

Pearl Petroleum Company Limited

Operational & Corporate Update

Pearl Petroleum Company Ltd. (“Pearl”) presents an operating and financial update for the nine months ended 30 September 2024. Pursuant to a Petroleum Development Agreement (“PDA”) with the Kurdistan Regional Government of Iraq (“KRG”), Pearl is the Contractor and consequently takes title to and enjoys exclusive rights to appraise, develop, produce, market and sell petroleum, including natural gas, domestically and for export, from Khor Mor, Chemchemal, Block 19 and Block 20 areas. Crescent Petroleum Company International Limited (“Crescent”) and Dana Gas Upstream Holdings Limited (“Dana Gas”) have been appointed as the Operator (for and on behalf of Pearl) for the purposes of the implementation of the PDA.

Highlights

- Revenue during nine months ended 30 September 2024 was \$480.8 million compared to \$481.9 million during nine months ended 30 September 2023 representing sale of condensate, Liquefied Petroleum Gas (LPG) and gas produced from the Khor Mor field. During the nine months ended 30 September 2024, gas continued to be sold to the KRG, while LPG and condensate were sold to third party buyers, under separate sales contracts. During third quarter (“3Q”) 2024 the revenue was \$170 million compared to \$160 million in 3Q 2023.
- Nine months ended 30 September 2024 production averaged 121.4k barrels of oil equivalent per day (“boed”) compared to 118.3k boed in nine months ended 30 September 2023; the Khor Mor field cumulative production reached 479.2 million boe as of 30 September 2024. During 3Q 2024 the average production was 125.4k boed compared to 123.0k boed in 3Q 2023.
- EBITDA last twelve months (“LTM”) was \$511.1 million whereas EBITDA in 3Q 2024 was \$140.4 million.
- Pearl received cash proceeds from sales of condensate, LPG and gas amounting to \$576.5 million during nine months ended 30 September 2024 (including partial receipts against 2023 receivables). Subsequent to 30 September 2024, \$69.8 million has been collected as of date (25 November 2024).
- Capital expenditures in 3Q 2024 amounted to \$42 million compared to \$72 million in 3Q 2023.
- Cash and bank balances as on 30 September 2024 was \$337.5 million, including bank balances of \$43.2 million held in Debt Service Reserve Accounts in accordance with financing facilities with the lenders.
- During 3Q 2024, it was normal operations from the existing operating facilities at Khor Mor. In addition, Pearl assumed direct control over the remaining phases of the KM250 project, ensuring that the project is brought back on track and completed in the timeliest manner after termination of the EPC contract with Enerflex. After the quarter end, a new construction contractor has been engaged and the KM250 project is expected to be completed in Q2 2026, with gas sales pursuant to the second gas sales agreement with the KRG (GSA2) also expected to commence in that same quarter.
- Pearl completed a new \$350 million bond financing after the quarter end. The use of proceeds is to fund the remaining construction and commissioning costs related to KM250.

Summary of Results – Pearl Petroleum Company Limited

		Quarter ended 30 Sep 2024 (unaudited)	Quarter ended 30 Sep 2023 (unaudited)	Nine months ended 30 Sep 2024 (unaudited)	Nine months ended 30 Sep 2023 (unaudited)
Production ⁽¹⁾	boed	125,404	122,981	121,435	118,278
Revenue	USDm	170	160	481	482
EBITDA ⁽²⁾	USDm	140	131	396	406
Operating cash flow	USDm	174	129	489	306
Capex ⁽³⁾	USDm	42	72	93	208
Free cash flow ⁽⁴⁾	USDm	132	57	396	98
Total cash	USDm	337	284	337	284
Debt ⁽⁵⁾	USDm	318	412	318	412
Net debt	USDm	-19	128	-19	128

Notes:

1. 100% production from Khor Mor field
2. Revenues less Cost of sales less Other expenses
3. Capex is shown on cash basis.
4. Free Cash Flow is net cash generated from operating activities less cash outflow for capital expenditure.
5. Debt is stated net of transaction costs and are carried at amortised cost.