


ASSESSING NEPTUNE ENERGY'S ECONOMIC IMPACT

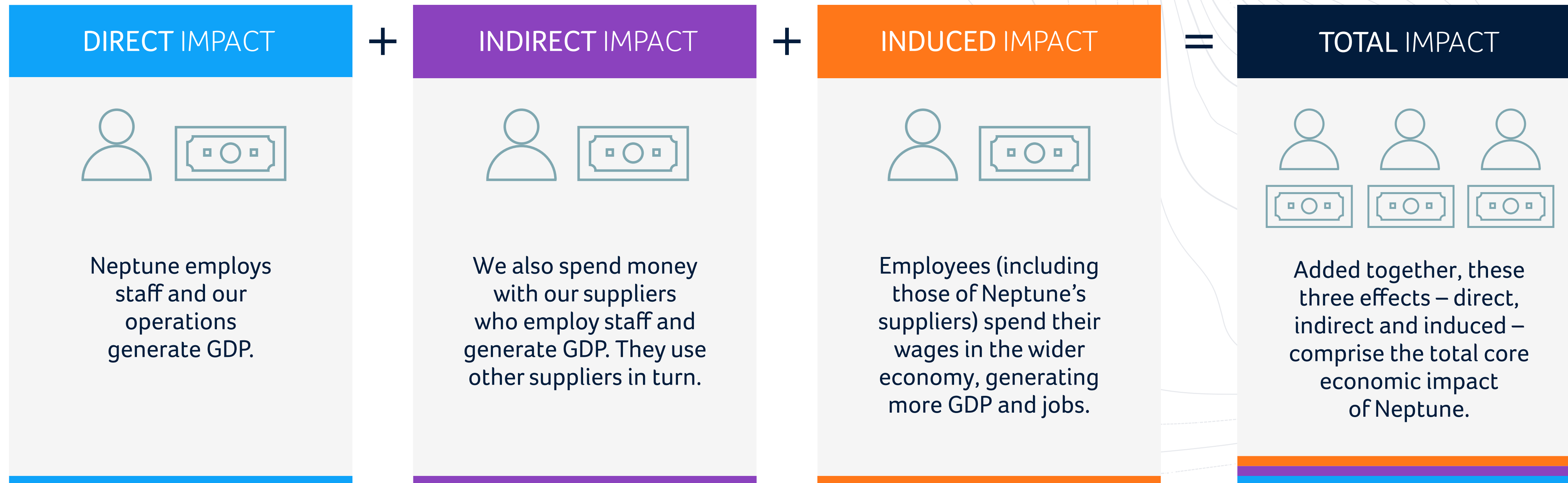
A study of Neptune Energy's
operations in the UK, Norway,
The Netherlands and Germany

A decorative graphic consisting of numerous thin, white, wavy lines that flow across the bottom right portion of the page, creating a sense of movement and depth.



Overview of the impact analysis

Channels through which Neptune Energy contributes to the economy



Neptune's impact is measured using:

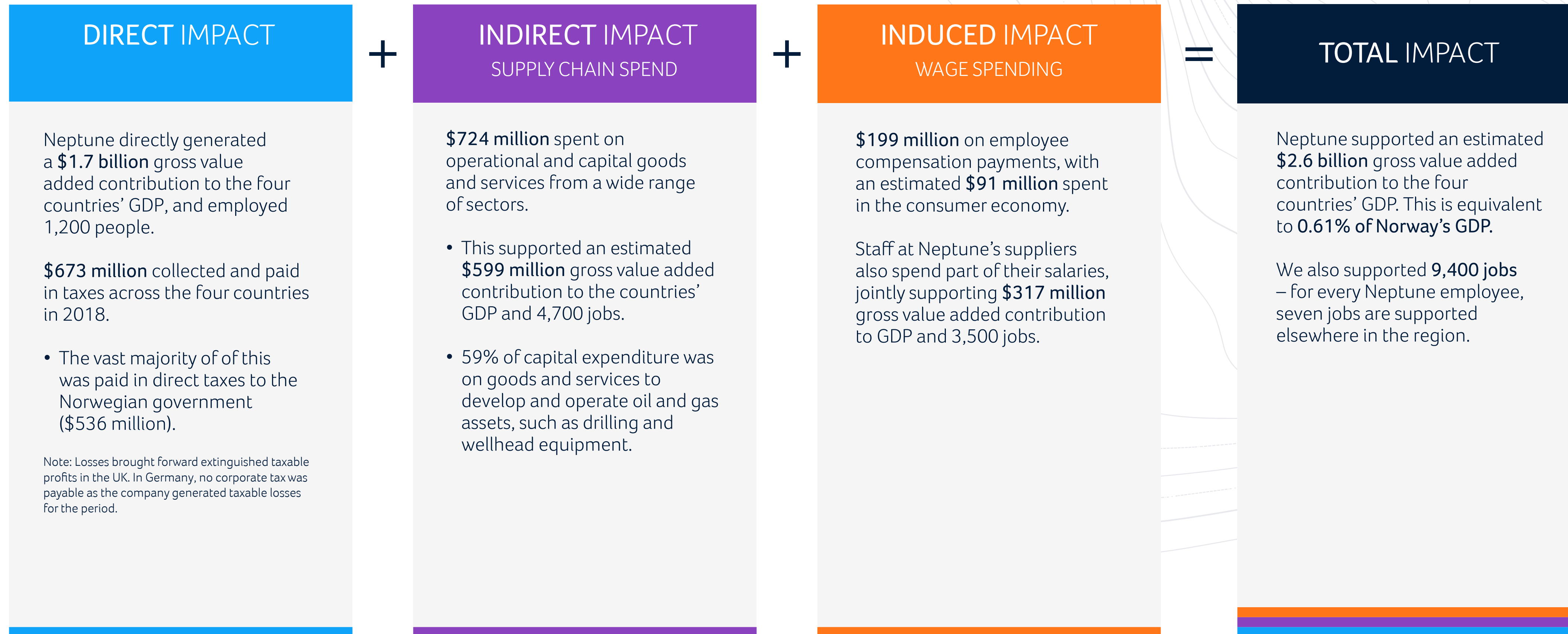
Gross value added, which is the contribution of a firm to GDP. It is easiest thought of as the value of output sold less the value of inputs used up to create that output.

Employment, which is measured on a headcount basis for comparison with official employment data.

Tax receipts, which are the value of taxes borne or collected.

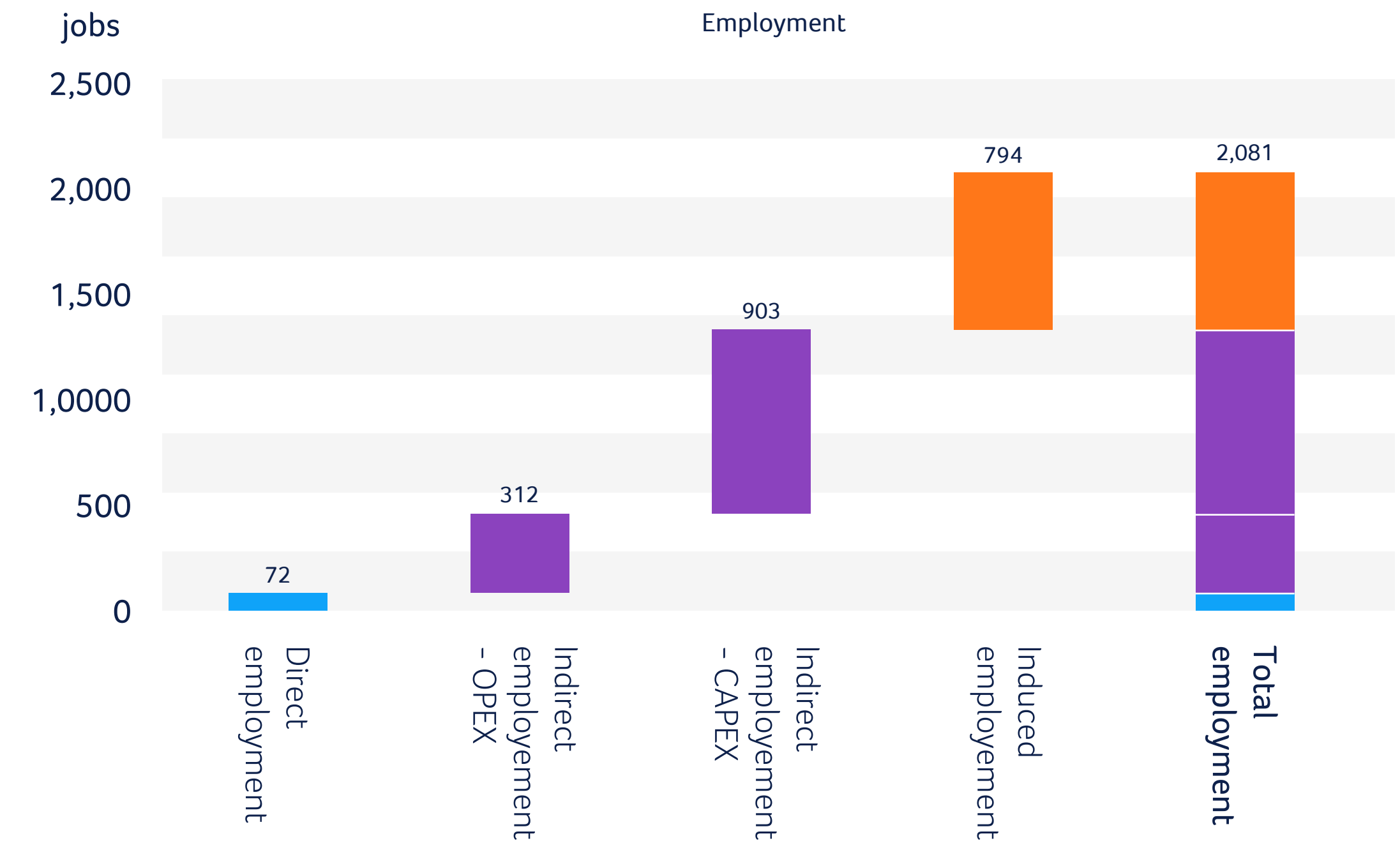
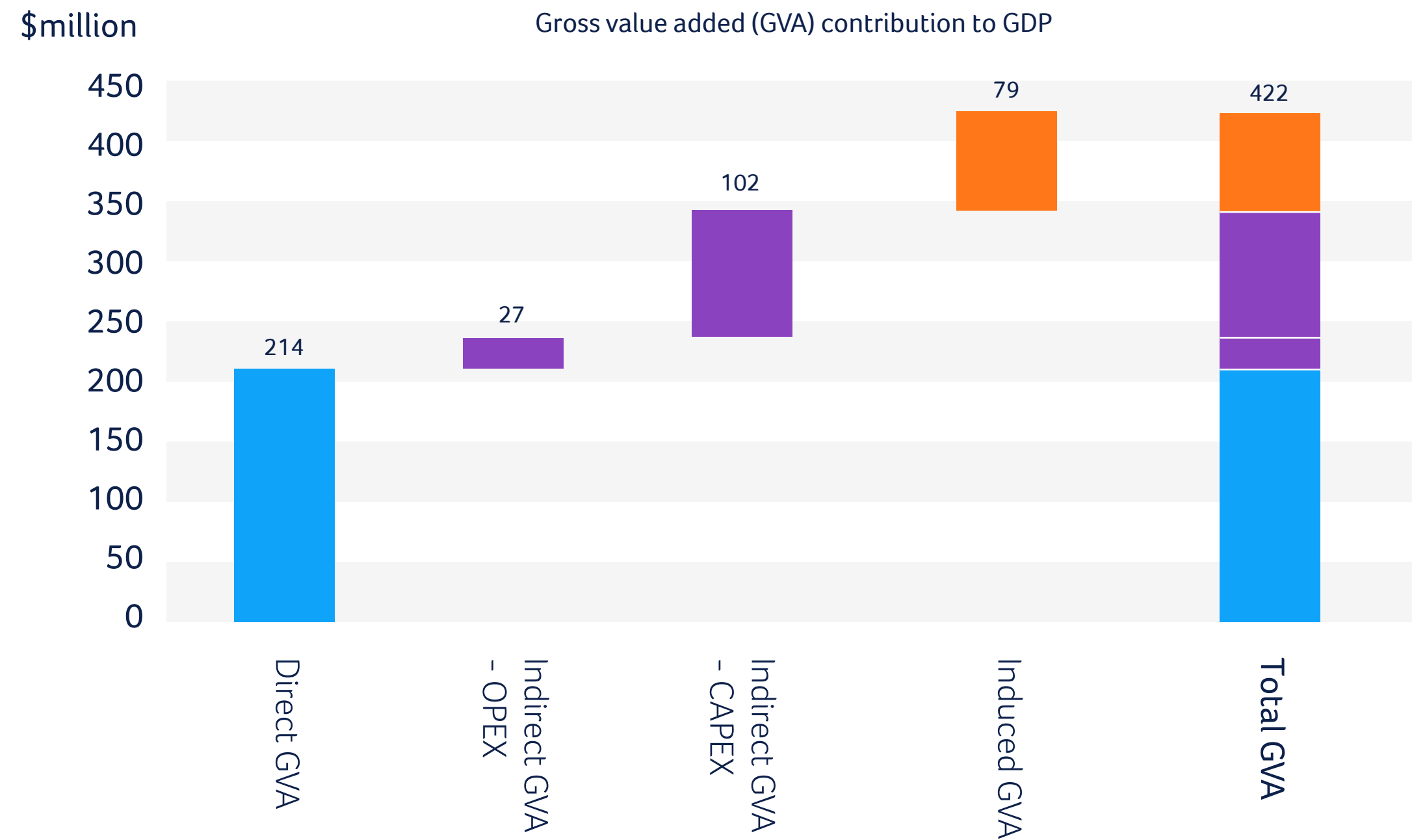


Neptune Energy's economic impact 2018





Neptune Energy's total impact on the UK economy, 2018



- **\$422 million** in gross value added contributions to UK GDP.
 - This implies a GVA multiplier of 2.0, for every \$1 GVA directly generated by Neptune Energy, another \$1.0 are supported elsewhere in the UK economy.

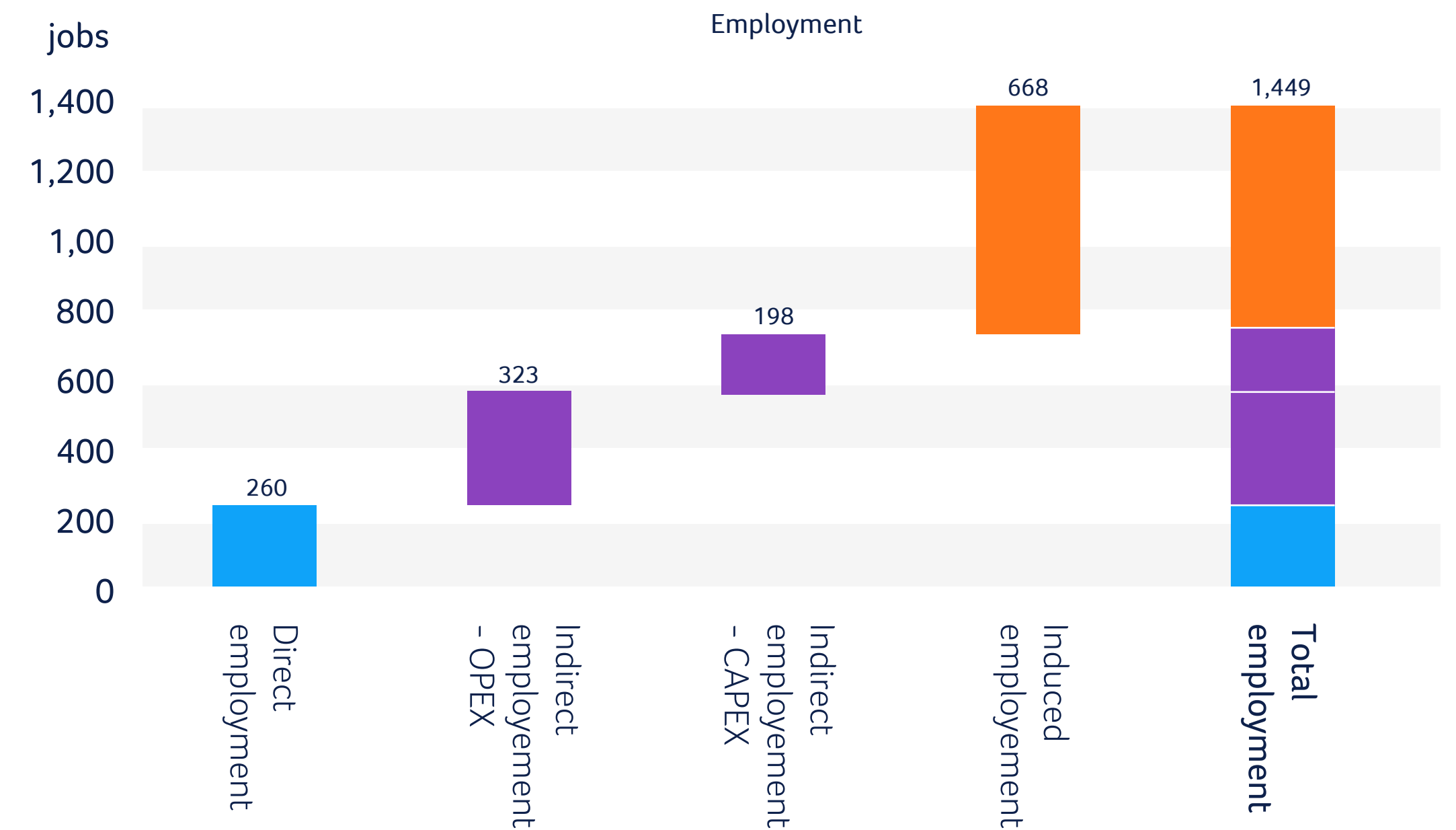
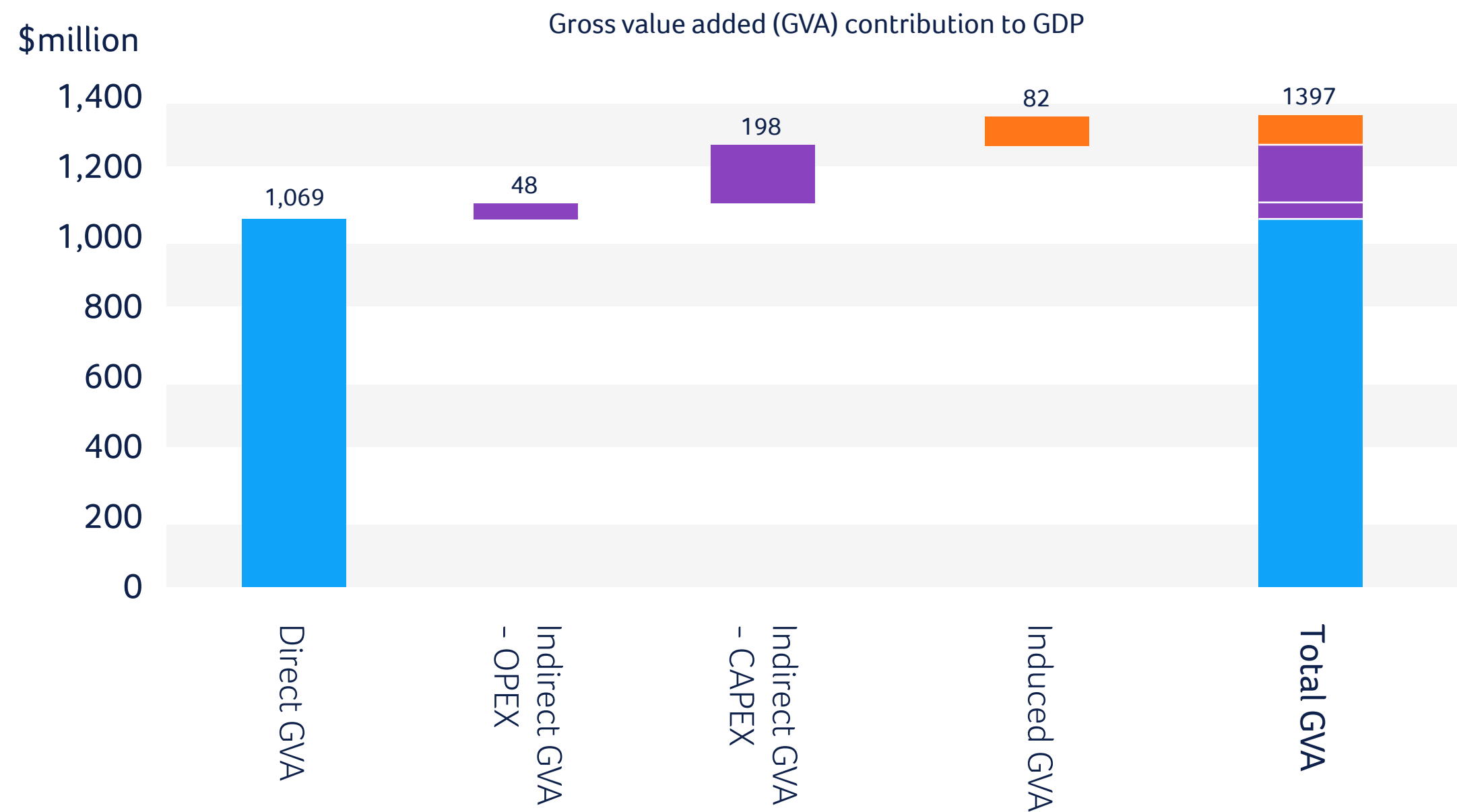
- **2,100 jobs** – For every Neptune employee in the UK, around 28 jobs are supported elsewhere in the domestic economy. This is primarily due to Neptune's spend on capital goods and services in the UK.

About Neptune in the UK

We are an active offshore operator in the UK, with substantial North Sea interests in gas production, subsea development and exploration. We operate the Cygnus gas field, the UK's largest single producing field, which supplies the equivalent of 1.5 million homes. Neptune Energy is a key component of the UK energy infrastructure, capable of supplying around 12% of domestic gas demand via its operated Cygnus and Gjøa platforms.



Neptune Energy's total impact on the Norwegian economy, 2018



- **\$1.4 billion** in gross value added contributions to Norwegian GDP, equivalent to 0.32% of Norwegian GDP in 2018.
 - This implies a GVA multiplier of 1.3, for every \$1 GVA directly generated by Neptune Energy, another \$0.3 are supported elsewhere in the Norwegian economy.

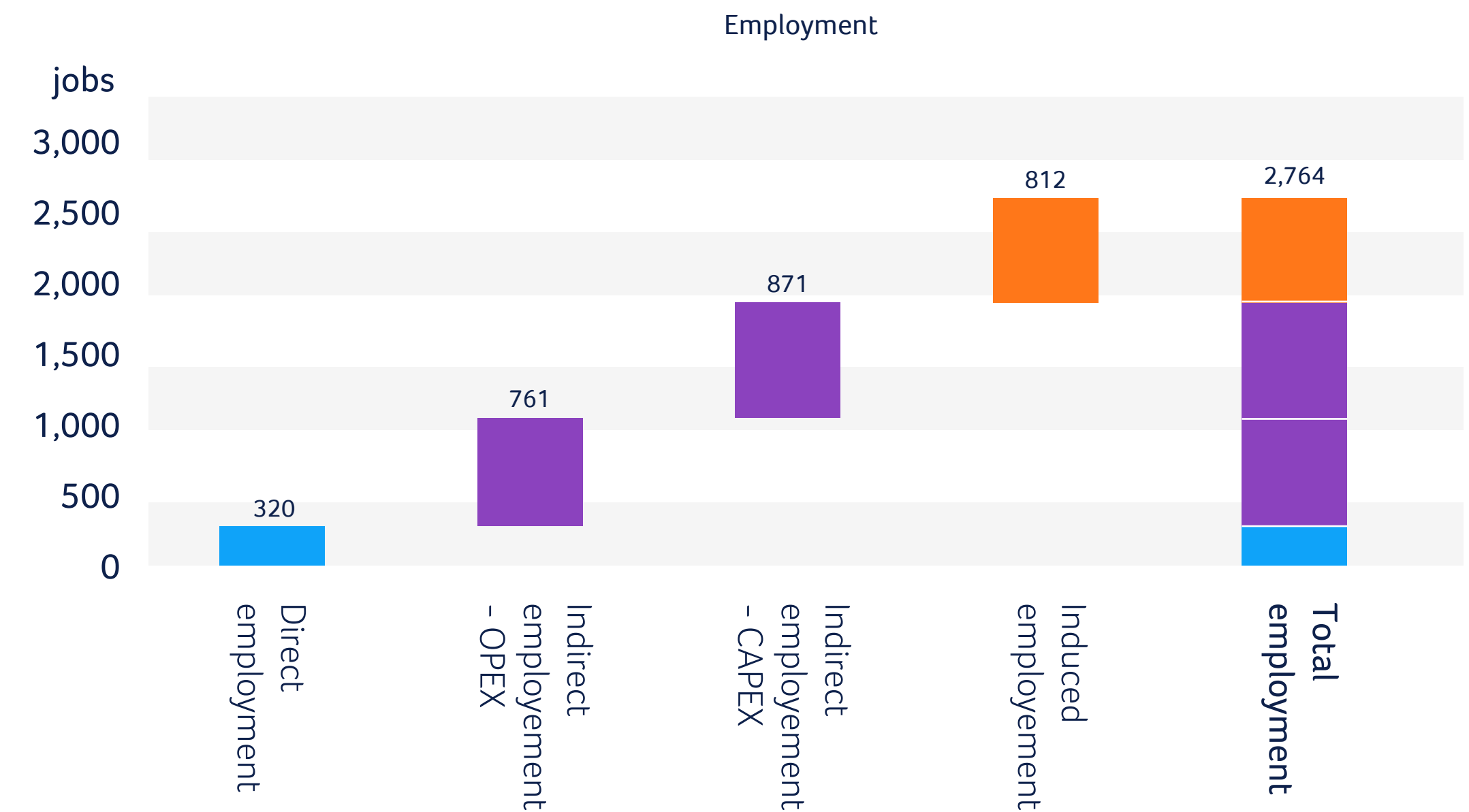
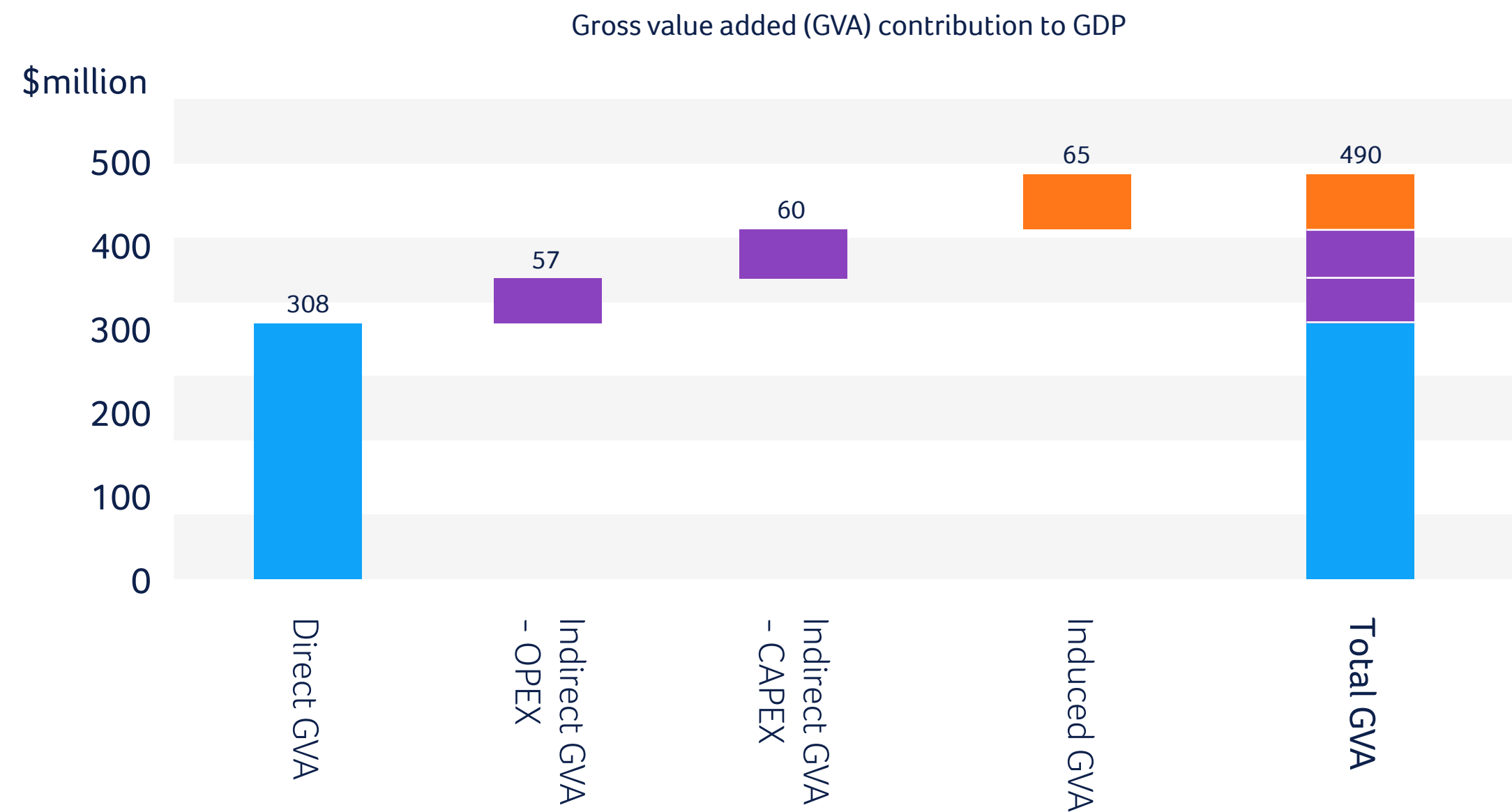
- **1,400 jobs** – For every Neptune employee in Norway, around five jobs are supported elsewhere in the domestic economy.
- Norway had the biggest spend of the four countries on capital goods purchases, with the majority spent on drilling rigs with local suppliers.
- A substantial proportion of Norway's direct GVA was on taxes paid to the Norwegian government.

About Neptune in Norway

We are the fifth largest independent operator on the Norwegian continental shelf. Norwegian fields make up the largest proportion of Neptune's portfolio. We operate 13 of the 68 licences in which we have interests. Gjøa is the largest operated asset in the Neptune portfolio and was the first floating production platform in the world to be powered sustainably by onshore facilities.



Neptune Energy's total impact on the Dutch economy, 2018



- **\$490 million** in gross value added contributions to Dutch GDP.
 - This implies a GVA multiplier of 1.6, for every \$1 GVA directly generated by Neptune Energy, another \$0.6 are supported elsewhere in the Dutch economy.

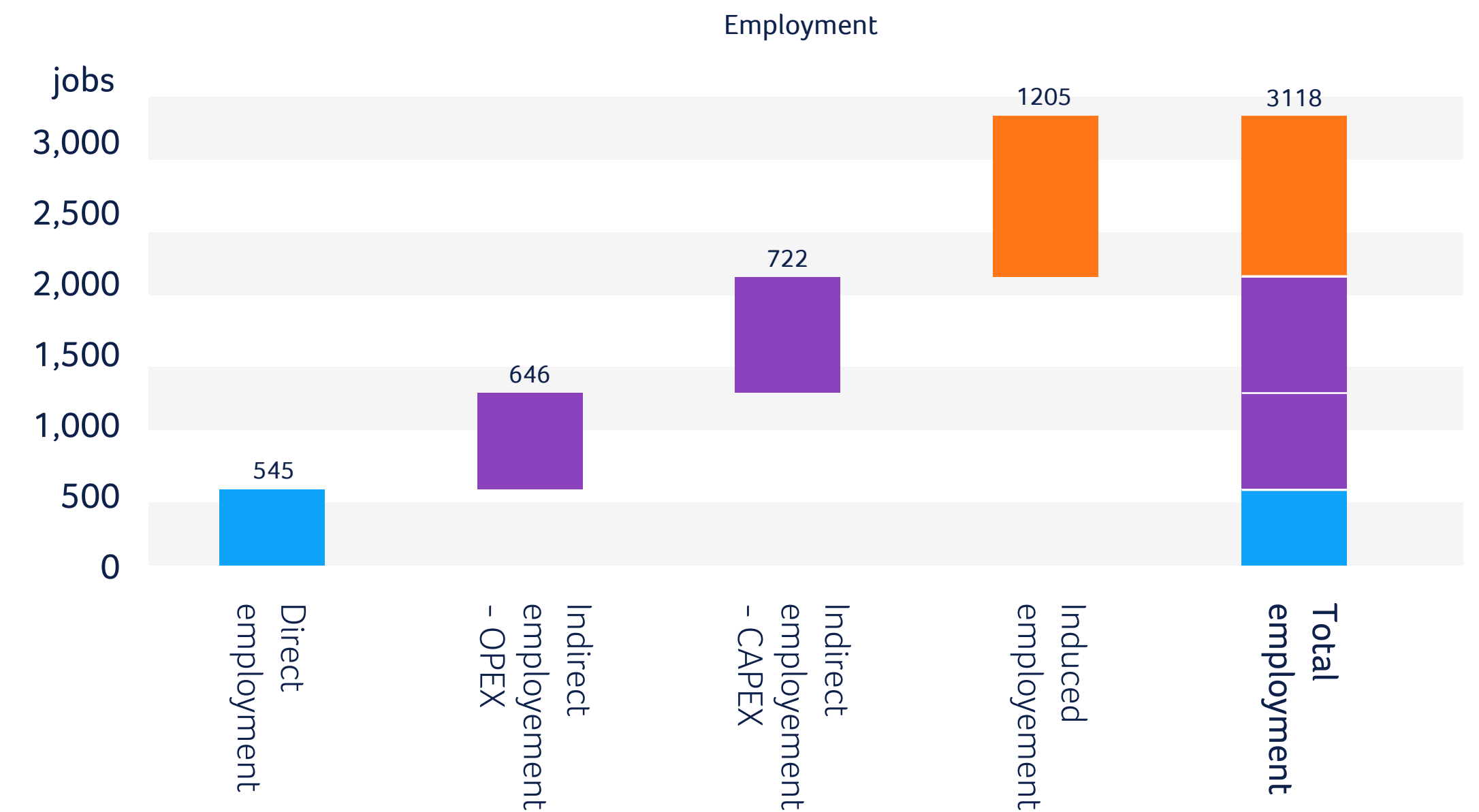
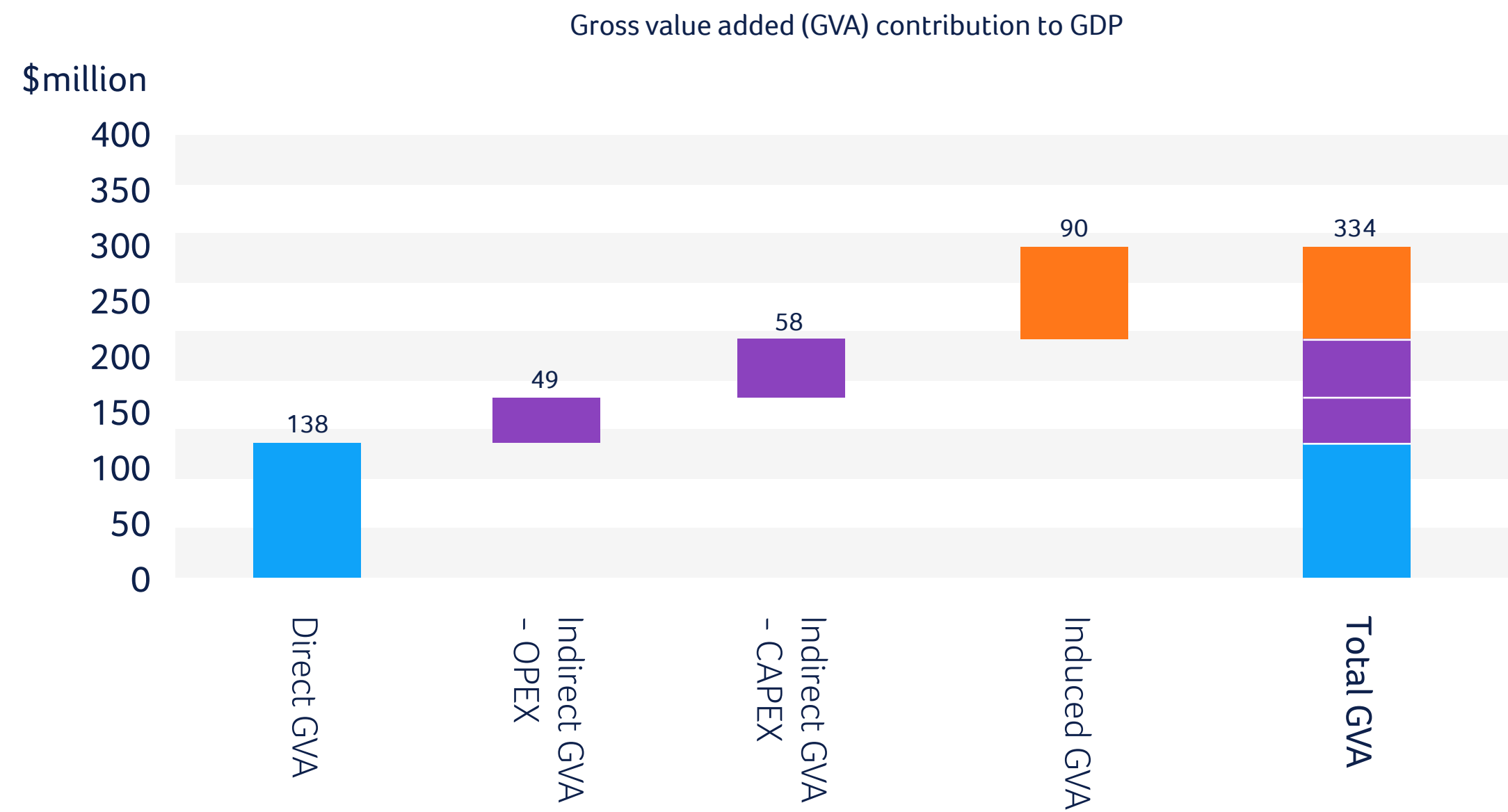
- **2,800 jobs** – For every Neptune employee in The Netherlands around eight jobs are supported elsewhere in the domestic economy.
- The Netherlands had the largest spend of the four countries on operational goods and services, mainly driven by expenditures on helicopter transport and contractor labour.

About Neptune in The Netherlands

We are the largest offshore operator in the Dutch sector of the North Sea. We operate 45 licences and maintain a large infrastructure of 32 offshore facilities including four major production complexes. We are participating in a pilot project in The Netherlands to create the world's first offshore green hydrogen plant. As part of the project, three energy systems will be integrated on one platform: offshore wind, offshore gas and hydrogen.



Neptune Energy's total impact on the German economy, 2018



- **\$334 million** in gross value added contributions to German GDP.

- This implies a GVA multiplier of 2.4, for every \$1 GVA directly generated by Neptune Energy, another \$1.4 are supported elsewhere in the German economy.

- **3,100 jobs** – For every Neptune employee in Germany around five jobs are supported elsewhere in the domestic economy.

- Germany was the largest beneficiary of induced GVA out of the four countries, as German employees tend to spend a larger portion of their salaries domestically.

About Neptune in Germany

Neptune businesses have been present in Germany for 130 years. We are active right across the country, with our main assets concentrated in the North German basin, the Altmark and the Rhine Valley. Our diverse gas and liquid production portfolio includes fields at various stages of the cycle. We supply 6.4% of Germany's natural gas and 13% of its produced oil.



NEPTUNE

ENERGY



OXFORD ECONOMICS

Study conducted by Oxford Economics