

# Rapid Oil Production Ltd.

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# 1. Introduction

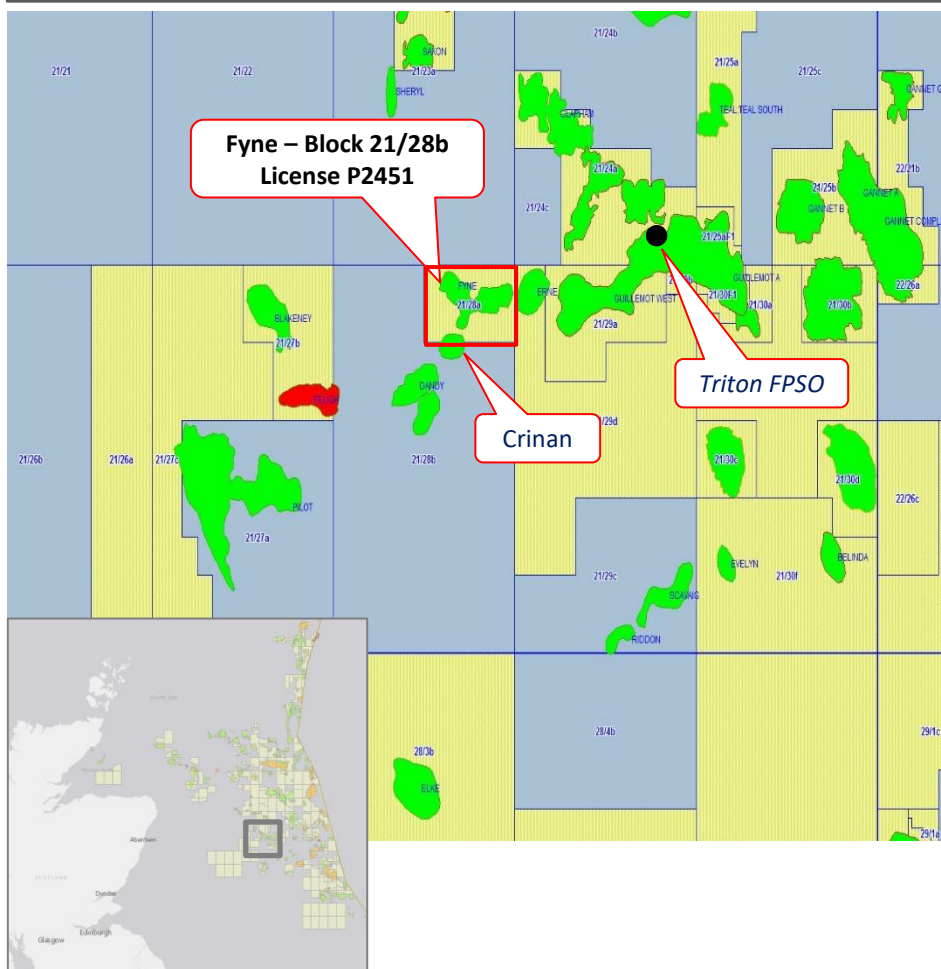
- Rapid Oil Production Ltd (RO) is a UK registered company
- RO is owned by private investors, board members and management
- RO owns 100% of the Fyne license
- Total production is expected to be 15-25 mill bbls
- The initial capex is estimated to < \$150 million
- Farm-out process ongoing as an alternative/addition to an equity/debt financing
- RO has established an experienced board, management and project team, in addition to strong industry partners represented by SLB and TechnipFMC
- Ambition to unlock existing finds by:
  - ✓ Production appraisal / phased development approach
  - ✓ Build a project portfolio
  - ✓ Long term partnerships

## **2. Fyne Development Project**

# Development concept and plan

## Fyne key information

Location map



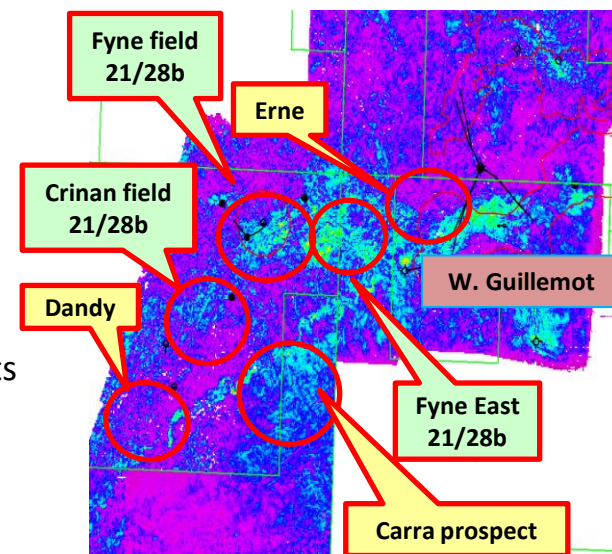
### Key information

Country and area	UK Central North Sea
License	P2451
Block	21/28b
Water depth	~90m
Discovered	1987
Historic sunk costs [on field]	>\$100m*
Wells drilled	6 (+ 3 sidetracks)
Wells tested	2 (with good flow)
Reservoir	Eocene aged Tay sandstone
Oil quality (API)	21/25°
Oil in place (STOIP)	75 mmbbbls (+20 mmbbbls in UT)
Reserves and resources on block	13.5 mmbbbls (2P) 10.8 mmbbbls (2C)
License holder	Rapid Oil 100%

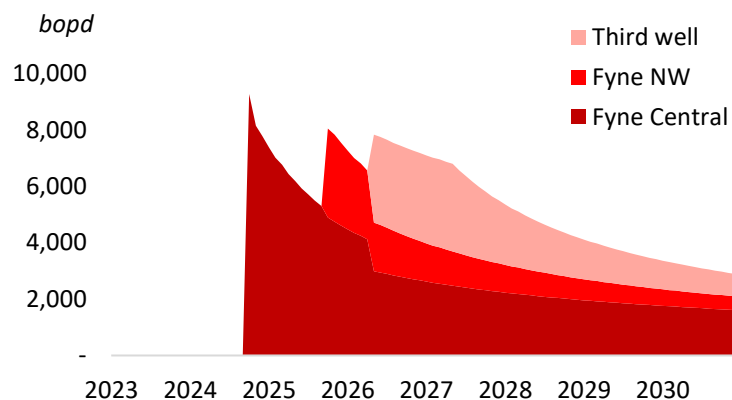
\* Incl. E&A wells & seismic survey

# Key highlights

- Two wells tested at 3,000 bbls/d (2008) and 3,600 bbls/d (1986)
- Development plan is subsea tie-back to Triton FPSO (10 km tie-back)
  - Heads of Terms with host in the making
- Phased development, minimising up-front capex
- First oil planned for end 2024 at up to 10,000 bopd
- Future opportunities on Dandy, and surrounding exploration prospects
- Second Term extended to 31 Mar 2024



Field	Net 2P	Net 2C
Fyne Central	10.5 mmbbls <sup>1</sup>	3.0 mmbbls <sup>2</sup>
Fyne NW	3.0 mmbbls <sup>1</sup>	1.0 mmbbls <sup>2</sup>
Fyne East	-	4.5 mmbbls <sup>3</sup>
Crinan (50% on-block)	-	2.3 mmbbls
<b>Total</b>	<b>13.5 mmbbls</b>	<b>10.8 mmbbls</b>



1. Included in the current development plan, 10-year field life to 2035 constrained to approximately 15,000 bbls/d gross liquids and 80% uptime
2. Additional five years of field life to 2040
3. Will be included in the development plan as a potential well, dependent upon capacity constraints, reservoir performance etc.

# Fyne Field Development overview\*

## General

- 155 km East of Aberdeen
- Water depth ~ 90m

## Development

- Subsea tie-back to Triton
- Dana-operated FPSO
- Tie-in at DC3, ~10 km

## Wells

- **Phase 1** – one gas lifted production well on Fyne
- **Phase 2** – further producer on Fyne
- **Phase 3** – Further production well
  - a third well in Fyne East, or
  - Crinan



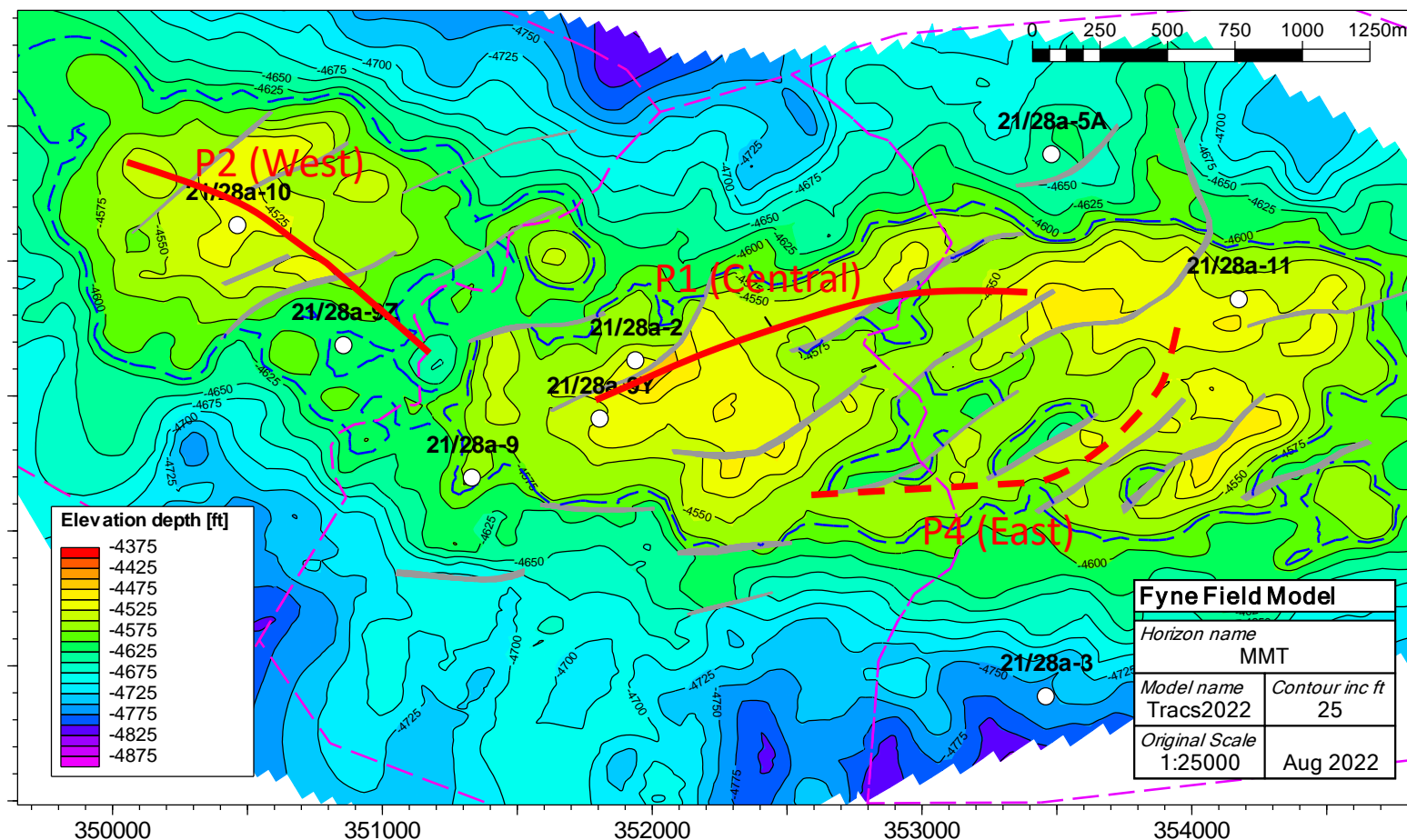
\*) Subject to final agreement with Triton owners



# Fyne subsurface risks - summary

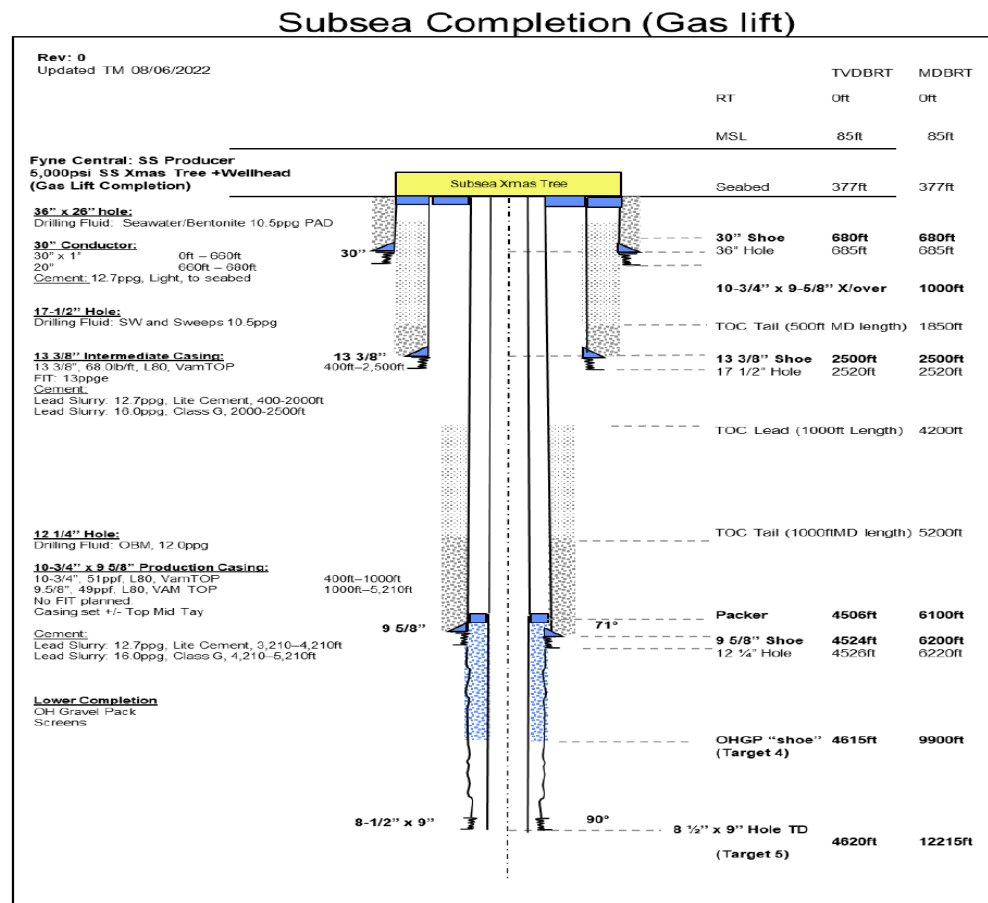
MAIN RISKS	MITIGATION
Oil in place	Excellent well control over most of the field, extensive data from nine reservoir penetrations: STOIP range from 50-100 mbbls (excluding UT)
Compartmentalisation	No evidence of compartmentalisation on well tests MDT/RFT data shows pressure communication throughout MT/MMT sequence.
Pressure depletion/support	Observed depletion in field history-matched with GGA production: extensive aquifer system.
Well productivity	3000 and 3600 bpd from two successful well tests in vertical wells (60 ft completion intervals). 4000 ft horizontal sections to penetrate MT and MMT.
Reserves	Reserves: 10-19 mbbls (y.e. 2035) from two wells. Reviewed by DECC/Senergy, Shell, ERCe (CPR).
Flow assurance – emulsions, wax, asphaltenes, corrosion	Extensive geochemical review by David Brankling – downhole and/or surface chemical injection, compatible with GGA fluids.
Sand control	Lessons learned from analogue fields, e.g. GGA fields, Gannet, Evelyn: Schlumberger OptiPac Open Hole Gravel Pack.

# Planned well trajectories

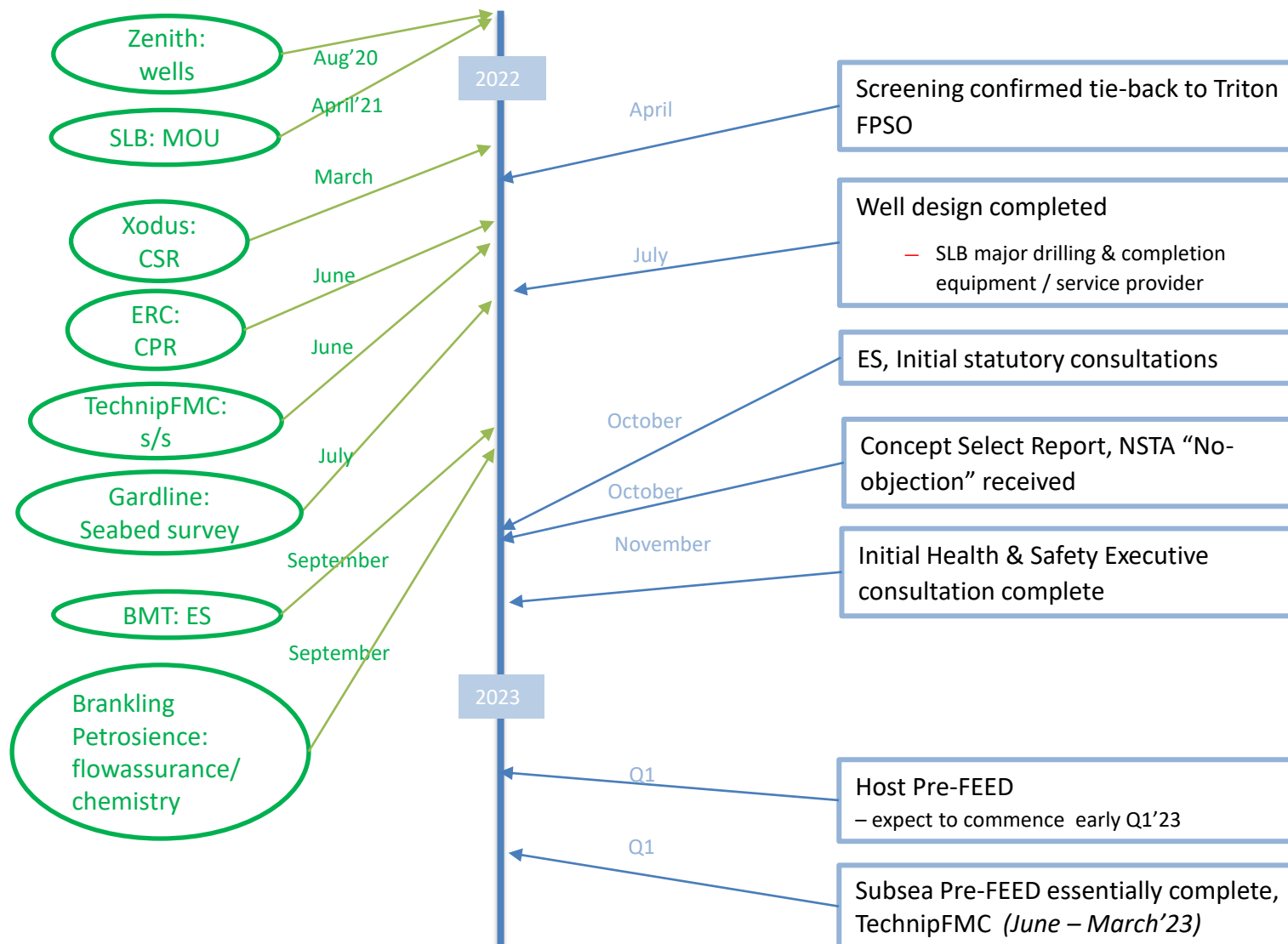


# Drilling and completion

- Wells specifics:
  - horizontal sections draining the Middle Tay and Main Middle Tay
  - “geometric” wells in the oil leg, positioned at a constant offset from the oil-water contact by ~45 ft
  - completed with “alternate path” (e.g. SLB “OptiPac”) open hole gravel packs
  - Maximum completion length is ~4,000”
  - Will be lifted using gas lift
    - Dynamic modelling based on lift gas rates of 5 MMscf/d per well

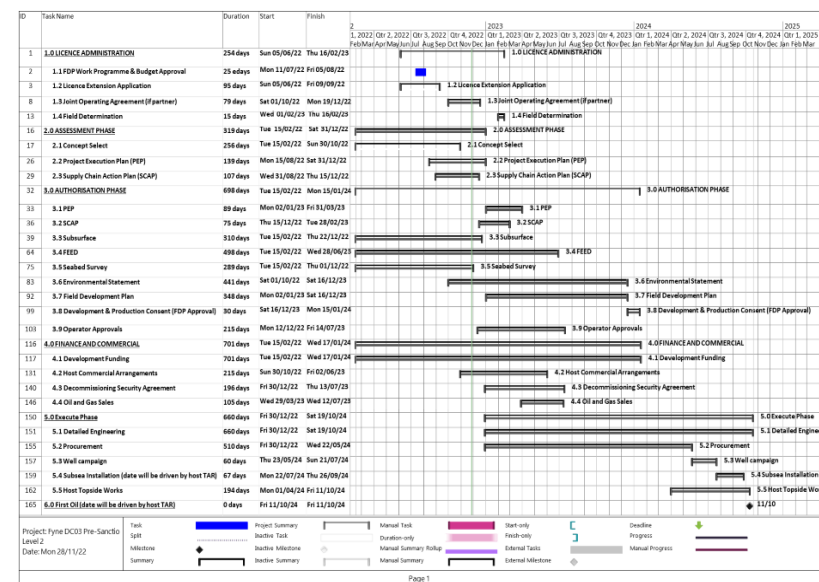


# Key contracting/project events 2022



# Schedule\*

- Concept Select 'No-objection': Oct 2022
- Place Long Lead orders: Q1/Q2, 2023
- Env Statement issue: Q1, 2023
- FDP approval: Q3/Q4, 2023
- Drill well: 2024
- Installation window: 2024
- First Oil: Q4, 2024 (subject to revision\*)



**\*Preliminary, depending financing/  
farm-out process**

## Critical Path Activities

- Financing
- Environmental Statement process
- Long Lead items delivery

# Supply chain - Partnership Model

## Philosophy and benefits

- Long term partnership
  - Early involvement
    - Direct on vendor based solutions
  - Less waste
    - Standard processes, incl. “tendering”, repetitive admin/contract formats etc.
  - Enhanced improvement cycle
    - Better safety, quality and efficiency
  - Good access to required skills and experiences
  - We can stay lean
- Project execution in integrated team
  - All main partners represented in Project Management Team
  - Transparency - Early awareness of issues followed by early problem solving
  - Implementation of forceful drivers helping project focus
  - Improved interaction/cooperation with the supply chain

 “ALL IN SAME BOAT”

# Partnership Model status

## General

- Integrated team approach with core management team including key contractors

## SLB

- Well construction and completion equipment & services
- Long term agreement signed April 2021
  - Early involvement
  - Access to SLB competence/expertise

## Subsea

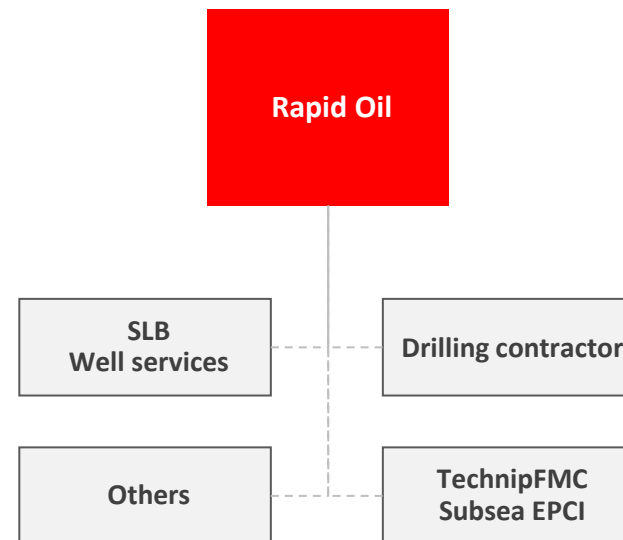
- Integrated EPCI
- TechnipFMC engaged in early phase

## Drilling contractor

- Operation of drilling rig
- Market soliciting ongoing

## Other

- Zenith Energy: well design (ongoing contract)
- Gardline: Seabed survey (Environmental Statement input)
- TRACS: sub-surface analysis/modelling (ongoing contract)
- Xodus: Concept Select Report (completed with no objection from NSTA)
- BMT: Environmental Statement (ongoing contract)



# Fyne contracting

## Planned contracts / PO's

- Well Operator
- Well services and completions
- Subsea, including
  - tree (accomodate existing topside controls)
  - Line pipe & coating,
  - Umbilical & controls,
  - pipelay, tie-ins, trenching/rock dumping & survey, and
  - pre-commissioning
- Project management support
- Drilling services
- Logistics services



# How can the supply chain help?

- Early involvement
- Participate in risk/reward scheme
- Have a long-term mindset
- «Optimise on behalf of the project» mentality
- Be transparent, pro-active and solution oriented
- Take ownership and support the integrated team model

 **we will normally support a vendor based approach**

### **3. Unlocking stranded assets**

- Challenges**
- Potential solutions**
- How can the supply chain help?**

# General challenges – unlocking marginal fields

- A well known industry problem

A high number of undeveloped discoveries

High number of relinquished marginal Licences

- Framework stability
- Attracting investors
- Onerous requirements
- Risks
- Market volatility

# Challenges

- Two specifics....

- Financing
  - Marginal field - too small for many
  - Single well risk
  - Equity raise without ongoing production / guarantees
  - Emerging renewables market – Funds and others escaping O&G investments
  - Challenging market with front loaded payment structure
  - ➡ Private investors or farm-ins
  - ➡ High risk -> quick return
- Approval processes
  - Strong focus on tie-backs – high capex and dependency of infrastructure Host
  - Production appraisal – require full FDP process
  - Alternative gas solutions?

# Industry challenges

The oil industry has also been struggling with two other major issues

1

## **Lack of sufficient data for optimal design of field development projects, hence...**

- ...Oversized production facilities
- ...Suboptimal positioning of wells
- ...Lower production rate and recoverable reserves compared to expectations

2

## **Lack of capital efficient development solutions for staged developments, hence...**

- ...Significant up-front capital requirement
- ...Lack of efficient early production facilities for optimal staging of production
- ...Lack of cost efficient gas solutions

## Potential solutions, #1 - *Production Appraisal*

Higher NPV from data optimizing field development plan, higher value of oil in ground

### Key characteristics

- Integrated package approach
- Production over 6 - 12 months
- Production rate capacity up to 20,000 bbls/d
- Several shut-ins for pressure draw down and build-up measurements
- Dynamically Positioned FPSO to reduce installation cost, or moored for longer durations (alternative use of Jack Ups)

### Benefits

- Reservoir de-risking
- Cash contribution, potentially building cash for the development stage
- Reduce or eliminate need for traditional appraisal wells
- Improved data for optimal design of production facility and positioning of wells
- All adding up to increased value of oil in ground
- **Reduced GHG emissions!**

We need

- ➔ acceptable gas solutions
- ➔ cost efficient production facilities
- ➔ dedicated regulative (in line with EWT)?

## Potential solution, #2 - *Early Production*

Improved IRR – early cash flow reducing upfront development capex

### Key characteristics

- Performed by a dedicated early production system
- Production over 2 - 3 years
- Production rate up to 20,000 bbls/d
- FPSO turret or spread moored depending on environment
- Drilling unit can be used in some cases
- Limited “tailor making”



### Oil company benefits

- Significantly improved capital efficiency from lower upfront capital requirement (up to 80% reduction)
- Contribution from *Early Production* will fund part of future development capital
- Earlier first oil will improve field NPV and boost the project IRR
- Getting early production data for optimization of development plan
- Resulting in improved recovery factor

We need

- ➔ acceptable gas solutions
- ➔ cost efficient production facilities
- ➔ suitable project portfolio

# How can the supply chain help?

In unlocking marginal fields

## Overall:

- Develop cost efficient gas solutions
- Partnering on Production Appraisal/Early Production systems
- Creative risk/reward schemes
- Facilitate re-use/leasing of equipment
- Standardise / stock programs  
-> reduce lead times

## Fyne & future projects

- Early involvement
- Participate in risk/reward scheme
- Have a long-term mindset
- «Optimise on behalf of the project» mentality
- Be transparent, pro-active and solution oriented
- Do not rely on the operator doing the QA/QC
- Take ownership and support the integrated team model



**Commoditise / vendor-based approach**



Thank you !

