	**147**
Other assets, excluding cash and cash equivalents	**1,814**
Cash and cash equivalents	**748**
Total assets	**17,235**
Liabilities	
Borrowings	**3,079**
Provisions	**2,940**
Deferred tax liabilities	**5,500**
Lease creditor	**118**
Derivative liabilities	**317**
Other liabilities	**2,287**
Total liabilities	**14,241**
Fair value of net identifiable net assets acquired	**2,994**
Subordinated notes measured at fair value	**(1,548)**
Goodwill arising on acquisition	**3,845**
Purchase consideration transferred	**5,291**

The goodwill of $3,845 million arises principally from the requirement to recognise undiscounted deferred tax liabilities for the difference between the fair value and the tax base of the acquired assets and liabilities assumed in the business combination. This goodwill will ultimately be charged to the income statement over time as an impairment charge, primarily as the deferred tax balances unwind.

From the date of acquisition, the acquired assets contributed $2,021 million of revenue and $867 million to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been $10,516 million and profit before tax from continuing operations for the Group would have been $3,017 million.

Statement of cash flows[1]

	2024 $ million	2023 $ million As restated
Cash flow from operating activities before tax payments	**3,114**	2,588
Tax payments	**(1,499)**	(438)
Cash flow from operating activities after tax payments	**1,615**	2,150
Cash flow from investing activities – capital investment	**(1,322)**	(718)
Cash flow from investing activities – other[2]	**89**	25
Operating cash flow after investing activities	**382**	1,457
Cash flow from financing activities[3]	**(500)**	(409)
Free cash flow[4]	**(118)**	1,048
Cash and cash equivalents	**805**	286

1 Table excludes financing activities related to debt principal movements.
2 Excludes net expenditure on business combinations of ($1,044 million, note 14 of the financial statements).
3 Interest and lease interest and capital payments only, excludes shareholder distributions.
4 Non-IFRS measure – see Glossary for the definition.

Net operating cash flow before tax was $3,114 million (2023: $2,588 million, as restated) reflecting the enlarged group. The timing and magnitude of tax payments impacted net cash from operating activities after tax which amounted to $1,615 million (2023: $2,150 million, as restated). Tax payments during the year were $1,499 million compared to $438 million in 2023 due to the enlarged portfolio and balancing payments for prior year UK EPL. UK EPL payments amounted to $732 million (2023: $402 million).

Cash flow working capital movements were negative $494 million (2023: positive $205 million) as the increase in production within the enlarged business coupled with overdue receivables in Egypt and Mexico means we carry a materially higher net working capital position on our balance sheet at year end.

Capital investment was $1,322 million (2023: $718 million) which included property, plant and equipment additions of $884 million (2023: $496 million), exploration and evaluation additions of $359 million (2023: $202 million) and other intangible additions of $79 million (2023: $20 million). Cash outflow from financing activities totalled $500 million (2023: $409 million) split between interest payments of $181 million (2023: $150 million) and lease payments of $319 million (2023: $259 million).

Free cash flow was $118 million outflow after acquisition related costs of $235 million. Before these acquisition related costs free cash flow was $117 million inflow.

Shareholder distributions consist of dividends paid of $199 million (2023: $190 million). In 2023, shareholder distributions also included $249 million related to the repurchase of Harbour's own shares.

Cash and cash equivalent balances were $805 million (2023: $286 million, as restated) at the end of the year.

Capital investment is defined as additions to property, plant and equipment, fixtures and fittings and intangible exploration and evaluation assets, excluding changes to decommissioning assets.

	2024 $ million	2023 $ million As restated
Additions to oil and gas assets	**(1,037)**	(482)
Additions to fixtures and fittings, office equipment and IT software	**(73)**	(29)
Additions to exploration and evaluation assets	**(398)**	(210)
Additions to other intangible assets	**(36)**	–
Total capital investment[1]	**(1,544)**	(721)
Movements in working capital	**140**	(22)
Capitalised interest	**18**	7
Capitalised lease payments	**64**	18
Cash capital investment per the cash flow statement	**(1,322)**	(718)

1 Non-IFRS measure – see Glossary for the definition.

During the period, the Group incurred total capital expenditure of $1,828 million (2023: $989 million), split by capital investment $1,544 million (2023: $721 million) and decommissioning spend $284 million (2023: $268 million) respectively.

The capital investment for operated assets mainly consisted of: in the UK, project activity at Talbot (J-Area) and development drilling at J-Area, Callanish F6 (GBA), Greater Britannia appraisal at Leverett and discoveries at Gilderoy and Jocelyn South and North West Seymour (AELE); in Norway, multiple tie-back projects at Maria, Dvalin North, Irpa, Alva Nord and Idun North plus Solveig; in Germany, continued development of the Mittelplate field; and in Mexico, the Kan-2 appraisal well.

For partner-operated assets, capital investment consisted primarily of: in the UK, drilling at Buzzard, Clair and Schiehallion; in Norway, drilling continued at Skarv and Njord; in Argentina, the offshore Fénix field development was completed; and in Egypt, drilling continued on the Raven West field infill wells. In Indonesia exploration and appraisal wells were drilled at Layaran and Tangkulo in South Andaman.

Refer to the Operational review for more detail.

Principal risks

The directors have identified several changes to the principal risks facing the company over the period, primarily as a result of how the Wintershall Dea transaction has diversified the portfolio and strengthened the financial position of the business. Notably, the principal risk recognised in the 2023 Annual Report as 'Access to capital' has been broadened to 'Financial discipline' to encompass broader aspects of the financial management and control, while the unmitigated risk level of several principal risks has increased. A full description of Harbour's principal risks can be found on pages 64 to 69.

Post balance sheet events

On 23 January 2025 Harbour announced it had signed a Sale and Purchase Agreement to sell its Vietnam business, which includes the 53.125 per cent equity interest in the Chim Sáo and Dua production fields, to EnQuest for $84 million. The effective date is 1 January 2024 with completion targeted during 2025. This agreement resulted in the Vietnam business unit being classed as asset held for sale as at 31 December 2024.

On 3 March 2025, the Finance Act 2025 was substantively enacted following its third reading in the UK Parliament. While the substantive enactment has no implications for the current accounting period, it confirms that the extension of the Energy Profits Levy to 31 March 2030 will be reflected in the Group's results for the interim period to 30 June 2025. If the Finance Act 2025 had been substantively enacted at the balance sheet date, the deferred tax liability at the end of the period would have increased by $306 million (further details are provided in note 8 of the financial statements).

Going concern

The directors considered the going concern assessment period to be up to 31 December 2026. The Group monitors and manages its capital position and its liquidity risk regularly to ensure that it has access to sufficient funds to meet forecast cash requirements. Cash forecasts for management are regularly produced and sensitivities considered based on, but not limited to, the Group's latest life of field production and expenditure forecasts, management's best estimate of future commodity prices based on recent forward curves, adjusted for the Group's hedging programme and the Group's borrowing facilities.

The Group's ongoing capital requirements are financed by its $3.0 billion revolving credit facility (RCF), bonds and subordinated notes of $1.6 billion, and surety bonds of $675 million (£540 million) which provide cover for decommissioning securities. The RCF is subject to financial covenants that require the ratio of consolidated total net debt, including letters of credit, to last twelve months (LTM) EBITDAX to be less than 3.5x and LTM EBITDA divided by interest expense to exceed 3.5x. Under the Group's base case, the RCF is forecast to have an undrawn balance of $3.0 billion through 2025 and 2026. When combined with drawn letters of credit and unrestricted cash the headroom is forecasted to be $2.5 billion in 2026 which provides a robust liquidity position.

The base case indicates that the Group is able to operate as a going concern with sufficient headroom and remain in compliance with its loan covenants throughout the assessment period.

The Group's going concern assessment is based on management's best estimate of forward commodity price curves and other economic assumptions, production and expenditure in line with approved asset base case, plus the ongoing capital requirements of the Group that will be financed by free cash flow, the existing RCF and bond financing arrangements.

In line with the principal risks that have been identified to impact the financial capability of the Group to operate as going concern, a single downside sensitivity scenario has been prepared reflecting a reduction in:

- Brent crude, UK natural gas and European TTF gas prices of 20 per cent; and
- the Group's unhedged production of 10 per cent;

throughout the entire assessment period. Management considers this represents a severe but plausible downside scenario appropriate for assessing going concern and viability.

In this downside scenario when applied individually and in aggregate to the base case forecast, the Group is forecast to have sufficient liquidity headroom throughout the assessment period and to remain in compliance with its financial covenants.

Reverse stress tests have been prepared reflecting reductions in each of commodity price and production parameters, prior to any mitigation strategies, to determine at what levels each would need to reach such that either the lending covenants are breached or liquidity headroom runs out. The results of these reverse stress tests demonstrated the likelihood that a sustained significant fall in commodity prices or a significant fall in production over the assessment period that would be required to cause a risk of funds shortfall or a covenant breach is remote.

Taking the above analysis into account and considering the findings of the work performed to support the statement on the long-term viability of the company and the Group, the Board was satisfied that, for the going concern assessment period, the Group is able to maintain adequate liquidity and comply with its lending covenants up to 31 December 2026 and has therefore adopted the going concern basis for preparing the financial statements.

For further information on the work performed on the long-term viability of the company and the Group refer to page 63.

By order of the Board,

Alexander Krane
Chief Financial Officer

Our sustainability approach

Our purpose is to play a significant role in meeting the world's energy needs through the safe, efficient and responsible production of hydrocarbons, while creating value for our stakeholders. In support of this, we are guided by our approach to sustainability.

Prioritising safety

Committed to the safety and wellbeing of everyone who works with Harbour

- We promote a culture of safety and wellbeing
- We have comprehensive health and safety processes and procedures
- We focus on continuous improvement and are working towards the goal of zero incidents

Reducing our impact on the environment

Environmental management underpins our operating model and guides our activities

- We work actively to reduce emissions from our operations
- We are investing in CO_2 storage and have a leading position in Europe
- Our plans, procedures and decisions take into account the impact our activities may have on the environment

Supporting our stakeholders

Respectful, fair and transparent with our employees, communities in which we work, investors and other stakeholders

- We respect human rights, upholding the highest ethical and governance standards to maintain the trust of our stakeholders
- We help our communities prosper and drive responsible practices in our supply chain
- We promote diversity, equity and inclusion

Our approach is aligned with the UN Sustainable Development Goals (SDGs). Our primary SDGs are:

OUR SUSTAINABILITY REPORTING FRAMEWORK

PRIORITISING SAFETY PAGE 40

Material topics

- Occupational health and safety
- Process safety
- Emergency preparedness and crisis management
- Security
- Cyber security

SUPPORTING OUR STAKEHOLDERS PAGE 54

Material topics

- Governance and business ethics
- Supply chain management
- Human rights
- Local communities
- Employment practices and diversity, equity and inclusion

REDUCING OUR IMPACT ON THE ENVIRONMENT PAGE 44

Material topics

- Climate change and the energy transition
- Energy use and GHG emissions
- Effluents, spills and waste
- Biodiversity
- Decommissioning

Sustainability governance

We seek to embed sustainability into our governance, risk management and decision-making. To ensure the effectiveness of our sustainability management, regular reviews are conducted by the Board, the Board's Health, Safety, Environment and Security (HSES) Committee and the Leadership Team. We use various assurance mechanisms, including internal and external audits, and participate in external performance ratings, to evaluate our progress and drive continuous improvement.

In 2024, we expanded our Leadership Team to strengthen executive oversight of the company and broadened our corporate functions to support the delivery of our sustainability priorities across a larger and more geographically diverse organisation. This included the recruitment of employees with specialised skills and knowledge from Wintershall Dea's corporate centre. These welcome additions to Harbour Energy also helped enable the safe and smooth transfer of operations upon completion of the acquisition.

Looking ahead, we will continue to review and update the policies and standards that govern our operations and sustainability activities. These cover multiple areas, including our core HSES documents, management systems and tools, our human resources programmes and processes, and our approach towards human rights and community investment. Our policies and standards set out our minimum performance expectations across our global operations, while allowing the Business Units to adapt procedures to reflect their local activities, conditions and cultures.

How we report

Materiality assessment

We conduct materiality assessments to help us identify and evaluate the topics that matter most to our business and our stakeholders. This informs our sustainability approach and our environmental, social and governance reporting.

To determine our material issues, we review the latest regulatory and sustainability frameworks and engage with a range of internal and external stakeholders. We finalise the list of material topics through discussion with our senior leadership.

In 2024, we conducted a double materiality assessment (DMA), informed by the approach in the European Sustainability Reporting Standards (ESRS), to help us prepare for the upcoming Corporate Sustainability Reporting Directive. The assessment included input from our newly acquired Wintershall Dea Business Units as well as our existing operations. It confirmed that the material topics identified in 2023 continued to be material in 2024.

For this reporting year (1 January to 31 December 2024), we will continue to use the topic classifications adopted in our 2023 report. We will align our future reporting to the DMA topics and classifications under the ESRS standards as part of the 2025 reporting cycle.

About our data

We align our reporting with recognised international reporting frameworks and sustainability initiatives, including:

- Global Reporting Initiative 2021 and the Oil and Gas supplement;
- Task Force on Climate-related Financial Disclosures recommendations;
- Sustainability Accounting Standards Board Oil & Gas Exploration and Production standard;
- CDP (formerly known as the Carbon Disclosure Project);
- United Nations SDGs; and
- United Nations Global Compact.

All environmental and safety data in this section of the report, unless noted otherwise, relates to the performance and activities of our Harbour-operated assets, and is reported on a 100 per cent basis regardless of our ownership interest in each asset. On 3 September 2024, Harbour Energy completed the Wintershall Dea transaction. The report therefore covers activities from 1 January to 31 December for the legacy Harbour assets, with the Wintershall Dea assets contributing from completion of the acquisition unless otherwise stated.

Nothing is more important than the health and safety of our people. The acquisition of the Wintershall Dea assets brought significant organisational change, and I am proud that we accomplished this safely and with minimal disruption. Looking ahead, we will continue to embed our strong safety culture as we further integrate the portfolio.

ALAN BRUCE
EVP TECHNICAL SERVICES

Ensuring our people are kept safe and achieving process safety excellence are our primary goals.

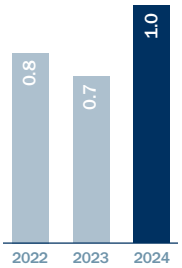
Focus areas in 2024

- Reduce risks and ensure the safety and security of our personnel
- Embed process safety thinking into our day-to-day activities
- Maintain our emergency response capability
- Track leading and lagging personal and process safety metrics to drive continuous improvement

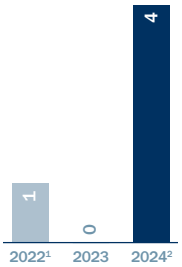
OTHER RELEVANT PAGES

HSES COMMITTEE REPORT PAGE 86
CHIEF EXECUTIVE OFFICER'S STATEMENT PAGE 7

Total recordable injury rate (TRIR)
per million hours worked



Process safety events
number of Tier 1 & 2 events



1 One Tier 2 event.
2 One Tier 1 event and three Tier 2 events.

Given the potential hazards associated with oil and gas operations, we apply rigorous process safety, asset integrity and occupational health and safety practices.

Our health, safety, environment and security (HSES) policy is implemented through our business management system and our HSES management system standard. These provide universal standards and procedures that aim to minimise the likelihood and severity of safety incidents.

Health and safety targets (including total recordable injury rate and process safety events) form part of Harbour's performance scorecard and affect the annual bonus payments for all employees, including executive directors.

The Board and HSES Committee (see pages 72 and 86) oversee HSES risk management and are supported by our CEO, Chief Operating Officer (COO), EVP Technical Services (responsible for corporate HSES) and other members of our Leadership Team, along with the Managing Directors of our Business Units and HSES leaders. Our Leadership Team reviews HSES performance on a monthly basis. In addition, safety is a topic during monthly operating committee meetings and quarterly business reviews. We engage with our employees and contractors on a continual basis and assess employee perceptions of our safety culture through engagement surveys.

Additionally, we work with industry associations, such as the International Association of Oil & Gas Producers and the Energy Institute, to share our experience and learn from others. We are also partnering with the global humanitarian landmine clearance organisation, The HALO Trust, to share good safety practice and improve safety performance in both organisations.

As much of our activity is delivered by suppliers and contractors, effective management of our outsourced activities is critical to ensure safe operations. We conduct risk-based HSES assessments for contractors at the pre-qualification stage as well as once work has started. Our key performance indicators for managing our contractors include: HSES, cost, schedule, quality, greenhouse gas emissions management and relationships. Many of our contractors are subject to audits throughout the contract period. For more information on our responsible supply chain practices, see page 56.

CEO Safety Awards

Open to individuals or teams, employees and contractors, the CEO Safety Awards recognise outstanding contributions to safety across our global operations. Colleagues can nominate individuals or teams for demonstrating good safety outcomes – from extended injury-free performance on an asset, to personal interventions to stop work and raise safety concerns, to the introduction of new ways of working or a change in facility design to reduce safety risks. The winners and finalists in the team and individual categories each choose a charity to receive a cash donation from Harbour.

A total of 114 nominations were submitted for the 2024 awards (2023: 74).

While all were worthy of recognition, the winners and runners up were:

Category: team

- The winner was the DISOUCO JV operations and projects team in Egypt. Recognised for managing safety risks proactively and outstanding project execution in delivering increased capacity at a central treatment plant
- The runners up were a team from the Talbot project in the UK for the safe delivery of a major project, and the Transocean Norge One team in Norway for bringing operators and contractors together to deliver safe operations

Category: individual

- The winner was David Meade, an offshore installation manager in the UK. David used his stop the job authority when he felt additional safety checks were needed
- The runners up were Jesus Padilla in Mexico for championing safety both at Harbour and with our partners, and Scott Altass in the UK for driving improvements in process safety culture

114
Nominations submitted for the 2024 award (2023: 74)

Safety metrics

	2024	2023	2022
Recordable injuries^	**14**	7	9
• Fatalities	**0**	0	0
• Lost work day cases	**4**	0	4
• Restricted work day cases	**9**	3	4
• Medical treatment cases	**1**	4	1
Recordable injury rate (TRIR)[1]^	**1.0**	0.7	0.8
High potential incidents (HiPo)[2]	**12**	3	13
High potential incident rate (HiPoR)[3]	**0.9**	0.3	1.1
Hours worked (million)^	**13.7**	10.2	12.0
Work-related occupational illness	**1**	0	0
Tier 1 process safety events^	**1**	0	0
Tier 2 process safety events^	**3**	0	1
Tier 3R process safety events[4]	**4**	N/A	N/A
Emergency response exercises	**60**	42	38
Incident management or emergency management team mobilisations	**9**	2	2

1 Total number of recordable work-related injuries divided by the number of hours worked (per million hours worked).
2 High potential incidents are work-related incidents with a high probability of causing a high-consequence injury.
3 Total number of high potential incidents divided by the number of hours worked (per million hours worked).
4 We included this metric in our scorecards for the first time in 2024. Tier 3R events have lesser consequences than Tier 1 and 2 events. We use the threshold release size defined by UK regulators.
^ Indicates metrics that have undergone limited external assurance by Ernst & Young LLP (EY).

Occupational health and safety

Approach

We continually work to ensure the health and safety of everyone working for us by setting clear leadership and performance expectations and rigorously implementing our policies, standards and procedures. We reinforce this through training and competency assessments, and we track our performance against internal targets and top quartile industry benchmarks.

Safety performance and learnings from recent incidents are discussed at our monthly global town halls and feature regularly on the agendas of team meetings and other employee events. We recognise exceptional individual and team safety performance through our annual CEO Safety Awards (see page 41).

Leading up to and following the acquisition of the Wintershall Dea assets, we reviewed our policies, standards and management systems. We identified several standards as a priority for review owing to our larger and more diverse portfolio. For example, we are reviewing our driving standard given the significant onshore operations at some of our newly acquired assets.

Performance

In 2024, we recorded 13.7 million hours worked (2023: 10.2 million hours worked) and 14 recordable injuries (2023: seven), resulting in a TRIR of 1.0 (2023: 0.7). The addition of the Wintershall Dea operating regions has had an impact on our TRIR and contributed to the increase. All injuries are investigated based on potential reasonable worst-case outcomes with the aim of sharing learnings and continuously improving our performance. We are implementing initiatives to drive improvement across our expanded operational footprint.

Looking ahead

In 2025, we plan to:

- Expand our HSES programmes to improve safety practices, behaviours and awareness among our contractor community
- Develop a global health and welfare standard that will ensure consistent standards and practices are in place, including mental health awareness and support, across the Harbour portfolio
- Develop an annual health strategy that sets a consistent yearly theme across the company

Spotlight on occupational health

We are committed to protecting the physical and mental health of our employees and ensuring their welfare in the workplace. In 2024, we focused on:

1. Embedding a standardised 'fitness for work' assessment in the UK and Indonesia to help reduce the risk of injury or harm to our people.
2. Implementing an enhanced and comprehensive health and wellness programme. This included a global fitness challenge, on-site health challenges and healthy eating campaigns.
3. Raising mental health awareness through a variety of programmes. Mental health was a core theme in our Global Safety Day, and we also promoted men's mental health across the organisation during our 'Movember' campaign. In the UK, we have 134 trained mental health first aiders. We plan to extend this initiative across our global portfolio.

To support neurodivergent colleagues, we offer assessments conducted by an external provider. This helps to identify any adjustments that may be required to the working environment to support the employee. We also offer annual health checks. Since we established the programmes in 2023, 65 employees have participated in neurodiversity assessments and 1,123 health checks have been undertaken.

Process safety

Approach

We strive to achieve process safety excellence and work continually to reduce the likelihood and potential severity of process safety events. We classify all process safety events in line with the IOGP's Tier 1 and Tier 2 definitions for losses of primary containment (LOPC), where Tier 1 events have the greatest potential consequences, and investigate ways to prevent recurrence. In 2024, we introduced a lower tier LOPC process safety KPI (Tier 3R) as part of our scorecard that determines the annual bonus for all employees. Tier 3R events involve smaller quantities of hazardous materials being released and are taken as a leading indicator. The threshold release size for our Tier 3R metric is aligned with the threshold defined by UK regulators.

We investigate all process safety incidents and near misses regardless of severity and share learnings. For example, we distribute safety bulletins and host monthly global safety team meetings attended by onshore and offshore personnel. We give particular focus to ensuring we learn from high potential events and share the investigation findings and learnings from these events with our Leadership Team and the Board's HSES Committee.

Performance

In 2024, we had one Tier 1 process safety event in Indonesia and three Tier 2 events – one each in Indonesia, Norway and the UK (2023: zero Tier 1 and 2 events). In addition, we had four Tier 3R events. All events have been rigorously investigated, resulting in actions to improve our performance. We track progress on identified improvement actions in our monthly HSES report.

We continued a review of major hazards across our portfolio. This review, which will continue into 2025, involves screening our assets for inherent process safety risks and assessing the effectiveness of controls. We have used outputs from this review to establish audit priorities for major hazards management audits and to ensure the prioritised assets receive appropriate focus and support to deliver improvements.

To assess the effectiveness of our controls and risk mitigation measures, we carry out second line of defence audits across our operational sites as part of our rolling three-year audit schedule. These internal independent audits are carried out to check our risk management and compliance functions, and to ensure first line of defence control measures are in place and operating as intended. In addition, we undertake first line of defence (self-monitoring) audits and field verifications.

We continued to embed our process safety fundamentals, which contain key actions to reduce high severity events, into our procedures. We conducted site-based and virtual reality training as part of our major accident hazards awareness programme. In 2024, 272 UK-based employees attended site-based major accident hazards training. We also held a global town hall in which senior leaders from across the business discussed recent process safety events and actions to improve our performance.

Looking ahead

In 2025, we will:

- Progress our process safety culture and application of risk management systems
- Continue our major accident hazards awareness programme for both onshore and offshore personnel

Emergency preparedness and crisis management

Approach

We operate a global asset base that requires us to maintain emergency preparedness processes and procedures, effective response equipment and competent personnel available to respond when needed.

Harbour uses a four-tier emergency response and crisis management system to manage operational, tactical and strategic issues. Each level has a dedicated team of responders available to support emergency and crisis events that could impact the company. Our procedures are set out in our crisis management, emergency response, oil spill, security and business continuity standards.

Performance

In 2024, there were nine events that resulted in the mobilisation of the emergency management support teams. These included a mobilisation to support an incident involving a vessel colliding with a Harbour-contracted drilling rig in the UK, and support for two offshore non-work-related medical events in Indonesia.

Prior to the completion of the Wintershall Dea transaction, we held sessions to share information and identify critical processes for emergency response. We put in place a transition bridging document to connect emergency response arrangements between Business Units and the crisis management team. These were tested through exercises to ensure effective communication and reporting processes were in place.

Other actions in 2024 included:

- Completing 60 emergency response exercises across the company
- Conducting dedicated oil spill response exercises in our Business Units to verify arrangements and consolidate responder knowledge in our procedures

Looking ahead

In 2025, we will:

- Continue to enhance our global crisis and emergency response systems and test our processes by conducting exercises
- Implement a competency-based training and exercise programme across the organisation
- Review and update business continuity recovery arrangements and associated business impact assessments

Security

Approach

Our security standard sets out how we manage security within Harbour in line with our health, safety, environment and security (HSES) policy. We define security incidents as events in which the intent to cause harm to our people, physical infrastructure, information asset and finances is intentional; we can be directly targeted, either specifically or as a target of opportunity, or impacted as collateral damage. The security risks we face are increasingly complex given our expanded geographical footprint and a global environment characterised by unpredictability.

To respond to the needs of our larger organisation and a rapidly evolving risk landscape, we created a role for a Chief Security Officer that supports our operations globally as well as corporate disciplines including emergency preparedness and response, incident investigation, communications and geopolitical analysis.

Performance

There were no material security incidents affecting Harbour in 2024.

Looking ahead

In 2025, we will:

- Integrate security management elements across the portfolio to create a consistent approach
- Further develop our threat assessment programme

Cyber security

Approach

Cyber security risks represent a growing risk for our business. Our cyber security programmes enable us to quickly identify, assess and manage emerging threats, while our business continuity plans include procedures to assist us in recovering from a cyber event. In addition to assessing our own cyber security preparedness, we also evaluate cyber security risks associated with our use of third-party service providers.

In 2024, we continued to enhance our security awareness to cover insider risk, as well as strengthen our internal controls and cyber security barriers, including assessing their effectiveness.

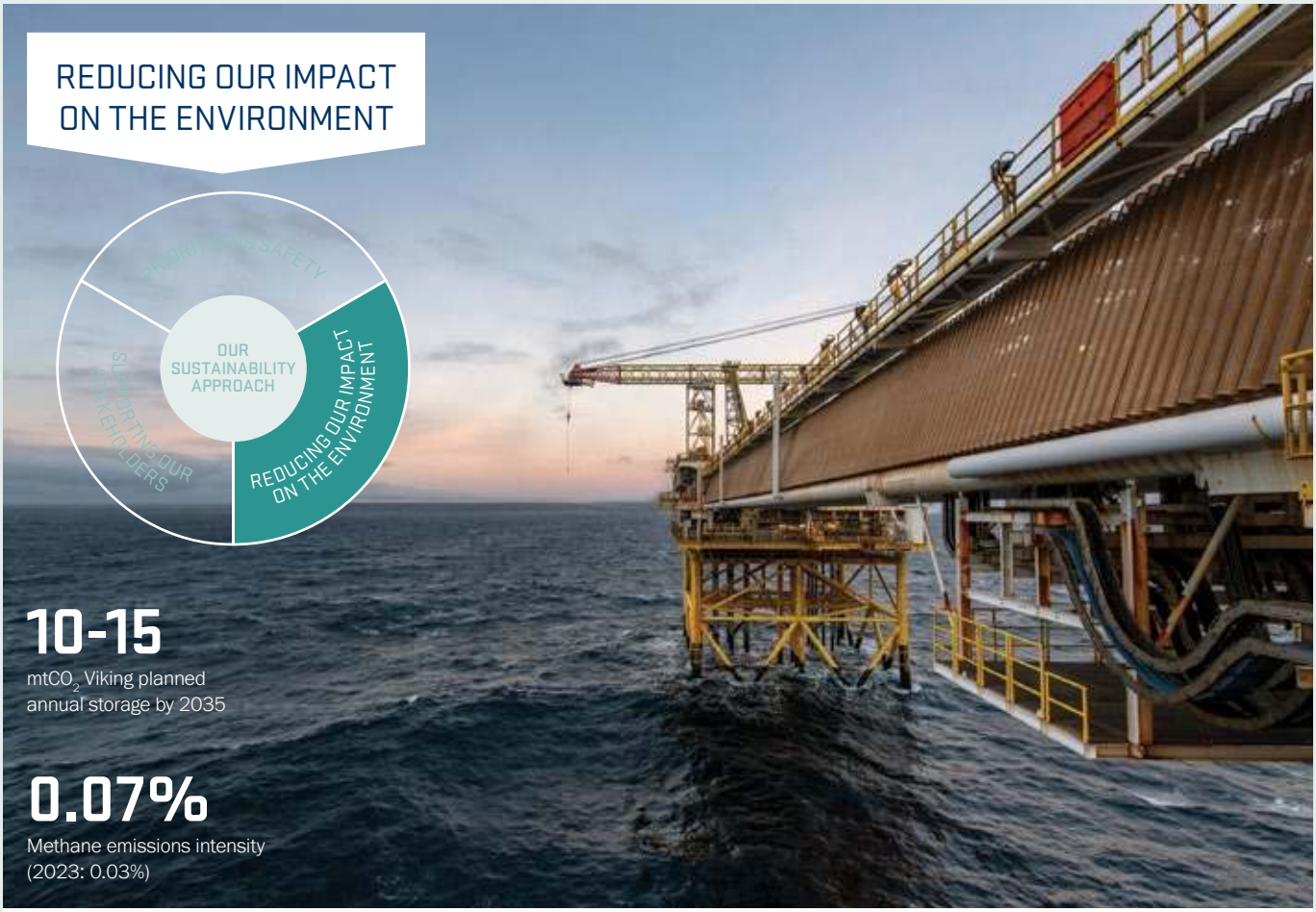
Performance

In 2024, we had zero significant cyber attacks or data breaches. In July, a CrowdStrike Falcon update caused a global outage, which also impacted Harbour. We took prompt action and restored 90 per cent of devices and critical services within 36 hours, with no adverse effects on production. Further details on cyber and information security risk are on page 68.

Looking ahead

In 2025, we will continue to review our controls and conduct exercises across the business to further develop our response and recovery processes.

REDUCING OUR IMPACT ON THE ENVIRONMENT



10-15
$mtCO_2$ Viking planned annual storage by 2035

0.07%
Methane emissions intensity (2023: 0.03%)

Conducting environmentally responsible operations and playing a leading role in the energy transition are fundamental elements of our strategy. We support the Paris Agreement climate goals and are focusing on near-term actions to reduce emissions from the assets we operate. These actions create a credible pathway for us to achieve net zero. In addition, we are investing in CCS, with a leading position in Europe.

GRAEME DAVIES
EVP CCS

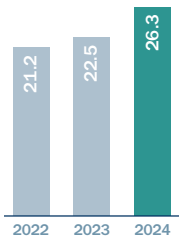
We are committed to addressing the environmental impact of our operations and playing a role in the energy transition.

Focus areas in 2024

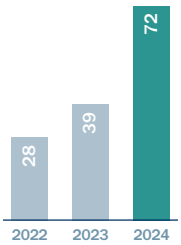
- Investing in our operations to reduce emissions
- Undertaking energy efficiency and methane studies
- Progressing our portfolio of CCS projects
- Continued focus on environmental compliance

Scope 1 and 2 emissions[1]
$mtCO_2e$

GHG intensity[1]
$kgCO_2e/boe$



CCS spend
$ million



1 Reported on a gross operated basis.

OTHER RELEVANT PAGES

HSES COMMITTEE REPORT PAGE 86
OUR STRATEGY & BUSINESS MODEL PAGE 12

To manage our environmental impacts, we apply recognised environmental management practices such as the mitigation hierarchy, the waste hierarchy, the precautionary approach, best available techniques, and the ISO 14001 environmental management principles. These environmental management practices are embedded in our governance, risk and performance framework.

In the planning phase of our projects, before construction or operations can commence, we conduct environmental and social impact assessments. We use the outcomes to identify the measures we can put in place in our operations to lessen that impact.

We monitor the impact of our activities when they move into the operational phase and conduct environmental audits, as appropriate, to ensure compliance with our standards and to identify further opportunities for improvement. We engage with stakeholders throughout the lifecycle of our operations.

Looking ahead, in 2025, we will develop a biodiversity plan to enable us to further assess and manage our biodiversity impacts across our recently enlarged portfolio of operations.

Climate change and the energy transition

Following the acquisition of the Wintershall Dea assets, we reassessed our greenhouse gas (GHG) strategy. We recognise that near-term action is crucial and are therefore maintaining our short and medium-term targets and applying them across our enlarged portfolio of operated assets.

These include a 50 per cent reduction in our Scope 1 and 2 emissions by 2030 against our 2018 baseline and targets on methane intensity and zero routine flaring (see below).

We support the goals of the Paris Agreement and net zero targets set by governments globally. Over the longer term, we have set an aspiration to be Net Zero by 2050 for our gross operated Scope 1 and 2 CO_2e emissions. This aligns with the approach taken by the oil and gas sector and allows for the implementation of emerging technology. Our short and medium-term targets provide a credible pathway for us to achieve net zero over the longer term. We will maintain focus on reducing our own emissions and, if necessary, mitigate remaining emissions by investing in independently verified carbon credits.

Total net CO_2 storage resources[1]
$mtCO_2$

UK	391
Norway	221
Denmark	25

1 Based on management estimates, with >70 per cent independently verified.
2 Total includes resources associated with two areas in the Netherlands, where there is currently no storage licence in place, see page 202.

We will continue to review our approach regularly to account for changes in our portfolio, protocols and other factors.

To support the global energy transition, we will continue to invest in projects to enable CCS. Our CCS projects have the potential to store multiples of our own Scope 1 and 2 gross operated emissions by early in the next decade, and more than our Scope 1, 2 and 3 emissions on an equity basis by 2050.

We spent $366 million across our energy transition activities in 2024 (2023: $311 million). The 2024 expenditure includes $284 million on decommissioning, $72 million on our CCS projects (see page 142), $5 million on emissions reduction activities and $5 million for the acquisition of verified carbon credits.

Emissions reduction

We identify and assess emissions reduction opportunities against criteria that include potential impact, implementation cost and timeframe. The successful opportunities are then taken to development and incorporated into emissions reduction action plans (ERAPs).

We reviewed our ERAPs regularly throughout 2024 to ensure that the decarbonisation activities were progressing as planned and to update them with newly identified opportunities. This ensured that our reduction plans were up to date and integrated with the business plan.

We continued to mature and deliver our ERAPs and explore new technologies to drive performance improvements, including:

- Implementing a waste heat recuperation project on Mittelplate in Germany, where waste heat is recovered from the produced water and used to supplement the process heat requirements, thereby reducing heat energy requirements

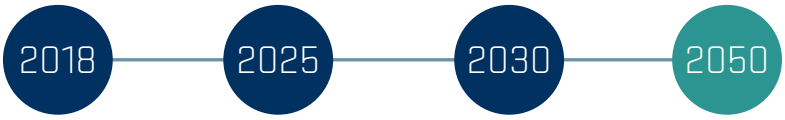
Our pathway to net zero

2024 achievements

- Reduced operational emissions by 10 $ktCO_2e$ through emissions reduction projects completed in 2024
- Joined the Oil & Gas Methane Partnership 2.0 (OGMP 2.0)
- Implemented zero routine flaring engineering study work

2025 plans

- Implement a GHG emissions forecasting tool across our portfolio
- Submit our OGMP 2.0 integration plan and first annual methane report to the International Methane Emissions Observatory
- Define our zero routine flaring pathway for the recently acquired Wintershall Dea operated assets



Our emissions baseline

<0.2%
Methane emissions intensity across our operated sites

50%
Reduction in our Scope 1 and 2 gross operated emissions vs 2018

Zero
Routine flaring

Net zero
for our gross operated Scope 1 and 2 emissions

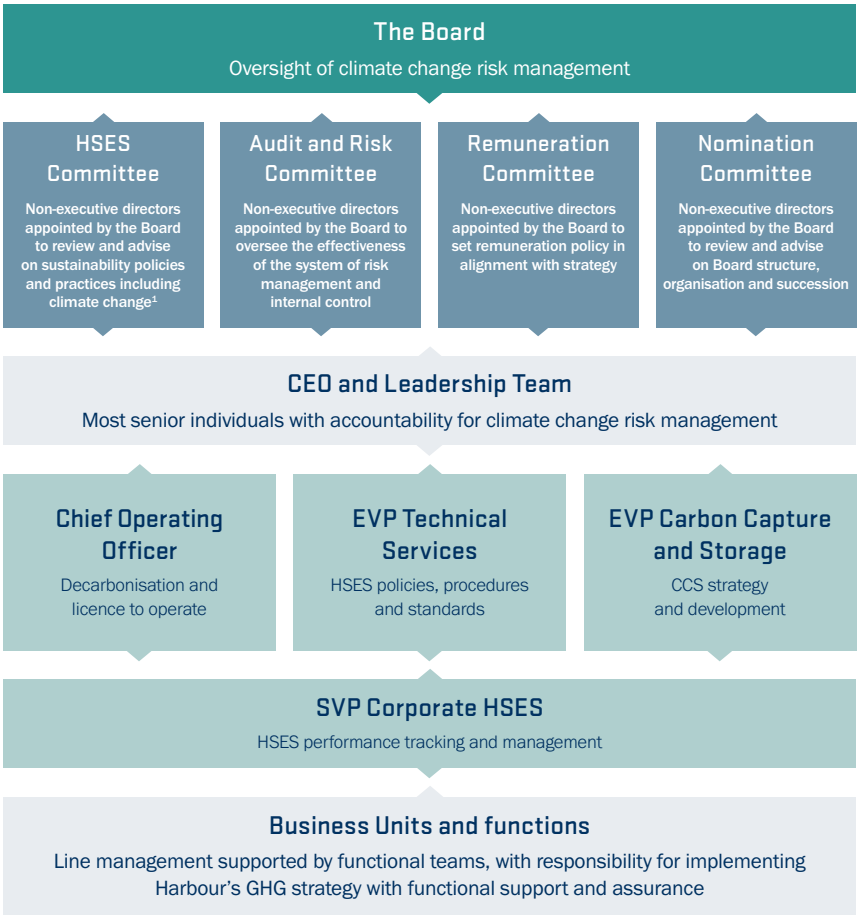
- Replacing a pneumatic gas-powered chemical injection pump with an electrical pump at the West Lobe platform in Indonesia. This will reduce methane emissions on the platform by up to 6,000 tCO_2e, and is key for our OGMP 2.0 commitments (see page 50)
- Completing studies for Britannia and J-Area in the UK, which identified the optimum flare gas recovery technology required to recover low pressure flare gas. We plan to commence front-end engineering design (FEED) work in 2025
- Completing studies across our late life Armada, Lomond and North Everest assets in the UK, to assess the technical and economic viability of a flare gas recovery technology. We plan to conduct additional studies on Armada and North Everest to identify the optimum flare gas recovery strategy for each asset
- Initiating an assessment of the economic feasibility of low carbon power and electrification options for offshore assets in the UK, comprising a standalone wind turbine partial electrification concept and third-party grid connected wind farm opportunities. This assessment is ongoing and will continue in 2025

We are also working with our partners to reduce emissions. For example, the installation of a small wind farm at the CMA-1 asset in Argentina will reduce fuel gas consumption for power generation. This is expected to result in a reduction of around 14 $ktCO_2e$ a year, with start-up expected in the second half of 2025.

Task Force on Climate-related Financial Disclosures (TCFD) statement

We support the need for more consistent and comparable disclosure around climate-related risks and opportunities. The following pages (46 to 50) of this report align with the recommendations issued by the Financial Stability Board's TCFD, which is aligned to the Financial Conduct Authority's UK Listing Rules 6.6.6(8). We consider our TCFD reporting to be compliant with the disclosure requirements of section 414CB of the Companies Act. See page 59 for our TCFD index.

Climate change management structure



1 The skills and experience of the directors serving on the HSES Committee are set out on pages 75 and 76.

1. Climate governance

The Board is accountable for our climate strategy and ensuring Harbour maintains effective climate risk management and internal control systems, including the setting and monitoring of the company's GHG emissions reduction targets. It has oversight of climate-related risks and opportunities and ensures climate-related considerations are embedded in our decision-making. This includes the application of financial criteria, such as our internal carbon price, across key investment decisions.

The HSES Committee of the Board evaluates our policies and systems, the quality and integrity of our reporting, and the suitability of our management system to manage current and emerging HSES risks, including climate-related risks. The Committee reviews our key performance indicators and targets, and progress against our GHG strategy and related targets, updating the Board at least annually. Further details on the HSES Committee are on pages 86 and 87.

Through the Remuneration Committee and with input from the HSES Committee, the Board determines annual targets and key performance indicators, including GHG emissions, for bonus schemes operated by the company and assesses performance against the metrics. The Audit and Risk Committee further supports the Board through consideration of the impacts of the energy transition on Harbour, in particular on the scale and timing of implications and the long-term resilience of the business, as well as the impact on the financial statements. For further information see note 2 in the financial statements on pages 137 to 142; and for more information on the Audit and Risk Committee see pages 82 to 85.

Our CEO has executive responsibility for Harbour's sustainability policy and how it is implemented across the company. Our EVP Technical Services is responsible for our HSES policies, standards and procedures, and for driving forward delivery of our GHG strategy. CCS strategy and projects are the responsibility of our EVP CCS, which is a newly created role.

2. Climate strategy

In line with TCFD's recommendation to disclose the actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning, we conduct scenario analysis, the outcomes of which are described on the following pages (47 to 49).

Climate-related risks and opportunities
Following completion of the Wintershall Dea transaction we conducted scenario analysis to re-evaluate the potential climate-related risks and opportunities (CRROs) relevant to our enlarged portfolio. This included reviewing the outputs of our 2023 scenario analysis and assessing the impact of possible shifts in the macroeconomic outlook, technology developments, policy and legal implications, and the projected future demand for our products.

We identified our top CRROs and considered the resilience of Harbour's assets over the longer term. The CRROs process is guided by our sustainability policy and aligned with our risk management policy.

Assessing our climate-related impacts
The TCFD recommends that organisations use a scenario in which global warming is kept to well below a 2°C increase during this century, compared with pre-industrial levels, to test portfolio resilience. Such scenarios usually feature a reduction in demand for fossil fuels and a growth in clean technologies.

In line with TCFD's recommendations we assessed our climate-related risks and opportunities against six scenarios, including three transition scenarios and three physical risk scenarios.

Timeframe selection

Recognising that the manifestation of transitional risks and opportunities will happen over a shorter time horizon than for physical risks, the selected climate scenarios were assessed across three timeframes. The timeframes selected take into consideration the expected remaining operational life of our asset portfolio as well as our Net Zero by 2050 aspiration. Physical risks were assessed over the short term (2030) and long term (2050) and assets were divided into two groups for the analysis. The first group covered assets with a cessation of production (COP) between 2025 and 2034 and were assessed using baseline and short-term (2030) scenarios. The second group of assets has a COP between 2035 and 2050 and beyond; these assets have been assessed using baseline, short-term (2030) and long-term (2050) scenarios.

Scenario analysis

To consider the climate resilience of Harbour's portfolio, we identified a shortlist of both physical and transitional CRROs, taking into account our principal risks, and the range of CRROs noted by IPIECA (the global oil and gas association for advancing environmental and social performance across the energy transition), the World Bank, the International Energy Agency (IEA), the World Business Council for Sustainable Development and other sources for our industry.

We refined the CRROs by assessing the consequence severity[2] of each risk/opportunity if it was to materialise, and the likelihood of that risk/opportunity materialising under the various scenarios and timeframes.

We considered transitional CRROs on a regional basis and, where relevant, on a global level to reflect wider socioeconomic drivers. Physical CRROs were assessed on a regional basis reflecting the localised effects of long-term physical risks.

The consequence severity and likelihood ratings enabled us to assess the most significant CRROs using a consistent methodology. The tables on pages 48 and 49 highlight our highest-rated transitional risks and opportunities, and our physical risks. For details on our oil and gas price sensitivity analysis please see note 2 to the financial statements on pages 137 to 142.

Transition scenarios

We used three scenarios from the International Energy Agency (IEA) to assess the resilience of our portfolio. The IEA scenarios are aligned to best practice and are widely used across the oil and gas industry to assess transition risks. The IEA scenarios are:

- **Net Zero Emissions (NZE) by 2050 Scenario:** which is consistent with limiting the global temperature rise to 1.5°C
- **Stated Policies Scenario (STEPS):** which reflects current policy commitments based on sector-by-sector and country-by-country assessments
- **Announced Pledges Scenario (APS):** which assumes that all climate commitments made by government and industries will be met in full and on time

Physical scenarios

We selected three Shared Socioeconomic Pathways (SSP) scenarios, as defined by the Intergovernmental Panel on Climate Change, to assess potential physical risks on our portfolio up to 2050:

- **SSP1-2.6 (also known as the Sustainable development scenario):** with a temperature outcome of +1.7°C by 2050, and +1.8°C by 2100
- **SSP2-4.5 (also known as the Middle of the road):** with an estimated temperature outcome of +2.0°C by 2050, and +2.7°C by 2100
- **SSP5-8.5 (also known as the Fossil fuel-driven development scenario):** with a temperature outcome of +2.4°C by 2050, and +4.4°C by 2100

2 Consequence severity is defined by the scale of the risk/opportunity posed by a hazard/indicator on Harbour's business and assets.

Transition risks

In 2024, we undertook oil, gas and carbon price sensitivity analysis for the three transition scenarios to assess the resilience of the business to the prospective impact of these scenarios. These scenarios were then compared to the company's long-range plan, which is approved by the Board. An important aspect of mitigating our climate change risks includes evaluating opportunities to apply technological innovation and efficiency to decrease energy use and GHG emissions across our operations and working with partners to develop a range of lower GHG emissions pathways.

The scenarios consider the unmitigated effect of the key transition risks and opportunities. While the analysis is inherently uncertain, due to the lack of material impairment noted in the price sensitivity analysis undertaken, our portfolio appears to be generally robust to all scenarios analysed.

For further information on the potential financial impacts of these transition risks, refer to note 2 to the financial statements on pages 137 to 142.

		REPUTATION			MARKET		
		Accelerated shift in consumer demand for oil and gas products			Increasing focus on climate change by investors		
CATEGORY		Risk			Risk		
Description		The risk of a reduction in customer demand for fossil fuel products arising from new or more stringent demand-side regulations and changes in consumer preferences.			Increased focus on climate change by investors includes challenges in raising equity and debt due to wider ESG investment mandates, pressure on investors to avoid or lower exposure to fossil fuel companies, increased capital charges for insurance companies across Europe and/or inability to meet sustainability standards set by investors.		
Timeframes		S Short-term (2030)	M Medium to long-term (2040)	L Long-term (2050)	S Short-term (2030)	M Medium to long-term (2040)	L Long-term (2050)
Scenarios	STEPs	Most significant	Most significant	Most significant	Moderate	Moderate	Moderate
	APS	Most significant	Most significant	Most significant	Moderate	Major	Major
	NZE	Most significant	Most significant	Most significant	Moderate	Most significant	Most significant
Impact on business strategy and financial planning		A material and sustained decrease in the price of our products, particularly oil, due to reduced demand, would impact cash flows, the remaining productive life of our assets, and our ability to deliver competitive shareholder returns. Our business remains generally robust across various scenarios, as a significant decline in oil and gas prices is not anticipated in the short to mid-term. However, we continue to monitor market conditions closely and adapt our strategies to ensure resilience and sustainability.			While the increasing focus on climate change by investors is influencing our business strategy and financial planning, this risk remains stable.		
How the risk is managed		• Regularly reviewing our strategy and business model to align with the energy transition, considering the impact of future oil and gas pricing scenarios • Actively contributing to industry representation on the role of oil and gas in the energy transition and energy security • Seek to maintain a balance of oil and gas to mitigate against volatility • Investing in CCS, particularly where the reuse of existing oil and gas infrastructure can help reduce development costs			• Climate strategy and delivery are monitored by the Board and HSES Committee • Strengthening our risk management framework to identify, assess and mitigate climate-related risks, ensuring the resilience of our operations and assets • Putting in place credible GHG emissions reduction plans, increasing energy efficiency and promoting sustainable practices, with emissions reduction targets included in the company's bonus systems		

		REPUTATION			MARKET		
		Building a distinctive and credible position in CCS in light of increasing demand for new clean technologies in oil and gas			Fluctuations in energy prices and demand		
CATEGORY		Opportunity			Risk/Opportunity		
Description		Further investment in CCS technologies generates a large portfolio of operating CCS sites with Harbour recognised as leading player in the sector.			Potential increase in energy prices assumes demand and/or prices for natural gas are stronger than assumptions made under the transition pathways, enabling increased capital to invest in transition technologies and greater return for shareholders.		
Timeframes		S Short-term (2030)	M Medium to long-term (2040)	L Long-term (2050)	S Short-term (2030)	M Medium to long-term (2040)	L Long-term (2050)
Scenarios	STEPs	Major	Major	Major	Most significant	Most significant	Most significant
	APS	Major	Major	Major	Most significant	Most significant	Most significant
	NZE	Major	Most significant	Most significant	Most significant	Most significant	Most significant
Impact on business strategy and financial planning		CCS is anticipated to experience rapid growth across various scenarios. With the expected rise in carbon prices, large-scale deployment of CCS presents a significant opportunity to generate long-term revenue and safeguard jobs. This strategic focus on CCS aligns with our commitment to reduce carbon emissions and support the energy transition.			Increased oil and gas prices present a significant opportunity for Harbour, boosting revenue and cash flow, enabling strategic investments in high-return projects and supporting long-term initiatives like CCS. This enhances risk management, strategic planning and the ability to deliver competitive shareholder returns. By leveraging these opportunities, Harbour can strengthen its market position, support sustainable growth and contribute to the energy transition.		
How the risk/ opportunity is managed		• Leading European CCS portfolio, including material participation in the Viking (UK) project, the Greensand Future (Denmark) project under construction, and potential other projects in Denmark, the UK and Norway • Dedicated CCS Business Unit to advance projects under development and prioritise expenditures			• Prioritising high-return projects, expanding existing assets and investing in low-carbon technologies • Financial planning allocates increased revenue towards growth initiatives, debt reduction and shareholder returns • Continuous market analysis and transparent stakeholder engagement ensure strategic agility and alignment with sustainability goals • For details on how we manage our exposure to commodity prices see page 68 and for details of our oil, gas and carbon price sensitivity analysis see note 2 to the financial statements on pages 137 to 142		

Physical risks

We conducted scenario analysis to assess acute and chronic hazards; these are listed in the graphic below.

We calculated the estimated production volume percentage potentially exposed to high or extreme risks under each timeframe and scenario. The table below shows the most significant acute and chronic hazards that the portfolio is exposed to.

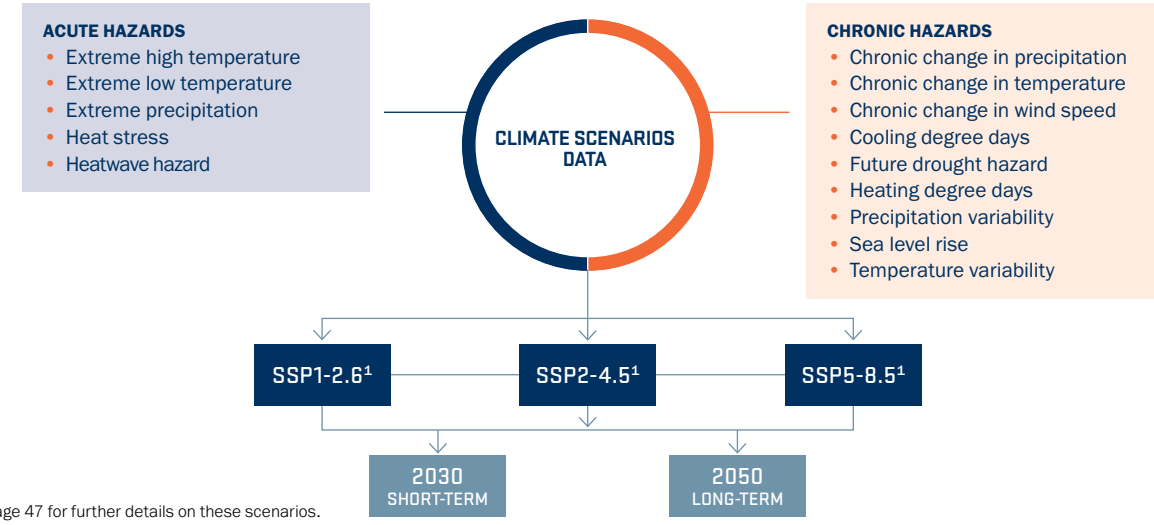
Following the Wintershall Dea transaction, heat stress has increased marginally in relevance due to a number of onshore assets that we acquired; however, there is limited difference in exposure over the different timeframes and scenarios.

The potential exposure to certain hazards increases significantly in a 2050 timeframe under the most extreme SSP5-8.5 scenario compared to a baseline scenario. However, the effects of potential exposure to different hazards are dependent on a range of factors such as asset design, location and operating processes. All of our operated assets are designed to withstand heavy weather events and comply with the relevant and emerging regulatory requirements.

Given the current resilience of our assets to physical risks we do not expect the increased exposure to hazards under different scenarios to have a material effect on our business. We will continue to assess our climate-related risks and opportunities and update them as appropriate.

Physical risks and scenarios

We assessed acute and chronic hazards over the short term (2030) and long term (2050) using Shared Socioeconomic Pathways (SSP) scenarios.



1 See page 47 for further details on these scenarios.

	CHRONIC CHANGE IN TEMPERATURE						EXTREME PRECIPITATION						HEAT STRESS					
CATEGORY	Chronic						Acute						Acute					
Description	Chronic change in temperature refers to a long-term alteration in the average temperature of the earth's surface.						Increase in frequency and intensity of extreme precipitation events compared to a baseline climate.						The prevalence of temperature and humidity conditions that may have adverse physiological effects in baseline and future climates.					
Countries	Algeria, Argentina, Germany, Libya, Mexico, Norway, the UK, Vietnam						Indonesia, Mexico, Norway, the UK, Vietnam						Algeria, Egypt, Libya, Mexico, Vietnam					
Impact on business strategy and financial planning	Increased operational costs due to the need for enhanced cooling systems and infrastructure. Changes in energy demand patterns affect production and supply strategies. Long-term planning adjustments are necessary to account for shifts in climate conditions.						Disruptions to operations and supply chains due to flooding and infrastructure damage. Increased costs for maintenance and repairs, potential delays in project timelines and higher insurance premiums.						Reduced workforce productivity and increased health and safety risks. Higher operational costs due to additional cooling and protective measures. Potential for increased downtime and reduced efficiency.					
Timeframes	S Short-term (2030)			L Long-term (2050)			S Short-term (2030)			L Long-term (2050)			S Short-term (2030)			L Long-term (2050)		
SSP scenarios	1-2.6	2-4.5	5-8.5	1-2.6	2-4.5	5-8.5	1-2.6	2-4.5	5-8.5	1-2.6	2-4.5	5-8.5	1-2.6	2-4.5	5-8.5	1-2.6	2-4.5	5-8.5
Estimated production volume % exposed to high or extreme risk	0.0%	2.8%	5.0%	20.1%	57.6%	87.9%	45.3%	36.6%	40.4%	27.8%	27.8%	36.4%	12.8%	12.8%	12.8%	12.2%	12.2%	12.2%
How the risk is managed	• Implementing advanced cooling technologies and infrastructure upgrades • Adjusting operational schedules to mitigate temperature changes • Conducting regular scenario analysis to anticipate and plan for long-term climate shifts						• Enhancing flood defences and infrastructure resilience • Developing contingency plans for extreme weather events • Investing in robust supply chain management and alternative logistics solutions						• Implementing heat stress management programmes and providing adequate protective equipment • Adjusting work schedules to avoid peak heat periods • Investing in cooling systems and facilities to ensure safe working conditions					

0-33% 34-66% 67-100%

3. Climate risk management

Climate change and the energy transition are recognised by the Board as a principal risk facing the company. As such, the transition risks and physical risks identified on pages 48 and 49 are considered and managed in line with our risk management framework and policy, which are aligned with the ISO 31000 risk management standard.

We record substantive short, medium and long-term climate-related risks and mitigations, and these are reported to the CEO, Leadership Team and the Board. See pages 60 to 62 for information on our risk management framework.

4. Climate metrics and targets

We report six of the 15 Scope 3 categories outlined by the GHG Protocol. While the remaining Scope 3 categories are not currently relevant to the company, we will continue to assess our Scope 3 reporting boundary.

Our Scope 1 and 2 emissions boundary, which includes activities where we have operational control, has remained the same in 2024, other than through the addition of material assets through the Wintershall Dea transaction; our baseline year remains set at 2018. We will continue to review this on an annual basis. When calculating our emissions, we follow guidance from sources including the GHG Protocol, IPIECA Sustainability Reporting Guidance and the UK Environmental and Emissions Monitoring System. For more information on our energy and GHG emissions data, see pages 52 to 53.

The metrics, shown below left, reflect the ongoing investments relating to the energy transition. The metrics include capital and operating expenditures related to reducing or offsetting emissions, mitigating potential risks, and for opportunities such as CCS.

Our targets and pathway to net zero are detailed on page 45. We will continue to actively manage our approach and set further targets in the future as appropriate.

Delivering against the company's emissions targets are part of employee remuneration through the annual bonus scheme. In 2024, GHG emissions performance accounted for 15 per cent of the scorecard on which the bonus is calculated. For more information on the company scorecard, see the Directors' remuneration report on page 106.

Methane

Methane makes up five per cent of our total greenhouse gas emissions on a CO_2e basis. Our methane intensity, which refers to methane emissions from our operated assets as a percentage of marketed gas, was 0.07 per cent in 2024 (2023: 0.03 per cent). We are committed to reducing methane emissions and joined the Oil & Gas Methane Partnership 2.0, a reporting and mitigation programme of the United Nations Environment Programme, in 2024. As part of this, we are working to achieve the Gold Standard for methane emissions reporting and reduction.

To comply with methane regulations in Mexico and the EU, we have developed a comprehensive action plan and evolved our measurement techniques to support the requirements on leak, detection and repair, as well as on monitoring, reporting and verification. Our initiatives aim to enable precise emissions quantification and drive effective reduction strategies.

We engage with joint venture partners to promote best practices and innovative technologies, with the aim of amplifying methane mitigation efforts for greater environmental impact.

Flaring

In 2024, flaring amounted to 37 ktonnes (2023: 47 ktonnes), showing a reduction of 22 per cent through improved production efficiencies. Routine flaring made up 63 per cent of the total volume flared, with the remainder comprising non-routine flaring (such as from planned maintenance activities), and flaring for safety reasons. We remain committed to achieving zero routine flaring by 2030.

Climate change risk-related metrics

	2024	2023
GHG INTENSITY	**26.3 $kgCO_2e/boe$**	22.5 $kgCO_2e/boe$
SCOPE 1 & 2 EMISSIONS	**1.3 $mtCO_2e$**	1.3 $mtCO_2e$
SCOPE 3 EMISSIONS[1]	**37.4 $mtCO_2e$**	12.8 $mtCO_2e$
PERCENTAGE ANNUAL BONUS LINKED TO GHG TARGETS	**15%**	15%
TOTAL CAPITAL SPEND ON DECOMMISSIONING	**$284m**	$268m
INTERNAL CARBON PRICING SENSITIVITY	**$100/tonne**	$100/tonne
SPEND ON ENERGY TRANSITION ACTIVITIES (EXCLUDING DECOMMISSIONING)[2]	**$82m**	$56m
NET CO_2 STORAGE RESOURCES FROM HARBOUR'S VIKING CCS LICENCES[3]	**250 $mtCO_2$**	180 $mtCO_2$
PERCENTAGE OPERATIONAL SPEND ON CLIMATE-RELATED RISK MITIGATION[4]	**22%**	28%
PERCENTAGE TOTAL CASH FLOW SPEND ON ENERGY TRANSITION ACTIVITIES[5]	**27%**	21%
NUMBER OF DAYS LOGISTICS WERE DISTURBED AT OPERATED SITES RELATED TO ADVERSE WEATHER	**8 days**	20 days
PRODUCTION DOWNTIME RELATED TO ADVERSE WEATHER[6]	**0 days**	0 days

1 See page 53 for a breakdown of our Scope 3 emissions by category.
2 Includes carbon credits $5 million (2023: $6 million), emissions reduction projects $5 million (2023: $11 million), and CCS $72 million (2023: $39 million).
3 2024 figure includes addition of storage resources of two new CCS licences in Viking's vicinity awarded in 2023.
4 Total energy transition spend ($366 million) divided by operating costs ($1.6 billion).
5 Total energy transition spend ($366 million) divided by pre-tax free cash flow ($1.4 billion).
6 Global operated assets.

Carbon capture and storage (CCS)

We have a leading CO_2 storage position in Europe, with projects in the UK, Denmark and Norway. We are also involved in plans to develop an export hub for CO_2 in Germany.

Viking (UK)

Located in the Humber region, the most industrialised and largest CO_2-emitting region in the UK, Viking CCS could help the UK reach its net zero targets. Viking's gross CO_2 storage resources increased to 417 million tonnes (2023: 300 million tonnes) as at year end 2024. This follows the addition of the storage resources of two new CCS licences in Viking's vicinity awarded in 2023.

Led by Harbour Energy (60 per cent interest, operated), with partner bp (40 per cent interest), CO_2 is planned to be transported and stored in depleted gas reservoirs in the UK's Southern North Sea. The project has the potential to provide storage for shipped CO_2 from emitters both in the UK and in Europe.

Front-end engineering design (FEED) progressed well in 2024, with the Viking CCS Development Consent Order (DCO) for the onshore CO_2 pipeline completing the statutory examination. Recommendations from the examination were submitted to the UK Secretary of State for Energy Security and Net Zero in December for approval.

The project could have a large positive impact on inward investment, jobs and skills in the region. In 2024, Harbour together with members of the Viking CCS Industrial Cluster provided £1.5 million to fund a new Skills and Apprenticeship Centre at CATCH. This industry-led training organisation provides opportunities for young people to develop careers in the energy and industrial sectors across the Humber region. The funding has enabled an 80 per cent increase in CATCH's apprenticeship capacity, with more than 90 additional apprentices in training in 2024.

> CATCH's Skills and Apprenticeship Centre is a fantastic opportunity to help develop the future UK workforce needed for projects such as Viking CCS. We were happy to play a leading role in this significant expansion of CATCH, which will help to provide the skilled workers the major projects in the Humber region will need in the coming years.
>
> GRAEME DAVIES
> EVP CCS

Up to
20,000 jobs
Potentially created at peak construction by Viking CCS Industrial Cluster projects

10-15m tonnes
CO_2 potentially stored per year by 2035

417m tonnes
Initial gross storage capacity

>50%
Of Humber emissions could be captured, transported and stored by Viking

>£13bn
Investment from 2025-2035 across the CCS value chain, including capture and storage

Greensand Future (Denmark)

In 2024, together with our partners, we announced a final investment decision on the Greensand Future project. The project plans to store CO_2 from Danish emitters in a depleted oil field in the Danish North Sea and has the potential to become the EU's first operational CO_2 storage facility.

Greensand Future aims to capture and store 400,000 tonnes of CO_2 each year, with operations expected to start from 2026.

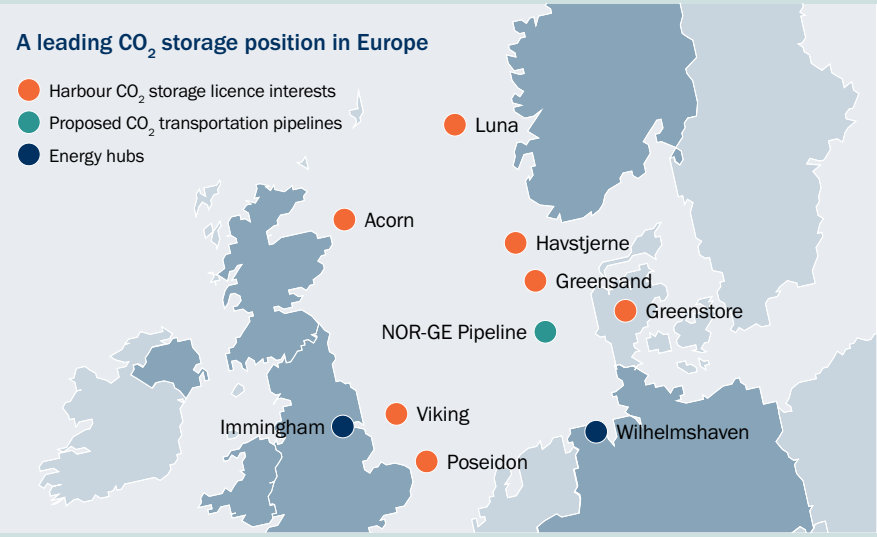
The project builds on a successful pilot CO_2 injection test completed in March 2023 that demonstrated the feasibility of cross-border, offshore CO_2 storage across the full value chain, from capture to transport and storage.

Harbour Energy holds a 40 per cent non-operated interest in the project, alongside operator INEOS (40 per cent) and Nordsøfonden (20 per cent).

Greenstore (Denmark)

Harbour Energy, as operator, alongside partners INEOS and the Danish state entity North Sea Foundation were awarded a licence to explore the potential for CO_2 storage in the Gassum areas in Denmark in 2024. This opens a new opportunity for appraisal of onshore CO_2 storage in Denmark within a saline aquifer and could provide a route to competitive CO_2 storage located close to the main centres of European industrial CO_2 emissions.

For more information please see page 31.
For details on all our CCS projects, including Havstjerne and Luna in Norway and Acorn in the UK, please see our website.



Energy use and GHG emissions

GHG emissions

Scope 1 and 2 emissions

Our Scope 1 (direct) emissions are those from static combustion activities (ie fuel, flare and other production-related emissions).

In 2024, Scope 1 emissions amounted to 1.26 $mtCO_2e$, a 2.4 per cent decrease from 2023. The decrease was largely driven by decarbonisation projects implemented. Our Scope 2 (indirect) emissions (from consumption of purchased electricity, heat or steam) of 26.0 $ktCO_2e$ account for only a small percentage of our carbon footprint.

Production operations accounted for 99.2 per cent of all Scope 1 and Scope 2 emissions, with drilling and decommissioning accounting for the remainder. Only three per cent of our emissions were a result of safety-related, routine and non-routine flaring (accounted for within our production and well testing activities).

For more information on our emissions and environmental data, including our Streamlined Energy and Carbon Reporting (SECR) disclosures, please see below and our 2024 ESG data and reporting appendix on our website.

GHG and energy metrics (including relevant SECR[1] indicators)

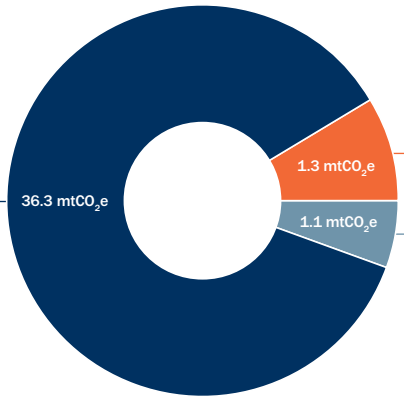
		2024	2023	2022
Emissions	Scope 1 GHG emissions ($ktCO_2e$)^	**1,259.2**	1,289.9	1,384.7
	• UK (North Sea) SECR	**852.4**	938.1	997.7
	Scope 2 GHG emissions ($ktCO_2e$)[2]^	**26.0**	3.4	4.4
	Scope 3 GHG emissions ($ktCO_2e$)[3]^	**37,401.9**	12,753.5	383.9
	Scope 3 GHG emissions – excluding use of sold products (ktonnes CO_2e)^	**1,074.8**	805.5	383.9
	Gross operated GHG intensity ($kgCO_2e$/boe)^	**26.3**	22.5	21.2
	Net equity GHG intensity ($kgCO_2e$/boe)[4]	**14**	22	19
	Methane (tonnes)	**2,287**	2,797	3,308
Flaring	Flaring (tonnes)	**36,825**	47,491	51,047
	Venting (tonnes)	**2,411**	1,965	3,171
Energy	Energy consumption (million GJ)^	**18.1**	18.1	22.8
	• UK (North Sea) SECR	**11.9**	13.0	22.4
	Fuel gas (million GJ)	**17.2**	17.3	20.9
	Energy intensity (GJ/tonne production)^	**2.1**	1.9	2.1

1 Streamlined Energy and Carbon Reporting – The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 requires the disclosure of metrics related to energy and emissions for UK listed organisations.
2 Increase in 2024 primarily due to the inclusion of additional offices following the Wintershall Dea transaction. We calculate our Scope 2 emissions using a location-based method.
3 Increase in 2024 primarily due to incorporating emissions from sales gas into our Scope 3 calculation.
4 Calculated on a net equity pro forma basis.
^ Indicates metrics that have undergone limited external assurance by our external auditor Ernst & Young LLP (EY).

Greenhouse gas emissions

The largest proportion of our GHG emissions are our Scope 3 emissions[5], with emissions associated with the use of our sold products being the most significant contributor.

SCOPE 3 DOWNSTREAM
Indirect emissions that are not within our operational control, but associated with the use of our sold products.



SCOPE 1
Direct emissions that result from our operating activities:
- Fuel
- Flaring
- Other production-related emissions

SCOPE 2
Indirect emissions that result from our operating activities from purchased:
- Electricity
- Heat
- Steam

SCOPE 3 UPSTREAM
Indirect emissions that are not owned or operated by the company, but associated with the operation of our assets:
- Transportation and distribution
- Waste generation
- Employee business travel
- Outsourced drilling activities
- Non-operated static emissions

5 All Scope 3 emissions reported are as a consequence of Harbour's operational activities apart from investment emissions that take into account static emissions, as a portion of ownership, from Harbour's non-operated assets.

Scope 3 emissions

In 2024, our reported Scope 3 emissions from sources not owned or operated by the company but as a consequence of our activities were 37.4 $mtCO_2e$ (2023: 12.8 $mtCO_2e$).

Our Scope 3 emissions include our net equity share of emissions associated with:

- Goods and services from drilling projects and appointed operator activities: 283.2 $ktCO_2e$
- Upstream transportation and distribution from logistics: 114.8 $ktCO_2e$
- Waste generated in operations: 1.9 $ktCO_2e$
- Harbour employee business travel: 3.7 $ktCO_2e$
- Static emissions (as a portion of ownership) from our non-operated assets: 671.2 $ktCO_2e$
- Use of sold products: 36.3 $mtCO_2e$

We expanded our Scope 3 reporting in 2023 to include additional categories in our GHG value chain. In 2024, we continued to evolve our approach and incorporated emissions from sales gas in calculating emissions from the use of our sold product.

This was the primary contributor to the increase in our total Scope 3 emissions year on year, along with the inclusion of the Wintershall Dea portfolio.

Effluents, spills and waste

Approach

We work hard to avoid pollution and continually assess the risks associated with our production and other activities. All our operations maintain comprehensive spill contingency plans. We also have ongoing contracts with spill-response specialists to provide emergency support in the unlikely event of a major incident. See page 43 for more information on our approach to emergency preparedness and crisis management.

Performance

In 2024 we recorded 48 loss of primary containment events, resulting in 0.5 tonnes being released to the environment. Although the frequency of events has increased, the resulting release to the environment was relatively small and comparable to 2023. All events were thoroughly investigated, resulting in actions to help prevent reoccurrence.

Effluents and spills metrics

	2024	2023	2022
Discharge of produced water (million tonnes)^	**3.0**	2.6	2.5
Number of hydrocarbon spill incidents	**48**	11	12
Quantity of hydrocarbon released to the environment (tonnes)	**0.5**	0	0.01
Number of chemical spill incidents	**71**	10	27
Quantity of chemicals released to the environment (tonnes)	**11.3**	6.2	208.6
Oil in produced water (ppm-wt)	**13.5**	11.2	15.4
Oil in produced water (tonnes)	**39.9**	29.7	39.2

^ Indicates metrics that have undergone limited external assurance by our external auditor Ernst & Young LLP (EY).

For data on waste please see our ESG data and reporting appendix on our website.

Decommissioning

Approach

In decommissioning our assets, our focus is on ensuring the safety of our workforce, protecting the environment and minimising the impact on communities during and after closure.

Most of our decommissioning activities are in the UK, where they are aligned with the North Sea Transition Authority's Decommissioning Strategy and Stewardship Expectations and comply with the decommissioning guidance notes prepared by the UK Department for Energy Security and Net Zero. As part of this, environmental appraisals are submitted to assess the potential impacts from undertaking decommissioning activities at each field.

We undertake decommissioning outside the UK in compliance with national statutory requirements. In circumstances where these are not in place, we apply the same standards we follow in the UK.

Performance

In 2024, we removed and recycled the Mimas and Tethys satellite platforms in the UK Southern North Sea, achieving a recovery rate of 99.99 per cent and 99.97 per cent respectively. We also removed a significant amount of subsea infrastructure and implemented seabed remediation at the MacCulloch oilfield in the UK, which ceased production in 2015 and is in the final stages of its 10-year decommissioning plan.

Biodiversity and ecosystems

We consider impacts on biodiversity as part of our environmental impact assessments. We use the results of these assessments to identify and manage the actions we can take to lower our impact. In 2025, we will develop a biodiversity policy and plan to further assess and manage our biodiversity impacts across our recently enlarged portfolio of operations.

We are also working to increase scientific understanding of marine environments.

For example, we are supporting a joint industry programme, called INSITE, which is examining the effects of man-made structures on the ecology of the UK North Sea. The programme was established in 2014 between the scientific community and industry. The expected programme outcomes include data on the environmental effects of man-made structures that can be used to inform decommissioning strategies to support decision-making around individual asset decommissioning.

SUPPORTING OUR STAKEHOLDERS

3,014
Employees
(2023: 1,716)

1,199
Graduate applications
(2023: 1,180)

We are committed to upholding the highest ethical and governance standards. This includes ensuring equal opportunities for all, respecting human rights, nurturing positive relationships with our suppliers, and ensuring risks in our business and value chain are identified, monitored and mitigated.

HOWARD LANDES
GENERAL COUNSEL

By building strong relationships and engaging openly with our employees, suppliers, the communities in which we work, regulators, investors and other stakeholders, we can create long-standing benefits.

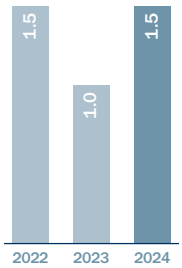
Focus areas in 2024

- Generating and distributing value to our stakeholders, including our local communities and supply chain
- Monitoring our Group-wide controls for governance and business ethics
- Promoting a diverse and inclusive work environment
- Protecting worker welfare across our supply chain

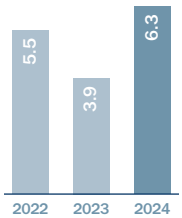
OTHER RELEVANT PAGES

GOVERNANCE PAGE 70
ENGAGING WITH OUR STAKEHOLDERS PAGE 14

Charitable donations
$ million



Economic value created
$ billion



Governance and business ethics

Approach

We are committed to upholding the highest standards of governance and ethical conduct. Please see pages 70 to 117 for information on how we comply with the UK Corporate Governance Code.

We have zero tolerance for bribery, corruption, fraud, human rights violations including forced labour and child labour, and discrimination, bullying and harassment. Our commitment to ethical conduct is underpinned by policies and standards, including our code of conduct, business partner code of conduct, people policy, global anti-corruption standard, human rights statement, fraud policy and sanctions policy.

We encourage our employees and people working with us to speak up if they have a concern, including about ethical misconduct. They can do so using a whistleblowing hotline, which operates 24 hours a day, seven days a week, provided by an independent company, Safecall. Translation services are available to enable people to report concerns in their first language. We do not tolerate retaliation against anyone raising a concern in good faith.

Our Board and Leadership Team are responsible for monitoring and managing ethics and compliance activities across Harbour.

We harmonised governance and ethics standards across our enlarged business in 2024, and a programme of mandatory training is in place to ensure employees understand and comply with our standards.

We also made progress against improvement actions identified in an independent assessment of our compliance programmes that was conducted in 2023. This included establishing an ethics and compliance team headed by our Chief Ethics and Compliance Officer; improving the visibility and accessibility of our whistleblowing hotline; and introducing mandatory ethics and compliance training for all line managers. We also raised awareness of ethics and compliance with our employees and held our first Business Unit compliance day in Indonesia, which focused on maintaining a culture of integrity and embedding ethics and compliance.

Social metrics[1]

	2024	2023	2022
Total workforce (number)[2]	**3,407**	2,082	2,221
Total employees (number)^	**3,014**	1,716	1,824
Gender balance			
Total employees^			
• Male (per cent)	**73**	75	74
• Female (per cent)	**27**	25	26
Senior management[3]			
• Male (per cent)	**76**	78	77
• Female (per cent)	**24**	22	23
Leadership Team[4]			
• Male (per cent)	**67**	60	75
• Female (per cent)	**33**	40	25
Board^			
• Male (per cent)	**67**	60	67
• Female (per cent)	**33**	40	33
Hours spent on employee development training	**67,213**	89,790	75,689
Global engagement survey staff participation (per cent)[5]	**N/A**	85	84
Employees covered by a collective bargaining agreement (per cent)	**35**	24	26
Employees receiving performance reviews (per cent)[6]	**100**	100	100
New employees recruited externally (number)	**226**	81	228
Graduate applications (number)	**1,199**	1,180	880
Employee turnover (per cent)[7]	**7**	11	7
Reported human rights abuses/violations of our human rights statement	**0**	0	0
Significant negative human rights or labour rights impacts identified in our supply chain (number)	**0**	0	0
Charitable donations ($ million)[8]	**1.5**	1.0	1.5
Economic value created ($ billion)	**6.3**	3.9	5.5
Economic value distributed ($ billion)	**4.8**	2.6	3.3

1 Metrics reflect year end data as at 31 December 2024.
2 Workforce includes employees and direct contract staff.
3 This includes managers from team leader level and above.
4 This includes the CEO, COO, CFO, Chief HR Officer, EVPs and the General Counsel.
5 Due to the organisational changes in 2024, a global employee engagement survey was not conducted. See page 58 for more information on the pulse survey.
6 This includes employees from legacy Harbour only.
7 Turnover is the number of departures divided by employees at the end of the reporting period.
8 Charitable donations include sponsorships and donations.
^ Indicates metrics that have undergone limited external assurance by Ernst & Young LLP.

Performance

In 2024, we identified zero substantiated allegations of wrongdoing as set out in our code of conduct and whistleblowing procedure. All alleged breaches of process were investigated, and appropriate corrective action was taken in response to the findings where relevant. We did not terminate any contracts with external business partners due to breaches of our code of conduct in 2024. In addition, we were not subject to any significant fines or non-monetary sanctions for legal or regulatory breaches, nor were we subject to any legal actions relating to business ethics, corruption or anti-competitive behaviour.

Looking ahead

In 2025, we will:

- Promote our whistleblowing channels in our workforce and supply chain
- Hold an annual compliance day in each of our Business Units

Our values in action

Ethical business conduct is central to how we operate and do business. Our approach to how we do business is underpinned by our refreshed values: We care, We work together, We aim high, We deliver (see pages 18 and 19).

In 2024, we launched a 'Values in Action' campaign to help embed our values into everyday workplace interactions. The campaign's initial focus was on constructive performance feedback conversations. This was a topic that employees identified as a priority in our 2023 employee engagement survey.

Participants attended a series of workshops aimed at fostering a culture of feedback, collaboration and continuous improvement. See page 58 for more information on how we engage with our employees.

Responsible supply chain management

Approach

Our suppliers help us maintain safe and efficient operations, execute new projects and create local employment opportunities. We set out our expectations and commitments to our suppliers in our supply chain policy. This includes requirements on ethical conduct; on health, safety, environment and security; and our commitment to work with suppliers on sustainable solutions.

In 2024, we issued a business partner code of conduct, setting out our expectations that our partners and suppliers will adhere to the same ethical standards as Harbour. We also introduced a third-party screening platform to assess suppliers before agreeing to work with them. The platform identifies issues such as sanctions, human rights abuse, criminal convictions and any adverse media reports. Where a supplier is assessed as high risk or an issue is identified, the potential supplier completes a more detailed questionnaire, and we then review the policies and practices the supplier has in place to mitigate any risk.

In an effort to deepen supplier collaboration and capture efficiencies, in 2024 we achieved a 40 per cent reduction in the number of contracts. Following the Wintershall Dea transaction, we are leveraging the expanded scale of our business to further simplify and standardise our contracting processes.

Performance

In 2024, we identified zero significant negative environmental, human rights or labour rights impacts in our supply chain. In addition to using our third-party screening platform, we conducted an onsite audit of a key contractor in Malaysia to identify potential human rights impacts. This was led by an independent human rights organisation which interviewed representatives from the contractor company and its sub-contractors. The audit found that the contractor had strong systems to manage employment conditions. It also identified areas for improvement related to sub-contractor working hours and recruitment processes. We will work with the contractor in 2025 to monitor progress against agreed remedial actions.

During 2024, 68 per cent of our new supplier contracts were with locally owned and operated entities. An additional 22 per cent of new contracts were signed with local entities owned by foreign parent companies while the remaining 10 per cent were with foreign companies.

Looking ahead

For 2025, we will look to deepen our collaboration with key contracting partners across our operations, aiming to prioritise safety, drive commercial efficiencies, optimise our cost base and to seek innovative and sustainable solutions to mitigate supply chain risks.

We will continue to audit our key contractors, applying a risk-based approach, and integrate our Group-wide supply chain management processes.

Human rights

Approach

Harbour's activities have the potential to affect human rights and worker welfare directly through our operations, and indirectly through our supply chain, joint venture partners and third parties. We respect individual human rights as set out in the United Nations Declaration of Human Rights and the core conventions of the International Labour Organization.

Our code of conduct, values and related policies, including our human rights statement, supply chain policy, sustainability policy and people policy, reflect our commitment to uphold human rights, protect worker welfare standards and prevent modern slavery from taking place in either our business or our supply chain.

Our due diligence processes to manage human rights risks include screening third parties, engaging with contractors and suppliers, providing training and conducting audits.

Performance

We continued to raise awareness of potential modern slavery and worker welfare risks that we could face in our business and the supply chain. We engage with key contractors to discuss their approach to sub-contractors and to identify whether any of their business activities pose human rights risks.

In 2024, there were no reported human rights abuses/violations of our human rights statement. For more information, see our modern slavery and human trafficking statement on our website.

Looking ahead

In 2025, our priorities include:

- Commissioning an independent review of human rights risks in our business and supply chain
- Reviewing our human rights and environmental due diligence processes in our business and supply chain in preparation for compliance with upcoming regulation

Value generation and distribution

Approach

Our ability to create long-term sustainable value for our shareholders relies on our ability to deliver tangible and lasting benefits to all stakeholders. This supports our social licence to operate and underpins the long-term success of our business.

Our stakeholders include:

- host governments, which grant us oil, gas and CCS licences and regulate our activities;
- local communities, which grant us our social licence to operate; and
- employees, whose skills and experience underpin our ability to create value.

Our activities directly support socio-economic development for:

- suppliers and contractors, including locally based companies;
- our employees, including salaries and benefits, and career development;
- the capital markets, including shareholder dividends, share buybacks and interest on debt;
- local communities, including social investment and job opportunities; and
- host governments, including taxes, royalties and other payments (see pages 199 to 201 for UK Government payment reporting).

Tax

We are committed to transparency on tax matters and adhere to the requirements of globally recognised guidelines such as the Reports on Payments to Governments Regulations, the Extractive Industries Transparency Initiative, and the country-by-country reporting requirements of the OECD and the EU Country-by-Country Reporting Directive.

We engage on tax matters via industry groups, such as the UK Oil Industry Taxation Committee, the Association of British Independent Exploration Companies and Offshore Energies UK's Fiscal Policy Forum.

Public policy and government relations

We engage with host governments and policymakers in the countries where we work. We also participate in working groups, taskforces and consultations on public policy. We do so directly and through our membership of trade, industry and other professional associations.

We carry out all engagements in accordance with our applicable policies. We forbid the use of our funds or resources for any political campaign, party or candidate, or any such affiliated organisations. See page 14 for more information on our engagement with government and regulatory stakeholders.

Performance

In 2024, the economic value we created increased by 62 per cent year on year to $6.3 billion (2023: $3.9 billion). The economic value we distributed increased to $4.8 billion (2023: $2.6 billion), of which $1.5 billion constituted tax payments (2023: $438 million).

Looking ahead

In 2025, we will:

- Hold a capital markets update to provide investors and analysts with information on our strategy and capital allocation priorities
- Continue to engage with government and regulatory stakeholders on matters including the importance of a stable fiscal environment to enable investment in future production that supports jobs, energy security and the economy

Community investment

Approach

We believe that we can bring a range of positive benefits to the societies where we operate, including through our social investments.

In assessing social investment programmes, we consider local community needs and how the programmes will contribute to the UN Sustainable Development Goals.

Our social investment and charitable donations standard sets out our expectations, including our ethics and compliance requirements.

We focus our support in the areas of education, affordable energy, health and safety, and the environment. We encourage our employees to contribute to their local communities, including through volunteering.

Performance

In 2024, we provided $1.5 million in community investments; this includes sponsorships and charitable donations.

In the UK, we supported The River Dee Trust's nature restoration projects to reduce flood and drought impacts and protect biodiversity. We also backed the East Grampian Coastal Partnership's Turning the Plastic Tide Project to promote sustainable coastal management. In London, our staff volunteered with The Passage, a charity close to our head office that provides services to homeless people. The volunteers helped serve meals to more than 150 people and we collected clothes and food donations for the charity's Christmas appeal.

In Indonesia, we are supporting local communities close to our operations in the Anambas Islands. In 2024, we planted more than 1,000 mangrove saplings at Pulau Harapan to improve biodiversity and protect the local environment from storm damage. We also participated in a beach clean-up with local government and community representatives. In addition to collecting waste, the initiative raised awareness about reducing plastic waste and protecting endangered species.

We also helped raise awareness of plastic waste in Egypt, participating in an initiative organised by social enterprise, VeryNile, to collect plastic waste from the Nile. VeryNile works with local fishermen and women to encourage the collection of plastic waste and provides access to health, education and employment.

In Germany, we are supporting a seal centre that rehabilitates vulnerable seal pups who have been separated from their mothers so they can be released back into their natural habitat in the Wadden Sea.

In support of our aim to promote education, we donated computer and IT equipment to a technology college in Mexico and participated in workshops with local schools to provide career advice and guidance on health and disease prevention.

Looking ahead

In 2025, our priorities include:

- Continuing to develop community investment programmes that are tailored to local needs
- Developing a global philanthropy strategy for community investment
- Progressing our partnership with the humanitarian landmine clearance organisation, The HALO Trust

Employee practices

Approach

We aim to attract and retain a high calibre and diverse workforce, so our recruitment and employment practices are designed to engage, develop, retain and reward our employees, including by providing an inclusive working environment.

We offer comprehensive pay and benefit packages and conduct regular benchmarking to ensure we remain competitive in both local and global markets.

We support our employees in developing their careers. In 2024, employees spent 67,213 hours on formal learning (2023: 89,790). This includes programmes on technical and leadership skills, as well as training on health, safety, environment, security, cyber security, diversity, equity and inclusion, and ethics and compliance. Following the acquisition of the Wintershall Dea assets, we are working to integrate training tracking systems across our Business Units to enhance consistency in how learning is captured and reported.

We use our annual workforce planning process to identify the future needs of our organisation. In 2024, 13 people joined our graduate programmes in the UK and Indonesia. In addition, 16 participants from Wintershall Dea's young professionals' development programme transitioned to Harbour following the transaction, continuing their assignments across international locations. Six of these individuals completed the programme in 2024 and are continuing their careers within our organisation.

We engage our workforce in a variety of ways, including through face-to-face meetings, 'lunch and learns', surveys, virtual events and digital channels. The CEO, joined by other senior leaders, hosts monthly town halls globally which include a live Q&A section. We encourage our employees to engage on topics that matter to them through our employee-led networks, which include DE&I groups (see overleaf), as well as global and country staff forums (see page 80).

Performance

Staffing our newly expanded organisation was a key focus for us in 2024, with the acquisition of the Wintershall Dea assets and subsequent onboarding of nearly 1,300 new employees. We prioritised recruitment from Wintershall Dea's corporate centre to fill vacancies in our headquarters and worked with the local works councils. The larger and more geographically diverse portfolio also created development opportunities for existing Harbour employees.

In Q4, we carried out an employee engagement pulse survey to find out how people felt about the organisational changes following the Wintershall Dea transaction. A total of 74 per cent of employees participated. Health and safety was the highest scoring area and the survey also found that employees have a good understanding of how the acquisition aligns with Harbour's strategic goals. The results also highlighted improvement areas, with commitment and advocacy being lower scoring areas, and we are developing local and global initiatives to address this.

Looking ahead

In 2025, our priorities include:

- Evolving our graduate programme offering
- Conducting a global employee engagement survey
- Maturing our career development process

Diversity, equity and inclusion (DE&I)

Approach

We want all our employees to feel valued and supported at work. To foster an inclusive workplace, we have employee-led networks in areas including gender, disability, culture, neurodiversity, LGBTQ+, menopause, STEM Ambassadors and early careers. The networks, which each have a Leadership Team sponsor, provide a space to discuss ideas and obtain support. They also support our global recruitment strategy, helping us to attract prospective employees, and provide advice to the business. For example, following feedback from the gender balance network, we implemented enhanced family friendly policies in the UK in 2024, including leave for employees undergoing fertility treatment and carer's leave.

We recruit, retain and promote staff based on competence and regardless of age, sex, disability, gender, marital status, maternity, neurodiversity, race, religion and belief, and sexual orientation.

Our commitment to building a diverse, equitable and inclusive environment is underpinned by our values, code of conduct, people policy, and diversity, equity and inclusion policy. Our global head of DE&I leads the development of our long-term DE&I strategy.

We launched inclusive leadership training to develop our supervisors' skills and practices in fostering an inclusive and supportive environment. The training was held in the UK and Indonesia in 2024, and we plan to extend the programme to other countries in 2025.

At the recruitment stage, we ensure there is diverse representation in our candidate selection panels and shortlists. We seek diverse candidates by offering job sharing roles, hiring individuals who have taken extended career breaks, and advertising our vacancies across a range of job boards (including veterans, gender groups, ethnically diverse communities and non-league table universities).

We have set DE&I ambitions. By 2030, we are aiming for:

- 40 per cent of our Leadership Team from diverse backgrounds (gender and/or ethnicity)
- 30 per cent of women in senior management roles/across the workforce
- 40 per cent of our graduates being female

In 2024, our DE&I scorecard was incorporated into Board and Leadership Team meetings to increase visibility of our performance and targets. The scorecard also included a new KPI to track gender diversity across our recruitment process, with the aim of increasing the percentage of new recruits that are women.

Performance

While we saw a slight increase in the number of women in both senior management roles and our total workforce in 2024, diversity in our Leadership Team remained flat year on year and the percentage of women graduates decreased:

- Diversity in our Leadership Team was 33 per cent (2023: 33 per cent)
- 24 per cent of our senior managers were women (2023: 22 per cent). Women made up 27 per cent of our workforce (2023: 25 per cent)
- 29 per cent of our graduates were women (2023: 37 per cent)

We are assessing improvement opportunities as we work towards meeting our 2030 DE&I ambitions.

For information on our Board diversity please see page 81.

We continued our practice of analysing promotion rates, salaries and employee performance metrics to ensure gender equity. In the UK, we publish a gender pay gap report in line with government regulation. Please see our website to view the report.

We earned several DE&I accreditations during the year, including:

- Recognition as a Living Wage Employer by the UK Living Wage Foundation
- Level 2 accreditation as a Disability Confident Employer by the UK Government
- Three of our employees were named among the 50 most influential women in the energy sector in Mexico by Petroleum & Energy magazine

We work with external organisations such as the Women's Engineering Society, STEM Learning UK, Institute of Neurodiversity and the Association for Black and Minority Ethnic Engineers. In 2024, we also collaborated with Women in Mining and Energy Indonesia, an initiative that aims to promote gender equality in the sector.

To encourage young people to consider careers in science, technology, engineering and maths we participate in school visits and partner with educational institutions. During the year, we visited 20 schools, reaching 1,477 children. To support female students starting their engineering careers, we established a women in engineering scholarship programme at Robert Gordon University in the UK in 2024. We also awarded scholarships to two female engineering students in Indonesia and two engineering undergraduates in the UK.

Looking ahead

In 2025, our priorities include:

- Targeted support to address gender and ethnic underrepresentation at mid to senior management levels
- Providing additional DE&I training across the organisation
- Rolling out global inclusive recruitment standards to our new Business Units

Non-financial and sustainability information statement

Non-financial measures are an important part of our business and the Board is committed to acting responsibly and working with our stakeholders to manage the impact of our activities. The table and cross references below are produced in compliance with sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Internal policies and standards	External frameworks and standards	Information on our business impacts and outcomes
Safety matters	• Code of conduct • Corporate major accident prevention policy (CMAPP) • HSES policy	• European Sustainability Reporting Standards (ESRS) • Global Reporting Initiative (GRI) Standards • International Association of Oil & Gas Producers (IOGP) • ISO 45001 standard	• Pages 40 to 43
Environmental matters	• Code of conduct • HSES policy • Sustainability policy	• ESRS • GRI Standards • ISO 14001 standard • IOGP • UN Global Compact	• Pages 44 to 53
Climate change	• HSES policy • Sustainability policy	• ESRS • Task Force on Climate-related Financial Disclosures • UN Sustainable Development Goals (SDGs)	• Pages 45 to 53
Employees	• CMAPP • Code of conduct • DE&I policy • People policy • Sustainability policy	• ESRS • GRI Standards • UN Global Compact • UN SDGs	• Pages 57 to 58
Human rights	• Code of conduct • DE&I policy • Human rights statement • Supply chain policy • Sustainability policy • Whistleblowing procedure	• ESRS • UN Declaration of Human Rights and International Labour Organization's (ILO) core conventions • UN Global Compact • UN Guiding Principles on Business and Human Rights • UN SDGs • Voluntary Principles on Security and Human Rights	• Page 56
Social matters	• Code of conduct • Sustainability policy	• ESRS • UN SDGs	• Pages 54 to 58
Anti-corruption and anti-bribery	• Code of conduct • Tax policy • Whistleblowing procedure	• ESRS • UN Global Compact	• Page 55
Business model description	• N/A	• N/A	• Pages 12 and 13
Principal risks and uncertainties	• Risk management policy	• ISO 31000 risk management system standard	• Pages 64 to 69
Non-financial KPIs	• Sustainability reporting procedure and guideline	• ESRS • GRI Standards	• Pages 20, 41, 45, 50, 52, 53, 55 and 58

TCFD index

We consider our Task Force on Climate-related Financial Disclosures on pages 46 to 53 to be compliant with the disclosure requirements of section 414CB of the Companies Act 2006.

Recommendation	Recommended disclosure	Disclosure level	Reference
1. Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	Full	• Sustainability review: page 46
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Full	
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Full	• Sustainability review: pages 48 to 49 • Principal risks: page 69 • Viability statement: page 63 • Note 2 to the financial statements: pages 137 to 142
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Full	
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Full	
3. Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	Full	• Sustainability review: pages 46 to 50 • Principal risks: page 69
	b) Describe the organisation's processes for managing climate-related risks	Full	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Full	
4. Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Full	• Sustainability review: pages 45, 50 and 52
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Full	
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Full	

Responsible risk management

is essential to executing our strategy

The Board is responsible for establishing and maintaining an effective risk management framework.

ALAN FERGUSON
CHAIR OF THE AUDIT AND RISK COMMITTEE

Risk management framework

We believe the effective management of risk remains critical to the successful execution of our strategy. It also underpins how we safeguard and protect our people, assets, the communities with whom we interact, the environment and our reputation. We further believe it supports our purpose and helps us stay true to our values.

Our risk management and internal control systems (our risk management framework) are designed to determine the nature and extent of the risks the company is willing to take, or consciously accept, to achieve its strategic objectives. The framework is also designed to provide an appropriate level of assurance as to whether the company is managing these risks appropriately and has an effective system of internal control.

The framework comprises:

- A risk management process through which we define our appetite (or tolerance) for risk, and identify, assess, treat, monitor and communicate risk in the business
- An internal control system to assist in the management of risk given our defined appetite
- An assurance model to check whether the controls in place are appropriate and effective given our defined appetite

The framework can provide only reasonable, and not absolute, assurance that the risks facing the business are being appropriately managed.

Risk governance

The Board is responsible for determining the nature and extent of the principal risks the company is willing to take to achieve its long-term strategic objectives, and for monitoring the effectiveness of the risk management framework. To facilitate this, the Board has assigned the oversight of certain principal risks to the most relevant Board committees. For example, the HSES Committee monitors the management of health, safety, environmental and physical security risks and the Audit and Risk Committee monitors the management of cyber and information security risk. The Audit and Risk Committee is also responsible for monitoring the effectiveness of the risk management framework on behalf of the Board.

The Leadership Team sets the tone for Harbour's risk management culture and is responsible for ensuring that the most significant risks facing the business are identified and are managed in line with the appetite or tolerance for risk agreed with the Board.

Risk management process

The company follows a structured process to identify, assess, treat, monitor and communicate the risks which may prevent it from achieving its strategic objectives.

Top-down
Oversight and monitoring by the Board and its committees

Record and communicate
Risks and measures taken to treat them are communicated through regular business reviews, including those held by the Leadership Team.

Monitor and review
Risks and treatment measures are monitored through regular business reviews, audits and other sources of assurance. These reviews are used to identify changes in the nature or level of the identified risks, to identify emerging risks, and to assess the effectiveness of control measures in the context of the Board-agreed appetite or tolerance for each risk.

Context
The strategic objectives, purpose and values of the company and the appetite or tolerance for risk set by the Board contribute to the overall context.

Risk assessment
Risks are identified and analysed across the company as part of ongoing business reviews. Risks are analysed based on the likelihood of a risk event occurring and the impact of the event if it was to occur.

Risk treatment
Depending on the nature of the risk, the company may choose to accept or take risk, treat risk with mitigating actions, share or transfer risk to third parties, or remove risk by ceasing certain activities.

Bottom-up
Ongoing identification, assessment and treatment of risk across the business

Individual members of the Leadership Team are responsible for overseeing the risks that fall within their business area, with the most significant management risks recorded in our Leadership Team risk register. Individual Business Unit and functional managers own and manage risk on a day-to-day basis, undertaking activities in compliance with company standards and procedures.

Internal audit undertakes a risk-based audit programme on behalf of the Board to assure the effectiveness of risk mitigation activities, as described in the 'Reasonable assurance' section on page 62.

Risk management process

We face various risks that could result in events or circumstances that negatively impact the company's business model, future performance, liquidity and reputation. Not all these risks are wholly within the company's control and the company may also be affected by risks that have not yet materialised, or are not reasonably foreseeable. In conducting risk assessments, the company considers the level of the risk in terms of the likelihood that a specific risk event will occur and the severity of the consequences of the event.

For known risks facing the business, the company seeks to align the level of the risk with the appetite or tolerance for risk set by the Board. According to the nature of the risk, Harbour can choose to accept or take risk, treat risk with mitigating actions, share or transfer risk to third parties, or remove risk by ceasing certain activities. In particular, we aim to manage health, safety, environmental and security risks to a level as low as reasonably practicable. Additionally, we take a zero tolerance stance to fraud, bribery, corruption and the facilitation of tax evasion. This risk management process is illustrated above.

Principal and emerging risks

The Board carries out an assessment of the principal risks facing the company twice during the year. In deciding which risks are principal risks, the Board considers Harbour's stated strategy together with events or circumstances that might threaten its strategy and business model, future performance, financial position, liquidity and reputation.

In doing so, the Board considers the most significant risks identified by the Leadership Team. A description of the principal risks, together with an overview of how each risk is being managed, is provided on pages 64 to 69.

The Board also reviews the emerging risks facing the business and the procedures in place to identify and manage them. The Board defines an emerging risk as a risk not currently included as (or fully reflected within) one of the identified principal risks, and where the scope, impact and likelihood are still uncertain, but which could have a material effect on the company if it was to occur in the short or medium term. The procedures to identify and manage emerging risks include a review of the most significant management risks and independent perspectives on the global risk environment. The Board then considers whether any should be reflected within the principal risks.

Internal control

Harbour's internal controls are intended to assist in the management of risk given our defined appetite or tolerance for risk. The internal controls consist of the company's policies, standards, procedures and guidelines that together comprise the company's business management system and govern all business activity. The internal controls are underpinned and implemented through knowledgeable and experienced people and supported by our information systems.

During the year, the company continued to mature its internal financial controls framework and commenced integration of Harbour's control framework across the newly acquired Wintershall Dea assets. Following the publication of updates to the UK Corporate Governance Code in 2024, the company also commenced preparations to meet the expanded future UK Code requirements related to material control effectiveness.

Reasonable assurance

The adequacy of the internal controls depends on their design and operating effectiveness.

On completion of the Wintershall Dea transaction, the company put in place a new corporate organisation to support the management of the enlarged group. This included continuing to develop the second line coverage of key risk areas as part of embedding the 'three lines' assurance model across the company. The model is designed to provide senior management and the Board with reasonable assurance that the most significant risks facing the business are being appropriately managed and that the risk management framework is effective. First line assurance is provided by line managers who are responsible for implementing and operating controls. Second line assurance areas monitor the effectiveness of controls for certain key risk areas, such as HSES, cyber and information security, supported by a programme of in-house audits agreed with senior management. Significant findings from these audits are reported to management.

Third line assurance is provided by the internal audit function, the external statutory auditors and certain other independent assurance providers. Internal audit is led by the SVP Internal Audit, who reports directly to the Chair of the Audit and Risk Committee and to the CFO on a day-to-day basis. The function undertakes a programme of audits agreed and reviewed by the Audit and Risk Committee. A summary of findings from each internal audit is reported to the Audit and Risk Committee, and to other Board committees where appropriate. Internal audit then monitors the implementation of agreed actions and reports progress to the Audit and Risk Committee.

Harbour maintains an 'assurance map' that sets out key internal and external sources of assurance in place against each principal risk. This map allows management and the Board to judge the adequacy of the assurance measures in place for each principal risk and to strengthen them if required. Information from this map will be incorporated into Harbour's audit and assurance policy in 2025. The external auditors report to the Audit and Risk Committee on internal controls based on the audit work observations. Where deficiencies have been identified, improvement recommendations are provided to management for consideration.

The Board committees commissioned a targeted programme of management-led presentations to enhance understanding and alignment on risk matters assigned to them, examine the levels of assurance provided and to consider key outcomes from assurance activity. These presentations are summarised by the relevant committee chair when reporting back to the full Board. For more information, please see page 70.

Monitoring and effectiveness of the risk management framework

The Board is responsible for monitoring the company's overall risk management framework and for reviewing its effectiveness.

The annual review of the overall effectiveness of Harbour's risk management framework has been carried out by the Audit and Risk Committee on behalf of the Board. In conducting its review, the Committee sought perspectives and assurances from members of the Leadership Team which take the form of confirmation statements from the executives to the Board. The Committee considered the design of the risk management framework across Harbour and the most significant risks to achieving our strategic objectives. The review also considered any significant control deficiencies, themes emerging from internal audit findings and the status of remedial actions taken. The review noted the continued maturation of the internal financial control framework, as part of the company's continued preparation to meet the expanded future UK Code requirements related to material control effectiveness, and the controls to prevent material fraud.

Taking into account their assessment of the management of the risks faced or materialised during the year, the remediation status of control failures or assurance findings and the nature of the Leadership Team assurances received, the Board concluded that the risk management framework is effective.

Alan Ferguson
Chair of the Audit and Risk Committee

Viability statement

In accordance with the provisions of the UK Corporate Governance Code, the Board has assessed the prospects and the viability of the Group and the company over a longer period than the 12 months required by the going concern provision. For the assessment period, the base case used is consistent with the forecast as used for our going concern assessment as disclosed on page 37. As part of this assessment, we considered the principal risks faced by the Group, relevant financial forecasts and sensitivities, and the availability of adequate funding particularly in relation to energy transition and climate change.

Assessment period

The review covered a period of three years from 31 December 2024 (the forecast period), which was selected for the following reasons:

- at least annually, the Board considers the Group's corporate operating cycles, business plan projections (the projections) and debt facility structures over a three-year period;
- within the three-year period, market forward price forecasts are used in the forecast. Given the lack of forward liquidity in oil and gas markets after this initial three-year period, we rely on our own internal estimates of oil and gas prices without reference to liquid forward curves; and
- the Group is not currently committed to any major capital expenditures beyond the three-year period.

Review of principal risks

The Group's principal risks and uncertainties, set out in detail on pages 64 to 69, have been considered over the period. Whilst all the risks identified could have an impact on the Group's performance, the specific risks which could materially impact the Group's financial position have been determined to be:

- commodity price exposure;
- operational performance;
- capital programme and delivery; and
- financial discipline.

To assess, either directly or by proxy, the potential impact of these principal risks over the forecast period, the Group has run downside scenarios, where oil and gas prices are reduced by 20 per cent plus total production volumes by 10 per cent, throughout the entire forecast period. These downside scenarios were performed individually and in combination alongside a reverse stress test to determine if the Group is forecast to have sufficient liquidity and covenant compliance headroom.

The potential impact of each of the Group's other principal risks on the viability of the Group during the forecast period, should that risk arise in its unmitigated form, has been assessed. The Board has considered the risk mitigation strategy for each of the other principal risks and believes they are sufficient to reduce the impact of each risk such that it would be unlikely to impact the Group's viability during the forecast period. Specifically, the risk associated with energy transition and climate change that could have a potential impact on viability outside the assessment period is reported in note 2 of the financial statements, pages 137 to 142.

Review of financial forecasts for the forecast period

The projections for the viability of the Group over the forecast period are based on:

Base case assumptions

- Production and expenditure forecasts on an asset-by-asset basis;
- Crude oil prices and gas prices that are used for impairment testing adjusted for the company's hedging programme position at year end 2024. Refer to note 2 in the financial statements page 138); and
- The financial covenant and liquidity tests for both the going concern and viability statement periods associated with the Group's borrowing facilities.

Severe but plausible downside analysis

- In line with the identified principal risks that could impact the financial viability of the Group, sensitivity analyses were prepared under the severe but plausible downside sensitivity scenario to reflect the combined impact of reductions in Brent crude and gas prices by 20 per cent plus a 10 per cent reduction in the Group's production, throughout the entire forecast period. The sensitivity test demonstrated that neither of the two RCF covenants were breached within the assessment period, however liquidity headroom runs out within the viability period in late 2027. This is prior to considering any mitigating actions that are available to the company.

Reverse stress tests

- Specific reverse stress tests have been performed reflecting reductions in each of the commodity price and production parameters, prior to any mitigation strategies, to determine the levels each would need to reach to breach lending covenants or financial liquidity headroom. These reverse stress tests demonstrated that the likelihood of a sustained significant fall in commodity prices or production over the entire assessment period, which would be required to cause a risk of funds shortfall or a covenant breach, is remote.

Results and mitigating actions

- The base case showed compliance with both financial covenants; and
- No breach of the covenants was forecast.

Management are confident of being able to mitigate any liquidity reduction in the plausible but severe downside scenario. Potential mitigations include the ability to control uncommitted capital programmes, shareholder returns, additional hedging and the assumption of replacing the existing bonds upon maturity.

Conclusion

The directors' assessment has been made with reference to the Group's current position and prospects, the Group's strategy and availability of funding, the Board's risk appetite and the Group's principal risks and how these are managed, as detailed in the Strategic report on pages 64 to 69. The directors have also considered the mitigating actions within their control in the event of these downside scenarios. Therefore, the directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, throughout the three-year viability assessment period ending 31 December 2027.

The principal risks which may prevent the company from achieving its strategic objectives

BOARD ASSESSMENT OF CHANGE IN UNMITIGATED RISK LEVEL SINCE 2023

- Risk level has increased
- Risk level remains stable
- Risk level has decreased
- NEW Risk has been added this year

Execution of the strategy: failure to effectively implement the strategy

RISK DESCRIPTION

The company's strategy is to create value by building a global, sustainable, independent oil and gas company through a combination of organic growth and disciplined M&A, underpinned by a clear purpose and strong values. There are risks to effectively implementing this strategy. Factors such as economic downturns, regional conflicts, political instability and/or the pace of the energy transition could lead to prolonged declines and/or volatility in commodity prices, hindering access to capital. The company may be unable to maintain sufficient leadership and organisational capability to execute the strategy and manage the business effectively. Identifying or executing attractive organic growth or M&A opportunities could prove more challenging than expected. Fulfilling our greenhouse gas strategy may impact other aspects of the strategy or vice versa. The company may be slow to adapt to changes in the external environment, for example with respect to climate change and the energy transition.

CHANGE IN RISK LEVEL

The unmitigated risk level is stable. Whilst the Wintershall Dea transaction is another example of the strategy in action and it has diversified country risk, further strengthened the financial health of the business and brought more organic growth opportunities, the political environment in some regions is challenging and stakeholder expectations of the sector continue to evolve.

HOW THE RISK IS MANAGED

- Regular Board review of the company strategy and its execution, including market developments, and the capability and capacity of the Leadership Team
- Leadership Team with a proven track record of executing value-accretive, large-scale M&A and organic growth projects
- Organisation designed and resourced to deliver the strategy, incentivised with a competitive reward and benefits package, and supported by a strong culture and values
- Scalable organisation model and enterprise management system to facilitate future growth
- Capital deployment, growth, financial and other key performance metrics agreed with the Board and some feature in incentive compensation
- Corporate planning and M&A analyses evaluated across a range of scenarios, including consideration of the long-term resilience of the strategy and portfolio with respect to commodity prices, climate change and the energy transition
- Detailed due diligence of future M&A opportunities undertaken, supported by external expert advisers as needed

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

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Health, safety and environment: risk of a major health, safety, environmental or physical security incident

RISK DESCRIPTION

The company may face a major accident or physical security incident resulting in personal injury, property damage and/or environmental harm. A serious incident could also significantly impact production, impair financial performance and tarnish the company's reputation. The business might be subject to punitive fines and individual directors could face sanctions.

CHANGE IN RISK LEVEL

The Wintershall Dea transaction has expanded the operated activity set of the company and so the unmitigated risk level has increased. The installed asset base continues to age and requires continuous inspection and maintenance. The recruitment of new personnel to fill operational vacancies created by retirements remains challenging in some regions. The risk is actively managed to ensure the mitigated risk level at the asset level is stable or reduced.

HOW THE RISK IS MANAGED

- Strong safety leadership culture, with Board and senior management engagement, including with acquired Business Units, demonstrated through various activities including the Global Safety Day, the CEO Safety Award, town halls, internal communications, site visits, and meetings with site managers and safety representatives
- Board-level HSES Committee provides oversight and challenge
- Corporate major accident prevention policy and HSES policy that direct company activities, including contract work, supported by a defined HSES strategy and management system, and relevant training and competency management
- Active risk assessment process and management of change for operated assets
- Safety-critical maintenance built into work programmes and budgets
- Performance closely monitored by the Leadership Team, the Board and HSES Committee. Performance metrics agreed with the Board and integrated into performance tracking and incentive compensation
- Incident learnings and best practices shared across the organisation and with JV partners
- Internal independent HSES auditing and technical assurance in place with a focus on major accident hazards
- Crisis management and emergency response plans, with regular exercises to ensure preparedness

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

↑

OUR STRATEGIC DRIVERS

SAFE & RESPONSIBLE	SCALE & DIVERSITY	HIGH QUALITY & RESILIENT	FINANCIAL DISCIPLINE
Ensure safe, reliable and responsible operations	Maintain a high quality portfolio of reserves and resources	Leverage our full cycle capability to strengthen our portfolio	Ensure financial strength through the commodity price cycle

Organisation and talent: failure to create and maintain a cohesive organisation with sufficient capability and capacity

RISK DESCRIPTION

The company may fail to maintain an organisation structure that aligns with business needs. The company may also fail to attract, develop and retain talent or to maintain a cohesive and engaged culture that aligns with the company's values. Consequently, the organisation may lack the capability, capacity and culture to effectively execute the strategy and business plans.

CHANGE IN RISK LEVEL

The unmitigated risk level has increased due to the demands on the organisation of integrating the acquired Wintershall Dea assets and employees. In addition, attracting talent into the sector remains challenging in some regions.

HOW THE RISK IS MANAGED

- New corporate organisation implemented following the Wintershall Dea transaction that is designed to scale in line with the company's strategy
- Competitive reward and benefits package with hybrid working options
- Refreshed culture and values programme with clear linkage to stated purpose and strategy
- Staff performance management process aligned with values and linked to reward
- Global learning and development programmes to support capability development
- Succession planning to assess executive bench strength, identify gaps and ensure development of high potential employees
- Regular staff communications, surveys and forums to support two-way dialogue and engagement
- Arrangements to support positive employee relations, including a Global Staff Forum, global employee resource groups, wellness programmes and an employee recognition programme

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

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Host government political and fiscal risks: exposure to adverse or uncertain political, regulatory or fiscal developments in countries where the company operates or maintains interests

RISK DESCRIPTION

The company's global operations and interests span diverse geopolitical landscapes, including regions undergoing significant transitions, general elections, trade disputes or experiencing geopolitical tensions. Political instability, security concerns and evolving regulatory and fiscal frameworks in the areas where we have assets pose risks to our business. Any adverse changes in these factors could negatively affect the company's operations and profitability. Moreover, uncertainty surrounding potential future changes may deter new investments in these jurisdictions. Such changes could include unfavourable tax policies, increased regulatory demands, price controls, currency fluctuations, production limitations, cost recovery or dividend restrictions, trade barriers, contract nullifications and property expropriation.

CHANGE IN RISK LEVEL

The risk level has increased over the period. The geopolitical environment remains unstable and, while the Wintershall Dea transaction has diversified the company's risk exposure in many ways, it has exposed the company to new macroeconomic and geopolitical risks.

HOW THE RISK IS MANAGED

- Active monitoring of operating country regulatory and legislative agendas
- Proactive management of macroeconomic risks in host countries
- Constructive engagement with relevant government and regulatory stakeholders, including with those from new countries
- Contribution to industry representation on key issues, including the need for a stable fiscal environment, the role of oil and gas in the energy transition, energy security and CCS
- The creation of a new government relations role in the corporate centre to coordinate and guide government relations activities globally including the scanning of geopolitical trends, risks and policies which may impact our existing and future business

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

↑

Operational performance: failure to deliver expected operational performance

RISK DESCRIPTION

The company may fail to maintain safe, reliable and cost-effective production operations. Forecasting future production and operating costs is inherently uncertain, and actual performance may deviate from expectations. Significant expenditures and outages may be required to maintain the operability and integrity of the asset base as it ages, and replacement parts may not be readily available due to obsolescence. Opportunities to add production or increase throughput may be limited. Consequently, the company may fail to deliver expected operational performance.

CHANGE IN RISK LEVEL

While the Wintershall Dea transaction has expanded the company's asset portfolio and resulted in some changes to the nature and mix of the company's asset base, the unmitigated risk level at a portfolio level remains broadly unchanged.

HOW THE RISK IS MANAGED

- Clearly stated purpose to ensure safe, reliable and responsible production of hydrocarbons with demonstrable track record of meeting guidance
- Organisation designed and resourced to manage current operational activity
- Rigorous cost control in place with resources allocated to maintain asset integrity and reliability
- Inventory maintained of near-field drilling and other opportunities to increase recovery and help offset natural decline
- Operational performance metrics agreed with the Board and integrated into business performance monitoring and incentive compensation
- Performance reviewed regularly by management and the Board
- Proactive risk-based oversight maintained across non-operated assets
- Creation of a new EVP Technical Services role on the Leadership Team designed to increase the capability to provide technical support to our operational Business Units, utilise performance benchmarking to understand relative performance and identify improvement opportunities, share best practices across the company, and monitor emerging technology for opportunities to enhance performance
- Solicitation of third-party volumes to improve utilisation of existing infrastructure

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

→

Capital programme and delivery: failure to deliver the capital programme as planned

RISK DESCRIPTION

The company undertakes drilling operations and other capital projects to explore and develop oil and gas resources, as well as to decommission assets at the end of their economic life. These projects are often complex and may encounter delays, cost overruns, unsatisfactory quality or poor HSES performance. The volume and future productivity of targeted resources are inherently uncertain, and outcomes may differ from plans. Consequently, the company may struggle to replace reserves in a value-accretive manner, leading to unexpected declines in future production and financial performance. In addition, inaccurate cost estimates for projects could lead to over-expenditures and, in the case of decommissioning, inadequate provision for future liabilities.

CHANGE IN RISK LEVEL

The unmitigated risk level has increased, with a greater allocation of capital towards organic growth and an increase in non-operated exposure following the Wintershall Dea transaction.

HOW THE RISK IS MANAGED

- Organisation designed and resourced to deliver the planned capital programme
- Processes in place to support the maturation of resources and drive efficient deployment of capital including risk-based technical and economic evaluation processes with defined stage-gate reviews
- Dedicated CCS Business Unit to advance projects under development and prioritise expenditures
- Innovative processes and technologies to improve recovery considered where competitive
- Technical services assurance team in the corporate centre to drive independent governance of capital investment activities and performance, and to promote transfer of learnings
- Investment metrics agreed with the Board to ensure consistent evaluation of opportunities
- Major project delivery supported by the technical services function and regularly reviewed by management and monitored by the Board
- Capital deployment and growth metrics agreed with the Board and integrated into business performance monitoring and incentive compensation
- Project performance benchmarked at appropriate decision gates to understand relative performance with systematic lookbacks to inform future performance improvements
- Independent review undertaken of the company's reserves and resources

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

↑

Third-party reliance: failure to adequately manage joint venture partners, third-party infrastructure owners, supply chain contractors and other partners

RISK DESCRIPTION

The company relies on a range of third parties, including JV partners, downstream infrastructure owners, trading counterparties, and suppliers of products and services. JV partners may not manage assets in alignment with Harbour's values and business objectives and Harbour may have limited ability to influence or to access detailed information. The company may be unable to procure certain assets, products or services on a timely and cost-effective basis. The company may lose or be unable to secure access to transportation for its products or may not be able to realise full market value from products.

CHANGE IN RISK LEVEL

The unmitigated risk level has increased over the period. As a result of the Wintershall Dea transaction, the company has many new partners and suppliers and increased the proportion of assets that are operated by others.

HOW THE RISK IS MANAGED

- Prioritisation of partnerships with well-established, experienced, high quality JV partners when Harbour is in a non-operator position
- Well-established relationships with most partners and suppliers, including regular risk-based engagement and performance monitoring
- Proactive development, oversight, governance and enforcement of JV rights and commercial agreements
- Formal budgeting and tendering processes to govern material spend
- Contract management processes designed to identify and monitor supply chain risks, secure products and services and optimise usage
- Strategic partnerships in specific high risk or value categories to ensure security of supply and facilitate longer-term value creation
- New and existing partners and suppliers assessed and regularly monitored, supported by additional security arrangements as required
- Transportation for produced oil and gas supported by industry codes of practice and contractual agreements
- Insurance programmes in place include contingent business interruption insurance for loss of revenue following loss or damage to third-party facilities

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

↑

Financial discipline: failure to work within our financial framework to implement the company's strategy

RISK DESCRIPTION

The company aims to maintain strong financial health of the business by working within a defined financial framework. This financial framework is designed to ensure a robust system of financial controls, the efficient allocation of capital through the commodity price cycle, and that the financial risks facing the business, including liquidity, interest rate, foreign exchange and credit risk, are managed in line with our appetite or tolerance for risk. Failure to work within this framework could hinder our ability to invest adequately in our existing asset base, fund organic and/or M&A growth, deliver on our dividend policy commitment, and/or maintain investment grade credit ratings.

CHANGE IN RISK LEVEL

The Wintershall Dea transaction has strengthened the financial health of the company, as evidenced by the confirmation of investment grade credit ratings. Consequently, the principal risk recognised in the 2023 Annual Report as 'Access to capital' has been broadened to encompass broader aspects of financial health.

HOW THE RISK IS MANAGED

- Robust financial framework and prudent capital allocation priorities agreed with the Board and rigorously implemented
- Diversified capital structure in place and transformed by the Wintershall Dea transaction, including a debt structure comprised of unsecured, low cost and flexible bank facilities and bonds
- Decommissioning liabilities and financial headroom on security postings closely monitored
- Disciplined hedging programme in place to maintain acceptable exposure to commodity prices and foreign exchange fluctuations
- Annual capital budgets and long-range plan approved by the Board. These consider near-term commodity prices, cash flow expectations and credit rating headroom. Plans and spending levels stress-tested against adverse scenarios

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

NEW

Commodity prices: exposure to the impact of commodity price fluctuations on the business

RISK DESCRIPTION

The price of oil and gas is influenced by global and regional supply and demand, and expectations of future supply and demand. This makes it difficult to accurately predict future prices, which may decline for extended periods or become more volatile. A sustained decline in prices could undermine our ability to deliver on our strategy by reducing cash flow available to protect the balance sheet, fund growth and maintain shareholder distributions. Excessive price volatility could hinder business planning and financial decision-making. The company actively manages commodity price exposure to realise sufficient revenue to fund the company's strategy through the cycle while protecting the business from excessive volatility.

CHANGE IN RISK LEVEL

The unmitigated risk level remains stable. Commodity prices remain volatile and uncertain due to several factors, including ongoing conflicts, economic uncertainty and political instability. While production levels and revenues are higher following the Wintershall Dea transaction, some of the new exposure is to regional natural gas markets, such as in Argentina and Egypt, which tend to be fixed and formula prices.

HOW THE RISK IS MANAGED

- Board-approved commodity hedging programme aligned to risk appetite and adjusted for the larger portfolio. The programme is designed to underpin the implementation of the financial framework and includes minimum and maximum hedging limits
- Strong control framework in place that covers the entire hedging lifecycle, including monitoring and assurance activities to ensure the hedging programme is applied consistent with risk appetite
- Carbon price hedging conducted to actively manage the company's exposure to carbon pricing in the UK and EU markets and meet regulatory requirements
- Regular hedging position reporting to the Board

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

Cyber and information security: failure to maintain safe, secure and reliable information systems

RISK DESCRIPTION

The company may fail to maintain adequate cyber and information security protections, making it vulnerable to a serious or new form of cyber security incident or slow to recover from such an incident. In addition, the emergence of Artificial Intelligence (AI) technologies may pose new risks to the business, including the inadvertent leakage of confidential information. Failure to adequately manage such risks could result in business or operational interruption, impact the confidentiality, integrity, availability and regulatory compliance of company information, and potentially lead to heightened safety or environmental risk. These outcomes could result in regulatory fines, impact business performance and damage the company's reputation.

CHANGE IN RISK LEVEL

The unmitigated risk level has increased due to the expanded scale and scope of the company following the Wintershall Dea transaction and increasingly sophisticated cyber threats, including emerging use of AI for phishing and social engineering attacks.

HOW THE RISK IS MANAGED

- Experienced and resourced cyber and information security organisation in place
- Provision of threat intelligence services in place with UK Government and specialist partners
- Defensive and preventative controls maintained to an industry standard that include supply chain monitoring, phishing testing, AI awareness and acceptable use, and staff and Board training to maintain awareness
- Disaster recovery and business continuity plans in place and regularly tested
- Resilience independently tested and assured including through simulation of incidents
- Regular review of controls in line with the evolving threat landscape and regulatory requirements

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

Legal and regulatory compliance: failure to maintain and demonstrate effective legal and regulatory compliance

RISK DESCRIPTION

The company, its employees and contractors are subject to various laws and regulations governing corporate and personal conduct and disclosure, including areas such as fraud, bribery, corruption, tax evasion, sanctions and human rights. A major legal and/or regulatory compliance breach could lead to financial penalties, erode our values-based culture, and tarnish our reputation among employees and external stakeholders. Individual directors could also face sanctions.

CHANGE IN RISK LEVEL

The unmitigated level of the risk has increased due to the larger number and variety of counterparties, as well as the company's expanded presence in emerging markets, following the Wintershall Dea transaction.

HOW THE RISK IS MANAGED

- Zero tolerance stance towards fraud, bribery, corruption and the facilitation of tax evasion in any form that could be deemed unlawful or potentially harm the company's reputation or financial standing
- Global compliance framework in place, including with new countries, with relevant induction and training to enhance awareness of the risks, set clear expectations, prevent material fraud and promote a 'speak up' culture. This framework includes well-defined and reinforced values, secure whistleblowing arrangements and relevant Board-approved policies and statements covering matters such as code of conduct, sanctions, ethics, human rights and tax
- Corporate governance structure maintained that complies with the UK Listing Rules, UK Corporate Governance Code and UK Companies Act
- Emerging laws and regulations closely monitored to ensure timely compliance
- Audit and Risk Committee monitoring of whistleblowing activity and enforcement of the code of conduct

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

Climate change and energy transition: failure to adapt the strategy in the context of external expectations

RISK DESCRIPTION

The transition towards a low carbon economy poses a range of financial, legal, market, regulatory, technology and reputation risks to the company. For example, the transition is impacting the supply and demand for oil and gas and this could lead to long-term price volatility. The company may face increased stakeholder scrutiny and expectations relating to our energy transition and ESG commitments, the resilience of the strategy and portfolio, and the extent of disclosures. Access to capital may be impacted if the company is unable to meet the evolving expectations of investors, creditors and lending banks. The company may be subject to negative NGO or shareholder activism, impacting our social 'licence to operate', including civil legal action. Long-term physical changes in weather patterns and ocean currents and more frequent extreme weather events could potentially disrupt business activities, increase business costs and raise insurance premiums. The delivery of our greenhouse gas strategy may impact the execution of other aspects of the strategy or vice versa.

Overall, the long-term viability of the business may be in question if the company is unable to maintain a strategy and portfolio that is demonstrably resilient to evolving market conditions, requirements and expectations related to climate change and the energy transition.

CHANGE IN RISK LEVEL

The unmitigated level of this risk remains stable. Stakeholder expectations continue to evolve, tempered by continued concerns over energy supply security.

HOW THE RISK IS MANAGED

- Clear commitment made to the safe, reliable and responsible production of oil and gas
- Credible emissions reduction plans in place to contribute to our 2030 emissions reduction target, zero routine flaring commitment and methane intensity target
- Emissions reduction targets are included in the company's bonus schemes
- Greenhouse gas strategy and delivery, including within the context of the resilience of the company strategy, monitored by the Board and HSES Committee
- Leading European CCS portfolio, including material participation in the Viking (UK) project, the Greensand Future (Denmark) project under construction, and potential other projects in Denmark, the UK and Norway, which could make a significant contribution to the UK and EU's emissions reduction goals
- Energy transition scenarios and risks, including the cost of carbon, considered in key judgements and estimates within the financial statements, investment decisions, corporate planning and M&A analysis. Periodic review of the long-term physical risks undertaken across core geographies
- New and emerging ESG reporting requirements closely monitored to ensure compliance
- Reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) requirements, as mandated by the FCA
- Independent verification of greenhouse gas emissions and energy consumption data

For additional information on the company's climate strategy and related risks, see pages 45 to 53 and the Viability statement on page 63.

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

Integration of acquired businesses: failure to integrate acquired businesses as planned

RISK DESCRIPTION

Harbour's strategy includes growth through M&A. With respect to the Wintershall Dea transaction and to future acquisitions, the company may fail to effectively manage the pace, scope and cost of integration. Identified synergies may not be fully realised, and integration activities could initially lead to increased cost and complexity, job security concerns, higher workloads, disengagement or the loss of key staff. Additionally, the company may be unable to maintain a scalable operating model to support the efficient integration of further acquisitions.

CHANGE IN RISK LEVEL

The unmitigated risk level has reduced following the completion of the Wintershall Dea transaction, with thorough pre-completion access supporting successful integration planning to date.

HOW THE RISK IS MANAGED

- Leadership with a proven track record of integrating large-scale M&A transactions and creating value from acquired assets
- Harbour's operating model designed to scale with business growth and to leverage learnings from both legacy entities
- Integration governance framework in place for the Wintershall Dea transaction, including an integration management office, a detailed integration programme and a transition services agreement
- Integration playbook in place to facilitate learnings from past integrations
- Integration delivery monitored by the Leadership Team and Board

LINK TO STRATEGIC DRIVERS:

SAFE & RESPONSIBLE
SCALE & DIVERSITY
HIGH QUALITY & RESILIENT
FINANCIAL DISCIPLINE

UNMITIGATED CHANGE SINCE 2023:

To consolidate our reporting requirements under sections 414CA and 414CB of the Companies Act 2006, the table on page 59 sets out our non-financial and sustainability information statement and shows where in this Annual Report to find each of the disclosure requirements. The Strategic report, comprising pages 1 to 69, including the non-financial and sustainability information statement, has been prepared in accordance with the requirements of the Companies Act 2006 and has been approved and signed on behalf of the Board.

Linda Z. Cook
Chief Executive Officer
5 March 2025

The UK Corporate Governance Code 2018 (the Code) is the corporate governance code which we have reported against during the financial year to 31 December 2024 and can be found at frc.org.uk.

Harbour was fully compliant with the provisions of the Code throughout 2024, except for:

- Provision 9, which states that 'the chair should be independent on appointment when assessed against the circumstances set out in Provision 10'. R. Blair Thomas, the Chair, was appointed pursuant to EIG's right to appoint up to two directors to the Board under the relationship agreement detailed on page 115 and did not meet the independence criteria of Provision 10 of the Code on appointment. The EIG relationship agreement expired on 3 September 2024. However, as it was in force at the time of appointment, we will continue to report non-compliance for the duration of R. Blair Thomas' tenure as Chair; and
- Provision 20, which states 'Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors'. In September 2024, Hans-Ulrich Engel and Dirk Elvermann were appointed to the Board to represent BASF's interest as a significant shareholder of the company. Their appointments were made in accordance with the BASF relationship agreement detailed on page 115; in addition, both of the newly appointed directors bring significant knowledge of the acquired Wintershall Dea assets, as well as a deep global business experience. No external recruitment process was followed. Both Hans-Ulrich Engel and Dirk Elvermann are classified as non-independent non-executive directors. For future independent non-executive director appointments, we intend to comply with the provision and follow similar recruitment processes as those detailed in the 2023 Annual Report & Accounts for Louise Hough and Belgacem Chariag.

Harbour intends to report against the 2024 UK Corporate Governance Code for the financial year ended 31 December 2025.

The Board is comprised of a majority of independent non-executive directors, and the industry experiences and combined knowledge that R. Blair Thomas, Hans-Ulrich Engel and Dirk Elvermann bring to the Board is invaluable. The Board therefore continues to believe that there is sufficient independent challenge and judgement in the boardroom.

Meeting attendance

Seven Board meetings were held during the year, all of which were scheduled meetings covering a full agenda of strategic, performance and governance items.

A full attendance table is available in the Directors' Report on page 114.

Board of directors

The Board is collectively responsible for the governance of the company on behalf of Harbour's shareholders and is accountable to them for the long-term sustainable success of the company.

The Board governs the company in accordance with the authority set out in the company's articles of association and in compliance with the Code:

1 Board leadership & company purpose Page 72

UK CORPORATE GOVERNANCE CODE PRINCIPLES:

A: The Board promotes the long-term success of the company
B: The company's purpose, values and strategy align with its culture
C: Resources are in place to meet objectives and measure performance
D: The Board engages effectively with shareholders and stakeholders
E: Workforce policies and practices are aligned with company values

2 Division of responsibilities Page 77

UK CORPORATE GOVERNANCE CODE PRINCIPLES:

F: The Board is led by the Chair who is responsible for its effectiveness
G: Clear division of responsibilities and balance of independence on the Board
H: Non-executive directors challenge, guide and hold management to account
I: The Board has the information, time and resources to function effectively

3 Composition, succession & evaluation Page 78

UK CORPORATE GOVERNANCE CODE PRINCIPLES:

J: Appointments are based on merit and objective criteria including diversity
K: There is a combination of skills, experience and tenure on the Board and committees
L: Board performance reviews are conducted annually

4 Audit, risk & internal control Page 82

UK CORPORATE GOVERNANCE CODE PRINCIPLES:

M: The Board ensures the integrity of reporting and effectiveness of audit functions
N: Reporting is fair, balanced and understandable
O: Procedures are in place to manage risk, oversee the internal control framework and determine principal risks and appetite

5 Remuneration Page 88

UK CORPORATE GOVERNANCE CODE PRINCIPLES:

P: Remuneration design supports strategy and aligns to company purpose and values
Q: There is a formal and transparent procedure for director and senior management remuneration
R: Independent judgement and discretion are exercised when authorising remuneration outcomes

Board committees

The Board has established committees which assist the Board in discharging its duties in certain areas.

Each of the committees has formal terms of reference, copies of which can be found on the company's website.

NOMINATION COMMITTEE PAGE 78

R. BLAIR THOMAS
COMMITTEE CHAIR

Responsibilities
- Board composition
- Succession planning and Board appointments
- Leads Board performance review process
- Monitors Harbour's culture

AUDIT AND RISK COMMITTEE PAGE 82

ALAN FERGUSON
COMMITTEE CHAIR

Responsibilities
- Integrity of reporting
- Effectiveness of internal and external audit
- Risk management and internal control framework

HSES COMMITTEE PAGE 86

MARGARETH ØVRUM
COMMITTEE CHAIR

Responsibilities
- Effectiveness of HSES strategy
- HSES risk including tolerance and mitigation
- HSES assurance
- Integrity of HSES reporting

REMUNERATION COMMITTEE PAGE 88

ANNE L. STEVENS
COMMITTEE CHAIR

Responsibilities
- Remuneration Policy
- Remuneration arrangements for senior management
- Oversight of pay and conditions across Harbour

Leadership Team

The Board and its committees are supported by an experienced Leadership Team, led by our CEO.

THE LEADERSHIP TEAM RESPONSIBILITIES

The Leadership Team is responsible for implementation of the Board-approved strategy, for safe and responsible delivery of our operational targets and capital investments, and for building and leading our talented organisation, including:

- SAFETY & SECURITY
- PROTECTING THE ENVIRONMENT
- PRODUCING OPERATIONS
- GROWTH PROJECTS
- BUSINESS DEVELOPMENT
- OPERATING MODEL, PROCESSES & SYSTEMS
- PEOPLE & ORGANISATION
- CULTURE
- CAPITAL ALLOCATION
- FINANCE, PLANNING & REPORTING
- RISK MANAGEMENT
- INTERNAL CONTROLS

→ FIND OUT MORE ONLINE
HARBOURENERGY.COM/ABOUT-US/OUR-SENIOR-TEAM

THE UK CORPORATE GOVERNANCE CODE IN ACTION

1 Board leadership & company purpose

UK Corporate Governance Code Principle	How does the Board apply this Principle?	Further information
A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	The directors provide leadership and ensure the company and its management focus on the delivery of long-term sustainable success for all stakeholders, including shareholders and wider society.	• Governance at a glance: P70 • Board activities during 2024: P72
B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	The Board has approved the company's purpose, values and strategy and is satisfied they are aligned with the culture that has been embedded throughout the company, regularly meeting with a wide cross section of staff to gain the required insight.	• Governance at a glance: P70 • Our culture & values: P18 • Harbour culture: P73
C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Board ensures that a robust financial framework is in place, underpinned by prudent capital allocation, to ensure the necessary resources are in place to meet Harbour's objectives and measure performance within an effective risk management framework.	• Financial review: P32 • Key performance indicators: P20 • Risk management framework: P60 • Risk management and internal control: P85
D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	The Board seeks to engage actively with its stakeholders, including major shareholders, employees, governments, regulators, partners and suppliers. Feedback from stakeholders is considered in the Board's decision-making processes.	• Engaging with our stakeholders: P14 • Employee engagement: P58 • Workforce engagement: P80
E. The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	Our workforce policies and practices are aligned with our values, with regular employee engagement surveys resulting in improvement initiatives throughout the business. Speak Up, the company's whistleblowing service, is available to all employees and contractors and is regularly publicised through the company's communication channels including town hall meetings.	• Audit and Risk Committee activities during 2024: P83 • Employee practices: P57 • Global 'pulse' survey: P58

GOVERNANCE AT A GLANCE PAGE 70

NEXT SECTION OF THE CODE PAGE 77

Dear shareholder,

I am delighted to be writing to you on behalf of the Board in this, Harbour Energy's 2024 Annual Report.

During 2024, the economic and geopolitical backdrop remained unpredictable, and there is continued uncertainty around future economic growth rates. In spite of this, our company's purpose – to play a significant role in meeting the world's energy needs through the safe, efficient and responsible production of hydrocarbons, while creating value for our stakeholders – remains relevant, and our strategic goal to continue building a global, diverse, independent oil and gas company remains clear. The past year saw a huge step towards the delivery of these aims through the completion of the Wintershall Dea transaction which has increased our global footprint by adding material assets in Norway, Germany, Mexico, Argentina and North Africa. Your company is now one of the world's largest and most diverse independent oil and gas companies and the Board is proud of the progress made.

The governance framework at Harbour Energy is the blueprint for how we work together. The Board continues to aspire to the highest standards of corporate governance by steering our strategy and ensuring its relevance in the changing market environment. Growth and international diversification are core to our strategy, and in assessing potential growth opportunities, we remain disciplined and focused on strategic fit and value creation. This means considering the right things, at the right time, with the right people and insights. Our corporate governance structure supports this objective, and a summary of the framework can be found on page 70.

Board activities during 2024

Capital allocation, safety, sustainability, culture, the integration of the Wintershall Dea assets, and consideration of value creation and growth opportunities have remained high on the Board's agenda throughout 2024. Oil and gas will continue to play a key role in meeting the world's energy needs and it is important that we invest to deliver reliable supplies in a responsible manner.

Fundamental to our purpose is ensuring safe operations for our workforce – providing an environment where our people can undertake their duties without being put in harm's way. Safety has been a fundamental consideration during the integration of our Wintershall Dea employees and assets and performance has been carefully monitored by the Board, supported by the HSES Committee.

The 2024 total recordable injury rate of 1.0 was higher than 2023. The reasons for this and mitigating actions taken by us are described on page 42. While we had

The governance framework at Harbour Energy is the blueprint for how we work together.

R. BLAIR THOMAS
CHAIR

a record low for the number of total events for 2023, regrettably, we had one Tier 1 event, and three Tier 2 events occur in 2024. All events were rigorously investigated by management, with learnings shared across the company. To reinforce our commitment for ever higher standards of safety and environmental performance, the bonus scorecard includes a process safety metric (see page 106 for more detail).

The Board is supportive of the progress being made on our energy transition journey as we continue to work towards halving our Scope 1 and 2 emissions for our operated assets by 2030 against our 2018 baseline. In addition, we made the decision to move forward with our first operational CCS project – Greensand Future in Denmark – and, with the addition of CCS assets from Wintershall Dea, we now have a leading European portfolio. For more information on our GHG emissions, commitments and strategy please see pages 44 to 53.

The Board approved the $11.2 billion acquisition of the Wintershall Dea assets which completed in September 2024. This transaction was fully aligned with our corporate strategy for growth, diversification and strengthening our financial position. The Board continues to consider a range of additional growth opportunities – both organic and inorganic.

During the year, the Harbour values were refreshed to better reflect the company's culture. These values – and their underpinning behaviours – served as a core part of the integration programme for Wintershall Dea employees joining Harbour Energy in September. Please see page 18 for more information about our values.

Board performance and composition

I was pleased to welcome Hans-Ulrich Engel and Dirk Elvermann to the Board in September, and value the contributions and insights they bring to Board and committee discussions. Andy Hopwood has decided not to stand for re-election at the 2025 AGM. I would like to thank Andy for his service as a director since Harbour became a public company in 2021 and for his valuable contributions during that time.

During 2024, the Board extended the Board and committee independent performance review programme with Lintstock by a year, recognising that considerable change has taken place within the business and noting the value of being able to measure its performance year on year on a consistent basis. The independent review concluded that the composition and functioning of the Board and its committees remain effective. An overview of the Board performance review process, actions taken, key findings and next steps is included in the Nomination Committee report on page 78.

Board priorities for 2025

For the Board and Leadership Team, our focus during 2025 will be delivering against our operational and safety targets and capital programme, completing the integration of the Wintershall Dea assets, and continuing to assess further growth opportunities including organically and through the pursuit of value-accretive M&A.

The macroeconomic and geopolitical environment remains challenging and uncertain, but I am confident that we have the right team and strategy in place to create value for all our stakeholders.

Finally, I would like to thank all of our employees and contractors, shareholders, partners, suppliers and customers for their continued support of Harbour Energy.

R. Blair Thomas
Chair

Harbour culture

The Board has maintained its oversight of the company's culture. During the year we have met with staff from all levels of the organisation, including the Leadership Team, Global Staff Forum representatives, Business Unit senior leaders, asset managers, safety representatives and offshore installation managers.

Leadership Team members regularly attend and present various topics to the Board and its committees. Board agendas regularly include 'poster sessions' in which senior leaders from a Business Unit present an overview of their business including the geopolitical and economic environment, the company's history in the country, our assets, safety and operational performance, and our challenges and opportunities for growth. These sessions give the Board the opportunity to meet and engage with senior leaders from around the world. Following Board meetings, directors are invited to attend informal receptions with staff who have presented during meetings, allowing time for further discussion and providing the Board with an opportunity to get to know more staff below Leadership Team level. In addition, directors are invited to attend two of the CEO's quarterly meetings with the company's Global Staff Forum, during which progress against various employee-focused initiatives is discussed.

In June, the Board returned to Aberdeen and made a visit to a key supplier of aviation services in the UK, Bristow. The Board met with key Bristow contacts, toured the facilities and completed a helicopter simulation experience. Directors also met with senior leadership in the Business Unit. Directors were also pleased to have the opportunity to meet with several Aberdeen-based employee networks including the Early Careers Network, Diversity Network representatives and elected Safety Representatives.

The Board reviewed the results of the 2024 'pulse' survey to obtain insight into the progress being made with integration and culture following completion of the Wintershall Dea transaction, and will have access to the results of the next company-wide engagement survey in 2025. The Board will, through the Nomination Committee, continue to monitor the outcomes of initiatives launched to address issues raised. Further detail on the engagement survey outcomes is provided in the Sustainability review on page 58.

Together, these interactions provide directors with the opportunity to meet in person with and hear feedback from a wide cross-section of our staff and gain a deeper sense of Harbour's culture.

The Board is collectively responsible for the governance of the company on behalf of Harbour Energy's shareholders and is accountable to them for the long-term success of the Group

R. Blair Thomas
Chair

Appointed 31 March 2021

Skills and experience
Blair was appointed as Non-Executive Chair of the company in March 2021. Blair has more than 30 years' experience in the investment management business, with a focus on energy and energy-related infrastructure. Blair's industry experience and knowledge of Harbour are invaluable and his leadership of the Board is of significant benefit to the company and shareholders as a whole.

External appointments with public companies
None

Committee membership
– Nomination (Chair)

Linda Z. Cook
Chief Executive Officer

Appointed 31 March 2021

Skills and experience
Linda has significant experience in building and managing large-scale, global energy businesses at both Royal Dutch Shell where she worked for almost 30 years and subsequently in private equity at EIG and Harbour Energy. She has a track record of successful strategic execution and growth, including through M&A, major project delivery and raising capital. Linda's experience in international oil and gas, and in disciplined capital allocation within the sector is of great value to Harbour as the company works to implement its strategy.

External appointments with public companies
– BNY Mellon: Non-Executive Director and Chair of the Audit Committee

Committee membership
N/A

Alexander Krane
Chief Financial Officer

Appointed 15 April 2021

Skills and experience
Having spent a large portion of his career as CFO of Aker BP, including during the merger of Det Norske Oljeselskap and BP Norge, Alexander has experience leading a large finance function through integration processes. He brings extensive listed company experience and understanding of debt and equity capital markets, which enhances the Board's ability to maintain balance sheet strength and deliver on its growth and investment plans through the commodity price cycle.

External appointments with public companies
None

Committee membership
N/A

Simon Henry
Senior Independent Non-Executive Director

Appointed 31 March 2021

Skills and experience
Simon's position as Senior Independent Director ensures that the highest standards of corporate governance are maintained. He plays a pivotal role in managing the relationship with the company's major shareholders, and ensuring the company is able to operate independently and in accordance with its obligations as a listed company. In addition, Simon brings significant experience in both the oil and gas sector, including a focus on health, safety and sustainability, and public markets having spent his entire career working with large-scale companies, including as CFO for Royal Dutch Shell plc.

External appointments with public companies
- Rio Tinto plc: Non-Executive Director and Chair of the Audit and Risk Committee

Committee membership
- Audit and Risk
- HSES

Belgacem Chariag
Independent Non-Executive Director

Appointed 1 May 2023

Skills and experience
Belgacem has extensive experience in the energy, materials and chemicals industries, having held a variety of leadership positions within oil field services companies, including Baker Hughes and Schlumberger. Most recently Belgacem was Chairman and CEO of Ecovyst Inc, a leading global provider of speciality catalysts, materials, chemicals and services. Belgacem brings extensive global industry expertise to Harbour, including in the area of health and safety, which enhances the Board's ability to support and oversee the delivery of the strategy.

External appointments with public companies
- Helmerich & Payne, Inc: Non-Executive Director and Chair of the Remuneration Committee

Committee membership
- HSES
- Nomination

Dirk Elvermann
Non-Executive Director

Appointed 3 September 2024

Skills and experience
Dirk was appointed as a non-executive director of the company pursuant to the relationship agreement with BASF (described on page 115). Dirk holds a doctorate in law and has gained broad international business expertise in various roles at BASF since 2003. As the CFO and Chief Digital Officer of BASF, Dirk brings a wealth of experience and understanding of finance and digitalisation. His deep expertise provides valuable insights to the Board, helping to drive operational efficiency and support the company's continued growth and innovation.

External appointments with public companies
- BASF SE: CFO and Chief Digital Officer

Committee membership
- Nomination

Hans-Ulrich Engel
Non-Executive Director

Appointed 3 September 2024

Skills and experience
Hans-Ulrich was appointed as a non-executive director of the company pursuant to the relationship agreement with BASF (described on page 115). Hans-Ulrich holds a doctorate in law and has decades of experience in the chemicals and energy sectors including as former CFO and Vice Chairman of the Board of BASF SE. His expertise includes M&A, major restructuring projects and business development skills, which provides the Board with valuable insights to drive strategic growth and the success of the company.

External appointments with public companies
- DHL Group (Supervisory Board member and Chair of Audit Committee)

Committee membership
- HSES

Alan Ferguson
Independent Non-Executive Director

Appointed 31 March 2021

Skills and experience
Alan is a chartered accountant and brings current and relevant financial experience to the Board and Audit and Risk Committee following his executive career in finance roles including being CFO of three FTSE 100/250 companies. Alan has over a decade of experience leading audit committees of listed companies including the Weir Group, Croda International and Johnson Matthey plc. The Audit and Risk Committee also benefits from Alan's insight from his position as a Board member of the Audit Committee Chairs' Independent Forum, and his expertise in corporate governance, audit and accounting is of great value to the Board and the company.

External appointments with public companies
- AngloGold Ashanti plc: Non-Executive Director and Chair of the Audit and Risk Committee

Committee membership
- Audit and Risk (Chair)
- Remuneration

Andy Hopwood
Independent Non-Executive Director

Appointed 31 March 2021

Skills and experience
Andy has over 40 years' experience in the global oil and gas industry gained during his long career with bp. He brings a strong understanding of the technical, operational and commercial issues associated with developing and managing large-scale, complex energy assets around the world, from exploration through to decommissioning, including in the areas of safety and the environment. Andy's technical, operational and leadership expertise in the oil and gas sector are invaluable to the Board and its committees in overseeing the existing portfolio and assessing opportunities for investment.

External appointments with public companies
None

Committee membership
- Nomination
- Remuneration

Louise Hough
Independent Non-Executive Director

Appointed 1 May 2023

Skills and experience
Louise has a wealth of experience and deep understanding of both financial and energy markets. Following 25 years at UBS, Louise played a lead role in preparing Saudi Aramco for its first public bond issuance and IPO as Head of International Investor Relations. At Saudi Aramco Louise was also a member of the Sustainability Steering Committee, working extensively on all aspects of ESG reporting. Louise's experience advising investors, boards and executive management teams on capital markets-related activity, sustainability and governance issues is of great value to the Board and its committees.

External appointments with public companies
None

Committee membership
- Audit and Risk
- Remuneration

Margareth Øvrum
Independent Non-Executive Director

Appointed 1 April 2021

Skills and experience
Margareth has extensive experience of international oil and gas operations, having worked for almost 40 years at Equinor and its predecessor companies. At Equinor, Margareth spent almost 17 years on the executive committee with global responsibility for HSES, project development, drilling, procurement, technology and new energy. Margareth's extensive leadership experience of major projects, health and safety, sustainability and the role of digital technology in engineering are invaluable to the Board. As Chair of the HSES Committee, Margareth has a passion for safety and the environment which is essential to her role.

External appointments with public companies
- FMC Corporation: Non-Executive Director
- Technip FMC plc: Non-Executive Director
- Transocean Ltd: Non-Executive Director

Committee membership
- HSES (Chair)
- Audit and Risk

Anne L. Stevens
Independent Non-Executive Director

Appointed 31 March 2021

Skills and experience
Anne brings a wealth of experience built up over a long career in engineering and executive roles in large global companies. In recent years, she has served on remuneration committees, including as Chair, in a number of large organisations, including Anglo American plc, expertise that she brings to her role as Remuneration Committee Chair. Anne also has significant experience engaging with investors to deliver remuneration outcomes that are of benefit to all stakeholders.

External appointments with public companies
- Aston Martin Lagonda Global Holdings plc: Non-Executive Director, and Chair of the Remuneration Committee and the Sustainability Committee

Committee membership
- Remuneration (Chair)
- Nomination

Supporting the Board on all governance matters

Rachel Rickard
Company Secretary

Rachel is a Fellow of the Chartered Governance Institute with more than 20 years' experience gained across a variety of industries and sectors in FTSE 100 and FTSE 250 listed companies.

Rachel ensures that the Board has the policies, processes, information, time and resources it needs to function effectively and efficiently.

THE UK CORPORATE GOVERNANCE CODE IN ACTION

2 Division of responsibilities

1 2 3 4 5

UK Corporate Governance Code Principle	How does the Board apply this Principle?	Further information
F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	The Chair leads the Board and ensures its effectiveness. He brings significant industry experience, demonstrating objective judgement despite not being independent on appointment. The Chair promotes an active culture of openness and debate, facilitating constructive Board relations and the effective contribution of all non-executive directors, ensuring that directors receive accurate, timely and clear information.	• Chair's introduction: P72 • UK Corporate Governance Code explanation: P70 • Board and committee performance review: P80
G. The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	The Board is comprised of a majority of independent directors, with a clear division of responsibilities between the leadership of the Board and the executive leadership and management of the business. Given the Chair's position as an EIG executive, and Hans-Ulrich Engel and Dirk Elvermann's roles as shareholder representative directors, relationship agreements have been and continue to be in place to ensure the company is able to operate independently and to the highest standards of corporate governance.	• Relationship agreements: P115 • Governance at a glance: P70
H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	Non-executive directors ensure they have sufficient time to meet their responsibilities, including providing constructive challenge, helping to develop the company's strategy and holding management to account for the company's performance. No director holds external directorships at more than three other public companies.	• Meeting attendance: P114 • Board of directors: P74
I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	All directors have access to the Company Secretary who is responsible for advising the Board and its committees on all governance matters.	• 2023-2024 performance review: P80 • Governance at a glance: P70

GOVERNANCE AT A GLANCE PAGE 70

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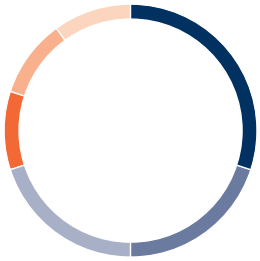
> During 2024, the Committee focused its attention on optimising Board and committee composition.
>
> **R. BLAIR THOMAS**
> COMMITTEE CHAIR

Role of the Committee

- To plan director succession and oversee plans for senior management succession and talent development, taking into account the strategy of the company and the skills, knowledge, diversity and experience required to deliver the strategy; and to oversee the development of a diverse pipeline for succession to Board and senior management positions
- To keep under review the structure, size and composition of the Board and its committees
- To lead the process for the annual Board and committee performance review and oversee the results and actions
- To lead the process for Board appointments, ensuring it is formal, rigorous and transparent, and identifying and nominating candidates for the Board's approval
- To lead Board-level engagement with Harbour's workforce, ensuring effective engagement and enabling them to raise matters of concern
- To assess and monitor Harbour's culture, to ensure that it is aligned with the company's purpose, values and strategy

How the Committee spent its time during the year (%)



Workforce engagement and culture	30
Succession planning	20
Talent management and development	20
NED recruitment	10
Board performance review	10
Corporate governance and compliance	10

Director	Meetings attended	Percentage
R. Blair Thomas (Committee Chair)	●●●●●	100%
Belgacem Chariag[1]	●○●●●	80%
Andy Hopwood	●●●●●	100%
Anne L. Stevens	●●●●●	100%
Dirk Elvermann[2]	●●	100%

● Attended ○ Not attended

1 Belgacem Chariag was unable to attend one meeting due to extenuating circumstances. He received meeting materials and had the opportunity to provide input to the Committee.
2 Dirk Elvermann joined the Board and the Nomination Committee on 3 September and attended all meetings that he was eligible to attend.

THE UK CORPORATE GOVERNANCE CODE IN ACTION

3 Composition, succession & evaluation

1 2 3 4 5

UK Corporate Governance Code Principle	How does the Board apply this Principle?	Further information
J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. **Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.**	The Nomination Committee is responsible for ensuring that plans are in place for orderly succession to the Board and senior management positions. Appointments are subject to a formal, rigorous and transparent procedure, supported by the use of external search agencies where appropriate, to ensure review of a diverse range of candidates, including consideration of gender, ethnicity, social and cultural backgrounds alongside career experience, technical and professional skills. Board and committee succession plans are based on a wide range of criteria taking into account the need to maintain a diverse Board as well as considering short, medium and long-term composition requirements alongside the expected needs of the business.	• Succession planning: P79 • Appointment of shareholder representative non-executive directors: P79
K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	The Board and its committees have a balance of skills, experience, knowledge and diversity. Committee memberships comprise non-executive directors only. The Nomination Committee reviews the skills matrix and tenure of each director on an annual basis to ensure that the Board's plans for succession are aligned with the needs of the business.	• Skills matrix: P79 • Non-executive director succession planning: P79 • Board of directors: P74
L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	The Board and its committees undertake annual performance reviews, supported by an external provider, with the Nomination Committee overseeing this process. In 2023, having concluded a three-year review programme supported by Lintstock, the relationship was extended for a further year. The 2024 review was based on individual questionnaires, the results of which were compiled into reports used as a basis for discussion and evaluation of the Board, committee and individual performance of each director. The Board and Committee viewed it as appropriate to use the incumbent provider so as to enable a direct comparison to take place.	• Externally facilitated Board and committee performance review process: P80

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Dear shareholder,

During 2024, the Committee focused its attention on optimising Board and committee composition; ensuring sufficient organisational capacity to successfully integrate and operate the enlarged company following completion of the Wintershall Dea transaction; and workforce engagement and culture.

The Committee held five meetings during the year. We were pleased to welcome Dirk Elvermann to the Committee in September following his appointment to the Board.

Leadership, organisation and succession planning

The Committee's remit includes responsibility for reviewing the needs of Harbour's leadership, both at the executive and non-executive levels, to ensure the company can continue to compete effectively in the marketplace, including contingency planning for any sudden or unforeseen circumstances.

During 2024, the Committee spent time ensuring that the Leadership Team and organisational structure – in particular at the corporate centre – had sufficient capacity and capability to lead the enlarged company effectively following completion of the Wintershall Dea transaction. It was concluded that the addition of three new roles to the Leadership Team was appropriate: a Chief Operating Officer (COO) whose responsibility would be the safe delivery of operational targets and capital investments across the Business Units; an EVP Technical Services whose responsibilities would include corporate support and assurance for operations and technical matters across the business; and an EVP CCS to be accountable for Harbour's expanded portfolio of CCS projects. In addition, new roles were created in other corporate functions, for example in Finance and HR, to support the larger business.

As vacancies in the new organisation were filled, the Committee ensured diversity remained a key factor in the selection process, from the standpoint of gender and also reflecting the importance of attracting talent from the Wintershall Dea corporate centre to help enable an effective post-acquisition integration.

The Committee also continued to monitor talent development across the company, including for the Leadership Team roles, the positions reporting to the Leadership Team, Business Unit Managing Director positions and other safety and business critical roles. During 2024, monitoring included progress reports covering the Future Senior Leaders Programme introduced in 2023.

Board skills and experience

Non-executive director	Oil & gas	Financial	International	Listed	Mergers & acquisitions	Sustainability & safety	Operational excellence
R. Blair Thomas	✓	✓	✓	✓	✓		
Simon Henry	✓	✓	✓	✓	✓	✓	
Belgacem Chariag	✓		✓	✓		✓	✓
Dirk Elvermann	✓	✓	✓	✓	✓		
Hans-Ulrich Engel	✓	✓	✓	✓	✓	✓	✓
Alan Ferguson		✓	✓	✓	✓		
Andy Hopwood	✓		✓			✓	✓
Louise Hough	✓	✓	✓	✓		✓	
Margareth Øvrum	✓		✓	✓	✓	✓	✓
Anne L. Stevens		✓	✓	✓	✓		✓

The programme is designed to support a diverse range of potential successors to the Leadership Team, and includes psychometric assessment, business simulation activity, personal coaching, and small group workshops to address development needs and identify trends. Role success profiles were developed for all safety and business critical roles. Talent pools are being developed for these critical roles to ensure a robust talent pipeline to support strategic resource planning.

The Harbour Management Programme was introduced in 2023. We also provide learning opportunities for all employees via a Smart Skills series and self-service learning software.

Appointment of shareholder representative non-executive directors and Board succession planning

Two shareholder representative non-executive directors, Hans-Ulrich Engel and Dirk Elvermann, were appointed to the Board on 3 September 2024, and will be standing for election by shareholders at the 2025 AGM. The appointments were made in accordance with the relationship agreement with BASF, which became Harbour's largest shareholder on completion of the Wintershall Dea transaction. The process undertaken by the Committee in appointing the shareholder representative directors followed the process set out in the relationship agreement, with BASF nominating Dirk and Hans-Ulrich for appointment. For any future independent non-executive director appointments, the Committee will continue to use an external consultant, as used in 2023.

The Committee agreed that Dirk and Hans-Ulrich possess the necessary skills and experience to complement the balance of the existing knowledge and capabilities of the Board and its committees and further support execution of the company's strategy, and recommended the appointment of Dirk and Hans-Ulrich to the Board for approval. The Committee discussed the Board committees' composition in line with Dirk and Hans-Ulrich's skillsets and confirmed their respective appointments to the Nomination Committee and HSES Committee. The Committee noted the importance of maintaining the independence of membership in the Audit and Risk Committee and the Remuneration Committee in accordance with the Code.

Andy Hopwood has decided not to stand for re-election at the 2025 AGM. I would like to thank Andy for his service as a director since Harbour became a public company in 2021 and for his valuable contributions during that time.

The Committee believes that the structure and composition of the Board and its committees is suitable for the company at present. The Committee will continue to monitor the composition of the Board alongside the tenure of directors to ensure the Board retains a suitable balance of skills, experience and diversity.

Director induction and training

On joining the Board, each director completes a bespoke induction programme designed by the Company Secretary, approved by the CEO and overseen by the Committee.

As part of Hans-Ulrich and Dirk's induction programmes they met with the CEO, CFO, Company Secretary and General Counsel and several members of management at the Board and committee meetings held shortly after their appointment. Given their existing knowledge of the Wintershall Dea assets and business, the induction focused primarily on legacy Harbour and ongoing strategy, financing, legal and regulatory compliance and risk. Individual sessions were also arranged with the Chairs of the respective committees that Hans-Ulrich and Dirk joined, as well as with the Chair of the Board.

A schedule of 'poster' sessions continues to run, to provide all Board members with a deeper understanding of specific Business Units or topics. For example, at the October and December Board meetings, poster sessions were held focused on the Norway, Germany, Argentina and CCS Business Units, including access to the relevant senior management teams.

Shortly after Dirk and Hans-Ulrich joined the Board, in conjunction with the October Board meeting, an informal reception was held in the evening for Board members to meet with all London-based staff. Further opportunities will be provided throughout 2025 – in London and other locations – during which directors will have the opportunity to meet with a cross-section of our workforce and gain a greater understanding of our operations and a deeper sense of Harbour's culture.

Throughout the year, directors are provided with access to a varied programme of training opportunities, as well as in-depth sessions on material topics relevant to the business. The directors are also required to complete various training programmes undertaken by all employees, including ethics and compliance, share dealing and management of inside information, and cyber security.

Externally facilitated Board and committee performance review process

The Board monitors and improves its performance by reflecting on the continuing effectiveness of its activities, the quality of its decisions and by considering the contributions made by Board members. The Committee completed its final year of a three-year Board performance evaluation plan facilitated by Lintstock in 2023. To help draw a direct comparison post-acquisition, Lintstock was engaged for an additional year and conducted the review for 2024. There is no connection between Lintstock and either Harbour Energy plc or the directors.

This year's review was conducted through the completion of online surveys used to evaluate the performance of the Board, its committees and individuals throughout the year.

The 2024 surveys were consistent with those used in previous years to enable comparison of the results, with the addition of specific questions to consider work completed during the year. Reports were prepared by Lintstock and used by the Board, its committees and individual directors to discuss findings and agree areas to focus on in the year ahead in terms of Board and committee performance. The Chair held one-to-one meetings with directors regarding their individual performance reviews. The Senior Independent Director also led a private session to discuss the Chair's performance.

Overall, the results of the 2024 review were positive, with improvements shown where actions had been taken in response to the outcome of the previous year's review. Areas which scored well relative to an external benchmark included: skills and experience of the Board, Board dynamics, as well as the collaboration and challenge of the wider Leadership Team; oversight of execution of strategy; meeting management, governance flows and support; oversight of safety; engagement with stakeholders; the structure at senior levels and visibility of potential successors as well as succession at the layer below the Board; risk appetite and mitigation; and talent development processes.

Areas identified for continued focus in 2025 include:

- succession planning;
- ongoing work on stakeholder engagement; and
- keeping the Board updated on relevant external developments.

The Committee will continue to monitor progress of the areas identified.

The Committee considered the findings of the evaluation and concluded that each director continues to contribute effectively and has sufficient time to devote to their role. The outcome of the annual independence assessment for the non-executive directors concluded that each independent director continues to be independent. The Committee and the Board are therefore unanimous in recommending the appointment and re-appointment of all directors who will be standing for election and re-election at the 2025 AGM.

2023-24 performance review

Improved Stable

Key findings from the previous year and actions taken to address the findings are shown in the table below:

Finding	Action taken	Board ratings 2024 vs 2023
Increase engagement with more stakeholder groups	Board members have met with various stakeholders over the year and updates on engagements have been communicated at Board and committee meetings and as part of the CEO updates to the Board. Please see examples in our Section 172(1) statement on page 15.	Engagement with shareholders Engagement with partners and suppliers
Improve balance of Board discussions on growth	Board agendas included focus on strategic growth opportunities at every meeting. Poster sessions provide a helpful format for deep dives into select topics. Agendas are balanced in time allocation between performance, strategy, special topics and governance. The Board had full oversight of the Wintershall Dea asset acquisition and communication flows between the CEO and Board throughout the various stages of the transaction were rated highly.	Balance of Board discussions on organic and inorganic growth, with strong agenda management and poster sessions well received
Succession and talent development	Dedicated organisation design, succession and talent review sessions held with the Nomination Committee. The focus was on expanding the Leadership Team and recruiting additional senior talent into the company to increase the leadership capacity following completion of the Wintershall Dea transaction. An overview of talent and leadership development programmes at all levels of the organisation was also well received.	Visibility of internal successors Talent development processes
Strengthen investment case	The Wintershall Dea asset acquisition successfully executed, reflecting delivery of strategy, and resulting in an increase in market capitalisation and enabling Harbour to achieve investment grade ratings.	Oversight of execution Strength of investment case

Workforce engagement

The Board has a variety of means to engage directly with employees throughout the year, including a combination of the Provision 5 mechanisms set out in the UK Corporate Governance Code, namely a workforce advisory panel and designated non-executive directors.

Staff forums, both local and global, are made up of volunteers from the workforce and have a mandate to enable the two-way flow of information, feedback and ideas between the workforce and management. Local staff forums meet regularly each year and report into the Global Staff Forum, which meets with the CEO and members of the Leadership Team four times a year. Two designated non-executive directors, Andy Hopwood and Louise Hough, act as Board representatives to the Global Staff Forum and are invited to join two of these meetings annually, with an open invitation to all non-executive directors to attend. The Committee receives regular updates on the actions arising from the Global Staff Forum feedback. During 2024, the Global Staff Forum addressed matters raised in the 2023 global engagement survey covering career development and learning, communications and simplification; in addition, a session was held covering our compensation structure which included a review of executive compensation.

Harbour also has a comprehensive group of employee networks to ensure engagement across the company. At a local level, supported by the DE&I team, there are voluntary employee-led networks, including ability, early careers, cultural, gender balance, neurodiversity, Pride, menopause support and STEM (science, technology, engineering and maths) ambassadors. The aim of these networks is to improve engagement and to foster a diverse, inclusive workplace, offering a safe space for employees to raise awareness of relevant issues, often linked to identity.

Feedback from the employee networks is taken to the Global Diversity Council which includes the various network chairs and works with management to implement improvement initiatives. Each of the networks is sponsored by a member of the Leadership Team. The Board receives updates from the Global Diversity Council through annual DE&I updates to the Nomination Committee. Board members also met with the Early Careers Network and joined a Diversity Council Meeting during their visit to Aberdeen in June 2024. Further information on employee engagement initiatives is available in the Sustainability review on page 58.

The Committee was pleased to see the strong company-wide participation in the global engagement interim pulse survey, which had a global employee response rate of 74 per cent. This was focused on 'change' and was rolled out in autumn 2024, post completion of the Wintershall Dea transaction.

The Committee reviewed the results of the survey and management are meeting with their teams, staff forums and employee networks to review the data and develop both local and global initiatives to address key findings.

A full global engagement survey is expected to be rolled out in 2025, within one year of the completion of the Wintershall Dea transaction.

The Committee considers that the existing workforce engagement mechanisms remain suitable for the organisation at this time due to the wide range of insights received from employees representing all levels of the organisation.

R. Blair Thomas
Committee Chair

Diversity, equity and inclusion

All Board appointments are made based on merit, experience and performance, while also actively seeking diversity of skills, gender, social and ethnic backgrounds, cognitive and personal strengths. The Committee's oversight role includes ensuring that diversity, equity and inclusion are integrated into our business management system, HR standards and recruitment processes, and remain front of mind as we continue to build Harbour's corporate culture and work to execute the strategy.

The policy with respect to Board diversity is reviewed annually by the Committee and aims to ensure the optimal composition of the Board and its committees for successfully delivering Harbour's strategy, with a goal to meet the targets contained in the FCA UK Listing Rules on diversity:

- that at least 40 per cent of directors are women;
- that at least one of the roles of Chair, CEO, Senior Independent Director or CFO is held by a woman; and
- that at least one Board director is from a minority ethnic background.

Following the appointment of two shareholder representative directors on 3 September 2024, through to 31 December, we no longer met the target that 40 per cent of the directors are women. Our Board currently stands at 33 per cent female. As BASF has the right to appoint two directors to the Board under the terms of the relationship agreement, we have updated our Board diversity policy to have a target that 40 per cent of Board members not subject to significant shareholder appointment are to be women, provided this is consistent with the prevailing skills and diversity requirements of the company as and when seeking to appoint a new director. As at the date of this report, there are four women out of 10 relevant Board members (being the Chair, two executive directors and seven independent non-executive directors but excluding the two shareholder representative directors), thereby comprising 40 per cent.

43 per cent of our independent non-executive directors are female. Future appointments will consider gender as part of the recruitment process but appointments will continue to be based on merit, all areas of diversity and alignment of skills to the Group's strategy. Our CEO is female, and one of our Board members has an ethnic minority background. In relation to the diversity of the Board's committees, we recognise it is not always practical to set meaningful diversity targets for the committees due to their smaller memberships. However, diversity is considered when reviewing committee membership. The Committee aims to bring diverse perspectives to all areas of work conducted by the Board and its committees. Committee membership following the appointment of new directors shows the success of this approach, with diverse perspectives represented on each of the Board committees. Gender parity has been achieved in both the Audit and Risk Committee and Remuneration Committee.

Among senior management, women and ethnic minorities represented 38 per cent and 11 per cent respectively of the Leadership Team and its direct reports, excluding executive directors, as at 31 December 2024. As Harbour moves forward into 2025, our drive to continuously improve diversity, equity and inclusion will help to ensure that we have the right people in place to deliver strong performance and growth in line with the company's ongoing strategy.

The company's gender and ethnic diversity data is collected through the HR management system, where employees are invited to voluntarily answer questions related to ethnicity, national identity and religious affiliation.

Further details of the Board's composition are outlined on pages 74 to 77 and the disclosure required under the UK Listing Rule 6.6.6R(10), as at the reference date of 31 December 2024, is set out below:

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management
Men	8	66.67%	3	6	60%
Women	4	33.33%	1	4	40%
Not specified/prefer not to say	–	–	–	–	–

Ethnicity	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management
White British or other white (including minority white groups)	11	91.67%	4	10	100%
Mixed/multiple ethnic groups	1	8.33%	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/ Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1 Definition of senior Board position: Chair, CEO, CFO, Senior Independent Non-Executive Director.
2 Definition of executive management: the executive committee or more senior executive or managerial body below the Board, including the Company Secretary but excluding administrative and support staff.

> Our focus in 2024 was on ensuring our control systems remained effective through the completion of the Wintershall Dea transaction.
>
> **ALAN FERGUSON**
> COMMITTEE CHAIR

Role of the Committee

- Monitors the integrity of the company's financial statements, and any formal announcements relating to the company's financial performance, and the significant financial reporting judgements they contain
- Reviews the external auditor's independence, objectivity and the effectiveness and quality of the audit process
- Monitors and reviews the effectiveness of the company's risk management and internal control systems including the identification of emerging risks together with the results of the programme of reviews of these systems and management's response to the review findings
- Monitors and reviews the effectiveness of the process for ensuring actions are taken to mitigate the risks which are considered by the Board to be the principal risks facing the company
- Monitors and reviews the effectiveness and objectivity of the company's internal audit function, the appropriateness of its work plan, the results of reviews undertaken, and the adequacy of management's response to matters raised
- Develops and implements policy on the engagement and tenure of the external auditors and on the supply of non-audit services
- Monitors the enforcement of the company's Code of Conduct and the adequacy and appropriateness of its whistleblowing procedure

How the Committee spent its time during the year (%)

- Financial reporting and external audit 40
- Risk management, internal control and internal audit 30
- Governance and committee performance review 15
- Special topics 15

Director	Meetings attended	Percentage
Alan Ferguson (Committee Chair)	●●●●●●	100%
Simon Henry	●●●●●●	100%
Louise Hough	●●●●●●	100%
Margareth Øvrum	●●●●●●	100%

● Attended ● Not attended

THE UK CORPORATE GOVERNANCE CODE IN ACTION

4 Audit, risk & internal control

1 2 3 4 5

UK Corporate Governance Code Principle	How does the Board apply this Principle?	Further information
M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Board, supported by the Audit and Risk Committee, has established formal and transparent policies and procedures which ensure that internal audit and the external auditors are independent and effective. These procedures are important in assisting the Committee when satisfying itself as to the integrity of financial and narrative statements in external reporting.	• Role of the Committee: P82 • Independence, objectivity and tenure of external auditors: P84 • Quality of the external audit process: P84 • Internal audit: P85
N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	The Board, supported by the Audit and Risk Committee, considers the 2024 Annual Report and financial statements to present a fair, balanced and understandable assessment of the company's position and prospects, confirming that it provides the information necessary for shareholders to assess the company's position, performance, business model and strategy. During the year, the Board has also considered the same in relation to public reporting including trading and operations updates and the half-year results and financial statements.	• Key activities during the year: P83 • Financial reporting judgements and estimates: P83 • Statement of directors' responsibilities: P117
O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	The Audit and Risk Committee supports the Board in establishing procedures to manage risk, oversee the internal control framework (including preparation to meet the expanded future UK Corporate Governance Code requirements related to material control effectiveness) and determine the nature and extent of the principal risks the company is willing to take in order to achieve its strategic objectives.	• Risk management: P60 • Monitoring and effectiveness of the risk management framework: P62 • Risk management and internal control: P85

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Dear shareholder,

I am pleased to present this year's Audit and Risk Committee report.

The objective of this report is to provide a summary of the Committee's work to ensure the interests of the company's stakeholders are protected through a robust risk management framework and transparent financial reporting.

Key activities during the year

Our focus in 2024 was on ensuring our control systems remained effective through the completion of the Wintershall Dea transaction. The Committee held five scheduled meetings during 2024 with an additional meeting held to review and approve financial and accounting items related to the Wintershall Dea transaction. A further two meetings were held in 2025, prior to the publication of this Annual Report & Accounts. In addition to the members of the Committee listed on the previous page, meetings were normally also attended by the CEO, the CFO, the SVP Financial Reporting & Tax, the SVP Internal Audit, the General Counsel, the VP Corporate Reporting and the company's external auditors. Other senior managers are required to attend when significant audit and risk management matters relating to their area of responsibility are considered by the Committee.

During the year, the Committee met privately with the CFO, the SVP Internal Audit and the external auditors without management present. In addition, I met privately with each of these individuals and the external auditors in between Committee meetings.

The Committee invested extensive time during the year reviewing the processes in place and judgements required to prepare the company's full and half-year results. These included significant financial reporting judgements, key accounting estimates, climate change disclosures and important internal control matters. In particular, the Committee reviewed significant financial reporting judgements and estimates that have occurred in the year and the clarity and completeness of disclosures in the financial statements. In this work, we carefully considered the impact of the Wintershall Dea transaction and integration, including the implications on purchase price allocation and the long-term resilience of the business, as well as other matters such as decommissioning and taxation. More detail about the work of the Committee in relation to these financial reporting judgements and estimates can be found in the panel to the right.

Financial reporting judgements and estimates

Purchase price allocation

In assessing the purchase price allocation for the Wintershall Dea transaction, the Committee reviewed and challenged:

- management's key assumptions for valuing the acquired assets. This included approval of management's long-term planning assumptions for crude oil prices of $78/bbl in real terms and UK NBP gas prices of 80 pence/therm in real terms;
- valuations of intangible exploration and evaluation (E&E) assets taking into account the various valuations available which comprise financial carrying values, expected monetary valuations from discounted cash flows and potential sale proceeds from disposal initiatives;
- management's key assumptions for decommissioning provisions; and
- measurement of deferred tax liabilities associated with the items above and recoverability of deferred taxes.

Impairment and reversals of tangible and intangible properties

In assessing indicators of impairment or reversals of previous impairments of oil and gas properties, the Committee:

- reviewed and challenged management's key assumptions for oil and gas properties, including the long-term planning assumptions and future oil and gas prices; and
- taking account of available market data, approved management's pricing assumptions for crude oil and UK NBP that are used for impairment testing (refer to note 2 to the financial statements for more detail on page 135).

The Committee was satisfied that the most significant assumptions on which the impairment charges and reversals are based are: future commodity prices, the discount rate applied to the forecast future cash flows and decommissioning provisions. The Committee judged the sensitivity of the impairment charges to changes in the commodity prices, as set out in note 12 to the financial statements on page 162, to be appropriate. The Committee also considered the impact of climate change and carbon pricing on the financial statements and concluded there was unlikely to be a material impact on the financial statements. Further information can be found in note 2 to the financial statements on page 135.

The Committee assessed the carrying values of E&E assets and whether any indicators of impairment exist in relation to these assets. The Committee reviewed the oil and gas resources estimates and maturation reports provided by management and was satisfied that the corresponding E&E asset carrying balances and income statement charges were aligned with the resources reports.

Details of the company's intangible E&E assets are provided in note 11 to the financial statements on page 160.

Oil and gas reserves and resources

The Committee considered reports from management on the process used to determine the oil and gas reserves and resources estimates, looking in particular at whether the methodology was generally accepted industry practice and consistent with prior years, and the experience and expertise of the managers who prepared and reviewed the estimates. The Committee noted that a material proportion of the company's proven and probable oil and gas reserves and resources were audited by independent reservoir engineers.

Provisions for decommissioning

The Committee discussed with management the process and principal assumptions underpinning the cost estimates for future decommissioning activity. In particular, the Committee reviewed the range of risk-free discount rates applied compared to the prior year and was updated on inflationary pressures, particularly on rig rates. The Committee was satisfied that the approach applied was reasonable and that the combination of discount and contracted rig rates used was appropriate. Further information on decommissioning provisions is provided in note 21 to the financial statements on page 171.

Taxation

The Committee reviewed and discussed reports from management associated with calculating the Group tax provision for the period. Key areas of review were judgements in relation to deferred tax measurement and the reported effective tax rate for the period. Refer to note 8 to the financial statements for further detail on page 155.

The Committee noted that the net deferred tax position continues to be a liability position and, as a result of the Wintershall Dea transaction and purchase price allocation, has increased to $6.1 billion, primarily as a result of the high tax rates in the new countries the company now operates in. Further details of the deferred tax assets and liabilities are provided in note 8 to the financial statements on page 155.

Going concern

The directors are required to consider the appropriateness of adopting the going concern basis of accounting. The Committee reviewed management's projections of the company's liquidity position. Key assumptions in the projections included those related to oil and gas prices and production during the period. The Committee is satisfied that the judgements applied in making the assumptions and estimates that underpin the forecasts and projections are appropriate. The going concern statement included on page 37 is fair and balanced.

The Committee monitored the continued independence and objectivity of the external auditors and reviewed the quality and effectiveness of the audit process, as described in the auditor's independence and quality sections below.

The Committee monitored and reviewed the company's risk management and internal control systems (our risk management framework) in support of its duty to monitor and review the overall effectiveness of the framework on behalf of the Board and oversaw the management of certain specific risks assigned to the Committee, as described in the risk management and internal control section. The Committee also reviewed preparations to meet the expanded future UK Corporate Governance Code requirements related to material control effectiveness.

The Committee received reports on the outcome of internal audits conducted during the period, reviewed and approved the internal audit plan for 2025 and reviewed the transition towards in-housing internal audit, as described in the internal audit section.

The Committee received reports on whistleblowing incidents and reviewed an update on actions taken following an independent third-party review of the company's broader compliance programme.

The Committee attended to several governance matters. These comprised the review of several company policies as part of an agreed Board schedule to ensure the company's policies and statements remain appropriate, and preliminary discussions on the planned external audit tender process. The Committee also reflected on its effectiveness as part of the external Board and committee performance review (see page 80 for more detail).

Quality of the external audit process

The Committee is responsible for assessing the quality and effectiveness of the external audit process. At the start of the audit cycle, the Committee takes an appropriate amount of time to review the auditor's work plan and their assessment of the significant areas of risk in the financial statements, as this is the foundation of a high quality audit. For 2024, the significant areas of risk corresponded with the financial reporting judgements and estimates identified by the Committee, as detailed on page 83. Having considered the scope and matters arising through the year, the Committee was satisfied that it did not require the auditors to consider any new audit matters.

Following the audit, we discussed the findings with the auditors, including the challenges made around the key accounting judgements and estimates (details of which can be found in note 2 to the financial statements on page 135), including accounting for the Wintershall Dea acquisition, the level of adjusted and unadjusted errors identified during the audit, the recommendations made to management by the auditors and management's response.

In assessing the quality of the external audit process, the Committee focused on:

- the experience and expertise of the audit team and, in particular, the way the team was scaled up given the significant change in the size and complexity of the business;
- the rigour and focus applied to preparing the audit plan for the expanded business;
- the fulfilment of the agreed audit plan by the auditors and any variations from the work plan;
- the challenge and professional scepticism shown by the auditors in their handling of the key accounting and audit judgements;
- the quality of the recommendations made by the auditors for financial reporting process and control improvements; and
- the interactions of the audit team with the Committee in and outside the formal meetings.

In assessing how the auditor demonstrated professional scepticism, the Committee considered the quality and scope of the questions raised by, and discussions undertaken with, the auditor and, in particular, the challenges on management judgements, estimates and assumptions.

In addition, the Committee invited input from management and senior finance staff utilising a Committee-approved questionnaire. It also reviewed a summary from the Ernst & Young LLP (EY) UK 2024 audit quality report and discussed EY's internal control procedures, applied to the Harbour audit. Following this work the Committee judged that a quality audit had been delivered.

Independence and objectivity of the external auditors

The Committee is responsible for overseeing the Board's relationship with the external auditors and assuring their continued independence and objectivity. EY was appointed in 2021 for a period of up to five years following the completion of a limited competitive tender process as part of the merger as described in my 2022 report. Our intention remains that the company will run a full competitive tender process in 2025 for the 2026 year audit. In preparation for this, a plan has been agreed with the Committee and contact has been made with a number of audit firms to assess their willingness to participate in the tender. The CFO and I have met with those firms selected to tender and with a number of audit partners in order to select those who will lead the tender on behalf of those firms. Those selected have been discussed with, and approved by, the Committee. The company is fully compliant with the requirements of the Statutory Audit Services Order 2014.

The Committee reviews the independence and objectivity of the auditors on an ongoing basis and takes into account the overall relationship between the auditors and the company. In conducting this review, the Committee considered:

- feedback from the company's finance function and the auditors;
- the nature, extent and cost of non-audit services provided by the auditors;
- any recruitment of former employees of the auditors; and
- the safeguards the auditors have in place to prevent loss of audit independence, including the rotation of the audit engagement partner which is required every five years.

Our private meetings with the auditors throughout the year, and my private meetings with the lead audit partner in between meetings, provide an opportunity for open discussion with the auditors on a variety of topics. Matters discussed included: the auditor's assessment of significant financial risks and the performance of management in addressing these risks; how they have exercised challenge of management; the auditor's observations on management's role in fulfilling obligations to maintain internal controls; the transparency and responsiveness of management and confirmation that no restrictions have been placed on them by management; and maintaining the independence of the audit.

The Committee approves the fees for the full-year audit and half-yearly review after reviewing the scope of work and reviews the fees for non-audit assignments to satisfy itself that the assignments concerned do not give rise to threats to the auditor's independence and objectivity.

The Committee believes that certain pre-defined non-audit work may be carried out by the external auditors without compromising their independence and reviews its policy in this regard annually. Non-audit work is allocated in line with the company's policy on the provision of non-audit services by the external auditors and is approved by the Committee. In 2024, this comprised services relating to the review of the interim financial statements of $0.2 million, transaction-related

services including reporting accountant services relating to the Wintershall Dea transaction of $1.5 million, and certain agreed-upon-procedure engagements and assurance over ESG metrics of $0.6 million. The global audit fee for the 2024 external audit work amounted to $6.7 million. Further details of the fees paid are set out in note 5 to the financial statements on page 153.

The external auditors are required to confirm to the Committee that they have both the appropriate independence and objectivity to allow them to continue to serve the company. The Committee also requires the external auditors to confirm that in providing non-audit services, they comply with the Ethical Standard (2019) issued by the FRC. This confirmation was received for 2024.

Based on these reviews, the Committee concluded that the independence of the auditors has not been impaired and that the audit process operated effectively during the period, and it has reported accordingly to the Board.

Risk management and internal control

The Committee is responsible for monitoring and reviewing the effectiveness of the company's risk management framework on behalf of the Board. The risk management framework is described on pages 60 to 62.

During the year, ahead of half-year and full-year reporting, the Committee reviewed the processes in place to assess the principal and emerging risks facing the business, in support of the Board's assessment of these risks. We also reviewed the model governing the Board and its committees' oversight of the management of risk. This model is designed to ensure all principal risks, and the Board's appetite (or tolerance) for these risks, are given appropriate consideration by the Board and its committees. We also oversaw the management of specific principal risks assigned to the Committee by the Board. Topics included management-led presentations on the continued development of the risk-focused financial reporting internal controls framework for both business and IT general controls; information and cyber security; legal and regulatory compliance; and a review of several company policies.

The risk management framework also covers the specific internal controls governing the financial reporting process and preparation of financial statements. We have clear policies, standards and procedures for ensuring we comply with relevant regulatory reporting requirements and that these are applied consistently across our financial reporting teams and business areas involved in preparing the financial statements.

The Committee seeks representations from management regarding compliance with relevant policies and the accuracy of financial information on a biannual basis. Detailed management accounts for each reporting Business Unit are prepared monthly and subject to management review. These reports detail the performance and cash flows of the business and support our external financial reporting processes.

The Committee completed its annual review of the effectiveness of the company's risk management framework during the period in support of the Board approved statements on the framework on page 62, including the basis for our conclusion that the framework remains effective. This review included consideration of the company's preparation to meet the expanded future UK Corporate Governance Code requirements related to material control effectiveness.

The Committee has also completed its annual review of the processes in place to prepare the 2024 Annual Report & Accounts and to ensure they are fair, balanced and understandable in order to support the Statement of directors' responsibilities on page 117.

Internal audit

The company's internal audit function provides third-line assurance, as part of its assurance model described on page 62.

During the year, the Committee received reports on work undertaken to align with the updated Institute of Internal Auditors (IIA) Global Internal Audit Standards which became effective in January 2025, as well as internal audit findings, noting any significant findings and monitoring the close-out of any actions agreed arising from these audits. These comprised audits related to sales and marketing, financial reporting controls, delegation of authority and signing authority, and cyber security. The Committee also received a summary of other internal audits conducted over the period which were reported to the other Board committees that oversee those risk areas. The Committee also reviewed the outcomes of other key sources of assurance conducted over the period. This included the company's compliance programme, reserves reporting and cyber security testing.

The Committee reviewed progress on the continued transition towards in-housing internal audit, supported by co-source arrangements, as agreed with the Committee during 2023.

In addition, the internal audit team has expanded in size and skills in response to the Wintershall Dea transaction. Historic work undertaken by Wintershall Dea's corporate audit function was discussed with the Committee and relevant actions tracked to closure.

The Committee reviewed and approved the internal audit plan for 2025, including its budget and resource requirements, and approved the Internal Audit Charter and department performance objectives. The 2025 internal audit plan is targeted at providing assurance on the effectiveness of the management of the company's most significant risks and takes account of other sources of assurance to avoid duplication. The Committee also discussed the further development of an audit and assurance policy, which is due to be approved in 2025, and will, amongst other matters, set out the sources of assurance upon which the Board and committees place reliance.

In conclusion

This year was an important one for the Committee as the company completed the Wintershall Dea transaction, which fundamentally changed the size and geographic footprint of our business. Our focus was on ensuring the Group's processes and controls were robust such that we could plan for an effective integration of reporting requirements as well as dealing with matters such as purchase price allocation and the planning for internal and external audit capacity to cover the enlarged portfolio.

Areas of focus for 2025, over and above business as usual, include conducting the audit tender and continued oversight of the company's preparation to meet the expanded future UK Corporate Governance Code requirements related to material controls, including material controls beyond financial reporting.

Alan Ferguson
Committee Chair

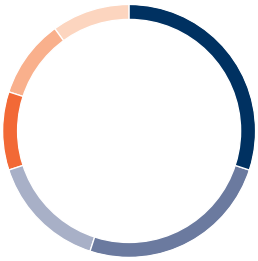
> 2024 has been a transformational year for the company; the Committee was particularly pleased to see that management prioritised the safety and wellbeing of our workforce throughout the transition and integration of the Wintershall Dea portfolio.
>
> **MARGARETH ØVRUM**
> COMMITTEE CHAIR

Role of the Committee

- To monitor and review the effectiveness of the implementation of Harbour's HSES strategy including in relation to GHG emissions
- To evaluate the effectiveness of Harbour's policies and systems for delivering its HSES strategy and managing HSES risk, including review of mitigating actions, determination of HSES risk appetite and tolerance, and monitoring the assurance programme
- To monitor the quality and integrity of Harbour's internal and external reporting of HSES performance and issues
- To assess the policies and systems within Harbour for ensuring compliance with HSES regulatory requirements

How the Committee spent its time during the year (%)

Safety performance	30
Special topics[1]	25
Assurance	15
External reporting and KPIs	10
HSES and net zero strategy	10
Governance and committee performance review	10



Director	Meetings attended	Percentage
Margareth Øvrum (Committee Chair)	●●●●	100%
Belgacem Chariag[2]	●○●●	75%
Simon Henry	●●●●	100%
Hans-Ulrich Engel[3]	●●	100%

● Attended ○ Not attended

1 This includes deep dive sessions on safety incidents and decarbonisation updates.
2 Belgacem Chariag was unable to attend one meeting due to extenuating circumstances. He received meeting materials and had the opportunity to provide input to the Committee.
3 Hans-Ulrich Engel joined the Board and was appointed a member of the HSES Committee on 3 September 2024. He attended all meetings he was entitled to attend.

HSES culture

Ensuring safe, reliable and responsible operations is a key dimension of our strategy. In building a strong health and safety culture, we emphasise that everyone who works for Harbour has the right and responsibility to stop the job if a situation poses safety risks.

Our commitment to a safety-first culture is reinforced by our Board and HSES Committee, who oversee HSES principal risks and performance. In addition, the Leadership Team discusses safety every week, with detailed reviews on a monthly basis, and safety is a key focus of every global town hall.

Alongside health and safety, environmental management and the wider aspects of climate change are also important. To promote continuous improvement, we include metrics on GHG emissions, as well as on safety, in our annual bonus scorecard.

SAFE & RESPONSIBLE
Ensure safe, reliable and responsible operations

WELL POSITIONED FOR THE FUTURE
Creating value through continued strategic delivery

Dear shareholder,

I am pleased to report on the activities of the Committee in 2024.

The Committee held four scheduled meetings during the year. Hans-Ulrich Engel joined the Committee on 3 September, on completion of the Wintershall Dea transaction. I welcome him and value his input into Committee discussions, drawing on his significant knowledge of the assets acquired from Wintershall Dea, as well as management of health, safety and environmental issues in general.

2024 has been a transformational year for the company; the Committee was particularly pleased to see that management prioritised the safety and wellbeing of our workforce throughout the transition and integration of the Wintershall Dea portfolio.

Visible HSES leadership remains key to maintaining and deepening our safety-first culture. During 2024, there was strong senior leadership engagement including multiple visits to the new locations acquired from Wintershall Dea. During a visit to Aberdeen in June, Board members met with UK offshore installation managers and safety representatives, which were excellent opportunities to understand the safety issues faced by Harbour's offshore employees. They also visited Bristow, a key supplier of aviation services, completing a helicopter simulation exercise and touring the facilities. In doing so, they were able to gain a comprehensive understanding of the supplier's safety approach and procedures (see page 73).

In October, we held our Global Safety Day, with the theme 'Because We Care'. This was the first Group-wide event to take place following the completion of the Wintershall Dea transaction and provided an opportunity to engage with colleagues around the world and learn from our collective experience.

At each meeting, the Committee reviews performance against our key performance indicators which relate to safety and the environment. These include our total recordable injury rate, process safety events and greenhouse gas (GHG) emissions. The Committee reviews and endorses any change to the structure of the bonus scorecard regarding the target, weighting and penalty to these metrics, as part of the annual approval process.

Key activities during the year

Safety

In 2024, our total recordable injury rate was higher than in 2023, largely due to the changes in our business resulting from the Wintershall Dea transaction. In the area of process safety, we broadened our scorecard metric to include incidents with lower impact and introduced a mechanism to adjust the score downwards in the event of Tier 1 or Tier 2 incidents, reinforcing the importance of performance in this area. While our total number of notable process safety events declined year-on-year, we experienced one Tier 1 event and three Tier 2 events. (The impact on the scorecard outcome is shown on page 106.)

To ensure we maximised the learning opportunities from these incidents, all events and injuries were rigorously investigated and the Committee received updates on the outcomes and actions taken by management, including initiatives to drive improvement across our expanded operational footprint. See page 41 for more information on our safety performance.

The Committee also received updates on serious and high potential events, reviewing 12 such events in 2024.

Throughout 2024 the Committee was kept abreast of the progress made to raise process safety awareness across the company. Harbour has continued to roll out and embed the Process Safety Fundamentals across our onshore and offshore operations, and continued to provide site-based process safety training.

The Committee received updates on the 60 emergency response and crisis management exercises undertaken. The Committee was pleased to hear the positive feedback from multiple sources on the quality and effectiveness of the exercises.

GHG emissions and net zero

The Committee reviewed Harbour's GHG emissions performance, emission forecasts and the effectiveness of Harbour's decarbonisation programmes.

The Committee also completed its annual review of the company's strategy in relation to GHG emissions. It supported the retention of previously agreed targets including a 50 per cent reduction in Scope 1 and 2 emissions on a gross operated basis by 2030 as compared to a 2018 baseline, zero routine flaring by 2030, and a methane intensity of less than 0.2 per cent by 2025. In addition, the Committee supported management's recommendation to update its net zero aspiration to 2050, in line with most peer companies and in recognition of evolving expectations in relation to the use of carbon offsets.

Spills

The Committee also reviewed Harbour's spill performance, and noted a modest increase in the volume of hydrocarbon releases to the environment in 2024. See page 53 for more information.

Risk

Harbour's HSES principal risks, as determined by the board of directors, include the risk of a major HSES incident and climate change risk. The Committee reviewed the systems and processes established by management to identify, assess, manage and monitor these risks.

Reporting

The Committee reviewed and approved Harbour's HSES disclosures within the Annual Report & Accounts, including Harbour's net zero strategy and the company's reporting on the Task Force on Climate-related Financial Disclosures. It made recommendations to the Audit and Risk Committee in relation to these matters and received updates on the findings of the external auditor's limited assurance of selected sustainability metrics in the Annual Report & Accounts.

It also reviewed and approved Harbour's environmental and performance disclosure in its CDP response, as well as preparations for upcoming European Union regulations including the Corporate Sustainability Reporting Directive and the EU Taxonomy.

Assurance

The Harbour management system was updated in 2024 to align with changes made to the organisation following completion of the Wintershall Dea transaction. We strengthened the corporate HSES organisation, which is responsible for Harbour's HSES standards and global procedures, and for providing technical support and assurance across the business. The Committee reviewed and monitored Harbour's HSES strategy throughout the year and assessed the scope and effectiveness of the HSES management system to deliver the HSES strategy and maintain regulatory compliance.

The Committee received regular updates on HSES audit plans and progress on the delivery of the annual HSES plan. It also reviewed and approved Harbour's policies on HSES, major accident prevention and sustainability.

Further information on Harbour's HSES culture and 2024 performance can be found on pages 38 to 53.

The Committee also reflected on its effectiveness as part of the external Board and committee performance review (see page 80 for more detail) and highlighted key areas of focus for 2025.

Margareth Øvrum
Committee Chair

Our company has performed well in many respects against an unpredictable economic and geopolitical backdrop, with continued strategic, operational and financial delivery.

ANNE L. STEVENS
COMMITTEE CHAIR

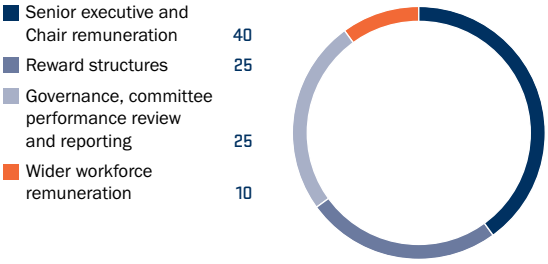
Role of the Committee

- Develop and maintain a Remuneration Policy that rewards fairly and responsibly, and attracts, retains and motivates employees to enable the company to meet its objectives, taking into account the long-term interests of employees, shareholders and other long-term stakeholders
- Consider and approve the remuneration arrangements for the Chair, the executive directors and other senior executives as determined by the Committee
- Exercise oversight of the pay and performance conditions across Harbour

Compliance statement

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The Companies Act 2006 requires the auditors to report to the shareholders on certain parts of the directors' remuneration report and to state whether, in the auditor's opinion, those parts of the report have been properly prepared in accordance with the above regulations. The Chair's annual statement and the Remuneration Policy report are not subject to audit. The sections of the Annual Report on Remuneration that are subject to audit are indicated accordingly.

How the Committee spent its time during the year (%)



Director	Meetings attended	Percentage
Anne L. Stevens (Committee Chair)	●●●●●●	100%
Alan Ferguson	●●●●●●	100%
Andy Hopwood	●●●●●●	100%
Louise Hough	●●●●●●	100%

● Attended ○ Not attended

THE UK CORPORATE GOVERNANCE CODE IN ACTION

5 Remuneration

1 2 3 4 5

UK Corporate Governance Code Principle	How does the Board apply this Principle?	Further information
P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.	Through long-term and short-term incentives, the 2025 Remuneration Policy to be put to shareholders at the 2025 AGM is designed to drive a culture that incentivises executives to deliver the company's strategic objectives and promotes long-term sustainable success and responsible long-term stewardship of the share price.	• Directors' Remuneration Policy: P94 • Chair's annual statement: P89 • Annual Report on Remuneration: P104
Q. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.	No director is involved in setting their own remuneration outcome. There is a formal and transparent procedure in place to develop the Remuneration Policy, which ensures that executive remuneration is set with consideration of the wider workforce and benchmarking.	• Directors' Remuneration Policy: P94 • 2024 Annual bonus outcome: P106 • 2022 LTIP outcome: P107
R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	The Remuneration Committee comprises only independent non-executive directors to ensure independent judgement and discretion when reviewing and authorising remuneration outcomes. The Committee determines outcomes by assessing performance against a balanced scorecard of measures.	• Chair's annual statement: P89 • 2024 Annual bonus outcome: P106 • 2022 LTIP outcome: P107 • Percentage change in directors' remuneration and CEO pay ratio: P111

GOVERNANCE AT A GLANCE PAGE 70

Dear shareholder,

On behalf of the Board, I am pleased to present Harbour's directors' remuneration report for the year ended 31 December 2024.

This report contains an updated Directors' Remuneration Policy (the Policy), for which we are seeking shareholder approval this year, alongside the 2024 Annual Report on Remuneration. The Policy will be put to a binding vote at the AGM on 8 May 2025 and the Annual Report on Remuneration will also be put to an advisory vote.

During the year the Committee held six scheduled meetings which all Committee members attended.

Remuneration outcomes in 2024

Our company has performed well in many respects against an unpredictable economic and geopolitical backdrop, with continued strategic, operational and financial delivery. Completing the Wintershall Dea transaction has transformed our scale and geographic diversity, extended our reserve life, enhanced margins and lowered GHG intensity. It was also a fundamental step in achieving investment grade credit ratings. Our workforce has delivered on our operational plan, ensuring safe operations, maximising the value of our existing portfolio and advancing our organic growth projects. Success from our capital investment programme included first production from major new projects in Argentina and in the UK, as well as exploration and appraisal successes and progress on potential future developments.

2024 annual bonus

Our annual bonus is based on a scorecard of financial and non-financial performance measures. Metrics which relate to financial performance include free cash flow, performance related to our capital investment programme, operating costs and production (which drives revenue). Together these metrics represented 65 per cent of the 2024 scorecard. The remainder of the bonus was based on safety and environment targets in respect of the legacy Harbour business, including stretching GHG emissions targets. The Group retains a heavy focus on safety performance, and in 2023 the Committee agreed to expand the process safety metric for 2024 to include incidents of less severity than the Tier 1 and Tier 2 events previously tracked and to include a scorecard deduction in the event of any Tier 1 or Tier 2 event. The scorecard measured the performance of the legacy Harbour business only.

Overall, the scorecard outcome for 2024 is a payout of 59 per cent out of a maximum of 200 per cent for executive directors (ie 29.5 per cent of maximum), indicating an overall performance somewhat below target.

The Committee reviewed the formulaic outcome under the scorecard, in the context of the Group's financial and operational achievements in the year, our HSES record and the executive directors' individual performance. We determined that the formulaic outcome, whilst disappointing, was appropriate as it reflected operational and safety performance during the year and therefore the final bonus outcome for the executive directors was approved at 59 per cent of target (29.5 per cent of maximum).

For the wider legacy Harbour workforce, excluding executive directors, the Committee approved a modest discretionary increase to 70 per cent of target bonus, or 35 per cent of the maximum achievable, to reflect the significant strategic transformation achieved during the year as a result of the Wintershall Dea transaction and the incredible effort undertaken by the organisation to deliver this.

Full details of the measures and targets, together with the actual performance outcome for each measure, are provided on page 106.

Vesting of 2022 LTIP awards

LTIP awards granted in 2022 were subject to relative total shareholder return (TSR) performance over three years, measured against two comparator groups: the FTSE 100, and a bespoke comparator group of sector peers.

Details of the bespoke comparator group are listed in note 2 to the LTIP awards vesting table on page 107. The company's three-year relative TSR performance was -16.1 per cent. This performance was below median against both the FTSE 100 TSR and the sector peer group. Therefore no portion of the 2022 LTIP award shall vest. As mentioned in my letter last year, Harbour's underperformance relative to both peer groups is largely attributed to the significant impact of the UK Energy Profits Levy (EPL) on the company's earnings, cash flow and value when compared to the sector peer group whose asset portfolios are generally much less concentrated in the UK. As noted last year, the UK EPL also impacted the 2021 vesting which was nil and will continue to impact the vesting levels in relation to the 2023 LTIP award.

The Committee reviewed the outcome and determined that it would not exercise its discretion to adjust the formulaic outcome, consistent with prior years. Full details of the performance calculation are provided on page 107.

Review of Directors' Remuneration Policy

Our current Policy was renewed at the 2024 AGM, in line with the triennial cycle. In the 2023 Directors' remuneration report, we advised our shareholders that while we were not making significant changes to the Policy at that time, we would be undertaking a wholesale review later in 2024, taking into consideration the changes to the business resulting from completion of the Wintershall Dea transaction.

The Wintershall Dea transaction completed on 3 September, ahead of schedule, creating one of the world's largest and most geographically diverse independent oil and gas companies. Our production has almost tripled to c.500 kboepd and, with a lowering of our unit operating costs from $16.4 per barrel to c.$13.5 per barrel (on a pro forma basis), our margins are considerably improved. Our 2P reserves have increased to 1.2 billion boe, increasing our reserves life. Importantly, the company's asset base is no longer concentrated in the UK, where (as noted earlier) multiple adverse changes to the fiscal regime had a material impact on the business. We now have material new positions in Norway, Germany, Mexico, Argentina and North Africa, diversifying our portfolio considerably. As at 31 December 2024, the total market capitalisation has risen to £4.3bn ($5.4bn) (including capital held by LetterOne) from £1.8bn ($2.3bn) prior to the announcement of the Wintershall Dea transaction, positioning the company near the top of the FTSE 250 index, close to the FTSE 100 entry point. We have also increased our annual dividend to c.$455 million, representing a five per cent increase in dividend per ordinary share to $0.2625.

The Committee reviewed the Policy in 2024, taking into account the material changes to the size, scope and geographic footprint of our business, and the increased complexity of the executive directors' roles. We determined to make the following material changes:

- Introduction of a 'hybrid' long-term incentive scheme, consisting of performance shares and restricted shares, to provide a balanced focus on delivering high performance outturns above our peers and promoting responsible stewardship of the share price over the longer term. This aligns with the approach that has been put in place for the wider LTIP population for the last three years
- Under the hybrid scheme, the CEO will receive 300 per cent of salary in performance shares and 100 per cent of salary in restricted shares, and the CFO will receive 240 per cent of salary in performance shares and 80 per cent of salary in restricted shares
- An increase to the CEO's bonus opportunity from 200 per cent of salary to 250 per cent of salary, reflecting the increased size and scope of her role following the transaction (no change for the CFO)

These are described further in this letter.

Market positioning review

As a global company listed in the UK, the Committee considers various reference points when assessing the competitiveness of executive packages. As noted in previous directors' remuneration reports, the Committee sets out to offer packages that are sufficiently competitive to attract and retain FTSE 100 or Fortune 50 equivalent calibre global talent that can deliver strategic change, significant growth and strong shareholder returns. Therefore, when the CEO and CFO were recruited in 2021, their packages were set taking into account FTSE 100 benchmarks, notwithstanding that we were a FTSE 250 company at the time, to reflect that we needed FTSE 100 level expertise to develop and execute our ambitious growth strategy, and to achieve our aspiration to join that index.

The Wintershall Dea transaction was completed ahead of schedule and would not have been successful without the exceptional skills demonstrated by our CEO and CFO to identify and execute such a large and complex transaction, the structuring of which included the porting of bonds alongside the assets being acquired, an agreed share price for the Harbour equity component of the acquisition consideration that was well above the trading price at the time, and more than 15 regulatory, anti-trust and foreign direct investment approvals from governments and regulators in more than 10 different jurisdictions.

Now that this phase of growth has been completed, in order to successfully lead the expanded business and develop the strategy for further growth, we need to look beyond just the UK talent pool. This has been particularly highlighted in our recent search for a COO. The candidates with the strongest credentials for the role were mostly from outside the UK. The search took a considerable amount of time, and the package required to attract quality candidates had to be competitive with those available to the candidates from companies in other jurisdictions. It should also be noted that our current CEO is from the US, our CFO was recruited from Norway, and other senior leaders are from Italy, Ireland, Venezuela, Austria, Germany, Egypt and Argentina, in addition to the UK.

Therefore, when considering the executive directors' packages as part of this review, we looked at remuneration benchmarking data not just for the UK, but also for international and US sector peers, to give us a complete view of the pay landscape across all the talent markets in which we operate. We considered data from the following range of comparator groups:

- FTSE 30-100: As noted earlier, following completion of the transaction, our market capitalisation on 31 December 2024 positions the company close to entry into the FTSE 100. We therefore chose the FTSE 30-100 as a broad index benchmark (excluding the top 30 companies as market capitalisation and remuneration starts to increase much more steeply)
- FTSE market capitalisation group: As a second UK benchmark, we looked at a peer group of 50 companies closest to Harbour Energy's market capitalisation (25 companies above and 25 below)
- International oil and gas sector group: As is reflected by our current senior leaders, Harbour competes for talent in the global market. We therefore considered pay data from a selection of international oil and gas peers (located in North America, the UK and Europe). Harbour is positioned around the middle of this group in terms of market capitalisation
- US oil and gas sector group: The US is an important talent market for us, given the number of high calibre executives with deep sector experience based there. As well as the CEO, our COO was recruited from the US and has a wealth of US and global experience. The Committee therefore reviewed benchmark data for a group of US oil and gas companies with a similar profile to Harbour

The market total compensation data is summarised in the charts on page 91. As might be expected, the two UK comparator groups show broadly aligned results, while the international peer group shows a wider range of total compensation (reflecting the range of practice across the UK, Europe and the US) and the US peer group is materially higher, given the very different pay landscape in that market.

The Committee recognises the difference in practice between pay structures in the US, Europe and the UK, and the challenges of setting pay at a level that aligns with the benchmarks across the three markets. Since 2021, our approach has been to adopt a 'mid-Atlantic' mindset to executive remuneration, which seeks to balance the need to compete for talent with global sector peers, while aligning with the expectations of a UK-listed company. Pay levels have historically been set to recognise the executive directors' deep sector experience and proven track record of delivering large-scale initiatives at international oil and gas companies and to reflect the global nature of the talent market in our sector. In this context, pay levels have been above UK norms but substantially lower than practice at international oil and gas peer companies.

The Committee's approach has been to apply these same principles when reviewing the packages in the context of the increased size of the business. We therefore did not seek to match the US market but rather to remain competitive enough to attract and retain the top calibre of executives needed to execute our strategy, while still operating a policy which is acceptable to our UK investor base.

The recruitment process for a COO provided important context here. In order to secure a candidate with the necessary skills and experience to fulfil this role in a business of our size and geographic scale, the Committee had to offer a package that was competitive with US levels of compensation and, therefore, above UK norms for the role. This highlighted the reality of the level of pay required for top calibre talent, and the need to ensure the packages for the CEO and CFO remain attractive enough to retain them over this next period of strategic development. Furthermore, we were very mindful of maintaining appropriate internal relativities between the various members of our Leadership Team.

A further data point we considered was the history of realised pay at Harbour since 2021. Given the challenges of setting long-term financial targets in a cyclical industry, particularly for a newly formed business, in 2021 the Committee considered that basing the LTIP performance conditions fully on TSR performance was appropriate and aligned management with the shareholder experience. Since then, performance has been measured on a TSR basis relative to two peer groups: the FTSE 100 and a bespoke comparator group of sector peers which has remained broadly consistent each year. As noted at the start of this letter, for both the 2021 and 2022 LTIP awards, Harbour underperformed both peer groups, largely attributed to the significant and disproportionate impact of the UK EPL. This was particularly apparent when compared to the sector peer group whose asset portfolios are generally much less concentrated in the UK. The UK EPL also continues to impact vesting levels in relation to the 2023 LTIP awards. Notwithstanding the adverse impact of the EPL, the Committee determined not to exercise any upward discretion in relation to all incentive outcomes for 2022 and 2023. Therefore, due to events beyond their control, the CEO and CFO have not received any payouts under the LTIP since the company became public in 2021. This is misaligned with outcomes for other senior leaders in Harbour who receive a portion of their compensation in restricted shares. The Committee is of the view that remuneration received does not fairly reward management for their performance and contribution to the business since listing.

Increases to incentive pay opportunities

In view of the context mentioned earlier, the Committee determined to increase the CEO's bonus opportunity from 200 per cent, to reflect the increased size and scope of her role. An opportunity of 250 per cent of salary is competitive against UK benchmarks and aligns with the typical opportunity levels seen at US comparators. The CFO's opportunity is unchanged at 200 per cent of salary.

The difference in market practice between the UK and US is most apparent for the long-term incentive. Most of the US peers we reviewed have a maximum LTIP opportunity for the CEO of 700 per cent of salary or above, and operate a hybrid incentive structure including both performance shares and restricted shares. The Committee therefore reviewed both the structure and opportunity levels for the long-term incentive. We sought to maintain broadly the same market positioning as our previous policy, albeit with a relative uplift in opportunity levels to align with the increase to the size and scope of the business and corresponding expansion of the executive directors' roles. This approach results in opportunity levels which are competitive relative to the UK market, but which remain some way off the US market range. These are set out in the next section.

New LTIP structure

We previously advised shareholders in our 2023 Directors' remuneration report that we believed a hybrid LTIP would work well as a framework for Harbour. While we determined not to propose a hybrid structure in our 2024 Policy, we advised that we would continue to monitor evolving practice in the area, as well as the context of the Wintershall Dea transaction and consequent transformational impact on the company. The Committee has determined that it is now the right time to proceed with introducing a hybrid structure for the following reasons:

- The combination of performance shares and restricted shares will effectively support the delivery of our strategy. As an oil and gas company, our ultimate aim is to generate value for shareholders throughout the commodity price cycle. We therefore need an incentive structure that promotes long-term decision-making and ongoing management of shareholder value over the longer term. The Committee believes that a hybrid LTIP will support this objective as the performance shares element incentivises executives to deliver improvement in long-term company performance and to outperform our peers, and the restricted shares element encourages ongoing stewardship of the business
- It enables us to compete more effectively for senior global talent, through the use of an incentive structure commonly operated at many of our international competitors. In line with UK best practice, we operate a number of features such as bonus deferral, LTIP holding periods and post-employment shareholding guidelines, none of which are typically required in the US. The introduction of a restricted shares element to the long-term incentive goes some way to redress this misalignment, and better position us to attract talent from outside the UK
- A restricted share element in the long-term incentive also promotes retention of our executives and, as a result, supports succession planning
- Given these benefits of a hybrid approach, it has already been applied in the company for managers below the executive director level. Therefore, by adopting this hybrid design for our executive directors, it will align them with the compensation structure in place for the other managers participating in our LTIP programme

When designing the hybrid LTIP, the Committee was mindful of shareholder expectations for companies introducing restricted shares. We have therefore structured the restricted shares element to comply with best practice:

- The opportunity level of the restricted shares element will be discounted by 50 per cent, reflecting the increased certainty of the awards
- An underpin will apply, where the Committee may reduce the vesting level based on its assessment of financial and non-financial performance over the vesting period
- Awards will be subject to a total five-year time horizon (three-year vesting period and two-year holding period), with malus and clawback provisions and a Committee discretionary override clause, in line with the current LTIP

When considering the appropriate balance between the performance shares and restricted shares elements, the Committee reviewed a range of approaches. We determined that a split of 75 per cent performance shares and 25 per cent restricted shares was appropriate, so that the package maintains a strong focus on performance-based reward.

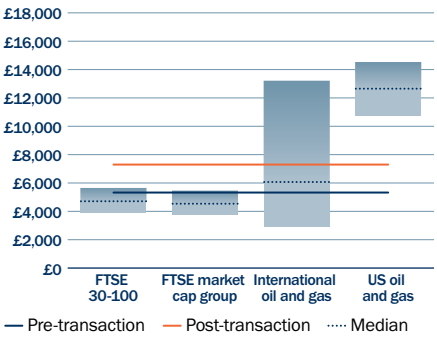
The split of performance shares and restricted shares and the overall maximum opportunities will be as follows:

	Performance shares	Restricted shares	Overall opportunity
CEO	300% of salary	100% of salary	400% of salary
CFO	240% of salary	80% of salary	320% of salary

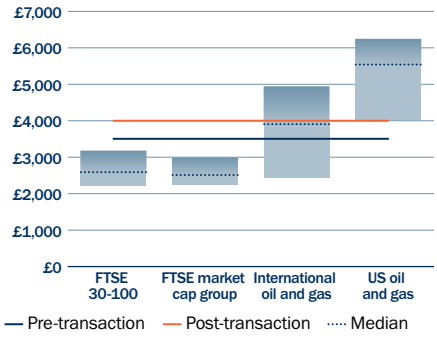
As noted earlier, the opportunity levels were determined based on a 50 per cent discount being applied to the restricted shares element (ie if we had not been proposing the hybrid structure, and retained a fully performance-based LTIP, the proposed award to the CEO would have been 500 per cent of salary).

The charts below illustrate the current and proposed total maximum compensation levels relative to the four benchmarking peer groups described earlier. The levels for the CEO and CFO reflect salary increases awarded to them in late 2024.

CEO maximum total compensation (£'000s)



CFO maximum total compensation (£'000s)



As can be seen in the charts above, the impact of the positioning relative to the international and US peer groups does not materially change as a result of the proposed Policy changes. The CEO's proposed total compensation is still materially below the lower quartile for the US peer group, and just above median for the international peer group. The CFO's proposed package is positioned below the lower quartile of the US peer group, and at the median for the international peer group.

A more detailed breakdown of the CEO's maximum total compensation positioning against the international and US peer groups can be seen in the charts on this page.

One-off awards

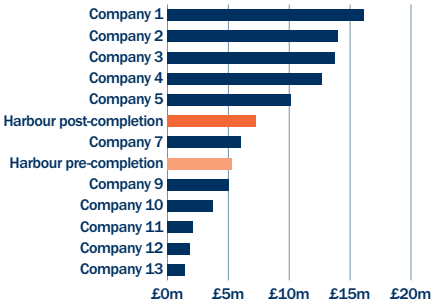
In addition to the changes described earlier, the Policy provides for a one-off award to the CEO and CFO.

The purpose of the one-off award is to recognise the executive directors' significant contribution to the business since Harbour was formed in 2021, culminating in the completion of the Wintershall Dea transaction in 2024, which has transformed Harbour from a predominantly UK-focused business into one of the world's largest and most geographically diverse independent oil and gas companies.

The Committee gave careful consideration to the award value for the executive directors, taking into account their significant track record within the business. Prior to taking up the CEO position in 2021, Linda Z. Cook was an executive at EIG Global Energy Partners where she helped to found Harbour Energy and then developed and oversaw the strategy for expanding it through three multi-billion dollar transactions in a five-year period, the last of which was the merger of Chrysaor and Premier Oil to create Harbour Energy plc in 2021. On joining Harbour Energy plc as CEO, she took a significant reduction in her compensation, given the very different executive pay landscape in the UK compared to the US, meaning she has been paid considerably less than her US counterparts notwithstanding her significant standing as one of the best in the industry. As shown in the charts on the previous page, her maximum package value prior to completion of the recent transaction was less than half the lower quartile of the US oil and gas peer group.

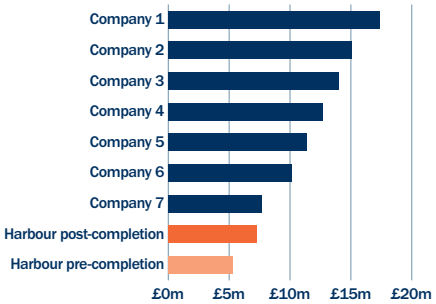
Since her appointment, the Board has been continually impressed with her dedication, drive and ambition for the business. Under her leadership, heavily supported by the CFO whom she personally recruited for his particular expertise, Harbour has consistently upheld a sustained quality of operational and financial delivery and a disciplined approach to capital allocation, all while meeting or exceeding our stringent safety targets and maintaining momentum on our sustainability commitments. The Wintershall Dea transaction, which has almost tripled the size of our business, would not have succeeded without the executive directors' strategic vision, skills and experience, which enabled Harbour to secure the deal and execute a complex transaction, which included the implementation of unique financial structuring that required specialist knowledge and expertise.

CEO maximum total benchmarking detail: international oil and gas peers



Competitors' market capitalisation interquartile range of c.£1.5 billion to c.£9.5 billion.

CEO maximum total benchmarking detail: US oil and gas peers



Competitors' market capitalisation interquartile range of c.£3.5 billion to c.£17 billion.

Unfortunately, these successes have been overshadowed by the impact of the UK EPL, which has significantly impacted Harbour since its introduction in 2022, leading to results that do not accurately reflect the company's underlying performance. Our profit after tax was all but extinguished in 2022 and 2023. Since then, the UK Government has extended and increased the EPL on multiple subsequent occasions, which has continued to affect our business considerably. This has reduced our cash flow (Harbour's EPL payments have totalled c.£1bn between 2022 and 2024) impacting availability of debt and heavily weighing on our share price. As noted earlier, this has contributed to a nil vesting outcome under both the 2021 and 2022 LTIP awards (which are measured entirely on relative TSR) and will continue to impact the 2023 vesting outcome. The Committee has to date not exercised any discretion for the executive directors in respect of the value of compensation forfeited as a result of the EPL. This means the remuneration outcomes for the executive directors have been proportionally more impacted than the rest of the LTIP population, who receive a portion of their awards in restricted shares.

The Committee does not consider that the executive directors' realised compensation to date has accurately reflected their contribution to the business and it therefore determined that it is appropriate for the executive directors to be granted a one-off award to ensure that their aggregate compensation more fairly rewards them for their achievements since their appointment.

The award for the CEO will have a value of £7.5 million. This is approximately equivalent to the maximum value of her LTIP opportunity over the past three years (in total c.900 per cent of her salary as at the beginning of 2024). The award for the CFO will have a value of £1.25 million (c.200 per cent of his current salary). We considered that this level of award would meaningfully demonstrate the Board's recognition of the executive directors' exceptional contribution to the transformation of the business through the successful delivery of the Wintershall Dea transaction, despite numerous geopolitical, economic and fiscal headwinds.

The award to the CEO will be made as a cash payment shortly after the 2025 AGM, subject to shareholder approval of the Policy. Given that it is intended to recognise her contribution to the business and the misalignment between this and realised pay outcomes, the Committee determined that it was not appropriate for it to be subject to extended time horizons. The CEO is already a substantial shareholder in the business (owning c.2,500 per cent of salary in Harbour Energy shares) and therefore is already well aligned with the shareholder experience. The CFO has not yet met his shareholding requirement; therefore his award will be delivered in shares, granted after the 2025 AGM and released in April 2026. Awards will be subject to malus and clawback. They will be provided for under the policy on a one-time basis only, with no further awards of this nature permitted according to the Policy terms.

The Committee recognises that while one-off payments are fairly routine in the US market, they are highly unusual in the UK market and UK shareholders can view them with scepticism. However, in view of past years' compensation outcomes and the scale of the transaction, we consider that it is appropriate and fair that the executive directors are rewarded for their achievements.

Shareholder consultation

An extensive shareholder consultation took place in autumn 2024, and I was grateful that so many shareholders took the time to share their views. Over 80 per cent of the share register were invited to consult, and the Committee was pleased that over 66 per cent of our register provided their feedback, as did three major proxy agencies. The shareholders we spoke to understood the rationale for reviewing the Policy in the context of the transaction, and noted the step-change in the size, complexity and geographical reach of the business. I was encouraged that many indicated support for the hybrid long-term incentive structure and recognised our rationale as to why it was a good fit for Harbour. We also received valuable feedback on the one-off awards. Many shareholders were sympathetic to the history of low realised pay as a result of the EPL and acknowledged

that the Committee has not correspondingly exercised any positive discretion on incentive outcomes; they were also very supportive of the management team and their significant achievements in delivering the transaction, though were understandably more cautious in their support for the one-off awards than for the hybrid plan, given that such awards are not standard UK practice. The Committee reflected carefully on this feedback and considered that it was important to proceed with the awards for the reasons outlined earlier.

Salary levels

The Committee reviewed the salary levels for the executive directors (and other senior leaders under its remit) at the time of completion of the Wintershall Dea transaction.

It was determined that salaries would be increased to reflect the increased size and scope of the executive directors' role. The CEO's salary was increased from £888,250 to £975,000 (a 9.8 per cent increase) and the CFO's salary was increased from £584,220 to £625,000 (a 7.0 per cent increase). These took effect from 4 September 2024, being the first date after completion of the Wintershall Dea transaction, to align with increases granted to leaders in other roles. They include any merit increase for 2025, which would have otherwise been in line with the UK workforce increase of 3.5 per cent. Salaries are therefore next expected to be reviewed in April 2026.

The salary levels were communicated to shareholders as part of the consultation on the Policy.

Bonus and LTIP for 2025

The annual bonus will continue to be based on a balanced scorecard of measures linked to strategy and performance. There has been one change to the weightings for the metrics on the scorecard for 2025, which is a reduction in the safety & environment component from 35 per cent to 30 per cent of the total award, and an increase in the financial component from 15 per cent to 20 per cent of the award. This is to reflect an increased focus on cash flow performance, as well as feedback from shareholders that an increased weighting towards financial measures would be welcomed. In addition, the Committee approved an increase to the deduction applied to outcome for the process safety metric in the event of any Tier 1 or Tier 2 events. The full list of measures and weightings is on page 106.

The performance-based element of the LTIP will continue to be based on relative TSR performance compared to the FTSE 100 and the sector comparator group. The Committee approved several changes to the sector comparator group for 2025. Marathon Oil delisted in November following its acquisition by ConocoPhillips and Hess Corporation was removed due to its announced acquisition by Chevron. Two further companies, Genel Energy and Capricorn Energy, were also removed given their much smaller size compared to other members of the group, and the location of their operations being less relevant to Harbour, particularly following the Wintershall Dea transaction. Four new companies were added, considered by the Committee to be relevant in terms of size and geographic spread: Woodside Energy and Santos Energy, two Australian-listed independents with international footprints; Talos Energy, a US-listed independent with large operations in the US Gulf of Mexico and a presence in Mexico; and Bluenord, a Norwegian-listed independent primarily focused in the Danish North Sea. The full list is on page 107.

A new set of LTIP rules are being proposed for approval at the 2025 AGM and details of these rules can be found in the Notice of Meeting. These rules are largely the same as our previous LTIP but have been updated to reflect prevailing best practice.

Non-executive director fees

Fees for the Chair of the Board and the non-executive directors were reviewed in the year, taking into consideration the material increase to the size and scope of the company as a result of the Wintershall Dea transaction and the increase in responsibilities. In this context, it was determined that an increase of 25 per cent would be applied to the Chair's all-inclusive fee, the basic fees for non-executive directors and supplementary fees for the Senior Independent Director and Board committee chair roles. Full details of non-executive director remuneration are set out on page 113.

Wider workforce remuneration

In accordance with the UK Corporate Governance Code, the Committee regularly reviews updates from management on wider workforce remuneration policies and practices.

In late 2024, a new Global Share Award Programme was introduced to enable all employees globally to become shareholders in Harbour and share in the company's success. All current employees will receive an award of Harbour shares in 2025, strengthening their alignment with shareholder interests. A new Global Employee Share Purchase Plan is being put to shareholders for approval at our upcoming AGM which will enable ongoing grants of share awards to employees, as well as encouraging our global workforce to become investors in our business.

The Committee regularly consults with employees on reward and other matters. Our Global Staff Forum provides staff with the opportunity to engage with members of the Committee and other non-executive directors at least once a year, including on the topic of executive remuneration. In June 2024, Louise Hough and Andy Hopwood attended a Global Staff Forum meeting where executive pay was discussed. The CEO and Chief Human Resources Officer were also in attendance. The aim of the remuneration discussion was to explain the alignment between executive remuneration and wider company pay policy, as well as describing the executive remuneration outcomes for 2023. Feedback from these sessions is then discussed at the Board and the Remuneration Committee.

Conclusion

The Committee recognises that our proposed changes to the Policy, when combined, represent a significant increase in total potential compensation. We firmly believe that the changes are justified in the context of a number of factors:

- The executive directors consistently demonstrate excellent performance, including the execution of a number of significant M&A and strategic initiatives since 2021, culminating in the Wintershall Dea transaction this year
- The significant adverse impact of the EPL on the business since its introduction in 2022, which has directly impacted LTIP outcomes
- The increased size and complexity of the business following completion, recognising that Harbour has transitioned from a predominantly UK company to a global, geographically diverse company with a significant increase in production and a materially higher market capitalisation
- The ongoing challenge of competing for talent in the global market, in particular the pressing need to compete with US companies in the sector, which has been highlighted recently in our endeavours to recruit high calibre executives for roles below the Board
- We are confident that the proposals will enable us to attract, retain and reward the senior talent that is crucial to the ongoing delivery of our strategy and future growth ambitions

I would like to thank those shareholders that engaged with us on directors' remuneration during the year and look forward to further engagement in future. I hope that you will be able to support our Policy and remuneration report at the upcoming AGM.

On behalf of the Committee, I would like to thank all our stakeholders for their continuing support. I would also like to thank Andy Hopwood for his support whilst being a member of the Committee.

Anne L. Stevens
Committee Chair

Directors' Remuneration Policy

The following sets out our Directors' Remuneration Policy (Policy). This Policy is being put forward to shareholders for their binding approval at the AGM on 8 May 2025 and will apply to payments made from this date. Details of how we intend to operate this Policy for the 2025 financial year are set out in the Annual Report on Remuneration on pages 112 and 113.

Key principles of our Remuneration Policy

The objective of the Remuneration Policy is to ensure it supports shareholder interests, reinforces the business strategy and promotes long-term sustainable success and responsible stewardship of the share price. Overall, the Committee aims to ensure that pay rewards all employees fairly and responsibly for their contributions.

Remuneration packages are intended to be sufficiently competitive to attract, retain and motivate individuals with the deep sector knowledge and extensive listed company experience required to achieve the Group's objectives and thereby enhance shareholder value. In addition, the Committee aims to ensure that the Remuneration Policy does not raise environmental, operational, social, safety or governance risks by inadvertently motivating irresponsible behaviours.

The Committee sets out to offer packages that are sufficiently competitive to attract and retain FTSE 100 or Fortune 50 equivalent calibre global talent that can deliver strategic change, significant growth and strong shareholder returns. The current executive Board members, who have been in position since Harbour Energy plc was formed in 2021, have demonstrated their strong capabilities in executing a number of M&A and strategic initiatives, culminating in the completion of the Wintershall Dea transaction in September 2024, which transformed Harbour's scale and geographic diversification, delivering a strengthened portfolio of diverse, high quality and cash generative assets.

The Committee has updated the Policy in the context of the expanded business, and also to address the ongoing challenges around remaining competitive in Harbour's evolving market for executive talent. As noted in previous directors' remuneration reports, Harbour competes on a global playing field, with many of our senior leaders coming from outside the UK where there is more freedom to set executive remuneration at competitive levels. It is therefore imperative to strike an appropriate balance between aligning with UK institutional investor expectations and ensuring the remuneration framework supports the company to build and sustain a pipeline of exceptional global talent to deliver on its future strategic aims.

The new Policy contains changes to the operation of the annual bonus plan and long term incentive plan, and a one-off arrangement for the CEO and CFO (all of which are described further on pages 96 and 97).

Committee process in determining the Remuneration Policy

The Committee discussed the Policy at multiple meetings throughout 2024, building on discussions held as part of previous reviews of the executive remuneration framework. This included a review of pay benchmarking data for UK companies of a similar size to the enlarged business, and for US, UK and international oil and gas peers of a similar size and/or with relevant operations.

The Committee recognised the discrepancy in market practice in different jurisdictions and sought to create a policy that bridged the gap between the UK and particularly North American competitors, but that did not attempt to match the US market. The wider market context was also considered, including new remuneration proposals by other large FTSE companies in response to the recently heightened debate on the competitiveness of the UK compared to the rest of the world, along with latest proxy and investor guidance in relation to this.

The Committee was mindful in its deliberations on the new Policy of any potential conflicts of interest and sought to minimise them through an open and transparent internal consultation process with the executive directors and other relevant members of senior management, and by seeking independent advice from its external advisers and including current investor views solicited during consultation.

The Committee carried out an extensive shareholder consultation on the proposed changes to the Policy in late 2024. Over 80 per cent of the share register were invited to consult, and the Committee was pleased that over 66 per cent of the register took the time to share their feedback, as did the three major proxy agencies. We held a number of valuable discussions, in which shareholders acknowledged the step-change in the size, complexity and geographical reach of the business following the transaction and the Committee's rationale for the changes to the ongoing Remuneration Policy. We also discussed the one-off awards to the CEO and CFO. In general, shareholders were understanding of the reasons the Committee was proposing the awards and they were very supportive of the management team and the value delivered by the Wintershall Dea transaction; however, they were mindful that such awards are outside of UK best practice.

Executive director Policy

The Policy for executive directors is set out below:

Salary	
Purpose and link to strategy	• To provide an appropriate level of salary to support recruitment and retention of executive directors of the calibre required to deliver the Group's strategy, and with due regard to the role and the individual's responsibilities and experience
Operation	• Typically reviewed annually with reference to company and individual performance, each executive's responsibilities and experience, the external market for talent, and salary increases across the Group • Salaries are reviewed taking into account market practice at other oil and gas sector companies in the UK and internationally and UK-listed companies of a similar size to Harbour • Salary increases are normally effective 1 April
Opportunity	• Whilst there is no maximum salary, increases will normally not exceed the typical increases awarded to other employees in the Group • However, increases may be above this level in certain circumstances such as: – Where an executive director has been appointed to the Board at a lower than typical market salary to allow for growth in the role, larger increases may be awarded to move salary positioning closer to typical market level as the executive director gains experience – Where an executive director has been promoted or has had a change in responsibilities – Where the size and complexity of the company has changed materially – Where there has been a significant change in market practice
Performance metrics	• Not applicable

Pension	
Purpose and link to strategy	• To help provide a competitive pension provision, facilitating the recruitment and retention of high-calibre executive directors to execute the Group's strategy
Operation	• Executive directors are eligible to participate in the company's defined contribution personal pension plan and/or receive an equivalent cash supplement • The only pensionable element of pay is salary
Opportunity	• Executive directors will receive pension contributions and/or an equivalent cash supplement in line with the contribution for the majority of the UK workforce. Pensions for executive directors are currently set at 20 per cent of base salary, in line with the rate for the company's UK workforce. If the pension range of the company's UK workforce changes then the pension provision for executive directors would normally also change in line with the wider workforce
Performance metrics	• Not applicable

Benefits	
Purpose and link to strategy	• To provide a benefits package competitive in the market for talent and to support the wellbeing of employees
Operation	• Executive directors receive a competitive benefits package, which may include medical and dental insurance, car allowance, life assurance, income protection cover, personal accident insurance, expatriate benefits, relocation allowance, health checks and a subsidised gym membership • Where an executive director has been required to relocate to perform their role they may be provided with additional benefits to reflect their circumstances, which may include items such as a housing allowance, flights home and tax equalisation. Such benefits will be determined taking into account our expatriate policy for other employees who are moving from their home location to take up their role • Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual director
Opportunity	• Whilst there is no prescribed maximum, benefits will be set at a level which the Committee considers appropriate for the role, location and individual circumstances
Performance metrics	• Not applicable

Directors' Remuneration Policy continued

All-employee share plans

Purpose and link to strategy	• To encourage share ownership in Harbour and increase the alignment of the executive directors' interests to those of stakeholders
Operation	• Executive directors may participate in any all-employee share plans operated by the company on the same terms as other employees • UK-based employees (including UK-based executive directors) may be invited to participate in the following tax advantaged share plans: – Share Incentive Plan (SIP), under which employees may buy partnership shares using gross pay and the company may then grant matching shares. Under the SIP, free shares may also be granted. Dividends may accrue on any shares and be automatically reinvested – Save As You Earn (SAYE) scheme under which employees are invited to make regular monthly contributions over three or five years to purchase shares through options which may be granted at a discount
Opportunity	• Under the SIP, participants may participate up to HMRC prescribed limits • Under the SAYE, employees may save up to HMRC prescribed limits • For any other all-employee plan operated, executive directors may participate on the same basis as other employees
Performance metrics	• Not applicable

Annual bonus

Purpose and link to strategy	• To reinforce the delivery of key short-term financial and operational objectives and, through the deferred share element, help ensure alignment with shareholders and support retention
Operation	• Performance is normally measured on an annual basis for each financial year against stretching but achievable financial and non-financial targets, comprising key performance indicators (KPIs), and other corporate objectives • Performance measures, weightings and targets are set at the beginning of the year and weighted to reflect business priorities • A proportion, normally at least 50 per cent, of any annual bonus earned is deferred in shares for three years. Where the shareholding requirement has been met, awards will normally be delivered up to 75 per cent in cash and 25 per cent in deferred shares • Deferred share awards may be granted in such form as determined by the Committee in accordance with the LTIP rules including in the form of conditional shares and nil cost options • Dividend equivalents may accrue on deferred bonus awards granted under the LTIP and be paid on those shares which vest. Dividend equivalent payments made under this Policy will be made in shares • Annual bonus payouts and deferred shares are subject to malus and clawback in the event of material misstatement of the company's financial results, gross misconduct, material error in the calculation of performance conditions or other conditions, serious reputational damage, corporate failure, or in such other exceptional circumstances as the Committee sees fit • The Committee may exercise malus and clawback until the later of: (i) two years from the payment of the bonus or the vesting of the shares, or (ii) the completion of the second audit after payment/vesting
Opportunity	• Up to 250 per cent of salary in respect of a financial year • Normally 50 per cent of the maximum pays out for target performance • Normally 0 per cent of the maximum pays out for threshold performance but the Committee may increase this to up to 25 per cent of maximum if this is considered appropriate
Performance metrics	• Performance is normally assessed against a corporate scorecard encompassing several performance categories, which may include some or all of safety, environment, operations, growth/capital deployment, and financial. Other measures may also be incorporated if this is considered appropriate • Normally, the Committee would not expect the weighting for any performance category in the corporate scorecard to be higher than 50 per cent. However, it retains discretion to adjust weightings to align with the business plan for each year • The Committee retains the discretion to adjust outcomes in the event that they are not considered reflective of the underlying business performance and/or wider circumstances over the vesting period

Long Term Incentive Plan: performance share and restricted share awards	
Purpose and link to strategy	• To incentivise executive directors to deliver sustainable long-term growth in shareholder value and promote responsible stewardship of the business over a longer timeframe
Operation	• The Committee may grant performance share awards and restricted share awards annually • Awards may be in the form of nil or nominal priced options or conditional shares • Performance share awards normally vest based on performance assessed over a period not shorter than three years • Restricted share awards normally vest subject to a performance underpin assessed over a period not shorter than three years • Awards vesting are normally subject to a minimum two-year holding period such that the total time horizon is at least five years (normally on a net of tax basis) • Dividend equivalents may accrue on performance share awards and restricted share awards. Dividend equivalent payments made under this Policy will be made in shares • All performance share awards and restricted share awards are subject to malus and clawback in the event of a material misstatement of the company's financial results, gross misconduct, material error in the calculation of performance conditions or other conditions, serious reputational damage, corporate failure, or in such other exceptional circumstances as the Committee sees fit • The Committee may exercise malus and clawback until the later of: (i) two years from the vesting date or (ii) the completion of the second audit after vesting
Opportunity	• Executive directors may be granted awards up to 400 per cent of salary, of which no more than 100 per cent will be in the form of restricted share awards. Performance share awards will normally vest at 25 per cent for threshold performance, with full vesting for stretch performance. Vesting increases on a straight-line basis between threshold and stretch
Performance metrics	• For the performance share awards, the Committee will select performance measures and determine their weighting for each cycle to ensure that they continue to be linked to the delivery of company strategy • The restricted share awards are normally subject to an underpin based on the Committee's assessment of the underlying business performance over the vesting period • The Committee retains the discretion to adjust the vesting outcomes in the event that these are not considered reflective of the underlying business performance and/or wider circumstances over the vesting period

One-off award	This section relates to a one-off award only and does not enable the grant of future awards of this nature
Purpose and link to strategy	• To fairly reward the CEO and CFO for their exceptional contribution to the business since their respective appointments
Operation	• The Committee may make a one-off cash payment to the CEO and a one-off share award to the CFO shortly after the approval of the Policy • The cash award to the CEO will be paid as soon as practicable after the AGM • The share award to the CFO will be granted as soon as practicable after the AGM and vest in April 2026 • These awards will not have any performance conditions • Awards are subject to malus and clawback in the event of material misstatement of the company's financial results, gross misconduct, material error in the calculation of performance conditions or other conditions, serious reputational damage, corporate failure, or in such other exceptional circumstances as the Committee sees fit • The Committee may exercise malus and clawback until the later of: (i) two years from the payment of the CEO's cash payment or the grant of the CFO's shares, or (ii) the completion of the second audit after payment/grant
Opportunity	• The award for the CEO will have the value of £7.5 million • The award for the CFO will have the value of £1.25 million
Performance metrics	• Not applicable

Directors' Remuneration Policy continued

Share ownership

Purpose and link to strategy	• Enhances the executive directors' alignment with shareholders' long-term interests while in employment and for a period following departure through the building up of a significant shareholding in the company
Operation	• The executive directors are expected to build up, and maintain, ownership of the company's shares worth 300 per cent of salary for the CEO and 250 per cent of salary for the other executive directors • Shares owned outright (including by persons closely associated), shares held in the Share Incentive Plan and any unvested share awards which are no longer subject to performance (net of taxes) will normally count towards this requirement • The executive directors are also expected to retain no less than 50 per cent of the net value of shares vesting under the company's long-term incentive plans until such a time that the share ownership requirement is met • Following stepping down from the Board, executive directors are expected to retain their minimum shareholding requirement immediately prior to departure for two years. Where their shareholding at departure is below the minimum requirement, the executive director's actual shareholding is expected to be retained for two years • Shares acquired from own resources are excluded from the post-cessation shareholding requirement. The Committee retains discretion to exclude other shares from the post-cessation shareholding requirement if it considers it to be appropriate • The Committee intends to operate an appropriate enforcement mechanism of the post-cessation shareholding requirement. The Committee retains discretion to waive or vary the post-cessation shareholding requirement if it is not considered to be appropriate in the specific circumstances of an executive director's departure
Opportunity	• Not applicable
Performance metrics	• Not applicable

Summary of changes to the Policy

A summary of the material changes to the Policy compared to the 2024 Policy is set out below:

Change to the Policy	Reason for change
Increase to annual bonus opportunity from 200 per cent of salary to 250 per cent of salary	• Reflects the increased size and complexity of the company following completion of the Wintershall Dea transaction • Allows packages to be more competitive relative to other global oil and gas companies, ensuring Harbour's approach to executive pay remains attractive to current executive directors and any future appointments • The current intention is that this additional headroom will only be applied to the CEO's bonus
Restructuring of LTIP award to allow the grant of restricted shares alongside performance shares, with an additional opportunity of 100 per cent of salary delivered as restricted shares	• Ensures a balance of focus on driving high performance; building steady, sustainable share price growth; promoting long-term stewardship of the business; supporting, attracting and retaining talent; and strengthening the alignment of executives' interests with those of shareholders • Aligns with the structure already in operation for LTIP participants below the Board • Provides better alignment with typical package structure in US companies, from which Harbour is likely to source future executive talent
Provision for a one-time award to the CEO and CFO	• To recognise the executive directors' significant contribution to the business since Harbour was formed in 2021, culminating in the completion of the Wintershall Dea transaction in 2024, which has transformed Harbour from a predominantly UK-focused business into one of the world's largest and most geographically diverse independent oil and gas companies

Other minor changes have been made to the wording of the Policy to aid operation and to increase clarity.

Further details on the Policy

Selection of performance conditions

For the annual bonus, the Committee believes that a mix of financial and non-financial targets is most appropriate for the Group. The use of a corporate scorecard encompassing several performance categories ensures delivery of business milestones in a number of key areas. Performance share awards will typically include a focus on relative stock market outperformance over the long term, in line with common practice in the oil and gas sector, providing a strong indication of the Group's long-term financial growth and the returns delivered to its shareholders. Restricted share awards are subject to an underpin, typically based on the Committee's assessment of underlying business performance during the vesting period.

The Committee retains discretion to amend a performance condition provided that any amended performance condition will be no more or less fair, no less effective an incentive and not materially less demanding than the original target was when set.

Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed (i) before 14 May 2014; (ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a director of the company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the company or such other person. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a director under the applicable regulations.

Remuneration Policy for other employees

When determining the Policy, the Committee reviewed wider workforce remuneration and incentives to ensure the approach to executive remuneration was compatible in this context. In late 2024, a new Global Share Award Programme was introduced to enable all employees globally to become shareholders in Harbour and share in the company's success. All current employees will receive an award of Harbour shares in 2025, strengthening their alignment with shareholder interests. A new Global Employee Share Purchase Plan is being put to shareholders for approval which will enable ongoing grants of share awards to employees, encouraging our global workforce to become investors in our business.

The company's policy for all employees is to provide remuneration packages which reward them fairly and responsibly for their contributions. In addition to a competitive salary, employees are typically eligible for a performance-related bonus, pension and a number of benefits, including expatriate benefits where relevant. In the UK, employees are eligible to receive at least the same proportion of salary in pension contributions as the executive directors, in line with UK best practice. Specific bonus levels vary by job level and country to ensure annual incentives support motivation, competitive pay and retention in the various markets in which we operate.

The Leadership Team and other senior leaders participate in the same annual bonus plan and long-term incentive plan as executive directors. The Leadership Team and other senior leaders already receive a portion of their LTIP in restricted shares without performance conditions. The proposed change for the executive directors described above enables alignment between their LTIP structure and that of the other senior leaders. Performance for the annual bonus and performance shares, and the underpin for the restricted shares, is assessed on the same criteria for executive directors and other senior leaders, though opportunity levels vary as appropriate. These schemes provide a clear link between pay and performance, ensuring that superior remuneration is paid only if superior performance is delivered, with the use of restricted shares acting as a complementary vehicle to ensure that packages are competitive for the sector.

The company currently operates SIP and SAYE share schemes for UK-based and UK expatriate employees, to foster a sense of ownership in the company and to increase the alignment of interests across stakeholders. Participation levels among UK employees in these plans is strong, outperforming market norms.

Incentive plan discretions

The Committee operates the company's incentive plans according to their respective rules and the Remuneration Policy, and in accordance with the Listing Rules and HMRC rules where relevant. The rules of the long-term incentive plan (the Harbour 2017 Long Term Incentive Plan) were approved by shareholders at the 2017 AGM and amended at the 2020 AGM and again at the 2021 AGM. The rules of the 2025 Long Term Incentive Plan will be put to shareholder approval at the 2025 AGM. All awards from that date on will be made under this plan.

In line with common market practice, the Committee retains discretion as to the operation and administration of these incentive plans, including with respect to:

- who participates;
- the timing of grant and/or payment;
- the size of an award and/or payment and any other terms of the award (within the plan and Policy limits approved by shareholders);
- form of award (eg nil cost option or conditional award);
- the manner in which awards are settled;
- the choice of (and adjustment of) performance measures, targets and underpins in accordance with the Remuneration Policy and the plan rules;
- in exceptional circumstances, amendment of any performance conditions and/or underpins applying to an award, provided the new performance conditions and/or underpins are considered fair and reasonable and are not materially more or less challenging than the original performance targets and/or underpins when set;
- discretion relating to the measurement of performance or other condition in the event of a variation of share capital, change of control, special dividend, distribution or any other corporate event which may affect the current or future value of an award;
- determination of a good leaver (in addition to any specified categories) for incentive-plan purposes, based on the plan rules and the appropriate treatment under the plan rules;
- determination of the operation of the post-vesting holding period; and
- adjustments required in certain circumstances (eg rights issues, share buybacks, special dividends, other corporate events, etc).

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration for the relevant year. As appropriate, it might also be the subject of consultation with the company's major shareholders.

Minor changes

The Committee may make minor amendments to the Policy set out above (if required for legal, regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without requiring prior shareholder approval for that amendment.

Directors' Remuneration Policy continued

Illustration of application of the executive directors' Remuneration Policy

The performance scenario charts below show the estimated remuneration that could be received by the current executive directors for 2025, both in absolute terms and as a proportion of the total package under different performance scenarios. The assumptions underlying each performance scenario are detailed in the table below:

Remuneration receivable for different performance scenarios

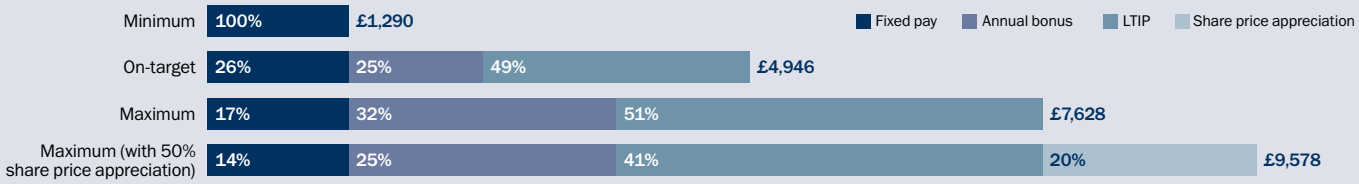
Fixed pay	• 2025 salary, as disclosed in the Annual Report on Remuneration on page 112 • Estimated housing benefits of £120,000 for the CEO, £60,000 for the CFO[1] • Pension contribution of 20 per cent of salary			
	Minimum	**On-target**	**Maximum**	**Maximum with share price growth**
Annual bonus	Nil payout	Payout of 50 per cent of maximum (125 per cent of salary for the CEO and 100 per cent of salary for the CFO)	Payout of 100 per cent of maximum (250 per cent of salary for the CEO and 200 per cent of salary for the CFO)	As per maximum
Long Term Incentive Plan – performance share awards	Nil payout	Performance share awards vest at 50 per cent of maximum (150 per cent of salary for the CEO and 120 per cent of salary for the CFO)	Performance share awards vest in full (300 per cent of salary for the CEO and 240 per cent of salary for the CFO)	As per maximum with a 50 per cent share price increase over three years
Long Term Incentive Plan – restricted share awards	Nil payout	Restricted share awards vest at 100 per cent of maximum (100 per cent of salary for the CEO and 80 per cent of salary for the CFO)	Restricted share awards vest at 100 per cent of maximum (100 per cent of salary for the CEO and 80 per cent of salary for the CFO)	As per maximum with a 50 per cent share price increase over three years

Note:
1 The actual value of housing benefits paid during the year is disclosed on page 105 of this report. Other benefits (including tax equalisation for the CEO) are not easily estimated and have been excluded, with the actual value of these benefits received during the year disclosed on page 105 of this report.

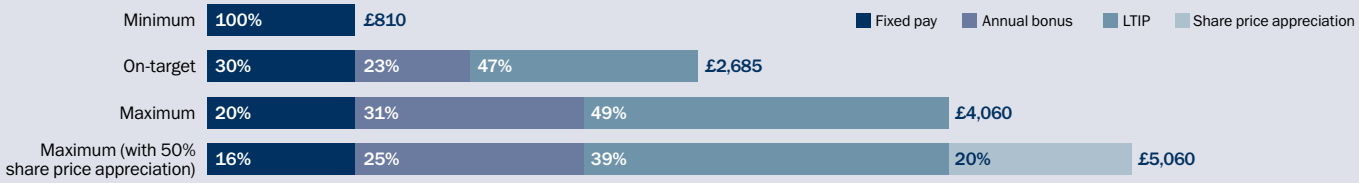
The one-off awards to the CEO and CFO are not included in the scenario charts on the basis that they do not form part of the ongoing Policy.

The charts below illustrate the potential reward opportunities for the current executive directors for the four performance scenarios:

Chief Executive Officer (£'000s)



Chief Financial Officer (£'000s)



Note:
The valuation of annual bonus, performance share awards (PSAs) and restricted share awards (RSAs) for the on-target and maximum scenarios excludes share price appreciation, any dividend accrual and the impact of any scale back of awards. PSAs vest after three years subject to TSR performance and continued employment. RSAs vest after three years subject to performance underpins. PSAs and RSAs are subject to a holding period ending on the fifth anniversary of the date of grant of the awards.

Approach to remuneration of executive directors on recruitment

When determining the remuneration package for a newly appointed executive director, the Committee would seek to apply the following principles:

- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre and global experience to lead the business. At the same time, the Committee would intend to pay no more than it believes is necessary to secure the required talent
- New executive directors will normally receive a base salary, benefits and pension contributions in line with the Policy described above and would also be eligible to join the bonus and long-term incentive plans up to the limits set out in the Policy
- In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out below. The key terms and rationale for any such component would be disclosed as appropriate in the remuneration report for the relevant year
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities
- When determining any such 'buyout', the guiding principle would be that awards would generally be on a 'like-for-like' basis unless this is considered by the Committee not to be practical or appropriate
- The maximum level of variable remuneration which may be awarded (excluding any 'buyout' awards referred to above) in respect of recruitment is 650 per cent of salary, which is in line with the current maximum limit under the annual bonus and LTIP
- Where an executive director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or ongoing payments or benefits). Should an executive's employment be terminated without cause by the Group, repatriation costs may be met by the Group
- In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards. If an executive director is appointed following an acquisition of, or merger with, another company, legacy terms and conditions that are of higher value than provided in the Policy would normally be honoured

To facilitate any buyout awards outlined above, the Committee may grant awards to a new executive director relying: (i) on the exemption in the Listing Rules which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an executive director, without seeking prior shareholder approval; or (ii) under any other appropriate company incentive plan.

Service contracts and exit payments and change of control provisions

Executive director service contracts, including arrangements for early termination, are carefully considered by the Committee and are designed to recruit, retain and motivate directors of the quality required to manage the company. The service contract of each executive director may be terminated on 12 months' notice in writing by either party. Executive directors' contracts are available to view at the company's registered office.

Details of the service contracts of the current executive directors are as follows:

Directors	Contract date	Unexpired term of contract
Linda Z. Cook	01.04.2021	Rolling contract
Alexander Krane	01.04.2021	Rolling contract

The company will consider termination payments in light of the circumstances on a case-by-case basis, taking into account the relevant contractual terms, the circumstances of the termination and any applicable duty to mitigate. In such an event, the remuneration commitments in respect of the executive director contracts could amount to one year's remuneration based on salary, benefits in kind and pension rights during the notice period, together with payment in lieu of any accrued but untaken holiday leave, if applicable.

There are provisions for termination with less than 12 months' notice by the company in certain circumstances. If such circumstances were to arise, the executive director concerned would have no claim against the company for damages or any other remedy in respect of the termination. The Committee would apply general principles of mitigation to any payment made to a departing executive director and will honour previous commitments as appropriate, considering each case on an individual basis.

Directors' Remuneration Policy continued

The table below summarises how performance share awards under the Harbour Energy 2025 Long Term Incentive Plan and annual bonus awards are typically treated in different leaver scenarios and on a change of control. Whilst the Committee retains overall discretion on determining 'good leaver' status, it typically defines a 'good leaver' in circumstances such as retirement with agreement of the company, ill health, injury, disability, death, redundancy, or part of the business in which the individual is employed or engaged ceasing to be a member of the Group.

Event	Timing of vesting/award	Calculation of vesting/payment
Annual bonus/deferred bonus awards		
'Good leaver'	• Annual bonus is normally paid at the same time as to continuing employees but may be paid on departure in compassionate circumstances • Unvested deferred bonus awards vest on the normal vesting date (or, at the Committee's discretion, on cessation of employment) • The Committee has discretion not to defer part of the bonus earned in the year of leaving	• Annual bonus is paid only to the extent that any performance conditions have been satisfied and is pro-rated for the proportion of the financial year worked before cessation of employment • Unvested deferred bonus awards will vest in full
'Bad leaver'	• Not applicable	• Individuals lose the right to their annual bonus and unvested deferred bonus awards
Change of control[1]	• Annual bonus is paid and unvested deferred bonus awards vest on the date of change of control	• Annual bonus is normally calculated based on the extent that any performance conditions have been satisfied, and will normally be pro-rated for the proportion of the financial year worked to the effective date of change of control unless the Committee determines otherwise • Unvested deferred bonus awards will vest in full
Performance share awards and restricted share awards		
'Good leaver'	• Awards vest on the normal vesting date subject to the holding period (or earlier at the Committee's discretion)	• Unvested awards normally vest to the extent that any performance conditions or underpins have been satisfied over the full performance period or vesting period as applicable (or a shorter period at the Committee's discretion) • The number of unvested awards is normally reduced pro-rata to take into account the proportion of the vesting period not served
'Bad leaver'	• Unvested awards lapse • Any vested shares subject to the holding period are forfeited by bad leavers who leave due to gross misconduct, but normally remain and are released at the end of the holding period for other bad leavers (eg following resignation)	• N/A
Change of control[1]	• Awards vest on the date of the event	• Unvested awards normally vest to the extent that any performance conditions or underpins have been satisfied and a pro-rata reduction applies for the proportion of the vesting period not completed unless the Committee determines otherwise

Note:
1 In certain circumstances, the Committee may determine that unvested deferred bonus awards, performance share awards and restricted share awards will not vest on a change of control but will instead be replaced by an equivalent grant of a new award, as determined by the Committee, in the new company.

The leaver treatment for the CFO's one-off award will be in line with the provisions for the restricted share awards outlined above.

Upon exit or change of control, SAYE and SIP awards will be treated in line with the plan rules.

If employment is terminated by the company, the departing executive director may have a legal entitlement (under statute or otherwise) to additional amounts, which would need to be met. In addition, the Committee retains discretion to settle other amounts reasonably due to the executive director, for example to meet the legal fees incurred by the executive director in connection with the termination of employment, outplacement support, where the company wishes to enter into a settlement agreement (as provided for below) and, in which case, the individual is required to seek independent legal advice.

In certain circumstances, the Committee may approve new contractual arrangements with departing executive directors including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These will be used sparingly and only entered into where the Committee believes that it is in the best interests of the company and its shareholders to do so.

External appointments

Executive directors are entitled to accept non-executive director appointments outside the company and retain any fees received providing that the Board's prior approval is obtained.

Consideration of employment conditions elsewhere in the company

While the Committee did not consult with the wider workforce when developing this Policy, more broadly, it receives feedback from employees through engagement opportunities such as the Global Staff Forum, where staff have the chance to engage with members of the Committee and other non-executive directors at least once a year on executive remuneration. The Committee considers the pay and conditions elsewhere in the company, including how company-wide pay tracks against the market. When determining salary and pension for executive directors, the Committee takes account of salary increases and pension contributions across the Group, particularly for those employees based in the UK. The Committee ensures that our policies and practices across the business are fair and consistent, and support diversity and equality. Further, the company seeks to promote and maintain good relationships with employee representative bodies – including trade unions – as part of its employee engagement strategy and consults on matters affecting employees and business performance as required in each case by law and regulation in the jurisdictions in which the company operates.

Consideration of shareholder views

The Committee aims to ensure that the Policy serves shareholder interests and is aligned with the Group's business strategy, market practice and evolving best practice. The Committee Chair engaged with major shareholders (representing over 66 per cent of the register) and proxy advisers in developing this Remuneration Policy, and will also from time-to-time engage to discuss the Remuneration Policy more generally. The Committee considers all feedback received from such consultations, as well as guidance from shareholder representative bodies more generally, to help to ensure the Policy is aligned with shareholder views.

Non-executive director Remuneration Policy

Non-executive directors' appointments and subsequent re-appointments are subject to annual re-election by shareholders at each Annual General Meeting (AGM) in accordance with the UK Corporate Governance Code. All letters of appointment have a notice period of three months, which can be given by either party at any time. Where notice is given by the company, the non-executive director may (at the company's absolute discretion) receive a payment in lieu of three months' director fees. Otherwise, the letters of appointment provide for no other arrangements under which any non-executive director is entitled to receive remuneration upon the early termination of his or her appointment. Non-executive directors' letters of appointment are available to view at the company's registered office.

The company's articles of association provide that the remuneration paid to non-executive directors is to be determined by the Board within limits set by the shareholders. The Policy for the Chair and non-executive directors is as follows:

Non-executive director fees

Purpose and link to strategy	• To provide fees that allow Harbour to attract and retain non-executive directors of the highest calibre that add value to our business
Operation	• Fees for non-executive directors are normally reviewed at least every two years • Fees are set with reference to UK and international oil and gas sector companies and UK-listed companies of a similar size to Harbour • Fees paid to the Chair are determined by the Committee, while the fees of the other non-executive directors are determined by the Board • Additional fees may be paid to reflect additional Board or committee responsibilities as appropriate • Fee increases are normally effective 1 April • The non-executive director fees are summarised in the Annual Report on Remuneration on page 113 • Reasonable costs in relation to travel and accommodation for business purposes are reimbursed to the Chair and non-executive directors. The company may meet any tax liabilities that may arise on such expenses • A travel allowance may be provided where intercontinental travel is required to attend a meeting • The Chair and non-executive directors are not entitled to participate in any of the Group's incentive plans or pension plans • Additional benefits may be provided to non-executive directors if considered appropriate
Opportunity	• Non-executive director fees are set at a level that is considered appropriate in the light of relevant market practice and the size/complexity of the role • Aggregate fees are within the limit approved by shareholders in the articles of association
Performance metrics	• Not applicable

Approach to non-executive director recruitment remuneration

In the case of hiring or appointing a new non-executive director, the Committee will follow the Policy as set out in the table above.

Annual Report on Remuneration

Committee membership and operation

Committee members	Date of appointment to the Committee	Meetings attended (eligible to attend)
Anne L. Stevens (Committee Chair)	31 March 2021	6(6)
Alan Ferguson	31 March 2021	6(6)
Andy Hopwood	1 November 2022	6(6)
Louise Hough	1 May 2023	6(6)

Committee terms of reference

The Committee acts within written terms of reference which are reviewed regularly and published on the company's website: harbourenergy.com. The terms of reference were reviewed in 2018 with amendments made in order to comply with the 2018 UK Corporate Governance Code. Minor amendments have been made in subsequent years, most recently in August 2024.

The main responsibilities of the Committee include:

- determining the Remuneration Policy for executive directors and senior management and engaging with the company's principal shareholders thereon;
- determining the individual remuneration packages for each executive director, other members of senior management, and any changes thereto;
- approving the remuneration package of the Chair;
- considering the design of, and determining targets for, the annual bonus plan;
- reviewing and recommending to the Board the establishment of any new employee share plans and any material amendments to the company's existing share plans;
- determining the overall quantum and performance conditions and/or underpins for long-term incentive awards;
- reviewing pension arrangements, service agreements and termination payments for executive directors and senior management;
- approving the directors' remuneration report, ensuring compliance with related governance provisions and legislation;
- reviewing the UK Gender Pay Gap report and the actions being taken towards reducing the gap;
- reviewing bonus outcomes for the company, including executive directors; and
- considering the remuneration policies and practices across the company.

Advisers

The Committee receives advice from independent remuneration committee advisers Deloitte LLP. Deloitte LLP were appointed by the Committee in March 2021 following a competitive tender process.

The fees charged for the provision of independent advice to the Committee during the year were £190,000 from Deloitte LLP. Other than in relation to advice on remuneration, Deloitte LLP provided support to management in relation to corporate tax, indirect tax, payroll taxes, internal audit, internal controls, financial advisory services in relation to mergers and acquisitions, and other related services.

Deloitte are founding members of the Remuneration Consultants Group and voluntarily operated under its code of conduct in dealings with the Committee. The Committee is satisfied that the Deloitte engagement team, who provided remuneration advice to the Remuneration Committee, do not have connections with Harbour Energy plc or its directors that may impair their independence.

During the year, the Committee also took into account the views of the Chief Executive Officer and other members of management. Their attendance at Remuneration Committee meetings was by invitation from the Committee Chair to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the senior management team. No director was present for any discussions that related directly to their own remuneration.

Voting on remuneration matters

Votes received at the 2024 AGM in respect of approval of the Annual Report on Remuneration and the Directors' Remuneration Policy are set out below:

Resolution	Votes FOR and % of votes cast		Votes AGAINST and % of votes cast		Votes WITHHELD
Annual Report on Remuneration (2024 AGM)	522,639,855	95.67%	23,642,500	4.33%	31,905
Directors' Remuneration Policy (2024 AGM)	531,510,338	97.30%	14,761,768	2.70%	42,154

Single total figure of remuneration for executive directors (audited)

Executive directors	Year	Salary[1] £'000	Taxable benefits[2] £'000	Pension £'000	Total fixed remuneration £'000	Bonus £'000	LTIP[3] £'000	Total variable remuneration £'000	Total remuneration £'000
Linda Z. Cook	**2024**	**904.4**	**1,424.9**	**178.3**	**2,507.6**	**533.6**	**–**	**533.6**	**3,041.2**
	2023	850.0	615.4	125.6	1,591.0	816.0	–	816.0	2,407.0
Alexander Krane	**2024**	**586.3**	**164.1**	**100.7**	**851.1**	**345.9**	**–**	**345.9**	**1,197.0**
	2023	540.8	132.7	69.7	743.2	519.1	–	519.1	1,262.3

Notes to 2024 figures (unless stated):

1 The executive directors' salaries were increased effective 4 September 2024, the date immediately following the completion of the Wintershall Dea transaction. Linda Z. Cook's salary was increased from £888,250 to £975,000 (an increase of 9.8 per cent) and Alexander Krane's salary was increased from £584,220 to £625,000 (an increase of 7.0 per cent). The figures shown above are therefore the aggregated pro-rated salaries for the two periods.

2 The executive directors receive a benefits package aligned with the approach for other employees. In 2021, Linda Z. Cook and Alexander Krane relocated from the US and Norway respectively to join Harbour Energy and they are entitled to receive the same expatriate benefits as other employees relocating internationally. They both elected not to take the full expatriate benefits available to them, and their benefits are therefore limited to housing costs and two return flights home per year as well as tax equalisation arrangements. Alexander Krane received £60,000 in respect of housing costs during the year and his benefit figure also includes £52,779.63 in respect of tax equalisation payments for his housing allowance. Linda Z. Cook received £120,000 in respect of housing costs during the year and her benefit figure also includes £1,180,853.99 in respect of a tax equalisation benefit. Given Linda was required to relocate from the US to the UK to take up the role of CEO, tax equalisation is provided to ensure that she is not required to pay more tax in the UK than she would do in the US. As outlined in the Notice of 2021 AGM, the Committee approved the provision of these benefits to the executive directors for an initial three-year period. The Committee considers it appropriate to continue providing these benefits, including the housing allowance, given the executive directors' criticality to the business.

3 No portion of the executive directors' LTIP performance share awards vested during the period.

Single total figure of remuneration for non-executive directors (audited)

Non-executive directors	Year	Base fees[2] £'000	Travel allowance[3] £'000	Expenses[4] £'000	Total remuneration £'000
R. Blair Thomas (Chair)[1]	**2024**	**334.6**	**30.0**	**6.5**	**371.1**
	2023	300.0	20.0	3.7	323.7
Simon Henry	**2024**	**153.0**	**–**	**3.7**	**156.7**
	2023	140.0	–	3.0	143.0
Belgacem Chariag[5]	**2024**	**115.1**	**20.0**	**11.2**	**146.3**
	2023	70.0[8]	20.0	8.4	98.4
Dirk Elvermann[6,7]	**2024**	**39.3**	**–**	**3.1**	**42.4**
	2023	–	–	–	–
Hans-Ulrich Engel[6]	**2024**	**39.3**	**–**	**3.4**	**42.7**
	2023	–	–	–	–
Alan Ferguson	**2024**	**131.7**	**–**	**0.6**	**132.3**
	2023	120.0	–	0.7	120.7
Andy Hopwood	**2024**	**120.1**	**–**	**3.8**	**123.9**
	2023	110.0	–	3.3	113.3
Louise Hough[5]	**2024**	**125.1**	**–**	**0.4**	**125.5**
	2023	76.7	–	0.1	76.8
Margareth Øvrum	**2024**	**126.3**	**–**	**9.0**	**135.3**
	2023	115.0	–	6.0	121.0
Anne L. Stevens	**2024**	**126.7**	**30.0**	**17.3**	**174.0**
	2023	115.0	25.0	12.4	152.4

Notes to 2024 figures (unless stated):

1 The base fees for R. Blair Thomas were paid to EIG.

2 In addition to base fees for acting as a non-executive director, base fees include amounts payable for acting as a member or Chair of a Committee, and fees for the Senior Independent Director role. Further detail on the level of these fees is set out on page 113. The Board Chair waived his fees for acting as Chair of the Nomination Committee.

3 In accordance with the Remuneration Policy approved by shareholders in May 2024, R. Blair Thomas, Anne L. Stevens and Belgacem Chariag received an allowance for intercontinental travel during 2024.

4 Amounts disclosed relate to taxable travel and accommodation expenses paid to non-executive directors in respect of qualifying services during the year.

5 Belgacem Chariag and Louise Hough were appointed to the Board on 1 May 2023. The 2023 fees reflect the time served as non-executive directors since that date.

6 Dirk Elvermann and Hans-Ulrich Engel were appointed to the Board on 3 September 2024. Their fees reflect the time served as non-executive directors since that date.

7 The base fees for Dirk Elvermann were paid to BASF SE.

8 Restated fees for Belgacem Chariag in respect of the 2023 financial year.

Annual Report on Remuneration continued

2024 Annual bonus outcome (audited)

The maximum bonus opportunity for executive directors in respect of 2024 was 200 per cent of salary. The scorecard below summarises the Group's performance against the financial and operational targets set by the Board for 2024 that are used to determine the level of bonus awarded. The scorecard was set prior to the completion of the Wintershall Dea transaction and therefore reflects only the performance over the year of the legacy Harbour business. This is the basis for determining bonus outcomes for legacy Harbour employees, including the executive directors.

			2024 performance		Scorecard		
Category	**Metric**	**Weighting**	**Actual**	**Weighted**	**Threshold**	**Target**	**Stretch**
Safety & environment (35%)	**Safety incident rate** TRIR incident rate/ million hours	10%	**0.93**	**6%**	1.05	0.85	0.60
	Process safety[1] Tier 1, Tier 2 and Tier 3 events	10%	**6**	**0%**	14	10	6
	GHG emissions ktonnes CO_2e	15%	**1,202**	**20%**	1,400	1,260	1,100
Operations (30%)	**Oil and gas production** kboepd	20%	**160**	**14%**	150	164	170
	Unit operating costs $/boe	10%	**19.7**	**0%**	19.0	17.6	17.0
Growth & capital deployment (20%)	**Expenditure vs AFE** %	10%	**97**	**12%**	120	100	85
	Reserves vs AFE %	10%	**87**	**4%**	80	100	120
Financial (15%)	**Free cash flow** Million $[2]	15%	**129**	**3%**	60	400	790
Total				**59%**			

Notes:
1 The outcome for the process safety metric was reduced to zero as a result of the severity of three of the incidents during the year.
2 Free cash flow is post-tax, pre-dividend and pre-share buyback.

Summary of performance

Safety & environment

Safety incident rate: Between threshold and target with the total recordable injury rate of 0.93.

Process safety: For the first time, in addition to tracking Tier 1 and Tier 2 events, a subset of Tier 3 events was included in this measure. For the Harbour legacy business, a total of six events were recorded, a record low for the company. However, one of these events was classified as Tier 1 and two were classified as Tier 2. Therefore, in line with the design framework, the process safety score was reduced to a threshold rating of nil.

GHG emissions: Emissions of 1,202 $ktCO_2e$ were better than target. This largely reflected the ongoing success of decarbonisation projects during the year.

Operations

Production: 2024 production was 160 kboepd, being just short of on-target.

Unit operating costs: Unit costs were $19.7 per boe, which was just above threshold. This was caused by general cost increases, FX movements and lower than forecast production volumes.

Growth & capital deployment

Expenditure vs AFE: Expenditure of 97 per cent was better than target, reflecting more rigorous cost performance for capital projects.

Reserves vs AFE: Performance of 87 per cent, which was just above threshold, reflecting lower oil and gas volume outcomes from capital investments.

Financial

Free cash flow: Cash flow generation of $129 million was below target, reflecting lower volumes and UK gas prices.

The calculated score was 59 per cent of the target bonus or 29.5 per cent of maximum achievable. The Committee determined that the formulaic outcome, whilst disappointing, was appropriate as it reflected operational and safety performance against targets during the year. Therefore the final bonus outcome for the executive directors was approved at 59 per cent of target (29.5 per cent of maximum).

However, for the wider legacy Harbour workforce, excluding executive directors, the Committee approved a modest discretionary increase to 70 per cent of target bonus or 35 per cent of the maximum achievable to reflect the significant strategic transformation achieved during the year as a result of the Wintershall Dea transaction and the incredible effort undertaken by the organisation to deliver this.

Amounts paid to executive directors are set out below. In line with the 2024 Remuneration Policy, for executive directors that have met their shareholding requirement, 25 per cent of the bonus paid will be deferred into shares for three years, and for other executive directors 50 per cent of the bonus paid will be deferred into shares for three years. Linda Z. Cook has met her shareholding requirement and her bonus is therefore subject to the lower deferral rate. Alexander Krane is working towards his shareholding requirement and therefore 50 per cent of his bonus will continue to be deferred.

Directors	Bonus as a % of maximum	Total value £'000s	Cash amount £'000s	Amount deferred into shares £'000s
Linda Z. Cook	29.5%	533.6	400.2	133.4
Alexander Krane	29.5%	345.9	172.9	173.0

LTIP awards vesting in respect of the year ended 31 December 2024 (audited)

LTIP awards were granted to the executive directors in 2022. Awards were subject to relative TSR performance conditions over the three years to 31 December 2024. The structure and performance outcome were as follows:

Performance element	Weighting	Minimum performance	Mid performance	Maximum performance	Actual performance	Vesting outcome
Relative TSR performance vs FTSE 100 index[1]	50%	25% vesting at median performance (50th percentile)	Linear vesting between minimum and maximum performance	100% vesting if in the upper quartile (75th percentile)	–16.1% (Below median)	0
Relative TSR vs bespoke peer group of oil and gas companies[2,3]	50%				–16.1% (Below median)	0

Notes:
1 Constituents of the FTSE 100 as at the start of the performance period on 1 January 2022.
2 Selected oil and gas peer group, including European and US independent oil and gas companies. The group consists of the following 16 companies: Aker BP, Apache Corp, bp, Capricorn Energy, Diversified Energy, Energean, Genel Energy, Hess, Kosmos Energy, Marathon Oil, Murphy Oil, Shell, Seplat Energy, Tullow Oil, Vermillion Energy and John Wood Group. As announced in the 2022 Directors' remuneration report, the Committee determined to remove Lundin Energy (now Orrön Energy) from the peer group for inflight awards as it was no longer a relevant comparator.
3 The bespoke oil and gas peer group was incorrectly disclosed in the 2022 DRR, with the 2023 constituents shown rather than the 2022 constituents.

Based on the above performance levels, the vesting outcome was 0 per cent. The Committee considered whether to exercise any discretion to amend the formulaic outcome, and determined that the outcome was appropriate in the context of company performance in the round. The amounts vesting to the executive directors are therefore as follows:

Executive directors	Vesting outcome (% of maximum)	Value of shares vesting £'000s	Value of dividend equivalents accrued £'000s	Total £'000s
Linda Z. Cook	0%	0	0	0
Alexander Krane	0%	0	0	0

LTIP awards granted during the year ended 31 December 2024 (audited)

For the awards granted to executive directors under the 2017 LTIP during 2024, the performance condition is based 100 per cent on relative TSR performance conditions against two peer groups. The structure has been summarised below:

Performance element	Weighting	Minimum performance	Mid performance	Maximum performance	Performance period
Relative TSR performance vs FTSE 100 index[1]	50%	25% vesting at median performance (50th percentile)	Linear vesting between minimum and maximum performance	100% vesting if in the upper quartile (75th percentile)	1 January 2024 – 31 December 2026
Relative TSR vs bespoke peer group of oil and gas companies[2]	50%				

Notes:
1 Constituents of the FTSE 100 as at the start of the performance period on 1 January 2024.
2 Selected oil and gas peer group, including European and US independent oil and gas companies. This group consists of the following 17 companies: Aker BP, Apache Corp, Capricorn Energy, Diversified Energy, Energean, EnQuest, Genel Energy, Hess, Ithaca Energy, Kosmos Energy, Marathon Oil, Murphy Oil, Seplat Energy, Serica Energy, Tullow Oil, Vår Energi and Vermillion Energy. The group was updated in 2024, with bp and Shell removed and Ithaca Energy and Vår Energi added.

Annual Report on Remuneration continued

As detailed in the 2023 Directors' remuneration report, Alexander Krane's LTIP opportunity for 2024 was increased to 300 per cent, in recognition of the increased scope of his role in relation to M&A activities and execution of the company's strategy. Details of the awards made to executive directors are therefore as follows:

Executive directors	Date of grant	Number of shares awarded	Type of award	Face value (% of salary)	Face value[1]
Linda Z. Cook	08.04.24	939,947	Performance share award	300%	£2,664,750
Alexander Krane	08.04.24	618,222	Performance share award	300%	£1,752,660

Note:
1 Face value was calculated using the average of the mid-market closing prices for the five dealing days preceding the award date being £2.835 per share.

Outstanding share awards

2017 Long Term Incentive Plan (2017 LTIP)

As at 31 December 2024, Linda Z. Cook and Alexander Krane held the following outstanding performance share awards (PSAs) and conditional share awards (CSAs) under the 2017 LTIP:

Directors	Type of award[1]	Date of grant	Awards held at 1 January 2024	Granted	Dividend equivalents accrued	Lapsed	Vested	Awards held at 31 December 2024	Market price of shares on date of award[3]	Earliest vesting date
Linda Z. Cook	CSA 2021-24[2]	04.05.21	433,916	–	14,490	–	448,406	–	393.53p	04.05.24
	PSA 2021-24	30.06.21	759,192	–	0	759,192	–	–	378.28p	30.06.24
	PSA 2022-25	24.03.22	652,106	–	47,502	–	–	699,608	440.40p	24.03.25
	PSA 2023-26	03.04.23	1,022,388	–	74,475	–	–	1,096,863	269.00p	03.04.26
	PSA 2024-27	08.04.24	–	939,947	68,469	–	–	1,008,416	283.50p	08.04.27
			2,867,602	**939,947**	**204,936**	**759,192**	**448,406**	**2,804,887**		
Alexander Krane	CSA 2021-24	30.06.21	297,723	–	0	–	297,723	–	378.28p	01.04.24
	PSA 2021-24	30.06.21	390,760	–	0	390,760	–	–	378.28p	30.06.24
	PSA 2022-25	24.03.22	335,642	–	24,449	–	–	360,091	440.40p	24.03.25
	PSA 2023-26	03.04.23	547,277	–	39,865	–	–	587,142	269.00p	03.04.26
	PSA 2024-27	08.04.24	–	618,222	45,033	–	–	663,255	283.50p	08.04.27
			1,571,402	**618,222**	**109,347**	**390,760**	**297,723**	**1,610,488**		

Notes:
1 Any vested awards (except for Linda Z. Cook's 2021 conditional share award) are subject to a two-year holding period such that the total time horizon is five years.
2 Linda Z. Cook received a buyout award to compensate for loss of performance-based incentives from her previous employer. This award was made on a like-for-like basis and vested one-third per year on the first, second and third anniversary of the award. The first tranche of the award vested on 4 May 2022, the second tranche vested on 4 May 2023 and the third tranche vested on 4 May 2024. Further details of the award can be found in the 2021 Directors' remuneration report.
3 The average of the closing prices of a Harbour Energy share over the five dealing days immediately preceding the award date (on a post-consolidation basis).

Deferred bonus awards

As of 31 December 2024, the following deferred bonus awards were held in respect of the deferred element of the annual bonus award.

Directors	Date of grant	Awards held at 1 January 2024	Granted	Dividend equivalents accrued	Lapsed	Vested	Awards held at 31 December 2024	Market price of shares on date of award[1]	Earliest vesting date
Linda Z. Cook	24.03.22	54,043	–	3,937	–	–	57,980	440.40p	24.03.25
	03.04.23	255,596	–	18,618	–	–	274,214	269.00p	03.04.26
	08.04.24	–	143,915	10,484	–	–	154,399	283.50p	08.04.27
		309,639	**143,915**	**33,039**	**–**	**–**	**486,593**		
Alexander Krane	24.03.22	32,651	–	2,378	–	–	35,029	440.40p	24.03.25
	03.04.23	157,868	–	11,500	–	–	169,368	269.00p	03.04.26
	08.04.24	–	91,555	6,669	–	–	98,224	283.50p	08.04.27
		190,519	**91,555**	**20,547**	**–**	**–**	**302,621**		

Note:
1 The average of the closing prices of a Harbour Energy share over the five dealing days immediately preceding the award date (on a post-consolidation basis).

Statement of directors' shareholdings and scheme interests (audited)

The table below summarises the directors' interests in shares, including unvested awards under employee share schemes, as at 31 December 2024. The total share interests as at 5 March 2025 were the same as shown below for all directors in service as at 31 December 2024. Further details of all outstanding awards are provided on page 108.

Directors	Own shares at 31 December 2024[1]	Unvested shares subject to continued employment 31 December 2024[2]	Unvested shares subject to performance at 31 December 2024
Linda Z. Cook	8,875,490	486,593	2,804,887
Alexander Krane	155,150	302,621	1,610,488
R. Blair Thomas	8,233,310	–	–
Simon Henry	40,000	–	–
Belgacem Chariag	0	–	–
Dirk Elvermann	0	–	–
Hans-Ulrich Engel	0	–	–
Alan Ferguson	24,203	–	–
Andy Hopwood	10,000	–	–
Louise Hough	6,800	–	–
Margareth Øvrum	8,500	–	–
Anne L. Stevens	30,000	–	–

Notes:

1 Own shares includes shares held by the director and/or connected persons. For R. Blair Thomas this figure includes indirect interests he holds in shares in the company through certain entities managed by EIG, one of the company's major shareholders. R. Blair Thomas is also Chief Executive Officer of EIG and a director of a number of EIG's wholly owned subsidiaries. Details regarding EIG's shareholding are set out on page 116.

2 Unvested shares subject to continued employment comprise deferred bonus awards. The deferred bonus awards are subject to malus and clawback in accordance with the terms set out in the Directors' Remuneration Policy.

Awards under all the company's share schemes may be met using a combination of market purchases, financed by the company through the Harbour Energy plc Employee Benefit Trust, and newly issued shares. The company complies with the Investment Association's recommended guidelines on shareholder dilution through employee share schemes: the total of all awards satisfied with newly issued shares under all plans must not exceed 10 per cent of the company's issued share capital in any rolling 10-year period.

Directors' shareholding requirements

The company requires the executive directors to retain no less than 50 per cent of the net value of shares vesting under the company's long-term incentive plans until such a time that they have reached a holding worth 300 per cent of salary (CEO) and 250 per cent of salary (CFO).

Shares owned outright including shares purchased and received from incentive arrangements, shares subject to deferral or a holding period (which are not beneficially owned by the senior executive) net of any relevant tax and social security that would be due, vested but unexercised nil cost options under any share plan, unvested share plan awards where vesting is not subject to the achievement of any performance conditions or underpins net of any relevant tax and social security and free shares under any UK share incentive plan count towards this requirement.

Based on an average share price of £2.61 during the final three months of 2024, Linda Z. Cook currently holds shares and deferred bonus awards worth 2,448 per cent of her salary. Alexander Krane holds shares and deferred bonus awards worth 134 per cent of his salary using the same average price. Alexander is working towards the guideline of 250 per cent of salary and will continue to be subject to 50 per cent deferral of his annual bonus until his minimum shareholding is met.

Under the company's Remuneration Policy, the shareholding requirement extends for two years post-cessation of employment. Shares purchased by the departed executive directors are not covered by the post-cessation requirement.

Executive director external appointments

Executive directors are permitted to accept non-executive appointments outside the company providing that the Board's approval is obtained. Details of external appointments are set out on pages 74 to 77.

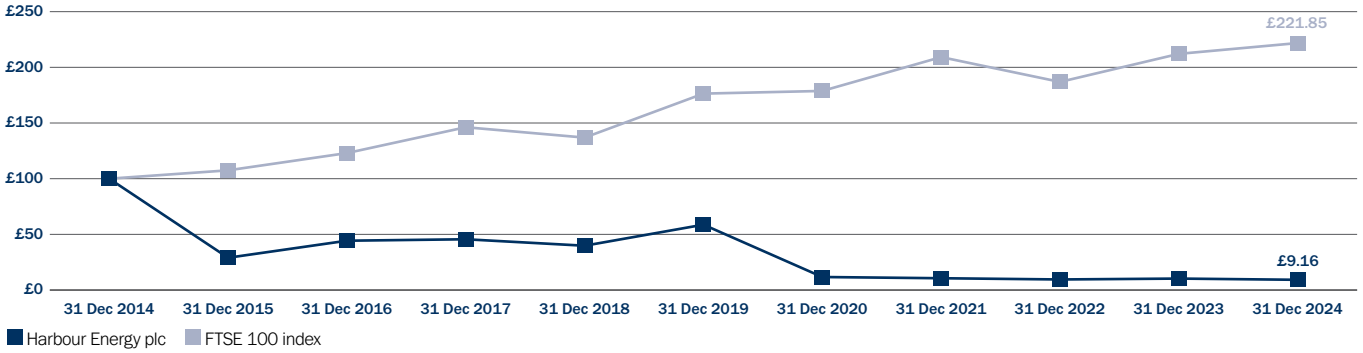
Annual Report on Remuneration continued

Comparison of company performance

The chart below compares the value of £100 invested in the company's shares, including reinvested dividends, on 31 December 2014 compared to the equivalent investment in the FTSE 100 index over the last 10 financial years. The FTSE 100 index has been chosen as the comparator for this graph because it is used as a peer group against which relative TSR performance is measured for awards granted under the 2017 LTIP.

10-year TSR performance

Value of £100 invested on 31 December 2014:



Note:
The closing share price of the company on 31 December 2024 was 255.4p. On 5 March 2025, being the date of approval of this report, the closing share price was 214.0p.

The table below shows the CEO single figure of remuneration for the past 10 years and corresponding performance under the annual and long-term incentives, as a percentage of maximum.

Year	CEO	CEO single figure of remuneration £'000s	Annual bonus payout as % of maximum	Equity pool as % of maximum[1]	Restricted share award vesting as % of maximum[2]	Performance share award vesting as % of maximum	Matching share award vesting as % of maximum
2015	Tony Durrant	1,040.4	10	–	–	–	–
2016	Tony Durrant	1,404.3	66.5	–	–	–	–
2017	Tony Durrant	1,474.3	63.4	–	–	–	–
2018	Tony Durrant	1,558.4	54.3	45.1	–	75.1	–
2019	Tony Durrant	1,631.1	65	–	100	38	–
2020[3]	Tony Durrant	814.1	10.4	–	–	–	–
2021[4]	Richard Rose	436.6	–	–	–	–	–
	Linda Z. Cook[5]	5,978.3	33	–	–	–	–
2022	Linda Z. Cook	3,124.5	75	–	–	–	–
2023	Linda Z. Cook	2,407.0	48	–	–	–	–
2024	Linda Z. Cook	3,041.1	29.5	–	–	–	–

Notes:
1 The maximum opportunity for the 2016 equity pool was 50 per cent of salary.
2 The maximum opportunity for the restricted share award was 20 per cent of salary.
3 Tony Durrant stepped down from the Board on 16 December 2020.
4 Figures shown for 2021 for Richard Rose relate to the period during 2021 that he served as interim Chief Executive Officer: 1 January 2021 to 31 March 2021; and for Linda Z. Cook relate to the period during 2021 that she served as Chief Executive Officer: 1 April 2021 to 31 December 2021.
5 Linda Z. Cook's single figure of remuneration in 2021 includes the value of her buyout award which was granted to compensate for the loss of incentive arrangements she had as part of her previous employment at EIG.

Percentage change in directors' remuneration compared with other employees

The table below shows the percentage change in each director's remuneration, comprising salary/fees, benefits and annual bonus, and comparable data for the average of all UK-based employees within the company, over each of the five years from 2020 to 2024. Figures are presented on an annualised basis to allow for comparison.

	Salary/fees					Benefits					Annual bonus[1]				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Executive directors															
Linda Z. Cook[2]	6%	0%	0%	–	–	132%	(26)%	103%	–	–	(35)%	(36)%	126%	–	–
Alexander Krane	8%	3%	0%	–	–	(19)%	23%	4%	–	–	(33)%	(34)%	118%	–	–
Non-executive directors[3]															
R. Blair Thomas	12%	0%	–	–	–	–	–	–	–	–	–	–	–	–	–
Simon Henry	9%	0%	–	–	–	–	–	–	–	–	–	–	–	–	–
Belgacem Chariag[5]	64%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dirk Elvermann	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Hans-Ulrich Engel	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Alan Ferguson	10%	0%	–	–	–	–	–	–	–	–	–	–	–	–	–
Andy Hopwood[4]	9%	4.0%	0.76%	–	–	–	–	–	–	–	–	–	–	–	–
Louise Hough[5]	63%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Margareth Øvrum	10%	0%	–	–	–	–	–	–	–	–	–	–	–	–	–
Anne L. Stevens	10%	0%	–	–	–	–	–	–	–	–	–	–	–	–	–
All employees	7.20%	7.48%	2.91%	3.69%	2.51%	8.95%	7.11%	11.85%	26.09%	(3.54)%	(19.55)%	(30.07)%	115.82%	98.20%	(69.43)%

Notes:
1 Includes cash bonus and amount deferred into shares.
2 The benefits figure for Linda Z. Cook for 2022, 2023 and 2024 reflects increased tax equalisation payments provided in connection with the vesting of the first, second and third tranche of the conditional share award during those years. This award has now vested in full.
3 The increase for the non-executive directors reflects the increase in their fees which were reviewed following completion of the Wintershall Dea transaction.
4 The increase for Andy Hopwood in 2022 and 2023 reflects a change in his committee membership and therefore an increase in the scope and complexity of his role.
5 The significant increase for Belgacem Chariag and Louise Hough is due to their part-year appointments in 2023, resulting in pro-rated salaries for that year.

CEO pay ratio

The table below sets out the ratio of the CEO's pay to the lower quartile, median and upper quartile pay of the company's UK employees for the past six years.

Year	Method	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2024	Method A	27.11 : 1	22.86: 1	16.63 : 1
	Total pay and benefits	£112,162.88	£133,046.82	£182,896.82
	Salary	£66,988.11	£80,511.60	£110,040.00
2023	Method A	22.03 : 1	18.16 : 1	13.40 : 1
2022	Method A	28.35 : 1	23.68 : 1	17.10 : 1
2021	Method A	76.6 : 1	62.3 : 1	40.99 : 1
2020	Method A	10.8 : 1	7.5 : 1	5.1 : 1
2019	Method A	19.8 : 1	11.9 : 1	8.2 : 1

The 2024 median pay ratio of 22:86 reflects the fact that the CEO single figure of remuneration has increased in comparison to 2023, due to increased taxable benefits received during the year. Fluctuations in pay ratios in previous years were due to variations in incentive outcomes year-on-year. The 2020 and 2019 figures represent the data for Premier Oil plc prior to the merger.

Total pay and benefits for all employees has remained in line with 2023. The median pay ratio is consistent with the pay, reward and progression policies for the company's UK employees as a whole, with pay grades benchmarked to the oil and gas industry and a graduated bonus scheme based on these grades. The results are consistent with the professional nature of our workforce.

The Committee believes that, of the methodologies permitted under the regulations, Method A provides the most statistically accurate representation of the Chief Executive Officer's remuneration relative to the UK workforce. Total pay and benefits (on a full-time equivalent basis) for the employees at 31 December 2024 have been calculated in line with the 'single figure methodology' used for the Chief Executive Officer. Employees were then ranked to identify each individual at the 25th, 50th and 75th percentiles.

Annual Report on Remuneration continued

Relative importance of spend on pay

The table below shows the company's actual expenditure on shareholder distributions and total employee pay expenditure for the financial years ending 31 December 2023 and 31 December 2024. Total shareholder distribution expenditure is composed of dividends and share buybacks.

	2024 $ million	2023 $ million	% change
Remuneration paid to or receivable by all employees of the Group	509	379	34%
Distributions to shareholders by way of dividend	199	190	5%
Distributions to shareholders by way of share buyback	0	248[1]	(100%)

Note:

1 Part of the share buyback programme announced on 3 November 2022 was implemented during 2023 and concluded on 15 February 2023. On 9 March 2023 the company announced a further $200 million share buyback programme which concluded on 28 September 2023. The 2023 figure reflects the cost of the shares during 2023 and excludes associated fees of $1 million.

Implementation of executive director Remuneration Policy for 2025

This section sets out the proposed implementation of the Directors' Remuneration Policy in 2025.

Salary

The Committee reviewed the salaries for the executive directors in 2024. The review focused on the increased size and scope of their roles following completion of the Wintershall Dea transaction, including the geographic expansion of the company, the diversification of the asset base, the significant increase in production levels and the increase to the company's market capitalisation. It was agreed that the CEO's salary should be set at £975,000 and the CFO's salary at £625,000. These increases took effect on 4 September 2024, the first day following completion of the Wintershall Dea transaction, to align with increases awarded to other senior staff. Salaries for executive directors will next be reviewed in April 2026.

The base salaries of the executive directors are shown below:

Directors	Position	Salary from 1 April 2024 £	Salary from 4 September 2024 £	Percentage increase %	Salary from 1 April 2025 £	Percentage increase %
Linda Z. Cook	Chief Executive Officer	888,250	975,000	9.8%	975,000	0%
Alexander Krane	Chief Financial Officer	584,220	625,000	7.0%	625,000	0%

Pension and benefits

Pension levels for executive directors will remain at 20 per cent of salary, which is the level available to the wider workforce. There are no other changes intended to the benefits provided to executive directors. Their housing allowances will continue to apply for the remainder of the time they remain in role.

Annual bonus

As described on page 89, the Committee reviewed annual bonus opportunity levels as part of the Directors' Remuneration Policy review and determined to increase the maximum opportunity for the CEO to 250 per cent of salary (previously 200 per cent of salary), to reflect the increased size and scope of her role following completion of the Wintershall Dea transaction. The CFO's opportunity will remain at 200 per cent of salary for 2025.

The executive director annual bonus corporate scorecard, setting out measures for 2025, is summarised below. There have been two changes to the scorecard for 2025, which is a reduction in the safety & environment component from 35 per cent to 30 per cent of the total award, and an increase in the financial component from 15 per cent to 20 per cent of the award. This is to reflect an increased focus on cash flow performance. Individual performance targets are considered to be commercially sensitive and will be disclosed in next year's Annual Report & Accounts.

Category	Targets	Weighting (% of maximum corporate bonus opportunity)
1. Safety & environment	Safety incident rate, Process safety, GHG emissions	30%
2. Operations	Oil and gas production, Unit operating costs	30%
3. Growth & capital deployment	Expenditure vs AFE, Reserves vs AFE	20%
4. Financial	Free cash flow	20%

Long Term Incentive Plan

As set out on page 91, the company is seeking shareholder approval at the AGM for a new Policy, which includes a 'hybrid' structure of performance shares and restricted shares. This would replace the current long term incentive which consists solely of performance shares.

The Committee intends to grant performance share awards to the CEO and CFO of a value equal to 300 and 240 per cent of salary respectively, in line with the new Policy. The performance conditions will be aligned with previous years and be assessed against relative TSR, with 50 per cent of the award being assessed against the FTSE 100 index and 50 per cent against a bespoke oil and gas peer group. In late 2024 the Committee reviewed the constituents of the bespoke peer group in the context of changes to the business following the Wintershall Dea transaction, resulting in several changes. Marathon Oil delisted following its acquisition by Conoco and Hess was removed due to its announced acquisition by Chevron. Two further companies, Genel Energy and Capricorn Energy, were also removed given their much smaller size compared to other members of the group, and the location of their operations being less relevant to Harbour. Four new companies were added, considered by the Committee to be relevant in terms of size and geographic spread: Woodside Energy and Santos Energy, two Australian-listed independents with international footprints; Talos Energy, a US-listed independent with large operations in the US Gulf of Mexico and assets in Mexico; and Bluenord, a Norwegian-listed independent primarily focused in the Danish North Sea. The structure of this element will be threshold vesting (25 per cent of maximum) for performance in line with the median and maximum vesting for performance in line with the upper quartile.

The Committee also intends to grant restricted share awards to the CEO and CFO of a value equal to 100 and 80 per cent of salary respectively. These are not subject to performance conditions, but rather, will be assessed at the end of the three-year vesting period based on achievement of an underpin. The underpin provides the Committee with the discretion to reduce the vesting level of restricted share awards based on its assessment of financial and non-financial performance over the vesting period.

Awards to executive directors will be granted as soon as practicable after the 2025 AGM. The grant price, used to determine the number of shares for their awards, will be the five-day average closing price from 31 March 2025 to 4 April 2025, in line with the awards made to other eligible employees.

One-off awards

Subject to approval of the Policy by shareholders at the 2025 AGM, the one-off awards to the CEO and CFO will be made in 2025. The award to the CEO will be paid in cash and the award to the CFO will be granted in shares, vesting in April 2026. Awards are not subject to any performance conditions though malus and clawback apply. Details of the awards are on page 92.

Non-executive director remuneration

The fee structures for the Chair and non-executive directors are reviewed annually to ensure that they remain appropriate to reflect time commitment, demands and responsibilities for the role. The Board reviewed fee levels in 2024 and given the material changes to the business as a result of the Wintershall Dea transaction, it was considered that a larger level of increase was appropriate to reflect the increased complexity of the non-executive director roles. Following that review, the Remuneration Committee approved a 25 per cent increase to the base fee for the Chair. The Board approved the same increase to the base fee for non-executive directors and the supplementary fees for the Senior Independent Director and Board Committee Chair roles. The remuneration arrangements for the Chair and non-executive directors were adjusted with effect from 4 September 2024 (the first day following completion of the Wintershall Dea transaction) as per the table below. No further increases are planned for 2025.

Basic fees	Salary from 1 April 2024	Salary from 4 September 2024
Chair all-inclusive fee	313,500	391,875
Other non-executive directors' basic fee	88,825	111,000
Supplementary fees		
Senior Independent Director	30,000	37,500
Chair of Audit and Risk Committee Chair of Remuneration Committee	20,000	25,000
Chair of Health, Safety, Environment and Security Committee Chair of Nomination Committee (N.B. waived by R. Blair Thomas)	15,000	18,750
Member of Audit and Risk Committee Member of Remuneration Committee	15,000	15,000
Member of Health, Safety, Environment and Security Committee Member of Nomination Committee	10,000	10,000

For and on behalf of the Remuneration Committee:

Anne L. Stevens
Committee Chair
5 March 2025

The directors present their Annual Report on the affairs of the Group, together with the audited Group and parent company financial statements and Auditor's report for the year ended 31 December 2024. There are certain disclosure requirements which form part of the directors' report and are included elsewhere in this Annual Report. The location of information incorporated by reference into this directors' report is set out on page 116.

Dividend

The Board is proposing a final dividend of 13.19 cents per ordinary share (2023: 13 cents) to be paid in pound sterling at the spot rate prevailing on the record date. This dividend is subject to shareholder approval at the AGM, to be held on 8 May 2025. If approved, the dividend will be paid on 21 May 2025 to shareholders on the register as of 11 April 2025 (the record date).

Annual General Meeting

The company anticipates that the next AGM will be held on 8 May 2025. The notice of the AGM (the Notice), together with details of all resolutions which will be placed before the meeting, will be published in due course and will be available in the shareholder information section of the website.

Directors

The directors of the company as at 5 March 2025 are shown on pages 74 to 77. Changes to the directors during the year and up to the date of this report are set out below:

Appointments	Role	Effective date of appointment
Dirk Elvermann	Non-Executive Director	3 September 2024
Hans-Ulrich Engel	Non-Executive Director	3 September 2024

Meeting attendance

Seven Board meetings were held during the year covering a full agenda of strategic, performance and governance items.

Director	Meetings attended	Percentage
R. Blair Thomas	7/7	100%
Linda Z. Cook	7/7	100%
Alexander Krane	7/7	100%
Simon Henry	7/7	100%
Alan Ferguson	7/7	100%
Andy Hopwood	7/7	100%
Margareth Øvrum	7/7	100%
Anne L. Stevens	7/7	100%
Belgacem Chariag[1]	6/7	86%
Louise Hough	7/7	100%
Dirk Elvermann[2]	2/2	100%
Hans-Ulrich Engel[3]	2/2	100%

1 Belgacem Chariag was unable to attend one meeting due to extenuating circumstances. He received meeting materials and had the opportunity to provide input to the Chair in advance of the meeting.
2 Dirk Elvermann joined the Board on 3 September 2024.
3 Hans-Ulrich Engel joined the Board on 3 September 2024.

Articles of association

The company's articles of association were adopted at the 2021 Annual General Meeting (AGM) and may only be amended by a special resolution of the shareholders. The company's articles of association contain provisions regarding the appointment, retirement and removal of directors and how the directors can use all of the company's powers. A copy of the articles of association can be found on our website: harbourenergy.com.

Indemnification of directors and insurance

During the financial year, the company had in place an indemnity to each of its directors and the Company Secretary under which the company will, to the fullest extent permitted by law and to the extent provided by the articles of association, indemnify them against all costs, charges, losses and liabilities incurred by them in the execution of their duties. The indemnity was in force for all directors who served during the year. The company also has directors' and officers' liability insurance in place.

Share capital

Details of the company's issued share capital, together with details of any movement in the issued share capital during the year, are shown in note 25 to the consolidated financial statements on page 181. The company has a class of ordinary shares which carries no right to fixed income and a non-voting share class where holders receive a 13 per cent premium on dividends declared. Each ordinary share carries the right to one vote at shareholder meetings of the company.

The company was authorised at the 2024 AGM to allot (i) relevant securities for a nominal amount of up to £5,135 and (ii) equity securities up to a nominal amount of £10,271 less the nominal amount of any shares issued under part (i) of the authority. In connection with the all-employee Save As You Earn scheme, 24,655 shares were allotted under the first authority during the year at an option price of £2.208 per share.

Employee share schemes

Details of employee share schemes are set out in note 27 to the consolidated financial statements on pages 182 and 183. Voting rights in relation to the shares held within the Employee Benefit Trust are exercisable by the trustee but it has no obligation to do so. The trust is entitled to receive a dividend but waives the right. Details of the number of shares held by the Employee Benefit Trust are set out in note 25 to the financial statements on page 180.

Equal opportunities

Full and fair consideration is given to all applications for employment by disabled persons, having regard for any particular aptitudes and abilities. We strive to provide continued employment and arrange appropriate training for members of our workforce who become disabled whilst employed by us. We provide training, career development and promotion of disabled employees. Our commitment to building a diverse, equitable and inclusive environment is foundational to our values and is underpinned by our people and diversity, equity and inclusion policies.

American Depositary Receipt programme

Harbour Energy plc has a sponsored Level 1 American Depositary Receipt (ADR) programme which BNY Mellon administers and for which it acts as Depositary. Each ADR represents one ordinary share of the company. The ADRs trade on the US over-the-counter market under the symbol HBRIY.

Hedging and risk management

Details of the Group's hedging and risk management are provided in the Financial review on page 35. A further disclosure has been made in notes 23 and 24 to the consolidated financial statements on pages 173 and 175, related to various financial instruments and exposure of the Group to price, credit, liquidity and cash flow risk.

Branches

As a global group our interests and activities are held or operated through subsidiaries, branches, joint arrangements or associates established in and subject to the laws and regulations of different jurisdictions.

Relationship agreements

The company has relationship agreements in place with BASF Handels-und Exportgesellschaft Mit Beschränkter Haftung (BASF) and L1 Energy Capital Management Services S. À R. L. (LetterOne) which were entered into upon completion of the Wintershall Dea acquisition in September 2024. As BASF is a controlling shareholder for the purposes of the UK Listing Rules, in accordance with UKLR 6.6.1R(13), the directors confirm that the company continues to be able to carry on the business it carries on as its main activity independently from BASF at all times in accordance with UKLR 6.2.3R.

BASF

BASF currently holds 46.50 per cent of the company's ordinary shares. Participation in this agreement will continue in force unless and until BASF and its associates cease to own at least 10 per cent of the ordinary shares. The relationship agreement terminates in certain circumstances, including where the ordinary shares cease to be admitted to trading on the London Stock Exchange's main market for listed securities.

Under the relationship agreement, BASF is entitled to nominate two non-executive directors for appointment to the Board for so long as it (together with any of its associates) holds 25 per cent or more of the ordinary shares. BASF will be able to appoint one non-executive director to the Board for so long as it (together with any of its associates) holds 10 per cent or more, but less than 25 per cent of the ordinary shares. At the current time, Dirk Elvermann and Hans-Ulrich Engel are BASF's nominated appointees.

The BASF relationship agreement provides that all transactions, arrangements and relationships between the company or any other member of the Group and BASF or any of its associates shall be conducted at arm's length and on normal commercial terms.

In addition, pursuant to the relationship agreement, BASF undertakes that it shall not:

- take any action that would have the effect of preventing the company from complying with its obligations under the UK Listing Rules;
- propose or procure the proposal of a shareholder resolution of the company which is intended or appears to be intended to circumvent the proper application of the UK Listing Rules;
- exercise any of its voting rights in the company in a way that would be inconsistent with, or breach any of the provisions of, the BASF relationship agreement;
- influence the day-to-day running of the company at an operational level and shall allow the company to operate on an independent basis; or
- act in a manner which would be inconsistent with the independence of the Board being maintained in accordance with the rules of the London Stock Exchange or the FCA applicable to the company, including the UK Listing Rules.

LetterOne

LetterOne owns 14.9 per cent of the company's total issued share capital currently in the form of non-voting, non-listed convertible ordinary shares with preferential rights.

Participation in this agreement will continue in force unless and until LetterOne and its associates cease to own ordinary shares or non-voting shares representing (in the case of non-voting shares assuming conversion at the applicable conversion rate) in aggregate, at least 10 per cent of the ordinary shares. The relationship agreement terminates in certain circumstances, including where the ordinary shares cease to be admitted to trading on the London Stock Exchange's main market for listed securities.

The LetterOne relationship agreement provides that from the date on which LetterOne (together with its associates) holds 10 per cent or more of the ordinary shares, all transactions, arrangements and relationships between the company or any other member of the Group on the one hand, and LetterOne or any of its associates on the other hand, shall be conducted at arm's length and on normal commercial terms. In addition, pursuant to the relationship agreement, LetterOne undertakes that it shall not:

- take any action that would have the effect of preventing the company from complying with its obligations under the UK Listing Rules;
- propose or procure the proposal of a shareholder resolution of the company which is intended or appears to be intended to circumvent the proper application of the UK Listing Rules;
- exercise any of its voting rights in the company in a way that would be inconsistent with, or breach any of the provisions of, the LetterOne relationship agreement;
- influence the day-to-day running of the company at an operational level and shall allow the company to operate on an independent basis; or
- act in a manner which would be inconsistent with the independence of the Board being maintained in accordance with the rules of the London Stock Exchange or the FCA applicable to the company, including the UK Listing Rules.

EIG

The company had in place a relationship agreement with EIG Global Energy Partners (EIG) which was entered into on completion of the merger in March 2021 (the EIG relationship agreement) and expired in September 2024, when EIG ceased to own at least 10 per cent or more of the ordinary shares or the voting rights attaching to the ordinary shares.

Under the EIG relationship agreement, EIG was entitled to nominate one non-executive director for appointment to the Board for so long as it held between 10 per cent and 25 per cent of the issued shares of the company and two non-executive directors for so long as it held over 25 per cent of the shares. Up until 3 September 2024, R. Blair Thomas (Chair) was EIG's nominated appointee.

Significant shareholdings of ordinary shares

As at 5 March 2025, the company had received notification from the institutions below, in accordance with chapter 5 of the Disclosure Guidance and Transparency Rules, of their significant holdings of voting rights (three per cent or more) in its ordinary shares:

Name of shareholder	Date of notification to the stock exchange	Notified number of voting rights[1]	Notified percentage of voting rights	Nature of holding
BASF SE	5 September 2024	669,714,027	46.50	Direct
EIG Asset Management, LLC	4 October 2024	125,983,303	8.75	Direct
Control Empresarial de Capitales	16 September 2024	72,028,338	5.00	Direct

1 Notified number of voting rights in issue at the time of the announcement to the market.

Significant agreements

The following significant agreements will, in the event of a change of control of the company, be affected as follows:

- under the $3 billion revolving credit facility agreement between, among others, the company, certain subsidiaries of the company and a syndicate of financial institutions, upon a change of control (save for certain exceptions), each lender has the right to serve notice, and following a short prescribed period after such notice, all of that lender's commitments under the agreement would be cancelled and all amounts owing to it would become immediately due and payable;
- the Group has outstanding senior unsecured bond notes totalling €4.6 billion due from 2025 to 2032 and $500 million due in 2026. Upon a change of control (save for certain exceptions) and a negative rating event, each noteholder will have the right to require the issuer to repurchase all or any part of that holder's notes at 101 per cent of the principal amount, including accrued interest; and
- the Group has outstanding perpetual subordinated notes totalling €1.5 billion. Upon a change of control (save for certain exceptions) and a negative rating event, unless the issuer redeems the notes in whole, the applicable interest rate will be subject to an increase of 500 basis points.

Political donations

No political donations were made during the year (2023: $nil).

Significant events since 31 December 2024

Details of significant events since the balance sheet date are contained in note 32 to the financial statements on page 188.

Information set out in the Strategic report

In accordance with s414C(11) of the Companies Act 2006, the directors have chosen to set out the information outlined below, required to be included in the directors' report, in the Strategic report.

- the main trends and factors likely to affect the future development, performance and position of the business: pages 6 to 11;
- information on the company's research and development activities: pages 31 and 51;
- a summary of the company's principal risks: pages 64 to 69;
- employee engagement and involvement: pages 14 to 17, and pages 57 and 58;
- diversity, equity and inclusion: page 58;
- information about greenhouse gas emissions and addressing our environmental impact: pages 44 to 53; and
- engagement with suppliers, customers and other stakeholders: pages 14 to 17 and pages 54 to 58.

The Strategic report and the directors' report together include the 'management report' for the purposes of the FCA's Disclosure Guidance and Transparency Rules (DTR 4.1.8R).

Information set out elsewhere in this Annual Report

Information regarding the company's governance arrangements is included in the corporate governance report and related Board committee reports on pages 70 to 113. These sections of the report are incorporated into this report by reference.

For the purposes of UK Listing Rule 6.6.4R, the information required to be disclosed by UK Listing Rule 6.6.1R can be found in the following locations:

Listing rule sub-section	Item	Location
6.6.1R (1)	Interest capitalised	Note 7 to the financial statements: page 154
6.6.1R (3)	Details of long-term incentive schemes	Directors' remuneration report: pages 107, 108 and 113
6.6.1R (4)	Waivers of emoluments by a director	Directors' remuneration report: page 105

Non-financial reporting

In order to consolidate our reporting requirements under sections 414CA and 414CB of the Companies Act 2006 in respect of non-financial reporting, the table on page 59 shows where in this Annual Report to find each of the disclosure requirements.

Audit information

Each of the persons who is a director at the date of approval of this Annual Report and financial statements confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all reasonable steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. By order of the Board:

Rachel Rickard
Company Secretary
5 March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Group financial statements

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group and the company for that period.

In preparing the Group and parent company financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and, in respect of the parent company financial statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and company financial position and financial performance;
- in respect of the Group financial statements, state whether UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006/applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and/or the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website: harbourenergy.com.

Directors' responsibility statement (DTR 4.1)

The directors, whose names and functions are set out on pages 74 to 77, confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- that the Annual Report & Accounts, including the Strategic report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks that they face; and
- that they consider the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

This responsibility statement was approved by the board of directors on 5 March 2025 and is signed on its behalf by:

Linda Z. Cook
Chief Executive Officer

Opinion

In our opinion:

- Harbour Energy plc's Group financial statements and parent company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Harbour Energy plc (the parent company) and its subsidiaries (the Group) for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2024	Company balance sheet as at 31 December 2024
Consolidated income statement for the year then ended	Company statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 10 to the financial statements including material accounting policy information
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 33 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of management's going concern assessment process in conjunction with our walkthrough of the Group's financial close process and engaging with management to confirm all relevant assumptions were considered;
- evaluating the appropriateness of the period used for management's going concern assessment, which is defined as the period up to 31 December 2026;
- obtaining the cash flow forecasts prepared by management for the Group, including the base case and downside scenarios, and testing the integrity of management's going concern model including its arithmetical accuracy;
- checking the consistency of information used in management's going concern model with the budget approved by the Board and with other areas of the audit such as impairment assessments;

- challenging the key assumptions included in the model, including management's oil and gas price assumptions. Our assessment of these price assumptions included a comparison of management's price assumptions with recent broker and consultant estimates together with estimates used by other market participants, including those estimates that reflect the potential impact of the climate change transition risks;
- evaluating the reasonableness of all other key assumptions, such as production profiles and operating and capital expenditure forecasts, through assessing their consistency with other areas of the audit, including management's impairment assessments. We also ensured these assumptions were consistent with the Group's 2025 budget and the long range plan approved by the Board;
- inspecting the Group's loan agreements, ensuring that the cash outflows relating to interest and repayments are consistent with the agreements, concluding that no covenants have been breached and evaluating whether there is any forecast covenant breach in either the base case or severe but plausible downside case scenarios during the going concern period;
- verifying that the cash flow forecasts include estimated outflows in respect of the Energy Profits Levy (EPL) and ensuring such outflows were consistent with our work on management's impairment assessments;
- reviewing management's reverse stress tests in order to identify what factors would lead to the Group not meeting the financial covenants during the going concern period, including the extinguishment of liquidity, and assessing the likelihood of occurrence of such a scenario; and
- evaluating the appropriateness of the going concern disclosures in the financial statements to determine whether they are accurate and in line with IAS 1 – Presentation of Financial Statements and our expectations given the procedures we have performed.

Based on the procedures performed, we observed that the oil and gas prices are within the range of recent brokers' and consultants' estimates, and production profiles are consistent with those used in management's impairment assessments and in our work on oil and gas reserves. In the severe but plausible downside cases modelled by management, we observed that there was no liquidity extinguishment and that under these cases the Group operates within the requirements of its financial covenants without any mitigating actions being required. We concluded that the modelled plausible downside scenarios were reasonable for concluding on the going concern assumption. In addition, we have concluded that the reverse stress scenarios, under which available liquidity is extinguished, have a remote likelihood of occurrence.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period up to 31 December 2026.

In relation to the Group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of eight components, and audit procedures on specific balances for a further 17 components • We performed centralised procedures on the following areas: accounting for the purchase price allocation associated with the Wintershall Dea acquisition, estimation of oil and gas reserves, impairment of tangible oil and gas properties and associated goodwill, derivatives and borrowings, assets held for sale, equity and consolidation journals
Key audit matters	• Accounting for the purchase price allocation associated with the Wintershall Dea acquisition • Oil and gas reserves estimation including reserves used in the calculation of depreciation, depletion and amortisation, impairment testing and the assessment of recoverability of deferred tax assets • Impairment of tangible oil and gas properties and associated goodwill
Materiality	• Overall Group materiality of $170 million which represents 0.6% of Total assets • Specific Group materiality of $86 million which represents 2.2% of Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA)

An overview of the scope of the parent company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes and applications and any relevant internal audit results.

We determined that centralised audit procedures could be performed in the following audit areas: accounting for the purchase price allocation associated with the Wintershall Dea acquisition, estimation of oil and gas reserves, impairment of tangible oil and gas properties and associated goodwill, derivatives and borrowings, assets held for sale, equity and consolidation journals.

We then identified: 15 components as individually relevant to the Group due to relevant events and conditions underlying the identified risks of material misstatement of the Group financial statements being associated with the reporting components, pervasive risks of material misstatement of the Group financial statements or a significant risk or an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components; and 13 of the components of the Group as relevant due to materiality or financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. No additional components of the Group were included in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 28 components selected, we designed and performed audit procedures on the entire financial information of eight components (full scope components). For 17 components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component (specific scope components). For the remaining three components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

The 28 components where we performed audit procedures accounted for 89% (2023: 86%) of the Group's Total Assets and 92% (2023: 94%) of the Group's Adjusted EBITDA.

Changes from the prior year

Components in Indonesia and Vietnam were no longer designated as full or specific scope for the 2024 audit due to their size compared to the enlarged Group post-acquisition of Wintershall Dea and their assessed risks, whereas new components in Norway, Argentina, Germany and Mexico were scoped in to reflect the enlarged Group operations driven by the acquisition of Wintershall Dea. Although the UK operations continued to be in scope, there were a number of changes related to the designation of the UK components as either full scope or specific scope.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the UK integrated primary audit team, or by component auditors from other EY global network firms operating under our instruction.

As a result of the Wintershall Dea acquisition, the Group audit team planned and executed a series of site visits which involved the Senior Statutory Auditor and/or delegates visiting the key new locations. During the current year's audit cycle, physical visits were undertaken by the UK integrated Group primary audit team to the component teams in Norway, Argentina, Germany and Mexico. These visits involved direction, supervision, oversight of our overseas EY audit teams, review of their respective audit working papers on risk areas and meetings with local management in each country. The UK integrated Group primary audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers, were responsible for the scope and direction of the audit process and participated in the audit closing meetings which were held locally. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Harbour Energy plc. The Group has determined that the most significant future impacts from climate change on their operations will be from an accelerated shift in consumer demand for oil and gas products, increasing focus on climate change by investors, building a distinctive and credible position in CCS in light of increasing demand for new clean technologies in oil and gas, and chronic and acute physical risks. These are explained on pages 48 and 49 in the required Task Force on Climate-related Financial Disclosures and on page 69 in the principal risks and uncertainties. The Group has also explained its climate commitments on page 45. All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in note 2 – Accounting Policies, how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to achieve net zero across gross operated Scope 1 and 2 emissions by 2050 and their interim target of a 50% reduction in 2030 against their 2018 baseline. Significant judgements and estimates relating to climate change are included in note 2 to the financial statements. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of the International Financial Reporting Standards (IFRS). In note 2, management has provided supplementary sensitivity disclosures showing the impact of oil, gas and carbon costs under IEA scenarios on the carrying value of tangible oil and gas assets.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 45, 48 and 49, and 69 and the significant judgements and estimates disclosed in note 2 and whether these have been appropriately reflected in (i) oil and gas reserves estimation, (ii) the impairment assessments for tangible oil and gas assets and associated goodwill and associated sensitivity disclosures, (iii) the valuation of net deferred tax liabilities, and (iv) the timing and nature of decommissioning liabilities recognised following the requirements of UK-adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists and senior audit team members with significant experience in climate change and energy transition. This included meetings with the Group's Net Zero strategy, Financial Planning and Group Finance teams and a review of peer disclosures and sector guidance on climate change and energy transition to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and the associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: oil and gas reserves estimation; and impairment of tangible oil and gas properties and associated goodwill. Details of the impact, our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Accounting for the purchase price allocation associated with the Wintershall Dea acquisition Refer to the Audit and Risk Committee Report (page 83); Material accounting policies (pages 135 to 150); and note 14 of the Consolidated financial statements (pages 165 and 166). As more fully described in note 14 to the consolidated financial statements, on 3 September 2024 Harbour completed the acquisition of the Wintershall Dea portfolio for cash consideration of $1,782 million, the issuance of equity shares of $3,457 million and contingent consideration estimated at $52 million. The acquisition was accounted for under the acquisition method of accounting which resulted in a fair value of $14,420 million being attributed to tangible and intangible oil and gas assets and goodwill of $3,845 million. Additionally, liabilities of $14,241 million were recognised of which $5,500 million related to deferred tax liabilities. The accounting for business acquisitions can be highly complex in nature, with significant judgement required to determine the fair values of the assets and liabilities acquired. This transaction falls under the scope of IFRS 3 Business Combinations (IFRS 3) which requires significant management judgement in determining the fair value of the net assets acquired, including tangible and intangible oil and gas assets. Our key audit matter focuses on the valuation of assets acquired and the completeness of liabilities associated with the Wintershall Dea acquisition (the purchase price allocation).	The audit procedures in respect of the purchase price allocation were performed by the primary audit team, supported by our EY valuations specialists and by component teams for specific cash flow elements within the valuation models, working under the primary team's direction. Our work to address the identified risks included the following procedures: • we confirmed our understanding of Harbour's acquisition accounting process as well as the control environment implemented by management; • we obtained and read the executed business combination agreement to understand the terms of the agreement including the consideration for the transaction; • we engaged the EY valuations team to assist in assessing the valuation of the contingent consideration recognised as well as the valuation of the non-voting shares that were issued as part of the consideration; • we performed a risk-based assessment on the accounts included in the opening balance sheet for the acquired business to inform and direct the scope of our purchase price allocation work; • we engaged our valuation specialists to review the purchase price allocation models and related analysis prepared by management's specialist, including attending calls with the specialists to critically challenge the valuation methodology, key underlying assumptions and understand subsequent adjustments made to the model; • we evaluated the reasonableness of key underlying assumptions and estimates used in the valuation models such as quantity of the oil and gas reserves, production volumes, oil and gas prices, discount rates and capital and operating expenditures; • we assessed the reasonableness of the judgements and estimates used by management in determining the values attributed to the exploration and evaluation assets (2C resources) through validating the existence of the 2C resources with reference to the reserves and resources reports prepared by management's specialist, discussions with Harbour's internal specialists and comparing to accepted market valuation practices for such resources; • with the assistance of our component teams, we assessed the valuation and completeness of the decommissioning provisions at acquisition date, which included a 'roll-back' from the audited 31 December 2024 balances for all full scope Wintershall Dea components; • we verified that the deferred tax liabilities recognised upon acquisition were calculated at the rates prevailing in the jurisdictions to which the respective oil and gas assets relate; • we evaluated and tested the integrity and mathematical accuracy of the valuation models; • we agreed the resulting goodwill to underlying calculations; and • we inspected the disclosures set out in note 14 to the financial statements to ensure compliance with IFRS 3 requirements. To test the fair value of the acquired identifiable oil and gas assets and contingent consideration, with the assistance of our valuation specialists, our audit procedures included, amongst others, assessing the competence, capabilities and objectivity of management's specialists, evaluating the prospective financial information used in the valuation models, testing the completeness and accuracy of underlying data and evaluating management's use of valuation methodologies. Our procedures to evaluate the prospective financial information used in the valuation models included assessing the key assumptions discussed above through comparison to current industry, market and economic trends and forecasts (where available) and to historical results of the Wintershall Dea business. We also performed sensitivity analyses to evaluate the impact of changes in key assumptions to the valuation of the acquired identifiable oil and gas assets.	We reported to the Audit and Risk Committee that, based on our procedures performed: • we are satisfied that the assumptions, methodologies and judgements applied to determine the fair values of the assets and liabilities acquired are reasonable; and • the disclosures in note 14 of the consolidated financial statements are consistent with the results of the purchase price allocation exercise and comply with IFRS 3.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Oil and gas reserves estimation Refer to the Audit and Risk Committee Report (page 83); Material accounting policies (page 135 to 150); and Additional information (page 202). At 31 December 2024, Harbour reported 1,249 million barrels of oil equivalent (mmboe) of proven and probable (2P) reserves (2023: 361 mmboe). The estimation and measurement of oil and gas reserves impacts various material elements of the financial statements including depreciation, depletion and amortisation (DD&A), impairment, decommissioning provisions and deferred tax asset (DTA) recoverability. In 2024 the Group's 2P reserves increased significantly as a result of the Wintershall Dea acquisition. Auditing the estimation of oil and gas reserves is complex, as there is significant estimation uncertainty in assessing the quantities of reserves and resources in place. Estimation uncertainty is further elevated given the transition to a low-carbon economy which could impact life-of-field assumptions and increase the risk of underutilised or stranded oil and gas assets. Also, given the estimation of oil and gas reserves is complex, there is a risk that inappropriate management bias influences the estimates. Management's 2P reserves estimates are prepared by an internal specialist whilst an external specialist is engaged for the purpose of assessing the appropriateness of management's internal estimates.	The audit procedures in respect of oil and gas reserves estimation were performed by the primary audit team; our procedures covered 100% of 2P reserve volumes. Our work to address the identified risks included the following procedures: • we confirmed our understanding of Harbour's oil and gas reserve estimation process as well as the control environment implemented by management; • we assessed the appropriateness of reliance on management's internal and external reserve specialists by undertaking procedures to evaluate their competence and objectivity; • we met separately with management's internal and external specialists to understand the basis, and therefore appropriateness, for any significant variances between the two sets of estimates at a cash-generating unit (CGU) level; • where variances of a technical nature were identified, we utilised the knowledge and expertise of an EY internal specialist from our Financial Accounting Advisory Services practice with significant oil and gas reserves expertise as part of our work to assess the nature of the variances and appropriateness of management's estimates; • we investigated all material volume movements from management's prior period estimates and where there was a lack of movement where changes were expected, based on our understanding of the Group's operations and findings from other areas of our audit; • in light of Harbour's pledge to reach Net Zero for Scope 1 and 2 emissions by 2050 (gross operated basis), we considered the extent of 2P reserves recognised that are due to be produced beyond 2050 in assessing the potential impact of a risk of stranded assets; and • we ensured the 2P reserve volumes were consistently applied throughout all relevant accounting processes including DD&A, impairment, decommissioning provisions and DTA recoverability.	We reported to the Audit and Risk Committee that, based on our procedures performed, we had not identified any errors or factual inconsistencies with reference to Harbour's oil and gas reserves estimates that would materially impact the financial statements and that, as a result, we consider the 2P reserve estimates to be reasonable. We reported that all of Harbour's 2P reserves are expected to be produced by 2050. As such we are satisfied that the risk of there being a material stranded asset is low. Management has sufficient time and options to decarbonise their assets in line with their stated target, including the use of carbon capture and storage facilities – or through the purchase of carbon credits.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Impairment of tangible oil and gas properties and associated goodwill Refer to the Audit and Risk Committee Report (page 83); Material accounting policies (pages 135 to 150); and notes 10 and 12 of the Consolidated financial statements (pages 158 and 159 and pages 161 and 162). In the current period, management noted impairment indicators for certain of the Group's assets and recorded a pre-tax impairment of $352 million (2023: net pre-tax impairment of $176 million). Management prepares the tangible asset impairment tests under the Fair Value Less Cost to Sell methodology. The impairment models include a number of estimates including: future oil and gas prices; discount rates; inflation rates; production forecasts; operating expenditures; and capital expenditures for each CGU. Changes to any of these key inputs could lead to a material change in an impairment or a reversal of impairment, hence this is considered a key audit matter.	Our audit response was executed by the primary audit team, covering all assets at risk of material impairment. We performed the following audit procedures with respect to management's impairment assessment: • confirmed our understanding of Harbour's impairment assessment process, as well as the controls implemented by management; • considered the internal and external sources of information included in IAS 36 Impairment of Assets to identify any potential indicators of impairment loss and/or reversal, including any downgrades in oil and gas reserve estimates or sustained increase/decrease in oil and gas prices compared to the prior year; • following the identification of impairment indicators, we obtained the discounted cash flow model that reflects the expectations of an external market participant for each of these CGUs and tested the models for integrity which included the use of EY technology tools to evaluate spreadsheet integrity; • we assessed the appropriateness of management's oil and gas price assumptions through comparison with the estimates of market participants; • in conjunction with our EY valuations specialists, we assessed the appropriateness of management's impairment discount rates for each CGU based on an independent re-calculation of the Group's weighted average cost of capital; • we evaluated management's production profiles through reconciliation to the results of our audit work in respect of oil and gas reserves estimation; • we tested the appropriateness of other cash flow assumptions such as operating expenses, capital expenses and decommissioning spend by comparing against Board approved plans and actual costs incurred. We compared inflation and FX rates to recent market forecasts to assess their reasonableness; • we performed headroom analysis for the oil and gas production CGUs as part of our assessment of the recoverability of the goodwill recognised in the Group financial statements; and • we also evaluated the accuracy and completeness of the impairment disclosures included in the notes to the financial statements. In assessing the impact of climate transition risk on impairment, we performed the following procedures: • comparison of Harbour's long-term oil and gas price assumption to International Energy Association (IEA) Announced Pledges Scenario (APS) and Net Zero Emissions (NZE) Scenario; • reasonableness assessment of carbon prices and sensitivity of future carbon costs in the cash flow models, including comparison of prices to IEA APS and NZE scenarios; • understood how management intend to achieve their planned Scope 1 and 2 emissions reductions and whether these actions have been reflected in the cash flow forecasts; • analysed the emissions and production data to understand the current and future carbon intensity of assets to identify higher risk assets; • evaluated the stranded asset risk arising from useful economic lives of assets post 2050; and • verified the appropriateness of the climate change sensitivity included in note 2 of the financial statements.	We reported to the Audit and Risk Committee that the key assumptions used within the impairment models were within a reasonable range and, based on our testing performed, we considered the recognition and valuation of the current period impairment charge to be reasonable. Specifically related to our procedures on climate change, we reported that Harbour's oil and gas price assumptions are reasonable. We concur with management that carbon costs are not a sensitive assumption in the cash flow forecasts; the results of our independent sensitivity analysis indicated that applying the IEA NZE 2050 carbon prices would not lead to a material impact on the valuation of oil and gas assets. For assets with a higher risk of impact from climate change, we assessed the headroom in the most recent impairment models and checked the reasonableness of the costed plans in place to decarbonise the assets. Overall, we concluded there was no additional impairment triggers arising from the impact of climate change in the 2024 financial statements.

Principal changes to key audit matters compared to prior year

In the prior year, our auditor's report included a key audit matter for 'Tax liabilities and contingencies' related to the disclosed contingent liability for the misallocation of hedging positions across certain UK subsidiaries of the Group, which involved judgement related to non-recognition in the consolidated financial statements and an element of estimation for the potential financial effect. In the current year there have been no significant updates and we concluded it is not a key audit matter on the basis of the allocation of resources in the course of this year's audit.

In the current year, we have a new key audit matter in respect of the accounting for the purchase price allocation associated with the Wintershall Dea acquisition, due to the material impact that this transaction has had on the Group financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

The table below sets out the materiality, performance materiality and threshold for reporting audit differences applied on our audit:

	Basis	Materiality $ million	Performance materiality $ million	Reporting threshold for audit differences $ million
Overall	0.6% of Total assets	170	85	9
Specific Applicable for account balances related to the consolidated income statement and consolidated statement of comprehensive income	2.2% of Adjusted EBITDA	86	43	4

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

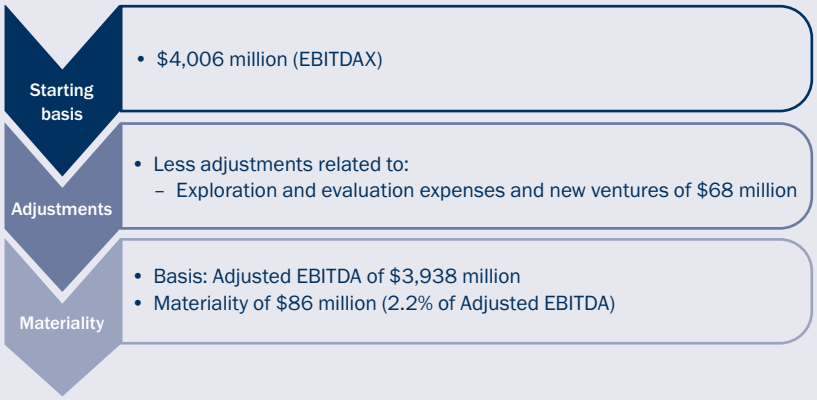
Overall materiality

Our key criterion in determining overall materiality remains our perception of the needs of Harbour's stakeholders. We consider which earnings, activity or capital-based measure aligns best with the expectations of the users of Harbour's financial statements. In doing so, we apply a 'reasonable investor perspective', which reflects our understanding of the common financial information needs of the members of Harbour as a Group. We consider Total Assets (2023: Adjusted EBITDA, which is earnings before interest, tax, depreciation, impairments and amortisation, adjusted to exclude exploration cost write-off but including exploration and evaluation expenses and new ventures) to be consistent with the type of measures that are the primary focus of Harbour's investors for the current reporting period. The Wintershall Dea acquisition was completed on 3 September 2024 and the future expected profitability of the Group is not fully reflected in the year ended 31 December 2024 as only four months of operations of the acquired Group are included in the consolidated financial statements. In addition, the current underlying oil & gas assets will enable the Group to significantly increase its production from its diversified assets portfolio in the future and hence enhance its underlying profitability. We have therefore assessed that Total Assets is the most appropriate basis for determining overall materiality for our 2024 audit. We expect to revert back to using Adjusted EBITDA as our overall materiality basis for the year ending 31 December 2025. Therefore, we have capped this year's overall materiality to an amount not exceeding the materiality expected to result from using Adjusted EBITDA as the materiality basis for the year ending 31 December 2025.

Based on the above, we determined overall materiality for the Group to be $170 million (2023: $72 million), which is 0.6% of Total Assets (2023: 2.7% of Adjusted EBITDA).

Specific materiality

We assessed that for the consolidated income statement and consolidated statement of comprehensive income, a misstatement of less than overall materiality for the financial statements could influence the economic decisions of users. We have determined that specific materiality for these areas should be based on Adjusted EBITDA. We believe that Adjusted EBITDA provides us with a measure that is also of particular focus to shareholders and is closely linked to both the metric used in the covenant included in the Group's major loan agreement and the key performance indicator for the Group, EBITDAX, which is Earnings before interest, tax, depreciation, amortisation and exploration. Measures such as EBITDAX are a primary indicator of company valuation and cash flow generation across the upstream oil and gas sector. This resulted in a specific materiality of $86 million (2023: no specific materiality was used).



We determined materiality for the parent company to be $73 million (2023: $27 million), which is 0.8% (2023: 0.7%) of Total Assets.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that overall performance materiality and specific performance materiality (ie our tolerance for misstatement in the individual account or balance) was 50% (2023: 50%) of the respective materiality. We have set performance materiality at this percentage due primarily to the major acquisition of Wintershall Dea during the year ended 31 December 2024 and the resulting significant effect on the Group's operations and financial statements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of overall performance materiality allocated to components was $14.5 million to $51 million (2023: $6.5 million to $26 million) and specific performance materiality allocated to components was $7.3 million to $25.8 million (2023: no specific materiality was used).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial. We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of $8.5 million (2023: $3.6 million) which is set at 5% of overall materiality, as well as uncorrected audit differences in excess of $4.3 million in respect of our specific testing of the consolidated income statement and consolidated statement of comprehensive income, which is also set at 5% of specific materiality (2023: no specific reporting threshold was applied). We also agreed to report differences below those thresholds that, in our view, warranted reporting on qualitative grounds. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 208, including the Strategic report, Governance and Additional information sections, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 37;
- directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 63;
- directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 63;
- directors' statement on fair, balanced and understandable set out on page 117;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 61;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 62; and
- the section describing the work of the Audit and Risk Committee set out on page 82.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 117, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted international accounting standards, Companies Act 2006, the UK Corporate Governance Code and the UK Listing Rules of the Financial Conduct Authority) and the relevant tax compliance regulations in the jurisdictions in which Harbour Energy plc operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, relating to health and safety, employee matters, environmental, and bribery and corruption practices. We understood how Harbour Energy plc is complying with those frameworks by making enquiries of management, internal audit, legal counsel and the Company Secretary. We corroborated our enquiries through inspection of board minutes, papers provided to the Audit and Risk Committee and correspondence received from regulatory bodies and there was no contradictory evidence. We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the degree of incentive, opportunity and rationalisation that may exist to undertake fraud. We also considered performance targets and their potential impact on risks related to managing earnings or influencing the perceptions of analysts. We engaged our forensics specialists to assist with our assessment of the susceptibility of the Group's financial statements to fraud. We have determined there is a risk of fraud associated with management override related to manual revenue journals that do not follow the expected process. We performed audit procedures to address the identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements as a whole are free from material misstatement, due to fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of legal counsel, Group management, internal audit and component management at all full scope components; review of the volume and nature of whistleblowing complaints received during the year; and focused testing, including in respect of management override through manual revenue journals and specific searches derived from forensic investigations experience. Any instances of non-compliance with laws and regulations identified that might have an impact on components were communicated to the component audit teams and considered in our audit approach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee we were appointed by the company on 21 April 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods.
- On 31 March 2021, Harbour Energy plc (formerly Premier Oil plc) acquired Chrysaor Holdings Limited as part of a reverse acquisition. EY was the auditor of Premier Oil plc from the period ended 31 December 2017 up to and including the period ended 31 December 2020. As a result, the period of total uninterrupted engagement including previous renewals and reappointments is eight years, covering the period from our appointment as auditors of Premier Oil plc for the period ended 31 December 2017 to the period ended 31 December 2024 as auditors of Harbour Energy plc.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Smyth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
6 March 2025

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $ million	2023 As restated $ million
Revenue	4	**6,158**	3,715
Other income	4	**68**	36
Revenue and other income		**6,226**	3,751
Cost of operations	5	**(3,613)**	(2,376)
Impairment of property, plant and equipment	5, 12	**(352)**	(176)
Impairment of right-of-use assets	13	**(20)**	–
Impairment of goodwill	5, 10	**–**	(25)
Exploration and evaluation expenses and new ventures	5	**(68)**	(36)
Exploration costs written-off	5	**(173)**	(57)
General and administrative expenses	5	**(352)**	(149)
Operating profit		**1,648**	932
Finance income	7	**173**	104
Finance expenses	7	**(602)**	(420)
Profit before taxation		**1,219**	616
Income tax expense	8	**(1,312)**	(571)
(Loss)/profit for the year		**(93)**	45
(Loss)/profit for the year attributable to:			
Equity owners of the company		**(108)**	45
Subordinated notes investors		**15**	–
		(93)	45

(Loss)/earnings per share	Note	$ cents	$ cents
Basic			
Ordinary shares voting	9	**(10)**	6
Ordinary shares non-voting	9	**(11)**	–
Diluted			
Ordinary shares voting	9	**(10)**	6
Ordinary shares non-voting	9	**(11)**	–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 $ million	2023 As restated $ million
(Loss)/profit for the year	**(93)**	45
Other comprehensive income/(loss)		
Items that will not be subsequently reclassified to income statement		
Actuarial losses	**(6)**	–
Tax credit on actuarial losses	**4**	–
Net other comprehensive (loss)/income that will not be subsequently reclassified to income statement	**(2)**	–
Items that may be subsequently reclassified to income statement:		
Fair value (losses)/gains on cash flow hedges	**(545)**	3,168
Tax credit/(charge) on cash flow hedges	**379**	(2,376)
Exchange differences on translation	**130**	103
Net other comprehensive (loss)/income that may be subsequently reclassified to income statement	**(36)**	895
Other comprehensive (loss)/income for the year, net of tax	**(38)**	895
Total comprehensive (loss)/income for the year	**(131)**	940
Total comprehensive income attributable to:		
Equity owners of the company	**(146)**	940
Subordinated notes investors	**15**	–
	(131)	940

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 $ million	2023 As restated $ million
Assets			
Non-current assets			
Goodwill	10	**5,147**	1,302
Other intangible assets	11	**5,714**	1,172
Property, plant and equipment	12	**14,543**	4,836
Right-of-use assets	13	**656**	632
Deferred tax assets	8	**130**	7
Other receivables	16	**176**	309
Other financial assets	23	**44**	112
Total non-current assets		**26,410**	8,370
Current assets			
Inventories	15	**368**	217
Trade and other receivables	16	**2,316**	873
Other financial assets	23	**145**	170
Cash and cash equivalents	17	**805**	286
		3,634	1,546
Assets held for sale	18	**277**	–
Total current assets		**3,911**	1,546
Total assets		**30,321**	9,916
Equity and liabilities			
Equity			
Share capital	25	**171**	171
Merger reserve	25	**3,728**	271
Other reserves		**(18)**	18
Retained earnings		**807**	1,093
Equity attributable to equity holders of the company		**4,688**	1,553
Equity attributable to subordinated notes investors	26	**1,563**	–
Total equity		**6,251**	1,553
Non-current liabilities			
Borrowings	22	**4,215**	493
Provisions	21	**7,024**	3,905
Deferred tax	8	**6,221**	1,297
Trade and other payables	20	**30**	13
Lease creditor	13	**551**	552
Other financial liabilities	23	**415**	87
Total non-current liabilities		**18,456**	6,347
Current liabilities			
Trade and other payables	20	**1,755**	915
Borrowings	22	**1,014**	16
Lease creditor	13	**241**	216
Provisions	21	**497**	230
Current tax liabilities		**1,412**	442
Other financial liabilities	23	**462**	197
		5,381	2,016
Liabilities directly associated with the assets held for sale	18	**233**	–
Total current liabilities		**5,614**	2,016
Total liabilities		**24,070**	8,363
Total equity and liabilities		**30,321**	9,916

The notes on pages 135 to 191 form part of these financial statements.

The financial statements on pages 130 to 191 were approved by the board of directors and authorised for issue on 5 March 2025 and signed on its behalf by:

Alexander Krane
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital $ million	Merger reserve[1] $ million	Capital redemption reserve $ million	Cash flow hedge reserve[2] $ million	Costs of hedging reserve[2] $ million	Currency translation reserve $ million	Retained earnings $ million	Equity attributable to owners of the company $ million	Equity attributable to subordinated notes investors $ million	Total equity $ million
At 1 January 2023	171	271	8	(776)	(9)	(100)	1,456	1,021	–	1,021
Profit for the year as restated	–	–	–	–	–	–	45	45	–	45
Other comprehensive income	–	–	–	779	13	103	–	895	–	895
Total comprehensive income as restated	–	–	–	779	13	103	45	940	–	940
Purchase and cancellation of own shares	–	–	–	–	–	–	(249)	(249)	–	(249)
Share-based payments	–	–	–	–	–	–	46	46	–	46
Purchase of ESOP trust shares	–	–	–	–	–	–	(15)	(15)	–	(15)
Dividends paid	–	–	–	–	–	–	(190)	(190)	–	(190)
At 31 December 2023 as restated	171	271	8	3	4	3	1,093	1,553	–	1,553
(Loss)/profit for the year	–	–	–	–	–	–	(108)	(108)	15	(93)
Other comprehensive (loss)/ income	–	–	–	(188)	22	130	(2)	(38)	–	(38)
Total comprehensive (loss)/ income	–	–	–	(188)	22	130	(110)	(146)	15	(131)
Issue of new shares	–	3,457	–	–	–	–	–	3,457	–	3,457
Share-based payments	–	–	–	–	–	–	48	48	–	48
Purchase of ESOP trust shares	–	–	–	–	–	–	(25)	(25)	–	(25)
Acquired through business combination	–	–	–	–	–	–	–	–	1,548	1,548
Dividends paid	–	–	–	–	–	–	(199)	(199)	–	(199)
At 31 December 2024	**171**	**3,728**	**8**	**(185)**	**26**	**133**	**807**	**4,688**	**1,563**	**6,251**

1 The increase in the merger reserve represents the difference between the fair value and nominal value of the shares issued as consideration for the acquisition of the Wintershall Dea assets.
2 Disclosed net of deferred tax.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $ million	2023 As restated $ million
Net cash inflow from operating activities	29	**1,615**	2,150
Investing activities			
Expenditure on exploration and evaluation assets		**(359)**	(202)
Expenditure on property, plant and equipment	12	**(884)**	(496)
Expenditure on non-oil and gas intangible assets		**(42)**	(20)
Expenditure on other intangible assets		**(37)**	(81)
Acquisition of subsidiaries, net of cash acquired	14	**(1,044)**	–
Finance income received		**76**	93
Other receipts		**13**	13
Net cash outflow from investing activities		**(2,277)**	(693)
Financing activities			
Repurchase of shares		**–**	(249)
Proceeds from new borrowings – revolving credit facility	29	**2,225**	–
Proceeds from new borrowings – reserve based lending facility	29	**178**	660
Proceeds from bridge facility	29	**1,500**	–
Proceeds from bond issuance net of transaction costs	29	**1,720**	–
Payments of principal portion of lease liabilities		**(265)**	(207)
Interest paid on lease liabilities		**(54)**	(52)
Repayment of revolving credit facility	29	**(1,975)**	–
Repayment of reserve based lending facility	29	**(178)**	(1,435)
Repayment of bridge facility	29	**(1,500)**	–
Repayment of exploration financing facility		**–**	(11)
Repayment of financing arrangement	29	**(17)**	(21)
Purchase of ESOP trust shares		**(25)**	(12)
Interest paid and bank charges		**(181)**	(150)
Dividends paid to shareholders	31	**(199)**	(190)
Net cash inflow/(outflow) from financing activities		**1,229**	(1,667)
Net increase/(decrease) in cash and cash equivalents		**567**	(210)
Net foreign exchange difference		**(37)**	(4)
Reclassification of Vietnam cash as asset held for sale		**(11)**	–
Cash and cash equivalents at 1 January		**286**	500
Cash and cash equivalents at 31 December		**805**	286

1. Corporate information

Harbour Energy plc is a limited liability company incorporated in Scotland and listed on the London Stock Exchange. The address of the registered office is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN, United Kingdom.

The consolidated financial statements of Harbour Energy plc (Harbour or the company) and all its subsidiaries (the Group) for the year ended 31 December 2024 were authorised for issue by the board of directors on 5 March 2025.

On 3 September 2024, the Group completed the acquisition of substantially all of Wintershall Dea's upstream oil and gas assets, including those in Norway, Germany, Denmark, Argentina, Mexico, Egypt, Libya and Algeria as well as Wintershall Dea's CCS licences in Europe. Under IFRS 3 Business Combinations, the Group is the legal and accounting acquirer as it obtained control over the Wintershall Dea portfolio through the business combination: as it was the entity that issued equity and paid cash to effect the business combination; at completion the existing Harbour Energy shareholders held a majority of voting ordinary shares; and from completion, day-to-day management of the enlarged group has been led by existing Harbour Energy personnel, with no change to the executive directorship.

The Group has designated 1 September 2024 as the acquisition date (beginning of month) rather than the actual acquisition date of 3 September 2024 (during the month) as the events between the designated acquisition date and the actual acquisition date do not result in material changes in the amounts recognised.

The acquired Wintershall Dea portfolio results are fully consolidated in the financial statements from 1 September 2024, and all results prior to this date represent those of the legacy Harbour group only.

The Group's principal activities are the acquisition, exploration, development and production of oil and gas reserves in Norway, the UK, Germany, Mexico, Argentina, North Africa and Southeast Asia.

2. Material accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis in accordance with UK-adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006. The analysis used by the directors in adopting the going concern basis considers the various plans and commitments of the Group as well as various sensitivity and reverse stress test analyses. The results from the severe but plausible downside sensitivities and reverse stress tests with regard to production and commodity price assumptions, which in management's view reflect two of the principal risks, indicate that material changes within one year that would impact the going concern basis of preparation are remote. Further details are within the Financial review on page 32 and Viability statement on page 63.

In 2023, the Vietnam Business Unit was classified as an asset held for sale, however because this deal did not complete the prior year accounts have been restated to classify the assets and liabilities back to their original balance sheet line items.

The presentation currency of the Group financial information is US dollars and all values in the Group financial information are presented in millions ($ million) and all values are rounded to the nearest 1 million, except where otherwise stated.

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities, including derivative financial instruments, which have been measured at fair value.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024. All accounting policies are consistent with those adopted and disclosed in Harbour's 2023 Annual Report & Accounts.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 December 2024. Subsidiaries are those entities over which the Group has control. Control is achieved where the Group has the power over the subsidiary, has rights, or is exposed to variable returns from the subsidiary and has the ability to use its power to affect its returns. All subsidiaries are 100 per cent owned by the Group, except for four entities holding interests in operations in North Africa and CCS projects which are accounted for as joint operations.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the company and to the subordinated notes investors.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries acquired to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions and balances have been eliminated on consolidation.

Prior year adjustment

In August 2023, Harbour announced that it had entered into a Sale and Purchase Agreement (SPA) to sell its business in Vietnam, which holds its 53.125 per cent interest in Chim Sáo and Dua producing fields to Big Energy Joint Stock Company for a consideration of $84 million. At 31 December 2023, the assets and liabilities of Vietnam were classified as assets held for sale (AHFS). The transaction, which had a long-stop date of 10 May 2024, could not be completed within the required timeframe, and was subsequently terminated

2. Material accounting policies continued

on 13 May 2024, and as a result the Vietnam business was no longer classified as AHFS. The relevant amounts presented as AHFS in the 31 December 2023 consolidated financial statements have been reclassified. Each of the affected financial statement line items has been restated and the impact is summarised in the following table.

Balance sheet at 31 December 2023

	As previously reported $ million	Adjustments $ million	As restated $ million
Non-current assets			
Property, plant and equipment	4,717	119	**4,836**
Right-of-use assets	587	45	**632**
Other receivables	184	125	**309**
Current assets			
Inventories	200	17	**217**
Trade and other receivables	832	41	**873**
Cash and cash equivalents	280	6	**286**
Assets held for sale	334	(334)	**–**
Equity			
Retained earnings	1,080	13	**1,093**
Non-current liabilities			
Provisions	3,818	87	**3,905**
Deferred tax	1,260	37	**1,297**
Lease creditor	474	78	**552**
Current liabilities			
Trade and other payables	886	29	**915**
Lease creditor	199	17	**216**
Liabilities directly associated with the assets held for sale	242	(242)	**–**

From the point of classification as AHFS in August 2023, no depreciation was recorded. In addition, at 31 December 2023, a pre-tax impairment of $38 million was recognised as the fair value less cost to sell was below the carrying amount of the disposal group. As a result of the reclassification from AHFS, the impairment of $38 million has been reversed and additional depreciation covering the period August 2023 to December 2023 has been recorded, on property, plant and equipment of $14 million and on right-of-use assets of $5 million, with net deferred tax of $6 million associated with the impairment reversal and depreciation. As a result of the above adjustments, retained earnings increased by $13 million.

In December 2024, the Group entered into an exclusivity agreement to sell its business in Vietnam to EnQuest for a consideration of $84 million. The transaction has an effective date of 1 January 2024. As a result, the assets and liabilities of Vietnam have been classified as held for sale as at 31 December 2024 (see note 18).

Significant accounting judgements and estimates

The preparation of the Group's financial statements in conformity with UK-adopted IAS requires management to make judgements, estimates and assumptions at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses including those that have the potential to materially impact the balance sheet over the next 12 months. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies, and the key sources of estimation uncertainty, were the same as those described in Harbour's 2023 Annual Report & Accounts, with the addition of the purchase price allocation that involved a number of judgements in regard to assessing the fair value of assets and liabilities acquired from Wintershall Dea.

Judgements

Significant accounting judgements considered by the Group are:

- The carrying value of intangible exploration and evaluation assets, in relation to whether commercial determination of an exploration prospect had been reached;
- The carrying value of property, plant and equipment regarding assessing assets for indicators of impairment;
- Decommissioning costs in relation to the timing of when decommissioning would occur; and
- Tax including assessment of risks around tax uncertainties and the recognition of deferred tax assets (see note 8).

Key sources of estimation uncertainty

Details of the Group's critical accounting estimates are set out in these financial statements and are:

- Purchase price allocation that involved a number of judgemental estimates in determining the fair value of assets and liabilities acquired from Wintershall Dea. See note 14 for further information;
- The carrying value of property, plant and equipment and goodwill, where the key assumptions relate to oil and gas prices expected to be realised and the estimation of 2P reserves and production profiles. See notes 10 and 12 for further information;
- Decommissioning costs where the key assumptions relate to the discount and inflation rates applied, applicable rig rates and expected timing of cessation of production (COP) on each field. See note 21 for further information;
- Defined benefit obligations due to volatility arising from actuarial assumptions, such as the discount rate and pension growth. See note 28 for further information;
- The provision for, or disclosure of, areas of uncertainty for tax purposes where the key assumptions are driven by technical analysis corroborated by external advice; and
- Recognition of deferred tax assets and liabilities, where key assumptions relate to oil and gas prices expected to be realised, and production profiles. See note 8 for further information.

Disclosure regarding the judgements and estimates made in assessing the impact of climate change and the energy transition are described below and references to notes in the financial statements are provided.

The results from downside sensitivities prepared with regard to production and commodity price assumptions, which in management's view reflect the principal risks, indicate that material changes that would impact the carrying amounts of assets and liabilities within the next financial year are unlikely.

Further information is provided in the Audit and Risk Committee report on page 82.

Impact of climate change on the financial statements and related disclosures

Judgements and estimates made in assessing the impact of climate change and the energy transition

Harbour monitors global climate change and energy transition developments and plans. Management recognises there is a general high level of uncertainty about the speed and scale of impacts which, together with limited historical information, provides challenges in the preparation of forecasts and plans with a range of possible future scenarios, which may have the potential to materially impact the balance sheet.

The Group's strategic aspiration is to be net zero by 2050 with an interim target of a 50 per cent reduction in Scope 1 and 2 emissions by 2030 against the 2018 baseline. This will be achieved through several opportunities, including operational efficiency improvements, targeted decarbonisation projects and the eventual cessation of production of mature fields. In addition, the company is investing in the development of CCS projects in the UK and Europe.

All new economic investment decisions include the cost of carbon, and opportunities are assessed on their climate-impact potential and alignment with Harbour Energy's net zero aspiration taking into consideration both GHG volumes and intensity. The acquisition during the year has helped to advance our energy transition objective by strategically shifting our portfolio towards natural gas. Over time this move is expected to notably reduce our greenhouse gas intensity on a net equity basis. The corporate modelling that supports the preparation of the financial statements (such as asset and goodwill impairment assessment, going concern and viability, deferred tax asset recoverability) includes project costs related to CCS, certain decarbonisation projects once sanctioned, other activities to reduce gross operated Scope 1 and 2 GHG emissions, the UK and EU Emissions Trading Scheme costs and carbon offset purchases. Emissions reduction incentives are part of staff remuneration through the annual bonus programme.

Climate change and the energy transition have the potential to significantly impact the accounting estimates adopted by management and therefore the valuation of assets and liabilities reported on the balance sheet. On an ongoing basis, management continues to assess the potential impacts on the significant judgements and estimates used in the preparation of the financial statements. Estimates adopted in the financial statements reflect management's best estimate of future market conditions where, in particular, commodity prices can be volatile. Commodity and carbon price curve assumptions are described below noting that there is consideration given to other assumptions, not exhaustively, such as foreign exchange and discount rates. Notwithstanding the challenges around climate change and the energy transition, it is management's view that the financial statements are consistent with the disclosures in the Strategic report.

This note provides insight into how Harbour has considered the impact on valuations of key line items in the financial statements and how they could change based on the climate change scenarios and sensitivities considered. The scenarios presented show what the possible impact could be on the financial statements considering both high and low commodity and carbon price outlooks plus discount rates range. Importantly, these climate change scenarios do not form the basis of the preparation of the financial statements but rather indicate how the key assumptions that underpin the financial statements would be impacted by the climate change scenarios. They are also designed to challenge management's perspective on the future business environment. It is recognised that the reality of the nature of progress of energy transition will bring greater levels of disruption and volatility than these external scenarios expect and do not represent management's current best estimate.

The financial statements have been prepared using management's current best estimate for the foreseeable future, based on a range of economic forecasts and represented by the Harbour scenario oil price curve. Management regularly reviews these estimates and assumptions to ensure they align with the latest economic conditions and market information.

2. Material accounting policies continued

Property, plant and equipment, and goodwill

Transitioning to lower carbon energy as the energy transition progresses has the potential to significantly impact future commodity and carbon prices which would, in turn, affect the future operating and capital costs, estimates of cessation of production, useful lives, and consequently the recoverable amount of property, plant and equipment and goodwill.

The non-current assets of the Group, particularly goodwill and oil and gas assets within property, plant and equipment, are considered to be the most sensitive to the energy transition. The carrying value of these assets and goodwill notably increased during the year, primarily attributed to the completion of the Wintershall Dea acquisition in the second half of the year.

Depreciation, estimated useful life and risk of stranded assets

The energy transition and the rate of its progression may impact the remaining lifespan of assets. Typically, the Group's oil and gas assets are depreciated using a unit of production method, which is based on the ratio of production in the year to the commercial proven and probable reserves of the field, considering future capital development expenditures.

As at 31 December 2024, the Group's production plans for existing assets indicated that 44 per cent, 18 per cent and nil per cent of the commercial proven and probable reserves would remain by 2030, 2035, and 2050, respectively. Using the unit of production depreciation method, the carrying amounts for the oil and gas assets are depreciated in line with the depletion of reserves. An evaluation of the oil and gas assets as at 31 December 2024 indicated that the oil and gas assets would experience significant additional depreciation by 2030 and near-complete depreciation by 2035, based on the planned depletion of reserves.

This indicates that a substantial portion of proven and probable reserves are anticipated to be produced by 2035, resulting in lower risk of stranded assets being carried in the consolidated balance sheet. The Group's portfolio management approach aims to mitigate the risk of stranded assets in the event of a faster-than-expected structural decline in demand for oil and gas due to tighter environmental regulations, changes in market demands and global energy demand.

Impairment of property, plant and equipment, and goodwill

The important assumptions for impairment testing of goodwill and oil and gas assets applied to the life of fields production and cost profiles include commodity and carbon prices and discount rates. These key assumptions are carefully assessed by management, both in isolation and in aggregate, to ensure there is a fair and balanced view attained with minimal aggregate bias. These assumptions are inherently uncertain and may ultimately diverge from the actual amounts.

During the current year's impairment testing, the Harbour scenario utilised real long-term commodity price assumptions from 2028 for Brent crude at $78 per barrel (2023: $70 per barrel), UK NBP gas at 80 pence per therm (2023: 90 pence per therm), and a European gas price at 2 per cent higher than UK NBP. These were combined with short-term management forecasts reflecting benchmarked consensus and market forward curves at the year end.

Carbon costs are expected to evolve over time and are subject to significant uncertainty due to the rate of transition and the maturity of regulatory frameworks. For the carbon price, Harbour management's real forward price curve assumption in 2024 is $72 per tonne (2023: $63 per tonne), projected to increase to $182 per tonne (2023: $175 per tonne) by 2030. Sensitivity analysis was conducted using the IEA Net Zero carbon price curve, with a flat assumed foreign exchange rate of pound sterling to US dollar rate of £1:$1.30.

Sensitivity to changes in commodity price assumptions

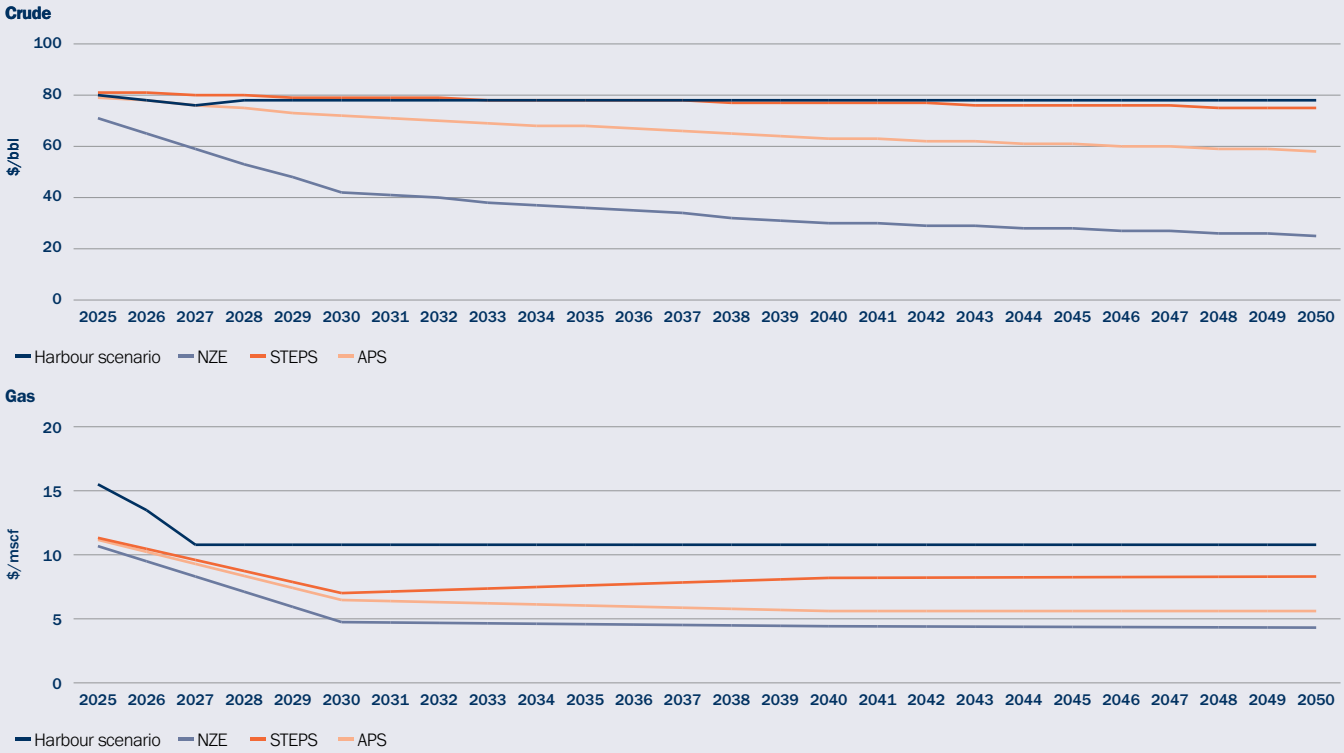
Sensitivity analyses on the impairment of oil and gas assets and goodwill have been conducted using different commodity price scenarios to demonstrate the potential impact on their net book carrying values. It should be noted that the financial statements are based on the Harbour scenario. Impairment sensitivities have been developed using average -10 per cent and +10 per cent deviations from the Harbour scenario long-term crude and gas prices as well as selected published climate change price curves.

The sensitivity scenarios described below incorporate changes to the commodity price assumptions and assume that all other factors remain unchanged from the Harbour scenario used for the basis of preparation of the financial statements. Importantly, these sensitivities are stated before any management mitigation actions to manage downside risks if the scenarios were to occur.

The Sustainability review on pages 38 to 59 discusses both transition and physical risk climate change scenarios. This analysis covers the transition risks and the graphs opposite show the crude oil, UK NBP gas price curves and European TTF gas price for the period to 2050 for the following IEA scenarios: Net Zero Emissions by 2050, Stated Policies and Announced Pledges.

All the scenario price curves are dependent on factors covering supply, demand, economic and geopolitical events and therefore are inherently uncertain and subject to significant volatility and hence unlikely to reflect the future outcome.

- Harbour scenario: base price curves used for impairment testing
- IEA Net Zero Emissions by 2050 (NZE): pathway to limiting global temperature rise to 1.5ºC
- IEA Stated Policies Scenario (STEPS): pathway based on existing policy commitments and measures and those currently under development by sector and country
- IEA Announced Pledges Scenario (APS): pathway based on current climate ambitions and targets by governments and industries regardless of whether these have been legislated



The crude price curves reflect the published IEA price curves for all periods. For UK NBP there are no IEA published price curves therefore management has derived the gas price curves by converting from the published IEA European gas price curve. This was achieved by converting from USD per mbtu to USD per mscf and applying other known correlation coefficients between the European and UK gas markets. In addition, for the period 2025-2027, the derived gas price curve matches the Harbour scenario price curve to create a scenario that was considered reasonably plausible.

Pre-development assets are recorded in other intangible assets ahead of demonstration of commerciality and recognition of 2P reserves and hence are not included below, however they are subject to the same management rigour with the corporate models. The majority of such assets are in developing countries with a growing future demand for energy which may reduce the climate change impact from these pre-development assets.

The impact of the sensitivities on the carrying value of oil and gas assets and goodwill in the consolidated balance sheet are shown in the table below:

31 December 2024

			Pre-tax sensitivity in carrying value $ million				
	Commodity	Carrying value $ million	+10% price to Harbour scenario	-10% price to Harbour scenario	IEA Net Zero Emissions by 2050 (NZE)	IEA Stated Policies (STEPS)	IEA Announced Pledges (APS)
Goodwill (note 10)	Crude oil	5,147	–	(45)	(928)	–	(38)
	Gas		–	(37)	(1,431)	(997)	(1,114)
Oil and gas assets (note 12)	Crude oil	14,458	–	(323)	(2,528)	–	(415)
	Gas		–	(2)	(131)	(89)	(35)

2. Material accounting policies continued

31 December 2023

			Pre-tax sensitivity in carrying value $ million				
	Commodity	Carrying value $ million	+10% price to Harbour scenario	-10% price to Harbour scenario	IEA Net Zero Emissions by 2050 (NZE)	IEA Stated Policies (STEPS)	IEA Announced Pledges (APS)
Goodwill (note 10)	Crude oil	1,302	–	–	–	–	–
	Gas		–	(4)	–	–	–
Oil and gas assets (note 12)	Crude oil	4,822	–	(86)	(221)	–	–
	Gas		–	(21)	(9)	–	–

The 2024 results and sensitivities are dominated by the acquired Wintershall Dea portfolio which has substantially increased the goodwill and property, plant and equipment carrying values.

The +/-10 per cent price curves used in the Harbour scenarios adjust long-term prices from 2028.

Under the -10 per cent price to Harbour scenario for crude, there is a pre-tax impairment to oil and gas assets of $323 million and on goodwill an impairment of $45 million. For gas a pre-tax impairment of $2 million and on goodwill an impairment of $37 million.

For crude, under the IEA NZE 2050 scenario, there is a pre-tax impairment to oil and gas assets of $2,528 million and on goodwill an impairment of $928 million. For gas, there is a pre-tax impairment to oil and gas assets of $131 million and on goodwill an impairment of $1,431 million.

For crude, under the IEA STEPS, there is no pre-tax impairment to oil and gas assets or goodwill. For gas, there is a pre-tax impairment to oil and gas assets of $89 million and on goodwill an impairment of $997 million.

For crude, under the IEA APS, there is a pre-tax impairment to oil and gas assets of $415 million and on goodwill an impairment of $38 million. For gas there is a pre-tax impairment to oil and gas assets of $35 million and on goodwill an impairment of $1,114 million.

Sensitivity to changes in carbon price assumptions

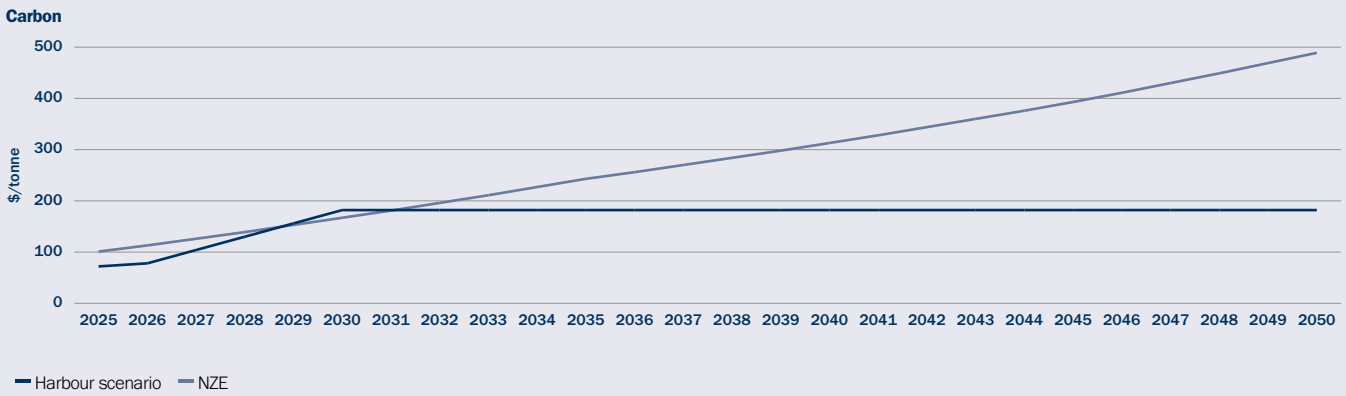
The sensitivity scenarios described below incorporate changes to the carbon price assumptions and assume that all other factors remain unchanged from the Harbour scenario used for the basis of preparation of the financial statements. This sensitivity is stated before any management mitigation actions to manage downside risks if the scenarios were to occur.

The risk of stranded assets may increase in a higher carbon price scenario. Sensitivity analyses of the carrying value of Harbour's oil and gas assets and goodwill to carbon prices have been conducted based on the IEA NZE 2050 scenario. This aims to demonstrate the resilience of the assets' carrying values to higher long-term carbon prices than those reflected in the consolidated balance sheet.

This analysis covers the transition risks, and the graph below shows the carbon price per tonne for the period to 2050 for the IEA NZE 2050 scenario.

The scenario price curves are dependent on factors covering supply, demand, economic and geopolitical events and therefore are inherently uncertain and subject to significant volatility. As a result, they are unlikely to accurately predict future outcomes.

- Harbour scenario: base price curves used for impairment testing
- IEA Net Zero Emissions by 2050 (NZE): pathway to limiting global temperature rise to 1.5°C



Applying the IEA NZE 2050 carbon price scenario for the entirety of the useful economic life of the assets resulted in a pre-tax impairment of $9 million (2023: $27 million) to oil and gas assets with no impairment to goodwill under this scenario.

Sensitivity to changes in discount rate assumptions

The discount rate applied for impairment testing of the fair value less cost of disposal is based on a nominal post-tax weighted average cost of capital (WACC) after considering both cost of debt and equity. In 2024, the Group's post-tax discount rate ranging from 8.75 per cent to 14.5 per cent (2023: 9.0 per cent to 12.4 per cent) is derived after considering relevant peer group's post-tax WACC and incorporating segment-specific risk.

Considering the discount rates, the Group deems a 1 per cent rise in the discount rate to be a reasonable potentiality for conducting sensitivity analysis, assuming that all other factors utilised in calculating the recoverable value for the carrying amount of goodwill and oil and gas assets remain unaltered.

A 1 per cent increase in the discount rate would result in an additional impairment of $113 million (2023: $24 million) to the oil and gas assets and on goodwill $10 million (2023: $1 million), and a 1 per cent decrease in the discount rate would have no impact on the impairment charge.

Intangible assets – exploration and evaluation assets

The energy transition has the potential to affect the future development or viability of exploration and evaluation prospects. A significant portion of the Group's exploration and evaluation assets relate to prospects that could either be tied back to existing infrastructure or are in developing countries with a growing future demand for energy which may reduce the climate change impact from these pre-development assets and hence require less capital investment as these assets are less exposed to the impacts of the energy transition compared to large frontier developments. At each balance sheet date, all exploration and evaluation prospects are reviewed against the Group's financial framework to ensure that the continuation of activities is planned and expected. There are no significant judgements and/or critical estimation uncertainty related to climate factors.

See Judgements: Exploration and evaluation expenditure (page 136) and note 11 to the financial statements for further information.

Deferred tax assets

The potential impact of climate change and energy transition on balance sheet items is uncertain and may lead to significant changes in the estimations of parameters such as the useful life of assets and timing of cessation of production together with their related deferred tax balances.

Deferred tax assets are recognised to the extent that their recovery is considerable probable. In general, it is expected that sufficient forecasted taxable profits will be available for the recovery of deferred tax assets recognised at 31 December 2024 and expected to be recovered within the period of production for each asset and after taking into account deferred tax liabilities.

See note 8 Income tax for information on deferred tax balances.

Onerous contracts

Contracts may become onerous due to potential loss of revenue or heightened costs stemming from changes in climate change and energy transition regulations.

Management does not foresee any of its existing supply contracts becoming onerous based on the current production level and estimated useful lives of its assets.

Decommissioning cost and provisions

The energy transition may accelerate the decommissioning of assets which would result in an increase in the carrying value of associated decommissioning provisions. Whilst the Group currently expects to incur decommissioning costs over the next 40 years, we anticipate the majority of costs will be incurred between the next 10 to 20 years which will reduce the exposure to the impact of the energy transition.

In the current year, the undiscounted provision for decommissioning and restoration was $10.5 billion (2023: $6.6 billion), recognised on a discounted basis in the consolidated balance sheet.

The discount and inflation rates applied have taken into consideration the applicable rig rates and expected timing of cessation of production on each field. Therefore, the timing of decommissioning expenditures has not been materially brought forward and management do not consider that any reasonable change in the timing of decommissioning expenditure will have a material impact on the decommissioning provisions based on the production plans of existing assets.

Decommissioning cost estimates are based on the current regulatory and external environment. These cost estimates and recoverability of associated deferred tax may change in the future, including as a result of the energy transition. On the basis that all other assumptions in the calculation remain the same, a 10 per cent increase in the cost estimates, and a 10 per cent reduction in the applied discount rates used to assess the final decommissioning obligation, would result in increases to the decommissioning provision of approximately $852 million (2023: $456 million) and $286 million ($440 million), respectively. This change would be principally offset by a change to the value of the associated asset unless the asset is fully depreciated, in which case the change in estimate is recognised directly within the income statement.

See Key sources of estimation uncertainty: Decommissioning costs for further information (page 137).

Portfolio changes

Harbour expensed $75 million of costs in relation to CO_2 emissions during 2024 (2023: $69 million) with the majority in relation to the UK Emissions Trading Scheme quotas net of allocated free quotas. Quotas in relation to future periods are recognised in intangible assets.

2. Material accounting policies continued

Harbour has investments in a number of CCS projects which are regarded as key to assisting in the energy transition. Projects are recognised in intangible assets once the projects are regarded as technically feasible and commercially viable; prior to this, costs are expensed to the income statement. In 2024 Harbour spent $72 million on CCS activities, capitalising $33 million and expensing $39 million. Further information on Harbour's CCS projects can be found on page 31.

Global oil and gas demand considerations

The transition to sustainable energy to mitigate climate change carries the potential to adversely impact commodity prices due to a global decrease in the demand for oil and gas, potentially leading to reduced revenue. Furthermore, investment in clean energy via the adoption of clean energy technologies could elevate production costs, thereby diminishing future profit margins.

Based on prevailing policies and regulatory frameworks, it is anticipated that the growth in global oil demand will decrease, but the demand for oil and gas is projected to continue as a crucial component of the energy mix for the foreseeable future. Natural gas is widely known as a key transition fuel. In the 2024 IEA World Energy Outlook report the demand for natural gas has been revised upwards in all scenarios compared to the previous year, reflecting stronger anticipated demand for gas to meet growth in electricity demand.

During the year, the Group produced 258 kboepd (2023: 186 kboepd), accounting for less than 0.3 per cent of global production. Consequently, the Group does not expect the ability to sell the volume of oil equivalent produced to be directly impacted by shifts in global oil and gas demand. Management remains committed to investing in a diversified oil and gas company.

Cost of carbon allowances

Harbour is part of the European and UK Emissions Trading Schemes (EU and UK ETS) and purchases carbon allowances to meet its regulatory obligations under the schemes. Harbour is entitled to receive a share of free allowances according to UK and EU ETS regulations. Allowances owned in excess of liabilities to date that are available to be used in future periods are recorded in other intangible assets and measured at cost. The costs for purchasing allowances are recorded in costs of operations matching emissions for the period. Accruals that are required for allowances to be purchased are measured at market price.

Segment reporting

The Group's activities consist of one class of business being the acquisition, exploration, development and production of oil and gas reserves and related activities and are split geographically and managed in nine Business Units: namely Norway, the UK, Germany, Mexico, Argentina, North Africa, Southeast Asia, CCS and Corporate.

Joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Exploration and production operations are usually conducted through joint arrangements with other parties. The Group reviews all joint arrangements and classifies them as either joint operations or joint ventures depending on the rights and obligations of each party to the arrangement and whether the arrangement is structured through a separate vehicle. The Group's interest in joint operations, such as exploration and production arrangements, are accounted for by recognising its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

A joint venture, which normally involves the establishment of a separate legal entity, is a contractual arrangement whereby the parties that have joint control of the arrangement have the rights to the arrangement's net assets. The results, assets and liabilities of a joint venture are incorporated in the consolidated financial statements using the equity method of accounting. During 2023, the Group did not have any interests in joint ventures. Note 33 describes the Group's interests in joint arrangements as at 31 December 2024.

Where the Group transacts with its joint operations, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint operation.

Foreign currency translation

Each entity in the Group determines its own functional currency, being the currency of the primary economic environment in which the entity operates, and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements are presented in US dollars, which is also the parent company's functional currency.

Transactions recorded in foreign currencies are initially recorded in the entity's functional currency by applying an average rate of exchange. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are measured at historic cost based on exchange rates at the date of the initial transaction and subsequently not retranslated.

On consolidation, the assets and liabilities of the Group's operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average monthly exchange rates for the year. Equity is held at historic cost and is not retranslated. The resulting exchange differences are recognised as other comprehensive income and are transferred to the Group's currency translation reserve.

When an overseas operation is disposed of, such translation differences relating to it are recognised as income or expense.

Goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Goodwill

In the event of a business combination or acquisition of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, the acquisition method of accounting is applied. Goodwill represents the difference between the aggregate of the fair value of purchase consideration transferred at the acquisition date and the fair value of the identifiable assets, liabilities and contingent liabilities acquired, less any non-controlling interest. If however, the fair value of the purchase consideration transferred is lower than the fair value of the identifiable assets and liabilities acquired, less non-controlling interest, the difference is recognised in the income statement as negative goodwill. The Group's goodwill is related to the requirement to recognise deferred tax for the difference between the assigned fair values and the related tax base (technical goodwill). The fair value of the Group's licences are based on post-tax cash flows or benchmarked multiples. In accordance with IAS 12 paragraphs 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax depreciation basis. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's operating segments. This is subsequently tested for impairment at the Group's operating segment level based on the aggregation of any headroom arising from asset impairment tests. Goodwill is treated as an asset of the relevant entity to which it relates, and accordingly non-US dollar goodwill is translated into US dollars at the closing rate of exchange at each reporting date.

Goodwill, as disclosed in note 10, is not amortised but is reviewed for impairment at least annually by assessing the recoverable amount of the operating segments to which the goodwill relates. Where the carrying amount of the operating segment and related goodwill is higher than the recoverable amount of the operating segment, an impairment loss is recognised in the income statement. The recoverable amounts of the operating segments have been determined on a fair value less costs to sell basis. Impairments are expected to arise as the deferred tax that gave rise to the goodwill initially naturally unwinds in the normal course of business. Impairment losses relating to goodwill cannot be reversed in future periods.

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Licence and property acquisition costs

Licence and property acquisition costs paid in connection with a right to explore in an existing exploration area are capitalised as exploration and evaluation costs within intangible assets.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. If no future activity is planned or the related licence has been relinquished or has expired, the carrying value of the property acquisition costs is written off through the income statement. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties within development and production assets.

Exploration and evaluation costs

Once the legal right to explore has been acquired, costs directly associated with the exploration are capitalised as exploration and evaluation (E&E) intangible non-current assets until the exploration is complete and the results have been evaluated. If no potential commercial resources are discovered, the exploration asset is written off.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least annually. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the income statement.

When proved reserves of oil or natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and, if required, any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties within development and production assets. No amortisation is charged during the exploration and evaluation phase.

Farm-outs – in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Property, plant and equipment – oil and gas assets

Oil and gas development and production assets are accumulated generally on a field-by-field or cash-generating unit basis where infrastructure is shared. This represents expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets, as outlined in the intangible asset policy above, which is capitalised as oil and gas properties within development and production assets.

2. Material accounting policies continued

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets, where relevant, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

An item of development and production expenditure and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Expenditure on major maintenance includes refits, inspections or repairs comprising the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. All other day-to-day repairs and maintenance costs are expensed as incurred.

Depreciation, depletion and amortisation (DD&A) of oil and gas assets

All costs relating to a development are accumulated and not depreciated until the commencement of production. Depreciation is provided generally on a field-by-field or cash-generating unit basis where infrastructure is shared, using the unit of production method by reference to the ratio of production in the year and the related commercial proven and probable reserves of the field, considering future development expenditures necessary to bring those reserves into production.

When there is a change in the estimated total recoverable proven and probable reserves of a field, that change is accounted for in the depreciation charge over the revised remaining proven and probable reserves.

Acquisitions, asset purchases and disposals

Acquisitions of oil and gas properties are accounted for using the acquisition method when the assets acquired, and liabilities assumed constitute a business.

Transactions involving the purchase of an individual field interest, or a group of field interests, which do not constitute a business, are treated as asset purchases irrespective of whether the specific transactions involve the transfer of the field interests directly or the transfer of an incorporated entity. Accordingly, no goodwill and no deferred tax gross up arises, and the consideration is allocated to the assets and liabilities purchased on an appropriate basis.

Proceeds on disposal are applied to the carrying amount of the specific intangible asset or oil and gas property disposed of and any surplus is recorded as a gain on disposal in the income statement.

Decommissioning

A provision for decommissioning is recognised in full when the related facilities are installed. The amount recognised is the present value of the estimated future expenditure. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related oil and gas property. This is subsequently depreciated as part of the capital costs of the production facilities. Any change in the present value of the estimated expenditure is dealt with from the start of the financial year as an adjustment to the opening provision and the oil and gas property. The unwinding of the discount is included as a finance cost.

Non-oil and gas assets

Property, plant and equipment – fixtures and fittings and office equipment

Fixtures and fittings and office equipment are stated at cost less accumulated depreciation and impairment. Depreciation is provided for on a straight-line basis at rates sufficient to write off the cost of the assets less any residual value over their estimated useful economic lives. The depreciation periods for the principal categories of assets are as follows:

- Buildings — Up to 50 years
- Fixtures and fittings — Up to 10 years
- Office furniture and equipment — Up to 5 years

Intangible assets

Intangible assets principally comprise IT software/licences and carbon allowances. IT software/licences are carried at cost less any accumulated amortisation. These assets are amortised on a straight-line basis over their useful economic lives of between three and ten years. Carbon allowances are carried at cost and subject to impairment testing.

Impairment of non-current assets (excluding goodwill)

In accordance with IAS 36 Impairment of Assets, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indicator of impairment, or an indicator identified that a prior year impairment may have reversed or decreased. Such indications may be based on events or changes in the market environment, or on internal sources of information.

Impairment and reversal indicators

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes to the environment in which the assets are operated or when asset performance is significantly lower than expected.

The main impairment indicators used by the Group are described below:

- External sources of information:
  - Significant changes in the economic, technological, political or market environment in which the entity operates or to which an asset is dedicated
  - Fall in demand
  - Changes in commodity prices and exchange rates
- Internal sources of information:
  - Evidence of obsolescence or physical damage
  - Significantly lower than expected production or cost performance
  - Reduction in reserves and resources, including as a result of unsuccessful results of drilling operations
  - Pending expiry of licence or other rights
  - In respect of capitalised exploration and evaluation costs, lack of planned future activity on the prospect or licence
  - For reversals, plausible downside sensitivity scenarios are run to test the robustness of the asset carrying values typically against changes in production and commodity prices

Measurement of recoverable amount

The cash-generating unit (CGU) applied for impairment test purposes is generally the field, except that a number of field interests may be grouped as a single CGU where the cash inflows of each field are interdependent. The carrying value of each CGU is compared against the expected recoverable amount of the asset, which is primarily determined based on the fair value less cost of disposal (FVLCD) method, where the fair value is determined from the estimated present value of the future net cash flows expected to be derived from production of commercial reserves. Standard valuation techniques are used based on the discount rates that reflect the specific characteristics of the operating entities concerned; discount rates are determined on a post-tax basis and applied to post-tax cash flows.

Any impairment loss is recorded in the income statement under 'Impairment of property, plant and equipment'. Impairment losses recorded in relation to property, plant and equipment may be subsequently reversed if the recoverable amount of the assets subsequently increases above carrying value. The increased carrying amount of an item of property, plant or equipment attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortisation) had no impairment loss been recognised in prior periods.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal group, excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as assets held for sale. Assets and liabilities classified as held for sale are presented separately as current line items in the balance sheet.

Financial assets

The Group uses two criteria to determine the classification of financial assets: the Group's business model and contractual cash flow characteristics of the financial assets. Where appropriate the Group identifies three categories of financial assets: amortised cost, fair value through profit or loss (FVTPL), and fair value through other comprehensive income (FVOCI).

Financial assets held at amortised cost

Financial assets held at amortised cost are initially measured at fair value plus transaction and subsequently measured using the effective interest rate (EIR) method and are subject to impairment. The EIR amortisation is presented within finance income in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments that are held for the purpose of meeting short-term cash commitments, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- 12-month ECL: for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events (payment, prospective or covenant) that are possible within the next 12 months
- Lifetime ECL: for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default

2. Material accounting policies continued

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs as allowed under IFRS 9 Financial Instruments. Provision rates are calculated based on estimates including the probability of default by assessing counterparty credit ratings, as adjusted for forward-looking factors specific to the debtors, the economic environment and the Group's historical credit loss experience.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer
- A breach of contract such as default or past due event
- The restructuring of a loan or advance by the Group on terms that the Group would otherwise not consider
- Becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for a security because of financial difficulties

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs which are capitalised and amortised over the term of the borrowings. Where borrowings have been fully repaid but the borrowing facility remains, directly attributable transaction costs that remain unamortised are presented within current and/or non-current assets.

Borrowings and loans

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Subordinated notes

Through the acquisition of the Wintershall Dea portfolio, the Group now holds two series of subordinated resettable fixed rate notes (subordinated notes) in the aggregate principal amount of €1,500 million, which were transferred to Harbour on completion of the acquisition. The subordinated notes are callable three months prior to the first reset date for the NC2026 series and six months prior to the first reset date for the NC2029 series, and have no maturity.

Based on their characteristics (mainly no mandatory repayment and no obligation to pay a coupon except under certain circumstances specified in the documentation of the subordinated notes) and in compliance with IAS 32 Financial Instruments: Presentation, the subordinated notes are wholly classified as equity. On completing the acquisition, the issued subordinated notes are recognised at fair value, based on market rates as of the acquisition date. Accrued interest payable to the subordinated notes investors increases equity, whereas the distribution of interest payments reduces equity.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, commodity option contracts and commodity swap arrangements, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Derivative financial instruments are initially recognised and subsequently remeasured at fair value. Certain derivative financial instruments are designated as cash flow hedges in line with the Group's risk management policies. When derivatives do not qualify for hedge accounting or are not designated as accounting hedges, changes in the fair value of the instrument are recognised within the income statement.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives maturing in less than 12 months and expected to be realised or settled in less than 12 months are presented as current assets or current liabilities.

Cash flow hedges

The effective portion of gains and losses arising from the remeasurement of derivative financial instruments designated as cash flow hedges are deferred within other comprehensive income and subsequently transferred to the income statement in the period the hedged transaction is recognised in the income statement. When a hedging instrument is sold or expires, any cumulative gain or loss previously recognised in other comprehensive income remains deferred until the hedged item affects profit or loss or is no longer expected to occur. Any gain or loss

relating to the ineffective portion of a cash flow hedge is immediately recognised in the income statement. Hedge ineffectiveness could arise if volumes of the hedging instruments are greater than the hedged item of production, or where the creditworthiness of the counterparty is significant and may dominate the transaction and lead to losses.

Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques such as option pricing models and estimated discounted values of cash flows.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Under IFRS 9 Financial Instruments, embedded derivatives are not separated from a host financial asset, and are classified based on their contractual terms and the Group's business model.

Equity

Share capital

Share capital includes the total net proceeds, both nominal and share premium, on the issue of ordinary (voting and non-voting) and preference shares of the company.

Merger reserve

On 31 March 2021, Harbour Energy plc (formerly Premier Oil plc) acquired Chrysaor Holdings Limited as part of a reverse acquisition. Under the terms of the merger, Premier legally acquired Chrysaor through the issuance of consideration shares whilst Chrysaor was the acquirer for accounting purposes, primarily as a result of its ability to appoint the Board of the enlarged group. The merger reserve primarily represented Premier's opening balance on the legal reserve plus the fair value of the assets and liabilities acquired by Chrysaor. This was subsequently reduced following a capital restructuring in 2022.

On 3 September 2024, the company acquisition of the Wintershall Dea assets met the conditions to recognise the difference between the fair value and nominal value of the shares issues as consideration as merger reserve.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares transferred following the company's purchase of them.

Cash flow hedge reserve

The cash flow hedge and cost of hedging reserves represent gains and losses on derivatives classified as effective cash flow hedges. Upon the designation of option instruments as hedging instruments, the intrinsic and time value components are separated, with only the intrinsic component being designated as the hedging instrument and the time value component is deferred in other comprehensive income as a 'cost of hedging'.

Currency translation reserve

This reserve comprises exchange differences arising on consolidation of the Group's operations with a functional currency other than the US dollar.

Share-based payments

The Group has applied the requirements of IFRS 2 Share-Based Payment. The Group has share-based awards that are equity and cash settled as defined by IFRS 2. The fair value of the equity-settled awards has been determined at the date of grant of the award allowing for the effect of any market-based conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. For cash-settled awards, a liability is recognised for the goods or service acquired. This is measured initially at the fair value of the liability. The fair value of the liability is subsequently remeasured at each balance sheet date until the liability is settled, and at the date of settlement, with any changes in fair value recognised in the income statement.

Inventories

All inventories, except for petroleum products, are stated at the lower of cost and net realisable value. The cost of materials is the purchase cost, determined on weighted average cost basis. Petroleum products and underlift and overlift positions are measured at net realisable value using an observable year-end oil or gas market price, and are included in other debtors or creditors, respectively.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets which are no more than ten years.

The Group recognises right-of-use assets and lease liabilities on a gross basis and the recovery of lease costs from joint operations' partners is recorded as other income.

2. Material accounting policies continued

Liabilities arising from a lease are initially measured on a present value basis reflecting the net present value of the fixed lease payments and amounts expected to be payable by the Group assuming leases run to full term. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly impacts the amount of lease liabilities and right-of-use assets recognised.

The lease payments are discounted at the lease commencement date using the Group's incremental borrowing rates of between 1.2 per cent and 13.1 per cent, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group where possible:

- Uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- Makes adjustments specific to the lease, for example term, country, currency and security

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

For lease arrangements where all partners of a joint operation are considered to share the primary responsibility for lease payments under a lease contract, the Group recognises its share of the respective right-of-use asset and lease liability. This situation is most common where the parties of a joint operation co-sign the lease contract.

The Group recognises a gross lease liability for leases entered into on behalf of a joint operation where it has primary responsibility for making the lease payments. In such instances, if the arrangement between the Group and the joint operation represents a finance sublease, the Group recognises a net investment in sublease for amounts recoverable from non-operators whilst derecognising the respective portion of the gross right-of-use asset. The gross lease liability is retained on the balance sheet.

The net investment in sublease is classified as either trade and other receivables or long-term receivables on the balance sheet according to whether or not the amounts will be recovered within 12 months of the balance sheet date. Finance income is recognised in respect of net investment in subleases.

Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the income statement.

The estimated cost of dismantling and restoring the production and related facilities at the end of the economic life of each field is recognised in full when the related facilities are installed. The amount provided is the present value of the estimated future restoration cost. A non-current asset is also recognised. Any changes to estimated costs or discount rates are dealt with prospectively.

The Group recognises a provision for the estimated CO_2 emissions costs when actual emissions exceed the emission rights granted and still held. When actual emissions exceed the amount of emission rights granted, a provision is recognised for the exceeding emission rights based on the purchase price of allowances concluded in forward contracts or market quotations at the reporting date.

Group retirement benefits

The Group's various pension plans consist of both defined benefit and defined contribution plans. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

The Group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

The Group participates in a legally independent multi-employer plan which is financed by employer and employee contributions as well as the return on plan assets. Since sufficient information is not available for this multi-employer plan, the Group accounts for the plan as if it was a defined contribution plan.

In the case of contribution-based defined benefit pension plans, the Group makes contribution payments to special-purpose funds as well as to life insurances. These contribution payments are recorded as expenses. Furthermore, for some of the Group's contribution-based defined benefit pension plans, benefit obligations are recognised at the fair value of these funds, so far as the assets exceed the guaranteed minimum benefit amount.

If the assets do not exceed the guaranteed minimum benefit amount, benefit obligations for these contribution-based benefit plans are recognised in the guaranteed minimum benefit amount.

The defined benefit plans are administered by a separate fund that is legally separated from the acquired Wintershall Dea portfolio. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plans.

Trade payables

Initial recognition of trade payables is at fair value. Subsequently they are stated at amortised cost.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax related to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or directly in equity, not in the income statement.

Management periodically evaluates positions taken in the tax returns with respect to situations in which tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred taxation is recognised in respect of all temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary difference, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date. The carrying amount of the deferred income tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Group reassesses any unrecognised deferred tax assets each year taking into account changes in oil and gas prices, the Group's proven and probable reserves and resources profile and forecast capital and operating expenditures.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current assets against current tax liabilities, the deferred income tax relates to the same tax authority and that same tax authority permits the Group to make a single net payment.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation by transferring a good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. Revenue associated with the sale of crude oil, natural gas and natural gas liquids (NGLs) is measured based on the consideration specified in contracts with customers with reference to quoted market prices in active markets, adjusted according to specific terms and conditions as applicable according to the sales contracts. The transfer of control of oil, natural gas, natural gas liquids and other items sold by the Group occurs when title passes at the point the customer takes physical delivery. The Group principally satisfies its performance obligations at a point in time and the amounts of revenue recognised relating to performance obligations satisfied over time are not significant.

2. Material accounting policies continued

Over/underlift

Differences between the production sold and the Group's share of production result in an overlift or an underlift. Underlift positions are measured at net realisable value using an observable year-end oil or gas market price. Overlift positions are measured using the sales price that generated the overlift. Underlift and overlift positions are included in receivables or payables respectively. Movements during the accounting period are recognised within cost of sales.

Interest income

Interest income is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective assets. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

New accounting standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Consolidated financial statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been added to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months.

The amendments had no impact on the Consolidated financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Consolidated financial statements.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The disclosure requirements in the amendments provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments had no impact on the Consolidated financial statements.

3. Segment information

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the Group's business segments, has been identified as the Chief Executive Officer.

Prior to the acquisition of substantially all of Wintershall Dea's upstream oil and gas assets, the Group's activities consisted of one class of business being the acquisition, exploration, development and production of oil and gas reserves and related activities, and were split geographically and managed in two regions, namely 'North Sea' and 'International'. The North Sea segment included the UK and Norwegian continental shelves, and the 'International' segment included Indonesia, Vietnam and Mexico.

The operating segments have been modified following the acquisition of the Wintershall Dea portfolio and changes in the Group's structure effective from September 2024. The operating segments are now divided geographically and managed across nine Business Units: namely Norway, UK, Germany, Mexico, Argentina, North Africa, Southeast Asia, CCS and Corporate. The CCS segment includes Denmark.

Information on major customers can be found in note 4.

Year ended 31 December 2024	Norway $ million	UK $ million	Germany $ million	Mexico $ million	Argentina $ million	North Africa $ million	Southeast Asia $ million	CCS $ million	Corporate $ million	Total segments $ million	Adjustments and eliminations $ million	Consolidated $ million
Revenue and other income												
External customers												
– Crude oil sales	343	1,755	158	55	23	10	141	–	393	2,878	–	2,878
– Gas sales	86	1,143	9	3	111	63	115	–	1,406	2,936	–	2,936
– Other revenue	90	195	1	–	6	40	–	–	12	344	–	344
Other income	–	33	4	2	7	6	1	–	15	68	–	68
Inter-segment	946	791	74	–	–	–	–	–	68	1,879	(1,879)	–
Total revenue and other income	**1,465**	**3,917**	**246**	**60**	**147**	**119**	**257**	**–**	**1,894**	**8,105**	**(1,879)**	**6,226**
Cost of operations	(520)	(2,699)	(243)	(37)	(120)	(58)	(172)	(6)	(1,631)	(5,486)	1,873	(3,613)
(Reversal)/impairment of property, plant and equipment	14	(323)	(26)	–	–	–	(15)	(5)	3	(352)	–	(352)
Impairment of right-of-use asset	–	(20)	–	–	–	–	–	–	–	(20)	–	(20)
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–	–	–
Exploration and evaluation expenses and new ventures	(22)	(4)	–	–	–	–	–	(40)	(2)	(68)	–	(68)
Exploration costs written-off	(76)	(81)	–	–	–	(2)	(14)	–	–	(173)	–	(173)
General and administrative expenses	(24)	(76)	(19)	(6)	(9)	(7)	(7)	(1)	(203)	(352)	–	(352)
Segment operating profit/(loss)	**837**	**714**	**(42)**	**17**	**18**	**52**	**49**	**(52)**	**61**	**1,654**	**(6)**	**1,648**
Finance income												173
Finance expenses												(602)
Income tax expense												(1,312)
Loss for the year												**(93)**
Total assets	**9,434**	**7,306**	**3,042**	**2,420**	**4,488**	**917**	**919**	**18**	**1,777**	**30,321**	**–**	**30,321**
Total liabilities	**(6,622)**	**(6,936)**	**(1,965)**	**(482)**	**(1,292)**	**(165)**	**(454)**	**(108)**	**(6,046)**	**(24,070)**	**–**	**(24,070)**
Total capital additions	**374**	**698**	**59**	**110**	**61**	**46**	**93**	**33**	**70**	**1,544**	**–**	**1,544**
Total depreciation, depletion and amortisation	**293**	**1,115**	**146**	**10**	**58**	**16**	**78**	**–**	**29**	**1,745**	**–**	**1,745**

3. Segment information continued

Year ended 31 December 2023	Norway $ million	UK $ million	Germany $ million	Mexico $ million	Argentina $ million	North Africa $ million	Southeast Asia $ million	CCS $ million	Corporate $ million	Total segments $ million	Adjustments and eliminations $ million	Consolidated $ million
Revenue and other income												
External customers												
– Crude oil sales	–	1,980	–	–	–	–	106	–	–	2,086	–	2,086
– Gas sales	–	1,272	–	–	–	–	131	–	12	1,415	–	1,415
– Other revenue	–	214	–	–	–	–	–	–	–	214	–	214
Other income	–	35	–	–	–	–	–	–	1	36	–	36
Inter-segment	–	28	–	–	–	–	–	–	–	28	(28)	–
Total revenue and other income	–	3,529	–	–	–	–	237	–	13	3,779	(28)	3,751
Cost of operations	–	(2,255)	–	–	–	–	(149)	–	–	(2,404)	28	(2,376)
Impairment of property, plant and equipment	–	(172)	–	–	–	–	–	–	(4)	(176)	–	(176)
Impairment of right-of-use asset	–	–	–	–	–	–	–	–	–	–	–	–
Impairment of goodwill	–	–	–	–	–	–	(25)	–	–	(25)	–	(25)
Exploration and evaluation expenses and new ventures	(6)	(1)	–	–	–	–	–	(29)	–	(36)	–	(36)
Exploration costs written-off	(27)	(11)	–	(13)	–	–	(6)	–	–	(57)	–	(57)
General and administrative expenses	1	(46)	–	–	–	–	(4)	–	(100)	(149)	–	(149)
Segment operating profit/(loss)	(32)	1,044	–	(13)	–	–	53	(29)	(91)	932	–	932
Finance income												104
Finance expenses												(420)
Income tax expense												(571)
Profit for the year												45
Total assets	73	6,083	–	360	–	–	905	–	2,495	9,916	–	9,916
Total liabilities	(34)	(5,818)	–	(49)	–	–	(483)	–	(1,979)	(8,363)	–	(8,363)
Total capital additions	24	575	–	44	–	–	67	–	11	721	–	721
Total depreciation, depletion and amortisation	1	1,352	–	–	–	–	80	–	16	1,449	–	1,449

4. Revenue from contracts with customers and other income

	2024 $ million	2023 $ million
Type of goods		
Crude oil sales	**2,878**	2,086
Gas sales	**2,936**	1,415
Condensate sales	**283**	179
Total revenue from contracts with customers[1]	**6,097**	3,680
Tariff income	**32**	30
Other revenue	**29**	5
Total revenue from production activities	**6,158**	3,715
Other income[2]	**68**	36
Total revenue and other income	**6,226**	3,751

1 Revenues from contracts with customers of $6,115 million (2023: $4,591 million) include crude oil sales of $2,846 million (2023: $2,179 million) and gas sales of $2,986 million (2023: $2,233 million). This was prior to realised hedging gains in the year of $32 million (2023: $93 million, hedging loss) on crude oil and realised hedging losses in the year of $50 million (2023: $818 million) on gas sales.

2 Other income mainly represents partner recoveries related to lease obligations and government subsidies in Argentina. Other income in 2023 includes a receipt related to the Viking CCS Development Agreement that was signed in March 2023.

Approximately 54 per cent (2023: 88 per cent) of the revenues were attributable to sales to energy trading companies of the Shell group.

5. Operating profit

	Note	2024 $ million	2023 As restated $ million
Cost of operations			
Production, insurance and transportation costs		**1,612**	1,171
Commodity purchases		**28**	12
Royalties		**47**	4
Impairment of receivables		**21**	–
Depreciation of oil and gas assets	12	**1,516**	1,206
Depreciation of right-of-use oil and gas assets	13	**269**	235
Capitalisation of IFRS 16 lease depreciation on oil and gas assets	13	**(81)**	(27)
Movement in over/underlift balances and hydrocarbon inventories		**201**	(225)
Total cost of operations		**3,613**	2,376
Impairment expense of oil and gas property, plant and equipment	12	**178**	70
Net impairment loss due to increase in decommissioning provisions on oil and gas tangible assets	12	**174**	106
Impairment of goodwill	10	**–**	25
Impairment of right of use asset	13	**20**	–
Exploration costs written-off[1]	11	**173**	57
Exploration and evaluation expenditure and new ventures[1]		**68**	36
General and administrative expenses			
Depreciation of right-of-use non-oil and gas assets	13	**16**	9
Depreciation of non-oil and gas assets	12	**6**	3
Amortisation of non-oil and gas intangible assets	11	**19**	23
Acquisition-related transaction costs		**119**	33
Other administrative costs[2]		**192**	81
Total general and administrative expenses[2,5]		**352**	149
Auditor's remuneration			
Audit fees			
Fees payable to the company's auditor for the company's Annual Report		**6**	3
Audit of the company's subsidiaries pursuant to legislation		**1**	1
Non-audit fees[3]			
Other services pursuant to legislation – interim review		**–**	–
Other services[4]		**2**	1

1 During the year, the Group expensed $241 million (2023: $93 million) of exploration and appraisal activities. This covers exploration write-off expense of $173 million (2023: $57 million) including write-off of costs associated with projects in our UK business unit ($79 million) and licence relinquishments in Norway ($64 million), and $40 million (2023: $29 million) costs associated with energy transition projects.
2 Other administrative costs in 2024 include consultancy and business development costs of $119 million (2023: $33 million), mainly related to the acquisition of the Wintershall Dea asset portfolio which completed in September 2024.
3 The company has a policy on the provision of non-audit services by the auditor which is aimed at ensuring their continued independence. This policy is available on the Group's website. The use of the external auditor for services relating to accounting systems or financial statement preparations is not permitted, as are various other services that could give rise to conflicts of interest or other threats to the auditor's objectivity that cannot be reduced to an acceptable level by applying safeguards.
4 Other non-audit services in 2024 primarily relate to transaction related activities including the Wintershall Dea acquisition.
5 Expenses related to both short-term and low value lease arrangements are considered to be immaterial for reporting purposes.

6. Staff costs

	2024 $ million	2023 $ million
Wages and salaries and other staff costs	**428**	325
Social security costs	**46**	25
Pension costs	**35**	29
Total staff costs	**509**	379

Average annual number of employees employed by the Group worldwide was:	2024 Number	2023 Number
Offshore based	**545**	534
Onshore and administration	**1,614**	1,271
Total staff	**2,159**	1,805

During the period September to December 2024, following the acquisition of the Wintershall Dea portfolio, the Group employed an average of 3,019 employees.

Staff costs above are recharged to joint venture partners where applicable, or are capitalised to the extent that they are directly attributable to capital or decommissioning projects. The above costs include share-based payments as disclosed in note 27.

The Group operates defined contribution and benefit pension schemes for which further details are provided in note 28.

7. Finance income and finance expenses

	Note	2024 $ million	2023 $ million
Finance income			
Bank interest		**37**	19
Other interest and finance gains		**16**	6
Lease finance income		**1**	2
Realised gains on foreign exchange forward contracts		**–**	9
Unrealised gains on derivatives[1]		**–**	68
Income from investments		**1**	–
Foreign exchange gains		**118**	–
Total finance income		**173**	104
Finance expenses			
Interest payable on reserve based lending facility		**1**	15
Interest payable on revolving credit facility		**10**	–
Interest payable on bridge loan facility		**8**	–
Interest payable on bonds		**59**	27
Other interest and finance expenses		**10**	17
Lease interest	13	**53**	51
Unrealised losses on derivatives[1]		**43**	–
Realised losses on foreign exchange forward contracts		**71**	–
Finance expense on deferred revenue	20	**5**	4
Foreign exchange losses		**–**	57
Bank and financing fees[2]		**139**	100
Unwinding of discount on decommissioning and other provisions	21	**221**	156
		620	427
Finance costs capitalised during the year[3]		**(18)**	(7)
Total finance expense		**602**	420

1 Losses on derivatives include mark to market losses on foreign currency derivatives of $30 million (2023: $nil), derivative ineffectiveness losses of $8 million (2023: $nil) and $5 million related to changes in the fair value of an embedded derivative within one of the Group's gas contracts (2023: $68 million gain).
2 Bank and financing fees include an amount of $102 million (2023: $48 million) relating to the amortisation of arrangement fees and related costs capitalised against the Group's long-term borrowings (note 22). This primarily relates to the expensing of previously capitalised fees in respect of the Group's reserve based lending (RBL) facility of $61 million at the end of 2023 which was replaced by the new revolving credit facility (RCF) facility as part of the acquisition of the Wintershall Dea portfolio.
3 The amount of finance costs capitalised was determined by applying the weighted average rate of finance costs applicable to the borrowings of the Group of 4.5 per cent to the expenditures on the qualifying assets (2023: 6.0 per cent).

8. Income tax

The major components of income tax expense are:

	2024 $ million	2023 As restated $ million
Current income tax expense		
Charge for the year	**1,413**	655
Adjustments in respect of prior years	**2**	22
Total current income tax expense	**1,415**	677
Deferred tax credit		
Origination and reversal of temporary differences in current year	**(168)**	(86)
Impact of changes in tax rates[1]	**77**	–
Adjustments in respect of prior years	**(12)**	(20)
Total deferred tax credit	**(103)**	(106)
Total tax expense reported in the income statement	**1,312**	571
The tax (credit)/expense in the statement of comprehensive income is as follows:		
Tax (credit)/expense on cash flow hedges	**(379)**	2,376
Tax credit on cash actuarial gains and losses	**(4)**	–
Total tax (credit)/expense reported in the statement of comprehensive income	**(383)**	2,376

1 The amounts for 2024 comprise the impact of the increase in Energy Profits Levy in the UK business unit from 35 per cent to 38 per cent from 1 November 2024.

Reconciliation of tax expense and the accounting profit before taxation at the Group's statutory tax rate is as follows:

	2024 $ million	2023 As restated $ million
Profit before income tax	**1,219**	616
At the Group's statutory tax rate of 78 per cent (2023: 75 per cent)	**951**	462
Effects of:		
Expenses not deductible for tax purposes	**59**	103
Adjustments in respect of prior years	**(10)**	2
Remeasurement of deferred tax	**53**	13
Deferred Energy Profits Levy change in rate	**77**	–
Impact of different tax rates	**282**	73
Allowances and other tax uplifts	**(113)**	(82)
Future dividends from investments in subsidiaries, branches and associates	**(11)**	–
Other	**24**	–
Total tax expense reported in the consolidated income statement at the effective tax rate of 108 per cent (2023: 93 per cent, restated)	**1,312**	571

The tax expense reconciliation has been prepared based on the statutory tax rate of 78 per cent applicable to oil and gas production in the UK and Norway, the two most significant jurisdictions of operation for the Group. Management believes that using this rate provides the most meaningful comparison between the expected tax expense, based on accounting profit, and the actual tax expense recognised. In 2023, the tax expense was prepared based on the statutory rate of taxation of 75 per cent applying to UK oil and gas production because the majority of the Group's profit was generated in the UK Continental Shelf.

The effective tax rate for the year is 108 per cent, compared to 93 per cent for 2023 (restated).

The effective tax rate of 108 per cent is significantly higher than the statutory rate of 78 per cent for the Group, mainly due to several UK-specific exceptional items impacting the UK tax expense. These items, resulting from the application of Energy Profits Levy (EPL), create tax rate differences reflected in the income statement. Notably, the increase in the UK asset retirement obligation raised the effective tax rate by 15 per cent as there is no tax relief available against EPL for expenditure on abandonment. Additionally, exploration write-offs and impairments of tangible assets in the UK, which carried blended deferred tax liabilities up to the enacted EPL sunset clause date of 31 March 2028, increased the effective tax rate by another 4 per cent. Finally, the EPL rate change from 35 per cent to 38 per cent added 6 per cent to the effective tax rate. Overall, these EPL-related adjustments resulted in an additional 25 per cent increase in the Group's effective tax rate.

8. Income tax continued

The UK and Norway are expected to remain the principal jurisdictions where profits will be earned, so their statutory tax rates for oil and gas production operations are anticipated to continue as the primary factors influencing the Group's future tax expense.

Deferred tax

The principal components of deferred tax are set out in the following tables:

	Note	2024 $ million	2023 As restated $ million
Deferred tax assets		**130**	7
Deferred tax liabilities		**(6,240)**	(1,297)
		(6,110)	(1,290)
Reclassification of deferred tax liabilities directly associated with assets held for sale	18	**19**	–
Total deferred tax		**(6,091)**	(1,290)

The presentation above takes into account the offsetting of deferred tax assets and deferred tax liabilities within the same tax jurisdiction (where this is permitted). The overall deferred tax balance in a jurisdiction determines if the deferred tax related to that jurisdiction is disclosed within deferred tax assets or deferred tax liabilities.

The origination of and reversal of temporary differences are, as shown in the next table, related primarily to movements in the carrying amounts and tax base values of expenditure and the timing of when these items are charged and/or credited against accounting and taxable profit.

	Accelerated capital allowances $ million	Decommissioning $ million	Losses $ million	Fair value of derivatives $ million	Other[1] $ million	Overseas $ million	Total $ million
As at 1 January 2023	(3,396)	1,565	569	2,452	(3)	(178)	1,009
Deferred tax credit/(expense)	546	(25)	(388)	(61)	22	18	112
Comprehensive income	–	–	–	(2,376)	1	–	(2,375)
Foreign exchange	(51)	34	–	(9)	1	(5)	(30)
As at 31 December 2023	(2,901)	1,574	181	6	21	(165)	(1,284)
Restated	–	–	–	–	–	(6)	(6)
As at 31 December 2023 as restated	(2,901)	1,574	181	6	21	(171)	(1,290)
Deferred tax (expense)/credit	(44)	257	(114)	(38)	42	–	103
Comprehensive income	–	–	–	380	4	–	384
Other reserves[2]	–	–	–	–	(1)	–	(1)
Additions from business combinations	(6,509)	971	201	(14)	(2)	–	(5,353)
Reclassifications[3,4]	(221)	7	28		15	171	–
Foreign exchange	75	(18)	(8)	2	(4)	–	47
As at 31 December 2024	**(9,600)**	**2,791**	**288**	**336**	**75**	**–**	**(6,110)**

1 Includes deferred tax movements related to investment allowances, share-based payments and pensions.
2 Movement in other reserves relates to the element of deferred tax on UK share-based payments taken to profit and loss reserves.
3 Items classified as overseas balances in 2023 have been reclassified into specific deferred tax categories.
4 Balances related to UK investment allowances ($12 million) have been reclassified from accelerated capital allowances to other.

The Group's deferred tax assets are recognised to the extent that taxable profits are expected to arise against which the tax assets can be utilised. The Group assessed the recoverability of tax losses and allowances using corporate assumptions which are consistent with the Group's impairment assessment. Based on those assumptions, the Group expects to fully utilise its recognised tax losses and allowances. The recovery of the Group's UK decommissioning deferred tax asset is additionally supported by the ability to carry back decommissioning tax losses and set these against ring fence taxable profits of prior periods.

In October 2024, the UK Government announced changes to the EPL, including an increase in the rate from 35 per cent to 38 per cent, the removal of the main EPL investment allowance and an extension of the EPL to 31 March 2030. The three per cent increase in the rate and the removal of the main EPL investment allowance were substantively enacted at the balance sheet date and have effect from 1 November 2024. As a result, the current accounting period reflects an additional deferred tax expense of $77 million, based on the currently enacted expiration date of the EPL of 31 March 2028 and the remeasurement of temporary differences expected to reverse within this period. The extension of the EPL to 31 March 2030 was substantively enacted on 3 March 2025 and is therefore not reflected in the financial statements as at 31 December 2024. This impact will be included in the financial statements for the following period. If the extension had been in place at the balance sheet date, an additional deferred tax expense of $306 million would have been recognised in the current financial statements.

In the UK, ring fence tax losses cannot be offset against profits subject to EPL nor are deductions allowed for decommissioning related expenditure. Consequently, any deferred tax assets representing future decommissioning deductions or ring fence tax losses are unaffected by the EPL. The primary impact of the EPL is on the deferred tax liability associated with accelerated capital allowances. The closing deferred tax liability for the period is $6,110 million (2023: $1,290 million), of which $877 million (2023: $1,014 million) relates to deferred tax liabilities arising from the impact of the EPL.

Consistent with other sensitivity analyses undertaken, we have assessed the impact on the recoverability of deferred tax assets based on a decrease of 10 per cent to the Harbour scenario average crude price curves. While there would generally be no material impacts, tax losses in Mexico are particularly sensitive to the timing of profits as they expire within a 10-year period once generated. Under this scenario, the deferred tax assets currently recognised for Mexican tax losses would decrease by around $50 million.

Unrecognised tax losses and allowances

Deferred tax assets are recognised for tax loss carry forwards, tax allowances and other deductible temporary differences to the extent that it is probable the associated tax benefits will be realised through offsetting future taxable profits or by carrying losses back to prior periods' profits. At the end of the accounting period, the Group had not recognised deferred tax assets for tax losses, allowances and other deductible temporary differences amounting to approximately $2,743 million (2023: $1,290 million). These other deductible temporary differences include unclaimed tax depreciation, unrealised losses on non-commodity derivatives and decommissioning related provisions.

	2024 $ million	2023 $ million
Tax losses by expiry date		
Expiring within 5 years	**477**	24
Expiring within 6-10 years	**240**	13
No expiration	**1,621**	1,115
	2,338	1,152
Other deductible temporary differences and allowances	**405**	138
Total unrecognised tax losses and allowances	**2,743**	1,290

No deferred tax liabilities were recognised for temporary differences associated with investments in subsidiaries, branches and associates of approximately $293 million (2023: $nil) because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Global minimum corporation tax rate – Pillar Two requirements

The legislation implementing the Organisation for Economic Co-operation and Development's (OECD) proposals for a global minimum corporation tax rate (Pillar Two) was substantively enacted into UK law on 20 June 2023. The rules became effective from 1 January 2024.

The Group has applied the mandatory exception in IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes for periods from 1 January 2024. The assessment of the potential exposure is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15 per cent and the transitional safe harbour relief is expected to apply. On this basis, the Group does not expect a material exposure to Pillar Two income taxes in any jurisdictions.

Uncertain tax positions

The Group considers an uncertain tax position to exist when it believes that the amount of profit subject to tax in the future may exceed the amount initially reflected in the Group's tax returns. The Group applies IFRIC 23 Uncertainty over Income Tax Treatments in relation to uncertain tax positions. When management judges that an outflow of funds is probable and a reliable estimate of the dispute can be made, a provision is recognised for the best estimate of the most likely liability.

In estimating any such liability, the Group adopts a risk-based approach, considering the specific circumstances of each dispute. This is based on management's interpretation of tax law and, where appropriate, is supported by independent specialist advice. These estimates are inherently judgemental and can change significantly over time as disputes progress and new facts emerge.

Provisions are reviewed continuously. However, the resolution of tax issues may take a long time to conclude, and there is a possibility that the amounts ultimately paid could differ from the amounts initially provided.

In 2023, an uncertain tax position was identified in certain UK subsidiaries relating to the timing of the taxation of fair value movements and realised gains and losses on hedges entered into to manage commodity price risk. On the strength of independent advice, management considers that there is no expectation of a net additional outflow of funds. As such no additional liability has been recognised in the consolidated financial statements as at 31 December 2024. However, a contingent liability exists as the UK tax authorities could take an alternative view on whether the fair value movements on the hedged instruments are disregarded for tax purposes. While not considered a likely outcome, if the UK tax authorities were to disagree and successfully challenge the position, a possible liability currently estimated not to exceed $130 million could arise because of the differences in tax rates across the periods in question.

9. (Loss)/earnings per share (EPS)

Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated by dividing the profit after tax attributable to ordinary shareholders by the weighted average number of ordinary share in issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024	2023 As restated
(Loss)/earnings for the year ($ millions)		
Earnings for the purpose of basic earnings per share	**(108)**	45
Effect of dilutive potential ordinary shares	**–**	–
(Loss)/earnings for the purpose of diluted earnings per share	**(108)**	45
Number of ordinary shares (millions)		
Weighted average number of ordinary shares (voting) for the purpose of basic earnings per share	**990**	804
Weighted average number of ordinary shares (non-voting) for the purpose of basic earnings per share	**93**	–
Weighted average number of ordinary shares (voting) for the purpose of diluted earnings per share[1]	**990**	806
Weighted average number of ordinary shares (non-voting) for the purpose of diluted earnings per share	**93**	–
(Loss)/earnings per share ($ cents)		
Basic:		
Ordinary shares voting	**(10)**	6
Ordinary shares non-voting	**(11)**	–
Diluted:		
Ordinary shares voting	**(10)**	6
Ordinary shares non-voting	**(11)**	–

1 2023 excludes certain share options outstanding at 31 December 2023 as their option price was greater than market price.

10. Goodwill

Goodwill represents the difference between the aggregate of the fair value of purchase consideration transferred at the acquisition date and the fair value of the identifiable assets.

Cost and net book value	Note	2024 $ million	2023 $ million
At 1 January		**1,302**	1,327
Additions from business combinations	14	**3,845**	–
Impairment charge		**–**	(25)
At 31 December		**5,147**	1,302

Goodwill is allocated as follows to the operating segments:

Cost and net book value	2024 $ million	2023 $ million
Norway	**2,651**	–
UK	**1,278**	1,278
Germany	**401**	–
Mexico	**199**	–
Argentina	**594**	–
Southeast Asia	**24**	24
At 31 December	**5,147**	1,302

The goodwill balance consists of balances arising from the acquisition of Wintershall Dea's upstream oil and gas assets on 3 September 2024, the completion of the all-share merger between Premier Oil plc and Chrysaor Holdings Limited in March 2021, Chrysaor Holdings Limited's acquisition of the ConocoPhillips UK business, and the UK North Sea assets from Shell, which completed on 30 September 2019 and 1 November 2017, respectively.

Impairment testing of goodwill

In accordance with IAS 36 Impairment of Assets, goodwill is reviewed for impairment at the year-end, or more frequently, if there are indications that goodwill might be impaired.

The goodwill recognised in business combinations is allocated to operating segments for the purpose of impairment testing. The carrying value of goodwill is tested at the operating segment level against the aggregated headroom arising from the impairment testing of corresponding segment assets. The carrying value of the assets is the sum of tangible assets, intangible assets and goodwill as of the assessment date. In the asset impairment test performed, and where applicable, the carrying value is adjusted by deferred tax which protects goodwill from an immediate impairment. When the deferred tax liabilities from the acquisitions naturally unwind and decrease, as a result of depreciation through production, more goodwill is exposed to impairment. This may lead to future impairment charges even though other assumptions remain stable.

At the year-end, the Group tested for impairment in accordance with the accounting policy and no goodwill impairment was recognised (2023: $25 million). Goodwill will ultimately be impaired to the income statement as the relevant operating segment businesses mature.

Determining recoverable amount

The recoverable amounts of the CGU and fields have been determined on a fair value less costs to sell basis. The key assumptions used in determining the fair value are often subjective, such as the future long-term oil and gas price assumption, or the operational performance of the assets. Discounted cash flow models comprising asset-by-asset life of field projections using Level 3 inputs (based on the IFRS 13 fair value hierarchy) have been used to determine the recoverable amounts.

The cash flows have been modelled on a post-tax and post-decommissioning basis, inflated at 2.5 per cent per annum from 1 January 2028, and discounted at the Group's post-tax discount rate of between 8.75 per cent and 14.5 per cent (2023: 9.0 – 12.4 per cent post-tax). Risks specific to assets within the CGU are reflected within the cash flow forecasts.

Key assumptions used in calculations

Assumptions involved in impairment measurement include estimates of commercial reserves and production volumes, future oil and gas prices, discount rates and the level and timing of expenditures, all of which are inherently uncertain.

Commodity and carbon prices

Management's commodity price curve assumptions are benchmarked against a range of external forward price curves on a regular basis. The first three years reflect the market forward prices curves transitioning to a long-term price thereafter. The long-term commodity prices and carbon prices are shown in note 2 of the financial statements on page 138.

Production volumes and oil and gas reserves

Based on life of field production profiles for each asset within the CGUs. Proven and probable reserves are estimates of the amount of oil and gas that can be economically extracted from the Group's oil and gas assets. The Group estimates its reserves using standard recognised evaluation techniques and they are assessed at least annually by management and by an independent consultant. Proven and probable reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices.

Costs

Operating expenditure, capital expenditure and decommissioning costs, which have been inflated at 2.5 per cent per annum from 1 January 2028, are derived from the Group's business plan.

Discount rates

Represent management's estimate of the Group's country-based weighted average cost of capital (WACC), considering both debt and equity. The cost of equity is derived from an expected return on investment by the Group's investors, and the cost of debt is based on its interest-bearing borrowings. Segment-specific risk is incorporated by applying a beta factor based on publicly available market data. The discount rate is based on an assessment of a relevant peer group's post-tax WACC.

Foreign exchange rates

Based on management's long-term rate assumptions, with reference to a range of underlying economic indicators.

Sensitivity to changes in assumptions used in calculations

The Group has run sensitivities on its long-term commodity price assumptions, which have been based on long-range forecasts from external financial analysts, using alternate long-term price assumptions, and discount rates. These are considered to be reasonably possible changes for the purposes of sensitivity analysis. As shown in note 2 of the financial statements, the sensitivity analysis on commodity prices reflecting a 10 per cent reduction in the long-term oil and gas price deck applied in the impairment test would result in $81 million goodwill impairment. A 1 per cent increase in the discount rate would result in an impairment to goodwill of $10 million.

11. Other intangible assets

	Note	Oil and gas assets $ million	Non-oil and gas assets[1] $ million	Carbon allowances $ million	Total $ million
Cost					
At 1 January 2023		817	137	–	954
Additions during the year		210	20	–	230
Transfers from property, plant and equipment	12	–	7	–	7
Reclassification from trade and other receivables		–	–	86	86
Increase in decommissioning asset	21	4	–	–	4
Exploration write-off		(57)	–	–	(57)
Currency translation adjustment		42	8	–	50
At 31 December 2023		1,016	172	86	1,274
Additions during the year		398	51	36	485
Additions from business combinations and joint arrangements		4,407	2	–	4,409
Transfers from property, plant and equipment	12	(39)	1	–	(38)
Increase in decommissioning asset	21	12	–	–	12
Exploration write-off[2]		(173)	–	–	(173)
Utilised		–	–	(54)	(54)
Disposals		–	(42)	–	(42)
Currency translation adjustment		(76)	(3)	(3)	(82)
At 31 December 2024		**5,545**	**181**	**65**	**5,791**
Amortisation					
At 1 January 2023		–	74	–	74
Charge for the year		–	23	–	23
Currency translation adjustment		–	5	–	5
At 31 December 2023		–	102	–	102
Charge for the year		–	19	–	19
Disposals		–	(42)	–	(42)
Currency translation adjustment		–	(2)	–	(2)
At 31 December 2024		**–**	**77**	**–**	**77**
Net book value					
At 31 December 2023		1,016	70	86	1,172
At 31 December 2024		**5,545**	**104**	**65**	**5,714**

1 Non-oil and gas assets relate to Group IT software of $71 million and carbon capture and storage activities, mainly related to the Viking CCS project of $33 million.
2 The exploration write-off of $173 million (2023: $57 million) includes the write off of costs associated with projects in the UK ($79 million) and licence relinquishments in Norway ($64 million).

12. Property, plant and equipment

	Note	Oil and gas assets $ million	Fixtures and fittings & office equipment $ million	Land and buildings[1] $ million	Total $ million
Cost					
At 1 January 2023		11,436	38	–	11,474
Additions		482	9	–	491
Transfers to intangible assets	11	–	(7)	–	(7)
Reclassification of asset held for sale		(198)	–	–	(198)
Decrease in decommissioning asset	21	(22)	–	–	(22)
Currency translation adjustment		159	2	–	161
At 31 December 2023		11,857	42	–	11,899
Restated		198	–	–	198
At 31 December 20223 as restated		12,055	42	–	12,097
Additions[2]		1,037	21	1	1,059
Additions from business combinations and joint arrangements	14	9,951	20	40	10,011
Transfers from intangible assets	11	39	–	(1)	38
Reclassification of asset held for sale	18	(198)	–	–	(198)
Increase in decommissioning asset[3]	21	760	–	–	760
Disposals		(1)	(24)	–	(25)
Currency translation adjustment		(258)	(2)	(2)	(262)
At 31 December 2024		**23,385**	**57**	**38**	**23,480**
Accumulated depreciation					
At 1 January 2023		5,760	24	–	5,784
Charge for the year		1,192	3	–	1,195
Impairment charge		214	–	–	214
Reclassification of asset held for sale		(103)	–	–	(103)
Currency translation adjustment		91	1	–	92
At 31 December 2023		7,154	28	–	7,182
Restated		79	–	–	79
At 31 December 2023 as restated		7,233	28	–	7,261
Charge for the year		1,516	5	1	1,522
Impairment charge		352	–	–	352
Reclassification of asset held for sale	18	(124)	–	–	(124)
Disposals		(1)	(24)	–	(25)
Currency translation adjustment		(49)	–	–	(49)
At 31 December 2024		**8,927**	**9**	**1**	**8,937**
Net book value:					
At 31 December 2023 as restated		4,822	14	–	4,836
At 31 December 2024		**14,458**	**48**	**37**	**14,543**

1 Land and buildings include investment property of $2.6 million (2023: $nil).
2 Included within property, plant and equipment additions of $1,059 million (2023: $491 million) are associated cash flows of $884 million (2023: $496 million) and non-cash flow movements of $175 million (2023: $5 million) represented by a $93 million increase in capital accruals (2023: $30 million decrease), $64 million of capitalised lease depreciation (2023: $18 million) and $18 million of capitalised interest (2023: $7 million).
3 An increase in the decommissioning assets of $760 million (2023: $22 million) was made during the year as a result of both an update to the decommissioning estimates and new obligations (note 21).

12. Property, plant and equipment continued

During the year, the Group recognised a pre-tax impairment charge of $352 million (post-tax $185 million) (2023: $176 million; post-tax $83 million, as restated). This comprised a pre-tax impairment charge representing a write-down of property, plant and equipment assets of $163 million (2023: $70 million) across three fields in the UK, mainly driven by further changes to the UK Energy Profits Levy and changes in life of field outlook, in addition to a fair value impairment on the Vietnam held for sale asset of $15 million. A pre-tax impairment charge of $174 million (2023: $106 million) was also recorded in respect of revisions to decommissioning estimates on late-life assets, and non-producing assets with no remaining net book value (see note 21).

In 2023, a net pre-tax impairment charge of $176 million was recognised as a result of impairments on two UK CGUs of $70 million, one driven by a reduction in the gas price forward curve and the other by a revised decommissioning cost profile, and a pre-tax impairment charge of $106 million in respect of revisions to decommissioning estimates on the Group's non-producing assets with no remaining net book value.

Key assumptions used in calculations

Assumptions used in impairment measurement include estimates of commercial reserves and production volumes, future oil and gas prices, discount rates and the level and timing of expenditures, all of which are inherently uncertain.

Commodity and carbon prices

The Group uses the fair value less cost of disposal method (FVLCD) to calculate the recoverable amount of the cash-generating units (CGU) consistent with a level 3 fair value measurement (see note 23). In determining the recoverable value, appropriate discounted-cash-flow valuation models were used, incorporating market-based assumptions. Management's commodity price curve assumptions are benchmarked against a range of external forward price curves on a regular basis. Individual field price differentials are then applied. The first three years reflect benchmarked consensus and market forward price curves transitioning to a long-term price from 2028, thereafter inflated at 2.5 per cent per annum. The long-term commodity prices used were $78 per barrel for Brent crude, 80 pence per therm for UK NBP gas and the European gas price at 2 per cent higher than UK NBP.

Production volumes and oil and gas reserves

Production volumes are based on life of field production profiles for each asset within the CGU. Proven and probable reserves are estimates of the amount of oil and gas that can be economically extracted from the Group's oil and gas assets. The Group estimates its reserves using standard recognised evaluation techniques, assessed at least annually by management. Proven and probable reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices.

Costs

Operating expenditure, capital investment and decommissioning costs are derived from the Group's business plan.

Discount rates

The discount rate reflects management's estimate of the Group's country-based weighted average cost of capital (WACC).

Foreign exchange rates

Based on management's long-term rate assumptions, with reference to a range of underlying economic indicators.

Sensitivity to changes in assumptions used in calculations

Reductions or increases in the long-term oil and gas prices of 10 per cent are considered to be reasonably possible changes for the purpose of sensitivity analysis. As shown in note 2 of the financial statements, the decreases to the long-term oil and gas prices from 2028 specified above would result in a further pre-tax impairment of $330 million (post-tax $99 million) and increases to the long-term oil and gas prices would result in a no material change to the impairment charge.

Considering the discount rates, the Group believes a one per cent increase in the post-tax discount rate is considered to be a reasonable possibility for the purpose of sensitivity analysis. A one per cent increase in the post-tax discount rate would lead to a further pre-tax impairment of $113 million (post-tax $33 million) on oil and gas assets and $10 million on goodwill, and a one per cent decrease in the post-tax discount rate would lead to a lower pre-tax impairment charge of $129 million (post-tax $41 million).

13. Leases

This note provides information for leases where the Group is a lessee.

Balance sheet

Right-of-use assets	Note	Land and buildings $ million	Drilling rigs $ million	FPSO $ million	Offshore facilities $ million	Equipment $ million	Total $ million
Cost							
At 1 January 2023		88	169	562	334	20	1,173
Additions during the year		25	–	–	–	1	26
Cost revisions/remeasurements		1	48	63	(6)	4	110
Reclassification as asset held for sale	2	(5)	–	(71)	–	–	(76)
Disposals		(4)	(19)	–	–	–	(23)
Currency translation adjustment		4	10	–	–	1	15
At 31 December 2023		109	208	554	328	26	1,225
Restated		5	–	71	–	–	76
At 31 December 2023 as restated		114	208	625	328	26	1,301
Additions during the year[1]		27	166	–	–	–	193
Additions from business combinations and joint arrangements[1]		55	4	–	–	47	106
Cost revisions/remeasurements		6	38	3	32	(11)	68
Reclassification of asset held for sale	18	–	–	(71)	–	(2)	(73)
Disposals		(5)	–	–	–	–	(5)
Currency translation adjustment		(3)	(5)	–	–	(1)	(9)
At 31 December 2024		**194**	**411**	**557**	**360**	**59**	**1,581**
Accumulated depreciation							
At 1 January 2023		26	129	209	61	13	438
Charge for the year		9	42	94	89	5	239
Reclassification of asset held for sale	2	(2)	–	(23)	–	–	(25)
Disposals		(4)	(19)	–	–	–	(23)
Currency translation adjustment		1	7	–	–	1	9
At 31 December 2023		30	159	280	150	19	638
Restated		2	–	29	–	–	31
As 31 December 2023 as restated		32	159	309	150	19	669
Charge for the year		16	99	83	76	11	285
Impairment charge[2]		20	–	–	–	–	20
Reclassification of asset held for sale	18	–	–	(40)	–	–	(40)
Disposals		(5)	–	–	–	–	(5)
Currency translation adjustment		(1)	(3)	–	–	–	(4)
At 31 December 2024		**62**	**255**	**352**	**226**	**30**	**925**
Net book value							
At 31 December 2023 as restated		82	49	316	178	7	632
At 31 December 2024		**132**	**156**	**205**	**134**	**29**	**656**

1 Additions of $299 million including $106 million related to business combinations (note 14) were made to the right-of-use assets during the year (2023: total additions of $26 million related to new land and buildings).
2 The impairment charge of $20 million relates to one of the Group's office buildings in the UK.

13. Leases continued

Lease liabilities	Note	2024 $ million	2023 As restated $ million
At 1 January as restated		**768**	825
Additions		**193**	28
Additions from business combinations and joint arrangements	14	**118**	–
Remeasurement		**67**	110
Finance costs charged to income statement	7	**53**	51
Finance costs charged to decommissioning provision	21	**1**	1
Reclassification of liabilities as held for sale	18	**(78)**	–
Lease payments		**(319)**	(262)
Currency translation adjustment		**(11)**	15
At 31 December		**792**	768
Classified as:			
Current		**241**	216
Non-current		**551**	552
Total lease liabilities		**792**	768

The significant portion of the Group's lease liabilities represent lease arrangements for an FPSO vessel on the Catcher asset, and offshore facilities on the Tolmount asset oil and gas infrastructure assets in the UK business unit.

The lease liabilities and associated right-of-use-assets have been calculated by reference to in-substance fixed lease payments in the underlying agreements incurred throughout the non-cancellable period of the lease along with periods covered by options to extend and terminate the lease where the Group is reasonably certain that such options will be exercised. When assessing whether extension options were likely to be exercised, assumptions are consistent with those applied when testing for impairment.

Income statement

Depreciation charge of right-of-use assets	Note	2024 $ million	2023 $ million
Land and buildings – non-oil and gas assets[1]		**35**	8
Land and buildings – oil and gas assets		**1**	1
Drilling rigs		**99**	42
FPSO		**83**	99
Offshore facilities		**77**	89
Equipment – non-oil and gas assets		**1**	1
Equipment – oil and gas assets		**9**	4
		305	244
Capitalisation of IFRS 16 lease depreciation[2]			
Drilling rigs		**(77)**	(25)
Equipment		**(4)**	(2)
Depreciation charge included within consolidated income statement		**224**	217
Lease interest	7	**53**	51

1 Includes impairment charge of $20 million related to one of the Group's office buildings in the UK.
2 Of the $81 million (2023: $27 million) capitalised IFRS 16 lease depreciation, $64 million (2023: $18 million) has been capitalised within property, plant and equipment and $17 million (2023: $9 million) within provisions (note 21).

The total cash outflow for leases in 2024 was $319 million (2023: $259 million).

14. Business combinations

Business combinations during the year ended 31 December 2024

On 3 September 2024, the Group closed the transaction to acquire substantially all of Wintershall Dea's upstream assets from BASF and LetterOne, including those in Norway, Germany, Denmark, Argentina, Mexico, Egypt, Libya and Algeria as well as Wintershall Dea's carbon capture and storage (CCS) licences in Europe. The Group acquired the portfolio as it significantly increases production capacity and provides geographic diversification, adding high quality assets with material positions in Norway, Germany, Argentina, North Africa and Mexico. It also strengthens the Group's financial position, delivering investment grade credit ratings post-transaction. The Group acquired control through the payment of cash and issuance of shares to BASF and LetterOne.

A purchase price allocation (PPA) exercise has been performed under which the identifiable assets and liabilities of Wintershall Dea were recognised at fair value. The fair values, and resulting goodwill, are provisional and will be finalised in Harbour's full year 2025 financial statements. The provisional fair values of the net identifiable assets as at the date of acquisition are as follows:

	Note	Fair value recognised on acquisition $ million
Non-current assets		
Other intangible assets	11	4,409
Property, plant and equipment	12	10,011
Right-of-use assets	13	106
Deferred tax assets	8	147
Other receivables	16	56
Other financial assets	23	52
Current assets		
Inventories	15	213
Trade and other receivables	16	1,305
Other financial assets	23	188
Cash and cash equivalents	17	748
Total assets		**17,235**
Non-current liabilities		
Borrowings	22	3,038
Provisions	21,28	2,616
Deferred tax	8	5,500
Trade and other payables	20	25
Lease creditor	13	86
Other financial liabilities	23	99
Current liabilities		
Trade and other payables	20	1,134
Borrowings	22	41
Lease creditor	13	32
Provisions	21,28	324
Current tax liabilities	8	1,128
Other financial liabilities	23	218
Total liabilities		**14,241**
Fair value of identifiable net assets acquired		**2,994**
Subordinated notes measured at fair value[1]	26	(1,548)
Goodwill arising on acquisition	10	3,845
Purchase consideration transferred		**5,291**

1 Subordinated notes accounted for within equity, see note 26.

The fair values of the oil and gas assets and intangible assets acquired have been determined using valuation techniques based on discounted cash flows using forward curve commodity prices and estimates of long-term prices consistent with those applied by management when testing assets for impairment, a discount rate based on market observable data and cost and production profiles generally consistent with the 2P and a component of 2C reserves, if applicable, acquired with each asset. Where applicable, other observable market information has also been used.

14. Business combinations continued

The decommissioning provisions recognised have been estimated based on Harbour's internal estimates with reference to observable market data, including rig rates.

The equity consideration settled in ordinary shares of $2,513 million has been calculated based on 669,714,027 BASF consideration shares being issued by the company at a price of £2.86 per share, being the closing price of ordinary shares on the acquisition date and translated at the spot pound sterling to US dollar rate on that date of £1:$1.3122.

The equity consideration settled in non-voting shares of $944 million has been calculated based on 251,488,211 non-voting shares being issued at their fair value, measured in accordance with IFRS 13 Fair Value Measurement. A binomial lattice valuation methodology has been utilised to determine the fair value of the non-voting shares based on the value of ordinary shares with inputs that reflect the different features of these shares. Key assumptions input into the fair value model include: timing and quantum of future dividend payments; estimates of the timing of lifting of relevant sanctions on the minority ultimate beneficial owners of LetterOne; estimated date of conversion to ordinary shares under certain conditions; expected volatility of ordinary shares; appropriate discount rate; and discount for lack of marketability. The resultant fair value of a non-voting share has been determined to closely approximate that of an ordinary share, £2.86 per share, being the closing price of ordinary shares on the acquisition date and translated at the spot pound sterling to US dollar rate on that date of £1:$1.3122.

The acquisition date fair value of the trade receivables amounts to $936 million. The gross amount of trade receivables is $1,015 million, which is expected to be collected within contractual terms.

The fair value of the subordinated notes has been determined by reference to quoted market prices in Euros translated to US dollars at the exchange rate prevailing on the date of acquisition.

The goodwill of $3,845 million arises principally from the requirement to recognise deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of the acquired assets and liabilities assumed in a business combination. The assessment of fair values of oil and gas assets acquired is based on cash flows after tax. Nevertheless, in accordance with IAS 12 Income Taxes, paragraphs 15 and 19, a provision is made for deferred tax corresponding to the tax rate multiplied by the difference between the acquisition cost and the tax base. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax (technical goodwill).

There are no specific IFRS guidelines pertaining to the allocation of technical goodwill and management has therefore applied the general guidelines for allocating goodwill. Technical goodwill is allocated by segment, in line with where it arises, and none is expected to be deductible for income tax purposes.

From the date of acquisition, the Wintershall Dea assets contributed $2,021 million of revenue and $867 million to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been $10,516 million and profit before tax from continuing operations for the Group would have been $3,017 million.

	$ million
Purchase consideration	
Shares issued, at fair value	**3,457**
Cash paid	**1,782**
Contingent consideration	**52**
Total consideration	**5,291**
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition (included in cash flows from operating activities)	**(118)**
Net cash acquired with the subsidiaries (included in cash flows from investing activities)	**748**
Transaction costs attributable to issuance of shares (included in cash flows from financing activities, net of tax)	**(1)**
Net cash flow on acquisition	**629**

It should be noted that, at the date of completion, a cash payment of $1,792 million was made to the former owners of Wintershall Dea. This payment is reflected in the consolidated statement of cash flows. Subsequently, and as contemplated by the business combination agreement, a reduction in cash consideration payable of $10 million was identified, reducing the cash consideration to $1,782 million. This is reflected in the fair value of consideration above. As the review period is ongoing, and further adjustments may be identified, this $10 million has not yet been repaid to the company.

Transaction costs of $119 million (2023: $33 million) were expensed and are included in administrative expenses.

Contingent consideration

As part of the purchase agreement with the previous owners of the Wintershall Dea assets, contingent consideration has been agreed, dependent on the average Brent price during six six-month periods ending 18, 24, 30, 36, 42 and 48 months after completion. If during any of these six-month periods, the average Brent price is:

- greater than or equal to $86 per barrel but less than or equal to $100 per barrel, a cash payment of $30 million will be made;
- greater than $100 per barrel, a cash payment of $50 million will be made; or
- less than $86 per barrel, no cash payment will be made.

As at the acquisition date, the fair value of the contingent consideration was estimated to be $52 million, determined using an option pricing model. The contingent consideration is classified as a long-term other financial liability (see note 23).

15. Inventories

	2024 $ million	2023 As restated $ million
Hydrocarbons	**56**	49
Consumables and subsea supplies	**312**	168
Total inventories	**368**	217

Inventories of consumables and subsea supplies include a provision of $39 million (2023: $28 million) where it is considered that the net realisable value is lower than the original cost.

Inventories recognised as an expense during the year ended 31 December 2024 amounted to $7 million (2023: $1 million). These expenses are included within production costs.

16. Trade and other receivables

	2024 $ million	2023 As restated $ million
Trade receivables	**1,203**	372
Underlift position	**175**	146
Other debtors	**249**	86
Prepayments and accrued income	**631**	223
Corporation tax receivable	**58**	46
Total trade and other receivables	**2,316**	873

Trade receivables are non-interest bearing and are generally on 20-to-30-day terms. As at 31 December 2024, there were $433 million of trade receivables that were past due (2023: $nil), primarily relating to operations in the Mexico and North Africa segments.

Prepayments and accrued income mainly comprise amounts due, but not yet invoiced, for the sale of oil and gas.

The carrying value of the trade and other receivables are equal to their fair value as at the balance sheet date.

During the fourth quarter of 2024, the Group issued a credit default swap (CDS) for a notional amount of $60 million to a third-party financial institution. The CDS relates to secured borrowing provided by the financial institution to one of the Group's customers in Mexico. The secured borrowing was utilised by the customer to pay certain of our outstanding receivables. The notional amount of the CDS outstanding as of 31 December 2024 was $32 million and will reduce on a monthly basis over its 22-month term. The fair value of this derivative liability was not material as at 31 December 2024.

Other long-term receivables

	2024 $ million	2023 As restated $ million
Net investment in sublease	**–**	37
Decommissioning funding asset[1]	**59**	56
Other receivables[2]	**107**	216
Prepayments and accrued income	**10**	–
Total other long-term receivables	**176**	309

1 The decommissioning funding asset relates to the decommissioning liability agreement entered into with E.ON who will reimburse 70 per cent on the net share of the total decommissioning cost of the two assets in the UK to a maximum possible funding of £63 million. At 31 December 2024, a long-term decommissioning funding asset of $59 million (2023: $56 million) has been recognised.

2 Other receivables includes $44 million in cash held in escrow accounts for expected future decommissioning expenditure in Indonesia (2023: $39 million). Other receivables at December 2023 also included $21 million held as security for the Mexican letters of credit, and $42 million related to the non-current element of the unamortised portion of issue costs and bank fees related to the RBL (see note 22).

17. Cash and cash equivalents

	2024 $ million	2023 As restated $ million
Cash at banks and in hand	**805**	286

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Group only deposits cash with major banks of high quality credit standing.

Included in cash and cash equivalents at 31 December 2024 were amounts in Argentina totalling $173 million (2023: $nil) subject to currency controls or other legal restrictions. In addition, the cash and cash equivalents balance includes an amount of $43 million (2023: $nil) required to cover initial margin on trading exchanges, counterparty margining on outstanding commodity trades and all other balances subject to restriction.

18. Assets held for sale

In December 2024, the Group entered into an exclusivity agreement to sell its business in Vietnam, which holds 53.125 per cent interest in the Chim Sáo and Dua producing fields, to EnQuest for a consideration of $84 million. The transaction has an effective date of 1 January 2024. The assets and liabilities of Vietnam have been classified as assets held for sale in the balance sheet as at 31 December 2024, as completion is expected to be achieved by the second quarter of 2025.

The Group's Vietnam operations are included in the Southeast Asia segment, previously International, however are not considered a major geographical area or line of business and therefore the disposal has not been classified as discontinued operations.

In the prior period, the Vietnam business had also been classified as held for sale based on a prior agreement. In August 2023, the Group had entered into a Sale and Purchase Agreement to sell its business in Vietnam to Big Energy Joint Stock Company, however this was terminated in May 2024. As a result the Vietnam business was declassified as assets held for sale. Therefore, the relevant amounts presented as assets held for sale in 31 December 2023 have been reclassified to reflect this.

The major classes of assets and liabilities of the Group as held for sale as at 31 December 2024 are as follows:

	Note	2024 $ million
Current		
Assets		
Property, plant and equipment	12	**74**
Right-of-use-assets	13	**33**
Other receivables and working capital		**170**
Assets held for sale		**277**
Liabilities		
Provisions	21	**90**
Lease creditor	13	**78**
Trade and other payables		**46**
Deferred tax	8	**19**
Liabilities directly associated with assets held for sale		**233**
Net assets directly associated with disposal group		**44**
Impairment loss recorded		**10**

Immediately before the classification of the disposal group as assets held for sale, the recoverable amount was estimated for the disposal group and no impairment loss was identified. The assets in the disposal group are held at the lower of their carrying amount and fair value less costs to sell. As at 31 December 2024, a post-tax impairment of $10 million was recognised as the fair value less cost to sell, being the expected consideration adjusted for items agreed under the SPA, was below the carrying amount of the disposal group. Following the impairment charge the net assets directly associated with the disposal group held on the consolidated balance sheet was $44 million.

19. Commitments

Capital commitments

As at 31 December 2024, the Group had commitments for future capital expenditure amounting to $1,690 million (2023: $389 million). Where the commitment relates to a joint arrangement, the amount represents the Group's net share of the commitment. Where the Group is not the operator of the joint arrangement then the amounts are based on the Group's net share of committed future work programmes.

20. Trade and other payables

	2024 $ million	2023 As restated $ million
Current		
Trade payables	**1,365**	680
Overlift position	**207**	33
Other payables	**132**	144
Matured financial instruments	**27**	48
Deferred income[1]	**24**	10
	1,755	915
Non-current		
Other payables	**19**	13
Deferred income[1]	**11**	–
	30	13

1 Deferred income includes $19 million (2023: $nil) relating to payments for oil not yet delivered and $5 million (2023: $10 million) in relation to the closing year-end fair value payable to FlowStream who historically provided funding for the Solan asset in the UK in return for a share in production.

21. Provisions

	Decommissioning provision $ million	Pension provision $ million	Employee obligation provision $ million	Onerous contract provision $ million	Other provisions $ million	Total $ million
At 1 January 2023	4,141	–	24	–	–	4,165
Additions	40	–	–	–	–	40
Changes in estimates – decrease to oil and gas tangible decommissioning assets	(203)	–	–	–	–	(203)
Changes in estimates on oil and gas tangible assets – debit to income statement	141	–	–	–	–	141
Changes in estimate on oil and gas intangible assets – debit to income statement	4	–	–	–	–	4
Changes in estimate – debit to income statement	–	–	3	–	–	3
Amounts used	(248)	–	–	–	–	(248)
Reclassification of liabilities directly associated with assets held for sale	(87)	–	–	–	–	(87)
Interest on decommissioning lease	(1)	–	–	–	–	(1)
Depreciation, depletion and amortisation on decommissioning right-of-use leased asset	(9)	–	–	–	–	(9)
Unwinding of discount	156	–	–	–	–	156
Currency translation adjustment	87	–	–	–	–	87
At 31 December 2023	4,021	–	27	–	–	4,048
Restated	87	–	–	–	–	87
At 31 December 2023 as restated	4,108	–	27	–	–	4,135
Additions	36	–	–	–	–	36
Additions from business combinations and joint arrangements	2,511	40	40	65	284	2,940
Changes in estimates – increase to oil and gas tangible decommissioning assets	550	–	–	–	–	550
Changes in estimates – increase to oil and gas intangible assets	6	–	–	–	–	6
Changes in estimate on oil and gas tangible assets – debit to income statement	174	–	–	–	–	174
Changes in estimate on oil and gas intangible assets – debit to income statement	6	–	–	–	–	6
Changes in estimate – debit to income statement	3	3	29	–	28	63
Actuarial gains and losses	–	7	–	–	–	7
Amounts used	(284)	(1)	(25)	(30)	(36)	(376)
Reclassification of liabilities directly associated with assets held for sale	(90)	–	–	–	–	(90)
Interest on decommissioning lease	(1)	–	–	–	–	(1)
Depreciation, depletion and amortisation on decommissioning right-of-use leased asset	(17)	–	–	–	–	(17)
Unwinding of discount	221	–	–	–	–	221
Currency translation adjustment	(109)	(3)	(3)	–	(18)	(133)
At 31 December 2024	**7,114**	**46**	**68**	**35**	**258**	**7,521**

Classified within	Non-current liabilities $ million	Current liabilities $ million	Total $ million
At 31 December 2023	3,905	230	4,135
At 31 December 2024	**7,024**	**497**	**7,521**

All of the $36 million decommissioning provision additions relate to oil and gas tangible assets (2023: $40 million).

Decommissioning provision

The Group provides for the estimated future decommissioning costs on its oil and gas assets at the balance sheet date. The payment dates of expected decommissioning costs are uncertain and are based on economic assumptions of the fields concerned. The Group currently expects to incur decommissioning costs within the next 40 years, around half of which are anticipated to be incurred between the next 10 to 20 years. These estimated future decommissioning costs are inflated at the Group's long-term view of inflation of 2.5 per cent per annum (2023: 2.5 per cent per annum) and discounted at a risk-free rate of between 2.2 per cent and 6.6 per cent (2023: 4.3 per cent and 5.2 per cent) reflecting a six-month (2023: six-month) rolling average of market rates over the varying lives of the assets to calculate the present value of the decommissioning liabilities. The unwinding of the discount is presented within finance costs.

These provisions have been created based on internal and third-party estimates. Assumptions based on the current economic environment have been made, which management believe are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon market prices for the necessary decommissioning work required, which will reflect market conditions at the relevant time. In addition, the timing of decommissioning liabilities will depend upon the dates when the fields become economically unviable, which in itself will depend on future commodity prices and climate change, which are inherently uncertain.

Pension provision

Please refer to note 28 for pension provisions.

Employee obligation provisions

Employee obligation provisions of $68 million relate to obligations to pay long-service bonuses, anniversary bonuses, and variable remuneration, including the associated social security contributions and provisions due to early retirement as well as phased-in early retirement models. This includes a termination benefit provision in Indonesia of $26 million (2023: $27 million), where the Group operates a service, severance and compensation pay scheme under a collective labour agreement with the local workforce.

Onerous contract provision

The onerous contract provision of $35 million (2023: $nil) relates to working programmes in Libya due to force majeure conditions in-country.

Other provisions

Other provisions mainly includes a $132 million provision related to gas migration in Rehden, Germany arising from a commercial settlement entered into by Wintershall Dea and a third party at the time of the Wintershall and Dea merger in 2019 and a $61 million provision related to restructuring programmes within Norway, Germany and Mexico.

22. Borrowings and facilities

The Group's borrowings are carried at amortised cost:

	2024 $ million	2023 $ million
Bonds	**5,011**	493
Revolving credit facility	**218**	–
Other loans	**–**	16
Total borrowings	**5,229**	509
Classified within		
Non-current liabilities	**4,215**	493
Current liabilities	**1,014**	16
Total borrowings	**5,229**	509

Bonds

					31 December 2024	
	%	Maturity	Currency	Nominal value €/$ million	Fair value $ million	Carrying value $ million
Bond ISIN: XS2054209833	0.8	2025	EUR	1,000	**1,019**	**1,014**
Bond ISIN: US411618AB75/ USG4289TAA19	5.5	2026	USD	500	**499**	**496**
Bond ISIN: XS2054210252	1.3	2028	EUR	1,000	**962**	**954**
Bond ISIN: XS2908093805	3.8	2029	EUR	700	**729**	**720**
Bond ISIN: XS2055079904	1.8	2031	EUR	1,000	**905**	**901**
Bond ISIN: XS2908095172	4.4	2032	EUR	900	**940**	**926**

22. Borrowings and facilities continued

In October 2021, Harbour Energy plc issued a $500 million bond under Rule 144A and with a tenor of five years to maturity. The coupon was set at 5.50 per cent and interest is payable semi-annually.

Under the terms of the business combination entered into between the company, BASF and LetterOne, three existing Wintershall Dea bonds were ported to Harbour Energy on completion of the acquisition.

As at 31 December 2024, the fair value of these bonds, which is determined using quoted market prices in an active market, amounts to $2,886 million. The repayment obligation remains at €3,000 million ($3,106 million).

On 26 September 2024, Harbour announced that Wintershall Dea Finance BV as issuer, a subsidiary of Harbour, priced an offering on 25 September 2024 of €700 million in aggregate principal amount of 3.830 per cent senior notes due 2029 and €900 million in aggregate principal amount of 4.357 per cent senior notes due 2032. Harbour primarily used the proceeds from this offering to repay and cancel the $1.5 billion bridge facility utilised for the Wintershall Dea acquisition which completed on 3 September 2024.

The previous reserve based lending (RBL) facility was replaced upon completion of the acquisition by the new bridge and revolving credit facility (RCF).

At the balance sheet date, the outstanding RCF balance, excluding incremental arrangement fees, related costs and letters of credit, was $250 million (2023: RBL $nil). As at 31 December 2024, $1,854 million remained available for drawdown under the RCF (2023: $1,972 million under the RBL).

The Group has facilities to issue up to $1,750 million of letters of credit (2023: $1,750 million), of which $871 million (2023: $1,186 million) was in issue as at 31 December 2024, mainly in respect of future decommissioning liabilities.

Arrangement fees and related costs of $276 million were capitalised when the three existing Wintershall Dea bonds were ported to Harbour Energy on completion of the acquisition. In addition, $34 million of arrangement fees and related costs in relation to the RCF, $13 million in relation to the bridge facility and $11 million related to the €700 million and €900 million senior notes, were capitalised during the year. $102 million of arrangement fees and related costs were amortised during the year and are included within financing costs, including $66 million related to the RBL facility and $13 million related to the bridge facility, upon termination of those facilities.

At 31 December 2024, $284 million of arrangement fees and related costs remain capitalised (2023: $68 million). $32 million of these arrangement fees relate to the RCF, and a further $252 million (2023: $7 million) relate to the bond facilities.

Interest of $34 million on the bonds and RCF facilities (Dec 2023: $6 million related to the $500 million bond interest) had accrued by the balance sheet date and has been classified within accruals.

Other loans at 31 December 2023 represent a commercial financing arrangement with Baker Hughes (formerly BHGE) which was repaid in full in December 2024.

The table below details the change in the carrying amount of the Group's borrowings arising from financing cash flows:

	$ million
Total borrowings as at 1 January 2023	1,238
Proceeds from drawdown of borrowing facilities	660
Repayment of RBL	(1,435)
Repayment of financing arrangement	(21)
Repayment of exploration finance facility loan	(11)
Arrangement fees and related costs capitalised	(34)
Financing arrangement interest payable	3
Amortisation of arrangement fees and related costs	48
Reclassification of RBL arrangement fees and related costs to current and non-current assets	61
Total borrowings as at 31 December 2023	509
Reclassification of capitalised RBL arrangement fees and related costs as borrowings	(61)
Proceeds from RBL facility	178
Repayment of RBL facility	(178)
Proceeds from issue of bridge facility	1,500
Repayment of bridge facility	(1,500)
Bond debt arising on business combination (net of arrangement fees and related costs)	3,038
Proceeds from issue of new bonds	1,728
Proceeds from issue of revolving credit facility	2,225
Repayment of revolving credit facility	(1,975)
Arrangement fees and related costs capitalised	(58)
Amortisation of arrangement fees and related costs	102
Repayment of financing arrangement	(17)
Financing arrangement interest payable	1
Currency translation adjustment on Euro bonds	(263)
Total borrowings as at 31 December 2024	**5,229**

23. Other financial assets and liabilities

The Group held the following financial instruments at fair value at 31 December 2024. The fair values of all derivative financial instruments are classified in accordance with the hierarchy described in IFRS 13.

	31 December 2024		31 December 2023	
Current	**Assets $ million**	**Liabilities $ million**	**Assets $ million**	**Liabilities $ million**
Measured at fair value through profit and loss				
Foreign exchange derivatives	–	(25)	6	–
Commodity derivatives	26	(14)	–	–
Short-term investments	25	–	–	–
Fair value of embedded derivative within gas contract	5	–	10	–
	56	(39)	16	–
Measured at fair value through other comprehensive income				
Commodity derivatives	89	(396)	154	(197)
Foreign exchange derivatives	–	(27)	–	–
	89	(423)	154	(197)
Total current	145	(462)	170	(197)
Non-current				
Measured at fair value through profit and loss				
Commodity derivatives	1	(2)	–	–
Contingent consideration[1]	–	(52)	–	–
Other financial assets-investments	7	–	–	–
	8	(54)	–	–
Measured at fair value through other comprehensive income				
Commodity derivatives	36	(215)	112	(87)
Foreign exchange derivatives	–	(146)	–	–
	36	(361)	112	(87)
Total non-current	44	(415)	112	(87)
Total current and non-current	189	(877)	282	(284)

1 Contingent consideration relates to the Wintershall Dea transaction and will be paid between 18-48 months after completion, depending on the average Brent crude price during six-month periods. This is valued using an option pricing model.

Fair value measurements

All financial instruments that are initially recognised and subsequently remeasured at fair value have been classified in accordance with the hierarchy described in IFRS 13 Fair Value Measurement. The hierarchy groups fair value measurements into the following levels based on the degree to which the fair value is observable.

- **Level 1:** fair value measurements are derived from unadjusted quoted prices for identical assets or liabilities
- **Level 2:** fair value measurements include inputs, other than quoted prices included within level 1, which are observable directly or indirectly
- **Level 3:** fair value measurements are derived from valuation techniques that include significant inputs not based on observable data

		Financial assets		Financial liabilities	
As at 31 December 2024	**Level 1 $ million**	**Level 2 $ million**	**Level 3 $ million**	**Level 2 $ million**	**Level 3 $ million**
Fair value of embedded derivative within gas contract	–	5	–	–	–
Commodity derivatives	–	152	–	(627)	–
Argentinian bonds	25	–	–	–	–
Foreign exchange derivatives	–	–	–	(198)	–
Investments	–	–	7	–	–
Contingent consideration	–	–	–	–	(52)
Total fair value	25	157	7	(825)	(52)

23. Other financial assets and liabilities continued

	Financial assets			Financial liabilities	
As at 31 December 2023	Level 1 $ million	Level 2 $ million	Level 3 $ million	Level 2 $ million	Level 3 $ million
Fair value of embedded derivative within gas contract	–	10	–	–	–
Commodity derivatives	–	266	–	(284)	–
Foreign exchange derivatives	–	6	–	–	–
Total fair value	–	282	–	(284)	–

There were no transfers between fair value levels in 2023 or 2024.

Fair value movements recognised in the income statement on financial instruments are shown below:

Finance income	2024 $ million	2023 $ million
Change in fair value of embedded derivative within gas contract	–	68
Commodity derivatives	5	–
Argentinian bonds	7	–
Interest rate derivatives	–	(43)
	12	25

Finance expenses	2024 $ million	2023 $ million
Change in fair value of embedded derivative within gas contract	5	–
Foreign exchange derivatives	30	–
	35	–

Fair values of other financial instruments

The following financial instruments are measured at amortised cost and are considered to have fair values different to their book values.

	2024		2023	
	Book value $ million	Fair value $ million	Book value $ million	Fair value $ million
USD bond	(496)	(499)	(493)	(487)
EUR bonds	(4,515)	(4,555)	–	–
Total	(5,011)	(5,054)	(493)	(487)

The fair value of the bonds is within level 2 of the fair value hierarchy and has been estimated by discounting future cash flows by the relevant market yield curve at the balance sheet date. The fair values of other financial instruments not measured at fair value including cash and short-term deposits, trade receivables, trade payables and floating rate borrowings equate approximately to their carrying amounts.

Cash flow hedge accounting

The Group uses a combination of fixed price physical sales contracts and cash-settled fixed price commodity swaps and options to manage the price risk associated with its underlying oil and gas revenues. As at 31 December 2024, all of the Group's cash-settled fixed price commodity swap derivatives have been designated as cash flow hedges of highly probable forecast sales of oil and gas.

The following table indicates the volumes, average hedged price and timings associated with the Group's commodity hedges:

Position as at 31 December 2024	2025	2026	2027
Oil			
Total oil volume hedged (thousand bbls)	16,162	12,881	–
– of which swaps	15,598	12,881	–
– of which zero cost collars	564	–	–
Weighted average fixed price ($/bbl)	76.47	72.88	–
Weighted average collar floor and cap ($/bbl)	60.00-86.78	–	–
Natural gas			
Gas volume hedged (thousand boe)	33,509	19,924	2,056
– of which swaps/fixed price forward sales	26,912	16,817	2,056
– of which zero cost collars	6,597	3,106	–
Weighted average fixed price ($/mscf)	12.91	10.79	11.29
Weighted average collar floor and cap ($/mscf)	11.46-22.50	9.04-16.71	–

As at 31 December 2024, the fair value of net commodity derivatives designated as cash flow hedges, all executed under ISDA agreements with no margining requirements, was a net payable of $513 million (2023: $66 million payable) and net unrealised pre-tax losses of $487 million (2023: $16 million) were deferred in other comprehensive income in respect of the effective portion of the hedge relationships.

Amounts deferred in other comprehensive income will be released to the income statement as the underlying hedged transactions occur. As at 31 December 2024, net deferred pre-tax losses of $307 million (2023: $51 million) are expected to be released to the income statement within one year.

Hedge ineffectiveness

The following table summarises the hedge ineffectiveness as at 31 December:

	2024 $ million	2023 $ million
Commodity derivatives	–	–
Foreign exchange derivatives	8	–
	8	–

24. Financial risk factors and risk management

The Group's principal financial assets and liabilities comprise trade and other receivables, cash and short-term deposits accounts, trade payables, interest bearing loans and derivative financial instruments. The main purpose of these financial instruments is to manage short-term cash flow, price exposures and raise finance for the Group's expenditure programme. Further information on the Group's financial instrument risk management objectives, policies and strategies is set out in the discussion of our financial discipline principal risk in the Strategic report (see page 67).

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks comprising commodity price risk, interest rate risk and foreign currency risk, liquidity risk, and credit risk. Management reviews and agrees policies for managing each of these risks which are summarised in this note.

The Group's management oversees the management of financial risks. The Group's senior management ensures that financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commodity price risk, interest rate risk and foreign currency risk. Financial instruments mainly affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2024 and 31 December 2023.

The sensitivity analyses have been prepared on the basis that the number of financial instruments are all constant. The sensitivity analyses are intended to illustrate the sensitivity to changes in market variables on the composition of the Group's financial instruments at the balance sheet date and show the impact on profit or loss and shareholders' equity, where applicable.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit before tax item and/or equity is the effect of the assumed changes in respective market risks for the full year based on the financial assets and financial liabilities held at the balance sheet date
- The sensitivities indicate the effect of a reasonable increase in each market variable. Unless otherwise stated, the effect of a corresponding decrease in these variables is considered approximately equal and opposite
- Fair value changes from derivative instruments designated as cash flow hedges are considered fully effective and recorded in shareholders' equity, net of tax
- Fair value changes from derivatives and other financial instruments not designated as cash flow hedges are presented as a sensitivity to profit before tax only and not included in shareholders' equity

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil and gas products. On a rolling basis, the policy allows the Group to hedge the commodity price exposure associated with 40 to 70 per cent of the next 12 months' production (year 1), between 30 and 60 per cent of year 2 production, from year 3 up to 50 per cent of production and from year 4 up to 40 per cent of production. Current target is to hedge circa 50 per cent of year 1 and up to 30 per cent of year 2 commodity price exposure. The Group manages these risks through the use of fixed price contracts with customers for physical delivery and derivative financial instruments including fixed price swaps and options.

24. Financial risk factors and risk management continued

Commodity price sensitivity

The following table summarises the impact on the Group's pre-tax profit and equity from a reasonably foreseeable movement in commodity prices on the fair value of commodity based derivative instruments held by the Group at the balance sheet date.

As at 31 December 2024	Market movement	Effect on profit before tax $ million	Effect on equity $ million
Brent oil price	$10/bbl increase	–	(91)
Brent oil price	$10/bbl decrease	–	91
NBP gas price	£0.1/therm increase	–	(36)
NBP gas price	£0.1/therm decrease	–	36
European Title Transfer Facility (TTF)	$1.5/mmbtu increase	15	(14)
European Title Transfer Facility (TTF)	$1.5/mmbtu decrease	(15)	14
Trading Hub Europe (THE)	$1.5/mmbtu increase	(15)	(46)
Trading Hub Europe (THE)	$1.5/mmbtu decrease	15	46

As at 31 December 2023	Market movement	Effect on profit before tax $ million	Effect on equity $ million
Brent oil price	$10/bbl increase	–	(28)
Brent oil price	$10/bbl decrease	–	28
NBP gas price	£0.1/therm increase	–	(28)
NBP gas price	£0.1/therm decrease	–	28

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligation with floating interest rates.

At 31 December 2024, floating rate borrowings comprise loans under the RCF which incur interest between 5.9 and 6.6 per cent (based on the Secured Overnight Financing Rate (SOFR) plus a 1.45 per cent margin) and fixed rate borrowings comprise a $500 million high yield bond which incurs interest at 5.5 per cent per annum and bonds of €4.6 billion which incur interest at between 0.84 per cent and 4.357 per cent per annum (see note 22). As at 31 December 2023, fixed rate borrowings comprised a bond incurring interest at 5.5 per cent per annum, and no floating rate borrowings. Floating rate financial assets comprise cash and cash equivalents which earn interest at the relevant market rate. Prior to settlement of the RBL, the Group monitored its exposure to fluctuations in interest rates and uses interest rate derivatives to manage the fixed and floating composition of its borrowings.

The interest rate financial instruments in place at the balance sheet date are shown below:

	Derivative	Currency pair	Notional amount	Period of hedge	Terms
31 December 2024	**Cross-currency interest rate swaps**	**USD:EUR**	**€363 million**	**<1 year**	**$1.1015:€1**
			€1,403 million	**2–5 years**	**$1.1017–$1.1209:€1**
			€650 million	**>5 years**	**$1.1209:€1**
31 December 2023	Cross-currency interest rate swaps	N/A	$nil	N/A	N/A

The cross-currency interest rate swaps relating to the Euro bonds have been designated as cash flow hedges where €2.4 billion was hedged at a forward rate of between 1.1015 and 1.1209.

The interest rate and currency profile of the Group's interest-bearing financial assets and liabilities are shown below:

As at 31 December 2024	Cash at bank $ million	Fixed rate borrowings $ million	Floating rate borrowings $ million	Total $ million
US dollar	416	(496)	(218)	(298)
Pound sterling	75	–	–	75
Euro	75	(4,515)	–	(4,440)
Norwegian krone	36	–	–	36
Argentinian pesos	173	–	–	173
Mexican pesos	10	–	–	10
Egyptian pound	8	–	–	8
Other	12	–	–	12
	805	(5,011)	(218)	(4,424)

As at 31 December 2023 As restated	Cash at bank $ million	Fixed rate borrowings $ million	Floating rate borrowings $ million	Total $ million
US dollar	244	(493)	–	(249)
Pound sterling	28	–	–	28
Norwegian krone	13	–	–	13
Other	1	–	–	1
	286	(493)	–	(207)

Interest rate sensitivity

The following table demonstrates the indicative pre-tax effect on profit and equity of applying a reasonably foreseeable increase in interest rates to the Group's financial assets and liabilities at the balance sheet date.

	Market movement	Effect on profit before tax $ million	Effect on equity $ million
31 December 2024			
US dollar interest rates	+100 basis points	1	–
31 December 2023			
US dollar interest rates	+100 basis points	2	–

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk primarily arising from exchange rate movements in US dollar against a range of foreign currencies. To mitigate exposure to movements in exchange rates, wherever possible financial assets and liabilities are held in currencies that match the functional currency of the relevant entity. The Group has material subsidiaries with functional currencies of pound sterling, US dollar, Norwegian krone, Euro and Mexican pesos. Exposures can also arise from sales or purchases denominated in currencies other than the functional currency of the relevant entity; such exposures are monitored and hedged with agreement from the Board.

The Group enters into forward contracts as a means of hedging its exposure to foreign exchange rate risks. As at 31 December 2024, the Group had:

- £212.5 million hedged at a forward rate of between $1.2482 and $1.2774:£1 for January 2025
- NOK 9.6 billion hedged at forward rates of between NOK 10.9805 and NOK 11.3963:£1 for the period January 2025 to May 2025

As at 31 December 2023, the Group had £212 million hedged at a forward rate of between $1.2182 and $1.2742:£1 for the period from January 2024 to October 2024.

24. Financial risk factors and risk management continued

Foreign currency sensitivity

Changes in exchange rates could lead to losses in the value of financial instruments and adverse changes in future cash flows. Foreign currency risks from financial instruments arise from the translation of financial receivables, cash and cash equivalents and financial liabilities into the functional currency of the Group company at the closing rates. The following table demonstrates the sensitivity to a reasonably foreseeable change in US dollars against other currencies with all other variables held constant, on the Group's profit before tax (due to foreign exchange translation of monetary assets and liabilities). The impact of translating the net assets of foreign operations into US dollars is excluded from the sensitivity analysis.

	Sensitivity (+10%) $ million	Sensitivity (-10%) $ million
31 December 2024		
Pound sterling	**239**	**(239)**
Argentinian peso	**(14)**	**(14)**
Euro	**(267)**	**267**
Norwegian krone	**81**	**(81)**
Danish krone	**7**	**(7)**
Mexican peso	**(1)**	**1**
Egyptian pound	**(1)**	**1**
31 December 2023		
Pound sterling	78	(78)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer commercial contract, leading to financial loss. Credit risks are managed on a Group basis. Group-wide procedures cover applications for credit approval for both financial and non-financial counterparties where appropriate. These procedures cover the granting and renewal of counterparty credit limits, the monitoring of exposures with respect to these limits and the requirements triggering secured payment terms.

The solvency of and credit exposures with all counterparties are monitored and assessed on a timely basis. If customers are independently rated, these ratings are primarily used for assessment. If there is no independent rating, the credit risk management function assesses customers' credit quality based on their financial position or bases the assessment on experience and other factors. In these cases, individual risk limits are set based on internal equivalent or by external ratings.

Credit risk in financial instruments arise from cash or cash equivalents and financial derivatives. The placing of liquid funds is subject to credit approval. Banks with a credit rating of 'A' are normally used. In some cases, funds may be held in an overseas business unit with lower credit quality which may also be impacted by the country sovereign rating. In these situations, credit approval is given within the country risk environment. Derivative financial instruments are conducted with credit approved banks and financial institutions normally rated A- or better and selected credit approved commercial counterparties. Selectively derivatives may be conducted with local banks in asset territories below this rating subject to credit approval.

The Group is exposed to credit risk from its operating activities, primarily for trade receivables, and from its financing activities. The Group seeks to trade only with recognised, creditworthy third parties. Trade receivables are monitored on an ongoing basis and credit exposures related to receivables mark to market positions are monitored closely for credit decline which may allow the provision of contractual credit support by a third party.

An indication of the concentration of credit risk on trade receivables is shown in note 4, whereby the revenue from one customer exceeds 54 per cent (2023: 88 per cent) of the Group's consolidated revenue.

With regard to Harbour's own credit risk management, it has corporate credit ratings from the following agencies:

- S&P Global at BBB-
- Fitch at BBB-
- Moody's at Baa2

In addition, each of the traded bonds have ratings from the credit ratings agencies.

Impairment on financial assets

In order to determine the impairment of financial assets, Harbour Energy uses either a general three-stage approach or the simplified approach, according to IFRS 9, as applicable. In the case of financial assets for which the simplified approach does not apply, their assessment takes place as at each reporting date to determine whether the credit risk on a financial instrument has increased significantly since its initial recognition.

Trade accounts receivable, other receivables including cash at bank and deposits are subject to the expected credit loss model. This is generally based on either externally provided or internal ratings for each debtor which, in certain cases, are updated based on recently available information.

To measure the expected credit losses on trade accounts receivable, Harbour Energy applies the simplified approach according to IFRS 9. Accordingly, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For trade accounts receivable, the contractual payment term is usually 30 days. In deviation to this general rule, terms of up to one year are considered for the calculation of expected credit losses due to different regional payment practices.

The loss allowance for other receivables, including cash at bank and deposits, is measured at an amount equal to the 12-month expected credit loss. If the term of the financial instrument is shorter than 12 months, the lifetime expected credit loss is applied.

	As at 1 January 2024 $ million	Additions from business combinations & joint arrangements $ million	Additions $ million	Reversals $ million	Reclass between categories $ million	Disposals $ million	FX $million	At 31 December 2024 $ million
Trade receivables								
Of which stage 2[1]	–	–	22	(1)	–	–	(1)	**20**
Of which stage 3[2]	–	–	–	–	–	–	–	**–**
	–	–	22	(1)	–	–	(1)	**20**
Other receivables								
Of which stage 2[1]	–	–	–	–	–	–	–	**–**
Of which stage 3[2]	–	–	2	–	–	–	–	**2**
	–	–	2	–	–	–	–	**2**
Financial receivables and bank balances								
Of which stage 1[3]	–	–	–	–	–	–	–	**–**
Of which stage 2[1]	–	–	–	–	–	–	–	**–**
Of which stage 3[2]	–	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	–	**–**
Total	–	–	24	(1)	–	–	(1)	**22**

1 The credit risk has increased significantly since initial recognition, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses.
2 The financial asset is credit impaired.
3 The loss allowance for financial assets is measured at an amount equal to a 12-month expected credit loss.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group monitors the amount of borrowings maturing within any specific period and expects to meet its financing commitments from the operating cash flows of the business and existing committed lines of credit. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2024	Within one year $ million	1 to 2 years $ million	2 to 5 years $ million	Over 5 years $ million	Total $ million
Non-derivative financial liabilities					
Bonds	**1,173**	**629**	**2,049**	**2,127**	**5,978**
Other loans	**251**	**–**	**–**	**–**	**251**
Trading contracts within the scope of IFRS 9 (settled physically)	**54**	**8**	**–**	**–**	**62**
Trade and other payables	**1,548**	**30**	**–**	**–**	**1,578**
Lease obligations	**295**	**206**	**394**	**92**	**987**
Total non-derivative financial liabilities	**3,321**	**873**	**2,443**	**2,219**	**8,856**
Derivative financial liabilities					
Net-settled commodity derivatives	**191**	**92**	**23**	**–**	**306**
Net-settled foreign exchange derivatives	**48**	**39**	**97**	**29**	**213**
	3,560	**1,004**	**2,563**	**2,248**	**9,375**

24. Financial risk factors and risk management continued

As at 31 December 2023 As restated	Within one year $ million	1 to 2 years $ million	2 to 5 years $ million	Over 5 years $ million	Total $ million
Non-derivative financial liabilities					
Bond	28	28	528	–	584
Other loans	16	–	–	–	16
Trade and other payables	854	13	–	–	867
Lease obligations	250	186	340	121	897
Total non-derivative financial liabilities	1,148	227	868	121	2,364
Derivative financial liabilities					
Net-settled commodity derivatives	197	87	–	–	284
Net-settled foreign exchange derivatives	–	–	–	–	–
	1,345	314	868	121	2,648

The maturity profiles in the above tables reflect only one side of the Group's liquidity position and will be recorded in the income statement against future production and revenue which are not recognised on the balance sheet as assets. Interest bearing loans and borrowings and trade payables mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant and equipment and working capital such as inventories. These assets are considered part of the Group's overall liquidity risk.

Financial instruments subject to offsetting, enforceable master netting arrangements

The following table shows the amounts recognised for financial assets and liabilities which are subject to offsetting arrangements on a gross basis, and the amounts offset in the balance sheet.

As at 31 December 2024	Gross amounts of recognised financial assets/(liabilities) $ million	Amounts set off $ million	Net amounts presented on the balance sheet $ million
Commodity derivative assets	**748**	**(596)**	**152**
Commodity derivative liabilities	**(1,223)**	**596**	**(627)**
As at 31 December 2023			
Commodity derivative assets	303	(37)	266
Commodity derivative liabilities	(321)	37	(284)

Derivatives are offset in the financial statements where the Group has a legally enforceable right and intention to offset.

25. Share capital

	2024		2023	
Issued and fully paid	**Number**	**$ million**	Number	$ million
Ordinary shares of 0.002p each	**1,440,109,512**	**0**	770,370,830	0
Ordinary non-voting shares of 0.002p each	**251,488,211**	**0**	–	–
Ordinary non-voting deferred shares of 12.4999p each	**925,532,809**	**171**	925,532,809	171
		171		171

The rights and restrictions attached to the ordinary shares are as follows:

- **Dividend rights:** the rights of the holders of ordinary shares shall rank pari passu in all respects with each other in relation to dividends
- **Winding up or reduction of capital:** on a return of capital on a winding up or otherwise (other than on conversion, redemption or purchase of shares) the rights of the holders of ordinary shares to participate in the distribution of the assets of the company available for distribution shall rank pari passu in all respects with each other
- **Voting rights:** the holders of ordinary shares shall be entitled to receive notice of, attend, vote and speak at any general meeting of the company

The rights and restrictions to the ordinary non-voting shares are as follows. Further information on the rights and obligations attached to the non-voting ordinary shares is set out in the circular and prospectus published by the company on 12 June 2024.

- **Dividend rights:** each non-voting share will be entitled to receive an amount equal to a 13 per cent premium to the amount of any distribution per ordinary share made by the company, whether by cash dividend, dividend in specie, scrip dividend, capitalisation issue or otherwise
- **Winding up or reduction of capital:** on a winding up or liquidation of the company, holders of non-voting ordinary shares will be paid in priority to any other payment to holders of shares in the company

- **Voting rights:** a holder of non-voting ordinary shares shall not be entitled, in its capacity as a holder of such non-voting shares, to receive notice of any general meeting of the company nor to attend, speak or vote at any such general meeting, unless the business of the meeting includes the consideration of a resolution to: (a) wind up the company; or (b) re-register the company as a private company
- **Transferability:** the non-voting ordinary shares are not admitted to listing or trading. The non-voting ordinary shares may be transferred to certain permitted transferees, in certain cases only with the consent of the company and in accordance with the terms of the non-voting ordinary shares
- **Conversion rights:** a holder of non-voting ordinary shares will be entitled to convert at least 25,000,000 non-voting shares either: (i) in conjunction with the sale of non-voting ordinary shares to market sale placees, which upon completion of such sale will be redesignated as ordinary shares; or (ii) following the satisfaction of the conversion conditions (as defined in the terms of the non-voting ordinary shares). The non-voting ordinary shares will be convertible into ordinary shares on a one for one basis except that following any allotment or issue of ordinary shares by way of capitalisation of profits or reserves or any sub-division or consolidation of ordinary shares by the company (an adjustment event), the non-voting ordinary shares will convert into such number of ordinary shares and the non-voting shareholder will receive the same proportion of voting rights and entitlement to participate in distributions of the company, as nearly as practicable, as would have been the case had no adjustment event occurred. Additionally, subject to certain exceptions, the company will be required to procure the conversion of the non-voting ordinary shares into ordinary shares following: (i) the cancellation of the listing of the ordinary shares; and (ii) the acquisition of more than 50 per cent of the voting rights of the company by any person (other than the holder of the non-voting shares and any of such holder's concert parties)

The rights and restrictions attached to the non-voting deferred shares are as follows:

- They will have no voting or dividend rights and, on a return of capital or on a winding up of the company, will have the right to receive the amount paid up thereon only after holders of all ordinary shares have received, in aggregate, any amounts paid up on each ordinary share plus £10 million on each ordinary share. The non-voting deferred shares will not give the holder the right to receive notice of, nor attend, speak or vote at, any general meeting of the company

Issue of ordinary shares

During the year, the company issued 921,226,893 ordinary shares at a nominal value of 0.002 pence per share. This primarily consisted of 669,714,027 voting shares issued to BASF and 251,488,211 non-voting shares issued to LetterOne on completion of the acquisition. The company also issued 24,655 (2023: 5,092) ordinary shares at a nominal value of 0.002 pence per share in relation to the exercise of SAYE awards.

The issue of the ordinary shares to BASF and LetterOne resulted in an amount of $3,457 million that has been recognised as a merger reserve. These shares were issued at a share price of £2.86 per share, being the closing price of ordinary shares on the acquisition date and translated at the spot pound sterling to US dollar rate on that date of £1:$1.3122. For further information see note 14.

Purchase and cancellation of own shares

During 2024, none of the company's ordinary shares were repurchased or cancelled as the share buyback programme had been completed by the end of the prior year. During 2023, the company repurchased 76,803,058 ordinary shares for a total consideration, including transaction costs, of $249 million (recognised in retained earnings), as part of the share purchase programmes announced on 3 November 2022 and 9 March 2023, which concluded on 28 September 2023. All shares purchased had been cancelled.

Own shares	2024 $ million	2023 $ million
At 1 January	**24**	21
Purchase of ESOP trust shares	**25**	16
Release of shares	**(13)**	(13)
At 31 December	**36**	24

The own shares represent the net cost of shares in Harbour Energy plc purchased in the market or issued by the company into the Harbour Energy plc Employee Benefit (ESOP) Trust. This ESOP Trust holds shares to satisfy awards under the Group's share incentive plans. At 31 December 2024, the number of ordinary shares of 0.002 pence each held by the trust was 9,223,652 (2023: 6,079,705).

26. Subordinated notes

On 22 February 2024, the bondholders of two series of subordinated resettable fixed rate notes (subordinated notes) in the aggregate principal amount of €1,500 million approved a change in guarantor from Wintershall Dea AG to Harbour Energy plc which became effective upon completing the Wintershall Dea acquisition transaction, at which point these bonds were ported to Harbour's acquired subsidiary Wintershall Dea Finance 2 BV.

The subordinated notes are callable three months prior to the first reset date for the NC2026 series and six months prior to the first reset date for the NC2029 series:

	%	Reset date	Currency	Nominal value € million	Nominal value $ million	Carrying value $ million
Bond ISIN: XS2286041517	2.5%	2026	EUR	650	718	690
Bond ISIN: XS2286041947	3.0%	2029	EUR	850	939	873
Total				**1,500**	**1,657**	**1,563**

26. Subordinated notes continued

	2024 $ million
Fair value on acquisition	1,548
Accrued interest in the period to 31 December	15
	1,563

Under IAS 32, subordinated notes are wholly classified as equity. The issued subordinated notes are recognised in equity at fair value, based on the market prices of these instruments as of the acquisition date. Accrued interest payable to the subordinated notes investors increases equity, whereas the distribution of interest payments reduces equity.

27. Share-based payments

The company currently operates a Long Term Incentive Plan (LTIP) for certain employees, a Share Incentive Plan (SIP), a Save As You Earn (SAYE) scheme for UK-based employees, and an Expatriate SIP for expatriate employees only.

For the year ended 31 December 2024, the total cost recognised by the company for share-based payment transactions was $51 million (2023: $46 million). A credit of $51 million (2023: $46 million) has been recorded in retained earnings for all equity-settled payments of the company.

Like other elements of remuneration, this charge is processed through the time-writing system which allocates cost, based on time spent by individuals, to various entities within the Group. Part of this cost is therefore recharged to the relevant subsidiary undertakings, part is capitalised as directly attributable to capital projects and part is charged to the income statement as operating costs, pre-licence exploration costs or general and administration costs.

Details of the various share incentive plans currently in operation are set out below:

2017 Long Term Incentive Plan (2017 LTIP)

Discretionary share awards are granted to employees under the company's Long Term Incentive Plan (LTIP).

The following types of award have been granted under the 2017 LTIP:

- **Performance share awards (PSAs):** vesting is subject to a performance target, normally measured over a three-year period from 1 January based on total shareholder return (TSR) relative to (i) FTSE 100 index, and (ii) a bespoke peer group of oil and gas companies and aligns to longer-term strategic objectives
- **Conditional share awards (CSAs):** vesting is only subject to continued employment
- **Deferred bonus share (DBS) awards:** certain employees are required to defer a portion of their annual bonus into shares which vest over a three-year period subject to continued employment

All LTIP awards are granted in the form of nil-cost options or conditional share awards and therefore there is no exercise price payable on the exercise of these awards.

For further details of the LTIP awards, including the performance conditions of the PSAs granted in 2024, please refer to the Directors' remuneration report (pages 88 to 113).

The following table shows the movement in the number of LTIP awards:

	2024 million shares	2023 million shares
Outstanding at 1 January	33.7	27.8
Granted	15.7	15.1
Vested	(2.6)	(8.7)
Forfeited	(9.3)	(0.5)
Outstanding at 31 December[1]	**37.5**	33.7

1 This includes 0.7 million cash settled awards at 31 December 2024 (2023: 0.6 million), which are revalued using the year-end share price.

LTIP awards totalling 2.6 million shares were vested during the period (2023: 8.7 million). The weighted average remaining contractual life of the LTIP awards at 31 December 2024 was 1.33 years (2023: 2.2 years).

Key assumptions used to calculate the fair value of awards

The fair value of PSAs which are subject to TSR conditions is determined using a Monte Carlo simulation. The fair value of all other awards is calculated using the share price at the date of grant, adjusted for dividends not received during the vesting period.

The following table lists the inputs to the model used in respect of the PSAs granted during the financial year:

	2024	2023
Share price at date of grant	**£2.39–£3.22**	£2.44 – £2.90
Dividend yield	**0%**	0%
Expected term	**3 years**	2.9 – 3.0 years
Risk free rate	**4.1%-4.3%**	3.3%–4.2%
Share price volatility of the company	**47.0%-47.5%**	49.2%–50.2%

The weighted average fair value of the PSA awards granted in 2024 was $1.64 (2023: $2.86).

Expected volatility was determined by reference to both the historical volatility of the company and the historical volatility of a group of comparable quoted companies over a period in line with the expected term assumption.

Share Incentive Plan (SIP)

Under the Share Incentive Plan employees are invited to make contributions to buy partnership shares. If an employee agrees to buy partnership shares the company currently matches the number of partnership shares bought with an award of shares (matching shares), on a one-for-one basis. In 2024, 0.6 million matching shares were awarded to employees (2023: 0.3 million). The SIP matching shares are valued based on the quoted share price on the grant date.

Save As You Earn (SAYE) scheme

Under the SAYE scheme, UK qualifying employees with one month or more continuous service can join the scheme. Employees can save up to a maximum of £500 per month through payroll deductions for a period of three years, after which time they can acquire shares at the option price, which is set at a discount of up to 20 per cent to the prevailing market price at the grant date, determined in accordance with SAYE scheme rules. In 2024, 1 million SAYE options were granted (2023: 3.1 million).

The SAYE options outstanding at 31 December 2024 had exercise prices ranging from £2.32 to £2.72 (2023: £2.21 to £4.12) and a weighted average remaining contractual life of 2.25 years (2023: 2.8 years).

28. Group pension schemes

In addition to state pension plans, most employees are granted company pension benefits from either defined contribution or defined benefit plans. Benefits generally depend on the length of service, compensation and contributions and take into consideration the legal framework of labour, tax and social security laws in the countries where the employing subsidiaries are located.

Defined contribution schemes

The Group primarily operates defined contribution retirement benefit schemes. The only obligation of the Group with respect to the retirement benefit schemes is to make specified contributions. Payments to the defined contribution schemes are charged as an expense as they fall due.

Defined benefit plans

Germany

Employees of Harbour Energy companies in Germany participate in a capital market-oriented defined benefit pension scheme. This scheme applies to all new employees joining Harbour Energy and is financed by employer and employee contributions and the performance of the investment. Typically, Harbour Energy guarantees at least the sum of all employer and employee contributions paid and usually covers these pension obligations with plan assets as part of an additional contractual trust arrangement (CTA). The option of building up employee-financed retirement provisions through deferred compensation is also available to all employees of Harbour Energy companies in Germany as part of the capital market-oriented defined benefit pension scheme. All other pension plans (including deferred compensation plans) have been closed to new employees.

The defined benefit plan of BASF Pensionskasse VVaG was closed in 2004.

Some Harbour Energy companies in Germany only participate in the BASF group's pension plans for periods of service already rendered (past service). Some of the past service benefits financed via BASF Pensionskasse VVaG are subject to adjustments that must be borne by its member companies to the extent that these cannot be borne by BASF Pensionskasse VVaG due to the regulations imposed by the German supervisory authority. In addition to the former basic level of BASF Pensionskasse VVaG benefits, there are still defined pension schemes, which are financed via pension provisions at the German Group companies. The benefits are largely based on modular plans. Only employees who already participated in various existing deferred compensation plans before 2022 can continue to participate in these plans.

BASF SE does not provide sufficient plan information from BASF Pensionskasse regarding the allocation of assets to Harbour Energy for year-end closing. As a result, the former participation in BASF Pensionskasse is accounted for as a multi-employer defined benefit plan with insufficient information about the asset allocation and, therefore, as a defined contribution plan in accordance with IAS 19.36.

28. Group pension schemes continued

For further existing pension plans in Germany that are self-managed by Harbour Energy, assets were transferred to Willis Towers Watson Treuhand GmbH within the framework of CTAs and to Willis Towers Watson Pensionsfonds AG as insolvency insurance. Willis Towers Watson Pensionsfonds AG falls within the scope of the Act on Supervision of Insurance Undertakings and Oversight by the German Federal Financial Supervisory Authority (BaFin). Insofar as a regulatory deficit occurs in the pension fund, supplementary payments are requested from the employer. Irrespective of the rules, the liability of the employer remains in place. The bodies of Willis Towers Watson Treuhand GmbH and Willis Towers Watson Pensionsfonds AG are responsible for ensuring that the funds under management are used in compliance with the contract and thus fulfil the requirements for their recognition as plan assets.

The defined benefit plans that are recognised as pension provisions mainly include pension promises and are hence subject to longevity risk.

Norway

The Harbour Energy Norge AS (formerly Wintershall Dea Norge) defined benefit plans have been closed to new employees since 1 January 2016. For Norwegian employees whose remaining length of service until retirement on 1 January 2016 was 15 years or less, a final salary commitment continues to apply after the closure of the plan. The plans are partly funded via Nordea Liv AS. Employees who still had a remaining length of service of more than 15 years on the date of 1 January 2016, and employees who joined the company after this date are entitled to benefits under a defined contribution pension plan. Defined contribution plans are either secured with Nordea Liv AS or unfunded and administered by Storebrand Pensjonstjenester on behalf of Harbour Energy Norge AS (formerly Wintershall Dea Norge AS).

Moreover, closed defined benefit plans are in place for former DEA Norge employees. These are secured with DNB ASA. Employees who still had 15 years or less until retirement on 1 January 2021 remained in the existing plans. All others were transferred to existing defined contribution plans.

UK

Harbour Energy operates a final salary defined benefit pension plan in the UK, primarily inflation-linked annuities based on an employee's length of service and final salary. The scheme is closed to new members. Further details of this plan have not been provided as the plan is not material to the financial position or results of the Group.

Actuarial assumptions

The amount of the provision for defined benefit pension schemes was determined by actuarial methods based on the following key assumptions.

	31 December 2024	
Key assumptions (%)	**Germany**	**Norway**
Discount rate	**3.4**	**3.1**
Pension growth	**2.3**	**1.8**

The assumptions used to determine the present value of the entitlements as at 31 December 2024 are used in the following fiscal year to determine the expenses for pension plans.

The valuation of the defined benefit obligation is generally performed using the most recent actuarial mortality tables as at 31 December 2024.

Actuarial mortality tables as at 31 December 2024	
Germany	Heubeck Richttafeln 2018 G
Norway	K2013

Provision for pensions

$ million	**Defined benefit obligations $ million**	**Plan assets $ million**	**Total $ million**
On acquisition			
Current service costs	3	–	3
Interest expense/(income)	5	(5)	–
	8	(5)	3
Remeasurement			
Return on plan assets, excluding amounts already recognised in interest income	–	–	–
Actuarial gains/losses			
– of which effect of changes in financial assumptions	10	–	10
– of which effect of experience adjustments	(3)	–	(3)
	7	–	7
Currency effect	(31)	28	(3)
Employer contribution to the funded plans	–	(1)	(1)
Benefit payments	(9)	9	–
Change of scope	493	(453)	40
As at 31 December 2024	**468**	**(422)**	**46**

The present value of the defined benefit obligations less plan assets measured at fair value results in the net defined benefit obligation arising from funded and unfunded plans and is recognised as pension provision on the balance sheet. Of the present value of defined benefit obligations, $98 million relate to benefit obligations in Germany, $320 million to benefit obligations in Corporate and $49 million to benefit obligations in Norway.

Domestic company pensions are subject to an obligation to review for adjustments every three years pursuant to Section 16 of the German Occupational Pensions Act (BetrAVG). Additionally, some commitments grant annual pension adjustments, which may exceed the legally mandated adjustment obligation.

The weighted average duration of the pension obligations is 20 years in Germany, 10 years for Corporate and 15 years in Norway.

Sensitivity analysis of defined benefit obligations

An increase or decrease in the discount rate and pension growth would have the following impact on the present value of the defined benefit obligations:

Change in actuarial assumptions

	Impact on defined benefit obligations	
	31 December 2024 $ million	31 December 2023 $ million
Discount rate		
Increase of 0.5 percentage points	**(26)**	–
Reduction of 0.5 percentage points	**29**	–
Pension growth		
Increase of 0.5 percentage points	**19**	–
Reduction of 0.5 percentage points	**(18)**	–

Plan assets

The investment policy in Germany is based on detailed asset liability management (ALM) studies. Portfolios are identified that can achieve the best target return within a given risk budget. From these efficient portfolios, one is selected, and the strategic asset allocation is determined. The strategic asset allocation consists of two main elements. The first one is used to hedge fluctuations. This involves the use of capital market instruments that hedge the financial risks arising from the valuation of pension obligations. The second part of the allocation is used to generate income and for diversification purposes. The broadly diversified portfolio includes investments in bonds, equities, real estate and other asset classes. The assets are continuously monitored and managed from a risk and return perspective.

Composition of plan assets (fair values)

				31 December 2024
	Germany $ million	**Of which has an active market**	**Norway $ million**	**Of which has an active market**
Assets held in insurance company	**3**	**–**	**22**	**100%**
Specialised funds	**397**	**100%**	**–**	**–**
	400	**–**	**22**	**–**

29. Notes to the statement of cash flows

Net cash flows from operating activities consist of:

	2024 $ million	2023 As restated $ million
Profit before taxation	**1,219**	616
Adjustments to reconcile profit before tax to net cash flows		
Finance cost, excluding foreign exchange	**602**	363
Finance income, excluding foreign exchange	**(55)**	(104)
Depreciation, depletion and amortisation	**1,745**	1,449
Net impairment of property, plant and equipment	**352**	176
Impairment of goodwill	**–**	25
Impairment of right-of-use asset	**20**	–
Share-based payments	**51**	20
Decommissioning payments	**(284)**	(268)
Fair value movements on derivatives	**(68)**	–
Changes in provisions	**(31)**	–
Exploration costs written-off	**173**	57
Movement in realised cash flow hedges not yet settled	**(31)**	(207)
Unrealised foreign exchange (gain)/loss	**(116)**	49
Working capital adjustments		
Decrease)/(increase) in inventories	**39**	(52)
(Increase)/decrease in trade and other receivables	**(32)**	525
Decrease in trade and other payables	**(470)**	(61)
Net tax payments	**(1,499)**	(438)
Net cash inflow from operating activities	**1,615**	2,150

Reconciliation of net cash flow to movement in net borrowings

	2024 $ million	2023 As restated $ million
Proceeds from drawdown of RBL facility	**(178)**	(660)
Proceeds from Euro bonds	**(1,728)**	–
Proceeds from RCF	**(2,225)**	–
Proceeds from bridge facility	**(1,500)**	–
Repayment of RBL facility	**178**	1,435
Repayment of bridge facility	**1,500**	–
Repayment of RCF	**1,975**	–
Repayment of EFF loan	**–**	11
Repayment of financing arrangement	**17**	21
Bond debt arising on business combination[1]	**(3,038)**	–
Financing arrangement interest payable	**(1)**	(3)
Arrangement fees and related costs on RBL capitalised	**–**	34
Arrangement fees and related costs on bonds capitalised	**11**	–
Arrangement fees and related costs on RCF capitalised	**34**	–
Arrangement fees and related costs on bridge facility capitalised	**13**	–
Amortisation of arrangement fees and related costs capitalised	**(102)**	(48)
Currency translation adjustment on Euro bonds	**263**	–
Movement in total borrowings	**(4,781)**	790
Cash acquired on business combination	**748**	–
Movement in cash and cash equivalents	**(229)**	(214)
(Increase)/decrease in net borrowings in the year	**(4,262)**	576
Opening net borrowings	**(162)**	(738)
Closing net borrowings	**(4,424)**	(162)

1 Net of capitalised arrangement fees and related costs of $276 million.

Analysis of net borrowings

	2024 $ million	2023 As restated $ million
Cash and cash equivalents	**805**	286
RCF	**(218)**	–
Bonds	**(5,011)**	(493)
Net debt	**(4,424)**	(207)
Financing arrangement	**–**	(16)
Closing net borrowings	**(4,424)**	(223)
Non-current assets[1]	**–**	42
Current assets[1]	**–**	19
Closing net borrowings after unamortised fees[1]	**(4,424)**	(162)

1 At 31 December 2023, $61 million of fees associated with the RBL facility were recognised in debtors.

The carrying values on the balance sheet are stated net of the unamortised portion of issue costs and bank fees of $284 million of which $32 million relates to the RCF and $252 million is netted against the bonds (Dec 2023: $68 million of which $61 million related to the RBL, which was recognised in assets and $7 million related to the bond, which was netted off against the borrowings).

30. Related party disclosures

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

BASF and LetterOne have been classified as related parties because they are substantial shareholders holding 669.7 million of voting ordinary shares and 251.5 million of non-voting ordinary shares, respectively. The BASF shareholding represents 46.5 per cent of voting ordinary shares.

BASF is entitled to dividends as per note 31 which, whilst denominated in pound sterling will, specifically for BASF, will be paid in US dollars.

Compensation of key management personnel of the Group

Remuneration of key management personnel, including directors of the Group, is shown below:

	2024 $ million	2023 $ million
Salaries and short-term employee benefits	**16**	13
Payments made in lieu of pension contributions	**1**	1
Termination benefits	**1**	–
Pension benefits	**–**	–
	18	14

31. Distributions made and proposed

A final dividend of 13 cents per ordinary share in relation to the year ended 31 December 2023 was paid on 22 May 2024 pursuant to shareholder approval received on 9 May 2024.

An interim dividend of 13 cents per ordinary share in relation to the half year ended 30 June 2024 was paid on 25 September 2024.

	2024 $ million	2023 $ million
Cash dividends on ordinary shares declared and paid		
Final dividend for 2023: 13 cents per share (2022: 12 cents per share)	**100**	99
Interim dividend for 2024: 13 cents per share (2023: 12 cents per share)	**99**	91
	199	190
Proposed dividends on ordinary shares		
Final dividend for 2024: 13.19 cents per share (2023: 13 cents per share)	**227.5**	100

Proposed dividends on ordinary shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 December.

32. Events after the reporting period

On 23 January 2025 Harbour announced it had signed a Sale and Purchase Agreement to sell its Vietnam business, which includes the 53.125 per cent equity interest in the Chim Sáo and Dua production fields, to EnQuest for $84 million. The effective date is 1 January 2024 with completion targeted during 2025. This agreement resulted in the Vietnam business unit being classed as asset held for sale as at 31 December 2024.

On 3 March 2025, the Finance Act 2025 was substantively enacted following its third reading in the UK Parliament. While the substantive enactment has no implications for the current accounting period, it confirms that the extension of the Energy Profits Levy to 31 March 2030 will be reflected in the Group's results for the interim period to 30 June 2025. If the Finance Act 2025 had been substantively enacted at the balance sheet date, the deferred tax liability at the end of the period would have increased by $306 million (further details are provided in note 8).

33. Group information

Subsidiary undertakings of the company which were all wholly owned at 31 December 2024 were:

Name of company	Area of operation	Country of incorporation	Main activity
Chrysaor (U.K.) Alpha Limited[17]	UK	UK	Exploration, production, and development
Chrysaor (U.K.) Beta Limited[17]	UK	UK	Decommissioning activities
Chrysaor (U.K.) Sigma Limited[17]	UK	UK	Exploration, production, and development
Chrysaor (U.K.) Theta Limited[17]	UK	UK	Exploration, production, and development
Chrysaor CNS Limited[17]	UK	UK	Exploration, production, and development
Chrysaor Developments Limited[17]	UK	UK	Decommissioning activities
Chrysaor E&P Limited[17]	UK	UK	Intermediate holding company
Chrysaor Holdings Limited[7]	UK	Cayman Islands	Intermediate holding company
Chrysaor Limited[17]	UK	UK	Exploration, production, and development
Harbour Energy Marketing Limited[17]	UK	UK	Gas trading
Chrysaor North Sea Limited[17]	UK	UK	Exploration, production, and development
Chrysaor Petroleum Company U.K. Limited[17]	UK	UK	Exploration, production, and development
Chrysaor Petroleum Limited[17]	UK	UK	Decommissioning activities
Chrysaor Production (U.K.) Limited[17]	UK	UK	Exploration, production, and development
Chrysaor Production Holdings Limited[17]	UK	UK	Intermediate holding company
Chrysaor Resources (Irish Sea) Limited[17]	UK	UK	Exploration, production, and development
DEA Cyrenaica GmbH[8]	Libya	Germany	Exploration, production, and development
DEA E&P GmbH[8]	Germany	Germany	Exploration, production, and development
DEA North Africa/Middle East GmbH[8]	North Africa	Germany	Exploration, production, and development
DEM México Erdoel, S.A.P.I. de C.V.[14]	Mexico	Mexico	Intermediate holding company
E&A Internationale Explorations-und Produktions GmbH[20]	Germany	Germany	Exploration, production, and development
Ebury Gate Limited[9]	Guernsey	Guernsey	Risk mitigation services
EnCore Oil Limited[17]	UK	UK	Intermediate holding company
FP Mauritania A BV[11]	Mauritania	Netherlands	Decommissioning activities
FP Mauritania B BV[11]	Mauritania	Netherlands	Decommissioning activities
Harbour Energy Bloque 7, S.A. de C.V. (formerly Premier Oil Exploration and Production Mexico S.A.de C.V.)[15]	Mexico	Mexico	Exploration, production, and development
Harbour Energy DH GmbH[21]	Germany	Germany	Intermediate holding company
Harbour Energy Finance Limited[17]	UK	UK	Financing company
Harbour Energy Netherlands Holdings BV[11]	Netherlands	Netherlands	Intermediate holding company
Harbour Energy Norge AS (formerly Wintershall Dea Norge AS)[12,22]	Norway	Norway	Exploration, production, and development
Harbour Energy Services Limited[17]	UK	UK	Service company
Harbour Energy Unidad Zama, S. de R.L. de C.V. (formerly Sierra O&G Exploration y Producción, S. de R.L. de C.V.)[14]	Mexico	Mexico	Exploration, production, and development
Izta Energia, S. de R.L. de C.V.[14]	Mexico	Mexico	Intermediate holding company
Premier Oil (Vietnam) Limited[4]	Vietnam	British Virgin Islands	Exploration, production, and development
Premier Oil Aberdeen Services Limited[17]	UK	UK	Service company
Premier Oil and Gas Services Limited[17]	UK	UK	Service company

Name of company	Area of operation	Country of incorporation	Main activity
Premier Oil Andaman I Limited[17]	Indonesia	UK	Exploration, production, and development
Premier Oil Andaman Limited[17]	Indonesia	UK	Exploration, production, and development
Premier Oil Barakuda Limited[17]	Indonesia	UK	Exploration, production, and development
Premier Oil E&P Holdings Limited[17]	UK	UK	Intermediate holding company
Premier Oil E&P UK EU Limited[17]	UK	UK	Exploration, production, and development
Premier Oil E&P UK Limited[17]	UK	UK	Exploration, production, and development
Premier Oil Exploration (Mauritania) Limited[13]	Mauritania	Jersey	Decommissioning activities
Premier Oil Group Holdings Limited[1,17]	UK	UK	Intermediate holding company
Premier Oil Group Limited[19]	UK	UK	Intermediate holding company
Premier Oil Holdings Limited[17]	UK	UK	Intermediate holding company
Premier Oil Mauritania B Limited[13]	Mauritania	Jersey	Decommissioning activities
Premier Oil Mexico Holdings Limited[17]	UK	UK	Intermediate holding company
Premier Oil Mexico Investments Limited[17]	UK	UK	Intermediate holding company
Premier Oil Mexico Recursos S.A. de C.V.[15]	Mexico	Mexico	Exploration, production, and development
Premier Oil Natuna Sea BV[11]	Indonesia	Netherlands	Exploration, production, and development
Premier Oil Overseas BV[11]	Netherlands	Netherlands	Intermediate holding company
Premier Oil South Andaman Limited[17]	Indonesia	UK	Exploration, production, and development
Premier Oil Tuna BV[11]	Indonesia	Netherlands	Exploration, production, and development
Premier Oil UK Limited[19]	UK	UK	Exploration, production, and development
Premier Oil Vietnam Offshore BV[11]	Vietnam	Netherlands	Exploration, production, and development
Servicios Unidad PWTH S. De R.L. de C.V.[14]	Mexico	Mexico	Service company
Sierra Blanca P&D, S. de R.L. de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Sierra Coronado E&P, S. de R.L. de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Sierra Nevada E&P, S. de R.L. de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Sierra Offshore Exploration, S. de R.L. de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Sierra Oil & Gas Holdings, L.P.[6]	Mexico	Canada	Intermediate holding company
Sierra Oil & Gas S.de R.L. de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Sierra Perote E&P, S. de R.L de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Wintershall Dea Algeria GmbH[8]	Algeria	Germany	Exploration, production, and development
Wintershall Dea Argentina S.A.[2]	Argentina	Argentina	Exploration, production, and development
Wintershall Dea Deutschland GmbH[8]	Germany	Germany	Exploration, production, and development
Wintershall Dea Finance 2 BV (1)[11]	Netherlands	Netherlands	Financing company
Wintershall Dea Finance BV (1)[11]	Netherlands	Netherlands	Financing company
Wintershall Dea Global Holding GmbH[8]	Germany	Germany	Exploration, production, and development
Wintershall Dea Global Support[11]	Netherlands	Netherlands	Service company
Wintershall Dea Holding GmbH[8]	Germany	Germany	Exploration, production, and development
Wintershall Dea Insurance Limited[10]	Guernsey	Guernsey	Risk mitigation services
Wintershall Dea International GmbH[8]	Germany	Germany	Exploration, production, and development
Wintershall Dea Marketing Services GmbH[20]	Germany	Germany	Distribution, transportation and trade
Wintershall Dea Mexico Holding BV[11]	Mexico	Netherlands	Intermediate holding company
Wintershall Dea Mexico Holdings GP Ltd[5]	Mexico	Canada	Intermediate holding company
Wintershall Dea México, S. de R.L. de C.V.[14]	Mexico	Mexico	Exploration, production, and development
Wintershall Dea Middle East GmbH[20]	United Arab Emirates	Germany	Exploration, production, and development
Wintershall Dea Nederland BV[11]	Netherlands	Netherlands	Servicing and financing company
Wintershall Dea Nile GmbH[8]	Egypt	Germany	Exploration, production, and development
Wintershall Dea South East Asia GmbH[20]	Germany	Germany	Exploration, production, and development
Wintershall Dea Suez GmbH[8]	Egypt	Germany	Exploration, production, and development
Wintershall Dea Technology Ventures GmbH[20]	Germany	Germany	Investment company
Wintershall Dea TSC GmbH & Co.KG[8]	Germany	Germany	Research and development

33. Group information continued

Name of company	Area of operation	Country of incorporation	Main activity
Wintershall Dea TSC Management GmbH[20]	Germany	Germany	Research and development
Wintershall Dea Vermögensverwaltungs gesellschaft mbH[20]	Germany	Germany	Intermediate holding company
Wintershall Dea WND GmbH[8]	Egypt	Germany	Exploration, production, and development
Wintershall Petroleum (E&P) BV[11]	Netherlands	Netherlands	Exploration, production, and development
Chrysaor (U.K.) Britannia Limited[17]	–	UK	Dormant company
Chrysaor (U.K.) Lambda Limited[16]	–	Ireland	Dormant company
DEA Trinidad & Tobago GmbH[8]	–	Germany	Non-trading
EnCore (NNS) Limited[17]	–	UK	Non-trading
Harbour Energy Argentina Limited[17]	–	UK	Dormant company
Harbour Energy Central Andaman Limited (formerly Premier Oil B Limited)[17]	–	UK	Dormant company
Harbour Energy Developments Limited[17]	–	UK	Dormant company
Harbour Energy Production Limited[17]	–	UK	Dormant company
Harbour Energy Secretaries Limited[17]	–	UK	Dormant company
Premier Oil (EnCore Petroleum) Limited[17]	–	UK	Non-trading
Premier Oil ANS Limited[17]	–	UK	Non-trading
Premier Oil do Brasil Petroleo e Gas Ltda[3]	–	Brazil	Dormant company
Premier Oil Exploration Limited[19]	–	UK	Non-trading
Premier Oil Far East Limited[17]	–	UK	Non-trading
Premier Oil ONS Limited[17]	–	UK	Dormant company
Premier Oil Pakistan Offshore BV[11]	–	Netherlands	Dormant company
Premier Oil Vietnam 121 Limited[17]	–	UK	Non-trading
Viking CCS Limited[17]	–	UK	Dormant company
Chrysaor (U.K.) Delta Limited[17]	–	UK	Liquidation
Chrysaor (U.K.) Eta Limited[17]	–	UK	Liquidation
Chrysaor (U.K.) Zeta Limited[17]	–	UK	Liquidation
Chrysaor Production Limited[18]	–	UK	Liquidation
Chrysaor Resources (UK) Holdings Limited[17]	–	UK	Liquidation
Premier Oil ANS Holdings Limited[18]	–	UK	Liquidation
Premier Oil Congo (Marine IX) Limited[13]	–	Jersey	Liquidation
Premier Oil Exploration ONS Limited[18]	–	UK	Liquidation
Premier Oil Finance (Jersey) Limited[1,13]	–	Jersey	Liquidation

Note:
1 Held directly by the company. All other companies are held through a subsidiary undertaking.
2 Registered office – Ingeniero Della Paolera 265 Piso 14 Ciudad de Buenos Aires, C1001ADA Argentina.
3 Registered office – Rua Lauro Müller, 116 – Sala 2006, Torre Rio Sul, Shopping, 20º andar, Botafogo, Rio de Janeiro – RJ – CEP: 22.290-906, Brazil.
4 Registered office – Commerce House, Wickhams Cay 1, Road Town, Tortola, VG1110, British Virgin Islands.
5 Registered office – 181 Bay Street, Suite 2100, Toronto, ON M5J 2T3, Canada.
6 Registered office – 44 Chipman Hill, Suite 1000, Saint John, NB E2L 2A9, Canada.
7 Registered office – Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
8 Registered office – Hamburg, Germany. Business address – Am Lohsepark 8, 20457 Hamburg, Germany.
9 Registered office – Level 5, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ.
10 Registered office – Level 3,Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET.
11 Registered office – Lange Kleiweg 56H, 2288 GK, Rijswijk, Netherlands.
12 Registered office – Jåttåflaten 27, 4020 Stavanger, Norway.
13 Registered office – 2nd Floor, Lime Grove House, Green Street, St. Helier, JE2 4UB, Jersey.
14 Registered office – Campos Eliseos 345, floor 12, Polanco V Seccion, Mexico City, CP 11560, Mexico.
15 Registered office – Presidente Masaryk 111, Piso 1, Polanco V Seccion, Mexico City, CP 11560, Mexico.
16 Registered office – Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland.
17 Registered office – 151 Buckingham Palace Road, London, SW1W 9SZ, United Kingdom.
18 Registered office – C/O Teneo Financial Advisory Limited The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT, United Kingdom.
19 Registered office – 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN, United Kingdom.
20 Registered office – Kassel, Germany. Business address – Am Lohsepark 8, 20457 Hamburg, Germany.
21 Registered office – Frankfurt am Main, Germany. Business address – Am Lohsepark 8, 20457 Hamburg, Germany.
22 The companies Harbour Energy Norge AS and Wintershall Dea Norge AS merged in December 2024.

Joint operations and investments

Companies that are not wholly owned or controlled by the Group were:

Name of company	Effective % ownership	Registered office address
Luna Carbon Storage ANS	60	Jåttåflaten 27, 4020, Stavanger, Norway
Havstjerne ANS	60	Jåttåflaten 27, 4020, Stavanger, Norway
Disouq Petroleum Company	50	Plot No. 188 (Dana Gas Building), City Center, 5th Settlement, New Cairo, Egypt
JV East Damanhur Gas Company	50	Plot No. 188 (Dana Gas Building), City Center, 5th Settlement, New Cairo, Egypt
Erdgas Münster GmbH	33.7	Johann-Krane-Weg 46, 48149, Münster, Germany
Wellstarter AS	24.4	Stiklestadveien 3, 7041, Trondheim, Norway
AMBARtec AG	24.4	Erna-Berger-Str. 17, 01097, Dresden, Germany
Earth Science Analytics AS	13.5	Strandveien 37, 1366, Lysaker, Norway
Gasoducto Cruz del Sur S.A.	10	La Cumparsita 1373 office 402, 11200, Montevideo, Uruguay
HiiROC Limited	9.6	Number 22 Mount Ephraim, Tunbridge Wells, TN4 8AS, United Kingdom
Gas Links S.A.	5.1	Don Bosco 3672 6th floor, C1206ABF, City of Buenos Aires, Argentina

Joint operations that are not managed through separate companies are mainly located in Norway, the UK, Germany, Mexico and Argentina.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 $ million	2023 $ million
Assets			
Non-current assets			
Investments in subsidiaries	3	**6,065**	2,238
Long-term employee benefit plan surplus	7	**1**	–
Long-term receivables	4	**2,056**	1,924
Total non-current assets		**8,122**	4,162
Current assets			
Trade and other receivables	4	**30**	22
Total current assets		**30**	22
Total assets		**8,152**	4,184
Current liabilities			
Trade and other payables	5	**842**	54
Total current liabilities		**842**	54
Non-current liabilities			
Borrowings	6	**496**	493
Other financial liabilities	5	**52**	–
Long-term employee benefit plan deficit	7	**1**	1
Total non-current liabilities		**549**	494
Total liabilities		**1,391**	548
Net assets		**6,761**	3,636
Equity and reserves			
Share capital	9	**171**	171
Merger reserve	9	**3,457**	–
Retained earnings		**3,125**	3,457
Other reserves		**8**	8
Total equity and reserves		**6,761**	3,636

Loss for the year ending 31 December 2024 was $160 million (2023: $36 million profit).

The financial statements, including the notes, of Harbour Energy plc (registered number SC234781) on pages 192 to 196 were approved and authorised for issue by the board of directors on 5 March 2025 and signed on its behalf by:

Alexander Krane
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital $ million	Merger reserve[1] $ million	Capital redemption reserve $ million	Retained earnings[2] $ million	Total equity $ million
At 1 January 2023	171	–	8	3,829	4,008
Profit for the year	–	–	–	36	36
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	36	36
Purchase and cancellation of own shares	–	–	–	(249)	(249)
Share-based payments	–	–	–	46	46
Purchase of ESOP Trust shares	–	–	–	(15)	(15)
Dividends paid	–	–	–	(190)	(190)
At 31 December 2023	171	–	8	3,457	3,636
Loss for the year	–	–	–	(160)	(160)
Other comprehensive income				1	1
Total comprehensive loss	–	–	–	(159)	(159)
Issue of new shares	–	3,457	–	–	3,457
Share-based payments	–	–	–	51	51
Purchase of ESOP Trust shares	–	–	–	(25)	(25)
Dividends paid	–	–	–	(199)	(199)
At 31 December 2024	**171**	**3,457**	**8**	**3,125**	**6,761**

1 The increase in the merger reserve represents the difference between the fair value and nominal value of the shares issued as consideration for the acquisition of the Wintershall Dea assets.
2 Includes $1.65 billion non-distributable reserves restricted until 31 March 2028.

1. Material accounting policies

The separate financial statements of the company are presented as required by the Companies Act 2006. The company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council (FRC). These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to accounting standards issued but not yet effective or implemented, share-based payment information, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions. Where required, the equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on a going concern basis. Further information relating to the going concern assumption is provided in the Financial review on page 32. Key sources of estimation uncertainty disclosure are provided in the accounting policies and in relevant notes to the consolidated financial statements as applicable. Details of the company's share-based payment schemes are provided in note 27 of the consolidated financial statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out on pages 135 to 150 to the consolidated financial statements except that investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

2. (Loss)/profit for the year

As permitted by section 408 of the Companies Act 2006, the company has elected not to present its own profit and loss account for the year. The company reported a loss for the financial year ended 31 December 2024 of $160 million (2023: $36 million profit). Other comprehensive income for the year was $1 million (2023: $nil).

The auditors' remuneration for audit and other services is disclosed in note 5 to the consolidated financial statements.

3. Investments in subsidiaries

Net book value	2024 $ million	2023 $ million
At 1 January	**2,238**	2,302
Additions	**4,089**	–
Transfers	**(262)**	–
Impairment	**–**	(64)
At 31 December	**6,065**	2,238

As part of the Wintershall Dea acquisition the company acquired 5 per cent shares in Wintershall Dea Holding GmbH and designated Harbour Energy DH GmbH as the purchaser of the remaining 95 per cent. On the same day, these 5 per cent shares were contributed to Harbour Energy Netherlands Holdings BV by way of Harbour Energy Netherlands Holdings BV increasing its share premium without issuing further shares to Harbour Energy plc. On the same day, Harbour Energy Netherlands Holdings BV contributed the 5 per cent shares to Harbour Energy DH GmbH by way of Harbour Energy DH GmbH increasing its capital reserve without issuing further shares to Harbour Energy Netherlands Holdings BV.

On 4 September 2024, Harbour Energy plc acquired the shareholdings of Wintershall Dea Finance BV and Wintershall Dea Finance 2 BV. In October 2024, a further contribution was made to Wintershall Dea Finance BV.

As at 31 December, 2024, the market capitalisation of the company was less than the company's carrying value of its investment in its subsidiaries. Therefore, an impairment test was performed to determine whether recoverable amount exceeded the cost of investment. Recoverable amount was assessed by reference to fair value less costs of disposal. This was calculated by comparing the cost of investment with the Group's market capitalisation (Level 1 under IFRS 13 fair value hierarchy), adjusted to reflect a control premium. In determining the premium and costs of disposal, available data from recent market transactions in comparable industries, conducted at arm's length for similar assets, have been taken into account. This resulted in a recoverable amount exceeding the cost of investment. As fair value less costs of disposal exceeded cost, no separate value in use calculation was undertaken. Given the impairment recognised in 2022, this surplus was further assessed for reversal however was not found to be robust when evaluated with reference to reasonable downside sensitivities. As part of this assessment, it was noted that a 10 per cent decrease in the share price would result in a $500 million impairment.

The impairment of $64 million in the prior year reflected an investment in a subsidiary that planned to enter liquidation during 2024.

A list of all investments in subsidiaries held at 31 December 2024, including the name and type of business, the country of operation and the country of incorporation or registration, is given in note 33 to the consolidated financial statements.

4. Receivables

Current	2024 $ million	2023 $ million
Amounts owed by subsidiary undertakings in respect of taxation	14	–
Trade debtors	–	1
Other debtors	11	–
Prepayments	5	21
	30	22
Non-current		
Amounts owed by subsidiary undertakings[1,2]	2,052	1,924
Other long-term receivables	4	–
	2,056	1,924

1 Amounts owed by subsidiary undertakings include non-interest bearing loans that are repayable on demand, although the company has confirmed that it has no current intention to call on the loans until at least 12 months from the date of the approval of these financial statements.
2 The above carrying values reflect an impairment provision required under IFRS 9, which was calculated using the Group's 12-month probability of default. The amounts owed by subsidiary undertakings of $2,061 million (2023: $1,933 million) incurred an impairment provision of $9 million (2023: $9 million) resulting in the carrying amounts being $2,052 million (2023: $1,924 million) at year end.

The carrying values of the company's receivables approximate their fair value.

5. Trade and other payables

Current	2024 $ million	2023 $ million
Amounts owed to subsidiary undertakings	822	–
Amounts owed to subsidiary undertakings in respect of taxation	–	8
Other creditors	1	–
Accruals	19	46
	842	54
Non-current		
Other financial liabilities	52	–
	52	–

Other financial liabilities refer to the contingent consideration agreed upon with the previous owners of the Wintershall Dea assets. Further details of these items are disclosed in note 14 of the consolidated financial statements.

The carrying values of the company's payables approximate their fair value.

6. Borrowings

	2024 Book value $ million	2024 Fair value $ million	2023 Book value $ million	2023 Fair value $ million
Bond	(496)	(499)	(493)	(487)

In October 2021, the company issued a $500 million bond under Rule 144A which has a tenor of five years to maturity. The coupon was set at 5.50 per cent and interest is payable semi-annually. Further details can be found in note 22 of the consolidated financial statements.

The fair value of the bond is within level 2 of the fair value hierarchy and has been estimated by discounting future cash flows by the relevant market yield curve at the balance sheet date.

7. Long-term employee benefit plans

Defined benefit schemes

The company operates a final salary defined benefit pension plan in the UK, primarily inflation-linked annuities based on an employee's length of service and final salary. The scheme is closed to new members. The plan is a UK Tax Authority registered pension plan and is subject to standard UK pension and tax laws. Details on the benefits provided by the plan are set out in the Trust Deed and Rules dated 16 October 2008 (as amended).

The plan's assets are held in a separate trustee-administered fund to meet long-term pension liabilities to beneficiaries. The trustee of the plan is required to act in the best interest of the beneficiaries. The appointment of trustee directors is determined by the trust documentation.

The trustee of the plan invests assets in line with the Statement of Investment Principles. The Statement of Investment Principles has been established taking into consideration the liabilities of the plan and the investment risk the trustee is willing to accept.

Under the Scheme Funding regime introduced by the Pensions Act 2004, the trustee is required to carry out regular actuarial valuations of the plan, establish a schedule of contributions and, when there is a shortfall, a recovery plan. Scheme funding valuations are carried out at least every three years. Approximate funding updates are produced annually in years where a full scheme funding valuation is not completed.

The defined benefit pension plan exposes the company to actuarial risk, such as longevity risk, interest rate risk, salary risk, investment market risk and currency risk.

Further details of this plan have not been provided as the plan is not material to the financial position or results of the company.

The company is also paying an unfunded pension to a former director in regard to which annual increase and a revisionary spouse's pension apply as to pensions paid under the plan.

8. Commitments and guarantees

At the year-end date, the company (together with certain subsidiary undertakings) guaranteed the Group's principal borrowing facilities, which comprise:

- $3 billion revolving credit facility agreement, of which $1.75 billion is available for drawing letters of credit;
- €3 billion senior bonds acquired as a result of the business combination;
- senior unsecured bonds of $500 million, €700 million and €900 million;
- subordinated notes of €650 million and €850 million; and
- $675 million (£540 million) of surety bond capacity for the purposes of posting decommissioning security.

9. Share capital and merger reserve

Further details of these items are disclosed in note 25 of the consolidated financial statements.

10. Dividends

Further details of these items are disclosed in note 31 of the consolidated financial statements.

INDEPENDENT ASSURANCE STATEMENT

Scope

Ernst & Young LLP (EY) was engaged by Harbour Energy plc (the company, Harbour) to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), here after referred to as the 'engagement', to report on selected Environmental and Social performance data indicated with a '^' (the Subject Matter) contained within Harbour's Annual Report for the year ended 31 December 2024 (the Report).

The Subject Matter is as follows:

- Safety metrics: page 41
- GHG and energy metrics: page 52
- Effluent spills and waste metrics: page 53
- Social metrics: page 55

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Harbour Energy plc

In preparing the Subject Matter, Harbour applied The Global Reporting Initiative Standard, GRI 11: Oil and Gas Sector 2021 (including associated GRI Topic Standard Disclosures) (the Criteria).

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2024 in order for it to be in accordance with the Criteria.

Basis for our conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and International Standard on Assurance Engagements 3410 – Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), as promulgated by the International Auditing and Assurance Standards Board (IAASB) and the terms of our engagement letter dated 20 November 2024, as agreed with the company. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

In performing this engagement, we have applied International Standard on Quality Management (ISQM) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have maintained our independence and other ethical requirements of the Institute of Chartered Accountants of England and Wales (ICAEW) Code of Ethics (which includes the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)). We are the independent auditor of the company and therefore we will also comply with the independence requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities.

Responsibilities of the company

Harbour's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Responsibilities of EY for the limited assurance engagement

It is our responsibility to:

- plan and perform the engagement to obtain limited assurance in respect of whether the Subject Matter has not been prepared in all material respects in accordance with the Criteria;
- form an independent conclusion on the presentation of the Subject Matter on the basis of the work performed and evidence obtained; and
- report our conclusion to the directors of the company.

Our approach

The objective of a limited assurance engagement is to perform such procedures so as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Subject Matter. The nature, timing and extent of procedures performed in a limited assurance engagement is dependent on our judgement, including our assessment of the risk of material misstatement, and is less in extent than for a reasonable assurance engagement. Our procedures were only designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature, timing and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking the aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Because a limited assurance engagement can cover a range of assurance, the detail of our procedures is included below to provide further context to the nature, timing and extent of our work:

- conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
- analytical review procedures to understand the appropriateness of the data;
- testing, on a limited sample basis, against underlying source information to check the accuracy and completeness of the data and the appropriate application of the Criteria; and
- assessing the Report for the appropriate presentation of the data including limitations and assumptions.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter. Because there is not yet a large body of established practice upon which to base measurement and evaluation techniques, the methods used for measuring or evaluating non-financial information, including the precision of different techniques, can differ, yet be equally acceptable. This may affect the comparability between entities, and over time.

Use of our report

This report is produced in accordance with the terms of our engagement letter dated 20 November 2024 solely for the purpose of reporting to the directors of the company in connection with the Subject Matter for the period ended 31 December 2024. Those terms permit disclosure on the company's website, solely for the purpose of the company showing that it has obtained an independent assurance report in connection with the Subject Matter. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for the procedures performed, for this report, or for the conclusions we have formed. This engagement is separate to, and distinct from our appointment as the auditor to the company.

Ernst & Young LLP
6 March 2025
London

UK GOVERNMENT PAYMENT REPORTING
FOR THE YEAR ENDED 31 DECEMBER 2024

Basis of preparation

The Reports on Payments to Governments Regulations (UK Regulations) came into force on 1 December 2014 and require UK companies in the extractive sector to publicly disclose payments made to governments in the countries where they undertake extractive operations. The aim of the regulations is to enhance the transparency of the payments made by companies in the extractive sector to host governments in the form of taxes, bonuses, royalties, fees and support for infrastructure improvements.

This consolidated report provides information in accordance with DTR 4.3A in respect of payments made by the company and its subsidiaries to governments for the year ended 31 December 2024 and in compliance with the Reports on Payments to Governments Regulations 2014 (SI 2014/3209), as amended by the Reports on Payments to Governments (Amendment) Regulations 2015 (SI 2015/1928).

The payments disclosed are based on where the obligation for the payment arose: payments levied at a project level have been disclosed at a project level and payments levied at a corporate level have been disclosed on that basis.

The payments disclosed are for the 12-month period ending 31 December 2024. The 12 month accounting period includes payments made by entities acquired from Wintershall Dea after the completion date, 3 September 2024.

Within the UK Regulations, a project is defined as being the operational activities which are governed by a single contract, licence, lease, concession or a similar legal agreement. The company undertakes extractive activities in different types of fiscal petroleum regimes and therefore the types of payments disclosed vary from country to country. For the purposes of our reporting, the operational activities which form the basis of payment obligations towards a governmental authority are governed by a contract, licence, lease, concession or similar legal agreement. For the UK, individual licences have been grouped into geographical hubs and have been classified as projects.

All of the payments disclosed have been made to national governments, either directly or through a Ministry or Department, or to a national oil company, who have a working interest in a particular licence. For projects where we are the operator we have disclosed the full payment made on behalf of the project; where we have a non-operated interest we have not disclosed payments made on our behalf by another party.

In line with the UK Regulations, where a payment or a series of related payments do not exceed $109,844 (£86,000), they have not been disclosed. Where the aggregate payments made in the period for a project or country are less than $109,844 we have not disclosed the payments made for this project or country.

Our total economic value generated and distributed to all stakeholders can be found in the Sustainability review on page 55.

Reporting currency: Payments disclosed in this report have been disclosed in US dollars, consistent with the rest of the 2024 Annual Report. Where actual payments have been made in a currency other than US dollars, they have been translated using the prevailing exchange rate when the payment was made.

Production entitlements in barrels: Includes non-cash royalties and state non-participating interest paid in barrels of oil or gas out of the Group's working interest share of production in a licence. The figures disclosed are on a cash paid liftings basis.

Income taxes: This represents cash tax calculated on the basis of profits including income or capital gains and taxes on production. Income taxes are usually reflected in corporate income tax returns. The cash payment of income taxes occurs in the year in which the tax has arisen or up to one year later. Income taxes also include any cash tax rebate received from the government or revenue authority during the year. Income taxes do not include fines and penalties. In accordance with the UK Regulations, payments made in relation to sales, employee, environmental or withholding taxes have not been disclosed.

Dividends: This includes dividends that are paid in lieu of a production entitlement or royalty. It does not include any dividends paid to a government as an ordinary shareholder.

Royalties: This represents cash royalties paid to governments during the year for the extraction of oil or gas. The terms of the royalties are described within our PSCs and can vary from project to project within one country. Export duties paid in kind have been recognised within the royalties category. The cash payment of royalties occurs in the year in which the tax has arisen.

Bonus payments: This represents any bonus paid to governments during the year, usually as a result of achieving certain milestones, such as a signature, discovery or production bonuses.

Licence fees: This represents licence fees, rental fees, entry fees and other consideration for licences and/or concessions paid for access to an area during the year (with the exception of signature bonuses which are captured within bonus payments).

Infrastructure improvement payments: This represents payments made in respect of infrastructure improvements for projects that are not directly related to oil and gas activities during the year. This can be a contractually obligated payment in a PSC or a discretionary payment for building/improving local infrastructure such as roads, bridges and ports.

Country	Licence and hub/ company level	Production entitlements mmbbls	Production entitlements $ millions	Income taxes $ millions	Royalties: cash only $ millions	Dividends $ millions	Bonus payments $ millions	Licence fees $ millions	Infrastructure improvement payments $ millions	Total $ millions
Norway	Corporate	–	–	529	–	–	–	–	–	529
	PL211	–	–	–	–	–	–	1	–	1
	PL211CS	–	–	–	–	–	–	1	–	1
	PL248	–	–	–	–	–	–	1	–	1
	PL248F	–	–	–	–	–	–	1	–	1
	PL248GS	–	–	–	–	–	–	1	–	1
	PL435	–	–	–	–	–	–	1	–	1
	PL836S	–	–	–	–	–	–	2	–	2
	PL836SB	–	–	–	–	–	–	1	–	1
	PL894	–	–	–	–	–	–	1	–	1
	Total	**–**	**–**	**529**	**–**	**–**	**–**	**10**	**–**	**539**
United Kingdom	Central North Sea	–	–	(2)	–	–	–	8	–	6
	Southern North Sea	–	–	(4)	–	–	–	3	–	(1)
	East Irish Sea	–	–	–	–	–	–	1	–	1
	Corporate	–	–	937	–	–	–	–	–	937
	Total	**–**	**–**	**931**	**–**	**–**	**–**	**12**	**–**	**943**
Germany	Hemsbünde	–	–	–	1	–	–	–	–	1
	Emlichheim	–	–	–	1	–	–	–	–	1
	Völkersen	–	–	–	2	–	–	–	–	2
	Mittelplate/Dieksand	–	–	–	14	–	–	–	–	14
	Total	**–**	**–**	**–**	**18**	**–**	**–**	**–**	**–**	**18**
Mexico	Ogarrio	–	–	–	8	–	–	–	–	8
	Block 16	–	–	–	–	–	–	1	–	1
	Block 17	–	–	–	–	–	–	1	–	1
	Block 30	–	–	–	–	–	–	1	–	1
	Total	**–**	**–**	**–**	**8**	**–**	**–**	**3**	**–**	**11**
Argentina	Cuenca Austral	–	–	–	13	–	–	–	–	13
	Neuquén	–	–	–	6	–	–	–	–	6
	Corporate	–	–	4	–	–	–	–	–	4
	Total	**–**	**–**	**4**	**19**	**–**	**–**	**–**	**–**	**23**
Egypt	Disouq	1	13	–	–	–	–	–	–	13
	East Damanhur	–	2	–	–	–	–	–	–	2
	Total	**1**	**15**	**–**	**–**	**–**	**–**	**–**	**–**	**15**
Libya	Area 58	–	9	–	–	–	–	–	–	9
	Total	**–**	**9**	**–**	**–**	**–**	**–**	**–**	**–**	**9**
Indonesia	Natuna Sea Block A	1	66	18	–	–	–	–	–	84
	Total	**1**	**66**	**18**	**–**	**–**	**–**	**–**	**–**	**84**
Vietnam	Chim Sáo	–	17	–	–	–	–	–	–	17
	Corporate	–	–	16	10	–	–	–	–	26
	Total	**–**	**17**	**16**	**10**	**–**	**–**	**–**	**–**	**43**
Total Group		**2**	**107**	**1,498**	**55**	**–**	**–**	**25**	**–**	**1,685**

Country	Government	Production entitlements mmbbls	Production entitlements $ millions	Income taxes $ millions	Royalties: cash only $ millions	Dividends $ millions	Bonus payments $ millions	Licence fees $ millions	Infrastructure improvement payments $ millions	Total $ millions
Norway	The Norwegian Tax Administration (Skatteetaten)	–	–	529	–	–	–	–	–	529
	Norwegian Offshore Directorate	–	–	–	–	–	–	10	–	10
	Total	**–**	**–**	**529**	**–**	**–**	**–**	**10**	**–**	**539**
United Kingdom	HM Revenue & Customs	–	–	931	–	–	–	–	–	931
	North Sea Transition Authority	–	–	–	–	–	–	11	–	11
	The Crown Estate	–	–	–	–	–	–	1	–	1
	Total	**–**	**–**	**931**	**–**	**–**	**–**	**12**	**–**	**943**
Germany	Landesamt für Bergbau, Energie & Geologie; Hannover/Niedersachsen	–	–	–	4	–	–	–	–	4
	Landesamt für Bergbau, Energie & Geologie Schleswig Holstein	–	–	–	14	–	–	–	–	14
	Total	**–**	**–**	**–**	**18**	**–**	**–**	**–**	**–**	**18**
Mexico	Fondo Mexicano del Petróleo para la Estabilización y el Desarrollo (FMP)	–	–	–	8	–	–	2	–	10
	Servicio de Administración Tributaria (SAT)	–	–	–	–	–	–	1	–	1
	Total	**–**	**–**	**–**	**8**	**–**	**–**	**3**	**–**	**11**
Argentina	Ministerio de Energía y Minería	–	–	–	9	–	–	–	–	9
	Dirección Provincial de Rentas/ Provincia del Neuquén	–	–	–	6	–	–	–	–	6
	Agencia de Recaudación Fueguina/ Provincia de Tierra del Fuego	–	–	–	4	–	–	–	–	4
	Administración Federal de Ingresos Públicos	–	–	4	–	–	–	–	–	4
	Total	**–**	**–**	**4**	**19**	**–**	**–**	**–**	**–**	**23**
Egypt	Egyptian Natural Gas Holding Company (EGAS)	1	15	–	–	–	–	–	–	15
	Total	**1**	**15**	**–**	**–**	**–**	**–**	**–**	**–**	**15**
Libya	NOC Tripoli	–	9	–	–	–	–	–	–	9
	Total	**–**	**9**	**–**	**–**	**–**	**–**	**–**	**–**	**9**
Indonesia	SKK Migas	1	66	–	–	–	–	–	–	66
	Directorate General of Taxes	–	–	18	–	–	–	–	–	18
	Ministry of Energy and Mineral Resources (MEMR)	–	–	–	–	–	–	–	–	–
	Total	**1**	**66**	**18**	**–**	**–**	**–**	**–**	**–**	**84**
Vietnam	Petro Vietnam	–	17	–	–	–	–	–	–	17
	HCM Tax Department	–	–	16	7	–	–	–	–	23
	Vung Tau Customs office	–	–	–	3	–	–	–	–	3
	Total	**–**	**17**	**16**	**10**	**–**	**–**	**–**	**–**	**43**
Total Group		**2**	**107**	**1,498**	**55**	**–**	**–**	**25**	**–**	**1,685**

Oil and gas 2P reserves and 2C resources[1]

		1 January 2024 mmboe	Acquisitions[3] mmboe	Revisions[4] mmboe	Production mmboe	2P reserves (working interest) 31 December 2024 mmboe	2P reserves[5] (entitlement) 31 December 2024 mmboe	2C resources (working interest) 31 December 2024 mmboe
Norway	Oil and NGLs	–	179	–	(7)	172	172	150
	Gas[2]	–	297	–	(12)	285	285	158
	Total	**–**	**477**	**–**	**(19)**	**458**	**458**	**308**
UK	Oil and NGLs	183	–	(3)	(27)	153	153	91
	Gas[2]	161	–	9	(28)	142	142	52
	Total	**343**	**–**	**6**	**(55)**	**295**	**295**	**143**
Argentina	Oil and NGLs	–	21	–	(1)	20	20	91
	Gas[2]	–	243	–	(7)	236	236	680
	Total	**–**	**264**	**–**	**(8)**	**256**	**256**	**770**
Germany	Oil and NGLs	–	95	–	(2)	92	92	16
	Gas[2]	–	35	–	(1)	34	34	27
	Total	**–**	**130**	**–**	**(4)**	**126**	**126**	**43**
North Africa	Oil and NGLs	–	9	–	(1)	8	6	5
	Gas[2]	–	48	–	(4)	44	30	25
	Total	**–**	**57**	**–**	**(4)**	**52**	**36**	**30**
Mexico	Oil and NGLs	–	40	–	(1)	39	25	386
	Gas[2]	–	8	–	(0)	8	7	18
	Total	**–**	**48**	**–**	**(1)**	**47**	**31**	**405**
Southeast Asia	Oil and NGLs	7	–	0	(2)	6	4	44
	Gas[2]	10	–	0	(2)	8	6	167
	Total	**18**	**–**	**1**	**(4)**	**14**	**10**	**211**
Total	Oil and NGLs	190	343	(2)	(40)	491	472	783
	Gas[2]	171	632	9	(55)	758	740	1,127
	Total	**361**	**976**	**7**	**(94)**	**1,249**	**1,212**	**1,910**

1 The volumes in the above table reflect internal estimates. DeGolyer and MacNaughton (D&M) audited by means of independent assessment a substantial proportion of the asset base, covering 90 per cent of working interest 2P reserves and over 70 per cent of working interest 2C resources. D&M's opinion on these estimates is as follows: it is D&M's opinion that the proved-plus-probable 2P reserves estimates prepared by Harbour on the properties evaluated by D&M, when compared on the basis of working interest millions of barrels of oil equivalent, in aggregate, do not differ materially from those prepared by D&M and it is D&M's opinion that the 2C contingent resources estimates prepared by Harbour on the properties evaluated by D&M, when compared on the basis of working interest millions of barrels of oil equivalent, in aggregate, do not differ materially from those prepared by D&M.
2 Gas volumes are converted to boe using conversion factors of 5.8 mmbtu/boe for 2P reserves. 2C gas volumes are converted to mmboe using 5.8 mmbtu/boe, where gas calorific values can be meaningfully determined, and 5.6 mscf/boe, where otherwise. Fuel gas is not included in the 2P reserves estimates.
3 Relates to Harbour's acquisition of the Wintershall Dea assets that completed on 3 September 2024.
4 2P reserves revisions include both changes from re-estimation and additions. The overall revision predominantly reflects additions made for activity in the Elgin and AELE hubs, in the UK, obtaining approvals in 2024. Revisions based on re-estimates account for less the one per cent change to the reserves volume for the UK and Southeast Asia.
5 Harbour's net entitlement 2P reserves are lower than its working interest 2P reserves for some assets in Mexico, North Africa and Southeast Asia, reflecting the terms of the production sharing contracts (PSC) for the relevant assets.

Because of rounding, some totals may not agree exactly with the sum of their component parts.

CO_2 storage 2P capacity and 2C resources[1]

	2P capacity million tonnes 31 December 2024	2C resources[2] million tonnes 31 December 2024
Norway	0.4	220.8
UK	–	390.9
Denmark	–	25.4
Total[3]	**0.4**	**659.2**

1 All numbers are representative of Harbour's working interest.
2 Total includes resources associated with two areas in the Netherlands, where there is currently no storage licence in place. Harbour has a cooperation agreement to evaluate CCS storage on Q1-B and P6-AB which are subject to production licences. The nature of licensing for CCS in the Netherlands means that storage licences are not required for exploration stage CCS evaluation where there is a producing licence.
3 The volumes in the above table reflect internal estimates. AGR Energy Services AS (AGR) has provided a competent persons report over the Havstjerne and Luna 2C resources in Norway. ERCE Equipoise Ltd (EQR) has provided a competent persons report over the Viking 2C resources in the UK. The resources that have been independently assessed amount to c.70 per cent of the total Harbour storage resources, the independent assessment of these resources is not materially different in the aggregate volume to the internal Harbour estimates for these assets (<5 per cent).

WORLDWIDE LICENCE INTERESTS
AS AT 31 DECEMBER 2024

Europe

Country	Licence/area	Operator	Harbour equity	Associated fields	Associated discoveries
UK	AELE	Harbour Energy	100%	Drake, Fleming, Hawkins, Maria, Seymour, Everest, Lomond	–
		Ithaca	32%	Erskine	–
	J-Area	Harbour Energy	67–67.5%	Jade, Jasmine, Joanne, Judy, Talbot	Dunnottar
	Greater Britannia Area	Harbour Energy	50–93.8%	Britannia, Brodgar, Callanish, Enochdhu	Gilderoy
		NEO Energy	44%	–	Leverett
		Ithaca	26.3%	Alder	–
	Catcher Area	Harbour Energy	50%	Catcher, Burgman, Varadero	–
	Tolmount Area	Harbour Energy	50%	Tolmount	–
		Dana Petroleum	50%	–	Earn
	Beryl Area	Apache	34–49.1%	Beryl, Buckland, Callater, Loirston, Ness-Nevis fields, Skene, Storr	–
	Elgin-Franklin Area	TotalEnergies	19.3–33.3%	Elgin, Franklin, Glenelg	–
	West of Shetland	Harbour Energy	100%	Solan	–
		bp	7.5–10%	Clair, Schiehallion	–
	Southern North Sea	Harbour Energy	28.8%	Johnston[1]	–
		Perenco	28.8%	Ravenspurn North	–
		Shell	8.4%	Galleon	–
	Buzzard	CNOOC	21.7%	–	–
	Calder[2]	Harbour Energy	100%	–	–
	Nelson	Shell	1.7%	–	–
Norway	Dvalin Area	Harbour Energy	55%	Dvalin Nord	Adriana/Sabina
	Maria Area	Harbour Energy	40–50%	–	Bergknapp
	Gjøa Hub	Harbour Energy	39–56.7%	Nova, Vega	–
		Vår Energi	20–28%	Gjøa	Gjøa Nord, Ofelia
	Aasta Hansteen Hub	Equinor	10–24%	Snefrid Nord, Snefrid Sor, Luva, Haklang, Irpa	Obelix
	Njord Hub	Equinor	27.5–50%	Njord, Bauge, Hyme	–
	Skarv Hub	Aker BP	10–30%	Skarv, Idun, Ærfugl, Ærfugl Nord, Gråsel	Alve Nord, Idun Nord, Newt, Storjo
	Edvard Grieg Hub	Aker BP	15%	Edvard Grieg, Solveig	–
	Snorre Area	Equinor	1.3–8.6%	Snorre, Tordis, Vigdis, Statfjord Øst, Sygna	–
	Snøhvit	Equinor	2.8%	–	–
Germany	Mittelplate	Harbour Energy	100%	–	–
	Emlichheim	Harbour Energy	100%	–	–
	Lower Saxony Area	Harbour Energy	20.8–100%	Barrien, Bötersen, Hemsbünde, Rehden, Staffhorst-Nord, Weißenmoor, Völkersen	–
		BEB Erdgas und Erdöl GmbH&CoKG	20.8–27.5%	Bötersen Pool, Söhlingen	–

1 Operated on our behalf by Perenco.
2 Operated on our behalf by Spirit Energy.

Note: This list is not exhaustive. Harbour also holds a number of operated and non-operated interests in fields across the UK, Norway and Germany that have ceased production and are in or are entering decommissioning, as well as operated and non-operated exploration and pre-development interests.

Americas

Country	Licence/area	Operator	Harbour equity	Associated fields	Associated discoveries
Argentina	Aguada Pichana Este (APE)	TotalEnergies	22.5-27.3%	Aguada Pichana Este Residual, Aguada Pichana Este Vaca Muerta	–
	San Roque	TotalEnergies	24.7%	Aguada San Roque, Loma Las Yeguas, Rincon Chico, San Roque (Vaca Muerta)	–
	Cuenca Marina Austral (CMA-1)	TotalEnergies	35-37.5%	Ara, Ara South, Antares, Cañadon-Alfa, Aries, Carina, Fénix, Hidra, Kaus, Vega-Pleyade	Leo, Tauro, Unicornio, Sirius, Spica
Mexico	Ogarrio	Harbour Energy	50%	–	–
	Hokchi	Hokchi Energy	37%	–	–
	Zama	PEMEX	32.2%	–	–
	Block 29	Repsol	25%	–	Polok, Chinwol
	Block 30	Harbour Energy	70%	–	Kan

Note: This list is not exhaustive. For Mexico, we have only included material licences. Harbour equity is disclosed on a working interest basis rather than net entitlement which is not quoted here.

North Africa

Country	Licence/area	Operator	Harbour equity	Associated fields	Associated discoveries
Egypt	Disouq Area	DISOUCO[1]	100%	Disouq, Sidi Salem SE, Sidi Ghazi, NW Khilala	–
	ED	Harbour Energy	40%	East Damanhour	–
	West Nile Delta	bp	9.5-17.3%	Taurus, Fayoum, Raven (+West), Giza North, Libra	–
Algeria	Reggane Nord	Groupement Reggane Nord[2]	24%	Kahlouche, Kahlouche Sud, Tiouliline, Sali, Azrafil Sud-Est, Reggane	–
Libya	Al-Jurf	Mabruk Oil Operations	12.5%	–	–

1 This licence is operated by the DISOUCO joint venture between Harbour Energy and EGAS Egypt National Company resulting in 100 per cent Harbour Energy equity on the licence but effective equity of only 50 per cent.
2 Groupement Reggane Nord is a joint venture between Harbour Energy (24 per cent), Sonatrach (40 per cent) and Repsol (36 per cent).

Note: This list is not exhaustive. Harbour also holds a number of non-operated interests in fields in Mauritania that are currently being decommissioned.

Southeast Asia

Country	Licence/area	Operator	Harbour equity	Associated fields	Associated discoveries
Indonesia	Andaman I	Mubadala Petroleum	20%	–	–
	Andaman II	Harbour Energy	40%	–	Timpan, Gayo
	South Andaman	Mubadala Petroleum	20%	–	Layaran, Tangkulo
	Natuna Sea Block A	Harbour Energy	28.7%	Anoa, Gajah Baru, Naga, Pelikan, Bison, Iguana, Gajah Puteri	–
	Tuna Block	Harbour Energy	50%	–	Kuda Laut, Singa Laut
Vietnam	Block 12W	Harbour Energy	53.1%	Chim Sáo, Chim Sáo North, Dua	–

Note: Harbour equity is disclosed on a working interest basis rather than net entitlement which is not quoted here.

CCS

Country	Licence/area	Operator	Harbour equity
UK	Viking CCS	Harbour Energy	60%
	Acorn	Storegga	30%
	Camelot CO_2	Synergia Energy	50%
	Poseidon CO_2	Perenco	10%
Norway	Havstjerne CO_2	Harbour Energy	60%
	Luna CO_2	Harbour Energy	60%
	Snøhvit CO_2	Equinor	2.8%
Denmark	Greenstore CO_2	Harbour Energy	40%
	Greensand CO_2	INEOS	40%

Note: Harbour is also involved in the CO_2nnectNow project in Germany to develop the Wilhelmshaven ENERGY HUB and has cooperation agreements in place to evaluate CCS storage in the Netherlands.

GLOSSARY

2C	Contingent resources
2P	Proven and probable reserves
ABP	Associated British Ports
ADR	American depositary receipt
AFE	Authorisation for expenditure
AGM	Annual General Meeting
APS	Announced Pledges Scenario (IEA)
bbl	Barrel
bcf	Billion cubic feet
BMS	Business management system
boe	Barrel(s) of oil equivalent
CCGT	Combined cycle gas turbine
CCS	Carbon capture and storage
CDP	Formerly Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGUs	Cash-generating units
Chrysaor	Chrysaor Holdings Limited and subsidiaries
CMAPP	Corporate major accident prevention policy
CO_2e	Carbon dioxide equivalent
COO	Chief Operating Officer
COP	Cessation of production
CRROs	Climate-related risks and opportunities
CSA	Conditional share awards
CSRD	Corporate Sustainability Reporting Directive
DD&A	Depreciation, depletion and amortisation
DE&I	Diversity, equity and inclusion
DMA	Double materiality assessment
DRIP	Dividend reinvestment plan
DTA	Deferred tax asset
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration
ECL	Expected credit losses
E&E	Exploration and evaluation
EFF	Exploration financing facility
EIR	Effective interest rate
EMS	Enterprise management system
EPL	Energy Profits Levy
EPS	Earnings per share
ERAPs	Emissions reduction action plans
ESG	Environmental, social and governance
ESOP	Employee stock ownership plan
ESRS	European Sustainability Reporting Standards
EVP	Executive Vice President
EY	Ernst & Young LLP
FCA	Financial Conduct Authority
FEED	Front-end engineering and design
FLNG	Floating Liquefied Natural Gas
FPSO	Floating production, storage and offtake vessel
FRC	Financial Reporting Council
FVLCD	Fair value less cost of disposal
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX	Foreign exchange
FY	Full year
GHG	Greenhouse gas emissions
GJ	Gigajoule
GRI	Global Reporting Initiative
HiPo	High potential incident (Any incident or near miss that could, in other circumstances, have realistically resulted in one or more fatalities)
HiPoR	High potential incident rate (The frequency of HiPos per million worked hours)
HMRC	HM Revenue & Customs
HSES	Health, safety, environment and security
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IEA	International Energy Agency
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IOGP	International Association of Oil & Gas Producers
IPIECA	Global oil and gas association for advancing environmental and social performance across the energy transition
ISAs (UK)	International Standards on Auditing (UK)
ISDA	International Swaps and Derivatives Association
ISO	International Organization for Standardization
JV	Joint venture

kboepd	Thousand barrels of oil equivalent per day
kgCO_2e	Kilograms of carbon dioxide equivalent
km	Kilometre
KPI	Key performance indicator
kt	Thousand tonnes
LGBTQ+	Lesbian, gay, bisexual, transgender and queer/questioning
LIBOR	London Inter-Bank Offered Rate
LNG	Liquefied natural gas
LOPC	Loss of primary containment
LTIP	Long Term Incentive Plan
M&A	Mergers and acquisitions
MAH	Major accident hazards
MENA	Middle East and North Africa
mmboe	Million barrels of oil equivalent
mscf	Thousand standard cubic feet
mt	Million tonnes
mtpa	Million tonnes per annum
MW	Megawatt
NBP	National Balancing Point (UK natural gas prices)
NGL	Natural gas liquids
NGO	Non-government organisation
NOK	Norwegian krone
NSTA	North Sea Transition Authority
NTS	National Transmission System
NZE	Net Zero Emissions Scenario (IEA)
OCM	Operating Committee Meetings
OECD	Organisation for Economic Co-operation and Development
OEUK	Offshore Energies UK
OGMP	Oil & Gas Methane Partnership 2.0
OPEC	The Organization of the Petroleum Exporting Countries
PP&E	Property, plant and equipment
ppm-wt	Parts per million by weight
Premier	Premier Oil plc and subsidiaries

PSA	Performance share awards
PSC	Production sharing contract
PSE	Process safety events
RBL	Reserve based lending
RCF	Revolving credit facility
SAYE	Save As You Earn
Scope 1	Direct emissions from owned or operated sources
Scope 2	Indirect emissions from the generation of purchased energy
Scope 3	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions
SECR	Streamlined Energy and Carbon Reporting
SIP	Share Incentive Plan
SOFR	Secured Overnight Financing Rate
SPE	Society of Petroleum Engineers
SSP	Shared Socioeconomic Pathways
STEM	Science, technology, engineering and maths
STEPS	Stated Policies Scenario (IEA)
Tcf	Trillion cubic feet
TCFD	Task Force on Climate-related Financial Disclosures
THE	Trading Hub Europe
Therm	A unit for quantity of heat that equals 100,000 British thermal units. One therm is equal to approximately 100 cubic feet of natural gas
TRIR	Total recordable injury rate (The number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked)
TSR	Total shareholder return
TTF	Title Transfer Facility
UK	United Kingdom
UN SDGs	United Nations Sustainability Development Goals
USD	US dollar
VP	Vice President
WACC	Weighted average cost of capital
Wintershall Dea transaction	The acquisition of the Wintershall Dea asset portfolio, comprising substantially all of Wintershall Dea AG's upstream assets which completed on 3 September 2024

Non-IFRS measures

Harbour uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles (GAAP). These non-IFRS measures, which are presented within the Financial review, are defined below:

- **Capital investment:** Depicts how much the Group has spent on purchasing fixed assets in order to further its business goals and objectives. It is a useful indicator of the Group's organic expenditure on oil and gas assets, and exploration and appraisal assets, incurred during a period
- **DD&A per barrel:** Depreciation and amortisation of oil and gas properties for the period divided by working interest production. This is a useful indicator of ongoing rates of depreciation and amortisation of the Group's producing assets
- **EBITDAX:** Earnings before tax, interest, depreciation and amortisation, impairments, remeasurements, onerous contracts and exploration expenditure. This is a useful indicator of underlying business performance
- **Free cash flow:** Operating cash flow less cash flow from investing activities (exclusive of net expenditure on business combinations) less interest and lease payments (principal and interest)
- **Leverage ratio:** Net debt/last twelve months EBITDAX
- **Liquidity:** The sum of cash and cash equivalents on the balance sheet and the undrawn amounts available to the Group on our principal facilities. This is a key measure of the Group's financial flexibility and ability to fund day-to-day operations
- **Net debt:** Total revolving credit facility and bonds (net of the carrying value of unamortised fees) less cash and cash equivalents recognised on the consolidated balance sheet. This is an indicator of the Group's indebtedness and contribution to capital structure
- **Operating cost per barrel:** Direct operating costs (excluding over/underlift) for the period, including tariff expense, insurance costs and mark to market movements on emissions hedges, less tariff income, divided by working interest production. This is a useful indicator of ongoing operating costs from the Group's producing assets
- **Shareholder returns paid:** Dividends plus share buybacks completed in the period are included in this metric which shows the overall value returned to stakeholders in the period
- **Total capital expenditure:** Capital investment 'additions' per notes 11 and 12 plus decommissioning expenditure 'amounts used' per note 21

Registrar
All enquiries concerning your shareholding should be directed to Equiniti:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom

Website: shareview.co.uk

Share portal
As a shareholder you have direct access to an online share portal operated by Equiniti at shareview.co.uk. You can access the share portal with your Shareholder Reference Number (SRN) which can be found on your share certificate. The portal provides a range of services, free of charge, to help you to administer your shareholding quickly and efficiently by allowing you to:

- change your address details;
- choose to receive electronic shareholder communications;
- set up or amend a dividend mandate so dividends can be paid directly to your bank account; and
- buy and sell Harbour Energy plc shares using the dealing service operated by Equiniti.

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Shareholders have the option to receive communications including annual reports and notices of meetings electronically. This is a faster, more environmentally friendly and, for Harbour Energy plc, a more cost-effective way for shareholders to receive annual reports and other statutory communications as soon as they are available. To register for this service, please visit the share portal: shareview.co.uk. You will need your 11 digit Shareholder Reference Number which can be found on documents that you have been sent by Equiniti. Once registered, Harbour Energy plc will communicate with you via email rather than post.

Dividends
Details of dividend payments made are included within the shareholder information section of the investors area of the company website: harbourenergy.com.

The company operates a Dividend Reinvestment Plan (DRIP) which enables shareholders to buy the company's shares on the London stock market with their cash dividend. Further information about the DRIP is available from Equiniti.

Shareholder security
Shareholders are advised to be cautious about any unsolicited financial advice, including offers to buy Harbour Energy plc shares at inflated prices, or offers of free reports about Harbour. More information can be found at fca.org.uk/consumers/scams and in the shareholder information section of the investors area of the company website: harbourenergy.com.

American Depositary Receipt programme
Harbour Energy plc has a sponsored Level 1 American Depositary Receipt (ADR) programme which BNY Mellon administers and for which it acts as Depositary. Each ADR represents one ordinary share of the company. The ADRs trade on the US over-the-counter market under the symbol HBRIY. When dividends are paid to shareholders, the Depositary converts such dividends into US dollars, net of fees and expenses, and distributes the net amount to ADR holders.

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