

North Sea's biggest oil and gas producer Harbour Energy reports £337m profit

The largest producer of fossil fuels in the UK's [North Sea](#) has said it will extract slightly less oil and gas than expected this year, as it reported a fall in profit.

Harbour, which last year complained its profit had been wiped out by the windfall tax on oil and gas companies, revealed that its tax bill was lower now than it had been before the tax was introduced.

It paid 437 million dollars (£344 million) in tax during the six months to the end of June, as pre-tax profit fell from 1.5 billion dollars (£1.2 billion) to 429 million dollars (£337 million).

The hit to its profits had largely been due to the reduction in the price of fossil fuels, especially natural gas in the UK.

Lower energy costs, which have benefited most other people and businesses, hit the bottom line at Harbour during the period.

Read More

- [UK needs Dragons' Den-style investment to lead world in net zero – think tank](#)
- [Investors' eyes on tax bill as Harbour Energy to report](#)
- [Four people detained in France after six died when migrant boat sank in Channel](#)
- SPONSORED

[How to get the right care through your GP surgery](#)

In the first half of 2022 the business sold crude oil for 82 dollars per barrel.

That dropped to 76 dollars in the first half of this year.

The price of gas in the UK, measured in therms, fell from 69p to 58p over the same time.

The amount of oil and gas that Harbour produced also reduced slightly from 211,000 barrels of oil equivalent per day to 196,000.

It expects production to fall even further in the second half of the year due in part to drilling delays at one of its UK oil fields.

Overall, across 2023, production is expected to be 185,000-195,000 barrels per day.

Chief executive Linda Cook said: "We remain focused on maximising the value of our UK oil and gas portfolio, advancing our organic development projects and disciplined capital allocation.

"This has allowed us to continue to generate significant free cash flow supporting material shareholder distributions while maintaining capacity for meaningful but disciplined M&A (mergers and acquisitions).

"We have also progressed our strategic investment opportunities outside of UK oil and gas – in [Indonesia](#), in [Mexico](#) and in CCS (carbon capture and storage).

"These have the potential to materially increase our reserve life, support shareholder returns and diversify our company over time."