



› Presentation of third quarter 2019
OKEA ASA

1 November 2019

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Highlights 3rd quarter 2019

Operations

- No serious incidents
- Production of 18,125 boepd
 - High production regularity on Draugen of 97%, up from 86% previous quarter
 - Gjøa impacted by modification and export constraints
 - Consent for drilling two appraisal wells on Draugen in Q4 2019

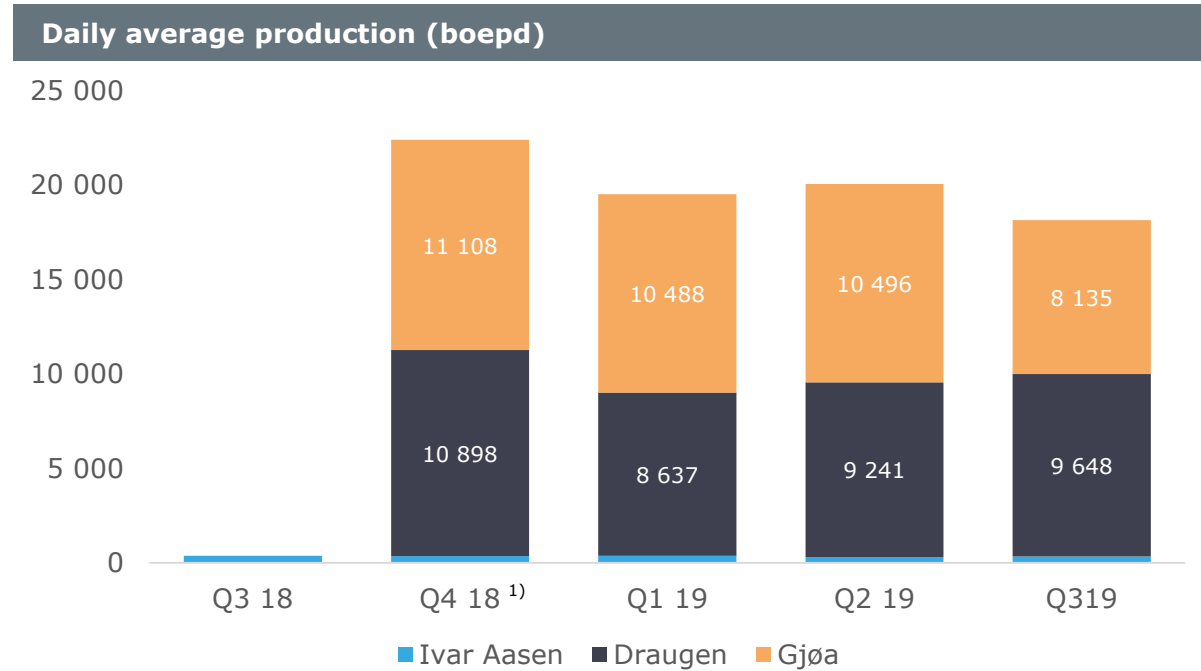
Financial

- Revenues from oil and gas sales NOK 612 million
- Profit from operating activities of NOK 227 million
- Net profit of NOK -77 million
- Cash flow from operations of NOK 723 million



Production

Solid operations on Draugen and tie-in of Nova & maintenance on Gjøa



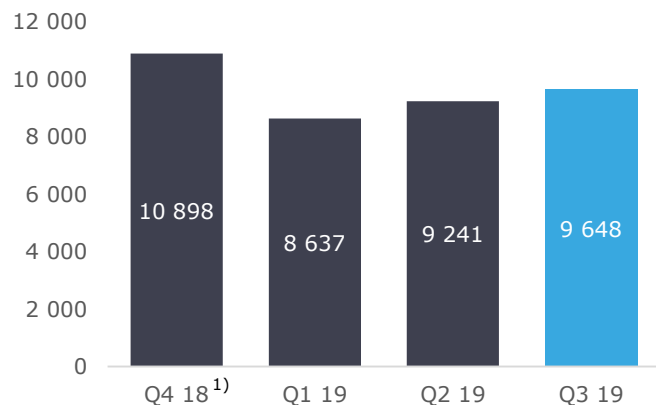
- 9% production decrease from Q2 to Q3 2019
- Lower Gjøa production than expected due to tie-in of the Nova project, corrective maintenance and reduced SEGAL²⁾ capacity
- Draugen production amount to 53% of the total volume in Q3



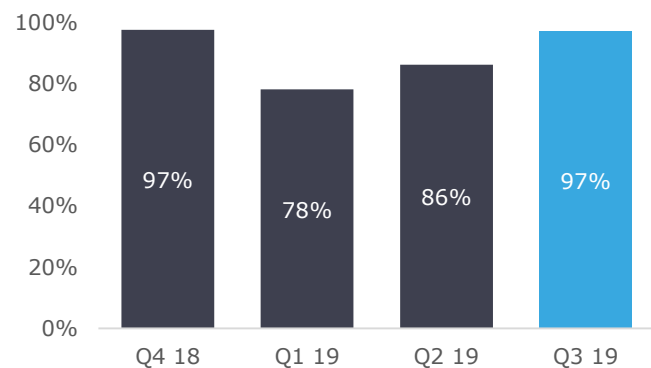
Draugen

Strong operations

Net production (boepd)



Production regularity

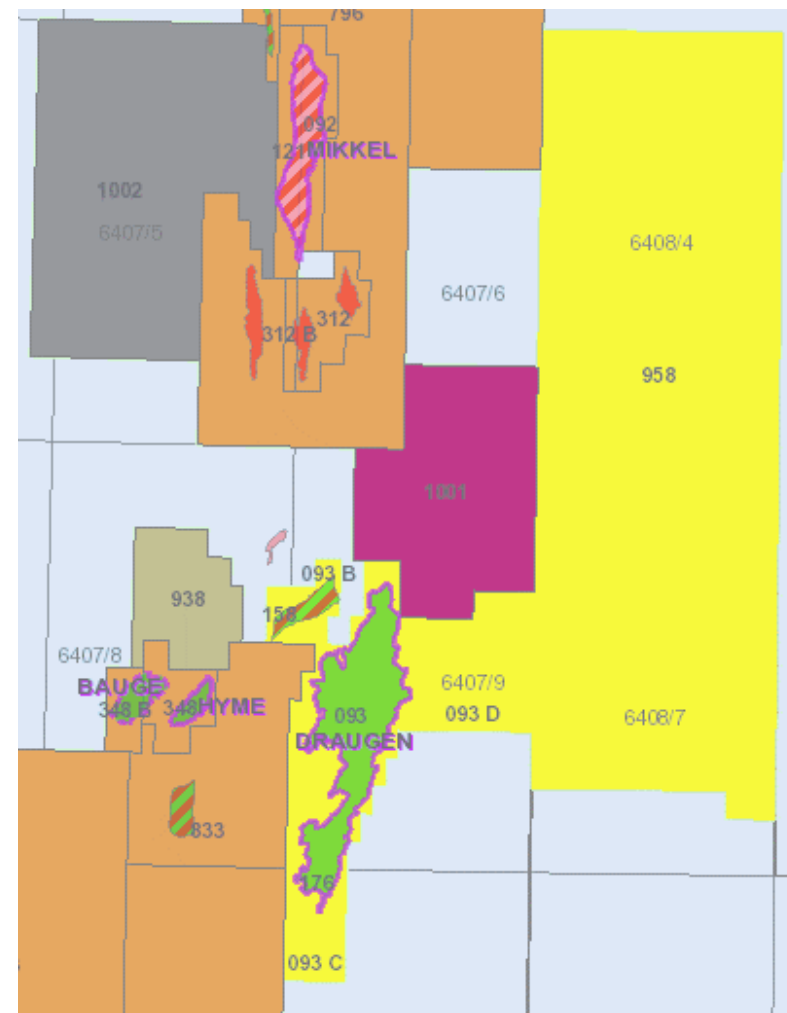


Q3 operations

- 4 % production increase vs. Q2 2019
- Increase mainly due to planned maintenance stop in Q2
- Finalized preparations for Q4 drilling campaign initiated in October
 - Infill Ø drilling completed

Next steps

- Safe and efficient drilling completion of Skumnisse
- Results expected in Q4 2019

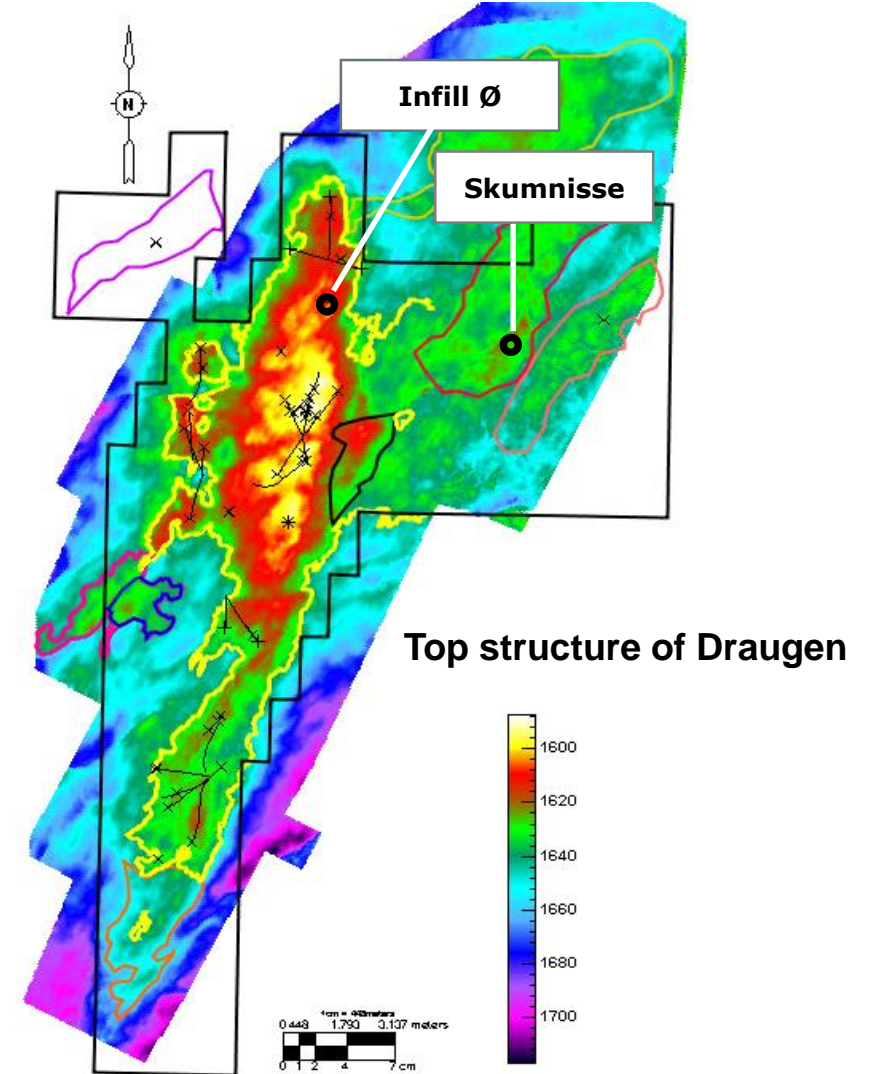
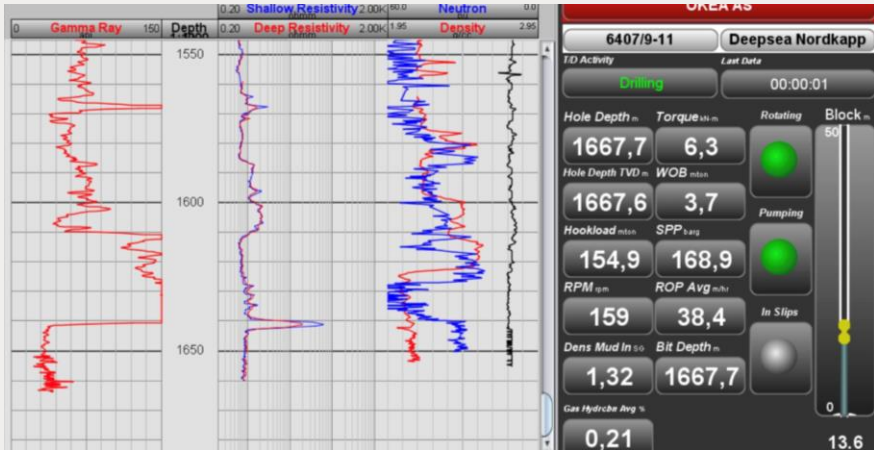


Draugen drilling campaign ongoing

Successful drilling operation and livestreaming on Infill Ø

Near field exploration drilling

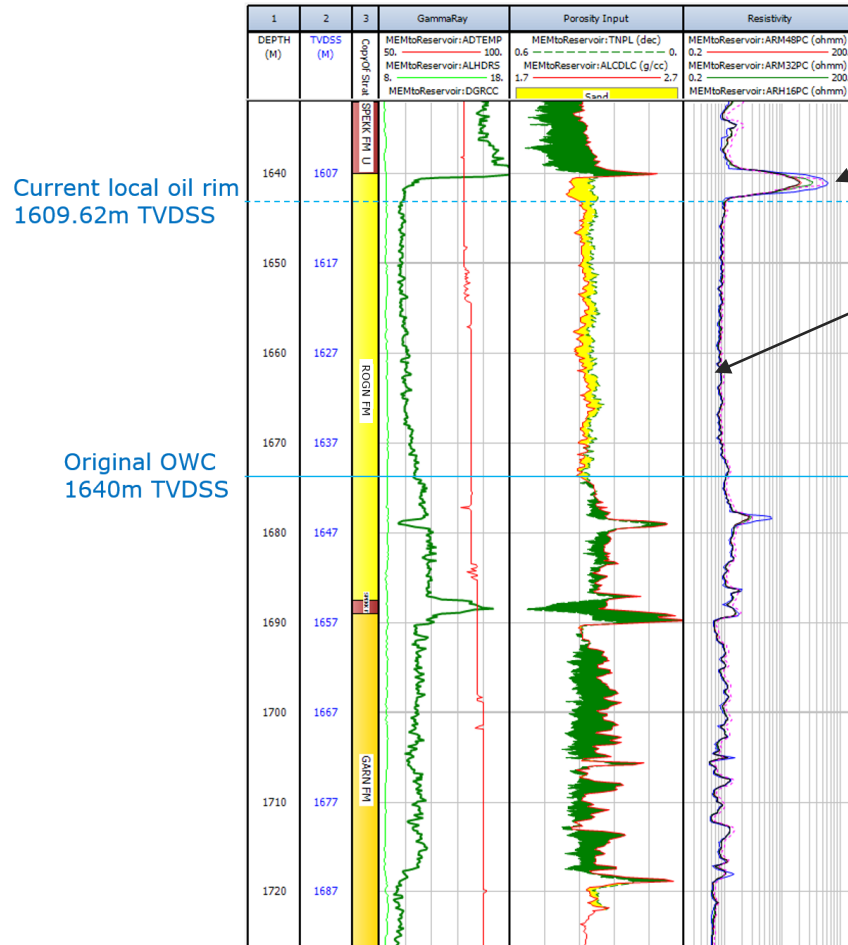
- Part of new development strategy in the license
- Drilling commenced 15 October
- Efficient slim well designs
- Successful drilling operation on Infill Ø
 - OKEA qualified as drilling operator
 - Improved understanding of reservoir drainage
- Skumnisse drilling ongoing
 - Targeting volumes of 24 mmbbl (gross)



Drilling the Ø area - result

Explaining the data that was streamed during drilling

The logs as published in real time



Interpretation

2.5 meters of oil left in the attic in the Ø area.

Residual oil indicated by higher resistivity between the original oil-water contact and the local present one.

Oil produced today on Draugen is a mix of:

- residual oil in the water flooded reservoir
- remaining oil pockets in top of reservoir

Additional reserves:

- undrained areas in the periphery of the field
- oil trapped in larger attic areas
- exploration targets in the vicinity of Draugen

OKEA's revitalization of Draugen in 2019

"The OKEA way"

What we have done

- Identified potential for a development strategy
 - Drilling campaign ongoing
 - Positioned for new APA licences
 - Plan to develop Hasselmus gas field
- High production regularity
- Reduced operational cost
- Successful MMO¹⁾ project execution
 - Control system upgrade
 - Change of two x-mas trees and change of pipe in oil train from carbon to stainless
- Started new projects
 - Draugen long term power
 - Energy management plan
 - Power from shore feasibility
 - Flare gas recovery feasibility

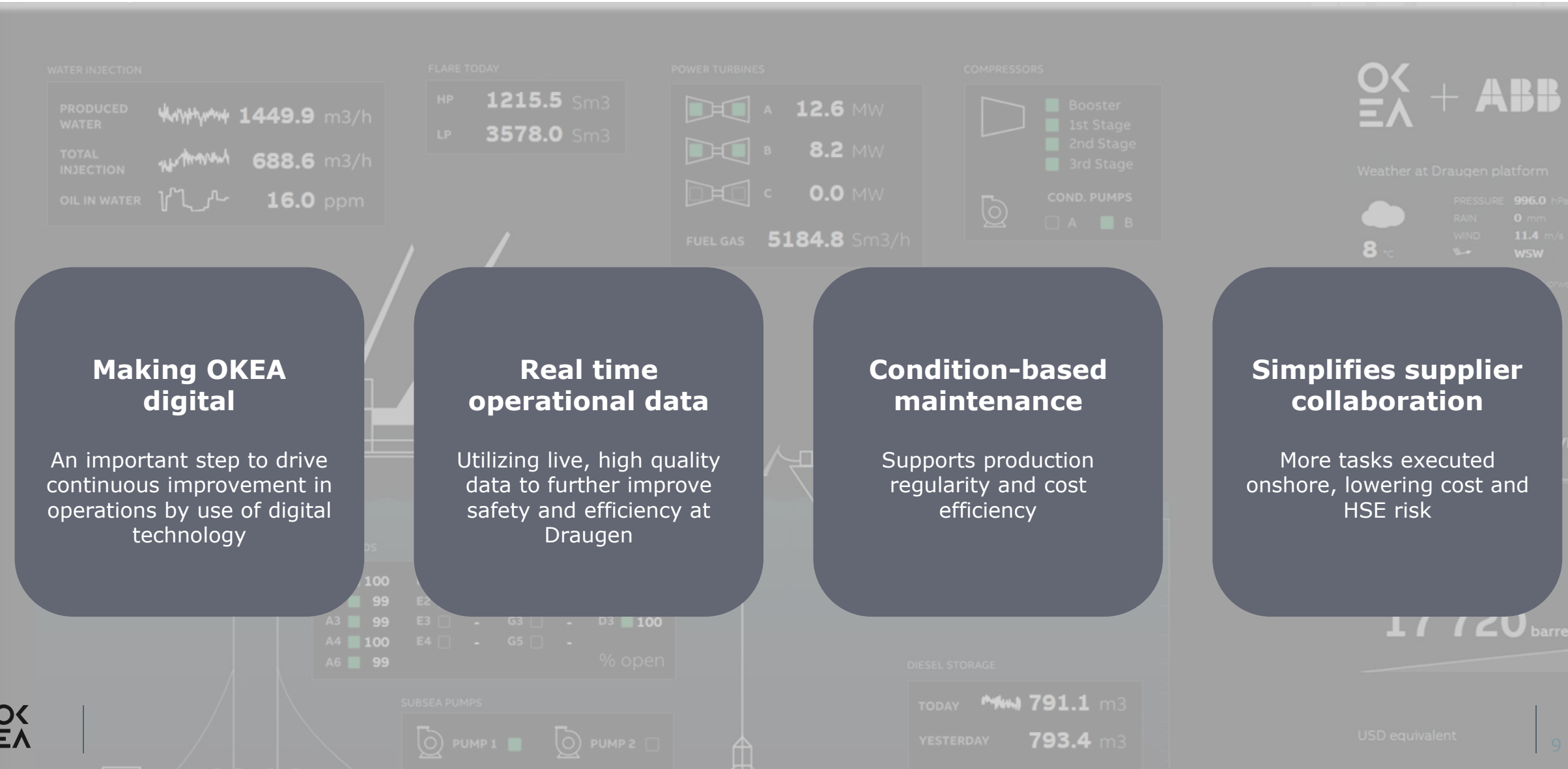


How we have done it – "The OKEA way"

- Focus on safe and efficient execution
 - no serious incidents or spills
- Short decision lead time
- Reduced # of procedures by 25% and software applications by 33%
- Smart use of new technology, digitalisation and collaboration with partners
- Using industry standards for development projects
- Strong culture, competent people
- Revised roles and responsibilities
- Revitalise earlier stranded projects

Next level operational optimization using real time data

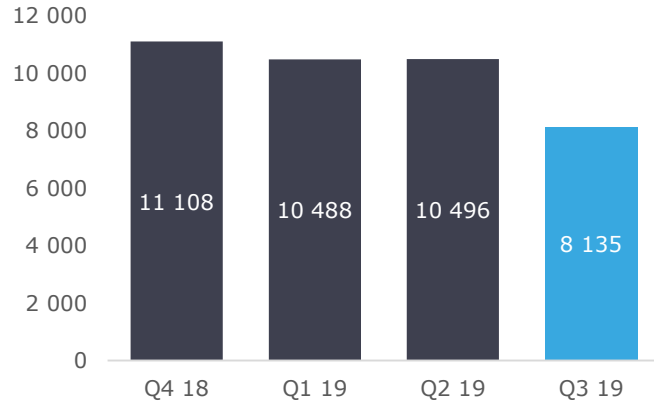
Performed in close collaboration with ABB



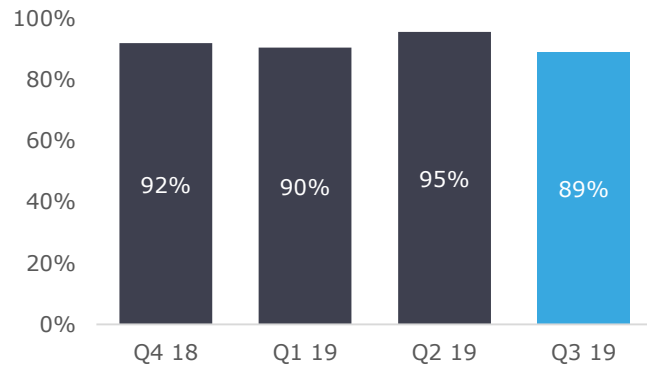
Gjøa

Lower production mainly due to tie-in of Nova, maintenance and export constraints

Net production (1 000 boepd)



Production regularity

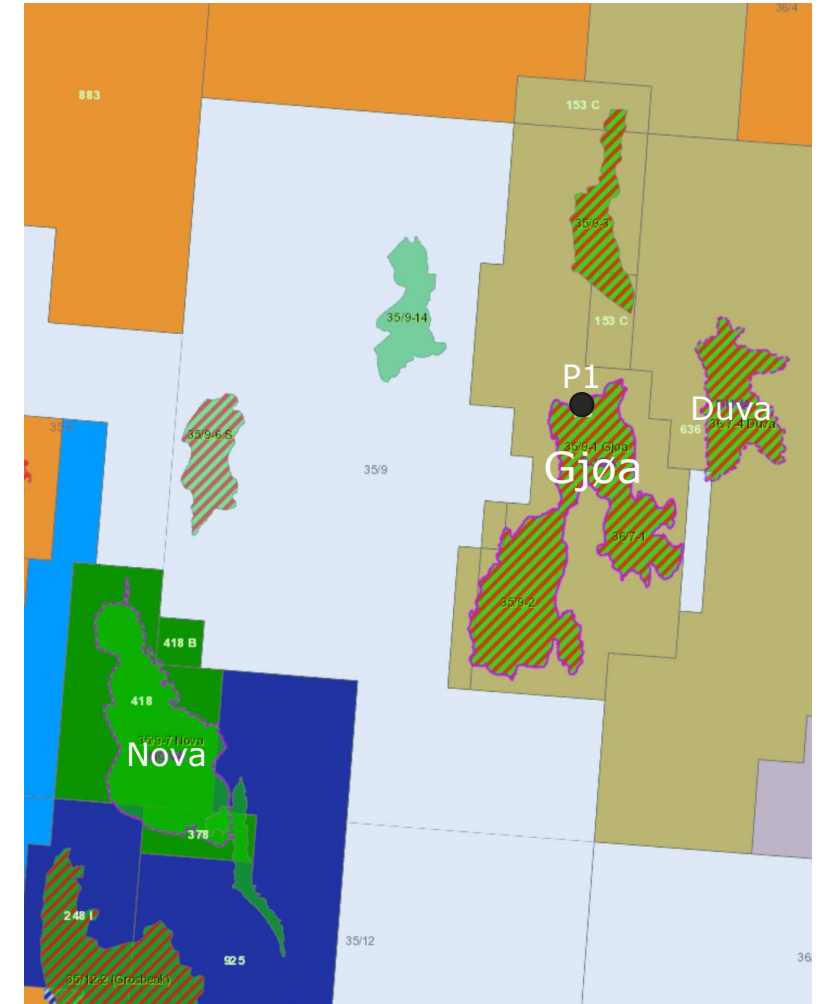


Q3 Operations

- Modifications related to tie-in of Nova project
- Corrective maintenance related to heat exchanger discovered and solved during Nova modifications
- Temporarily lower capacity in SEGAL gas infrastructure system. Full capacity from mid December

Next steps

- Daily production optimization within capacity limits until SEGAL gas infrastructure capacity is fully restored
- P1 development plan approved by Norwegian Authorities and production start is expected late 2020/early 2021

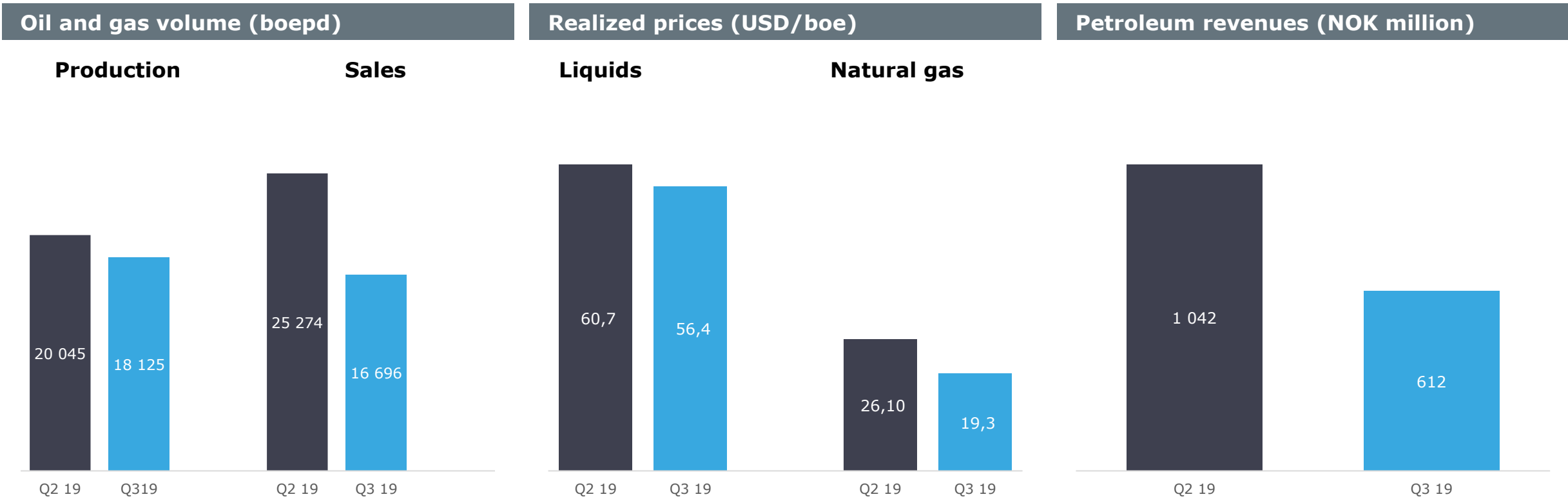




Financial review

Oil and gas production, sales and revenues

Revenue decrease mainly due lower volumes sold and lower realized prices



Income statement

Decrease in operating income due to lower volumes and one lifting

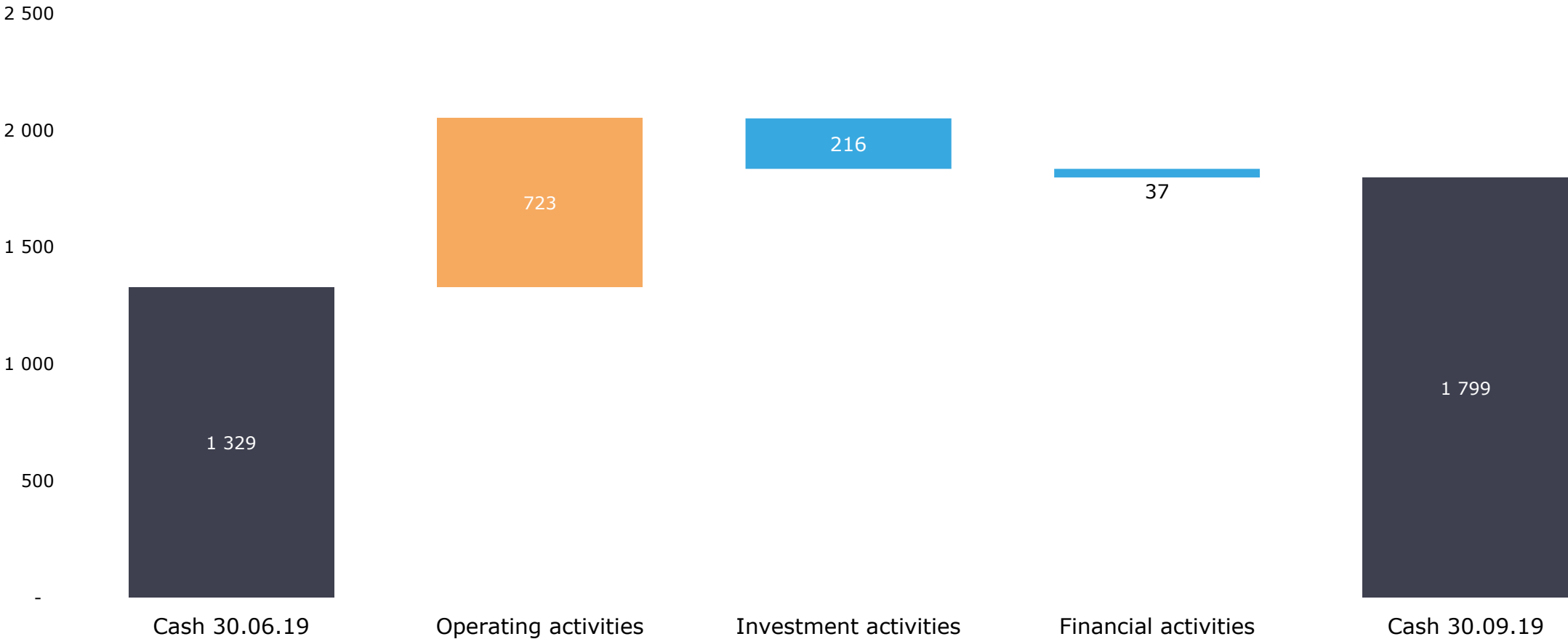
Figures in NOK million	3rd quarter		2nd quarter	
	2019	2018	2019	2018
Total operating income	621 969	97 493	1 039 479	27 825
Production expenses	-144 095	-2 463	-185 938	-2 235
Changes in over/underlift positions and inventory	41 041	-2 563	-191 284	-8 582
Depreciation, depletion and amortization	-176 966	-6 232	-184 170	-5 822
Exploration and operating expenses	-115 138	-50 672	-111 543	-30 210
Profit / loss (-) from operating activities	226 809	35 563	366 543	-19 025
Net financial items	-225 350	-65 766	-55 858	-47 441
Profit / loss (-) before income tax	1 459	-30 202	310 684	-66 465
Income taxes	-78 587	-34 154	-293 121	34 346
Net profit / loss (-)	-77 128	-64 356	17 564	-32 119
Earnings per share (NOK) - Basic	-0,76	-1,73	0,21	-0,86
Earnings per share (NOK) - Diluted	-0,76	-1,73	0,19	-0,86
EBITDA	403 776	41 795	593 723	-13 203

- Decreased income in Q3
 - Mainly due to one lifting on Draugen vs two in Q2
 - Q3 volumes sold reduced by ~1/3 vs Q2
 - Lower total volumes due to modifications and maintenance on non-operated assets
- Lower production expenses
 - Q2 higher than normal due to catch up on tariffs
 - Reclassification of well planning and field evaluations to exploration
- Exploration and operating expenses relate to
 - Seismic and field evaluation
 - Dry well on Kathryn and non-commercial well Infill Ø
- Net financial items impacted by net exchange rate loss of NOK 154 million due a ~7 % increase in NOK/USD rate

Cash flow development during Q3

Strong cash generation

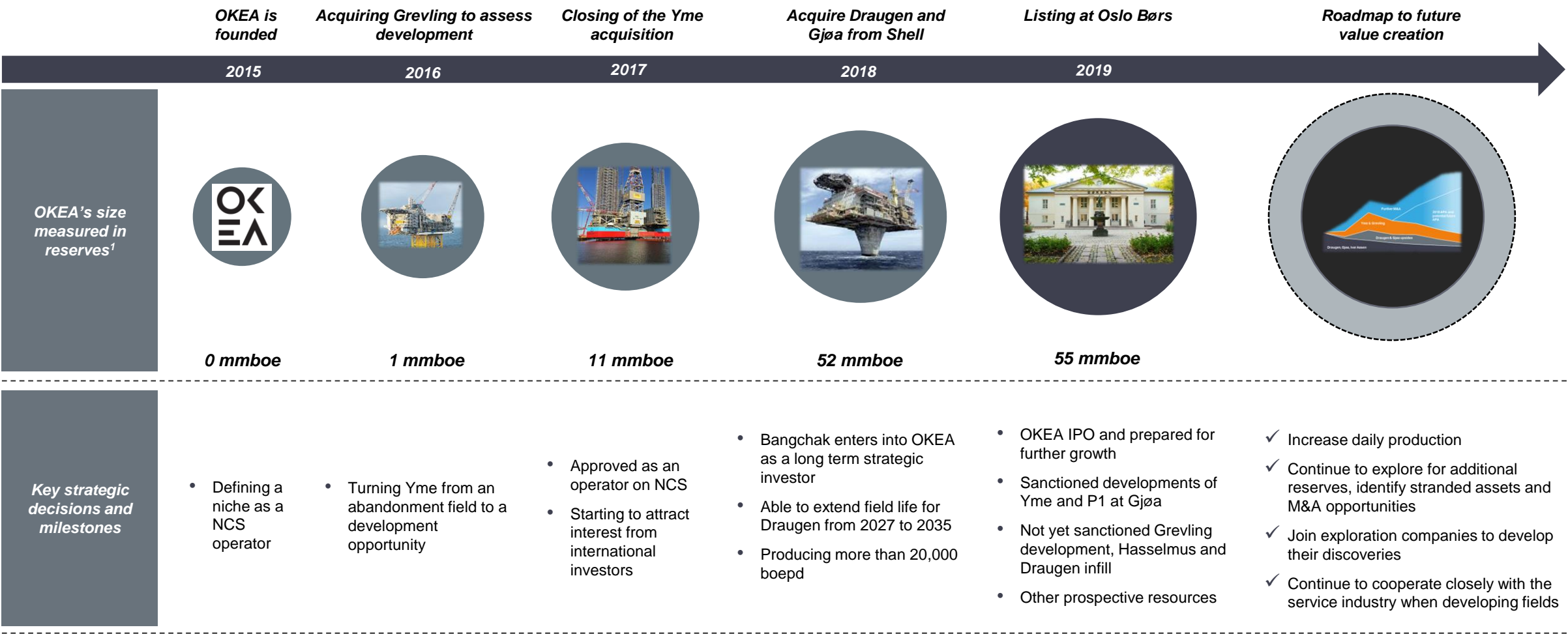
NOK million





Outlook and concluding remarks

The OKEA journey continues



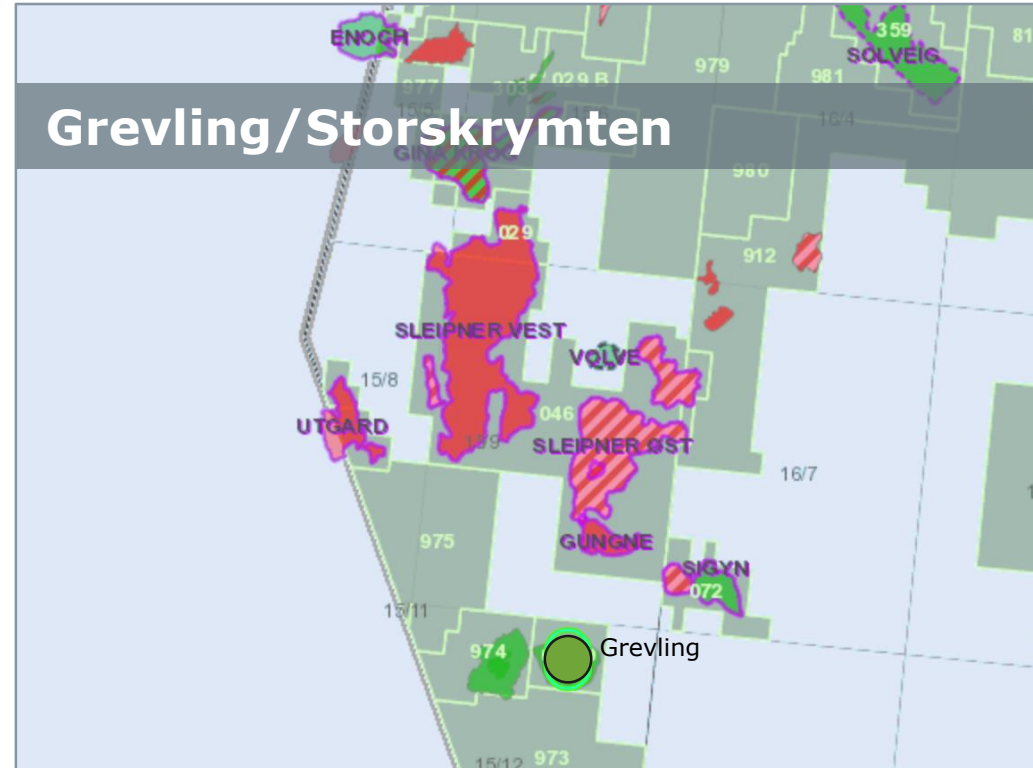
Ongoing development projects

Yme



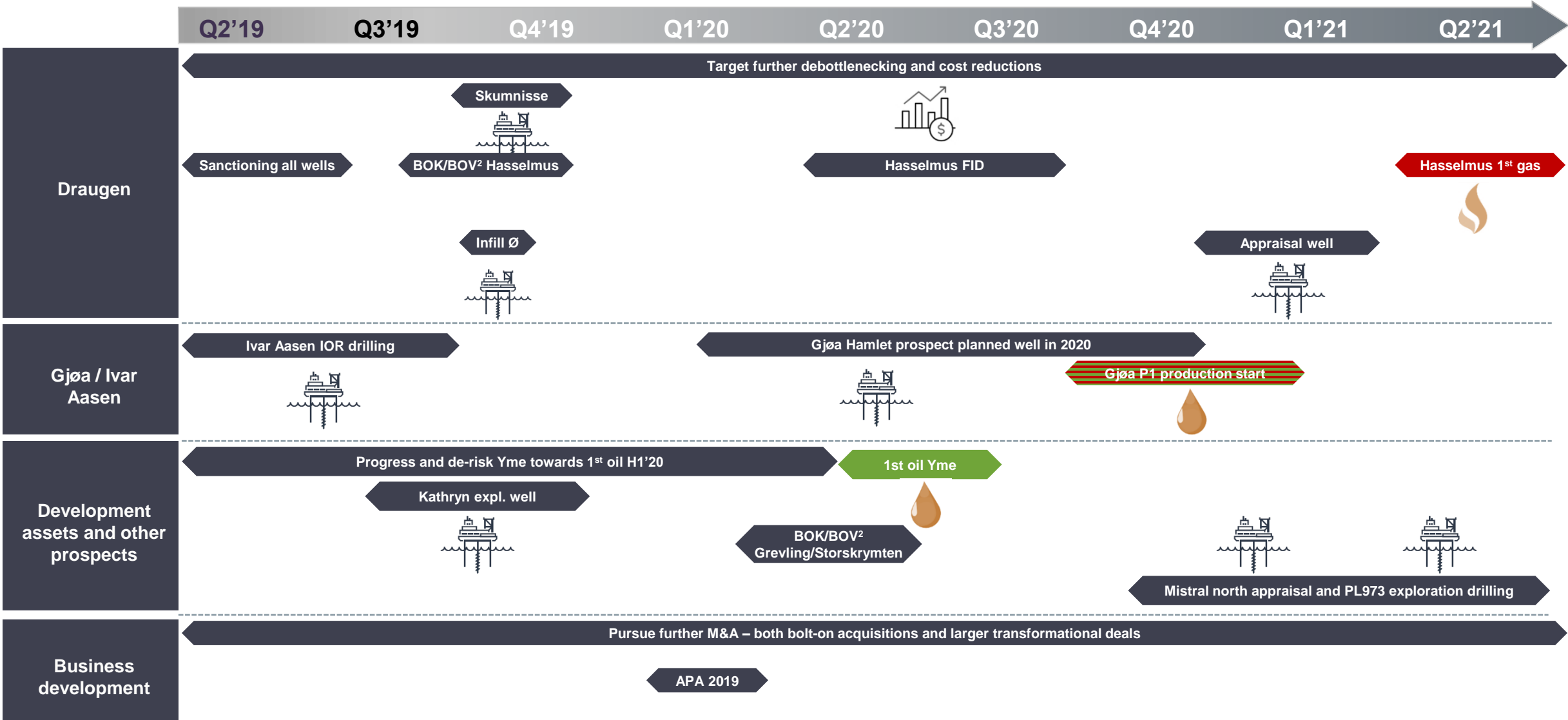
- Wellhead module installed offshore in September
- Rig campaign commenced in October
- Planned 1st oil in Q2 2020

Grevling/Storskrymten



- Grevling/Storskrymten being further matured for DG2 in Q1 2020
- Energy supply from Sleipner a key factor for development

High level of activity the next two years¹



1) Indicative timeline. Milestones may be subject to approval by the Ministry of Petroleum and Energy and licence decisions
2) BOK = Concretisation decision, BOV = Decision to continue, BOG = Decision to implement



OK
EVA

